

HELENA RESOURCES, INC.

Asset Retirement Planning

Helena's operated 18 wells currently produce approximately 300 MSCFD and 40 BOPD and have an anticipated life exceeding 20 years. As wells become uneconomic, the current financial assurance requirements as proposed by the State, incentivize proper upkeep of plug and abandonment of wells incapable of economic production. Helena has attached current wellbore diagrams and proposed plug and abandonment diagrams for each well it operates, and anticipates executing on the subject plug and abandonment procedures, either when 1) offset fracture stimulation from horizontal wells require it, or wells have reached their economic limit. Low producing wells, either need repair and return to production, recompleted, or plugged according to the current financial assurance requirements.

The House 24-7 # 1 is the only low producing well that has been SI due to a hole in tubing and is waiting on a rig.

The Bredehoft 13-6 was returned to production and is waiting on a rig for rods due to excessive oil volume, and will no longer be a low producing well.

The Sack 12-6 is making over 60 MSCFD and 1 BOPD following production optimization and is no longer a low producing well.