



# STRATA-X

## ENERGY

### Quarterly Activities Report

For Quarter Ended  
30 September 2015

#### Quarter Highlights

- › On 10 September 2015 Strata-X received notice from the drilling contractor, Webster Drilling, that they have begun mobilization of their drilling rig to the Kuhlig #1 location, the second well in the Company's Lingle Oil Project. The Kuhlig #1 vertical well is a 12 km step-out of the first completed Lingle horizontal well, Burkett 5-34, where peak production rates of 300 barrels of oil per day were achieved.
- › The Kuhlig #1 well encountered the following results-
  - Approximately 16 feet of Lingle formation reservoir as anticipated.
  - Reservoir pressure was 2 times the reservoir pressure of the initial Burkett 5-34 well where the 1800 foot lateral test well reached over 300 BOPD
  - A drill stem test (DST) recovered oil and gas with third party analysis similar to the DST analysis of the Burkett 5-34 vertical pilot hole.
- › Company closed the private placement as announced on July 29, 2015. The private placement consisted of 10,310,250 units to raise A\$824,820 at a price of A\$0.08 per unit.

Traded on the Australian Securities Exchange (ASX) under the symbol "SXA" and on the TSX Venture Exchange (TSX.V) under the symbol "SXE" - STRATA-X ENERGY LIMITED ARBN - 160 885 343

(1) This information originally appeared in a Presentation issued by the Company dated 22 July 2015, which is available for review on the Company's website, [www.strata-x.com](http://www.strata-x.com).

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## Auditor

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## Stock Exchanges

- TSX Venture Exchange (TSX-V)
- Australian Securities Exchange (ASX)

## Directors

### **Mr. Ron Prefontaine –**

Chairman of the Board of Directors

### **Mr. Tim Hoops –**

President and Managing Director

### **Mr. Dennis Nerland –**

Non Executive Director

### **Mr. Tim Bradley –**

Non Executive Director

### **Mr. Bohdan (Don) Romaniuk –**

Non Executive Director

### **Mr. Greg Hancock –**

Non Executive Director

## Company Management

### **Mr. David Hettich –**

Chief Financial Officer

### **Dr. Ira Pasternack –**

V.P. of Exploration

## Company Secretaries

Shaun Maskerine – Canada

Duncan Cornish – Australia

## Head Office

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## Australian Office

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## Disclaimer

The following discussion and analysis (the "MD&A") for Strata-X Energy Ltd. (hereinafter, "Strata-X Energy", "Company" or "Strata-X") prepared as of October 2015, should be read together with the interim condensed consolidated financial statements for the three months ending 30 September 2015 and related notes appended thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in United States dollars unless otherwise indicated. Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

Certain information contained in this MD&A constitutes "forward-looking information" within the meaning of applicable Canadian securities legislation. The use of any of the words "anticipate", "continue", "estimate", "intend", "potential", "expect", "may", "will", "project", "proposed", "should", "believe" and similar expressions are intended to identify forward-looking information. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this MD&A may contain forward-looking information attributed to third party industry sources. The Company believes that the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this MD&A should not be unduly relied upon. Such information speaks only as of the date of this MD&A or such other date indicated herein. In particular, this MD&A contains forward-looking information pertaining to the following: expectations regarding growth of the Company; the timing and location of drilling or other operational activities; oil and natural gas production estimates and targets; oil and natural gas production levels and sources of their growth; estimates of resource potential of targets, including without limitation, statements regarding BOE/d production capabilities; quantity of reserves and resources relating to the Company and its assets and its value; capital expenditure programs and estimates relating to timing, cost and cash flow generation related to these programs; size of the Company's oil and natural gas reserves and resources; the performance characteristics of the Company's oil and natural gas properties; projections of market prices for oil and natural gas and exploration, development and production costs; supply and demand for oil and natural gas; expectations regarding the ability to raise capital and continually add to reserves through exploration and development and, if applicable, acquisitions; treatment under governmental regulatory regimes and tax laws, and; the use of financing funds by the Company.

With respect to forward-looking information contained in this document, the Company has made assumptions regarding, among other things: timing and ability of the Company to obtain all necessary environmental and regulatory approvals relating to operations; the recoverability of the Company's oil and natural gas reserves and resources; interest rates; exchange rates and the futures prices of oil and natural gas; operating and capital costs; the Company's ability to generate sufficient cash flow from operations and to access capital markets to meet its future obligations; the Company's ability to attract and retain qualified personnel; the ability of the Company to successfully market its oil and natural gas products and the continuing demand for oil and natural gas; and stability of general economic and financial market conditions;

The Company's actual results could differ materially from those anticipated in such forward-looking information as a result of the risk factors set forth below and in the Company's annual information form dated 25 September 2014: volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves and resources; risks and uncertainties associated with the Company's oil and natural gas and development program; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions and exploration and development programs; adverse claims made in respect of the Company's properties or assets; failure to engage or retain key personnel; geological, technical, drilling and processing problems, including the availability of equipment and access to properties; risks and uncertainties relating to hydraulic fracturing and the enactment of, or changes to, regulations and legislation in relation to hydraulic fracturing; imprecision in estimating capital expenditures and operating expenses; the expiry of leases and the loss of drilling prospects due to the expiry of leases; fluctuations in foreign exchange rates and stock market volatility; general economic and business conditions in North America and elsewhere; environmental risks and hazards; risks inherent in the exploration, development and production of oil and natural gas which may create liabilities to the Company in excess of the Company's insurance coverage, if any; uncertainties associated with changes in legislation including, but not limited to, changes in income tax laws and to oil and natural gas royalty frameworks; ability to obtain regulatory approvals; risks and uncertainties associated with liquidity and capital resources and requirements; and other factors referenced at "Risk Factors" in the Company's annual information form dated September 25, 2014 and its short form prospectus dated October 27, 2014.

These factors are not, and should not be construed as being, exhaustive. In addition, information relating to "reserves" or "resources" is deemed to be forward-looking information, as it involves an implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking information after the date of this MD&A to conform to actual results or to changes in the Company's expectations except as otherwise required by applicable Canadian securities legislation.

## Illinois Basin Project

Illinois Basin, USA  
100% of ~35,000 net acres

## Vertical Program

- › The Company is focusing its efforts on developing the “by-passed pay” prospects in its Illinois Basin portfolio. A by-passed pay well is one drilled previously that has certain drilling and electrical log attributes that indicate commercial oil is present. By-passed pay prospects are generally low risk, high margin opportunities for the Company to drill at very low finding costs. Most of these wells were drilled 50 years or more ago when oil prices were less than \$2/bbl with small profit margins. Using rigorous mapping techniques, the Company has identified at least 12 leads and prospects it feels are by-passed pay opportunities at depths less than 4,000 feet.
- › Two near term by-passed pay prospects identified for drilling are the Red Oak Prospect with an identified Prospective Resource net to the Company of 1.0 mmbbl and the Maple Prospect with a Prospective Resource net to the Company of 0.9 mmbbl. <sup>(2)</sup> The Company is currently seeking drilling permits on both these prospects.
- › To increase oil recovery and oil flow rates, the Blue Spruce project will undergo waterflooding of the Aux Vases formation. It is estimated that the waterflood development will extract approximately 40% of the Petroleum Initially In Place (“PIIP” unrisked) resulting in a projected recovery of 1.28 million barrels of oil net to Strata-X. Chapman estimates that once all wells are drilled, total oil production from the Blue Spruce waterflood development project will exceed 500 BOPD.<sup>(1)</sup> Drilling of the second Blue Spruce oil field development well is anticipated to commence in 2016.



(1) This information originally appeared in a news release issued by the Company dated 6 April 2015, which is available for review on the Company's website, [www.strata-x.com](http://www.strata-x.com).

(2) This information originally appeared in a presentation issued by the Company dated 22 July 2015, which is available for review on the Company's website, [www.strata-x.com](http://www.strata-x.com).

## Illinois Basin Project (cont.)

Illinois Basin, USA  
100% of ~35,000 net acres

## Horizontal Program

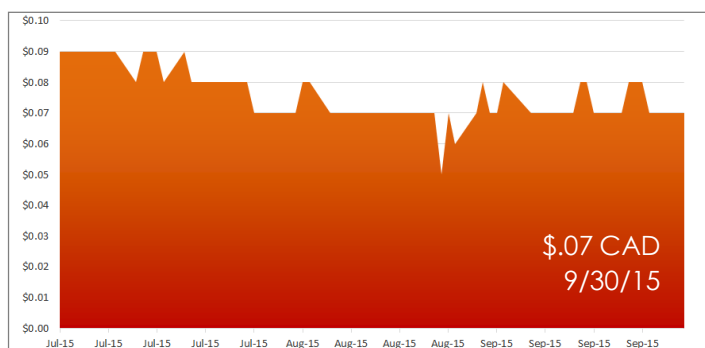
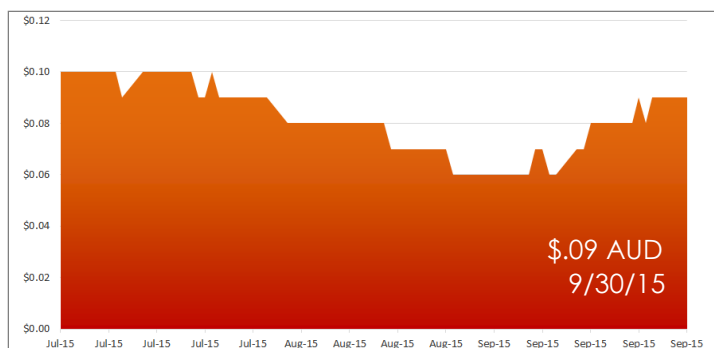
- › On 10 September, 2015 Strata-X received notice from the drilling contractor, Webster Drilling, that they have begun mobilization of their drilling rig to the Kuhlrig #1 location, the second well in the Company's Lingle Oil Project. The Kuhlrig #1 vertical well is a 12 km step-out of the first completed Lingle horizontal well, Burkett 5-34, where peak production rates of 300 barrels of oil per day were achieved.
- › The Kuhlrig #1 well encountered the following results-
  - approximately 16 feet of Lingle formation reservoir as anticipated.
  - Reservoir pressure was 2 times the reservoir pressure of the initial Burkett 5-34 well where the 1800 foot lateral test well reached over 300 BOPD.
  - A drill stem test (DST) recovered oil and gas
- › Since production began, the 5-34HOR well has produced approximately 13,000 barrels of light gravity oil. Gas analysis on the Burkett 5-34 HOR well has shown that the gas contains significant amounts of ethane, propane and butane with a BTU content of 1,650 BTU, more than 60% higher than standard methane. The Company is exploring options to process the liquids rich gas to add a revenue stream that was not previously forecasted.
- › The production testing results to date demonstrate that the Lingle Formation can be successfully multistage stimulated in a horizontal well to yield significant improvements in oil flow rates compared to historical, vertical well completions. This is the first stimulated horizontal well in the Lingle Formation in the Illinois Basin. Based on our first proof-of-concept experience here, and with the information gained in successfully bringing the Burkett well on production, Strata-X believes significant improvements in future wells may be achieved using more optimal drilling, stimulation and completion methods.



## Production Summary

For the three months ended 30 September 2015, oil production to the Company's net revenue interest was down 30.9% to 1,974 barrels (Bbls) compared to 2,859 Bbls for the three months ended 30 September 2014. The decrease in oil production is attributed to lower production on the Burkett 5-34HOR which was the only well on production for the Company during the period. For each of the three month periods ended 30 September 2014 and 30 September 2013, no natural gas was sold.

Total revenue for the three months ended 30 September 2015 was \$86,452 compared to \$263,309 for the three months ended 30 September 2014, a decrease of 67%. This decrease is attributed to lower production volumes and a dramatic drop in the price of crude oil. The average daily production for the Company during the three months ended 30 September 2015 was 21.9 bbls of oil at an average realized sale price of \$43.78 per barrel of oil. Royalties per barrel of oil averaged \$7.15, with production operating expenses for the period of \$19.48 per barrel of oil. The netback received by the Company per barrel of oil sold during the three months ended 30 September 2015 was \$17.15.





## Company Outlook

During the past few years, the Company has been building a portfolio of projects that offers relatively low geologic risk and the potential for significant oil and gas reserves with a view to maximizing shareholder value. The Company has also been targeting large working interests and operatorship, thereby giving it full control of its key projects. This approach has allowed Strata-X to dictate which targets it will pursue, using the technology it considers best suited for the purpose, and according to a schedule that reflects the availability of critical resources on economic terms.

The economic framework of the energy industry has recently undergone a dramatic reversal with falling world oil prices due to a combination of factors including a significant increase in oil production from the United States and other producers creating an oversupply. The depth of this reversal is still unknown and until the oil markets regain some longer term stability, uncertainty will continue. It may take several months before market fundamentals return as supply and demand is rebalanced.

Strata-X is not immune to these market conditions but has chosen projects in areas where drilling and operational costs are low and margins are, on average, higher. The Company has conducted an internal review of its projects and has developed a strategy it believes will best serve the shareholders during these volatile times. Meaningful deployment of capital will be paramount during the period of low oil prices and volatility. The Company intends to focus in the near future on the vertical oil play in the Illinois Basin where acceptable economics can still be attained. Strata-X has three key projects: the Sleeping Giant Gas, Canning Basin, and Illinois Basin Oil Project. The Company has a 100% interest in the Sleeping Giant Gas Project, the Canning Basin Project and the Illinois Oil Projects. All of these projects are operated by the Company.

The Company's primary focus to date has been to conduct the exploration appraisal work necessary to demonstrate the production potential and commercial viability of its key USA projects: Sleeping Giant Gas and Illinois Basin Oil Project. Strata-X commenced its appraisal drilling campaign on the Illinois Basin Project (Horizontal) early in the third quarter of 2013 and the Sleeping Giant Gas Project in June 2014. In December 2014, the Company commenced drilling its first vertical well in the Illinois Basin, which is currently undergoing production testing. The Company's strategy is to sufficiently advance its key USA projects through the exploration phase to determine commercial viability.

In April 2014, the Company acquired approximately 22,000 net acres in Wayne County Illinois with two goals in mind. The first was to expand the coverage the Company had over the Lingle Formation and the second was to expose the Company to high margin, low risk opportunities in the shallow Mississippian aged reservoirs found above the New Albany shale. The area was initially developed in the mid-1900s when oil prices were historically low and technology very rustic. Historically, these oil zones have produced in excess of 1.5 billion barrels<sup>(1)</sup> of oil within a 32 kilometer radius of the project. Over the past several decades, the area has seen neither large scale capital deployed nor modern oil field practices despite numerous advances in drilling and completion technologies. The Company views this as an opportunity for a proven mature area to yield new reserves using modern exploration and completion techniques.

During the past year, the Company has investigated thousands of historic wells to develop several areas it considers to be potentially productive. The initial area chosen was on the Clay City Consolidated Oil field, a field that has yielded over 600 million barrels of oil. The Company's evaluation of this area indicates significant bypassed oil pay opportunities exist in direct offsets to historical wells and potential recompletions in bypassed pay intervals. To date, the Company has identified over 60 potential locations in 12 prospects in close proximity to historical production from numerous oil productive zones.

In December 2014, the Company drilled its first vertical well, Blue Spruce #1 on the Blue Spruce project, targeting shallow Illinois oil pay zones. The well encountered several potentially productive zones. In February 2015, the Company completed the well and placed it on production. Subsequent to placing the well on production, Strata-X's independent engineer, Chapman Petroleum Engineering Ltd (Chapman), confirmed in a report dated

1 April 2015 ("Report"), Proved plus Probable Reserves of 1.282 million barrels of light oil net to the Company. This results in a calculated Blue Spruce Oil Project valuation of USD\$53.4 million before tax Net Present Value (BTNPV disc 10%) (After Tax NPV of USD\$38.3 million, unrisksed). <sup>(1)</sup>

The Chapman Report identified 19 oil development locations on the 720 net acres Strata-X has leased over the Blue Spruce Oil Project. To date, Strata-X has received two additional drilling permits on the Blue Spruce project for the Blue Spruce #2 and Blue Spruce #3 wells. Two additional areas that the Company expects have similar geologic characteristics as the Blue Spruce project have been identified for testing, and drilling permits have been received. Plans are to drill 1 or 2 of these wells in calendar 2015.

In May 2014, Strata-X successfully performed a completion stimulation of the Burkett 5-34HOR well. After the stimulation, the well flowed back approximately 116 barrels of crude oil and approximately 2,100 barrels of completion fluid. The Burkett well reached peak rates of over 300 BOPD and averaged 150 BOPD in November 2014. The ultimate performance of the Lingle oil zone is being masked by the communication with a deeper water zone and low reservoir pressure in the Lingle zone from prior production. Despite these challenges, the Company feels that the Burkett well has advanced the project by demonstrating producible oil and establishing commercial production rates from the Lingle formation. Future wells in the program will be designed with lower energy stimulations to minimize the risks of communication with the deeper reservoir and will be located outside the area of lower reservoir pressure found in the Burkett well.

In September 2015 Strata-X spud the Kuhlig #1 well, the second well in the Company's Lingle Oil Project in the Illinois Basin. The Kuhlig #1 vertical well is a 12 km step-out of the first completed Lingle horizontal well, Burkett 5-34 and was designed as a low cost, vertical well that will core and pressure test the Lingle to acquire important reservoir data required to design the proposed Raccoon Creek #1 horizontal well. The Kuhlig #1 well encountered approximately 16 feet of reservoir consistent with the mapping and a historic well located approximately 4,000 feet away. A reservoir pressure of 2,100 psi was indicated during a drill stem test of the targeted formation. This pressure is double that of the initial pressure in the Burkett 5-34 lateral well which reached over 300 BOPD. As expected, small amounts of oil and gas were recovered during the drill stem test ("DST") of the Kuhlig #1 well which is interpreted as a tight carbonate Lingle reservoir.

For the quarter ended 30 September 2015, the Company invested \$401,000 in the Illinois Basin Oil Project, principally on lease extensions and drilling the vertical Kuhlig #1 well. Subject to available funds, the Company plans to drill up to three vertical wells for the Company's vertical by-passed pay programme during fiscal year 2016.

The Company has is making preparations for the plugging and abandonment of the Cinco Saus Creek #1 well on the Maverick Oil Project as efforts to farm-out the project or bring in a partner on it were not successful.

The Company drilled and cased its first exploratory well on the Sleeping Giant Gas Project, the Rohweder #1-11 well in June/July 2014. It is currently shut-in awaiting completion and testing activities. The Company anticipates that the testing of the Rohweder #1-11 will be delayed until the second half of fiscal 2016. For the quarter ended 30 September 2015, the Company invested \$36,960 in the project, principally to extend leases that would have expired.

In the Canning Basin Project, the Company continues to pursue access agreements with Native Title claimants as a requirement of having the tenement granted.

Strata-X is also reviewing its other projects, in which it has 22.5% to 37.5% working interests, in order to determine going-forward activities that meet the Company's growth plans. No decision has been made yet on drilling or continuing any of these other projects. Any drilling on these projects will depend on the Company's ability to target oil reserves that, in the Company's assessment, offer a combination of acceptable risk and sufficiently high potential reward to more than offset such risk. The Company also continues to seek out and review other growth opportunities. Due to the nature of the oil and natural gas industry, budgets are regularly reviewed with respect to the success of the programs and other opportunities which become available to the Company. Accordingly, actual expenditures may differ from these amounts and locations as outlined above. The Company reserves the right to exercise its business judgment to reallocate funds in order for the Company to achieve its overall business objectives.

(1) Information originally appears in the News Release dated 6 April 2015 which is available for review at the Company's website [www.strata-x.com](http://www.strata-x.com)



## USA Tenement / Lease Explanation

Project	Location	% Interest	Net Acres
Illinois Oil	Illinois, USA	100%	35,000
Maverick Oil <sup>(1)</sup>	Texas, USA	100%	9,777
Canning <sup>(2)</sup>	Western Australia	100%	1,438,120
Sleeping Giant	North Dakota, USA	100%	65,000
Vallecitos	California, USA	22.5%	4,528
Eagle	California, USA	23.9%	770
<b>Total</b>			<b>1,553,195</b>

(1) Strata-X Energy has a 100% interest in most of the project areas, however, pursuant to the Maverick Purchase Agreement it has a 15% interest in one 660 acre area.

(2) Exploration permit acres vesting subject to completing and complying with the Native Title Act of 1993.

The ownership of in-situ hydrocarbons in the United States differs from almost all other countries in that the owners are typically private individuals or private entities. The vast majority of the exploration tenements or leases held by the Company in the USA are with private parties. Currently, the Company holds rights to over 800 leases in the USA. These leases differ from each other in numerous ways including the size of each parcel of land, financial terms, royalties and contract duration. Differences in expiration dates allow for a gradual release or roll-over or, if renewed, continuation, of exploration rights. The tenement or leasehold position for each project, including its relative location, reflects the position of the Company as of the date of this report. If the disposal of a Company position was material or represented a change from a prior reporting period then this aggregate change would be reflected in the total position listed by the Company.

Generally, petroleum rights in the USA are purchased from the owner as leases on negotiated terms which may include cash payments up front, royalties and rental arrangements. Competition for leases can become very heated, particularly in highly sought-after productive areas. Strata-X's goal has been and continues to be to minimize lease purchase costs while maximizing shareholder growth potential, by striving to be the first or early mover on areas or projects. To accomplish this, the Company carries out its own in-house geological mapping and analysis to high-grade areas or projects for acquisition. Further, the Company will not be making public detailed geological maps or detailed lease maps as this may attract competitors, especially much larger and better financed rivals, potentially increasing the Company's lease purchase costs and diminishing its ability to consolidate significant land positions on attractive terms.

During the quarter ended 30 September 2015, Strata-X reduced the tenement acres it held on the Illinois Oil and Sleeping Giant Gas Projects. On the Sleeping Giant Gas Project, non-core leases were allowed to expire reducing the Company's net acreage position from 70,000 to 65,000, a decrease of ~5,000 net acres to Strata-X's interest. On the Illinois Oil Project, non-core leases were allowed to expire reducing the Company's acreage position to ~35,000 acres from ~40,000, a decrease of 5,000 acres net to the Company's interest. Due to the change in the economic environment, the Company has decided to let a significant amount of exploration acreage it currently has under lease expire. The Company believes that most of the acreage can be re-leased at better terms in the

future. Subject to available funds, the Company will pursue extending or acquiring new leases in its core area in the Illinois Basin vertical oil play. While this action may result in a partial write-down of the Company's asset base, Strata-X feels this is the most prudent course of action in light of significantly lower oil prices. On 30 November 2015, the leases covering the Maverick Oil Project will expire whereby terminating the Company's interest in the Project. Before this date, the Company, per the terms of its exploration lease with the mineral owner, will have to plug and abandon the Cinco Saus Creek #1 well. In the Company's fiscal year end 2015 audited financials, the Maverick Oil Project was impaired to the full amount of its carried value.

On 15 October 2015, Strata-X sold its working interest in the producing 120 acre F&I pool to the operator of the project for cash consideration of USD\$200,000. The terms of the sale were industry standard. Strata-X does retain a 22.5% working interest in the 21,000 gross acre Vallecitos Oil Project.

This calendar year, the Company expects further lease reductions of approximately 5,500 net acres on the Illinois Project and 9,777 net acres on the Maverick Oil Project. These reductions will result in a write-down of the Company's asset base.

## Financial Position

Strata-X Energy Ltd's cash position at the end of the quarter was USD\$1,126,000.

## Reporting Currency

The functional reporting currency of Strata-X Energy Ltd is United States of America dollars (USD). Therefore the corresponding ASX Appendix 5B (Statement of Cash Flows) is denoted in USD.

## Corporate Events

On 2 July 2015, the Company appointed Mr. Greg Hancock BA (Econs) BEd (Hons) F.Fin as a Non-Executive Director, with effect on 2 July 2015. Mr. Hancock's appointment follows the resignation from Strata-X's Board of Mr. Don Schurman on July 2, 2015.

On 10 August 2015, the Company closed the private placement it announced on 29 July 2015. The private placement ("Placement") consisted of 10,310,250 units ("Units") to raise A\$824,820 at a price of A\$0.08 per unit ("Unit"). Each Unit consists of one CDI or common share (with each CDI representing one common share) and one half of one option ("Option"). Each Option is exercisable into one CDI or common share at an exercise price of A\$0.12 until January 31, 2017. The Placement represents approximately 6.5% of the Company's issued capital (pre Placement).

On 19 October 2015 shareholders of the Company voted in favour of all resolutions brought before them at the Company's Annual General and Special Meeting held at the Company's headquarter in Denver, Colorado USA. The Company also announced that it has granted options to purchase up to 5,000,000 common shares of the Company at an exercise price of CAD\$0.12 per share to certain directors. These options are exercisable up to October 19, 2020. The Company further announced a private placement to sophisticated and institutional investors of up to 7,187,500 Common Shares or Chess Depository Interests ("CDIs") in the Company at a price of AUD\$0.085 per Common Share or CDI for gross proceeds of up to AUD\$575,000 ("Placement"). Each CDI will represent one common share of Strata-X and will rank equally with existing CDIs. All CDIs issued pursuant to the Placement are to be fully tradable and listed on the Australian Securities Exchange.

## Share Data

As of 30 September 2015, Strata-X had 166,895,227 shares outstanding, including 99,346,354 CDIs.

## Person Compiling Information

Technical information contained herein is based on the information compiled by the Company's Chief Executive Officer and President, Tim Hoops. Mr. Hoops has over 35 years' experience in the petroleum industry and is a graduate of the Colorado School of Mines with a degree in Geological Engineering. Mr. Hoops consents to the inclusion in this document of the matters based on this information, in the form and context in which they appear.

### Definitions

In this document, the abbreviations set forth below have the following meanings:

Bbl	barrel	Mcf	thousand standard cubic feet
Bbls	barrels	MMcf	millions standard cubic feet
Mbbls	thousand barrels	Bcf	billions cubic feet
MMbbls	millions barrels	Tcf	trillion cubic feet