

Operator Cooperation
Weed Control & Road Maintenance
Atlantic Rim Team Meeting
April 15, 2015



Access Road Maintenance – Catalina and Spyglass Hill Units

Escalera Resources and Warren Resources have identified the need for increased cooperation and communication between the operators in the Atlantic Rim for weed management and access road maintenance.

The operators desire to:

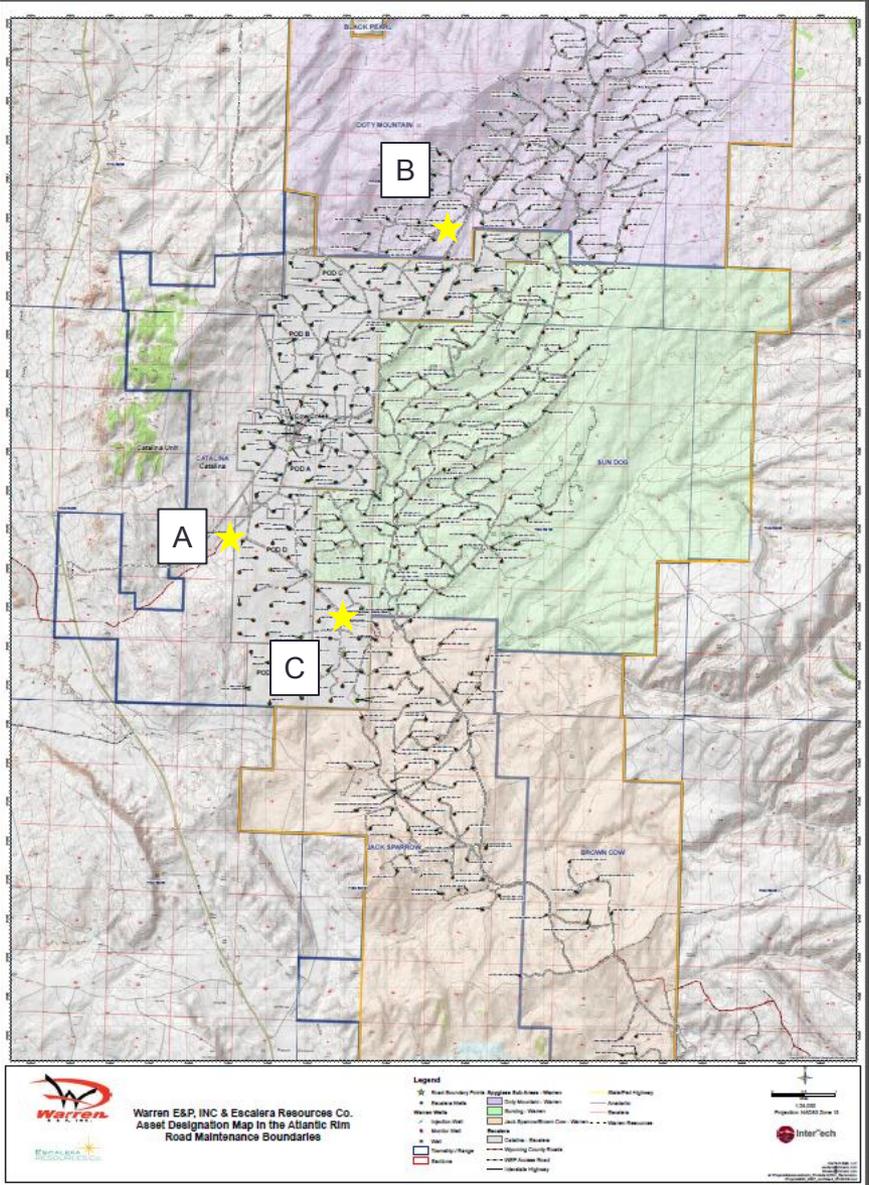
1. Cooperate in the maintenance and management of main roads used by both Escalera and Warren to access locations in each unit.
2. Coordinate weed mitigation and management for locations along shared unit boundary lines.
3. Cooperate in weed management and mitigation in areas with common issues.

Road Maintenance

Escalera is responsible for performing maintenance and weed management along the main road from point A to point B and from point A to point C.

Warren is responsible for performing maintenance and weed management along the main roads beyond points B and C.

These roads are used by both companies and as such the companies will collaborate on appropriate measures and practices to maintain the same.

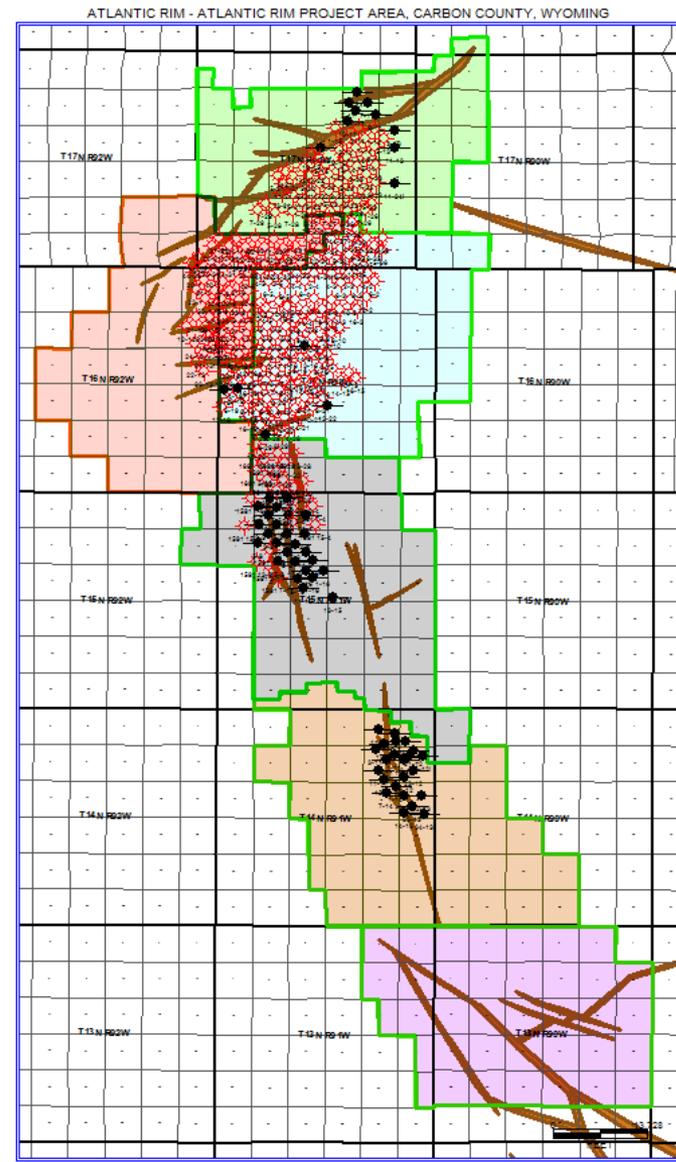


Cooperation at the Unit Line

There is considerable concentration of activity along the boundary line between Catalina and Spyglass Hill.

The operators have agreed that a coordinated approach to weed mitigation and management in these areas is beneficial to the condition of the area as a whole.

Escalera and Warren have contemplated an approach that would include notifying the other of management and reclamation in these areas so the other operator could undertake recommended support activities on the opposite side of the line to improve overall chances for successful reclamation.



Cooperation in areas with common issues

Many locations and subareas within both Catalina and Spyglass Hill are experiencing similar weed control and mitigation issues.

Warren and Escalera see this primarily at Catalina POD E and Spyglass – Grace Point where both operators face significant weed issues.

The operators intend to collaborate in their approach to problems like this and share information and management practices resulting in success and to coordinate on projects to test and compare outcomes of various approaches to weed management and mitigation.

