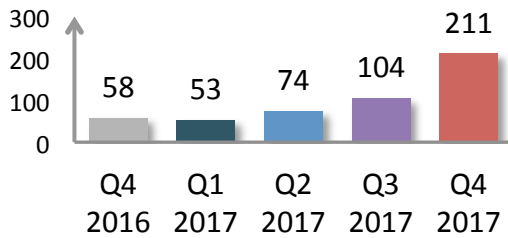


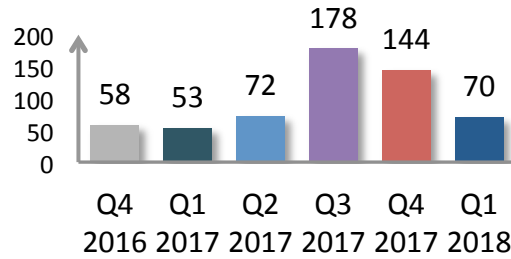
Oil & Gas Report – June 2018

Oil and gas activities are the primary market for the Upper Green River Conservancy™ (UGRC) credits. This report is an update of oil and gas activity for the first quarter of 2018 in the UGRC service territory of southwest Wyoming in Sweetwater and Sublette counties.

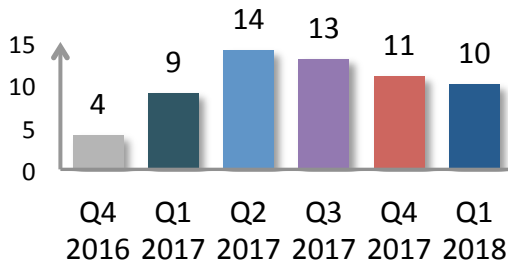
Well Completions



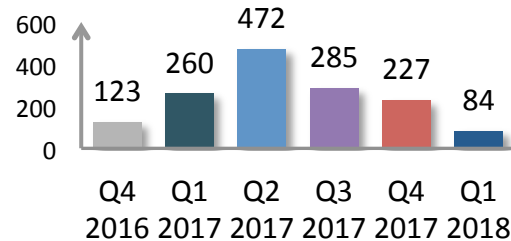
Well Spuds



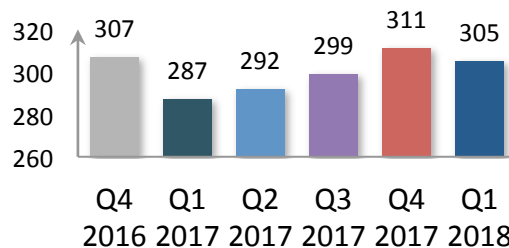
Rig Count



Applications for Permits to Drill



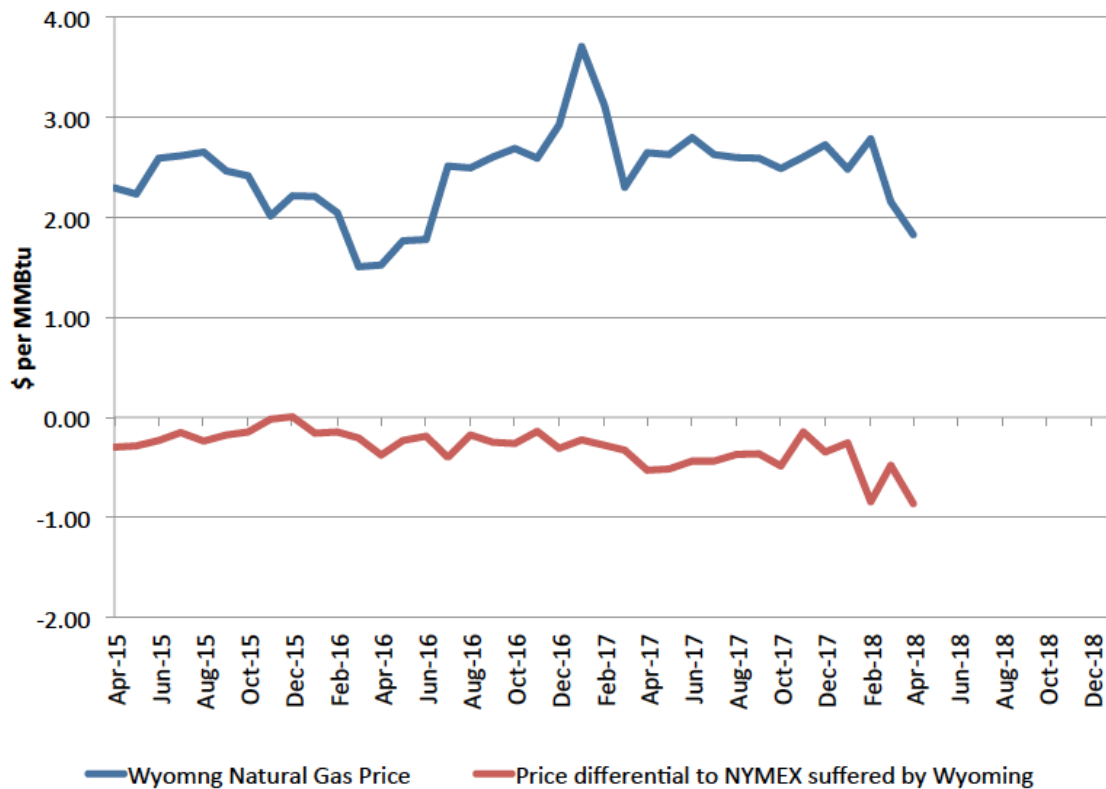
Natural Gas Production (Bcf)



Definitions:

- A well is “spud” when a small rig is used to commence drilling operation prior to a drilling rig move-in.
- All operators are required to file an Application for Permit to Drill (APD) with the Wyoming Oil and Gas Conservation Commission, which when approved grants the applicant the right to drill for oil and gas according to the approved well design.
- Well spuds, rig counts, and APD’s signal the level of industry activity in the future.

Price of Wyoming Natural Gas delivered into Transmission Pipelines



Source: *Platts Inside F.E.R.C. Gas Markets Report*, average of indices for CIG, Kern and NWPL and NYMEX
 *Graph reprinted with permission from the Wyoming Pipeline Authority

Production: In 2017, 1.2 trillion cubic feet (Tcf) of natural gas was produced from the subject area accounting for 66% of Wyoming’s natural gas production, as compared to 1.1 Tcf production of natural gas produced in 2016 which, then accounted for 65% of Wyoming’s total natural gas production.

Summary: The number of natural gas well completions has shown a strong increase over the past 15 months. Companies have built a drilling inventory of locations with a large number of Applications for Permits to Drill and well spuds. Markets in Washington, Oregon, California, Nevada, and Utah remain strong with long-term relationship established with Wyoming oil and gas operators; nothing suggests this will change in the foreseeable future. Production during the period indicates: 1. Market conditions are stable, and 2. The level of drilling with approximately 10 rigs (+/-) has been adequate to sustain production at the current level, offsetting the natural decline of wells as they age.

Report prepared by B & H, Geologists.

Data Sources: Wyoming Oil and Gas Conservation Commission, Wyoming Pipeline Authority, and Baker Hughes.