

Nasdaq: ESCR

Atlantic Rim Team Meeting

April 15, 2015



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Disturbance Overview

- No new wells were drilled in 2014
 - Workovers on 20 wells
 - Acid Cleanup of casing, equipment, & perforations.
- Acid Cleanup to remove scale from surface equipment.

		Short Term Disturbance (acres)	Long Term Disturbance (acres)
Well Pads	100 Wells	183.4	89.33
Roads	39.36 miles	381.68	190.83
Pipelines	20.56 miles	199.4	99.71
Compressor Station	5 locations	10	7.5
Other	4 features	6	4

Reclamation

- EMIT (Pod A/Cow Creek)
- MAD1 washout
- POD E CDP
- 44-27 C Pod
- 44-25 E Pod

Weed Management

	Existing Disturbance		Proposed Disturbance (2015)	
	Short Term Disturbance Acres	Long Term Disturbance Acres	Short Term Disturbance Acres	Long Term Disturbance Acres
Pod A	125.05	63.05	0	0
Cow Creek	116.4	68.77	0	0
Pod B	160.16	79.74	0	0
Pod C	178.67	89.09	0	0
Pod D	69.49	35.12	38.86	20.12
Pod E	93.81	46.98	0	0

Current Disturbance Detail - Fieldwide

Project Area	Well Pad Features	Number of Wells	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD A	Existing CBNG and Injection Wells	15 wells	27	13.02
POD B	Existing CBNG and Injection Wells	26 wells	46.8	22.56
POD C	Existing CBNG and Injection Wells	23 wells	41.4	19.96
POD D	Existing CBNG and Injection Wells	4 wells	7.2	3.47
POD D	Proposed CBNG and Injection Wells	5 wells	12.4	6.89
POD E	Existing CBNG and Injection Wells	13 wells	23.4	11.28
COW CREEK	Existing CBNG and Injection Wells	14 wells	25.2	12.15
	TOTALS	100 wells	183.4	89.33
Project Area	Road Features	Length (miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD A	Existing Roads with/without Utility Corridor	3.38	32.76	16.38
POD B	Existing Roads with/without Utility Corridor	8.7	84.34	42.17
POD C	Existing Roads with/without Utility Corridor	10.13	98.23	49.11
POD D	Existing Roads with/without Utility Corridor	3.05	29.58	14.79
POD D	Proposed Roads with/without Utility Corridor	1.35	13.07	6.53
POD E	Existing Roads with/without Utility Corridor	6.61	64.14	32.07
COW CREEK	Existing Roads with/without Utility Corridor	6.14	59.56	29.78
	TOTALS	39.36	381.68	190.83
Project Area	Pipeline Features	Length (miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD A	Existing Pipeline/Utility Corridor	6.11	59.29	29.65
POD B	Existing Pipeline/Utility Corridor	2.79	27.02	13.51
POD C	Existing Pipeline/Utility Corridor	3.82	37.04	18.52
POD D	Existing Pipeline/Utility Corridor	3.17	30.71	15.36
POD D	Proposed Pipeline/Utility Corridor	1.38	13.39	6.7
POD E	Existing Pipeline/Utility Corridor	0.44	4.27	2.13
COW CREEK	Existing Pipeline/Utility Corridor	2.85	27.68	13.84
	TOTALS	20.56	199.4	99.71
Project Area	Compressor Station	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD A	POD A Compressor Station	1	2	1.5
POD B	POD B Compressor Station	1	2	1.5
POD C	POD C Compressor Station	1	2	1.5
POD D	POD D Compressor Station	1	2	1.5
POD E	POD E Compressor Station	1	2	1.5
	TOTALS	5	10	7.5
Project Area	Other Features	Length/Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD A	POD A Field Office	1	1	0.5
POD A	Emit Facility	1	1.5	1
Cow Creek	Escalera Resources pipe-yard and office	1	2	1.5
POD A	WOGCC Pit	1	1.5	1
	TOTALS	4	6	4

Current Disturbance by POD – POD A & Cow Creek

POD A			
Well Pad Features	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing CBNG and Injection Wells	15 wells	27	13.02
Road Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Roads with/without Utility Corridor	3.38 miles	32.76	16.38
Pipeline Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Pipeline/Utility Corridor	6.11 miles	59.29	29.65
Compressor Station	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD A Compressor Station	1	2	1.5
Other Features	Length/Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD A Field Office	1	1	0.5
Emit Facility	1	1.5	1
WOGCC Pit	1	1.5	1
Totals		125.05	63.05

Cow Creek			
Well Pad Features	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing CBNG and Injection Wells	14 wells	25.2	12.15
Road Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Roads with/without Utility Corridor	6.14 miles	59.56	29.78
Pipeline Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Pipeline/Utility Corridor	2.85 miles	27.68	13.84
Compressor Station	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Compressor Station	0	2.0	1.5
Other Features	Length/Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Escalera Resources Pipe-yard & Office	0	2.0	1.5
Totals		116.4	58.77

Current Disturbance by POD – POD B & POD C

POD B			
Well Pad Features	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing CBNG and Injection Wells	26 wells	46.8	22.56
Road Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Roads with/without Utility Corridor	8.7	84.34	42.17
Pipeline Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Pipeline/Utility Corridor	2.79	27.02	13.51
Compressor Station	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD B Compressor Station	1	2	1.5
Other Features	Length/Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
	0	0	0
Totals		160.16	79.74

POD C			
Well Pad Features	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing CBNG and Injection Wells	23 wells	41.4	19.96
Road Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Roads with/without Utility Corridor	10.13 miles	98.23	49.11
Pipeline Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Pipeline/Utility Corridor	3.82 miles	37.04	18.52
Compressor Station	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD C Compressor Station	1	2	1.5
Other Features	Length/Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
	0	0	0
Totals		178.67	89.09

Current Disturbance by POD – POD D & POD E

POD E			
Well Pad Features	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing CBNG and Injection Wells	13 wells	23.4	11.28
Road Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Roads with/without Utility Corridor	6.61 miles	64.14	32.07
Pipeline Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Pipeline/Utility Corridor	0.44 miles	4.27	2.13
Compressor Station	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD E Compressor Station	1	2	1.5
Other Features	Length/Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
	0	0	0
Totals		93.81	46.98

POD D			
Well Pad Features	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing CBNG and Injection Wells	4 wells	7.2	3.47
2015 Drilling Schedule Proposed Wells	5 wells	12.4	6.89
Road Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Roads with/Without Utility Corridor	3.05 miles	29.58	14.79
Proposed Access Roads	1.35 miles	13.07	6.53
Pipeline Features	Length (Miles)	Short Term Disturbance (acres)	Long Term Disturbance (acres)
Existing Pipeline/Utility Corridor	3.17 miles	30.71	15.36
Proposed Pipeline/Utility Corridor	1.38 miles	13.39	6.7
Compressor Station	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
POD D Compressor Station (proposed & abandoned)	1	2	1.5
Other Features	Length/Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
	0	0	0
Totals-EXISTING		69.49	35.12
Totals-PROPOSED		38.86	20.12

2014 Reclamation - EMIT

Sep-2014: Notice of Intent to Abandon and Reclaim EMIT plant supply water pit and the EMIT plant treatment water pit.

Oct-2014: Soil testing and analysis

Nov-2014: Both pits were closed

Seeding did not occur prior to November 15. As such, a large area of bare ground was left.

In response to this and in an effort to mitigate the proliferation of weeds, Escalera filed a wildlife exception request on 3/5/2015 for seeding this area in order to take advantage of spring moisture.

3/18/2015: Wildlife exception granted with seeding to be completed by March 31.

3/23/2015: The week of March 23, the area was mulched, crimped, disked, seeded with a loam soil mix and sandy soil mix, and fenced.

This location may be seeded again Fall 2015 depending on the outcome of seeding and establishment of weeds.

It has been added to our 2015 weed spraying plan and will be closely monitored to prevent the establishment of large stands of weeds.



2014 Reclamation – MAD 1 to 32-12 Washout

In August 2014 an NTL-3A pipeline broke between the MAD 1 and the 32-12 well in Pod A (Cow Creek).

As a result of the spilled water, a large amount of erosion occurred which exposed wooden spools, a liner, and other debris buried by a prior operator.

Escalera excavated and removed all the spools, the liner, and debris from the channel, disposed of the same properly, replaced eroded material with clean fill, and provided for the stabilization of the channel.

Work was completed at the site in Nov 2014 using 1 truckload of rock, 2 truckloads of topsoil, and erosion matting in the channel.

About 2 acres was seeded with a Fall seed mix at a rate of 13.55 lbs per acre.

Recent observation of the site shows it to be in acceptable condition so it has been moved over to internal reclamation and monitoring.

Depending on the success of seeding, this area may be a candidate for Fall 2015 re-seeding.



2014 Reclamation – E Pod CDP

In June 2014 as a result of a power failure at this location, 9300 bbls of water spilled.

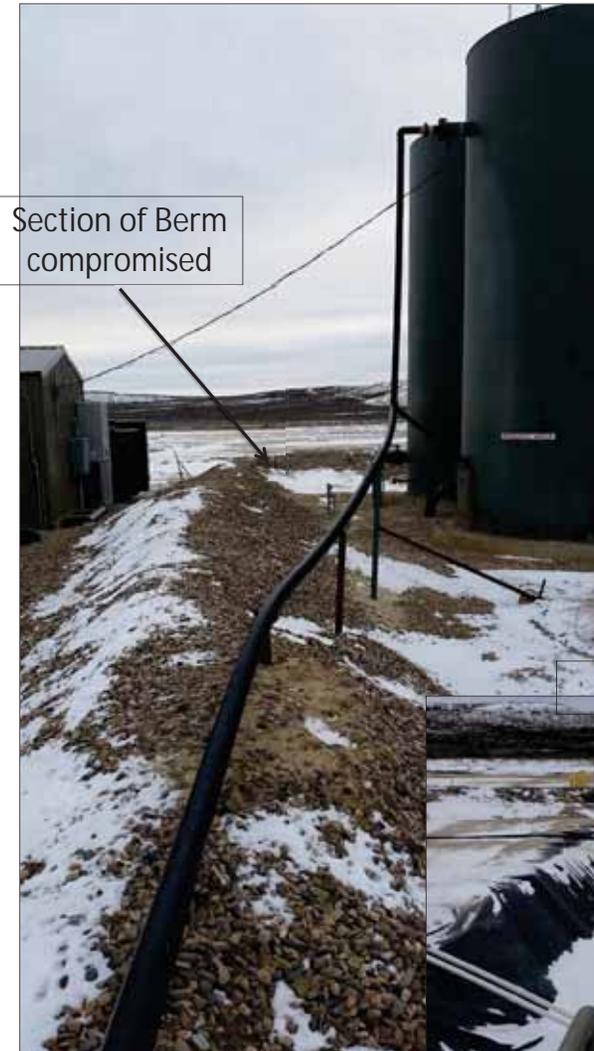
25 tons of 1.5" rock was added to the berm around the tanks during repairs to the damage caused by the washout.

In July 2014 another power failure caused a 9000 bbl spill, the majority of which was contained and pumped back into the gathering system.

New alarms, independent of the power supply were added July/Aug 2014 and have proved reliable in alerting during power issues.

The frequency and severity of these spills revealed the insufficiency of the current configuration to contain water in the event of an emergency.

As a result of several meetings and ongoing collaboration with the Rawlins Field Office, a plan has been developed to rebuild this location in a manner sufficient to contain the water. This will be discussed in the 2015 section of this presentation.



2014 Reclamation -1791-44-27 (C Pod) & 1692-44-25 (E Pod)

The 1791-44-27 was partially seeded in 2014. Rakes were used to soften the ground, seeds were broadcast by hand and the soil mixed with the back of the rake.

An erosion control blanket was put on top and not long after, the field reports seeing sprouts.



1791-44-27

Our personnel attempted this same “do it by hand” approach along the access road to the 1692-44-25 with no success.

The erosion control blanket remains in place but seeding failed in this area.



1692-44-25

These two locations do not represent significant reclamation activity but highlight the commitment of our field personnel to reclamation and the need for several of the 2014 management changes at the corporate level. Now, reclamation and mitigation is a priority and given the resources necessary to improve chances of success.

2014 Weed Management - Spraying

June 2014	Acres/Locations
Alpha CDP	7 acres
Beta CDP	8 acres
Charlie CDP	4 acres
Alpha Injection	4 acres
Echo Site	8 acres
Well Sites	51 locations

July 2014	Acres/Locations
A Pod	22.75 acres
B Pod	34 acres
C Pod	0 acres
D Pod	0 acres
E Pod	93 acres

Pest Control as opposed to management strategy

	Existing Disturbance	
	Short Term Disturbance Acres	Long Term Disturbance Acres
Pod A	125.05	63.05
Cow Creek	116.4	68.77
Pod B	160.16	79.74
Pod C	178.67	89.09
Pod D	69.49	35.12
Pod E	93.81	46.98

	Acres					Sprayed
	0%-5%	6% - 10%	11% to 20%	21% to 50%	more than 50%	
POD A & Cow Creek	8.01	0	29.37	48.06	2.67	22.75
POD B	0	32.04	34.71	5.34	0	34
POD C	13.35	24.03	18.69	10.68	0	0
POD D	0	0	0	0	0	0
POD E	0	0	16.02	24.03	0	93

All short term disturbance attributed to roads and pads in Pod E was sprayed in 2014, however, only 22.75 acres out of 241.45 short term disturbance acres in Pod A/Cow Creek were treated.

This forces us to ask, "is this adequate and does it make sense?" –we presume the 2013/2014 comparison tables help answer this question.

2013 to 2014 Vegetation Change

Change 2013 to 2014				
	RecVeg%Change	%GrassChange	%ForbChange	%ShrubChange
Pod A & CC Points	4.64	297.98	82.91	-8.01
Pod A & CC Lines	-95.81	-1178.94	509.63	255.55
Pod B Points	0.00	133.15	0.00	0.00
Pod B Lines	-41.73	-1978.75	517.60	5765.60
Pod C Points	-56.34	-213.86	633.33	-58.72
Pod C Lines	-650.20	-1460.88	269.58	11.98
Pod D Points	-56.34	-213.86	633.33	-58.72
Pod D Lines	-450.60	-1663.78	497.36	33.47
Pod E Points	-1558.78	687.63	1449.13	-709.06
Pod E Lines	-280.89	-417.83	-304.05	-169.07

- Forb improvement in most areas
- Grass decline in most areas
- Shrubs no improvement, no decline overall
- Overall vegetation declined in all areas.

Pod A & Cow Creek saw overall improvement in forb and shrub cover but a decline in grass which resulted in overall vegetation decline. This does, however, help explain the limited amount of acreage treated in 2014. In this area, seeding to achieve crowding may be the best approach to manage weeds while maintaining desirable species. There are likely several areas in Pod A/Cow Creek that will require spraying even to the detriment of forbs and shrubs as the percentage of weeds so far exceeds the percentage of desirable cover. This will require a site by site evaluation.

Pod B did not significantly change 2013 to 2014. Improvement of forbs and shrubs likely explains the limited use of spraying. Weed management and mitigation in these areas should include spot spraying and seeding to achieve crowding and reduce loss of desirable cover. It is likely the acreage with the highest percentages of weed coverage in relation to all vegetation, will need to be sprayed knowing it will result in forb/shrub loss. This will have to be a site specific determination based on monitoring data and visual inspection. Furthermore, Pod B is at a tipping point, without monitoring and a proactive approach, this area will likely decline 2014 to 2015.

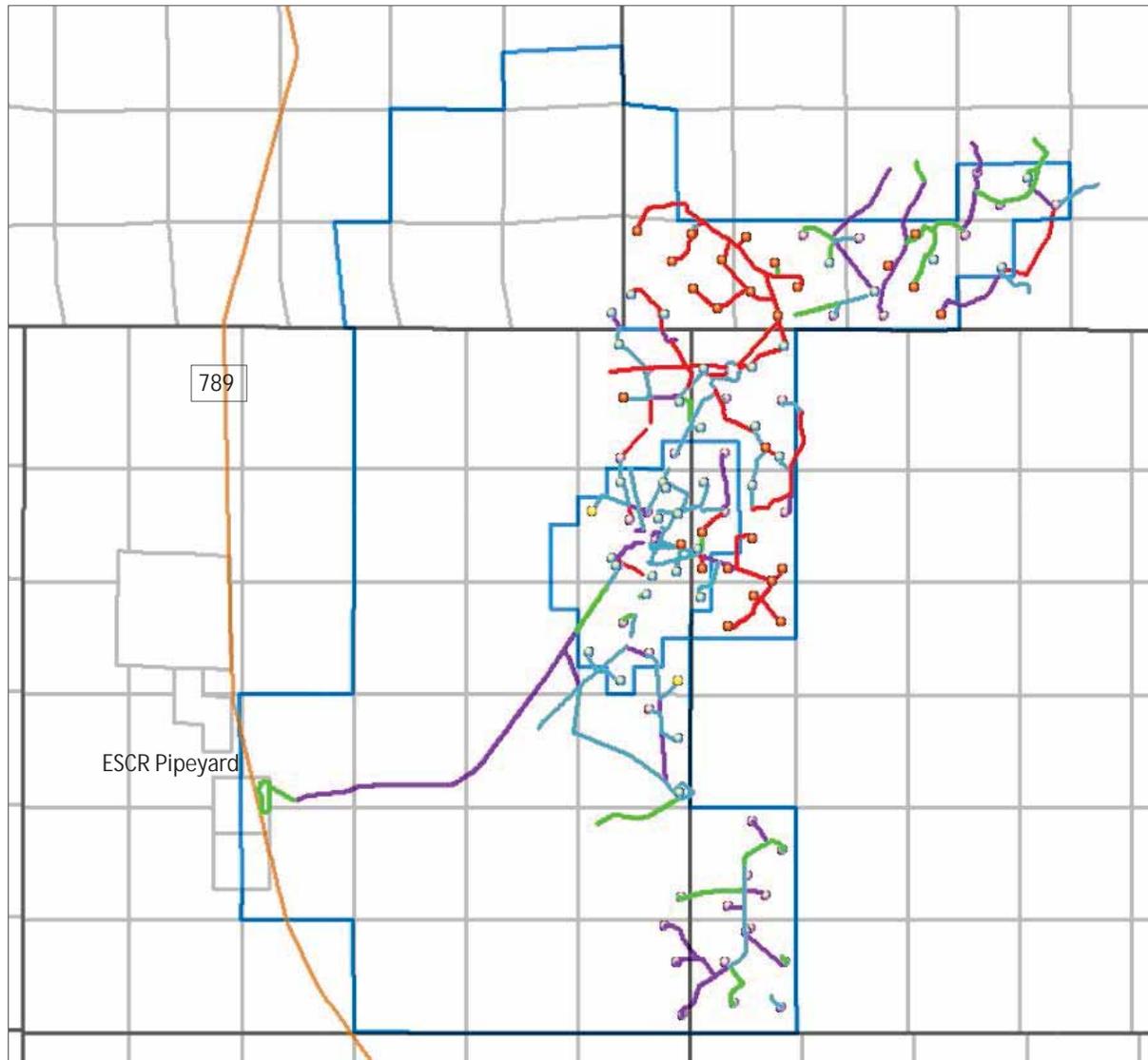
Pod C saw significant decline in vegetation from 2013 to 2014 in all cover with the exception of forbs. This does not explain the complete lack of spraying in Pod C as it appears some spot spraying would have been appropriate. This is another area where spraying should be accompanied by seeding to promote success.

Pod E saw some grass and forb improvement, but overall this area declined, particularly along roads and pipelines. It should be noted that this was the only area where all short term disturbance acreage was sprayed in 2014. It does not appear this had a significant impact.

What we've concluded

1. Insignificant improvement as a result of spraying
2. Seeding not incorporated into prior plans
3. No evidence of a fieldwide plan for several years.
4. Lack of corporate commitment to or planning for ongoing reclamation and mitigation.

Weed Map – Primary Species: Pads and Roads



- Alyssum
- Halogeton
- Kochia
- Russian Thistle
- None

Other Concerns

Pod A/Cow Creek – several locations with reported cheatgrass.

Pod B – Several locations with reported cheatgrass. Canada Thistle reported.

Pod C – Several locations with reported cheatgrass. Canada Thistle and Milk Thistle reported.

From 2013 to 2014, reclamation monitoring data shows a few locations in each pod with some level of improvement, however, overall, each Pod showed a decline in desirable vegetation.

Reclamation for 2014 is deemed unsuccessful

Planning for Success:

1. Use reclamation and monitoring report data to understand the presence of weeds vs. desirable species on each disturbance site.
2. Evaluate the overall health of desirable species on each site, the distribution and abundance of weeds and identify common factors in weedy areas.
3. Plan for weed spraying based on optimal conditions for success – right plant, right amount, right chemical, right time of year, right kind of application.
4. Stop ignoring seeding
 1. Define moisture patterns annually, seasonally, and monthly for the area and seasonal growing conditions and compare to moisture requirements for germination.
 2. Analyze the soil and determine seedbed sufficiency to support desired plant species. Manage soil amendments .
 3. Identify and employ methods to conserve soil moisture
 4. Review seed mixes and seeding rates to prevent unnecessary competition among seeded species.
5. Collaborate – Industry, Government, Contractors, etc.

Weed Management Plan

1. Each year a target area will be identified – this will be the area of special focus with additional resources applied to it. For 2015, this is Pod E.
2. Target areas for each year will be identified using our reclamation monitoring data – example: On the previous chart we're seeing significant weed problems in Cow Creek/Pod A, making that an appropriate target area for 2016.
3. An area not considered a target area is NOT an area ignored, rather, for non-target areas, they will be managed in accordance with the pod specific weed management plan.
 - We believe this approach will allow us to test the weed management approach in each area, target a single pod and monitor closely, identify successful approaches and unsuccessful approaches, and identify and implement new approaches through adaptive management.

The Weed Management Plan should be maintained as a useful document suited to its purpose. We hope this type of approach will allow for a more general weed management plan with opportunity to improve each season and to discontinue or modify activities based upon success.

2015 – Pod E

2016 – Pod A/ Cow Creek & Pod D*

2017 – Pod B/Pod C

2017 + - adjustments to plan as needed due to automatic unit contraction

2015 Weed Management – Pod E

Use Reclamation Monitoring Report data to understand the presence of weeds vs. desirable species on each disturbance site. Evaluate the overall health of desirable species on each site, the distribution and abundance of weeds, and identify common factors in weedy areas.

Percent of total vegetation	Pads and Roads (# of data points)	Russian Thistle	Halogeton	cheatgrass	alyssum	kochia	Noxious Weeds	Acres affected
0-5	0	0	0	0	0	0	0	0
6% to 10%	0	0	0	0	0	0	0	0
11% to 20%	9	y	y	n	n	n	n	16.02
21% to 50%	13	y	y	n	n	n	n	24.03
more than 50%	0	0	0	0	0	0	0	0

Plan for weed spraying based on optimal conditions for success – right plant, right amount, right chemical, right time of year, right kind of application.

Chemical	Rate Per Acre	Timing	Plant Stage	Weed	Other Management	PUP	Max Rate Per Acre	Intended Rate Per Acre	Timing	Target
Escort metsulfuron	5-1.0 oz	spring/early summer	seedlings	Halogeton	crowding	yes	2 oz	1 oz	1 per year	Halogeton
2,4-D ester	2qt 4EC or 2.7 pt 6EC	see plant stage	actively growing plants up to the bud stage	Halogeton	crowding	yes	5 1/3 pt	2 2/3 pt	1 per year	Halogeton
Plateau imazapic	4-12 oz (6+ oz for post emergence)	see plant stage	apply pre-emergence	Halogeton	crowding	yes	6 oz	4 oz	after freeze, 1 per year	Cheat grass
Outlaw Dicamba and 2,4-D	2 pt	see plant stage	small - seedling stages	Russian Thistle	cover crop for reseeding, if they dominate the site or begome large mow dow to help with competition.	no	n/a	n/a	n/a	n/a

Define moisture patterns annually, seasonally, and monthly for the area and seasonal growing conditions and compare to the moisture requirement for germination.

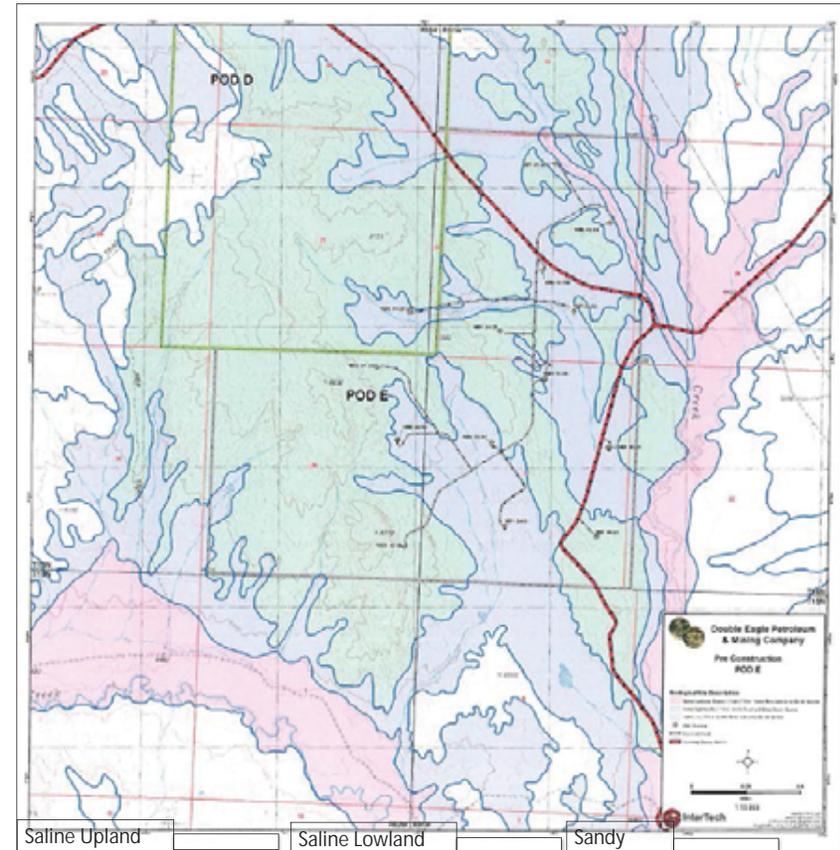
RAWLINS FAA AIRPORT, WYOMING													
1981-2010 Monthly Climate Summary													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Average Max Temp	31.5	35.1	44.1	54	64.6	76.1	83.9	81.7	71	56.7	40.4	31.9	56.1
Average Min Temp	13	15.8	22.5	28.4	36.5	44.6	51.4	50.3	41.5	31.4	20.9	13.8	30.9
Average Total Precipitation	0.38	0.46	0.69	1.01	1.36	0.95	0.84	0.83	0.96	0.74	0.54	0.42	9.17

2015 Weed Management – Pod E

Analyze the soil and determine seedbed sufficiency to support desired plant species.

Predisturbance Soil Data				
	Depth	pH	EC	Texture
1691-22-31	0-4"		8.65	0.112 Silty Clay Loam
1691-24-30	0-4"		8.87	0.114 Silty Clay Loam
1691-24-31	0-10"		8.65	0.112 Silty Clay Loam
1691-31-30	0-4"		8.74	0.175 Sandy Clay
1691-31-311 & CDP	0-4"		8.55	0.128 Silty Clay Loam
	6-12"		9.04	0.137 Silty Clay
1691-33-30I	0-4"		8.5	0.2 Loamy Sand
	4-12"		8.64	0.113 Sandy Clay Loam
1691-34-30	0-2"		8.55	0.128 Silty Clay Loam
	2-6"		8.55	0.128 Silty Clay Loam
1691-42-30	0-4"		8.74	0.175 Silty Clay
1691-42-31	0-4"		8.55	0.128 Silty Clay Loam
	6-12"		9.04	0.137 Silty Clay Loam
1691-44-31	0-4"		8.87	0.114 Sandy Clay Loam
1692-41-36	0-4"		8.87	0.114 Sandy Clay
1692-42-36	0-4"		7.97	0.156 Clay Silt
1692-44-36	0-4"		8.87	0.114 Sandy Clay

Sand	Doesn't hold water, low organic matter content, erosion	generally good infiltration, high percolation	increase organic matter content & prevent erosion
Clay	can hold water too tightly, infiltration problematic, complicated if high sodium	high water holding capacity	increase infiltration by incorporating organic matter at or near surface, apply gypsum to mitigate sodicity, maintain long term percolation, avoid compaction
Silt	highly erosive, high volume, short duration precipitation events are problematic		prevent erosion, incorporate organic material, blanket steep slopes, visual inspection following high precipitation events - immediate mitigation if needed.



Classification	Electrical conductivity (dS/m) ¹	Soil pH	Sodium adsorption ratio (SAR) ²	Soil physical condition
Slightly Saline	2 to 4	<8.5	<13	normal
Saline	>4.0	<8.5	<13	normal
Sodic	<4.0	>8.5	>13	poor
Saline-Sodic	>4.0	<8.5	>13	varies
High pH	<4.0	>7.8	<13	varies

2015 Weed Management – Pod E

Plant grass only species 1 to 3 years to reserve ability to spray - ---- Seeding to achieve crowding and competition----- Spraying alone unlikely to be effective

Obstacles to Establishment of Native Species

1. **Seedbed** – with the proliferation of weeds, sampling will likely be needed to compare current soil quality with predisturbance and undisturbed soil.
 1. Moisture retention and infiltration improved with hay or straw mulch
 2. Erosion prevention – erosion blankets and mats
 3. Consider irrigation as a short term fix to improve germination in saline soils.
 4. Consider addition of gypsum & elemental sulfur to sodic/high pH soils
2. **Water** – PLANTS sheets for each appropriate seed choice for Pod E highlight the drought hardiness of each species *once established*, however, germination and seedling vigor is significantly impacted by dormancy, chilling, and precipitation at the right time. Furthermore, each of the seed species lower threshold precipitation requirement hovers dangerously close to the average rainfall for the area. As we have seen, any period of drought results in widespread losses.
3. **Grazing** – Each of the approved plant species recommend some protection from or deferment of livestock use and grazing, even once stands have been established. For some species, establishment isn't likely to occur for at least 1 to 3 years.
We prefer minimal use of fences – reduces costs and mitigates the impact to wildlife however, any location seeded with species requiring more than the first year to establish will require fencing or some protection from grazing. (This means all of them)

Standard Seed Mixes (Dry Sandy and Dry Loamy/Clay)

Slender wheatgrass and Streambank wheatgrass appear to have the greatest chance of impacting further spread of weeds during the first year.

Slender is preferable, however, its lower limit annual precipitation amount is 15", making establishment unlikely.

Establishment, Seedling vigor, and ability to compete/crowd for both species is dependent upon favorable conditions = water.

Bottlebrush Squirreltail and Thickspike wheatgrass come in next with excellent ability to compete/crowd and high germination rate but only moderate seedling vigor and slow to moderate stand establishment.

Bluebunch wheatgrass, Indian ricegrass, Little bluegrass, Needleandthread, & Western wheatgrass perform best when planted in a seed mix as each has low ability to compete prior to establishment and require considerable time to establish –

Needleandthread can take 5-10 years to establish,

Western wheatgrass does not germinate easily and its establishment is erratic.

Indian ricegrass seed dormancy is complex and seedlings are highly vulnerable to being uprooted.

2015 Weed Management – Pod E

Recent discussions with BLM have encouraged us to explore the potential use of produced water in extremely limited quantities on recently seeded areas.

1. Obtain water samples directly from certain wells and evaluate untreated water quality to determine feasibility.

Water quality standards analyzed consistent with constituents required by DEQ under our current WYPDES outfall permit for Cow Creek. If water quality is sufficiently consistent, appropriate permitting would be pursued.

2. Information on the following desired by BLM – standards to be determined

- Total Dissolved Solids
- Total concentration of soluble salts (Electrical Conductivity)
- Exchangeable Sodium Percentage
- Cations: Calcium, Sodium, Magnesium, & Potassium
- Boron
- Bicarbonate
- Sulfate
- Chlorine
- Carbonate
- Metals

Produced Water Use

Existing well water analysis indicates better water quality in Cow Creek/Pod A than in Pods B or C. At this time, we believe there are 4 wells in the Cow Creek/Pod A area with the potential to meet water quality standards.

In the event certain wells are identified as meeting water quality requirements we would pursue necessary permitting, further analysis, and Environmental Assessment.

This is not a large scale produced water plan, the contemplated use is extremely limited.

- Application would not exceed average precipitation for the month applied.
- Supplemental watering would only occur in situations where insufficient precipitation is predicted for the 10 days following seeding. We may not be able to wait for precipitation alone as germination is also affected by soil temperature and seed dormancy and chilling.
- Water volume would be limited to the minimum needed to promote seed germination and would in no event be applied in a quantity greater than what the soil immediately absorbs – further measures to prevent runoff would be investigated and implemented.
- No permanent irrigation systems to be installed, we are contemplating a simple, portable system that can be deployed and re-deployed at various sites as needed and stored at the pipeyard when not in use.
- Water application to be monitored, no remote watering (leaving the hose on)
- Water application limited to the establishment time period so as to limit the impact to natural drought resistance of established plants.

We believe this type of solution is necessary to Pod E weed mitigation and management. Spraying alone has little to no impact based on reclamation monitoring data. Halogeton is significantly impacted by crowding. In order to effectively crowd out an established invader, our seedlings must be well established and capable of competition.

Pod E – Reclamation

1. Site by site analysis
2. Proper seed bed preparation – remove existing weeds, soil quality, soil amendments to promote moisture retention and proper chemistry for intended seeds. Any necessary or recommended weed treatment.
3. Seed selection – ideal mix for soil type, variety to provide desired forage and variety for livestock and wildlife once established.
4. Seed location: identify seeding window for each location based on, soil temperature, seed dormancy, and expected precipitation. If precipitation is not likely within 10 days of the widow, supplemental watering used.
5. Location fenced – locations likely to remain fenced 1 to 3 years
6. Once a location is weed free/weed managed, grasses are well established or are on track to be well established (based on the plant), normal regrowth is occurring, and a sufficient number of new plants are appearing, the location will be planted with forbs and shrubs.
7. Undisturbed acreage to be monitored concurrently to prevent and mitigate the spread of weeds in these areas.
8. Roads to be maintained with regular scheduled spraying (right thing, right time) and seeded appropriately.

GOAL: Improve the health of the undisturbed acreage while employing an aggressive approach to disturbed areas, particularly pads where fences can be used to mitigate the impact of grazing. When the fenced area is sufficiently established and competitive, the fence will come down at which time vegetation on the disturbed area should be consistent with the undisturbed area and weeds effectively managed or controlled if unable to eradicate completely.

2015 Development - Pod D

POD D was originally proposed in 2008 and included 24 CBM wells and 4 injection wells in T16N R92W §§ 13,23,24,25, & 26.

Of those proposed, 8 locations were actually constructed

1692-13-13	16N	92W	13NWSW
1692-33-13	16N	92W	13NWSE
1692-24-13	16N	92W	13SESW
1692-44-13	16N	92W	13SESE
1692-31-24 & 1692-31-24I (Inj)	16N	92W	24NWNE
1692-42-24	16N	92W	24SENE
1692-44-24 & 1692-44-24I (Inj)	16N	92W	24SESE
1692-44-25	16N	92W	25SESE

4 locations will be used for 2015 drilling

1692-44-13	16N	92W	13SESE
1692-31-24 & 1692-31-24I (Inj)	16N	92W	24NWNE
1692-42-24	16N	92W	24SENE
1692-44-24 & 1692-44-24I (Inj)	16N	92W	24SESE

The 1692-42-25 will be drilled on new disturbance

4 wells were spud in 2008 and had surface casing set

	Spud
1 1692-13-13	10/28/2008
2 1692-33-13	10/8/2008
3 1692-24-13	10/30/2008
4 1692-44-13	10/30/2008

2 locations are not planned for use in 2015 development but are candidates for 2016 development

1692-13-13	16N	92W	13NWSW	10/28/2008
1692-24-13	16N	92W	13SESW	10/30/2008

If not planned for 2016 development, these two locations will be reclaimed concurrent with interim reclamation on the 2015 POD D wells

During 2011 development, 2 wells (1 spud in 2008 and 1 in 2011) were completed as producers on existing disturbance:

	Spud	Completed
1 1692-33-13	10/8/2008	10/3/2011
2 1692-44-25	8/19/2011	10/31/2011

6 locations began reclamation Fall 2013. No reclamation occurred on these sites in 2014

1 1692-13-13	Roads and locations were scraped and bladed and disturbance areas mulched, crimped, and seeded. No fence was constructed.
2 1692-44-13	
3 1692-24-13	
4 1692-31-24 & 1692-31-24I (Inj)	
5 1692-42-24	
6 1692-44-24 & 1692-44-24I (Inj)	

POD D			
	Number	Short Term Disturbance (acres)	Long Term Disturbance (acres)
2015 Drilling Schedule Proposed Wells	5 wells	12.4	6.89
Proposed Access Roads	1.35 miles	13.07	6.53
Proposed Pipeline/Utility Corridor	1.38 miles	13.39	6.7
Totals-PROPOSED		38.86	20.12

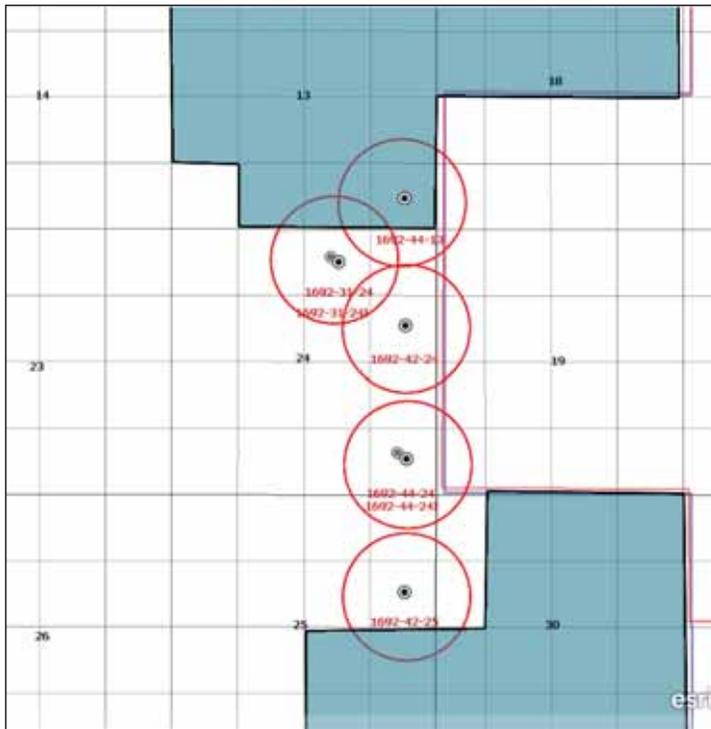
2015 Development – Pod D

Escalera proposes drilling 5 CBM wells and 2 injection wells in T16N R92W § 13, 24, and 25

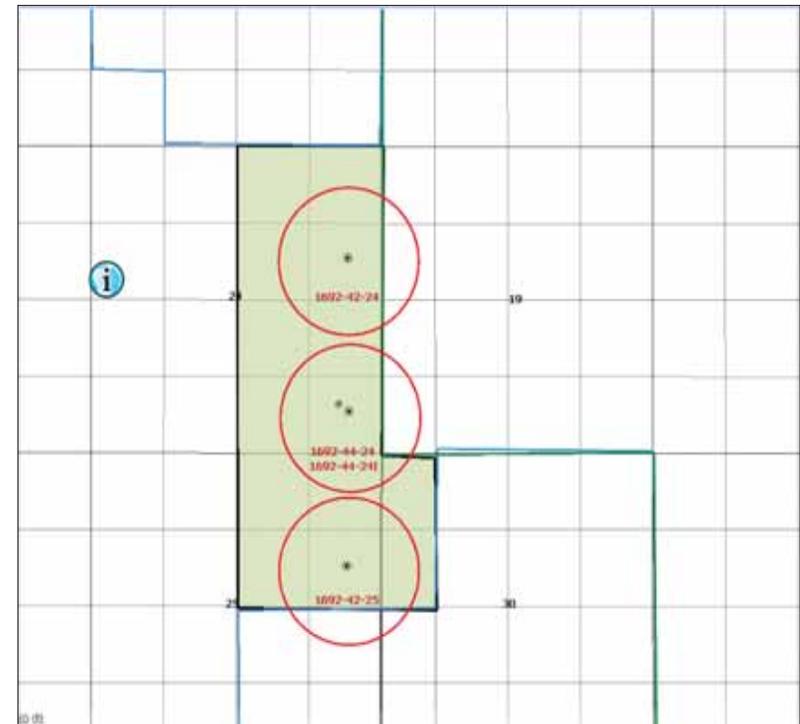
Catalina automatically contracts at the end of 2017. In order to ensure efficient operation of the unit, PA A and PA B must be joined and the Catalina participating areas consolidated.

Mindful of economic factors and partner concerns, Escalera has determined and confirmed as few as three could achieve this goal.

5 CBM, 2 inj



3 CBM, 1 Inj



**Potential plan changes discussed in 2016 portion*

2015 Development – Pod D Disturbance

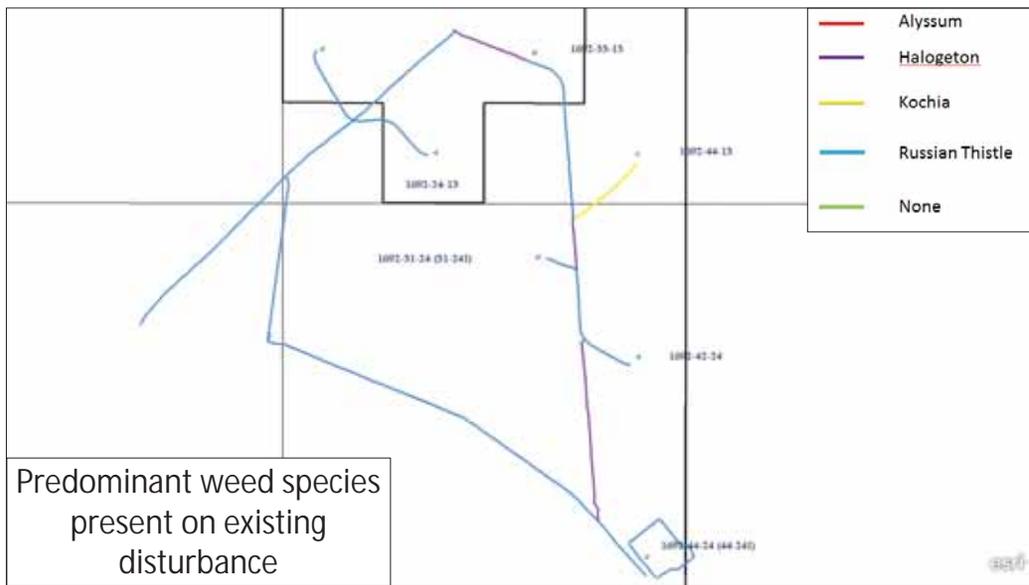
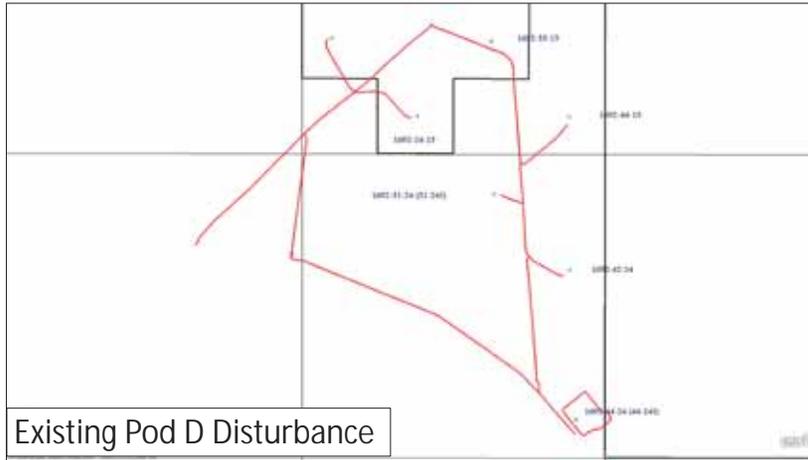


Reclaim

Producing Well

Existing Locations to be used 2015 drilling

POD D – Current Disturbance



Well Pad	Area	Grass	Forb	Shrub	Weed	Bare Ground	Litter	Rock	Total
1692-13-13	87815								
	Disturbed Area	0	6	0	27	45	22	0	100
Undisturbed Area		21	3	20	0	28	28	0	100
1692-33-13	87817								
	Disturbed Area	4	0	10	6	65	10	5	100
Undisturbed Area		0	0	30	0	25	45	0	100
1692-44-13	87818								
	Disturbed Area	0	20	0	15	45	20	0	100
Undisturbed Area		25	6	39	10	0	20	0	100
1692-24-13	87816								
	Disturbed Area	1	5	0	8	50	36	0	100
Undisturbed Area		5	0	42	0	45	6	2	100
1692-31-24	87819								
	Disturbed Area	0	0	0	29	57	14	0	100
Undisturbed Area		20	0	38	2	30	7	3	100
1692-42-24	87820								
	Disturbed Area	0	15	0	19	56	10	0	100
Undisturbed Area		23	0	38	0	21	18	0	100
1692-44-24	73114								
	Disturbed Area	0	3	2	10	40	45	0	100
Undisturbed Area		0	0	60	0	5	35	0	100

Well Pads

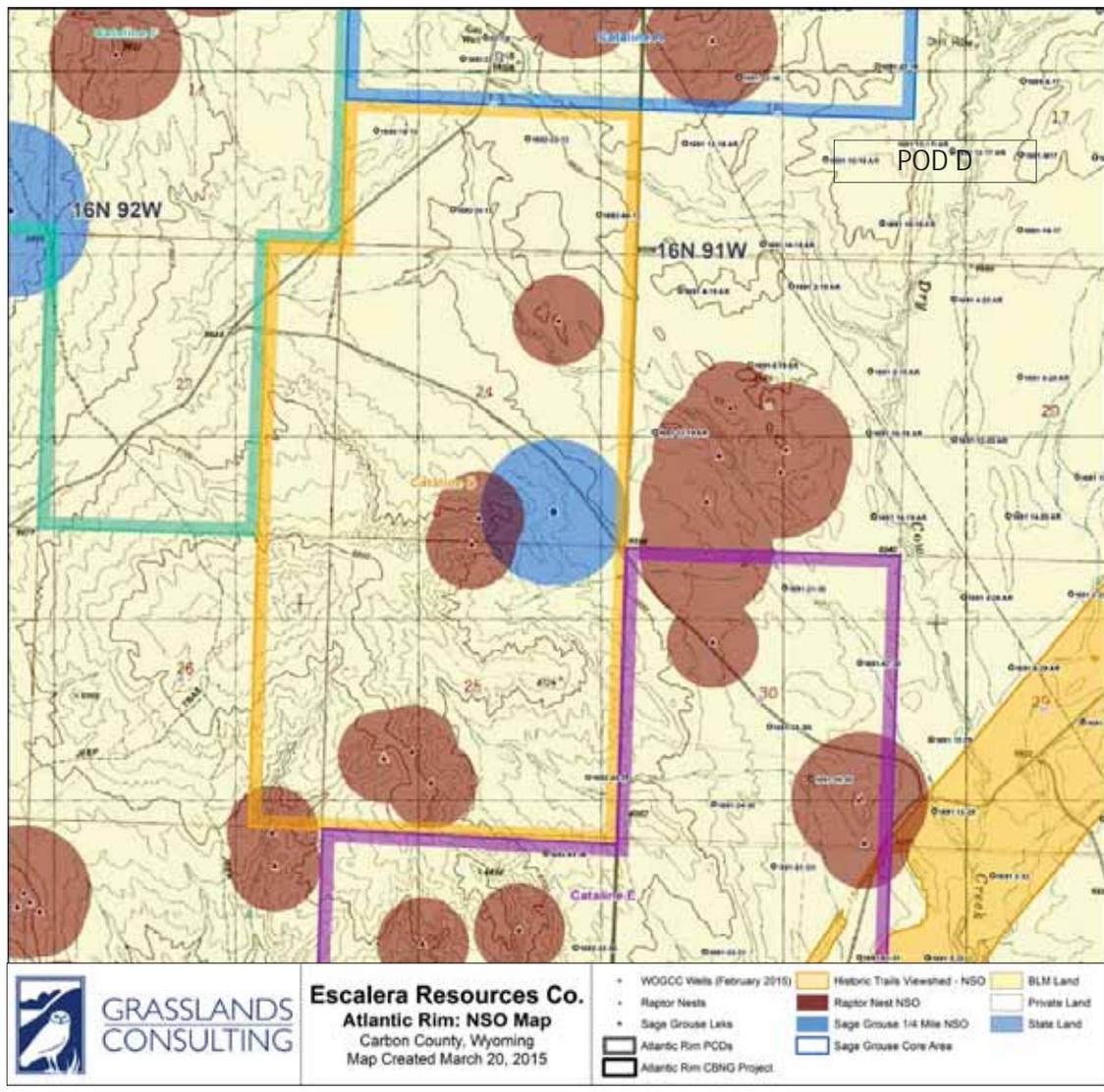
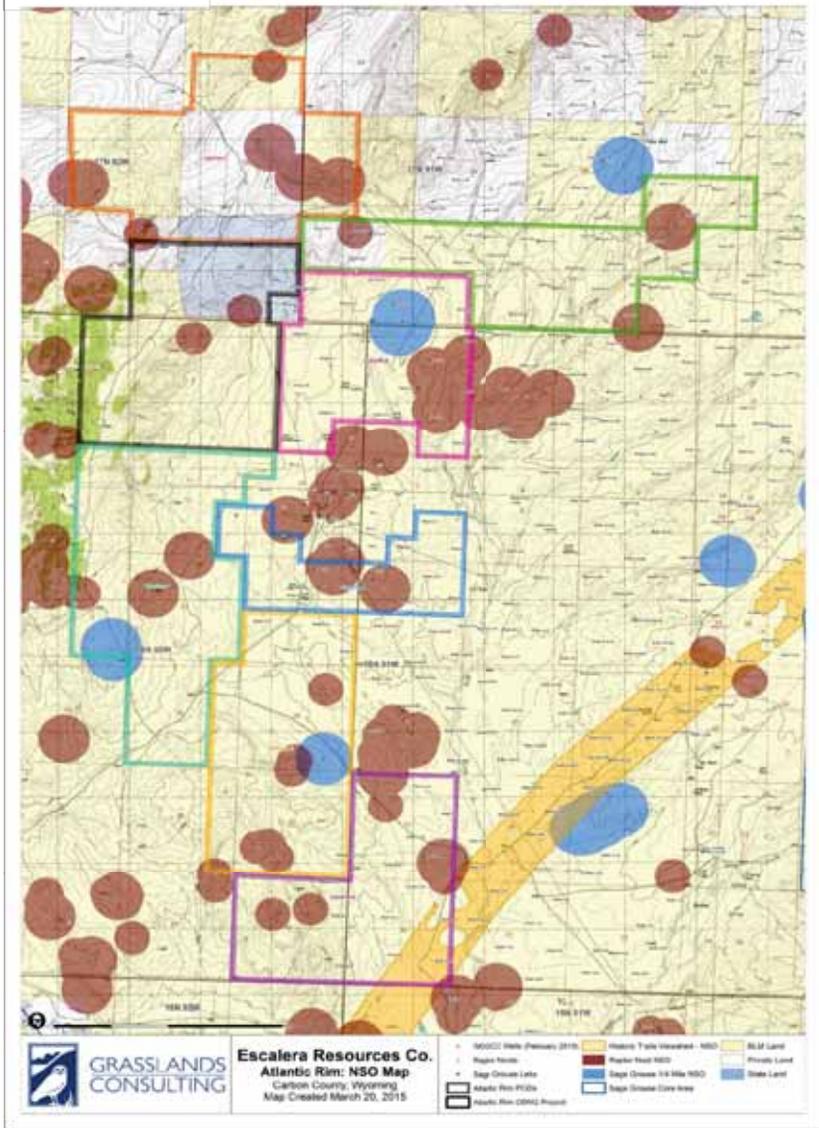
Pod D – Road and Line Disturbance



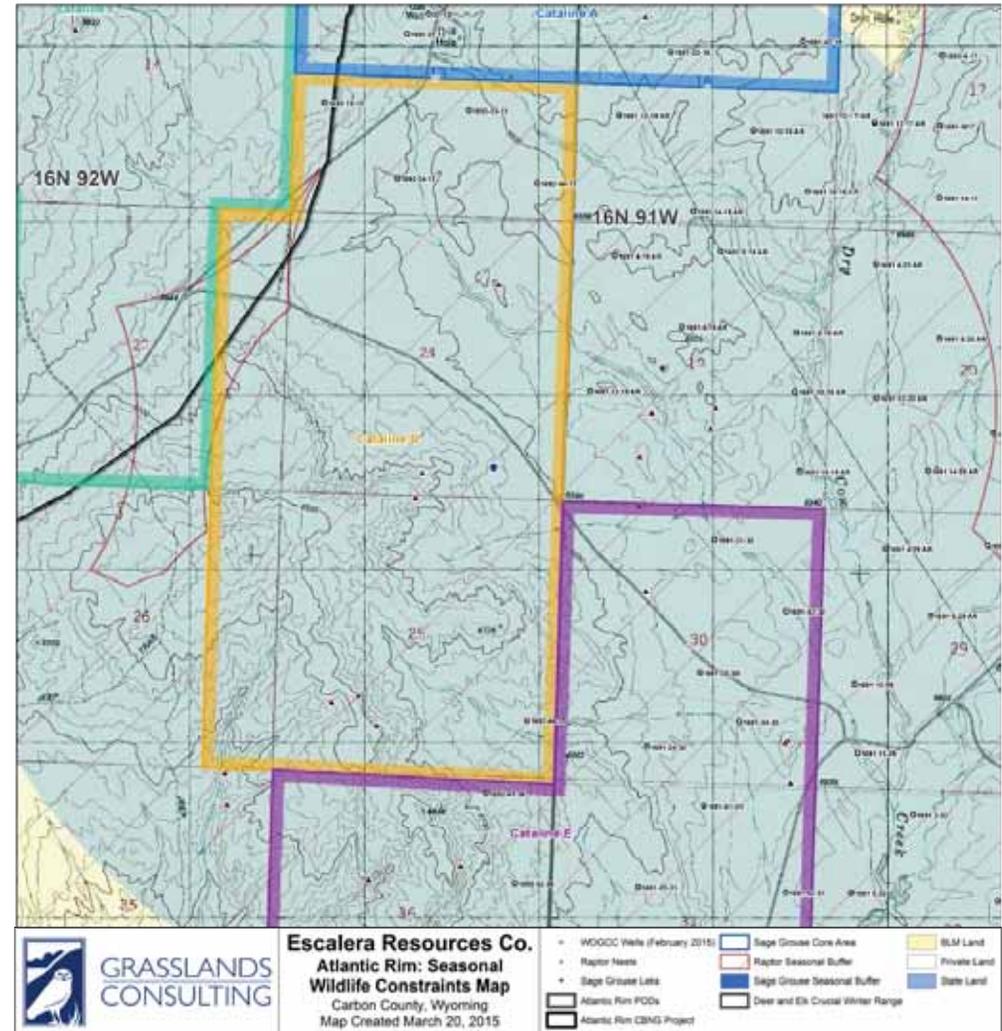
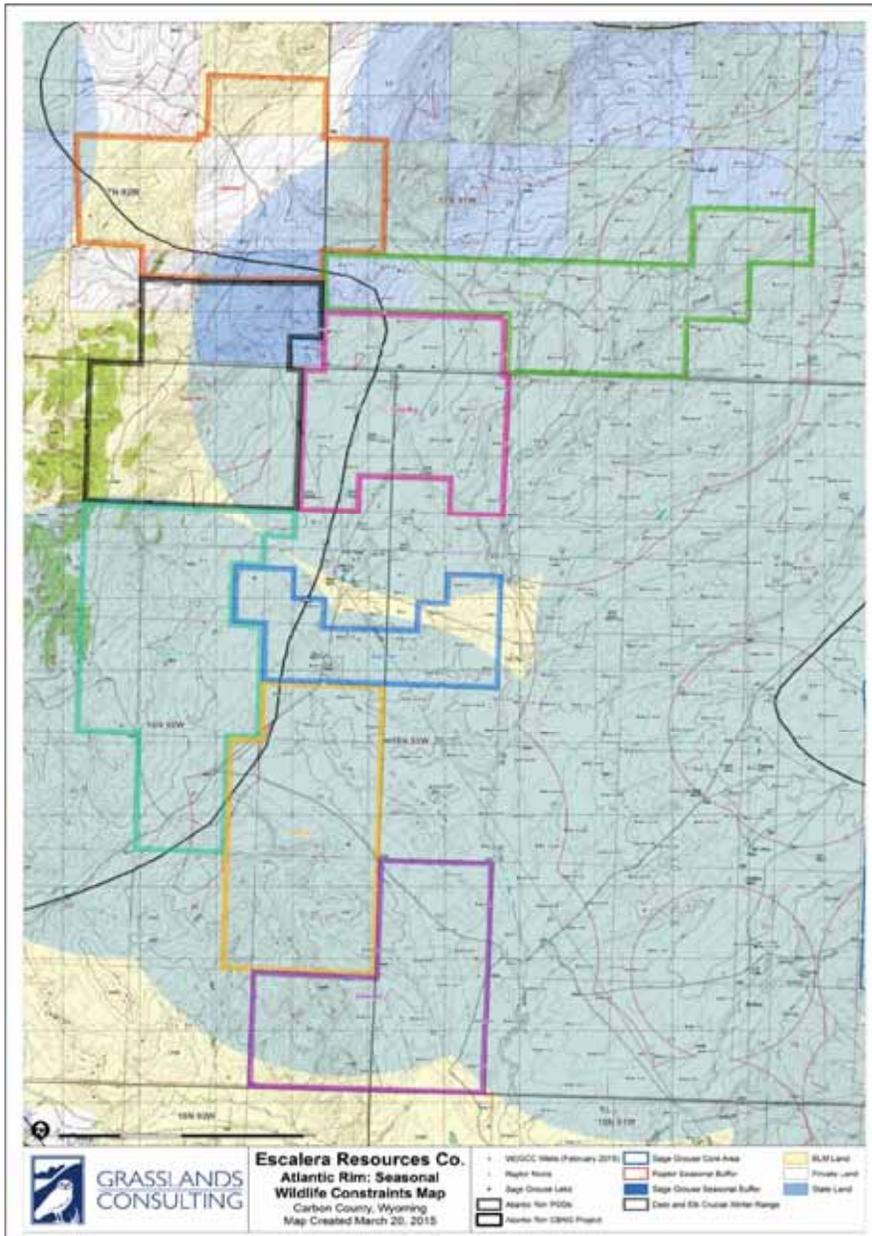
		Grass	Forb	Shrub	Weed	Bare Ground	Litter	Rock	Total
main road to alpha	60837								
Disturbed			9	1	25	25	15	25	0
Undisturbed			10	5	35	25	15	10	0
44-13 access	60004								
Disturbed			0	10	0	31	51	8	0
Undisturbed			22	0	34	3	15	18	8
31-24 access	60005								
Disturbed			0	3	0	22	65	10	0
Undisturbed			21	0	25	7	34	10	3
33-13 access	60006								
Disturbed			4	0	10	6	65	10	5
Undisturbed			0	0	30	0	25	45	0
24-13 access	60007								
Disturbed			0	6	0	31	41	22	0
Undisturbed			10	0	32	0	34	20	4
13-13 access	60008								
Disturbed			2	3	0	26	32	28	9
Undisturbed			0	0	0	0	0	0	0
main road 31-24 to 42-24 including access road	60009								
Disturbed			0	2	0	21	56	21	0
Undisturbed			28	6	15	0	41	0	10
main road 31-24 to 44-13	60022								
Disturbed			0	0	0	23	61	16	0
Undisturbed			20	0	31	5	21	18	5
main road 33-13 to 44-13	60023								
Disturbed			0	7	3	5	60	23	2
Undisturbed			3	0	22	15	30	27	3
utility 42-24 to CDP	60165								
Disturbed			5	0	6	4	73	10	2
Undisturbed			2	0	38	0	22	35	3
road at the fork	60688								
Disturbed			15	0	0	5	65	15	0
Undisturbed			0	0	3	7	25	60	5
CDP-44-24	60166								
Disturbed			5	1	10	15	60	9	0
Undisturbed			5	0	34	1	40	20	0
fork to CDP 44-24	60656								
Disturbed			0	0	7	8	75	5	5
Undisturbed			3	0	12	0	75	10	0

Wildlife – Raptors and Sage Grouse

Unit Overview



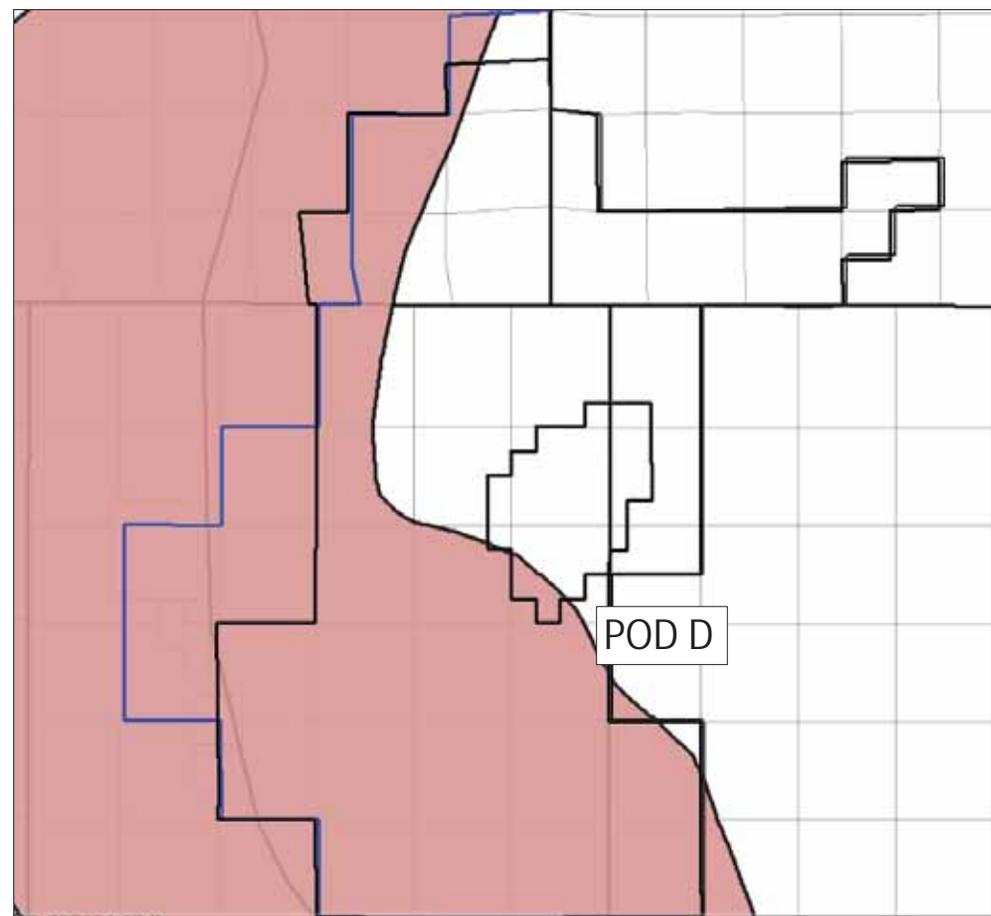
Wildlife – Seasonal Stipulations (Raptors and Sage Grouse)



Wildlife – Mule Deer and Antelope Crucial Range



Mule Deer Crucial Range



Antelope Crucial Range

POD D – Timing Stipulations

1692-44-13		SWSW	13	16N	92W	Crucial Winter Range Nov 15 - April 30, Raptor Feb 1 - July 31, Sage Grouse Mar 1 - July 15, SG Winter Nov 15 - Mar 14
1692-31-24	1692-31-24I	NWNE	24	16N	92W	
1692-42-24		SENE	24	16N	92W	
1692-44-24	1692-44-24I	SWSW	24	16N	92W	
1692-42-25		SENE	25	16N	92W	



2015 Reclamation – Cow Creek/Pod A



ARW 1 Well – P&A proposed for Fall 2015

ARW Pit –Planned Closure Fall 2015

CIG “brush pit” – Contouring /minimize disturbance to existing desirable vegetation

EMIT Location – Reclamation Commenced Fall 2014, Wildlife Exception Granted 18 March 2015 to begin seeding.

© 2015 Google

Google earth

Tour Guide 1994

Imagery Date: 6/29/2014 41°22'07.92" N 107°41'47.59" W elev 6663 ft eye alt 12515 ft

ARW 1 Well – Plug and Abandon, Site Reclamation

Check rig anchors and blow down well if necessary
Dig out around wellhead and check surface annulus for pressure and make sure well is dead
Fill the hole with 9# mud
Pull 2-7/8" tubing
Pull 5-1/2" Slotted liner
Circulate 1 hole volume with 9# mud
Pump cement from 400' to surface. (119 to 238 sacks of cement)
Top off cement at surface as needed
Dig out and cut off wellhead, back fill pit and clean location

Reclamation

P&A will be completed no later than Sep 2015, this location will be reclaimed concurrent with the CIG brush pit and the ARW large pit as proximate locations will require coordinated contouring and seeding. This individual location will be seeded and fenced and its location in Pod A/Cow Creek means it will be within our 2016 Reclamation focus area.



ARW 1 Large Pit and CIG Brush Pit

A visual inspection and review of reclamation monitoring data will be used to determine desired vegetation and a detailed plan developed. Soil analysis on the disturbed areas and undisturbed areas is likely to be needed to evaluate the need for soil amendments prior to seeding.

Following P&A, location will be contoured concurrent with the large pit and the brush pit.

Closure will follow WOGCC Guideline for Closure of Unlined Production Pits.

Soil samples were taken Apr 1 with BLM present.

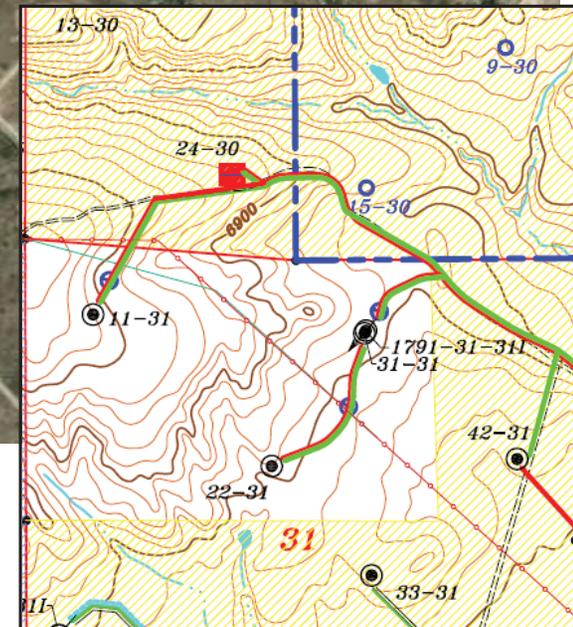
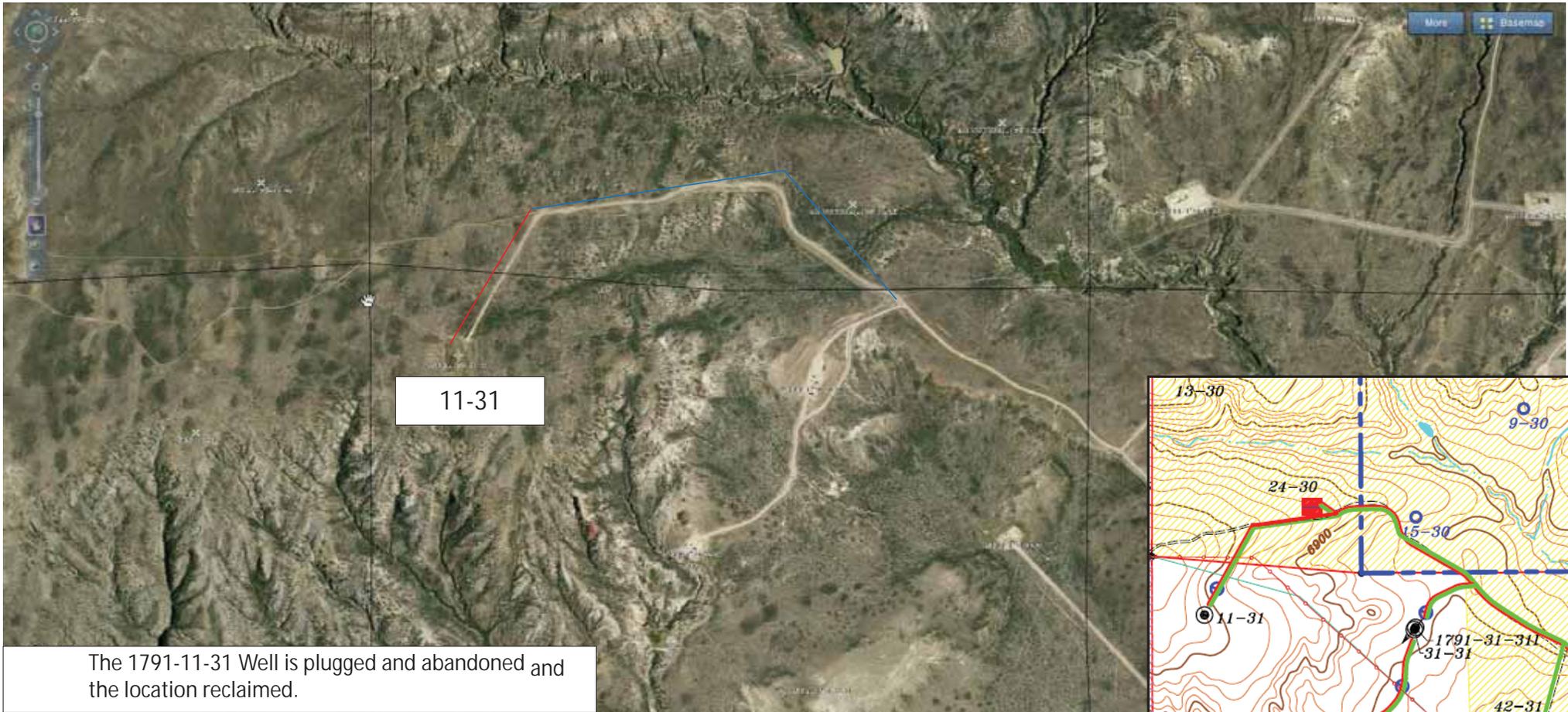
Awaiting results to determine any necessary remediation prior to closure and reclamation.

Area is currently fenced and in an advanced stage of reclamation. The east, west, and south berms will be contoured to enhance drainage and appearance while maintaining as much of the existing vegetation as possible. The north side of the pit and berm has already eroded to a natural slope and is well vegetated.



Seeding will occur late fall to improve chances of spring germination and seeded areas fenced to protect unestablished seedlings from grazing.

2015 Reclamation – C POD



— Total Reclaim — Reclaim to two track

2015 Reclamation – E Pod

Containment around existing tanks only.

- Sized for 1.5x the capacity of the tanks.
- Hard side containment, keyed to prevent water going under.
- Full liner not required

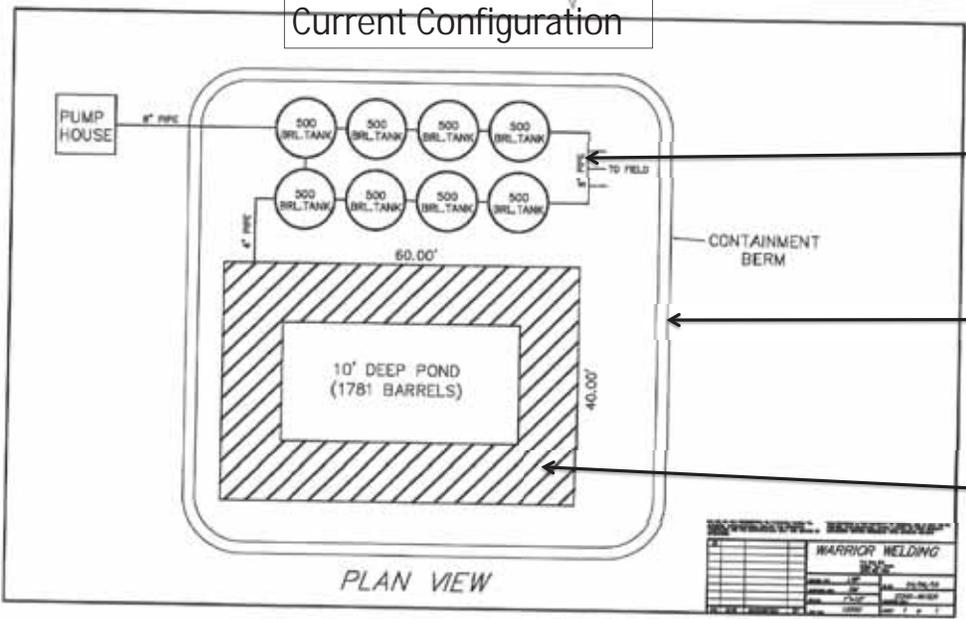
Pit size increased to 100' x 125' to accommodate 20,000 bbls with 4' free board.

- 20 mil plastic liner installed.
- Dedicated pump to keep pit pumped down
- 4' water level to keep liner in place.

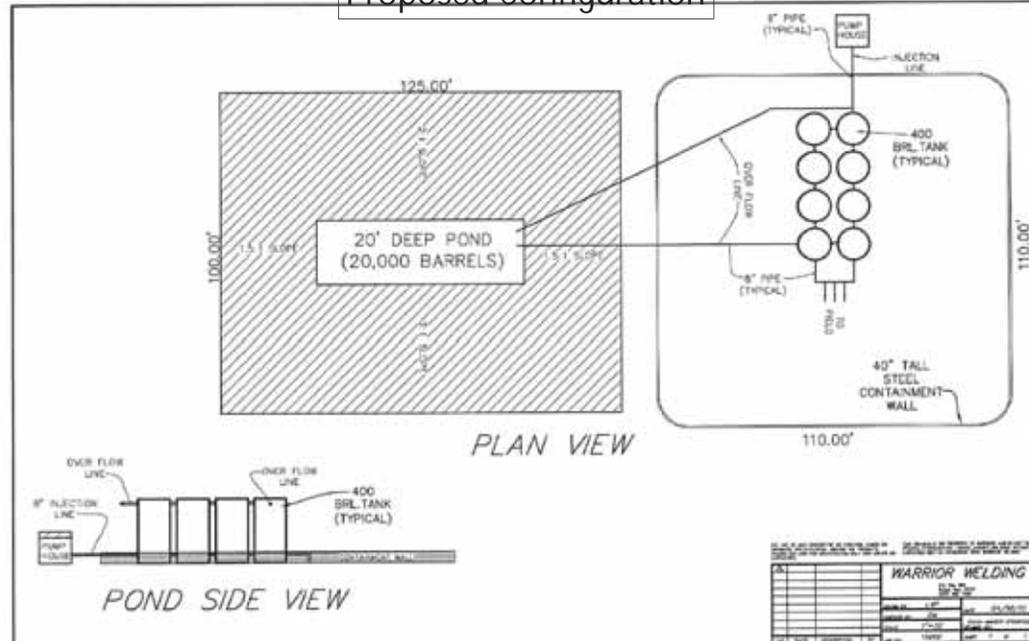


2015 Reclamation – E Pod

Current Configuration



Proposed Configuration



Disturbed areas will be bladed smooth and the soil pile bladed to protect soil health for reclamation. We are evaluating various options to maintain a weed free reclaim pile. The proliferation of halogeton in POD E coupled with possible 10 year seed dormancy is of primary concern in maintaining the health of the reclaim soil.

2016 – Development & Reclamation

2016 Development is anticipated to continue in the POD D area as there are 5 additional locations we would like to develop prior to unit contraction.

Catalina has satisfied its annual obligation well requirement through contraction. All development will be for the purpose of attaining desired unit outline at contraction, developing the best locations, and preparing the unit for contraction.

2015 targeted reclamation will be monitored in POD E and managed according to the POD Specific Weed Management Plan.

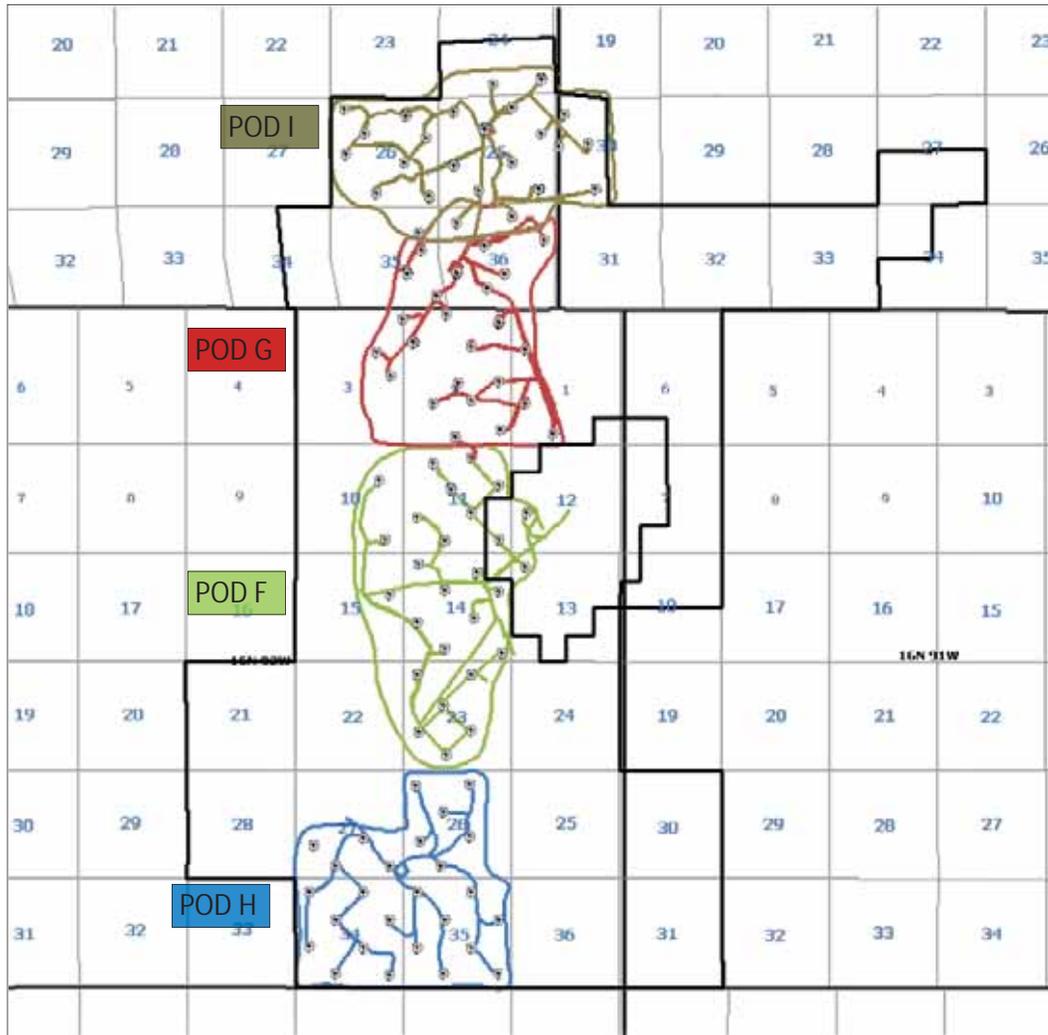
2016 targeted reclamation will be applied to POD D and POD A/Cow Creek.

Continued monitoring and mitigation in accordance with POD Specific Weed Management Plan



● 2015 Locations

2016 – Development & Reclamation



POD F: No current plans for development in this area, any development would likely occur in sections 11, 14, or 23.

POD G: No current plans for development in this area, any development would likely occur in section 2.

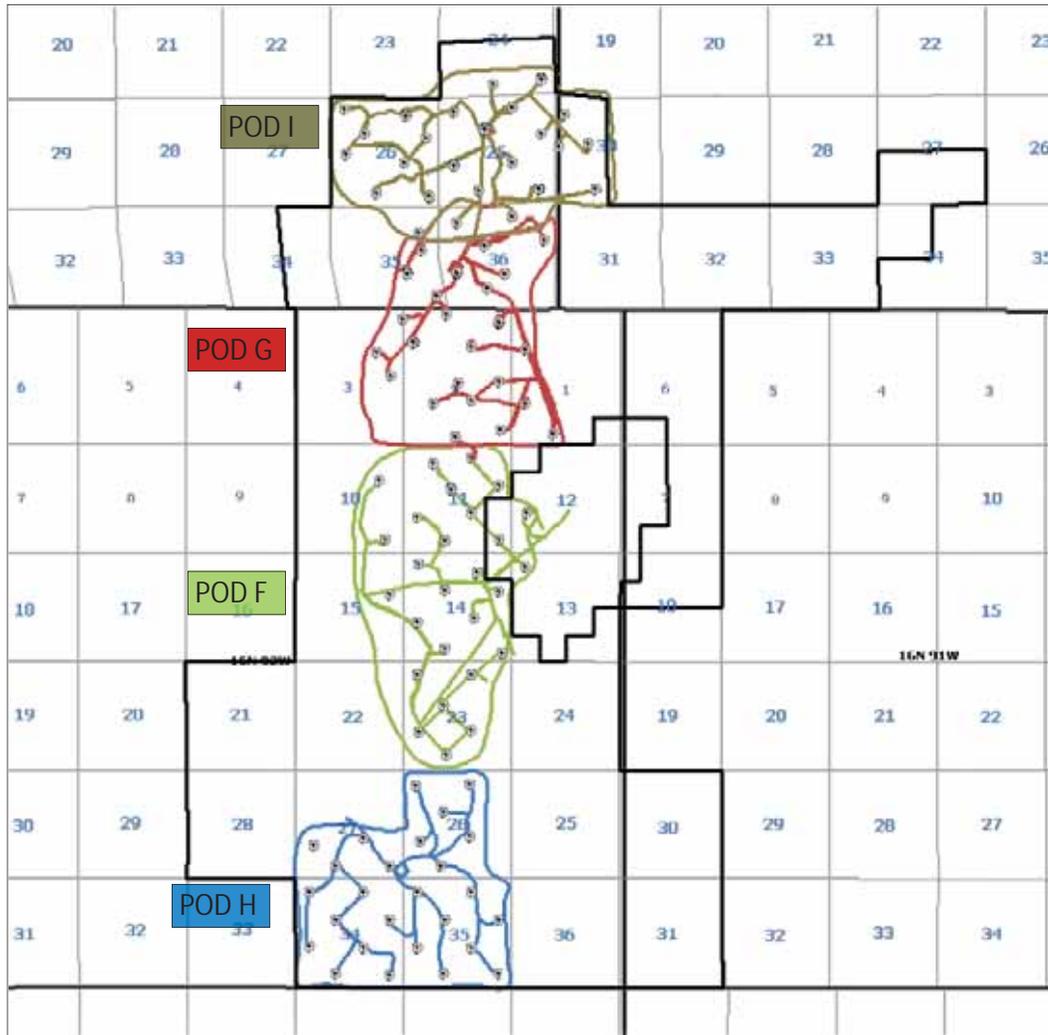
POD H: No current plans for development in this area, any development would likely occur in sections 26 and 35.

POD I: No further development is planned or anticipated in this area.

Since the unit has met the annual drilling obligation through contraction, further development is based on several factors – economic conditions, acreage determined necessary to retain post contraction, individual well production potential, additional surface disturbance, overall post contraction unit operation, etc.

Escalera has no plans at this time to undertake a program to fully develop all proposed locations in PODs F, G, H, & I. Any development in these areas would likely be limited and proximate to areas of existing wells, infrastructure, and human presence.

2017 – Development & Reclamation



POD F: No current plans for development in this area, any development would likely occur in sections 11, 14, or 23.

POD G: No current plans for development in this area, any development would likely occur in section 2.

POD H: No current plans for development in this area, any development would likely occur in sections 26 and 35.

POD I: No further development is planned or anticipated in this area.

Development of proposed locations in POD F sections 10 and 15, POD G sections 35, 36, and 3, POD H, sections 27 and 34, and all of POD I, are highly unlikely and not anticipated by Escalera at this time.

Escalera will evaluate the merit and potential of those locations in PODs F, G, & H for which a producing well would expand the existing PA. However, there are no active plans at this time to drill any of these locations.

Post Contraction

The blue area is the anticipated post contraction acreage.

The balance of the acreage within the green line is anticipated to be withdrawn at the time of automatic contraction.

Disturbance on withdrawn acreage will be subject to final reclamation and a plan specific to any areas prepared.

Unit operations and reclamation within the retained acreage will continue.

Unless further drilling is determined to be necessary to field production, it is unlikely additional wells will be drilled post contraction. Any drilling activity is anticipated to be extremely limited as the majority of the unit has been drilled on minimum spacing (80 acres).

Reclamation will focus on weed management and mitigation, range improvements, mitigation of wildlife impacts, and habitat improvement.

Sites should reach acceptable condition prior to the necessity to P&A any wells in the future so as to minimize the extent of final reclamation and promote overall reclamation success.

