Beeman Oil & Gas, LLC respectfully requests approval to vent associated gas from the referenced well bore as an integral part of the ongoing oil production. This Sundry Notice provides additional details regarding Beeman's analysis of the economics of selling the gas produced by the wellfield that includes the Hubbs 1, Hubbs 2, Barbara 2, Gladys 1 and Gladys 2 wells. Details concerning the volume and quality of produced gas from these wells is contained in earlier Sundry Notices. The analysis hereby submitted clearly shows the negative economics of attempting to market the gas from these wells. This analysis evaluates the economics of constructing a pipeline connecting the 5 wells to the existing Red Mesa pipeline at the Haun-Delaney 1 well and selling the gas at market prices. The analysis clearly demonstrates that the project is un-economic with a significantly negative Net Present Value and a negative Internal Rate of Return.

The wells are incapable of oil production without venting and will typically produce up to three days before oil production ceases. Wells are presently shut-in awaiting COGCC approval, expedited processing of this application is requested.

Table 1 - Pipeline Construction Costs [1]

Item	Cost per Unit	Units	Total Cost
Excavation and Backfill	$7.50 / foot	10,560 feet	$ 79,200.00
2-inch yellow poly pipe	$1.54 / foot	10,560 feet	$ 16,262.40
Boring of road crossings	$2,000 / crossing	2 crossings	$ 4,000.00
Low volume gas meter (used)	$7,500 / meter	5 meters	$ 37,500.00
Valves and Regulators	$5,200 lum sum	7 valves / 1 reg	$ 5,200.00
Reclamation	$0.43 / foot	10,560 feet	$ 4,540.80
Surface Damage Agreement	$2.42 / foot ($40/rod)	10,560 feet	$ 25,555.20
Project Landman (Terry Morris)	$500.00 / day	5 days	$2,500
Total Pipeline Costs			**$ 174,758.40**

[1] Richards Construction estimated costs for 2-inch poly pipeline between the Beeman wells and Haun-Delaney #1 well connect (10,560 feet).

Table 2 - Total Annual Revenues (Annual Per Well at $3.73 gas price[1])

Item	Cost per Unit	Units	Total Revenue
Gas Sales Amount	$3.73 / MCF	12.9 MCF per day[2]	$ 17,562.71
Landowner Royalty	$0.746 / MCF	20% royalty	$ (3,512.54)
Red Mesa gathering fee	$0.76/MCF		$ (3,578.46)
Annual operating cost (inspect, monitor, weeds)			$ (2,750.00)
Total Annual Revenue for the field (4 wells)			**$ 7,721.71**

[1] Red Mesa Holdings/ O&G, LLC data received verbally from Rich Larsen (970-588-3302) by Bob Beeman on 9-17-2014

[2] See attached metering details (May 2014)

Table 3 - Simple Payout Evaluation

Item	Cost per Unit	Units	Total Cost
Total Annual Revenue			$ 7,721.71
Total Pipeline Costs			$ 174,758.40
Estimate Payout			**22.63**

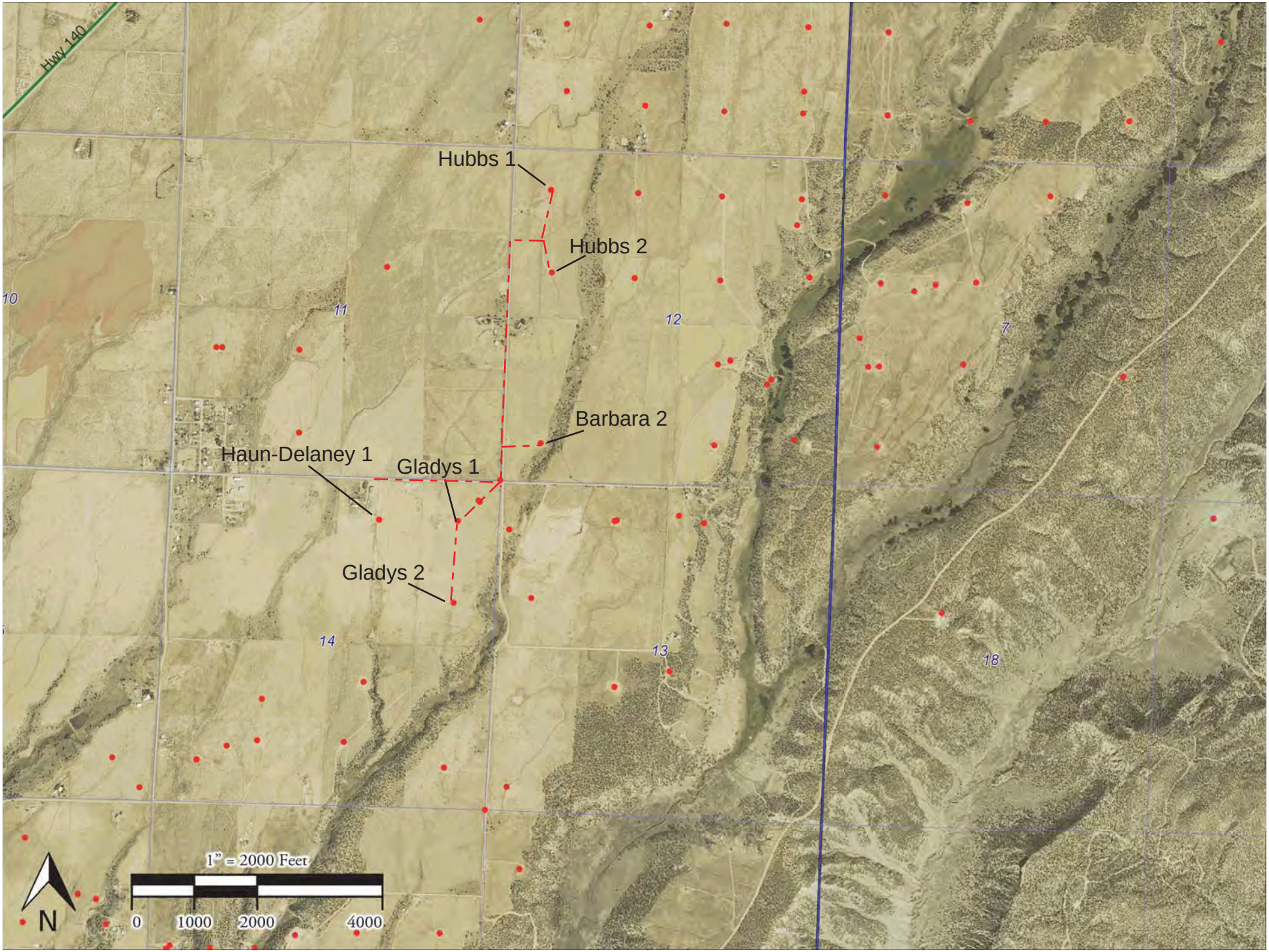
Estimated payout is 22 years

Table 4 - Detailed Economics

Year	Expense	Non-inflated Income	Inflated Income
1	$ (174,758)		$ (174,758)
2		$ 7,722	$ 7,876
3		$ 7,722	$ 8,034
4		$ 7,722	$ 8,194
5		$ 7,722	$ 8,358
6		$ 7,722	$ 8,525
7		$ 7,722	$ 8,696
8		$ 7,722	$ 8,870
9		$ 7,722	$ 9,047
10		$ 7,722	$ 9,228
11		$ 7,722	$ 9,413
12		$ 7,722	$ 9,601
13		$ 7,722	$ 9,793
14		$ 7,722	$ 9,989
15		$ 7,722	$ 10,189
16		$ 7,722	$ 10,392
17		$ 7,722	$ 10,600
18		$ 7,722	$ 10,812
19		$ 7,722	$ 11,029
20		$ 7,722	$ 11,249
21		$ 7,722	$ 11,474
22		$ 7,722	$ 11,704
23		$ 7,722	$ 11,938
24		$ 7,722	$ 12,176
25		$ 7,722	$ 12,420
26		$ 7,722	$ 12,668
27		$ 7,722	$ 12,922
28		$ 7,722	$ 13,180
29		$ 7,722	$ 13,444
30		$ 7,722	$ 13,713

0.020	Annual Inflation Rate
0.07	Interest Rate
($75,410)	20 year NPV @ 7% interest rate
0%	20 year IRR
($52,856)	30 year NPV @ 7% interest rate
4%	30 Year IRR

Beeman Venting Pipeline Area



Beeman Oil Gas LLC
418 Cottonwood Lane
Moab UT 84532

Kiva Measuring
33 CR 5476
Farmington NM 87401
970-632-5972
c-505-860-0702
Brad Bagshaw

24 hour Chart Meter ¼" Orifice

Metered by Paul Greer

County	API	Well	Chart Date
67	9070	HUBBS 1	4/12/2014
67	9390	HUBBS 2	4/13/2014
67	9071	BARBARA 2	4/16/2014
67	9099	GLADYS 1	4/9/2014
67	9363	GLADYS 2	4/10/2014

Taken to:
R & L Charts
110 N 4th St
Bloomfield NM 87413
Lea Smith
505-632-9625

Charts did not have enough to measure.

The bumps in charts may be due to high wind gusts.

Beeman Oil Gas LLC
418 Cottonwood Lane
Moab UT 84532

Second meter Info

B697W 54887G005
AM-250-MAOP5PSI
25 0 CFH@ 1/2" Diff
ANSI Class 2
American Meter CO S/N 01b507761

Metered by Paul Greer
Verified By Alberta Blake

County	API	Well	On Date	Off Date	On Time	Off Time	Days	Start Reading	Off Reading	CF	Per Day
67	9070	HUBBS 1	5/22/2014	5/23/2014	9:35 AM	9:23 AM	1	4212	4242	3000	3000
67	9390	HUBBS 2	5/23/2014	5/24/2014	9:33 AM	9:25 AM	1	4242	4264	2200	2200
67	9071	BARBARA 2	5/26/2014	5/27/2014	9:39 AM	9:33 AM	1	4312	4312	0	0
67	9099	GLADYS 1	5/21/2014	5/22/2014	9:35 AM	9:27 AM	1	4159	4212	5300	5300
67	9363	GLADYS 2	5/24/2014	5/26/2014	9:35 AM	9:30 AM	2	4264	4312	4800	2400
	NOTE:	Gladys 2 metered two days due to weather.									12900 CF per day

GAS ANALYSIS SERVICE

2030 Afton Place
Farmington, NM 87401
(505) 325-6622

Analysis No: BB140001
Cust No: 12250-10015

Well/Lease Information

Customer Name: BEEMAN OIL & GAS
Well Name: GLADYS #1
County/State: LA PLATA NM
Location: T14-33N-12W
Field:
Formation:
Cust. Stn. No.:

Source: N/A
Pressure: 39 PSIG
Sample Temp: DEG. F
Well Flowing: Y
Date Sampled: 03/05/2014
Sampled By: BOB DURBIN
Foreman/Engr.: BOB BEEMAN

Remarks:

Analysis

Component::	Mole%:	**GPM:	*BTU:	*SP Gravity:
Nitrogen	0.519	0.0570	0.00	0.0050
CO2	1.795	0.3080	0.00	0.0273
Methane	72.507	12.3430	732.32	0.4016
Ethane	12.980	3.4860	229.71	0.1348
Propane	6.911	1.9120	173.89	0.1052
Iso-Butane	0.931	0.3060	30.28	0.0187
N-Butane	2.342	0.7410	76.40	0.0470
I-Pentane	0.549	0.2020	21.96	0.0137
N-Pentane	0.526	0.1910	21.09	0.0131
Hexane Plus	0.940	0.4210	49.55	0.0311
Total	100.000	19.9670	1335.19	0.7975

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBLITY FACTOR (1/Z): 1.0044
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 1344.2
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 1320.8
REAL SPECIFIC GRAVITY: 0.8007

GPM, BTU, and SPG calculations as shown above are based on current GPA factors.

DRY BTU @ 14.650: 1336.9
DRY BTU @ 14.696: 1341.1
DRY BTU @ 14.730: 1344.2
DRY BTU @ 15.025: 1371.1

CYLINDER #: W1A-1595
CYLINDER PRESSURE: 39 PSIG
DATE RUN: 3/5/14 10:15 AM
ANALYSIS RUN BY: LOGAN CHENEY

Hubbs 1

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C-E INVALCO
TULSA OKLA.
TO REORDER CALL:
1-800-331-5969
PRINTED BY CCC

METER NUMBER
1 of 1 & 2

TUBE & ORIF. SIZE

TIME PUT ON
M

TIME TAKEN OFF
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DATE PUT ON
4-12-2014

DATE TAKEN OFF
19

MW-MP 50

SIGNED Paul Stelle

Hubbs #1

Hubbs 2

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TULSA OKLA.
TO REORDER CALL:
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METER NUMBER 40ft. CC
TUBE & ORIF SIZE
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DATE TAKEN OFF 19

MW-MP 50

SIGNED Paul Shier
HUBBS 2

PRINTED IN U.S.A.

Barbara 2

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C-E INVALCO
TULSA OKLA.
TO REORDER CALL:
1-800-331-5969
PRINTED BY CCC

for Barbara 2

METER NUMBER

TUBE & ORIF. SIZE

TIME PUT ON
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TIME TAKEN OFF
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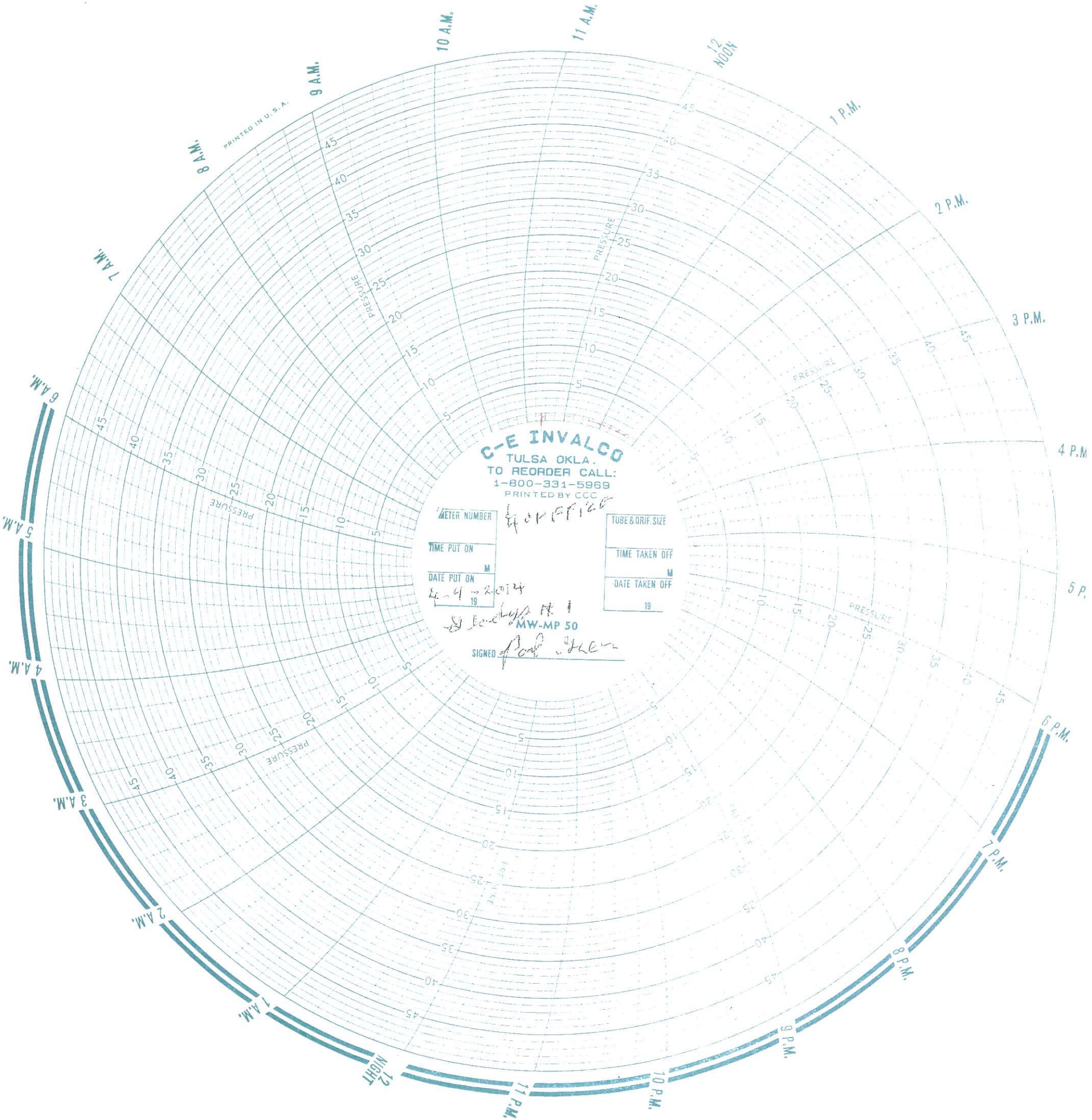
DATE PUT ON
4-16-19 2014

DATE TAKEN OFF
19

MW-MP 50

SIGNED

Gladys 1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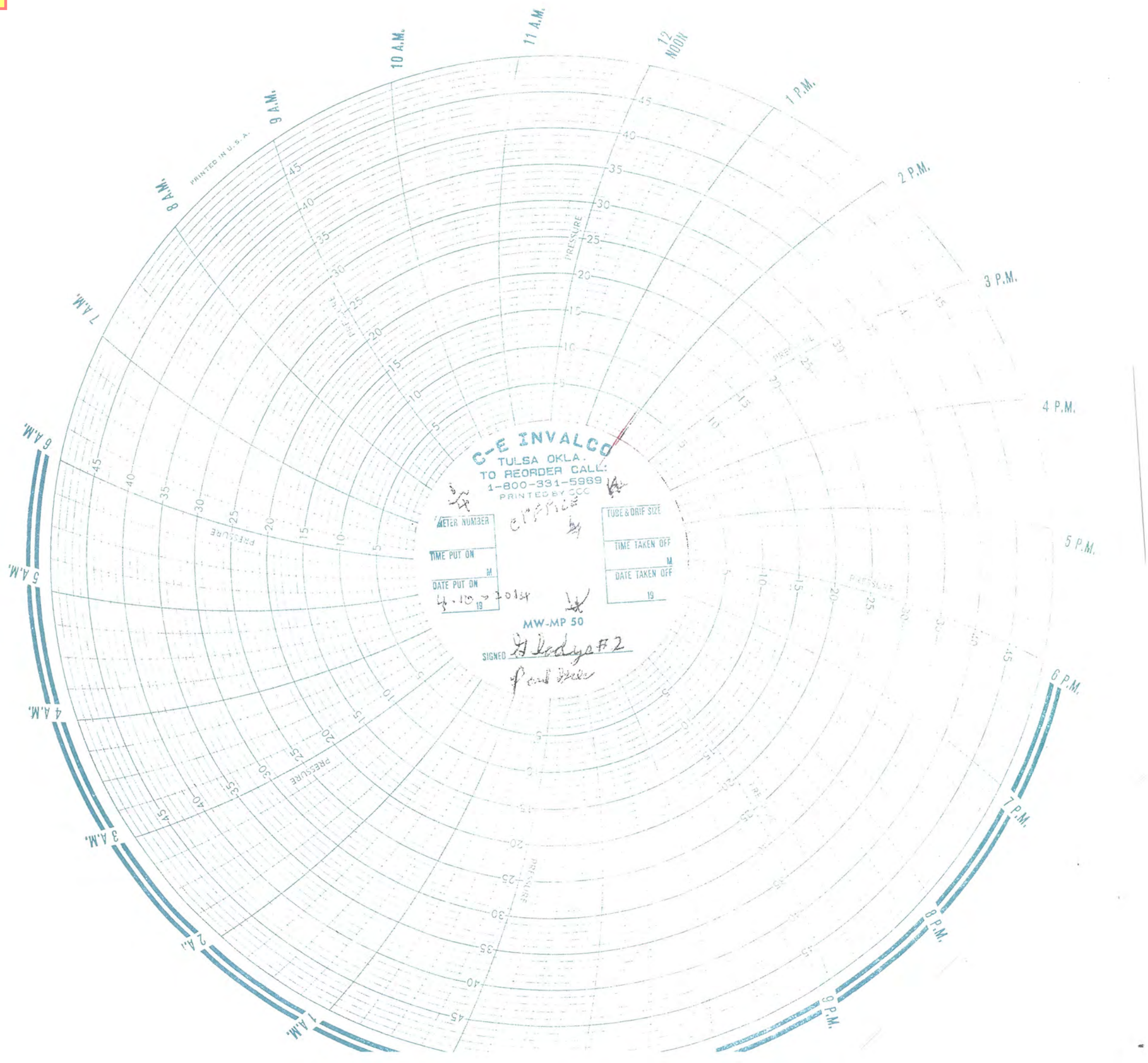
Gladys 2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DATE TAKEN OFF
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MW-MP 50
SIGNED Gladys #2
Paul Bates