AFFIDAVIT OF GEOLOGIST

STATE OF COLORADO
COUNTY OF JEFFERSON

Edward B. Coalson, the undersigned, after being duly sworn, stated upon his oath as follows:

I am a petroleum geologist. I received a B.S. degree in geology from California State University at Long Beach in 1970, an M.S. degree in geology from the University of Wyoming in 1971, and a Ph.D. in geology from the Colorado School of Mines in 2012. I have worked as a petroleum geologist for 42 years, including about 5 years during which I have worked on matters involving the San Juan Basin. I am self-employed under the name Strike Oil & Gas, LLC, and was asked by Huntington Energy, LLC to prepare a study of the Fruitland Coal prospect in reference to their proposed Atsa Unit in San Juan County, New Mexico.

The attached report entitled "Proposed Unit Area and Depth," consisting of three pages of text and three pages of attached exhibits, was prepared by me from sources generally available to and relied upon by petroleum geologists, and represents my opinions in reference to the subject unit.

Further affiant sayeth not.

Edward B. Coalson
Edward B. Coalson

SUBSCRIBED AND SWORN TO before me this 23rd day of April 2014.

Ronak V Shah
Notary Public
State of Colorado

My commission expires 2/15, 2015

NOTARY PUBLIC
RONAK V SHAH
STATE OF COLORADO
MY COMMISSION EXPIRES 02/15/2015

Exhibit No. 7
Case No. 15117

Proposed Unit Area and Depth

The proposed Atsa Exploratory Unit is located in San Juan County, New Mexico as illustrated in Exhibits 1 and 2, and covers 14,545 acres, more or less.

Geology

All oil and gas in the Fruitland Formation of the unitized land, defined as being from the top of the Fruitland Formation at a depth of 659 feet down to the stratigraphic equivalent of the base of the Fruitland Formation at a depth of 1,010 feet as encountered in the Mancisco AZZ Federal #1 well in Section 29, Township 25 North, Range 13 West, N.M.P.M., are unitized under the terms of this agreement and herein are called "unitized substances" (See type log attached as Exhibit "C").

The area subject to unit development is determined by the: A.) thickness of the lower Fruitland coals, and B.) minimum depth requirements for adequate reservoir pressures.

1) The aggregate thickness of Fruitland coals (Exhibit 1) was estimated from well-log data. Coals were identified as the beds displaying low gamma-ray, high resistivity, and/or high apparent porosity log readings. The wide diversity in log types and vintages prevented establishing strict numerical cutoffs for these parameters. Rather, coal beds were identified by well-by-well visual "picking" of the logs. The coal-thickness map indicates that there is a trend of thicker coal beds oriented north-south through the unit area.

2) Because the gas contents (Gc's) are unknown it was arbitrarily assumed that Gc's will average 40 cubic feet per ton (CF/t). That level of Gc necessitates at least thirty (30) feet of coal thickness to provide gas production in paying quantities, i.e., 400 MMCFG, as calculated from:

$$RGIP = 1359.7 * A * h * \rho * Gc * RF$$

where RGIP = recoverable gas-in-place, A = drainage area (320 acres), h = coal thickness (30 feet), ρ = coal density (1.38 g/cm^3, based on four wells within the proposed unit area for which density logs over the Fruitland coals are available), Gc = gas content (40 CF/t), and RF = recovery factor (55%).

3) There are other variables associated with coalbed methane production, most importantly the permeability and porosity (matrix and fracture) of the coals, and the amount of associated water production (Ayers, 2003). These and other factors were considered to be imponderables that will be determined by future drilling and testing.

Previous Drilling

Also important to coalbed methane production are drilling and completion practices. To date, there have been twelve (12) wells drilled within the proposed unit boundary that penetrated the Fruitland coals. Five (5) wells did not test the productive capacity of the Fruitland coals by drillstem test (DST) or production test (PT) (Exhibit 2):

1) Davis Oil, #1 Government Riddle (NW/4 Sec. 10, T24N, R13W): Drilled in 1957.
2) Standard Oil of Texas, #1 State (SW/4 Sec. 16, T25N, R13W): Drilled in 1962.
3) Kenneth Murchison, #1 Federal (SW/4 Sec. 17, T25N, R13W): Drilled in 1958
4) Magnolia Petroleum, #1 Postelle Federal (NE/4 Sec. 28, T25N, R13W): Drilled in 1956.

5) Geomet Operating, #1 Engleberry (SW/4 Sec. 28, T25N, R13W): Drilled in 2003.

Seven (7) wells tested Fruitland coals. However, these wells did not utilize the "pod" exploitation strategy anticipated for this unit by Huntington Energy, and thus did not adequately test the commerciality of the CBM in this area.

1) KM Production, #1 Bench (NE/4 Sec. 34, T25N, R13W): Drilled in 1981. The well was completed in the Fruitland coals (951-1061 ft.) for an undisclosed IP. The well was acidized with 250 gal. of 15% hydrochloric acid, but not fraced. The well never reported production, and was plugged in 1981.
2) Texakoma, #1 Mustang Flats (NE/4 Sec. 20, T25N, R13W): Drilled in 1994. The well was completed in Fruitland coals (1,059-1,117 ft.) for an IP of 80 MCFPD and 1 BWPD. The well was acidized with 1,000 gallons (gal) of 10% formic acid and fraced with 49,400 gal of 70% quality foam and 110,500 lbs. of sand. The well produced 1,644 MCFG and 2,905 BW from October, 1994 to April, 1995, after which it was abandoned.
3) Texakoma, #1 Crow Flats (NE/4 Sec. 21, T25N, R13W): Drilled in 1994. The well was completed in the Fruitland coals (1,083-1,120 ft.) for an IP of 68 MCFPD and 1 BWPD. The well was acidized with 1,000 gal of 10% formic acid and fraced with 48,900 gal of 70% quality foam and 104,500 lbs. of sand. The well was plugged in 1995 after producing 2,705 MCFGPD and 4,694 BW.
4) Texakoma, #2 Crow Flats (SW/4 Sec. 21, T25N, R13W): Drilled in 1994. The well was completed in the Fruitland coals (993-1,033 ft.) for an IP of 90 MCFPD and 1 BWPD. The well was acidized with 1,000 gal of 10% formic acid and fraced with 49,400 gal of 70% quality foam and 110,500 lbs. of sand. The well was plugged in 1995 after producing 684 MCFG and 3,890 BW.
5) Myco Industries, #1 LY Federal (SW/4 Sec. 34, T25N, R13W): Drilled in 1994. The well was completed in the Fruitland coals (875-890 ft.) for an undisclosed IP. The well was acidized with 750 gal of 7.5% formic acid and fraced with 27,000 gal of 70% quality foam and 55,500 lbs. of sand. The well never reported any production, and was plugged in 1995.
6) Geomet Production, #1 Hoodoo (NE/4 Sec. 16, T25N, R13W): Drilled in 2001. The well was completed in the Fruitland coals (1,221-1,258 ft.) for an IP of 225 BWPD after fracture stimulation (fracing) with 1,582 barrels of 20# cross-linked gelled water propped with 125,000 lbs. of 20/40 sand. During December, 2012 the well produced 7 MCFG and 3 BW, and had up until then produced 31,900 MCFG and 9,585 BW.
7) Yates Petroleum (now Dugan Petroleum), #1 Moncisco AZZ Federal (NE/4 Sec. 29, T25N, R13W): Drilled in 2003. The well was completed in the Fruitland coals (954-994 ft.) for an IP of 3 MCFPD and 140 BWPD. The well was acidized with 1,000 gal of 10% formic acid and fraced with 9,000 gal of 65% quality foam and 77,500 lbs. of sand, energized with nitrogen. This well produced 2,374 MCFG and 4,278 BW during December, 2012, and had by then produced 231,188 MCFG and 315,693 BW. This is the most recently drilled well, and also the most productive gas well located within the proposed unit boundary.

Huntington Energy maintains that none of these wells adequately demonstrates the productive potential of the Fruitland coals under current completion practices. The fact that the latest drilled well (#1 Moncisco AZZ Federal) is the best producer suggests that application of evolving drilling and completion practices yet may yield commercial gas production in this area.

Boundary Delineation

The proposed unit area includes all 320-acre subdivisions under which it is anticipated that 30 feet or more of aggregate coal thickness will be encountered lying beneath 50% or more of that subdivision.

The southern limit of the unit is established where the Fruitland coals are deeper than about 550 ft. This equates to a reservoir-fluid pressure of 220 psi, which is considered necessary to allow adequate adsorption of gas within the coal beds.

Initial Test Well

The initial test well (ITW) is to be located in NE/4 Section 28, T25N, R13W. The ITW will be drilled to a depth of 1,200 feet, or to 50 ft. below the top of the Fruitland coals, whichever is the lesser.

Reference

Ayers, W.B., 2003, Coalbed methane in the Fruitland Formation, San Juan Basin, Western United States: A giant unconventional play, *in* M.T. Halbouty, ed., Giant Oil and Gas Fields of the Decade 1990-1999: AAPG Memoir 78, p. 159-188.

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EXHIBIT 1: Aggregate Thickness of Fruitland Coal

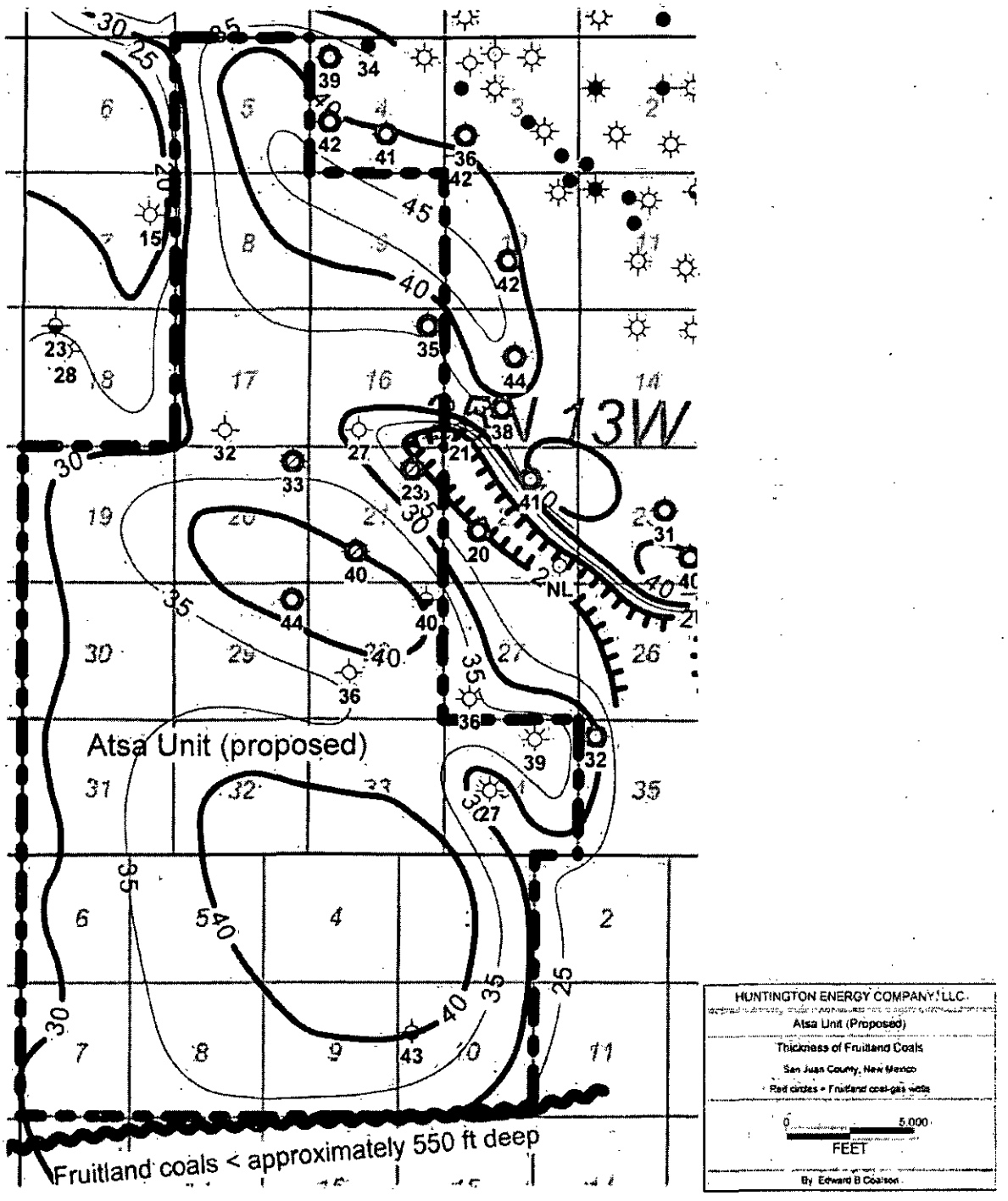


EXHIBIT 2: Well Names

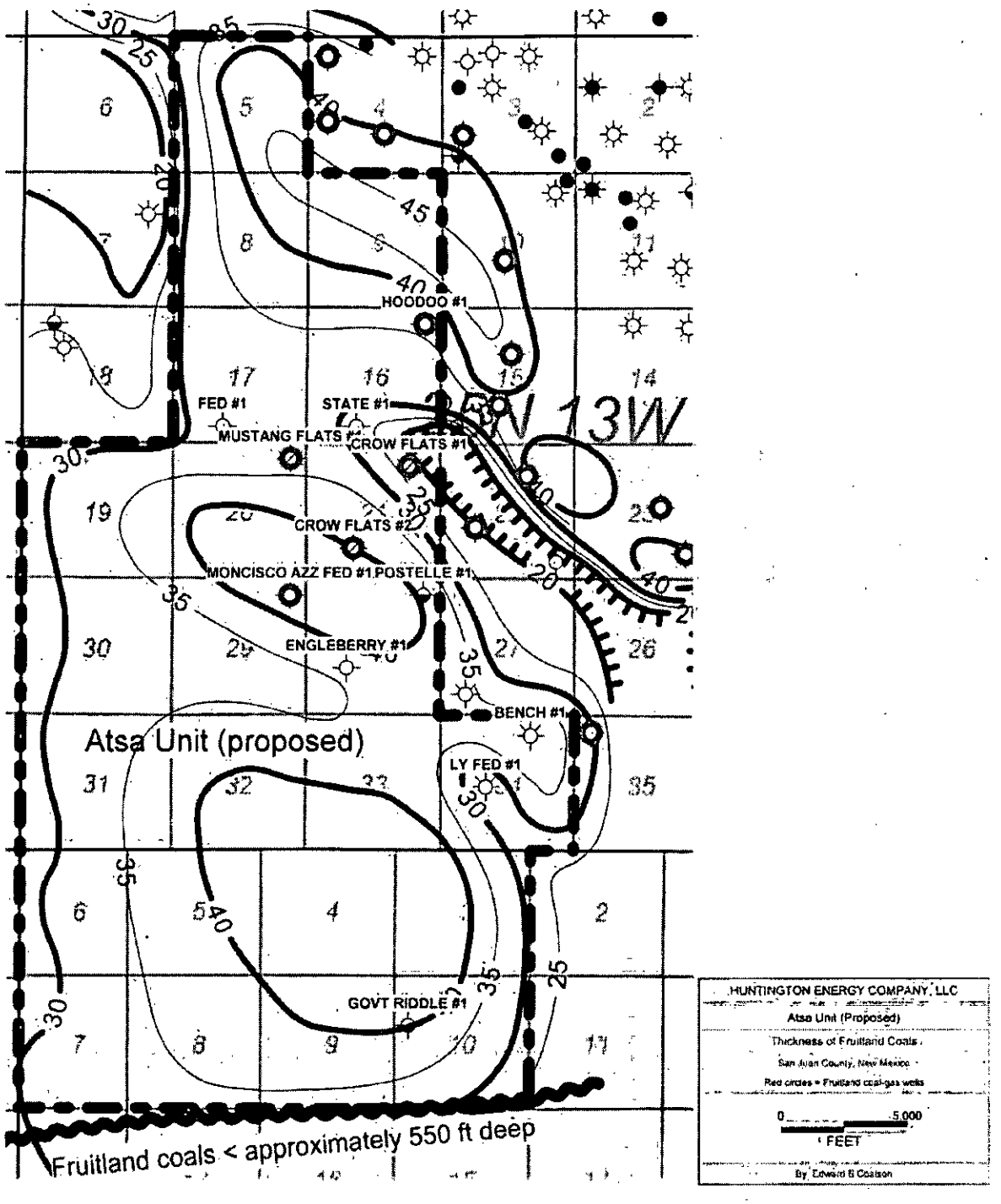
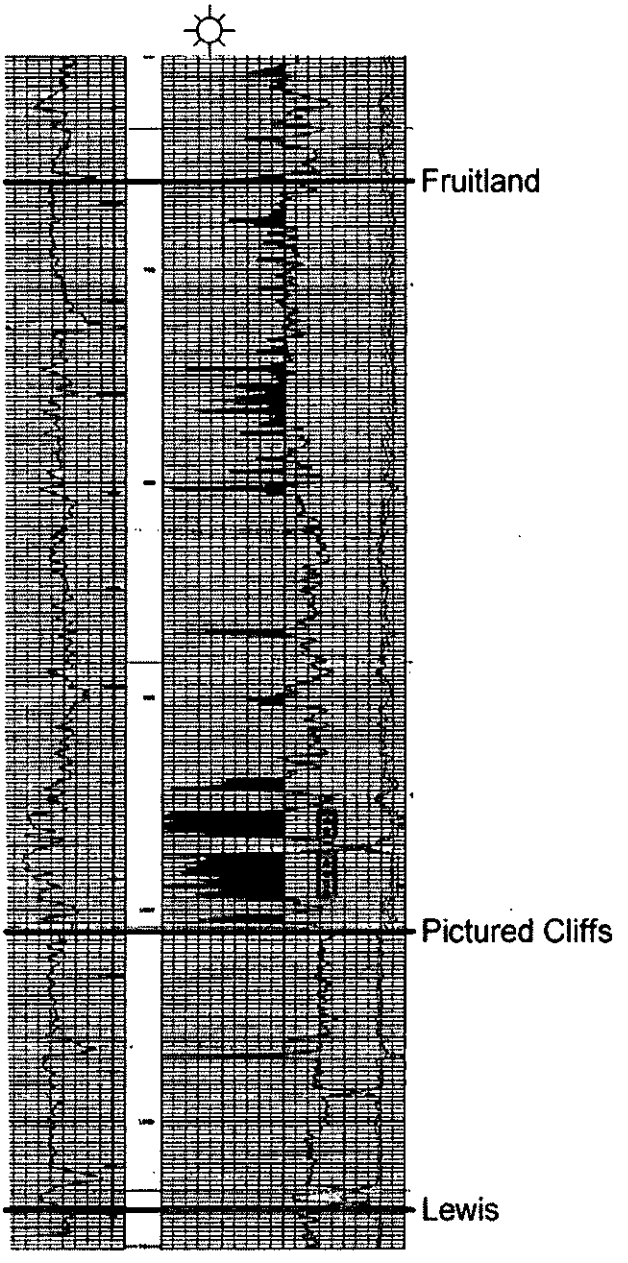


EXHIBIT "C": Type Log



HUNTINGTON ENERGY, LLC
EXHIBIT "C"
Type Log, Atsa Unit
Yates, #1 Fed Mancisco AZZ Sec. 29, T25N, R13W San Juan County, NM