



JKLM ENERGY^{LLC}

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JKLM ENERGY PROJECT UPDATE, SEPTEMBER 29

44 Water Samples Received to Date; No Additional Detections of Isopropanol or MBAS

WEXFORD, Pa. (Sept. 29) – JKLM Energy, LLC issued the following update to the public regarding the company's continuing response to the release of drilling chemicals at its Sweden Township, Potter County wellpad. These updates and related information are available at a project-specific website:

www.northhollowresponse.com

As of September 28, 2015, JKLM Energy, LLC has received a total of 44 lab results from water sources near the Reese Hollow 118 wellpad. As reported previously, a total of five sources had trace levels of either isopropanol or methylene blue activated substances (MBAS). Specific information on those five samples can be found in previous project updates.

Thirty-nine samples had no detectable levels of isopropanol or MBAS.

Samples were collected from the nearby Hershey Pond on September 24 and September 27, with MBAS levels detected above the U.S. Environmental Protection Agency's non-health based secondary drinking water standard in the September 24 sample. Those levels had decreased well below those standards in the September 27 sample. Samples will continue to be taken daily at the pond, and a hydrogeologist is currently mapping the aquifer in which the chemicals were released at the wellpad.

As JKLM's ongoing investigation has progressed, which included an inventory of materials on location, the company has revised its estimate of the amount of surfactant involved in this incident. Approximately 98 gallons of the surfactant were used, with an estimated quantity of approximately 30 gallons that returned to the surface, where it was pumped into tanks and disposed of in accordance with applicable regulations. The company is also investigating the use of a biodegradable oil as a drilling hammer lubricant, known as Rock Oil.

Residents in this area who notice a change in their water quality or have other concerns can contact Dean Boorum at (814) 598-3960 to schedule a water well sample and receive a supply of bottled water while the sample is being analyzed.



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The JKLM Community Outreach office is open at 200 N. West St. in Coudersport and will be staffed from 9:00 AM to 7:00 PM, Monday through Friday. The public is invited to visit the office to talk with project managers, and view maps and related information about the company's response efforts.

JKLM is continuing to work closely with local officials as well as the Pennsylvania Department of Environmental Protection to limit the release's impact to the community and restore the local water aquifer to pre-drilling quality. Local residents with questions may contact Dean Boorum, JKLM's community liaison, at (814) 598-3960 with questions.

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About JKLM Energy, LLC: JKLM is a privately held oil and gas producer headquartered in Wexford, Pa. The company is conducting operations at locations in Potter County.