

## OTC Pink® Basic Disclosure Guidelines

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 ("Exchange Act") as well as Rule 144 of the Securities Act of 1933 ("Securities Act"), and state Blue Sky laws, require issuers to provide *adequate current information* to the public markets. With a view to encouraging compliance with these laws, OTC Markets Group has created these OTC Pink Basic Disclosure Guidelines. We use the basic disclosure information provided by OTC Pink companies under these guidelines to designate the appropriate tier in the OTC Pink marketplace: Current, Limited or No Information. OTC Markets Group may require companies with securities designated as Caveat Emptor to make additional disclosures in order to qualify for OTC Pink Current Information tier.

### Qualifications for the OTC Pink - Current Information Tier

Companies that make the information described below publicly available on a timely basis (90 days after fiscal year end for Annual Reports; 45 days after each fiscal quarter end for Quarterly Reports) qualify for the Current Information Tier. Financial reports must be prepared according to U.S. GAAP or IFRS, but are *not required to be audited* to qualify for the OTC Pink Current Information tier.

#### **Initial Qualification:**

1. Subscribe to the [OTC Disclosure & News Service](#) on [www.OTCIQ.com](http://www.OTCIQ.com) to publish your financial reports and material news.
2. Create the following documents, save them in PDF format and upload them via [www.OTCIQ.com](http://www.OTCIQ.com):
  - Annual Financial statements (Document must Include: Balance Sheet, Income Statement, Statement of Cash Flows, Notes to Financial Statements) for the previous two fiscal years. If these reports are audited, please attach the audit letter from the [PCAOB](#) registered audit firm. Each year's Annual Financial statements should be posted separately under the report type "Annual Report" in OTCIQ.
  - Any subsequent Quarterly Reports since the most recent Annual Report.
  - The most recent fiscal period end report should also include information in accordance with these OTC Pink Basic Disclosure Guidelines; use the fillable form beginning on page 3.
3. If financial reports are not audited by a [PCAOB](#) registered audit firm:
  - Submit a signed Attorney Letter Agreement (first two pages of the [Attorney Letter Guidelines](#)).
  - After following the appropriate procedures with a qualified attorney, upload an Attorney Letter complying with [Attorney Letter Guidelines](#) through your [otciq.com](http://otciq.com) account.

#### **Ongoing Qualification:**

1. **For each Fiscal Quarter End**, upload a Quarterly Report via [www.OTCIQ.com](http://www.OTCIQ.com) within **45** days of the quarter end. (A separate quarterly report is not required for the 4<sup>th</sup> quarter.) The Quarterly Report should include:
  - Information in accordance with these OTC Pink Basic Disclosure Guidelines -- use the fillable form beginning on page 3.
  - Quarterly financial statements (Balance Sheet, Income Statement, Statement of Cash Flows, Notes to Financial Statements).
  - No Audit Letter or Attorney Letter is required.
2. **For each Fiscal Year End**, upload an Annual Report within **90 days** of the fiscal year end. The Annual Report should include:
  - Information in accordance with these OTC Pink Basic Disclosure Guidelines -- use the fillable form beginning on page 3.
  - Annual financial statements (Balance Sheet, Income Statement, Statement of Cash Flows, Notes to Financial Statements, and Audit Letter, if the financial statements are audited).
3. If financial reports are not audited by a PCAOB registered audit firm, upload an Attorney Letter via [www.OTCIQ.com](http://www.OTCIQ.com) complying with the [Attorney Letter Guidelines](#) within **120 days** of the fiscal year end.

### Qualifications for the OTC Pink - Limited Information Tier

Companies that make the information described below publicly available within the prior 6 months qualify for the Limited Information Tier.

1. Subscribe to the [OTC Disclosure & News Service](#) on [www.OTCIQ.com](#) to publish your financial reports and material news.
2. Create a Quarterly Report or Annual Report for a fiscal period ended within the previous 6 months, save it in PDF format and upload it via [www.OTCIQ.com](#). The Quarterly Report or Annual Report includes:
  - Balance Sheet, Income Statement, and Total Number of Issued and Outstanding Shares. Financial statements must be prepared in accordance with US GAAP, but are not required to be audited. (Please note that Cash Flow Statements are not required to qualify for the Limited Information tier; however, unless the financial statements include a Cash Flow Statement, no financial data will be included in the OTC Financials Data Service, which distributes company financial data to online investor portals and makes the data available on your company's Financials tab on [www.otcmarkets.com](#))
  - A company in the Limited Information tier, may, but is not required to, include information in accordance with these OTC Pink Basic Disclosure Guidelines using the fillable form beginning on page 3.

### **Current Reporting of Material Corporate Events**

OTC Markets Group encourages companies to make public disclosure available regarding corporate events that may be material to the issuer and its securities. Persons with knowledge of such events would be considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release within 4 business days following their occurrence, and posting such news release through the OTC Disclosure & News Service.

Material corporate events include:

- Entry or Termination of a Material Definitive Agreement
- Completion of Acquisition or Disposition of Assets, Including but not Limited to mergers
- Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of an Issuer
- Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement
- Costs Associated with Exit or Disposal Activities
- Material Impairments
- Sales of Equity Securities
- Material Modification to Rights of Security Holders
- Changes in Issuer's Certifying Accountant
- Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review
- Changes in Control of Issuer
- Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers
- Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year
- Amendments to the Issuer's Code of Ethics, or Waiver of a Provision of the Code of Ethics
- Other events the issuer considers to be of importance

## OTC Pink Basic Disclosure Guidelines

### **1) Name of the issuer and its predecessors (if any)**

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

1<sup>st</sup> NRG Corp.

### **2) Address of the issuer's principal executive offices**

#### Company Headquarters

Address 1: 1531 Stout Street

Address 2: Suite 607

Address 3: Denver, Colorado 80202

Phone: 816.256.8561

Email: info@1stnrg-corp.com

Website(s): http://1stnrg-corp.com

#### IR Contact

Address 1: EnergyIR

Address 2: 3900 Essex Lane, Suite 950

Address 3: Houston, TX 77027

Phone: 713.304-6962

Email: b\_holmes@att.net

Website(s): \_\_\_\_\_

### **3) Security Information**

Trading Symbol: FNRC

Exact title and class of securities outstanding: Common Stock

CUSIP: 32114B309

Par or Stated Value: .00001

Total shares authorized: 20,000,000,000

as of: 05/15/2017

Total shares outstanding: 8,073,120,649

as of: 05/15/2017

Additional class of securities (if necessary):

Trading Symbol: \_\_\_\_\_

Exact title and class of securities outstanding: \_\_\_\_\_

CUSIP: \_\_\_\_\_

Par or Stated Value: \_\_\_\_\_

Total shares authorized: \_\_\_\_\_

as of: \_\_\_\_\_

Total shares outstanding: \_\_\_\_\_

as of: \_\_\_\_\_

#### Transfer Agent

Name: Continental Stock Transfer & Trust Co.

Address 1: 17 Battery Place

Address 2: 8<sup>th</sup> Floor

Address 3: New York, NY 10004

Phone: 212.509.4000

Is the Transfer Agent registered under the Exchange Act?\* Yes:  No:

\*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

NA

Describe any trading suspension orders issued by the SEC in the past 12 months.

NA

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

NA

#### **4) Issuance History**

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

In April 2015, the Company issued 15,000 series B preferred shares to a non affiliated third party in the State of Florida, in a private transaction. The series B shares are convertible into 1,500,000,000 shares of the Company's common stock. The Company received proceeds of \$20,000.

April 20, 2016, the Company authorized the issuance of 1,000,000,000 of common stock each, of its Directors and to Mr. Ed Renyk, advisor to the Board for services rendered. The total issuance being 5,000,000,000 shares.

In May, 2016, 2,400 of the Series B Class B Preferred Shares were converted into 240,000,000 shares of the Company's Common Stock.

June 2016 a Series "E" Preferred shareholder elected to convert 1,334 Series "E" Preferred shares into 133,400,000 shares of common stock. The Series E Shares were announced on May 12, 2014, by FINRA, the Company's declared dividend of one Series "E" Preferred Share for qualified shareholders of record on April 28, 2014. The Series "E" Preferred Shares are now convertible into the Company's common stock and each Preferred "E" share converts into 100,000 shares of common stock. Also in June 2016, 360 of the Series B Class B Preferred Shares were converted into 36,000,000 shares of the Company's Common Stock.

July 2016 - The company received notice that a non affiliated entity, had purchased a portion of a promissory note between the company and Mr. Jon Roddy with a principal amount outstanding of \$80,000. Concurrently, the company received notice to also convert the partial note purchase of \$800 into 40,000,000 shares of common stock.

October 2016 - The company received notice that a non affiliated entity, had purchased a portion of a promissory note between the company and Mr. Jon Roddy. Concurrently, the company received notice to also convert the partial note purchase of \$5,000 into 250,000,000 shares of common stock.

November 2016 – The Company converted 480 of the Series B Class B Preferred Shares into 48,000,000 shares of the Company's Common Stock

December 2016 - The company received notice that a non affiliated entity, had purchased a portion of a promissory note between the company and Mr. Jon Roddy. Concurrently, the company received notice to also convert the partial note purchase of \$10,000 into 500,000,000 shares of common stock.

February 2017 - The company received notice that a non affiliated entity, had purchased a portion of a promissory note between the company and Mr. Jon Roddy. Concurrently, the company received notice to also convert the partial note purchase of \$5,000 into 250,000,000 shares of common stock.

March 2017 - The company received notice that a non affiliated entitiy, had purchased a portion of a promissory note between the company and Mr. Jon Roddy. Concurrently, the company received notice to also convert the partial note purchase of \$10,000 into 500,000,000 shares of common stock.

March 2017 - Series "E" Preferred shareholders elected to convert a total of 498 Series "E" Preferred shares into 49,800,000 shares of common stock. The Series E Shares were announced on May 12, 2014, by FINRA, the Company's declared dividend of one Series "E" Preferred Share for qualified shareholders of record on April 28,2014. The Series "E" Preferred Shares are now convertible into the Company's common stock and each Preferred "E" share converts into 100,000 shares of common stock.

April 2017 - The company received notice that a non affiliated entitiy, had purchased a portion of a promissory note between the company and Mr. Jon Roddy. Concurrently, the company received notice to also convert the partial note purchase of \$10,000 into 500,000,000 shares of common stock.

April 2017 - A Series "E" Preferred shareholder elected to convert a total of 250 Series "E" Preferred shares into 25,000,000 shares of common stock. The Series E Shares were announced on May 12, 2014, by FINRA, the Company's declared dividend of one Series "E" Preferred Share for qualified shareholders of record on April 28,2014. The Series "E" Preferred Shares are now convertible into the Company's common stock and each Preferred "E" share converts into 100,000 shares of common stock.

April 2017 – 5,000 of the Series B Class B Preferred Shares were converted into 500,000,000 shares of the Company's Common Stock.

B. Any jurisdictions where the offering was registered or qualified;

In April 2015, the Company issued 15,000 shares of its preferred series B stock to a non affiliated third party in the State of Florida, in a private transaction. The series B shares are convertible into 1,500,000,000 shares of the Company's common stock. The Company received proceeds of \$20,000.

C. The number of shares offered;

In April 2015, the Company issued 15,000 shares of its preferred series B stock to a non affiliated third party in the State of Florida, in a private transaction. The series B shares are convertible into 1,500,000,000 shares of the Company's common stock. The Company received proceeds of \$20,000.

D. The number of shares sold;

In April 2015, the Company issued 15,000 shares of its preferred series B stock to a non affiliated third party in the State of Florida, in a private transaction. The series B shares are convertible into 1,500,000,000 shares of the Company's common stock. The Company received proceeds of \$20,000.

E. The price at which the shares were offered, and the amount actually paid to the issuer;

In April 2015, the Company issued 15,000 shares of its preferred series B stock to a non affiliated third party in the State of Florida, in a private transaction. The series B shares are convertible into 1,500,000,000 shares of the Company's common stock. The Company received proceeds of \$20,000 at a price of \$1.33 per preferred B share..

F. The trading status of the shares; and

In April 2015, the Company issued 15,000 series B preferred shares in a private transaction. The series B shares are convertible into 1,500,000,000 shares of the Company's common stock and are restricted.

April and June 2016 - Issuance of comon stock from the conversion of Series "B" Preferred shares. The 276,000,000 shares have been issued and are free trading.

June 2016 – Issuance of comon stock from the conversion of Series "E" Preferred shares. The 133,400,000 shares have been issued and are free trading.

July 2016 - Issuance of common stock from the conversion of debt. The 40,000,000 shares have been issued pursuant to opinion of counsel and are free trading.

October 2016 - Issuance of common stock from the conversion of debt. The 250,000,000 shares have been issued pursuant to opinion of counsel and are free trading.

November 2016 - Issuance of common stock from the conversion of Series "B" Preferred shares. The 48,000,000 shares have been issued and are free trading.

December 2016 - Issuance of common stock from the conversion of debt. The 500,000,000 shares have been issued pursuant to opinion of counsel and are free trading.

February 2017 - Issuance of common stock from the conversion of debt. The 250,000,000 shares have been issued pursuant to opinion of counsel and are free trading.

March 2017 - Issuance of common stock from the conversion of debt. The 500,000,000 shares have been issued pursuant to opinion of counsel and are free trading.

March 2017 - Issuance of common stock from the conversion of Series "E" Preferred shares. The 49,800,000 shares have been issued and are free trading.

April 2017 - Issuance of common stock from the conversion of debt. The 500,000,000 shares have been issued pursuant to opinion of counsel and are free trading.

April 2017 - Issuance of common stock from the conversion of Series "E" Preferred shares. The 25,000,000 shares have been issued and are free trading

April 2017 – Issuance of common stock from the conversion of Series "B" Preferred shares. The 500,000,000 shares have been issued and are free trading.

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

April 2016 – these shares are restricted and will have a legend to that effect.

The common stock issued June 2016 pursuant to conversion of the Company's Series "E" Preferred Shares are not restricted.

April and June 2016 - Issuance of common stock from the conversion of Series "B" Preferred shares. The 276,000,000 shares have been issued and are free trading and do not bear a restrictive legend.

July 2016 - Issuance of common stock from the conversion of debt. The 40,000,000 shares have been issued pursuant to opinion of counsel and are free trading and do not bear a restrictive legend.

October 2016 - Issuance of common stock from the conversion of debt. The 250,000,000 shares have been issued pursuant to opinion of counsel and are free trading and do not bear a restrictive legend.

November 2016 - Issuance of common stock from the conversion of Series "B" Preferred shares. The 48,000,000 shares are not yet issued but will be free trading and will not bear a restrictive legend.

December 2016 - Issuance of common stock from the conversion of debt. The 500,000,000 shares have been issued pursuant to opinion of counsel and are free trading and do not bear a restrictive legend.

February 2017 - Issuance of common stock from the conversion of debt. The 250,000,000 shares have been issued pursuant to opinion of counsel and are free trading and do not bear a restrictive legend.

March 2017 - Issuance of common stock from the conversion of debt. The 500,000,000 shares have been issued pursuant to opinion of counsel and are free trading and do not bear a restrictive legend.

March 2017 - 49,800,000 shares of common stock issued pursuant to conversion of the Company's Series "E" Preferred Shares are not restricted.

April 2017 - Issuance of common stock from the conversion of debt. The 500,000,000 shares have been issued pursuant to opinion of counsel and are free trading and do not bear a restrictive legend.

April 2017 - 25,000,000 shares of common stock issued pursuant to conversion of the Company's Series "E" Preferred Shares are not restricted.

April 2017 – Issuance of common stock from the conversion of Series "B" Preferred shares. The 500,000,000 shares have been issued and are free trading and do not bear a restrictive legend.

## **5) Financial Statements**

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcqi.com in the field below.

### **Incorporated by reference - 1<sup>st</sup> NRG Corp Consolidated Financial Statements for the Quarter ended March 31, 2017, posted May 15, 2017.**

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

## **6) Describe the Issuer's Business, Products and Services**

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer's business operations;

1<sup>st</sup> NRG Corp. (OTCBB: FNRC.PK) is an exploration and production company headquartered in Denver, Colorado. Our activity has been centered upon the development of coal bed methane reserves in Wyoming where we operate and hold a working interest in 43 producing wells and 3,059 undeveloped acres. The undeveloped acreage could be permitted for up to 36 additional locations which are characterized by what we believe to be low geologic risk, a repeatable development

opportunity and are offsetting wells which all demonstrated developed coal seams in the Schwartz, Anderson, Canyon, Cook and Wall formations.

In 2015 we expanded our activities into a development of acreage in SE Ohio encompassing approximately 7,000 acres. We hold a 35% working interest in a development well completed in the Beekmantown Dolomite. The Company holds 100% of the offset development rights.

B. Date and State (or Jurisdiction) of Incorporation:

1st NRG Corp was incorporated in Delaware on January 8, 1988.

C. the issuer's primary and secondary SIC Codes;

Our primary SIC code is 1311 - Crude Petroleum and Natural Gas

D. the issuer's fiscal year end date;

Fiscal year end - December

E. principal products or services, and their markets;

Currently, the Company produces coal bed methane (CBM) which is natural gas that is trapped within buried coal and is stored, or adsorbed, onto the internal surfaces of a coal face. Geologists have long known that coal was the source for natural gas found in many conventional accumulations, but coal beds were not targeted for production due to high water content and minimal natural gas production. Following a West Virginia mine explosion in 1968, the U.S. Bureau of Mines began to examine ways of removing methane from coal prior to mining. The Bureau of Mines demonstrated that CBM could be produced when large volumes of water are pumped from a coal seam. In a process known as *dewatering*, a submersible pump is set below the coal seam, and the water column is pumped down, reducing the pressure in the coals.

As pressure in the coal bed formation is reduced, CBM is released through a process called *desorption*. CBM then moves into naturally occurring cracks, or cleats, in the coal, and then to the well bore. Cleats are natural fractures in the coals and are a result of ages of geological stresses. The cleats are generally filled with water, so the static water level above the coal must be reduced, which then lowers the reservoir pressure allowing desorption to occur. Thus, unlike producing from a conventional natural gas reservoir, reservoir pressure in a coal bed formation must generally be reduced to allow for production of CBM. Because of the necessity to remove water and reduce the pressure within the coal seam, CBM, unlike conventional hydrocarbons, often will not show immediately on initial production testing. Coal bed formations typically require extensive depressurization through dewatering before desorption can occur and the methane begins to flow at commercial rates.

The Company's Wyoming properties are located in the Powder River Basin an asymmetrical structure and sedimentary basin; bounded by the Bighorn and Black Hills uplift and the Casper Arch. The Paleocene Fort Union formation crops out along the basin margin and is overlain by the Eocene Wasatch formation in the central and western part of the basin. The Wasatch and Fort Union formations contain numerous coal beds, some of which approach 250 feet in total thickness. The Fort Union formation is divided, in ascending stratigraphic order, into the Tullock, Lebo, and Tongue River members, with the majority of coal and CBM production being produced from the Tongue River member.

In SE Ohio where we also have interest, the Rome Trough is a narrow northeast-trending rift basin that underlies the Appalachian Basin. Approximately 6,000 - 9,000 ft of Lower and Middle Cambrian shallow-marine to peritidal carbonate, sandstone, and shale fill the rift. The Rome Trough Play is defined by gas trapped in sandstone and carbonate reservoirs within the rift by basement-controlled fault blocks and anticlines. Stratigraphically, the play involves the Lower and Middle Cambrian Rome Formation and the Middle and Upper Cambrian Conasauga Group. Dark-gray to black shale and argillaceous limestone in the Conasauga Group and upper part of the Rome Formation are the likely sources of gas and local oil in the play. Individual shale beds are no thicker than about 1 ft, but their cumulative thickness may be several tens

of feet. Argillaceous limestone sequences may be as thick as 150 - 200 ft. TOC values of the dark-gray to black shale and limestone in the Conasauga Group and Rome Formation range from 0.05 to 0.59 percent.

The Beekmantown/Knox Carbonate Oil and Gas Play is defined by oil and gas trapped in Cambrian and Lower to lower Middle Ordovician platform dolomite reservoirs by truncation traps, paleo topographic highs, and low-amplitude basement-controlled anticlines. The play involves Cambrian and Lower Ordovician dolomite approximately between the Allegheny structural front and the western limit of the Appalachian Basin. This play area is northwest of the Valley and Ridge part of the Appalachian Fold and Thrust Belt and contains few, if any, bedding-plane detachment structures in pre-Upper Ordovician rocks. Stratigraphically, the play involves the Upper Cambrian and Lower Ordovician Knox Group and the Lower Ordovician and lower Middle Ordovician Beekmantown Group. Commonly, the Cambrian part of the Knox Dolomite in central Ohio is referred to as the Trempealeau Dolomite. Also included in the central Ohio part of the play are thin quartzose sandstones (for example, Krysik sandstone) intercalated with the Upper Cambrian dolomite.

The play is confirmed and extends across parts of New York, Pennsylvania, Ohio, West Virginia, Kentucky, Virginia, Tennessee, and Alabama. Prospective reservoirs in the play are classified as conventional. Dolomite that has vuggy and (or) fracture porosity is the most important reservoir in the play. The vuggy porosity formed by subaerial exposure and karst processes. Commonly, tectonic fracturing is required to improve the quality of the dolomite reservoirs. Most likely, the fracturing resulted from recurrent movement of fault-bounded basement blocks. Some of the fractures may have originated by the undermining and collapse of karst terranes.

The most porous and continuous zones of vuggy porosity are either directly beneath or within several hundred feet of the widespread Middle Ordovician Knox unconformity. Intercrystalline porosity in coarsely crystalline sparry dolomite supplements the vuggy porosity in these reservoirs. Periods of subaerial exposure of shorter duration have formed karst-related porous zones in dolomite far below the Knox unconformity. These zones may be suitable for oil and gas reservoirs, particularly if tectonic fractures and selective dissolution of unstable cement and intraclasts by circulating basin fluids have improved their porosity.

Black shale and argillaceous limestone in the Middle Ordovician Utica Shale, Antes Shale, Trenton Limestone, and Dolly Ridge Formation of the Trenton Group are the most likely sources of oil and gas in the New York, Pennsylvania, Ohio, and West Virginia parts of the play. The thickness of the black shale and limestone sequences ranges from 200 to 400 ft. Oil and gas are required to migrate approximately 1,000-1,500 ft down section to reach dolomite reservoirs in the Cambrian and Lower Ordovician sequence. In Kentucky and adjoining western West Virginia, shale and argillaceous limestone in the Middle and Upper Cambrian Conasauga Group in the Rome Trough may be the source of oil and gas.

TOC values in the Middle Ordovician black shale and argillaceous limestone sequences range from about 0.5 to 3 percent. Organic matter mostly consists of type II kerogen. Based on CAI and TMAX values, Middle Ordovician source beds in the New York, Pennsylvania, eastern Ohio, and West Virginia parts of the play are in the gas generation zone. The gas generation zone continues into Kentucky where Cambrian shale and limestone in the Rome Trough, rather than Middle Ordovician shale and limestone, are probable source beds for the play. Middle Ordovician source beds in a narrow zone that adjoins the Allegheny structural front in Pennsylvania and New York are overmature with respect to oil and gas generation. In most of central and eastern Ohio, Middle Ordovician source beds are in the oil generation zone. Although Middle Ordovician rocks in southern Ohio, Kentucky, Tennessee, and Alabama are in the oil generation zone, they contain no known source rocks. Oil and thermal gas are the expected hydrocarbon types in the play.

## 7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

1st NRG Corp. (OTCBB: FNRC.PK) is an exploration and production company headquartered in Denver, Colorado. Our activity has been centered upon the development of coal bed methane reserves in Wyoming where we operate and hold a working interest in 43 producing wells and 3,059 undeveloped acres. The undeveloped acreage could be permitted for up to 36 additional locations which are characterized by what we believe to be low geologic risk, a repeatable development opportunity and are offsetting wells which all demonstrated developed coal seams in the Schwartz, Anderson, Canyon, Cook and Wall formations.

In 2015 we expanded our activities into a development of acreage in SE Ohio encompassing approximately 7,000 acres. We hold a 35% working interest in a development well completed in the Beekmantown Dolomite. We currently hold 100% of the offset development rights in approximately 7,000 gross acres.

#### Wyoming CBM

The coal seams in the Powder River Basin that are targeted have been extensively mapped from many the wellbores drilled by others and ourselves. This allows us to determine the extent, thickness, gas saturation, formation pressure and relative permeability of the coal seams , thereby reducing (but does not entirely eliminating) the risk of drilling unproductive wells.

Pursuant to approvals from the Wyoming Oil and Gas Commission (the "WOGC"), gas production at Clabaugh Ranch has primarily been comingled from three coals: the Schwartz, the Anderson and the Canyon coals. We have begun a program to perforate and produce the Cook and Wall coal seams which are identified as PDNP reserves behind pipe. We expect that in time, using the same well bores and capital equipment (pumps, electricity, water and natural gas gathering systems) will result in lower total development and operating costs per mcf for the property. We also expect cumulative recovery by simultaneous multiple seam production to be greater than single seam production and result in lower per mcf operating costs and longer well lives.

Gas production from CBM wells usually is accompanied by production of significant volumes of water from the coals. Water quality varies with the chemical composition of the depositional environment when the coals were formed. Depending on water quality, local land conditions and regulations, water disposal can be a relatively expensive cost of production. Disposal methods range from reinjection, treatment plants (reverse osmosis or ion exchange), and impoundment systems (ponds) to evaporation sprinklers, irrigation and surface disposal.

A subsurface irrigation system was installed for the Clabaugh properties. Water from the wells (which is potable) is piped to an underground system of dispersal pipes where water seeps down into the alluvial till just below the ground surface. This technique (originally developed as an underground irrigation method - designed to limit evaporation) has been approved by the Wyoming Department of Environmental Quality for use where core drilling shows the subsurface can hold the water. This method is much less expensive than treating the water, and avoids overflow issues associated with impoundment ponds. 1<sup>st</sup> NRG is taking this process one step further by permitting a tool which will allow us to dispose of produced water within the existing wellbore. The ARID™ Aquifer Recharge Injection System was developed in order to solve the problems and costs associated with the surface discharge of CBM /CSNG produced water. This Aquifer Recharge Injection System has proven to satisfy the needs of CBM Operators, as well as landowners, environmentalists, and regulators as the safest and most cost effective method of removing water from a gas producing coal seam while at the same time saving the water in another aquifer all in the same well bore. ARID Aquifer Recharge Injection is now considered a "Best Practice" by CBM / CSNG gas producers that want to eliminate the cost and time associated with surface water discharge. See "Water Production and Management," below.

#### Overview of Coalbed Methane (CBM) and the Powder River Basin

CBM is natural gas that is trapped within buried coal and is stored, or adsorbed, onto the internal surfaces of the coal face. Geologists have long known that coal was the source for natural gas found in many conventional accumulations, but coal beds were not targeted for production due to high water content and minimal natural gas production. Following a West Virginia mine explosion in 1968, the U.S. Bureau of Mines began to examine ways of removing methane from coal prior to

mining. The Bureau of Mines demonstrated that CBM can be produced when large volumes of water are pumped from a coal seam. In a process known as *dewatering* a submersible pump is set below the coal seam, and the water column is pumped down, reducing the pressure in the coals.

As pressure in the coal bed formation is reduced, CBM is released through a process called *desorption*. CBM then moves into naturally occurring cracks, or cleats, in the coal, and then to the well bore. Cleats are natural fractures in the coals and are a result of ages of geological stresses. The cleats are generally filled with water, so the static water level above the coal must be reduced, which then lowers the reservoir pressure allowing desorption to occur. Thus, unlike producing from a conventional natural gas reservoir, reservoir pressure in a coal bed formation must generally be reduced to allow for production of CBM. Because of the necessity to remove water and reduce the pressure within the coal seam, CBM, unlike conventional hydrocarbons, often will not show immediately on initial production testing. Coal bed formations typically require extensive depressurization through dewatering before desorption can occur and the methane begins to flow at commercial rates.

The Powder River Basin is an asymmetrical structure and sedimentary basin bounded by the Bighorn and Black Hills uplift and the Casper Arch. The Paleocene Fort Union formation crops out along the basin margin and is overlain by the Eocene Wasatch formation in the central and western part of the basin. The Wasatch and Fort Union formations contain numerous coal beds, some of which approach 250 feet in total thickness. The Fort Union formation is divided, in ascending stratigraphic order, into the Tullock, Leo, and Tongue River members, with the majority of coal and CBM production being produced from the Tongue River member.

The majority of Powder River Basin CBM reserves are found in the Fort Union formation. Extensive drilling in the Fort Union formation (over 25,000 drilled well bores) has provided supporting data indicating that this formation contains numerous coal beds which are generally continuous, extremely permeable and are relatively shallow (less than 1,000 feet deep) and low in rank (geologic maturity) compared to other coals in the Rocky Mountains.

#### Drilling and Production

CBM wells in the Powder River Basin are drilled with small truck mounted rig drilling through the base of the Fort Union Coals and then setting casing and cementing the well to the surface. The coal bed seams are then completed by perforating the casing at the target coal (or coals) and the coal face is then cleaned out and flushed by pumping water at high rates into the coal seam. Once the well is completed, a submersible pump is run into the well on production tubing to pump produced water from the coal seam. As the coal dewatered, gas flows up the casing to the surface where the methane gas and produced water are metered. The gas then flows to a central compressor station where it is compressed into a high-pressure pipeline for sale. The water is gathered through a pipeline for disposal. CBM production generally is continuous to ensure a constant low-pressure natural gas and water flow and to sustain a commercially viable operation.

We intend to use drilling, completion and production practices that utilize technological advances in cementing, multiple zone completions and programmable submersible pumps. These techniques minimize damage to coal zones, preserve the potential of coals behind pipe, and reduce cementing costs. Multiple zone completions allow for the successful perforation of multiple zones which reduces capital costs over the life of the wells. Programmable submersible pumps and telemetry provide efficient means to best manage production and detect problems on a real time basis.

#### Water Production and Management

Water production and disposal is a key issue in CBM development. CBM-produced water in Wyoming (whether from wells on fee State or BLM land) must have a beneficial use, which is generally defined as suitable for agricultural, irrigation, commercial, domestic, industrial, municipal, mining, hydropower production, recreational, stock watering and fisheries, wildlife and wetlands maintenance, or dust suppression. Currently, the management of CBM-produced water depends on the quality of the produced water. The water produced in CBM operations can vary from very high quality (potable, meaning that it meets state and federal drinking standards), to very low quality (having a very high concentration of dissolved solids, like sodium, making it unsuitable for reuse). Testing of the produced water determines the disposal method.

Produced water is handled by utilizing one or several of the following regulatory-approved methods: Surface discharge (to creeks and streams); containment in ponds; irrigation of surface lands; injection to shallow sand formations; enhanced evaporation systems; treatment through ion exchange or reverse osmosis; and/or sub-surface irrigation.

Generally, water from CBM wells on the eastern side of the PRB (for example west of Gillette, Wyoming) contains much fewer dissolved minerals (especially sodium) than other areas. We believe that there are other coal properties in the vicinity of the Clabaugh Ranch that have not been developed because the surface owners (ranchers) have concerns about CBM water disposal issues and operations adversely impacting surface use (ranching, wildlife, etc.).

A subsurface irrigation system was installed for the initial Clabaugh properties. Water from the wells (which is potable) is piped to an underground system of dispersal pipes where water seeps down into the alluvial till just below the ground surface. This technique (originally developed as an underground irrigation method - designed to limit evaporation) has been approved by the Wyoming Department of Environmental Quality for use where core drilling shows the subsurface can hold the water. This method is much less expensive than treating the water, and avoids overflow issues associated with impoundment ponds. 1<sup>st</sup> NRG is taking this process one step further by permitting a tool which will allow us to dispose of produced water within the existing wellbore. The ARID™ Aquifer Recharge Injection System was developed in order to solve the problems and costs associated with the surface discharge of CBM /CSNG produced water. This Aquifer Recharge Injection System has proven to satisfy the needs of CBM Operators, as well as landowners, environmentalists, and regulators as the safest and most cost effective method of removing water from a gas producing coal seam while at the same time saving the water in another aquifer all in the same well bore. ARID Aquifer Recharge Injection is now considered a "Best Practice" by CBM / CSNG gas producers that want to eliminate the cost and time associated with surface water discharge.

#### CBM Recovery Characteristics

The primary variables that affect recovery of CBM are coal thickness, gas content and permeability. Coal thickness refers to the actual thickness of the coal layer and is used to estimate how many tons of coal underlie a section of land. The estimate of the number of tons per section is multiplied by the estimated gas content of such lands to estimate the gas in place for the section. Gas content in coal is measured in terms of standard cubic feet per ton. Sufficient coal permeability is a prerequisite for economic gas flow rates because gas and water must be able to flow to the wellbore. Most gas and water flow through the cleats and other fractures in the coal. Cleat spacing is influenced by a variety of factors and greatly affects permeability.

CBM wells are drilled by contractors hired by the using small truck mounted rigs and are often completed in multiple zones. The lowering of the static water level reduces the coal formation pressure and allows the gas to release from the coal and migrate to the well bore.

Water production is a function of the volume and pressure of water in the coals. Wells on the Clabaugh properties are expected to produce less water (than wells in other areas) before achieving economic gas production rates, because the de-watering at the numerous wells operated by other companies in the vicinity have reduced formation pressures. De-watering CBM wells in some parts of the PRB can take up to 24 months (or longer) before commercial gas production, which results in delayed cash flow and overall increased costs per mcf of production.

#### SE Ohio

##### Properties – SE Ohio

The Company has expanded its activities into Ohio participating in a development of prospective acreage encompassing approximately 7,000 acres. A vertical test well was drilled, logged, cored and cased to a depth of approximately 7,620 feet. Testing of the well, the results of a diagnostic fracture injection test and analysis of the cores, proved inconclusive in the Utica Shale but showed promise in the Beekmantown Dolomite. The well has begun pumping.

#### 1<sup>st</sup> NRG Properties – Wells and Locations

Our current asset base at Clabaugh Ranch is about 32% developed; currently the 40 of the 43 drilled wells are commingling gas produced from three coals – the Schwartz, Anderson and the Canyon coals. One well produces from the Wall coal and one from the Schwartz only and we have one well being completed. We have begun a development program of the behind pipe coal seams. In total we have identified 390 coals seams for development of which only 122 have been completed and acreage for 36 locations which could be permitted in the future.

Summarized below is the current position of 1<sup>st</sup> NRG wells:

	Gross Wells		Net Wells to FNRC	
	Ohio	Wyoming	Ohio	Wyoming
Drilled	1	43	.292	18.22
Future		36		7.10
Total Wells	1	79	.292	26.66

The current Clabaugh Ranch field is comprised of Federal, and Fee leasehold. The current development at Clabaugh Ranch is on approximately 6,208 gross acres as described in the following table:

	Developed	Fee	Fed	Total
Fee		2,366.53		2,366.53
Fed			1,020.90	1,020.90
		2,366.53	1,020.90	3,387.43
Undeveloped		460.97	2,597.86	3,058.83
Total		2,827.50	3,618.76	6,446.26

  

Net to FNRC				
Fee		1,372.59		1,372.59
Fed			129.83	129.83
		1,372.59	129.83	1,502.42
Undeveloped		267.36	529.48	796.84
Total		1,639.95	659.31	2,299.26

## Title to Properties

As is customary in the natural gas industry, we initially conduct only a cursory review of the title to our properties on which we do not have proved reserves. Prior to the commencement of drilling operations on those properties, we conduct a thorough title examination and perform curative work with respect to significant defects. To the extent title opinions or other investigations reflect title defects on those properties; we are typically responsible for curing any title defects at our expense. We generally will not commence drilling operations on a property until we have cured any material title defects on such property. Prior to completing an acquisition of producing leases, we perform title reviews and, depending on the materiality of properties, we may obtain a title opinion or review previously obtained title opinions. As a result, we believe that we have satisfactory title to our properties in accordance with standards generally accepted in the natural gas industry. Our properties will be subject to customary royalty and other interests, liens for current taxes and other burdens which we believe do not materially interfere with the use of or affect our carrying value of the properties.

## Seasonal Nature of Business

Seasonal weather conditions and lease stipulations can limit our drilling activities and other operations in certain areas of Wyoming and, as a result, we seek to perform the majority of our drilling during the summer months. These seasonal anomalies can pose challenges for meeting our well drilling objectives and increase competition for equipment, supplies and personnel during the spring and summer months, which could lead to shortages and increase costs or delay our operations.

## Environmental Matters and Regulation

General. Our operations are subject to stringent and complex federal, state and local laws and regulations governing environmental protection as well as the discharge of materials into the environment. These laws and regulations may, among other things:

- require the acquisition of various permits before drilling commences;
- enjoin some or all of the operations of facilities deemed in non-compliance with permits;
- restrict the types, quantities and concentration of various substances that can be released into the environment in connection with natural gas drilling, production and transportation activities;
- limit or prohibit drilling activities on certain lands lying within wilderness, wetlands and other protected areas; and
- require remedial measures to mitigate pollution from former and ongoing operations, such as requirements to close pits and plug abandoned wells.

These laws, rules and regulations may also restrict the rate of natural gas production below the rate that would otherwise be possible. The regulatory burden on the natural gas industry increases the cost of doing business in the industry and consequently affects profitability. Additionally, Congress and federal and state agencies frequently revise environmental laws and regulations, and the clear trend in environmental regulation is to place more restrictions and limitations on activities that may affect the environment. Any changes that result in more stringent and costly waste handling, disposal and cleanup requirements for the natural gas industry could have a significant impact on our operating costs.

**The following is a summary of some of the existing laws, rules and regulations to which our business operations are subject.**

Waste Handling. The Resource Conservation and Recovery Act, or RCRA, and comparable state statutes, regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the auspices of the federal Environmental Protection Agency, or EPA, the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. Drilling fluids, produced waters, and most of the other wastes associated with the exploration, development, and production of crude oil or natural gas are currently regulated under RCRA's non-hazardous waste provisions. However, it is possible that certain natural gas exploration and production wastes now classified as non-hazardous could be classified as hazardous wastes in the future. Any such change could result in an increase in our costs to manage and dispose of wastes, which could have a material adverse effect on our results of operations and financial position. Also, in the course of our operations, we generate some amounts of ordinary industrial wastes, such as paint wastes, waste solvents, and waste oils that may be regulated as hazardous wastes.

Comprehensive Environmental Response, Compensation and Liability Act. The Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, also known as the Superfund law, imposes joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include the current and past owner or operator of the site where the release occurred, and anyone who disposed or arranged for the disposal of a hazardous substance released at the site. Under CERCLA, such persons may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. In addition, it is not uncommon for neighboring landowners and other third-parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment.

Water Discharges. The Federal Water Pollution Control Act, or the Clean Water Act, and analogous state laws, impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by EPA or an analogous state agency. Spill prevention, control, and countermeasure requirements of federal laws require appropriate containment berms and similar structures to help prevent the contamination of navigable waters in the event of a petroleum hydrocarbon tank spill, rupture, or leak. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with discharge permits or other requirements of the Clean Water Act and analogous state laws and regulations.

Air Emissions. The Federal Clean Air Act, and comparable state laws, regulate emissions of various air pollutants through air emissions permitting programs and the imposition of other requirements. In addition, EPA has developed, and continues

to develop, stringent regulations governing emissions of toxic air pollutants at specified sources. States can impose air emissions limitations that are more stringent than the federal standards imposed by EPA, and California air quality laws and regulations are in many instances more stringent than comparable federal laws and regulations. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with air permits or other requirements of the federal Clean Air Act and associated state laws and regulations.

National Environmental Policy Act. Natural gas exploration and production activities on federal lands are subject to the National Environmental Policy Act, or NEPA. NEPA requires federal agencies, including the Department of Interior, to evaluate major agency actions having the potential to significantly impact the environment. In the course of such evaluations, an agency will prepare an Environmental Assessment that assesses the potential direct, indirect and cumulative impacts of a proposed project and, if necessary, will prepare a more detailed Environmental Impact Statement that may be made available for public review and comment. All of our current exploration and production activities, as well as proposed exploration and development plans, on federal lands require governmental permits that are subject to the requirements of NEPA. This process has the potential to delay the development of natural gas projects.

Pipeline Safety. Pipelines are subject to regulation by the U.S. Department of Transportation, or the DOT, pursuant to the Hazardous Liquid Pipeline Safety Act. The DOT, through the Office of Pipeline Safety, recently promulgated a series of rules which require pipeline operators to develop pipeline integrity management programs for transportation pipelines located in "high consequence areas." "High consequence areas" are currently defined as areas with specified population densities, buildings containing populations of limited mobility, and areas where people gather that are located along the route of a pipeline. Integrity management program elements include requirements for baseline assessments to identify potential threats to each pipeline segment, reassessments, and reporting and recordkeeping.

OSHA and Other Laws and Regulation. We are subject to the requirements of the federal Occupational Safety and Health Act, or OSHA, and comparable state statutes. These laws and the implementing regulations strictly govern the protection of the health and safety of employees. The OSHA hazard communication standard, EPA community right-to-know regulations under the Title III of CERCLA and similar state statutes require that we organize and/or disclose information about hazardous materials used or produced in our operations.

The Kyoto Protocol to the United Nations Framework Convention on Climate Change, or the Protocol, became effective in February 2005. Under the Protocol, participating nations are required to implement programs to reduce emissions of certain gases, generally referred to as greenhouse gases that are suspected of contributing to global warming. The United States is not currently a participant in the Protocol, and Congress has not actively considered recent proposed legislation directed at reducing greenhouse gas emissions. Other states have also adopted legislation addressing greenhouse gas emissions from various sources, primarily power plants. The natural gas industry is a direct source of certain greenhouse gas emissions, namely carbon dioxide and methane, and future restrictions on such emissions could impact our future operations. It is not possible, at this time, to estimate accurately how regulations that may be adopted to address greenhouse gas emissions would impact our business.

We are not aware of any environmental issues or claims that will require material capital expenditure. However, accidental spills or releases may occur in the course of our operations, and we cannot assure that we will not incur substantial costs and liabilities as a result of such spills or releases, including those relating to claims for damage to property and persons. Moreover, we cannot assure that the passage of more stringent laws or regulations in the future will not have a negative impact on our business, financial condition, and results of operations.

#### Other Regulation of the Natural Gas Industry

The natural gas industry is extensively regulated by numerous federal, state and local authorities. Legislation affecting the natural gas industry is under constant review for amendment or expansion, frequently increasing the regulatory burden. Also, numerous departments and agencies, both federal and state, are authorized by statute to issue rules and regulations binding on the natural gas industry and its individual members, some of which carry substantial penalties for failure to comply. Although the regulatory burden on the natural gas industry increases the cost of doing business and, consequently, affects profitability, these burdens generally will not affect us any differently or to any greater or lesser extent than they affect other companies in the industry with similar types, quantities and locations of production.

Our operations are subject to various types of regulation at federal, state and local levels. These types of regulation include requiring permits for the drilling of wells, drilling bonds and reports concerning operations. Most states, and some counties and municipalities regulate one or more of the following:

- the location of wells;
- the method of drilling and casing wells;
- the surface use and restoration of properties upon which wells are drilled;
- the plugging and abandoning of wells; and
- notice to surface owners and other third parties.

State laws regulate the size and shape of drilling and spacing Shares or proration Shares governing the pooling of natural gas properties. Some states allow forced pooling or integration of tracts to facilitate exploration while other states rely on voluntary pooling of lands and leases. These laws and regulations may limit the amount of natural gas we can produce from our wells or limit the number of wells or the locations at which we can drill. Moreover, Wyoming imposes conservation and severance taxes on the production and sale of natural gas within its jurisdiction.

Natural Gas Regulation. The availability, terms and cost of transportation significantly affect sales of natural gas. The interstate transportation and sale for resale of natural gas is subject to federal regulation, including regulation of the terms, conditions and rates for interstate transportation, storage and various other matters, primarily by the Federal Energy Regulatory Commission. Federal and state regulations govern the price and terms for access to natural gas pipeline transportation. The Federal Energy Regulatory Commission's regulations for interstate natural gas transmission in some circumstances may also affect the intrastate transportation of natural gas.

Although natural gas prices are currently unregulated, Congress historically has been active in the area of natural gas regulation. We cannot predict whether new legislation to regulate natural gas might be proposed, what proposals, if any, might actually be enacted by Congress or the various state legislatures, and what effect, if any, the proposals might have on the operations of the underlying properties. Sales of condensate and natural gas liquids are not currently regulated and are made at market prices.

State Regulation. Wyoming regulates the drilling for, and the production, gathering and sale of, natural gas, including imposing severance and conservation taxes and requirements for obtaining drilling permits. Wyoming currently imposes a severance tax on natural gas producers at the rate of 6% of the value of the gross product extracted. Reduced rates may apply to certain types of wells and production methods, such as new wells, renewed wells, stripper production and tertiary production.

Wyoming also regulates the method of developing fields, the spacing and operation of wells and the prevention of waste of natural gas resources. States do not regulate wellhead prices or engage in other similar direct economic regulation, but there can be no assurance that they will not do so in the future. The effect of these regulations may be to limit the amounts of natural gas that may be produced from our wells, and to limit the number of wells or locations we can drill.

## **8) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

- A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Management of 1st NRG Corp.

**Kevin Norris - Director - CEO.** Mr. Norris has 36 years of industry experience with various energy companies including Apache Corporation, Universal Fuels Company, TOP Gas Gathering and BlueCreek Energy. Through his career, Mr. Norris has been involved in the drilling, operating, transportation and marketing of both oil and gas wells and specifically CBM (Coal bed Methane) wells for the past 15 years. Mr. Norris spent 15 years with e2 Business Services, Inc. a company which provided outsourced administration and marketing services, as well as software solutions. While at e2, Mr. Norris aided the company in its design of a proprietary gas control system designed specifically to accommodate wellhead gas scheduling, marketing, allocations, balancing, invoicing and accounting for wellhead and downstream gas transactions. After founding BlueCreek Energy in 2006, the company grew to ownership in 78 producing wells (42 operated) and over 20 BCF in reserves (3P). Mr. Norris received a Bachelor of Science degree in Business Administration from Colorado State University in 1979. He is also a past Chairman of the IPAMS Natural Gas Committee.

**William Ellingson – Director.** Mr. Ellingson was appointed to the Company's Board of Directors in July 2011. Mr. Ellingson has over 35 years in the financial services industry including structured finance, distressed assets, equipment leasing and project financing. He is responsible in over \$1B in transactions including oil and gas, mining, chemicals, transportation and power. A successful investor involved in the turnaround of several companies. Mr. Ellingson received Bachelor of Science (Finance and Economics), University of Montana, 1975

**Joseph J. Schmidt – Director – CFO.** Mr. Schmidt has been in the banking and financial services industry for 24 years. Throughout his career he has managed sophisticated financial portfolios in technology, law, transportation, oil and gas, land management, and marketing. As a senior vice president and private banking client manager for UMB Investment and Wealth Management, Mr. Schmidt was responsible for comprehensive financial consultation, customized short-term and long-term credit solutions with preferred pricing, cash management solutions, and structuring premium FDIC insured deposit accounts. Prior to UMB, Mr. Schmidt has worked for other financial organizations such as CoBiz Financial, Wells Fargo, and Western Financial Bank. Mr. Schmidt received a Bachelor of Arts degree in Social Sciences with a concentration in Pre-Law from Colorado State University in Ft. Collins, Co. He also received an MBA from Regis University in Denver, Co. and his post graduate work is further enhanced by graduating from the esteemed Executive Leadership Program in the Daniel's College of Business at the University of Denver.

**Carter Mathies – Director.** Mr. Mathies was appointed to the Company's Board of Directors in February 2016. Mr. Mathies has over 32 years of energy industry experience with various companies including Ferus Corp., Arista Midstream Services (now Meritage Midstream), Slate River Resources, Westport Resources Corporation and Kinder Morgan Inc. Mr. Mathies received a Bachelor of Science in Business Administration from the University of Kentucky in 1978.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Common Stock

Beneficial Owner	Number of Shares	Percentage of Outstanding
<u>Kevin Norris</u> <u>1531 Stout Street, Suite 607</u> <u>Denver, CO. 80202</u>	1,000,375,105	12.39%
<u>William Ellingson</u> <u>1531 Stout Street, Suite 607</u> <u>Denver, CO. 80202</u>	1,000,375,053	12.39%
<u>Joseph Schmidt</u> <u>1531 Stout Street, Suite 607</u> <u>Denver, CO. 80202</u>	1,000,000,000	12.39%
<u>Carter Mathies</u> <u>1531 Stout Street, Suite 607</u> <u>Denver, CO. 80202</u>	1,000,000,000	12.39%
<u>Ed Renyk</u> <u>1531 Stout Street, Suite 607</u> <u>Denver, CO. 80202</u>	1,000,000,037	12.39%

Series D Preferred

Beneficial Owner	Number of Shares	Percentage of Outstanding
<u>Kevin Norris</u> <u>1531 Stout Street, Suite 607</u> <u>Denver, CO. 80202</u>	250,001	50%
<u>Ed Renyk</u> <u>1531 Stout Street, Suite 607</u> <u>Denver, CO. 80202</u>	250,000	50%

Series E Preferred

Beneficial Owner	Number of Shares	Percentage of Outstanding
<u>Kevin Norris</u> <u>1531 Stout Street, Suite 607</u> <u>Denver, CO. 80202</u>	75,021	40.76%
<u>William Ellingson</u> <u>1531 Stout Street, Suite 607</u> <u>Denver, CO. 80202</u>	75,011	40.76%

## 9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: Benjamin Bunker

OTC Markets Group Inc.

OTC Pink Basic Disclosure Guidelines (v1.1 April 25, 2013)

Firm: Bunker Law Group, PLLC  
Address 1: 3753 Howard Hughes Parkway  
Address 2: Suite 200, Las Vegas NV 89169  
Phone: 702-784-5990  
Email: benbunker@bunkerlawgroup.com

Accountant or Auditor

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Investor Relations Consultant

Name: Brad Holmes  
Firm: Energy IR  
Address 1: 3900 Essex Lane, Suite 950  
Address 2: Houston, TX 77027  
Phone: 713-304-6962  
Email: b\_holmes@att.net

Other Advisor: Advisor to the Board

Name: Ed Renyk  
Firm: \_\_\_\_\_  
Address 1: 6122 49 Ave.  
Address 2: Delta, BC, V4K 1Z1  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**10) Issuer Certification**

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Kevin Norris certify that:

1. I have reviewed this quarterly statement of 1<sup>st</sup> NRG Corp.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 15, 2017

"/s/ Kevin Norris CEO

"/s/ Joseph Schmidt CFO