

Waste Management Plan Summary for Verdad Oil & Gas Corp.

Verdad Oil & Gas Corp. (Verdad) plan for the appropriate handling of produced water, drill mud and cuttings, tank bottoms, and other associated Exploration and Production (E & P) wastes is described below:

- E&P wastes onsite will be stored in compatible containers or containment devices designed or engineered for the purposes for which they will be utilized. These containers will be inspected on a regular basis to ensure that no undue wear, structural issues, severe rust, other defects, which may impact their effectiveness.
- E&P wastes will be transported offsite via truck by a licensed transporter. Frequency of these operations will vary by site based on waste volumes.
- Any soils contaminated by E&P waste will be disposed of by a licensed third-party disposal facility / landfill or at a COGCC approved land farm. Tank bottoms will be disposed of at licensed third-party disposal facilities / land farms. Liquid wastes such as flow-back fluid and produced water will be disposed of at licensed third party injection facilities such as those run by High Sierra Water Services.
- Drilling wastes, such as drill cuttings and bentonitic drilling fluids will be reused by land spreading on COGCC approved mud farms per COGCC Rule 907.d.(3). No other E&P wastes will be disposed of at these sites.