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E&P Waste Management Plan

The following outlines the typical procedures that Expedition Water Solutions Colorado LLC (Expedition) will use to dispose of E&P waste including drill cuttings and drilling fluids produced in the drilling of the EWS 4A well.

Drilling Fluids and Cuttings

For the drilling of the EWS 4A well, only water-based bentonitic based drill fluids and associated cuttings shall be used or generated. No oil based or salt based drilling fluids are to be used.

Water-based bentonitic drilling fluids and associated drill cuttings generated by Expedition Water Solutions (EWS) will be applied to the land application site owned by EWS in Section 18, T2N, R63W (facility ID: 448951) as a beneficial soil amendment and as a conservation method to prevent soil erosion to maintain compliance with COGCC Rule 907.d. (3). The cuttings and drill fluids hauled from the drilling rig to the mud field will be incorporated (disked into) within 10 days of application (site and weather conditions permitting). Water-based bentonitic drilling fluids and associated drill cuttings will be applied at the site for a maximum period of three years. All operations will be conducted according to COGCC approved procedures for the EWS Land Application facility.

Petroleum Contaminated Waste

In the event that petroleum contaminated wastes are generated they will be disposed of at a commercial solid waste disposal facility. Tank bottoms will be disposed of at a commercial solid waste disposal facility or spread as a beneficial soil amendment on Expedition's land, whichever is more appropriate based on their composition.

Other Fluids

No hydraulic fracturing is planned for this well. Fluids generated from the dewatering of drilling fluids prior to offsite disposal may be injected into one of the Class II wells owned and operated by Expedition.

Transportation

E&P wastes that cannot be disposed of by Class II injection or incorporated as a beneficial soil amendment will be trucked offsite. Frequency of transport will depend on the rate and volume of waste generated. Solid waste will be hauled in dump trucks, and any liquid waste which cannot be injected will be hauled offsite using vacuum trucks. The trucking vendor will be determined prior to the commencement of drilling operations.