



September 5, 2018

Mr. Rob Young
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

**RE: Remediation Project 10602; PADCO LLC; Miller Rediess 1-A
SESE Section 23, T3N, R54W
Washington County, Colorado**

Mr. Young,

On behalf of PADCO LLC., Lesair Environmental is submitting this status report concerning remediation project 10602 (initial Form 27 document 401435144). This remediation project consists of in-situ remediation of potentially salt water impacted soils located Southwest and West of the produced water pits at the Miller Rediess 1-A production facility. This facility is in the SE quarter of the SE quarter of Section 23, Township 3 North, Range 54 West of Washington County, Colorado.

The in-situ remediation project was started on December 5, 2017, with the spreading of soil amendments and ripping the soil. The soil was then prepared for seeding, seeded and straw mulch was applied (as per the revised remediation plan discussed in November 2017).

Attachment 1, enclosed, denotes a Google Earth image that shows the agreed upon areas of remediation (7C, 5B, 4B).

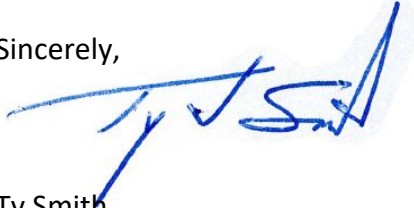
The attached "before" and "after" photographs show significant gains in plant growth and activity in all three remediation areas. There are areas that show impact from livestock milling around in the lowest areas of the remediation areas (where water stays the longest after rains). Most of the impacted areas have sporadic plant growth, that hopefully will still fill in with plants, though at what appears to be a slower pace. Based on a review of the plants growing, the new growth is the desired plant species and have not noticed weed infiltration at this time. As such, no weed treatments are considered necessary.

PADCO believes that remediation effort is showing good improvement, with areas of strong plant growth, a majority of areas with some plant growth, and the center (low points) with some sporadic plant growth but it seems to be impacted by livestock. At this time PADCO is recommending monitoring of these areas to see if the plant growth will continue to spread and thicken.

PADCO LLC
Miller Rediess 1-A
Remediation Project 10602
September 5, 2018

Should you have any questions, please contact either Dan Richmond at dan@dsrinc.net or Ty Smith at tysmith@lesair.com.

Sincerely,

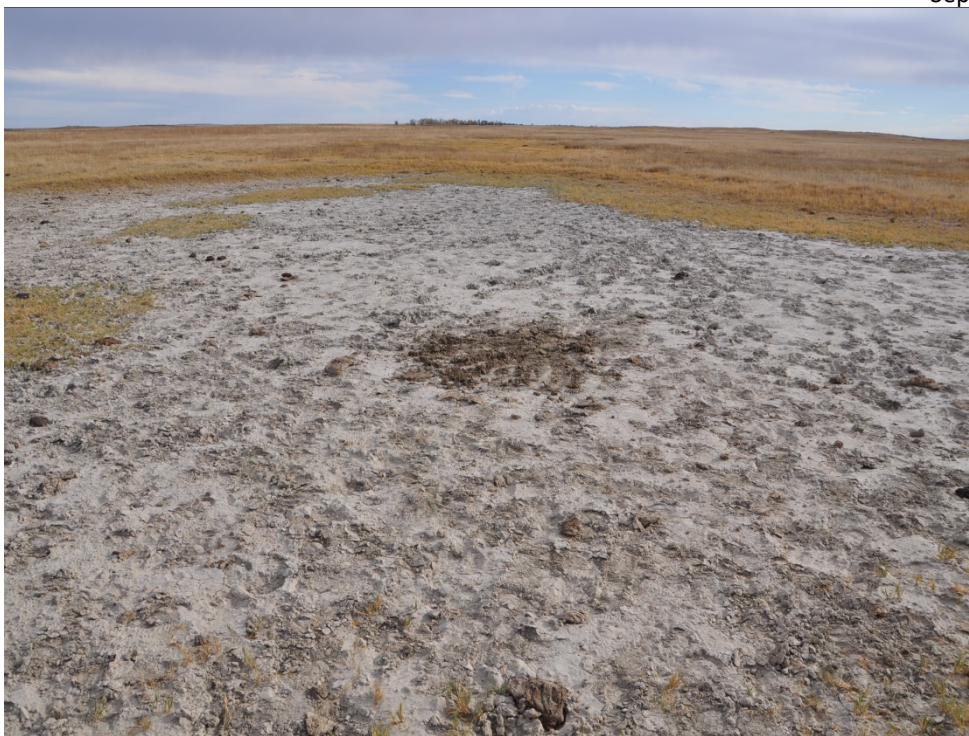
A handwritten signature in blue ink, appearing to read 'Ty Smith', is positioned above the printed name. The signature is stylized with a large 'T' and a long horizontal stroke.

Ty Smith
Sr. Project Engineer
Lesair Environmental, Inc.

Miller Rediess 1A

Yellow outlined areas denote the suggested remediation areas.





Area 7C
BEFORE – Looking South



Area 7C
AFTER – Looking South



Area 7C
BEFORE – Looking North (toward produced water pit)



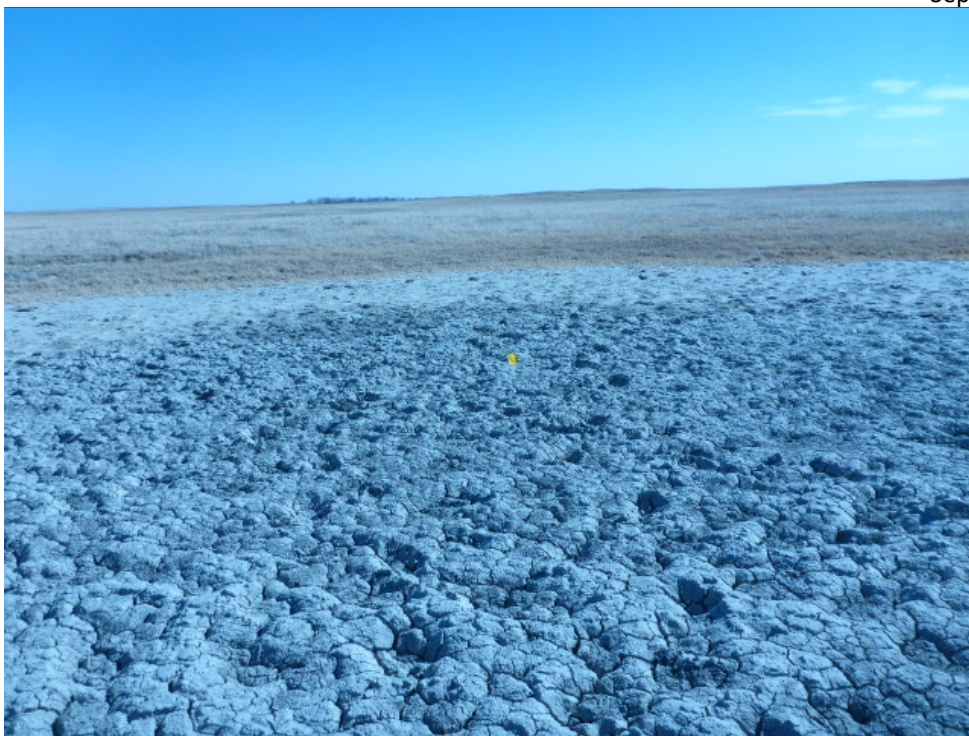
Area 7C
AFTER – Looking North



Area 7C
BEFORE – Looking North (along produced water pit West fence line)



Area 7C
AFTER – Looking North (along produced water pit West fence line)



Area 5B
BEFORE – Looking South



Area 5B
AFTER – Looking South



Area 5B
BEFORE – Looking East (toward Miller Rediess 1-A facility)



Area 5B
AFTER – Looking East (toward Miller Rediess 1-A facility)



Area 5B
AFTER – Plant growth (still filling in)



Area 5B
AFTER – Plant growth (impacted by livestock)



Area 4B
BEFORE – Looking North



Area 4B
AFTER – Looking North



Area 4B
BEFORE – Looking East



Area 4B
AFTER – Looking East



Area 4B
AFTER – Center Area of 4B impacted by livestock (looking South)



Area 4B
AFTER – West part of Area 4B (looking South)