



E&P Waste Management Plan

In compliance with COGCC Rule 907, the following plan describes how Verdad Resources LLC will adhere to the rule using appropriate handling and disposal of produced water, drill mud and cuttings, tank bottoms, and other associated Exploration and Production (E&P) wastes.

E&P Wastes onsite will be stored in compatible, impervious 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 exist, which may impact their effectiveness. E&P wastes will be transported off-site via truck by a licensed transporter per COGCC rule 907.b. Frequency of these operations will vary by site based on waste volumes. All E&P waste transported off-site will be taken to a CDPHE approved E&P waste disposal facility. Waste transported off-site for disposal will require manifests that have the date of transport, identity of waste generator, identity of waste transporter, the location of waste pick up, type and volume of waste, and the name and location of disposal site. Manifest records will be kept at Verdad offices and/or disposal sites' database for at least five years.

Water-Based Drilling Fluids and Drill Cuttings will be transported off-site to a commercial solid waste facility for disposal. Cuttings will be properly disposed of at an authorized solid waste facility approved to receive E&P waste. Actual facility depends on geographic proximity to the drilled well. Wells south of US Highway 34 will be taken to Waste Management Buffalo Ridge Facility, located at 11655 WCR 59, Keenesburg, Colorado. Wells north of US Highway 34 will be taken to the Pawnee Waste LLC Facility, located at 47368 WCR 118, Grover, Colorado.

Oil Based Drilling Fluids and Drill Cuttings will be transported off-site to a commercial solid waste facility for treatment or disposal. Oil based cuttings will be properly disposed of at an authorized solid waste facility approved to receive E&P waste. Actual facility depends on geographic proximity to drilling well. Wells south of US Highway 34 will be taken to Waste Management Buffalo Ridge Facility, located at 11655 WCR 59, Keenesburg, Colorado. Wells north of US Highway 34 will be taken to the Pawnee Waste LLC Facility, located at 47368 WCR 118, Grover, Colorado.

Flow-back Fluid and Produced Water will be disposed of at licensed Class II injection facilities in accordance with rule 907.c(2)A. Verdad wells south of US Highway 34 will



be taken to NGL C5 injection well or EWS 4 injection well. Wells north of US Highway 34 will be taken to BNN Wildhorse 16 injection well or EWS 1 injection well.

Solid Waste/Soil Impacted with Hydrocarbons and Tank Bottoms will be transported off-site to a commercial solid waste facility for disposal. Actual facility depends on geographic proximity to the location of the spill or tank. Wells south of US Highway 34 will be taken to Waste Management Buffalo Ridge Facility, located at 11655 WCR 59, Keenesburg, Colorado. Wells north of US Highway 34 will be taken to the Pawnee Waste LLC Facility, located at 47368 WCR 118, Grover, Colorado.

Non-E&P Waste will be identified and properly disposed of in accordance with state and federal regulations. Specifically, used oil generated on our locations from engine oil change, is managed by our contractors who own, maintain and change the oil in their engines. The used oil is taken back to the engine owner's yard and put in a used oil tank that is periodically removed and recycled by a used oil recycler.