

AGREEMENT TO REMEDIATE AND ABANDON OIL AND GAS WELL

THIS AGREEMENT TO REMEDIATE AND ABANDON OIL AND GAS WELLS (this “Agreement”) dated and made effective September 19, 2023, is by and between **SHANE A. HALL and AUDRA SAYLOR-HALL** (together “Hall” or “Surface Owner”), and **VERDAD RESOURCES LLC** (“Verdad”), a Delaware limited liability company. Hall and Verdad may be referred to individually as a “Party” or collectively as the “Parties”.

RECITALS

WHEREAS, Hall owns surface and minerals in the lands located in Township 1 North, Range 65 West, 6th P.M., Section 32: SW/4 Weld County, Colorado (hereinafter the “Property”);

WHEREAS, Verdad intends to drill and frac nine (9) County Line 3229 horizontal oil and gas wells in the Niobrara-Codell formations through the Property (the “County Line Wells”);

WHEREAS, the Sack-Hiett Well (as defined herein) is a plugged and abandoned well located on the Property and within 1500’ of the County Line Wells;

WHEREAS, Colorado Energy & Carbon Management Commission (“CECMC”) Rules and Regulations, including CECMC Rule 308.b.(7) and CECMC Operator Guidance: Offset Well Evaluation and Hydraulic Fracturing Treatment (Nov. 2020) (such rules and policies, as amended, modified or updated, collectively referred to as the (“CECMC Rules”), require offset remediation work to existing wells within 1500’ from new horizontal well development;

WHEREAS, Verdad has reviewed the wellbore integrity of the Sack-Hiett Well, determined it requires remediation prior to frac operations, and formulated a plan to re-enter, remediate and re-plug and abandon (“P&A”) the Sack-Hiett Well under this Agreement.

WHEREAS, Hall has reviewed the agreement and made the requests attached hereto on Exhibit A. Verdad will adhere to these standards as practical during operations on the property.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

1. Plugging and Abandoning and Remediation of the Wells.

1.1 After execution of this Agreement, Verdad shall file with the CECMC the required forms to begin the remediation process, for the Sack-Hiett Well.

1.2 After CECMC approval and prior to frac operations Verdad will commence onsite workover rig operations to remediate the Sack-Hiett Well in accordance with CECMC Rules and Regulations. Operator will commence environmental remediation following CECMC approval of its Form 27 Remediation Workplan.

Representations and Warranties

Indemnity

Expenses

Amendment

Severability

entire Agreement

Notices

cattleman70@gmail.com

ghorn@verdadresources.com

Confidentiality

Counterparts/Electronic Signatures

Governing Law

Successors and Assigns

Force Majeure Events

or governmental approvals despite the commercially reasonable efforts of a Party are force majeure events giving rise to reasonable delays in performance by the Parties, but in no event greater than a delay equal to the duration of the force majeure event. In the event Operator seeks to avail itself of this Section 5.10, Operator shall provide written notice to Verdad of such intent on or before the expiration of the applicable performance deadline for which Operator seeks to extend due to force majeure.

5.12. Further Assurances. Verdad and Operator agree that they shall execute and deliver such further documents or further assurances as shall be necessary or convenient for carrying out the terms, conditions, and provisions of this Agreement.

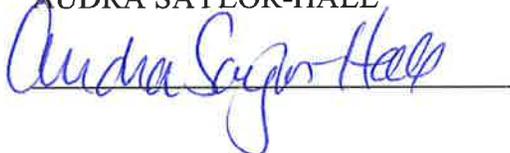
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

SURFACE OWNER

SHANE A. HALL

A handwritten signature in blue ink, appearing to read "Shane A. Hall", written over a horizontal line.

AUDRA SAYLOR-HALL

A handwritten signature in blue ink, appearing to read "Audra Saylor-Hall", written over a horizontal line.

VERDAD RESOURCES LLC

By: _____

Name: Philip Davis

Title: Co-CEO

or governmental approvals despite the commercially reasonable efforts of a Party are force majeure events giving rise to reasonable delays in performance by the Parties, but in no event greater than a delay equal to the duration of the force majeure event. In the event Operator seeks to avail itself of this Section 5.10, Operator shall provide written notice to Verdad of such intent on or before the expiration of the applicable performance deadline for which Operator seeks to extend due to force majeure.

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SURFACE OWNER

SHANE A. HALL

AUDRA SAYLOR-HALL

VERDAD RESOURCES LLC

By: _____

Name: Philip Davis

Title: Co-CEO

