



November 1, 2024

Diana Burn
Engineering Manager
Colorado Energy & Carbon Management Commission
1120 Lincoln Ave., Suite 8021
Denver, CO 80203

RE: Dryer #1, API # 05-123-24938
Warning Letter Response, Document No. 403916588

Dear Ms. Burn:

Schneider Energy Services, Inc. ("SES"), is submitting their response to the items of concern identified in the Warning Letter issued September 11, 2024, by Colorado Energy & Carbon Management Commission ("ECMC").

Rule 413, Form 7 Operator's Monthly Report of Operations

SES has reviewed its Form 7 submittals and updated production records accordingly. SES has reconciled all its production records through August 2024, as of this letter. The submitted Form 7s are Document No. 403920973, Document No. 403941935, and Document No. 403942175.

SES does not operate Class II UIC wells.

SES has revised their monthly production reporting procedures with their representatives to ensure compliance with Rule 413 deadlines.



Rule 417, Mechanical Integrity Testing

The Mechanical Integrity Test ("MIT") was performed on October 9, 2024, conducted before the Corrective Action deadline date of November 30, 2024.

SES submitted a Form 42 – Notice of Mechanical Integrity Test 10 days prior to the MIT being conducted, Document No, 403948794. A Form 42 – Notice of Move-In, Rig-Up was submitted no less than two business days in advance of the test, Document No. 403948794. A Form 21 was submitted to ECMC within 30 days of the test being completed. The Form 21 was submitted 11/1/2024, Document No. 403947573.

Rule 434.b, Temporary Abandonment

The Dryer #1 well is shut-in, awaiting pipeline repairs. Once the pipeline has been repaired, the well will be returned to service. The third-party gatherer has indicated the pipeline may be repaired in 2024; the reason for inactivity was also included in SES Inactive well report Form 5B Document No. 40358413.

Rule 434.c, Plugging Inactive Wells

A Form 5B was submitted for the Dryer #1 on November 3, 2023, Document No. 40358413. SES does not intend to plug the Dryer #1 but is waiting to bring it back into service pending the repairs necessary by the third-party gatherer.

SES is an Option 4 operator; all its operated wells are subject to Single Well Financial Assurance ("SWFA"). SES's initial Form 3 was approved on January 30, 2024. SES filed a Form 3A to submit its initial 10% contribution amount May 3, 2024, and most recently provided its second payment on October 1, 2024.

Thank you,

A handwritten signature in blue ink, appearing to read "Jeff Schneider", is displayed within a rectangular box.

Jeff Schneider
President
Schneider Energy Services, LLC