VALKYRIE
OPERATING, LLC

November 18, 2025

Colorado Energy & Carbon Management Commission
Department of Natural Resources
1120 Lincoln St. STE 801
Denver, CO 80203

RE: Warning Letter # 404426370
United States B1 (API# 103-07488)
NENW, 25, 2N, 102W, Rio Blanco

Dear ECMC,

The letter is to fulfill the requirement contained in the above referenced Warning Letter dated November 11, 2025. Per the Warning Letter, Valkyrie is required to submit an explanation for not waiting five days between top plug and capping during the November 2020 plug and abandonment of the above referenced well, United States B1.

During the normal plugging operations completed on the US B1 in November 2020 Valkyrie Operating completed the required top plug using the required cement and depth requirements. After completing both top plug on production casing and surface casing, the top plug was observed for one-hour to determine any bubbling or static change. After the one-hour wait, no changes nor bubbling was observed; at that time the Federal Representative on location wanted the well capped to complete the plug and abandonment. As the authority on location, Valkyrie complied and capped the well.

Valkyrie believes the issue on the current Form 6SRA for this well occurred with the ECMC required refiling of the Form in the year 2024 due to issues with flowline registration and abandonment. The original Form 6SRA there was no requirement to report the five-day waiting period. Valkyrie has added the required five-day waiting period between top plug and cap to our P&A SOPs. In addition to adding this to our required SOPs in-house, Valkyrie only utilizes local Colorado contractors for PA work in our Colorado fields. Because of this utilization, Valkyrie believes all contractors understand and comply with Rule 434.a.(5).

P.O. Box 892 | Worland, Wyoming 82401 | Office: 307-388-2290 | Email: tdunham@valkyrieoperating.com

VALKYRIE
OPERATING, LLC

Attached with Valkyrie's Form 6SRA the cement report details the one-hour waiting on cement and observation of the static change in level after placing top plug. Valkyrie Operating will continue to put forth our best effort to remain compliant with the ECMC and protect our environment for all citizens of Colorado and the surrounding areas. Please let us know if any additional explanation or information is required on this matter.

Respectively,

Tyson Dunham—VP Operations

tdunham@valkyrieoperating.com
(307) 388-2290

Enclosures

FORM 6 Rev 11/20

State of Colorado
Energy & Carbon Management Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109

DE	ET	OE	ES

Document Number: 402537268

Date Received: 07/22/2022

WELL ABANDONMENT REPORT

This form is to be submitted as an Intent to Abandon whenever an abandonment is planned on a borehole. After the abandonment is complete, this form shall again be submitted as a Subsequent Report of the actual work completed. The approved intent shall be valid for six months after the approval date, after that period, a new intent will be required. Attachments required with the Intent to Abandon are wellbore diagrams of the current configuration and the proposed configuration with plugs set.
A Subsequent Report of Abandonment shall indicate the actual work completed. Attachments required with a Subsequent Report are a wellbore diagram showing plugs that were set and casing remaining in the hole, the job summaries from all plugging contractors used, including wireline and cementing (third party verification) and any logs that may have been run during abandonment.

OGCC Operator Number: 10725 Contact Name: Tyson Dunham

Name of Operator: VALKYRIE OPERATING LLC Phone: (307) 388-2290

Address: 1600 STOUT STREET SUITE 1000 Fax:

City: DENVER State: CO Zip: 80202 Email: tdunham@valkyrieoperating.com

For "Intent" 24 hour notice required, COGCC contact: Name: Moran, Rick Tel: (720) 827-6689 Email: rick.moran@state.co.us

Type of Well Abandonment Report: ☐ Notice of Intent to Abandon ☒ Subsequent Report of Abandonment

API Number 05-103-07488-00

Well Name: UNITED STATES B Well Number: 1

Location: QtrQtr: NENW Section: 25 Township: 2N Range: 102W Meridian: 6

County: RIO BLANCO Federal, Indian or State Lease Number: 47519

Field Name: RANGELY Field Number: 72370

Only Complete the Following Background Information for Intent to Abandon

Latitude: 40.119550 Longitude: -108.793910

GPS Data: GPS Quality Value: 2.0 Type of GPS Quality Value: Date of Measurement: 07/18/2013

Reason for Abandonment: ☐ Dry ☐ Production Sub-economic ☐ Mechanical Problems

☐ Other

Casing to be pulled: ☐ Yes ☐ No Estimated Depth:

Fish in Hole: ☐ Yes ☐ No If yes, explain details below

Wellbore has Uncemented Casing leaks: ☐ Yes ☐ No If yes, explain details below

Details:

Current and Previously Abandoned Zones

Formation	Perf. Top	Perf. Btm	Abandoned Date	Method of Isolation	Plug Depth
WEBER	6402	6499	11/12/2020	B PLUG CEMENT TOP	2754

Total: 1 zone(s)

Casing History

Casing Type	Size of Hole	Size of Casing	Grade	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top	Status
SURF	12+1/4	8+5/8	K55	24	0	746	425	746	0	CALC
1ST	7+7/8	5+1/2	K55	17	0	6595	525	6595	3150	CBL

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth 2754 with 18 sacks cmt on top. CIBP #2: Depth _____ with _____ sacks cmt on top.

CIBP #3: Depth _____ with _____ sacks cmt on top. CIBP #4: Depth _____ with _____ sacks cmt on top.

CIBP #5: Depth _____ with _____ sacks cmt on top.

NOTE: Two(2) sacks cement required on all CIBPs.

Set 18 sks cmt from 2754 ft. to 2593 ft. Plug Type: CASING Plug Tagged: ☐

Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged: ☐

Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged: ☐

Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged: ☐

Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged: ☐

Perforate and squeeze at 796 ft. with 37 sacks. Leave at least 100 ft. in casing _____ CICR Depth

Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth

Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth

(Cast Iron Cement Retainer Depth)

Set 37 sacks half in. half out surface casing from 796 ft. to 700 ft. Plug Tagged: ☒

Set 33 sacks at surface

Cut four feet below ground level, weld on plate Above Ground Dry-Hole Marker: ☐ Yes ☒ No

Set 0 sacks in rat hole Set 0 sacks in mouse hole

Additional Plugging Information for Subsequent Report Only

Casing Recovered: 0 ft. of _____ inch casing

Surface Plug Setting Date: 11/14/2020 Cut and Cap Date: 11/14/2020 Number of Days from Setting Surface Plug to Capping or Sealing the Well: 0

*Wireline Contractor: The Perforators *Cementing Contractor: Duco, Inc.

Type of Cement and Additives Used: None

Flowline/Pipeline has been abandoned per Rule 1105 ☒ Yes ☐ No

Technical Detail/Comments:

On November 12, 2020, downhole tubulars were discovered to be stuck at an unknown depth during attempted removal for completion of PA work on US B#1. Valkyrie first attempted to jar rod string and pump free using tension and jarring actions. Valkyrie's second attempted to free rod string was to wash equipment free with 70 barrels of fresh water. Valkyrie then attempted to pull tubing with rod string intact within tubing. Tubing anchor catcher (TAC) was discovered to be stuck in addition to the rod string; no release rotations were able to be completed down to the TAC. Valkyrie attempted to jar rods and pump free before backing-off rod string.

After removal of backed-off rods (111) rods, release rotations were again attempted to release TAC. Detailed update was then relayed to BLM Supervisor, Bud Thompson. Mr. Thompson approved jet cut of tubing at rod fish depth. Jet cut operations were complete and CICR was set at 2754' above tubing and rod fish at 2770'.

On November 13, 2020 injection rate into CICR at 2754' was established at a rate of 1/8 barrel per minute. Injection rate was relayed to BLM Supervisor, Bud Thompson. Mr. Thompson approved the placing of 150' of cement on CICR. Subsequently 18 sacks of cement were placed on CICR at 2754'.

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Tyson Dunham

Title: VP Operations Date: 7/22/2022 Email: tdunham@valkyrieoperating.com

Based on the information provided herein, this Well Abandonment Report (Form 6) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Date: _____

CONDITIONS OF APPROVAL, IF ANY:

COA Type	Description
0 COA	

Attachment List

Att Doc Num	Name
402537268	FORM 6 SUBSEQUENT SUBMITTED
402537278	CEMENT JOB SUMMARY
402537282	WIRELINE JOB SUMMARY
403113372	WELLBORE DIAGRAM

Total Attach: 4 Files

General Comments

User Group	Comment	Comment Date
Engineer	The details regarding the inability to plug the well per the approved F6 should be provided with the Subsequent Report – I will return this form to DRAFT for the additional details of the fish/plugging difficulties – was the plug placed only in the casing without backside cement or was the casing perforated? 2754 sx were not placed so that needs to be corrected also. Plugged wellbore diagram not included.	07/20/2022
Permit	Pull down for flowline abandonment has not been filled out - notified operator.	03/31/2022

Total: 2 comment(s)

Well was P&A for Valkyrie Operating LLC.

Well: United States B1

NENW Section 25 – T2N – R102W

API: 05-103-07488

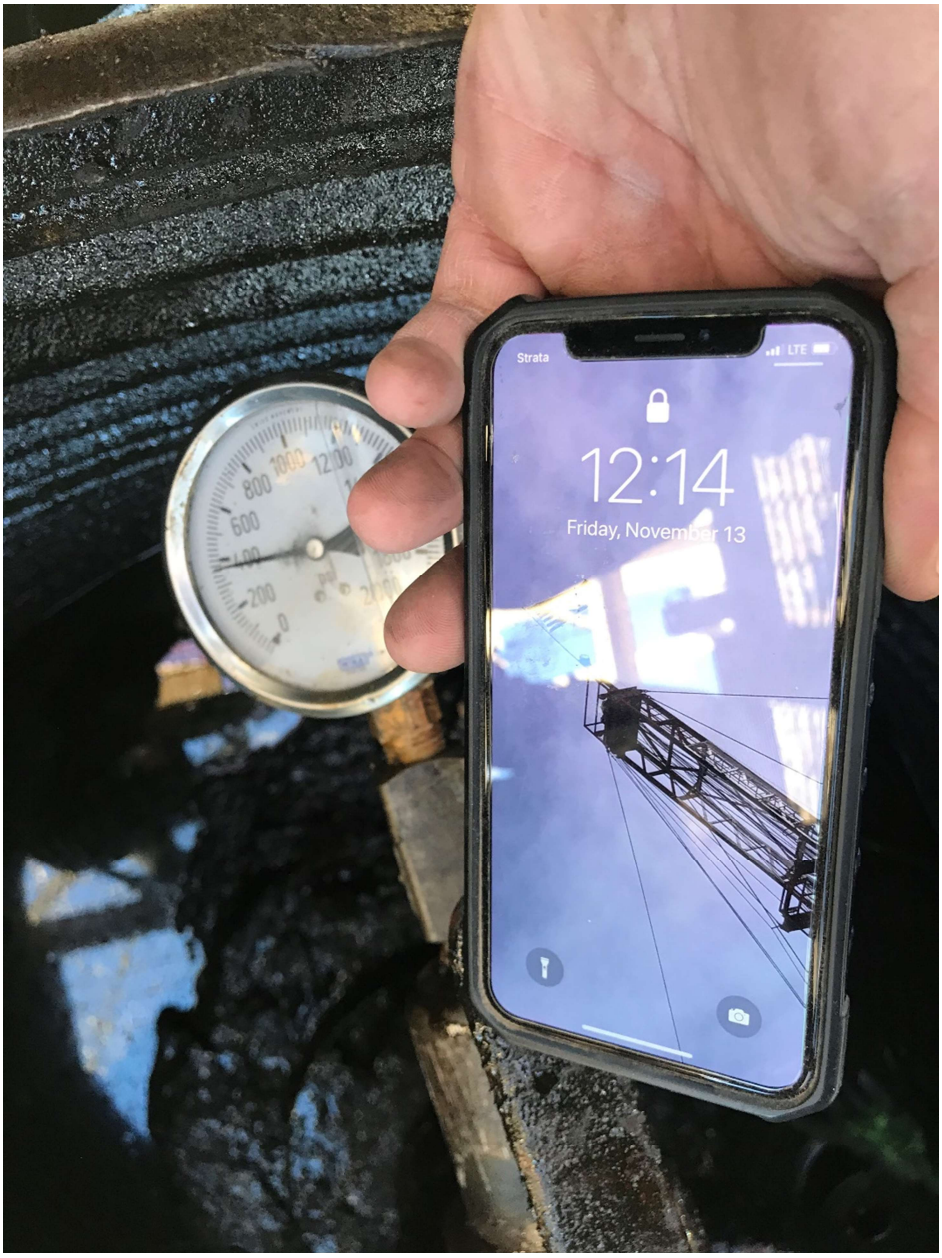
Lat: Long:

Rio Blanco County, Colorado.

All Cement pumped is class G cement. Mixed 4.99 gallons fresh water per SK for 15.8 LB cement. 1.15 Yield

November 12, 2020. Day 1. 7 A.M Safety meeting & JSA. Move equipment to location. Check pressures. SITP: 0 SICP: 20 PSI. SIBH: 0 PSI. Spot in rig beam. Spot in rig. RUSU. Secure derrick to beam. Spot in Tanks, Pipe trailers & Cement pump. Blow well down to rig tank. Try to unseat rod insert pump but can't. Hook up pump to 5.5" production CSG & pump 150 BBLS to try to free up rod insert pump. Caught circulation after 70 BBLS fresh water. Shut down pump & beat on rods some more no luck unseating pump. X-Over to 2-7/8" handling equipment. NDWH. Try to release TAC. No luck. Keep beating & turning on TAC with rig tongs trying to get TAC to release. Only able to get 3 rounds of torq into it but gives all 3 rounds back. Defiantly stuck. X-Over to rod equipment. Try to unseat rod insert pump one more time with no luck. Put back off tool on rods & back rods off. TOH standing back 111 rods. = 2775'. Call Bud Thompson with white river field office. BLM. And talk to him. He grants Valkyrie Operating LLC. Permission to cut TBG @ 75'. Call for wireline. RUWL. WL RIH with 2.125" gauge ring to tag fish (rods in well) @ 2775' POH with G.R Note: Got stuck 3 different times getting out of TBG. Worked several times to get G.R out. WL, M.U TBG cutter (Jet Cutter) & RIH & cuts TBG @ 2770'. TBG jumps free. POH, RDWL. SWIFN.

November 13, 2020. Day 2. 7 A.M Safety meeting & JSA. Move equipment to location. Check pressures. SITP: 0 SICP: 0 PSI. SIBH: 0 PSI. TOH standing back 85 JTS & a peace of TBG cut (23.80'). total TBG length pulled out was 2760.62'. tally out of hole. RUWL, WL RIH with a 4.312" G.R to tag fish top @ 2775'. POH. M.U 5.5" CICR. WL, RIH & sets CICR @ 2754' do collar @ 2760'. POH, RDWL. TIH 85 JTS & 3 Subs 10', 10' & 8' sub to sting into CICR. Bring on pump going down 2-7/8" TBG pump 3 BBLS to fill then get injection rate of 1/8 BPM @ 1800 PSI. no good. Sting out. Roll hole with 70 BBLS fresh water. Pressure test 5.5" CSG to 360 PSI. after 17 minutes pressure fell to 340 PSI. 20 PSI pressure loss. Call Bud Thompson. Tell him its to tight to squeeze any cement below CICR. He tells me just spot 15o' of cement on top. & move on to pressure test. & pressure test to 350 PSI. In pressure test. Sting out pull EOT up to 2752'. Roll hole with 70 BBLS fresh water. Pressure test 5.5" CSG to 360 PSI. after 17 minutes pressure blead down to 340 PSI. Bud Thompson says that's good enough to move on to the shoe.


Strata
LTE
12:14
Friday, November 13

Mix & pump 18 SKS =

158.6’ plug. Est TOC @ 2593’. Displace with 15 BBLS fresh water. TOH laying down 59 JTS & standing 26 JTS in derrick. RUWL, WL RIH & perf 4 squeeze holes @ 796’. POH, RDWL & release. Bring on pump going down 5.5” CSG & returning out 8-5/8” Surface CSG after 17 BBLS we break circulation. Pump 65 total BBLS to clean up wellbore. TIH with 28 JTS putting EOT @ 849’. Bring pump on going down 2-7/8” TBG & retuning out both 8-5/8” surface CSG & 5.5” CSG. 5.5” CSG pinched back. Pump 5 BBL fresh water lead, then mix & pump 37 SKS =7.57 BBLS cement. Est

TOC @ 694’. Displace with 4 BBLS fresh water. TOH laying down 4 JTS & standing 12 stands in derrick. SWIFN. Travel in.

November 14, 2020. Day 3. 7 A.M Safety meeting & JSA. Move equipment to location. Check pressures. SITP: N/A SICP: 0 PSI. SIBH: 0 PSI. TIH with 21 JTS to tag TOC @ 656’. 38’ high. Puts 4.47 BBLS in 5.5” CSG & 3.1 BBLS in annular CSG. Covering 96’ annular. Good tag. TOH laying all TBG down. ND floor & BOP. RDSU. Move to Duco Yard. Dig wellhead down 4’ below surface. Cut wellhead off 4’ below surface. Run 1”X100’ poly line down 8-5/8”X5.5” annular then mix & pump 20 SKS to get cement to surface. Move 1”X100’ poly line to 5.5” production CSG & mix & pump 13 SKS to get cement standing @ surface. Wait 1hour check cement & well is standing static. Weld on name plate. Backfill wellhead area. Well is P&A’D. Move all Duco equipment off location.


VALKYRIE
United States B1
API # 05-103-07488
NENW SEC 25 T2N R102W
C-27111


VALKYRIE
United States B1
API # 05-123-04128
NENW SEC 25 T2N R102
C-27111