



September 16, 2021

Nicholas and Tracy Galecka
15625 Gun Club Road
Brighton, CO 80603

Re: Notice of Reentry, Plugging and Abandonment of **Mile-Hi Duck Club- Tracy #1**
Township 1 South, Range 66 West, 6th P.M.
Section 12: NE4NE4
Weld County, Colorado

Dear Nicholas and Tracy Galecka:

Verdad Resources LLC ("Verdad") is the current operator of approved horizontal well permits within 1500' of the above referenced well (the "Well"). According to Verdad's records, Nicholas and Tracy Galecka has been identified as the surface owner in the lands where the well resides. The purpose of this letter (this "Notice") is to inform you that Verdad in conjunction with the Colorado Oil and Gas Conservation Commission has undertaken an extensive review of the Well and has determined that the Well will be reentered, plugged and abandoned consistent with the standards of good and prudent operations (the "P&A Operations").

The Well is offset to new horizontal drilling and development and is subject to the Colorado Oil and Gas Conservation Commission DJ Basin Horizontal Offset Policy dated June 20, 2013 (Revised December 17, 2013) (the "Offset Policy"). The Offset Policy requires that the Well be evaluated and that necessary mitigation measures, including potentially plugging and abandoning the Well, be taken to avoid or mitigate adverse impacts resulting from horizontal development and potential wellbore interference. The purpose of these activities are to eliminate the chance of a potential environmental condition occurring with the Well. Accordingly, after considering the existing condition of the Well and the wellbore Verdad and the COGCC have determined that reentry, plugging and abandoning the Well is necessary and consistent with standards of good and prudent operations.

This Well will be plugged and abandoned. We have enclosed an Authority for Plugging Operations to submit with our permit request to the COGCC to complete final remediations on the Well.

Please contact the undersigned at jberghorn@verdadresources.com with any questions and return the signed Authority for Plugging Operations to the address below.

Sincerely,

Verdad Resources LLC


Jeff Berghorn
Landman

Authority for Plugging Operations

Authority for Plugging Operations in the **Mile-Hi Duck Club Tracy #1** Plugging and Abandonment



x John C. Tracy

By: _____

Title: _____

Date: 10/12/21