

From: Kent Naughton
To: Justin Pivik; Jeff Berghorn; bradp
Subject: RE: Lost Creek
Date: Thursday, June 22, 2017 10:16:05 AM
Attachments: image001.png

Justin & Jeff,

You may proceed under these terms. We certainly appreciate your efforts and cooperation on these issues.

Thanks,

Kent Naughton

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From: Justin Pivik [mailto:JPivik@VerdadOil.com]
Sent: Tuesday, June 20, 2017 2:49 PM
To: Jeff Berghorn <JBerghorn@VerdadOil.com>; Kent Naughton <knaughton@witwerlaw.com>; bradp <bpeterson@rtebb.net>
Subject: RE: Lost Creek

Kent,

Please be assured that the re-entry P&A work for the Crystal State #55-8 and McBride State #1 will be treated as if it falls under the current SUA between Lost Creek and Verdad. The provisions of the current SUA will control reclamation standards and indemnification provisions for the damages incurred during the required operations.

The affected areas for both the Crystal State #55-8 and McBride State 1 will be approximately 150' x 150' surrounding the wells. Please see the map below for the roads that will be utilized. In order to perform the work Verdad Resources will utilize the following equipment:

- 1 Workover rig
- 1 Rig mud pump
- 1 500 BBL frac tanks filled with fresh water
- Rig BOP's
- 1 Cement Truck
- 1 Cement Bulk Truck
- Solids control equipment (shaker)

The listed equipment may require a D-6 Cat to aid in pulling to location based on the road conditions at the time of the operations. The time period for performing the work will be from 7/17/17 to 8/17/2017.

Thanks,