

## AMENDMENT TO CONTRACT OPERATING AGREEMENT

This Amendment to the Contract Operating Agreement (“Amendment”) is entered into on this 3 day of October, 2019, between the Town of Erie, Colorado (the “Town”), a Colorado statutory town, and Summit Energy Research, LLC, a Utah limited liability company (“Summit”), referred to together as the “Parties”.

### RECITALS:

**A.** On October 30, 2018, the Parties entered into a Contract Operating Agreement (“Contract”) under which the Town engaged Summit to provide services in connection with two oil and gas leases in Boulder County, Colorado, and the Adams #1 Well (API # 05-013-06186) owned by the Town (the “Properties”).

**B.** Pursuant to the Contract, the Parties agreed that Summit would act as the Town’s agent to operate and maintain the Properties and provide the services set forth in the Contract.

**C.** The Parties have agreed that Summit will discontinue operating and maintaining the Properties, but instead Summit will oversee and direct the plugging and abandonment of the Adams #1 Well and related Drip Facilities in accordance with applicable regulations of the Colorado Oil and Gas Conservation Commission (“COGCC”).

**D.** Section 5.5 of the Contract requires that all amendments to the Contract be set forth in writing and executed by the Parties.

**E.** Summit has provided the Town with a Cost Breakdown and a Plugging and Abandonment Procedure showing an estimated cost of \$74,912.92 to plug and abandon the Adams # 1 and related facilities, a copy of which is attached hereto as **Exhibit 1**.

**F.** The Parties desire to amend the Contract as set forth below.

In consideration of the foregoing Recitals and the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Town and Summit agree to amend the Contract as follows:

**1.** Summit agrees to plug and abandon the Adams #1 Well and related facilities in accordance with the Plugging and Abandonment Procedure for an estimated cost of \$74,912.92, as set forth in the attached **Exhibit 1**. Summit represents and warrants to the Town that the attached Plugging and Abandonment Procedure complies with all applicable COGCC regulations. Summit agrees to begin the plugging and abandonment of the Adams #1 Well upon application approval by the COGCC.

**2.** Summit will be responsible for overseeing and paying all contractors involved in the plugging and abandonment work for the Adams #1 Well and then invoicing the Town for its costs in accordance with Section 2.1(b) of the Contract.

3. The Town will pay Summit's invoices for plugging and abandonment work within 30 days per Section 2.1(c) of the Contract.

4. The Town and Summit agree that Summit's plugging and abandonment work will be subject to approval by CGRS, the Town's oil and gas consultant.

5. To the extent necessary to provide a smooth transition from operation and maintenance of the Adams #1 Well under the Contract to plugging and abandonment of the Well, Summit will continue to provide the services specified in Section 1 of the Contract prior to completing the plugging and abandonment for the Adams #1 Well and obtaining the necessary COGCC approvals certifying that the plugging and abandonment complies with applicable COGCC regulations. The Town will continue to pay Summit's fees for such services in accordance with Section 2.1 of the Contract at the rates specified in Schedule 2.1 (a) to the Contract.

6. Except as amended herein, all of the other terms and conditions of the Contract will remain binding upon the Parties. In the event of a conflict between the terms of this Amendment and the terms of the Contract, the terms of this Amendment will control.

IN WITNESS WHEREOF, the parties have executed this Agreement the date first above written.

TOWN OF ERIE, COLORADO,  
a Colorado statutory town

By: \_\_\_\_\_

Its: \_\_\_\_\_, \_\_\_\_\_

SUMMIT ENERGY RESEARCH, LLC, a Utah limited liability company

By: *Dominic Patten*

Its: October 3, 2019



## Summit Energy Research

PO Box 983038 – Park City, UT 84098 – 603.219.5011 – [www.S-Companies.com](http://www.S-Companies.com)

Dear Farrell,

The following information includes a cost breakdown to Plug & Abandon the Adam #1 well and Drip Facilities per all COGCC regulations. This means cementing all gas flow lines in place, as opposed to physically removing all gas flow lines. The P&A procedure can be found on page two.

Description	# of Units	Units	Cost/Unit	Total Cost
Workover Rig	51	Hours	255 \$/hr	\$ 14,305.50
Cement	1	Job	8208	\$ 9,028.25
Supervision	3	Days	1500 \$/days	\$ 4,950.00
Wireline	1	Job	9845	\$ 10,829.50
Directional Survey	1	Job	4364	\$ 4,800.40
WO Rig Rentals	8	Hours	200 \$/hr	\$ 1,760.00
Surface Rentals	3	Days	205 \$/days	\$ 676.50
Trucking	24	Hours	260 \$/hr	\$ 6,864.00
Downhole Tools (CICR & 2 CIBP)	1		5000 \$	\$ 5,500.00
Water	500	BBLS	0.5 \$/BBL	\$ 275.00
Facility Removal	1	Labor	8285 \$	\$ 9,113.50
Contingency (10%)				\$ 6,810.27
				\$ 74,912.92

Please let me know what your thoughts are or what questions you may have.

Kindly,  
Ben

## Plug & Abandonment Procedure

### Well Data:

**Name:** Adam #1

**API Number:** 05-013-06186

**Surf Location:** NENW Section 34 T1N R69W

**Directions:** From HWY 287 & Arapahoe Rd, North ¼ Mile, West into

**Spud Date:** 9/21/1984

**GL:** 5,287'

**KB:** 5,299'

**RKB:** 12'

**Perforations:** 8,170 – 8,182' (Codell)

**Surf Casing:** 9 5/8", 36#, J-55, LTC (0 – 612')

No Cement Details, Cement to Surface

**Production Csg:** 5 1/2", 15.5#, (0 – 6,753') & 5 1/2", 15.5, 17.0# (6,753 - 8,760')

290 Sacks of Cement, TOC @ Unknown

**Production Tubing:** 2 3/8" @ 8,165'

### P&A Procedure:

1. MIRU Workover Rig and work tank
2. ND WH, Unland tbg, NU BOP
3. MIRU tubing testers
4. POOH with tbg, testing tubing out of hole, stand back
5. MIRU WL Unit
6. PU GR/JB RIH to TD, POOH with WL, LD GR/JB
7. PU directional survey tools, RIH to TD, pull directional surveys from TD to surface, LD directional survey tools
8. PU CBL, RIH to TD, pull CBL from TD to surface, record TOC, LD CBL
9. RIH and set CIBP @ +/- 8,125', POOH with WL
10. RIH with Cement Bailer, Dump Bail 2 sacks of cement on CIBP, POOH with WL, LD Cement Bailer
11. PU CIBP and squeeze gun, RIH with CIBP and perforating gun, set CIBP @ +/- 4,900'. PU and shoot squeeze holes at top of Sussex @ 4,835', and squeeze holes 50' below surface @ 666'. POOH with guns, LD guns
12. RDMO WL Unit
13. PU CICR, RIH with CICR & 2 3/8" tbg, set @ 4,735'
14. MIRU Cement Services
15. Pump 50 sacks of cement, leaving 5 sacks of cement in the casing
16. Sting out of CICR, POOH with 2 3/8" tbg, laying down
17. RDMO WL Unit
18. RU Cement, pump 100 sacks of cement from surface to surface
19. RDMO Cement
20. RDMO WO Rig
21. Cut casing 10' below ground level