
WASTE MANAGEMENT PLAN

BNL | ENTERPRISE

Bolling 04 SESW 2960

Sec. 04 T29S R60W (SE/4 SW/4)

Las Animas County, Colorado

Surface: Fee

Submitted as an accompaniment to the Form 2A Application
And consistent with the requirements of Rule 905.a.(4).

May 17, 2023

BNL (Enterprise) Inc. Las Animas County, Colorado

Comprehensive Waste Management Plan

Project Summary:

BNL (Enterprise) Inc.'s ("BNL's") proposed Bolling 04 SESW 2960 "Location" is in Sec. 4 T29S R60W in Las Animas County, Colorado. BNL plans to drill and test one **helium** well. If the well produces commercial quantities of helium the well will be shut-in until helium production/processing facilities can be constructed at an offsite facility location. The helium facility will be on lands outside of the Oil and Gas Development Plan. The facility will be constructed on private surface. The landowner agreement provides for the installation of the gas gathering line. The production/processing facilities will not require an Oil and Gas Development Plan. The well will be drilled vertically and will not require hydraulic fracturing. The proposed location is fee surface and fee minerals with a total pad disturbance of ± 1.2 acres. The graded site elevation is expected to be approximately 5,451'. No federal surface or minerals are involved in this project. All operations would be conducted in compliance with all federal, state, and local applicable laws, rules, and regulations.

Plan:

Pursuant to comply with the Colorado Oil and Gas Conservation Commission (COGCC) 905 Rule Series, BNL's Comprehensive Waste Management Plan ("Plan") outlines the general guidelines for handling and disposal of all Exploration and Production (E&P) waste, including drilling cuttings, drill fluids, produced fluids and pits. BNL will adhere to all stipulations under COGCC 905 Rule Series to ensure E&P waste is properly stored, handled, transported, treated, recycled, or disposed to prevent threatened or actual adverse environmental impacts to air, water, soil, or biological resources, or to the extent necessary to ensure compliance with the concentration levels in Table 915-1, radiation control standards, and WQCC Regulation 41 numeric and narrative Groundwater quality standards and classifications, as incorporated by reference in Rule 901.b.

For the wellsite there will be minimal topsoil disturbance. During pad cut/fill construction all topsoil will be stored for replacement and re-contouring during interim and final reclamation. Well pad construction will include topsoil removal and banking and building secondary containment berms around the rig, fuel tank, air compressor, fresh-water tank, water and pipe truck and the partially buried laydown open top steel cutting tank. Then BNL will place a 130-mil rig liner under the aforementioned equipment protecting the bare ground during the drilling, completion and testing of the well. The well will be drilled vertically and will not require hydraulic fracturing. The proposed location is fee surface and fee minerals with a total pad disturbance of $1.2 \pm$ acres. During the drilling and testing phase, the existing access road will be minimally upgraded, if necessary, to allow for construction and, if needed, emergency vehicles. If the well proves to be of commercial quantities, the road will be crowned and ditched, in consultation with the private surface owner and any other owners along the access route. The graded site elevation is expected to be approximately 5,451'. No federal lands or minerals are involved in this project. All operations would be conducted in compliance with all federal, state, and local applicable laws, rules, and regulations.

On site E&P waste will be stored in compatible containers or containment devices designed or engineered for the purposes for which they will be utilized. These containers will be inspected on a regular basis to ensure that no undue wear, structural issues, severe rust, or other defects will impact their effectiveness.

BNL will only transport E&P waste off site within Colorado to facilities authorized by the Director, to permitted commercial waste disposal facilities, permitted commercial waste recycling facilities, or beneficial use sites approved to receive E&P waste by the Colorado Department of Public Health and Environment (CDPHE) and the relevant local government.

BNL has no plans to transport any E&P waste out of Colorado. However, if necessary, BNL will transport E&P waste off site for treatment or waste disposal outside of Colorado only to facilities authorized and permitted by the appropriate regulatory agency in the receiving state. BNL will comply with the Rocky Mountain Low-level Radioactive Waste Board's Rules, as incorporated by reference in Rule 901.b.

BNL will maintain, for not less than 5 years, copies of each invoice, bill, or ticket, and such other records as necessary to document the requirements listed in Rules 905.b.(3).A–F for all E&P waste generated by BNL that is transported off site. Such records will be signed by the transporter and provided to the COGCC Director upon request.

Drilling Fluids

Subject to mud not being required in operations, this well will be air drilled which does not require any drilling fluids.

If mud is required, a Form 4 will be submitted notifying COGCC of the change and a closed loop system will be used. In this event the drill cuttings will be mechanically separated from water-based bentonitic drilling fluids. All drilling fluids will be reused if BNL has contiguous drilling operations. If contiguous wells will not be drilled, the drilling fluids will be returned to the company or disposed of at a commercial solid waste disposal facility.

BNL may recycle drilling fluids for reuse at another location that is properly permitted and operated pursuant to Rules 908, 909, and 910.

Air Drilling, Cuttings and Water Tank

The proposed well will be drilled with an air drilling system using an air compressor to cool the drill bit and lift the cutting from the wellbore to exit out of the blowby line. Accompanying the air drilling system will be a fresh-water tank that will be used in the event of any wellbore fluid influxes which will allow continued air drilling penetration in the presence of formation fluids. Any remaining water in tank will be transported to a commercial disposal facility. Once the drilling and completion operations are completed this temporary tank will be removed.

Air drilled cuttings will be collected inside a partially buried laydown open top steel cuttings tank located immediately adjacent to the end of the rig's blowby line. The placement of the tank will include first stripping and stockpiling all topsoil in the construction of an approximate 12 feet wide by 30 feet long opening that is up to 6 feet deep. This opening will include secondary containment berms completing surrounding the opening. The opening will then be lined with 130-mil rig liner before placing the

temporary partially buried laydown open top steel cuttings tank into position. To minimize dusting during drilling, fresh water or foam may be added at the bit or at a valve near the end of blooey line.

Drill cuttings collected in the steel tank will be sampled daily during drilling operations. Samples will then be allowed to dry before any lab testing. Then the drill cutting samples will be analyzed by a 3rd party lab to determine if the cuttings meet the standards of Table 915-1. If the cuttings meet the standards of Table 915-1, then Form 27 will be submitted and upon approval cutting will be dried and buried on location in the cuttings trench. Drill cutting from the temporary steel tank will be transported via an excavator to the cuttings trench. The cutting trench will be located in the cut portion of the well pad and will be 6 ft wide by 40 feet long and 4 ft deep. A Form 15 will be submitted within 30 days of construction.

If drill cutting do not meet the standards of Table 915-1, then they will be disposed of at a commercial solid waste disposal facility.

Anticipated volumes for drill cuttings will be less than 3,000 cubic feet or 111.11 cubic yards.

Produced Water and Gas

BNL anticipates little to no produced water. In preparation of any fluid production downstream from the wellhead there will be a 2-phase separator to isolate fluid and water from each other. The water will dump into an onsite tank and the gas will continue on the flowline into the field gas gathering system. Any produced water will be stored in the tank on site prior to transport by water truck to a commercial disposal facility.

The target helium reservoir has none or no appreciable hydrocarbons thus resulting in no additional gas or oil processing equipment.

Garbage and Household Waste

All trash will be contained in a portable, completely enclosed, bear proof, wire mesh trash cage. Upon completion of the drilling operation, the trash cage will be removed and hauled to the nearest authorized sanitary landfill. The cuttings pile will not be utilized for trash disposal.

A portable self-contained chemical toilet will be supplied on location for human waste temporarily during drilling and completion operations. As necessary the holding tank will be pumped and disposed of at an approved sewage facility.

Interim reclamation

Interim reclamation will include restoring approximately 1.0 acres land to its original condition in the area outside the production operational footprint. The interim reclamation process will include re-contouring and re-vegetating following COGCC 1003 rules. The tear-shaped production operational footprints is estimated at approximately 0.2 acres.

Well plug and abandonment (P&A) and final reclamation

After the well's life cycle, it will be P&A'd following COGCC 435 rules including subsurface cementing operations, removal of well head and production equipment, installation of P&A marker and then the area's final reclamation process will begin.

The wells Final reclamation will include restoring the final production operational footprint to its original condition including re-contouring and re-vegetating following COGCC 1004 rules.

General

Any soils contaminated by E&P waste will be disposed of at a licensed third-party solid waste disposal facility/landfill. Water tank bottoms will be disposed of at licensed third-party solid waste disposal facilities.

Liquid wastes such as produced water, if any, will be disposed of at licensed third-party injection facilities such as those run by NGL Water Solutions.

Commercial disposal facilities planned to be used for disposal of solids materials are:

North La Junta Sanitation
208 Seeley Street
La Junta CO 81050
East of CR109 and Seeley Street

BNL will keep records of all E&P waste that is transported off site for a period of not less than five (5) years. These records will satisfy the requirements of COGCC. If requested, BNL will provide copies of these records to the COGCC.

BNL will control and contain any spill or release immediately upon discovering any spills or releases of E&P waste, produced fluids, or unauthorized releases of natural gas that meet the criteria of Rules 912.b.(1).H, I, or J, regardless of size or volume, to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources. Spills will be investigated, cleaned up, and the impacts will be documented as soon as the impacts are discovered.

For any Spills or Releases that do not meet the reporting requirements of Rule 912.b, BNL will document cleanup efforts and provide documentation of the cleanup to the COGCC Director upon request.

Haul Route

All waste will be disposed of at North La Junta Sanitation. The haul route will utilize County Road 76.5 to Highway 350 North to La Junta.

BMPs

- Trash will be kept bagged or covered and will be removed from the location for disposal as domestic solid waste at an approved waste disposal facility.
- Containers will be labeled according to requirements of Rule 605.h.
- Unused material will be removed for reuse at another drilling site or returned to the vendor as a product and will not be stored on the location.
- Wastes will be stored in containers or on lined containment that are chosen for compatibility and checked for leaks or integrity problems.

Waste Characterization

Waste	Identification Method	Assessment Method	Treatment	Transport	Disposal	Disposal Frequency	Recycle
Drill Cuttings	Knowledge of Process	Daily sampling during drilling operations and Analysis when ready	TBD by Table 915-1 analysis	Trucked to approved disposal facility or buried in unlined trench onsite	Either onsite in approved trench or offsite commercial disposal	3,000 cubic feet or 111.11 cubic yards, 1 time disposal	No
Drilling Fluids (only used if mud is required)	Knowledge of Process	Sampling and Analysis	TBD by Table 915-1 analysis	Dewatered Fluids Trucked if not recycled	North La Junta Sanitation	Minimal fluids expected or <100 bbls, 1 time disposal	Yes - When Applicable
Cement Returns	Knowledge of Process	Knowledge of Process	Excess cement returns will be bagged and taken to commercial disposal	Truck	North La Junta Sanitation	Excess cement estimated 18.75 cubic feet or 0.69 cubic yards, 1 time disposal	No
Frac Sand	Not applicable, well is not going to be hydraulically fractured						
E&P Exempt Liquids							
Produced Water	Knowledge of Process	Sampling and Analysis	TBD by Table 915-1 analysis	Truck	North La Junta Sanitation	Unknown till production, not expected to be more 2000 bbls total, weekly disposal	No
Impacted Soil	Visual Determination	Sampling and Analysis	If any: TBD by Table 915-1 analysis	Truck	North La Junta Sanitation	None expected	No