

**From:** Peter Kondrat, COO  
**To:** ECMC

1/24/2024

**Regarding:** 1<sup>st</sup> Quarterly 2024 Repot Enterprise #16-1 Form 27 Workplan Supplemental Summary

Dear Energy & Carbon Management Commission,

This memo is regarding BNL (Enterprise) Inc's Enterprise #16-1 well Form 27 workplan for the COAs imposed 12/12/23.

- 1) Wellbore area soil testing.
  - a. Purgatoire Valley Construction to complete well excavation and soil testing to occur in the Spring of 2024. Weather affecting timing.
  - b. \$7000 cost estimate includes exposing wellhead, temporary fencing, samples, photos, excavation log and soil analytical results.  
Attachments:
    - 4) Proposed near wellhead soil sample location map
- 2) History of drill cuttings & solid waste handling
  - a. 360 cubic ft of drill cuttings were generated during drilling of the well.
    - i. No gas, oil or any hydrocarbons were encountered during drilling the entire well.
    - ii. Drill cuttings samples were analyzed by Origins Laboratory, Denver CO. Analytical report attached.
    - iii. 76.8 cubic ft (1.92 tons) of drill cutting disposed at Twin Enviro Services. Manifest attached.
    - iv. The remaining 283.2 cubic ft of drill cuttings were transferred from the cutting tank to an on-site cuttings pit. The cuttings pit was in the southwest portion of the well pad, the pit has since been closed and the area reclaimed. Survey attached.
  - b. 273 bbls of fluid were recovered from the drilling operations of the well.
    - i. All 273 bbls (11,500 gallons) of fluid recovered were disposed at Twin Enviro Services. Manifest attached.
      1. 173 bbls fresh water used in foam air drilling were recovered from the cuttings tank using a vac truck.
      2. 100 bbls used for displacement & rinsing in cement operations were recovered from the on-site tank.
    - ii. Fluids samples were analyzed by Origins Laboratory, Denver CO. Analytical report attached.

Attachments:

  - 1) Enterprise 16-1 well pad layout survey.
  - 2) Enterprise 16-1 Origin Lab drill cutting and fluids analytical results.
  - 3) Enterprise 16-1 Twin Enviro Service drill cutting and fluids manifest.
- 3) Access road final reclamation.
  - a. Includes road decompaction, seeding and fertilizer. Fencing or blocking access.

- b. \$27,650 cost estimate includes road & ditch repair, road crown & wheel compact. Rip rap & check dams installation.
- 4) Financial Assurance
  - a. Adequacy of Operator's General Liability Insurance. Attached.
  - b. The total cost estimate of the outlined work is \$32,650.
  - c. BNL carries a general liability policy that has \$1 million of coverage per occurrence with a \$2 million aggregate limit along with an additional \$4 million umbrella policy.
  - d. BNL intends to cover the estimated cost of the remediation from cash on hand.

Attachments:

- 5) BNL (Enterprise) Inc Certificate of Insurance

This summary and attachments are for the quarterly update.

Sincerely,

Peter Kondrat  
Chief Operating Officer  
Blue Star Helium Ltd & BNL (Enterprise) Inc  
970-759-5370 or pkondrat@bluestarhelium.com