WASTE MANAGEMENT PLAN

BNL | ENTERPRISE

Jackson 04 L4 3154

Sec. 4 T31S R54W Lot 4 (NW/4 NW/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).

February 9, 2024

UPSTREAM Petroleum Management, Inc.

BNL (Enterprise) Inc.
Las Animas County, Colorado

Comprehensive Waste Management Plan

Project Summary:
BNL (Enterprise) Inc.'s ("BNL's") proposed Jackson 04 L4 3154 "Location" is in Sec. 4 T31S R54W 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 for a period of six to nine months until helium production/processing facilities can be constructed on 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.

Plan:

Pursuant to comply with the Colorado Energy & Carbon Management Commission (CECMC) 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 CECMC 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. All waste that will be generated is anticipated to be non-hazardous. However, the term non-hazardous is not synonymous with harmless. The improper management and disposal of non-hazardous waste can also result in environmental and human health problems.

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 CECMC Director upon request.

Produced Water

BNL anticipates a low volume, if any, of produced water. Produced water will be stored in tanks on site prior to transport to a commercial disposal facility.

Drill Cuttings

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 blooey line. Accompanying the air drilling system will be a freshwater 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 blooey 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 will be disposed of offsite 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.

Garbage and Household Waste

All trash will be contained in a portable, completely enclosed, 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.

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 CECMC. If requested, BNL will provide copies of these records to the CECMC.

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 CECMC Director upon request.

Facility Decommissioning/Plugging and Abandonment Waste Management

When a location has reached the end of its life, facility decommissioning along with associated plugging and abandonment will begin. All remaining liquids that are generated during production operations will be hauled off location to an approved liquids disposal facility. Equipment that was used during production operations is tested, and if possible, will be transported to another location and reused. Equipment that no longer is viable for use including flowlines, casing, wellheads and cellars will be transported via truck to an approved, offsite commercial disposal facility or sold for scrap. There is not anticipated contamination of scrap metal during the plugging and abandonment process.

Waste Characterization

Waste	Hazardous or Non-Hazardous	Identification Method	Assessment Method	Treatment	Transport	Disposal	Disposal Frequency	Recycle
Drill Cuttings	Non-Hazardous	Knowledge of Process	Sampling during drilling operations and Analysis when ready	TBD by Table 915-1 analysis	Trucked to approved disposal facility	Offsite commercial disposal	3,000 cubic feet or 111.11 cubic yards, 1 time disposal	No
Drilling Fluids (only used if mud is required)	Non-Hazardous	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	Non-Hazardous	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
	E&P Exempt Liquids							
Produced Water	Non-Hazardous	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	Non-Hazardous	Visual Determination	Sampling and Analysis	If any: TBD by Table 915-1 analysis	Truck	North La Junta Sanitation	None expected	No