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### ATTACHMENT A Area of Review

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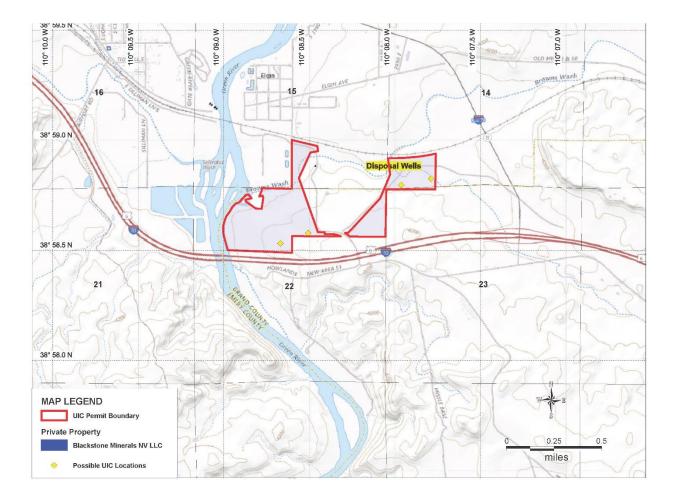
#### Area of Review

#### 1.0 1.0 Summary

This Attachment A demonstrates the location of Blackstone's Class V Spent Brine Return (SBR) wells in Emery and County, Utah, authorized by the Division of Water Quality pursuant to UIC Permit No. [#######]. The Class V SBR wells will inject into the Paradox Formation from clastic zone 7 to clastic zone 19, inclusive. This zone is above the Barker Oil Zone and below the Akah Oil Zone. The maximum zone of influence that may occur in 5 years is approximately 1 mile from each well in any direction, as shown in Figure A-2. Proposed well locations are included in Table A-1. Figure A-1 demonstrates the general location of Blackstone's SBR wells. Figure A-2 demonstrates the Area of Review (AOR), including Blackstone's VSBR wells and the project area.

Well ID (Proposed)	Easting	Northing	Township	Range	Section	Quarter
1	575131.8	4313983	21S	16E	23	NW SW
2	575087.6	4312858	215	16E	26	NW NW
3	574105.9	4314408	215	16E	22	L4
· 4	574339.8	4314496	21S	16E	22	NW NE
5	575121.7	4314908	215	16E	14	SW SW
6	575373.8	4314963	21S	16E	14	SW SW

Table A-1. Proposed UIC Class V Injection Well Locations (UTM Zone 12S).



**Figure A-1.** Location of Blackstone's project, including the proposed UIC spent brine disposal wells near Green River, Utah. Blackstone's Property boundaries are shown in red. Proposed UIC injection and disposal well locations are yellow diamonds.

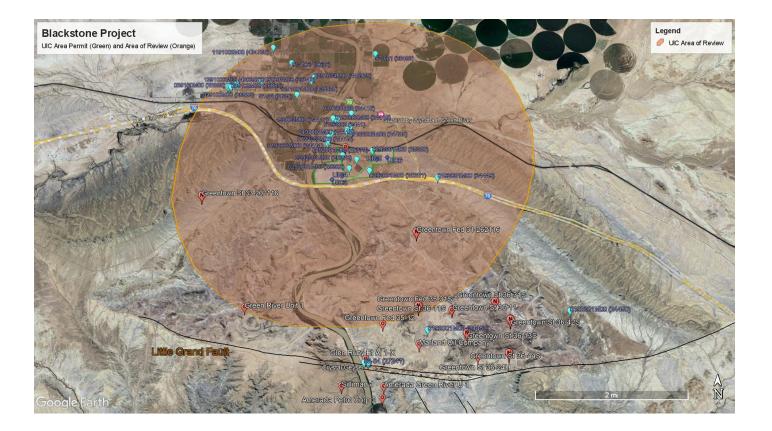


Figure A-2. Blackstone's proposed UIC permit area and AOR (northern project area). Artificial penetrations in the AOR are flagged, labeled, and shown as Red Pins. Proposed UIC well locations (UIC1 through UIC6) are shown as blue diamonds.

# ATTACHMENT B

Corrective Action Plan

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#### **Corrective Action Plan**

#### **1.0 Introduction**

This Attachment B describes the purpose of a corrective action plan, Blackstone's current need for corrective action, and the process to which Blackstone must adhere in developing a corrective action plan.

#### 2.0 Purpose of a Corrective Action Plan

Blackstone has identified all artificial penetrations into the permitted injection zones for the spent brine disposal operation that lie within the Area of Review (AOR), as outlined in Attachment A. Blackstone shall develop a corrective action plan and undertake corrective action for wells that are improperly sealed, completed, or abandoned to prevent movement of injection fluid into underground sources of drinking water.

#### 3.0 Current Need for Corrective Action

At the effective date of this permit, there are no wells within Blackstone's AOR that require corrective action nor the development of a corrective action plan.

#### 4.0 Developing a Corrective Action Plan

Blackstone shall comply with Part III.K of this permit. Blackstone shall notify the Utah Division of Water Quality (DWQ) within 24 hours of discovering a well or wells within the AOR that may need corrective action. Blackstone shall develop and submit a modified corrective action plan to DWQ within 30 days of determining that a well or wells need to be corrected.

# ATTACHMENT C

Construction Plan

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#### **Construction Plan**

#### 1.0 Introduction

This Attachment C describes Blackstone's injection well construction plan.

#### 2.0 Construction Plan

Blackstone's injection well construction plan is forthcoming. While Blackstone is still developing its construction plan, a typical injection well construction diagram is included as Figure C-1. The injection wells will be completed and cemented through the Mesozoic strata and perforated into the target clastic sequences in the Paleozoic Paradox Member of the Hermosa Formation. Multiple clastic beds may be perforated to achieve the target injection capacity. A packer will be used to isolate the injection zone from the upper casing string.

Blackstone shall comply with Part III.C of this permit. No less than 30 days prior to Blackstone's planned construction of a well, Blackstone shall provide the Utah Division of Water Quality (DWQ) Individual Construction Plans for each well to be constructed, for review and approval by the Director. Well construction shall only begin after Blackstone receives written approval from the Director. Blackstone will notify DWQ of the construction schedule once it is finalized. Blackstone shall provide DWQ with two weeks' notice prior to any actual construction activity, so a representative or representatives of the Director of DWQ can witness and supervise the well construction activity.

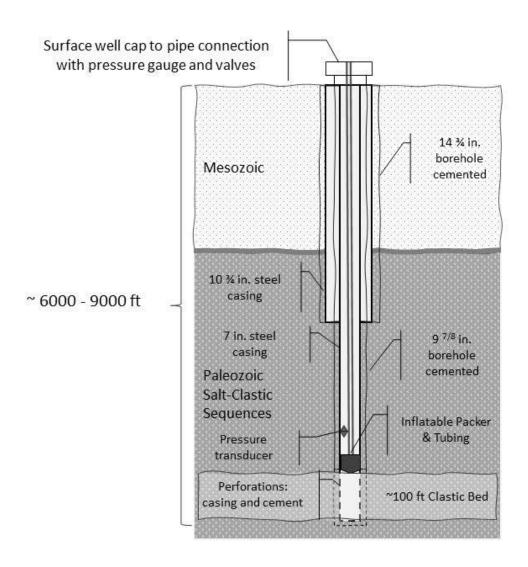


Figure C-1. Typical injection well construction diagram.

# **ATTACHMENT D** Injection Well Operating Plan and Procedures

### Contents

1.0 Introduction	
2.0 Operating Plan	
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#### **Injection Well Operation Plan and Procedures**

#### **1.0 Introduction**

This Attachment D describes Blackstone's approved and enforceable Operating Plan.

#### 2.0 Operating Plan

Blackstone will pump spent lithium brine solution from the Direct Lithium Extraction (DLE) plant through pipelines to the injection wellheads and into the injection zone. As further defined in Part III.E of this permit, the injection zone is between clastic zone 7 and clastic zone 19. Injection is expressly limited to the injection zone. The spent brine will be sent to the injection wells shown in Figure A-1. Injection into any new injection well will not commence until Blackstone has fulfilled all applicable conditions of this permit and has received written authorization from the Utah Division of Water Quality (DWQ).

Injection flow rates will not exceed 2,000 gallons per minute and injection pressures will not exceed the fracture gradient of 0.75 psi per foot of well depth. This fracture gradient is based on information provided in Intrepid Potash Moab's July 6, 2020, Class III UIC Permit Review and the Technical Report for permit number UTU-19-AP-1C3C2E8. That review provided that "Agapito Associates Inc., (2001) calculated a fracture gradient of 1.31 pounds per square inch per foot (psi/ft) based on hydraulic fracturing tests performed on wells 19, 20 and 21 (Attachment A)". However, the permitted fracture gradient was lowered by 60 percent for Intrepid because of the proximity of solution mining operations and underground workings. There is no solution mining or underground workings beneath Blackstone's injection site, and the fracture gradient for clastic zone 31 was tested at 0.73 psi/ft. Accordingly, Blackstone will adhere to a fracture gradient of 0.75 psi per foot of well depth.

Blackstone will determine site and well specific fracture gradients, including Maximum Allowable Surface Injection Pressure (MASIP), during formation testing and report these test results to DWQ within 30 days of making such determinations. Blackstone shall calculate MASIP to ensure that pressure in the injection zone during injection does not initiate new fractures or propagate existing fractures in the injection zone. No injection pressure will be revised until DWQ approves the permit modification. The injection pump will be set to automatically shut down when flow rate or pressure comes within 5 percent of the recommended maximums of 2,000 gallons per minute and 0.75 psi per foot of well depth, respectively. The injection flow rate and injection pressure will be monitored continuously, as described in the Monitoring, Recording, and Reporting Plan (Attachment F).

Injection fluid is limited to spent brine from the Direct Lithium Extraction (DLE) process generated by the Blackstone Minerals Project. Blackstone's DLE spent brine chemistry is included in Table D-1. Prior to injection, spent brine will be depleted with respect to lithium, bromide, and potentially other salts. Small amounts of rinse water will be added and will dilute the spent brine to the concentrations shown in Table D-1. The amount of dissolved mineral mass recovered is only a small fraction of the total dissolved solids, so the overall concentrations of spent brine are approximately constant from production to injection.

		DLL produc		chembu	y.							
Major												
Extractable												
Minerals												
	LI (ppm)	•	Br (ppn	n)	B (ppm)							
	Min	Max	Min	Max	Min	Max						
	170	210	3,500	4,000	1,400	1,700						
		<u> </u>								-		
Major Salts												
5	Na (ppm)	)	K (ppm)	)	Ca (ppn	ı)	Mg (ppr	n)	Cl (ppm)	1	Fe (pp)	<u>m)</u>
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
	18,000	20,000	25,000	29,000	45,000	50,000	35,000	40,000	220,000	260,000	200	250
	,		,	,	,	,	,	,	,	,		
Minor												
Components												
	SO <sub>4</sub> (ppm	ı)	Sr (ppm	)	Ba (ppn	າ)	Zn (ppn	1)	HCO <sub>3</sub> (pr	om)	F (ppm	<u>)</u>
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
	50	100	1,500	1,800	1	4	3	4	1,200	1,400	30	35
	00	100	1,000	1,000		<u> </u> .	<u> </u>	<u>]</u> .	1,200	1,100	00	
Brine								1				
Properties												
	TDS (ppr	n)	Density	$(g/cm^3)$	pН	1						
	Min	Max	Min	Max	Min	Max						
	350,000	400,000	1.27	1.28	4.5	5.0						
	550,000	100,000	1.4/	1.20	<b>T.</b> J	5.0						

#### Table D-1. Blackstone's DLE production brine chemistry.

Key:

ppn = parts per milliong/cm<sup>3</sup> = grams per cubic centimeter Min = minimum concentration

Max = maximum concentration

# ATTACHMENT E Well Stimulation Program

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#### Well Stimulation Program

#### **1.0 Introduction**

This Attachment E describes the process Blackstone must adhere to prior to planned and routine well stimulation.

#### 2.0 Planned Well Stimulation

No formation stimulation is planned for the injection zone of Blackstone's disposal facility. Blackstone only anticipates minor well stimulation for maintenance, rehabilitation, perforation, and redevelopment.

#### 3.0 Routine Well Stimulation

Blackstone may conduct well surging, swabbing, incidental salt encrustation dissolution, and other routine maintenance as needed.

#### 4.0 Requirements Prior to Well Stimulation

Blackstone will notify the Utah Division of Water Quality (DWQ) of any plans to conduct well stimulation and will submit those plans to DWQ. DWQ, in its full discretion, will approve or deny the Well Stimulation Plan. Blackstone must receive approval of the Well Simulation Plan from DWQ prior to Blackstone conducting well stimulation.

# ATTACHMENT F

Monitoring, Recording, and Reporting Plan

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#### Monitoring, Recording, and Reporting Plan

#### 1.0 Introduction

This Attachment F describes Blackstone's monitoring, recording, and reporting plan.

#### 2.0 Blackstone's Monitoring Program – Generally

Blackstone's monitoring program is designed to provide representative data of the monitored systems to track and control the chemistry, volume, and pressure of injection of fluids, wellbore conditions, and fluid distribution. The monitoring program consists of the following major components:

- Continuous monitoring of injection total dissolved solids, flow rates, volumes, temperatures, and pressures for each injection well. The injection pumps record the flow rate and pressure data on a downloadable digital storage device.
- Groundwater level and quality monitoring at monitor wells completed into the Mesozoic formations.
- Quarterly injectate brine chemistry samples for laboratory analysis.
- Samples collected quarterly from the Green River upstream and downstream of the permit area will also be submitted to a third party certified analytical laboratory.
- Conducting well mechanical integrity testing (MIT) at least once every 5 years at completion or workover and then at least once every 5 years thereafter, unless interim tests are requested or deemed necessary by the Director.

Blackstone will report results of its monitoring to the Utah Division of Water Quality (DWQ) in the reports that it submits quarterly. The schedule for submitting quarterly monitoring reports is included in Part III.G of this permit. Other records, such as calibration and maintenance records, are created and stored.

#### 3.0 Injection/Extraction Volumes, Pressures, and Temperatures Monitoring

The principal component of Blackstone's monitoring program consists of continuously monitoring the total dissolved solids (TDS) or specific conductance flow, volumes, temperatures, and pressures at each well. Injection brine flow rate, volume, pressure, and temperature are monitored at each well head by inline conductivity probes, flow meters, pressure transducers, and thermistors that record these parameters digitally every 5 minutes. Locations of the in-line conductivity probes, flow meters, pressure transducers, and thermistors that gathered from these devices is sent to and stored by a central process control center located at the production facility for continuous monitoring by an operator 24 hours a day, 365 days a year.

#### 4.0 Injection Zone Monitoring

Blackstone will monitor the flow of injectate being injected into the injection zone by one continuously recording flow meter installed in the flow line between the injection pump (Figure F-1) and the wellhead. Typically, the flow is monitored with totalizing flow meters, a pressure transducer, and a thermal probe.

#### 5.0 Groundwater Level Monitoring

Groundwater levels above the injection zone will be monitored using pressure transducers installed in monitoring wells, as shown in Figure F-2. One or more wells will be located between the injection wells and the Green River. The wells will be screened in one or more of the permeable Mesozoic sandstone formations and below the Mancos Formation. Blackstone will use 2 automatic data recorders to collect water level readings that will be transmitted to the central control office. A significant rise in water levels above threshold limits will alert the operator to shut off the injection pumps. Blackstone will then investigate the cause of the unexpected water level rise and report the incident to DWQ within 24 hours. Blackstone will collect and test water quality samples for conductivity and TDS to determine if injection fluids are entering the upper groundwater system. If necessary, a corrective action plan will be developed and implemented as described in Attachment B and Part III.K of this permit.

#### 6.0 Mechanical Integrity Testing

Blackstone will undertake mechanical integrity testing (MIT) of all injection wells at least once every 5 years to demonstrate both internal (Part 1) and external (Part 2) mechanical integrity of the well per 40 CFR § 146.8(a)(1) and 40 CFR § 146.8(a)(2). Blackstone will notify DWQ prior to MIT. The standard of mechanical integrity is outlined in Part III.H of this permit.

Blackstone will perform internal MIT by using sealed casing pressure tests. The bottom of the casing will be sealed with a plug, downhole inflatable packer, or other suitable device. The casing will be filled with water, and the top of the casing will be sealed with a threaded cap, mechanical plug, or downhole inflatable packer. The well casing will then be pressurized with water or air and monitored with a calibrated pressure gauge. Internal casing pressure will be increased to 125 percent of the maximum operating pressure of the well field or 125 percent of the maximum operating of the well casing (which is always less than the maximum pressure rating of the pipe), whichever is less.

To demonstrate internal mechanical integrity, a well must maintain 90 percent of the determined maximum pressure for a minimum of 30 minutes to pass the test. If the pressure drops by less than 10 percent during the 30-minute period, the well casing will have demonstrated acceptable mechanical integrity. If there are obvious leaks, or the pressure drops by more than 10 percent during the 30-minute period, the seals and fittings on the packer system will be checked, reset, or both, and another test will be conducted. If, following a second test, there remains obvious leaks or the pressure drops by more than 10 percent during the 30-minute period, the MIT criteria.

External MIT will be performed by an approved method, as set forth in 40 CFR § 146.8. DWQ, in its full discretion, may approve the final and most appropriate method for demonstration of external mechanical integrity.

Other supplemental MIT tests will monitor reservoir pressures and comparison with expected pressures in geopressured zones. This is a standard procedure in producing oil and gas wells, such as the Rose Petroleum (Utah) well (API 430193157500).

#### 7.0 Loss of Mechanical Integrity

Blackstone shall comply with Part III.G and Part III.H of this permit. Blackstone will notify DWQ if any well fails MIT following the reporting procedures described below. If a well casing does not meet the MIT criteria, Blackstone shall: (i) cease operation of the well immediately; (ii) take steps to prevent losses of brine into USDWs; and (iii) within 90 days after loss of mechanical integrity, restore mechanical integrity or plug and abandon the well in accordance with the Plugging and Abandonment Plan approved by the Director. Well plugging and abandonment procedures are described in Attachment H. Blackstone may resume operation of the well after demonstrating mechanical integrity using an acceptable test following well repairs or well reworking, Blackstone shall plug and abandon the well.

#### 8.0 Interim Mechanical Integrity Testing

In addition to the initial testing after well construction, Blackstone will conduct MIT on its wells following any repair where a downhole drill bit or under-reaming tool is used. Any well with evidence of subsurface damage will require new MIT prior to restarting injection. MIT for each well will be conducted at least once every five (5) years.

#### 9.0 Water Quality Monitoring in the Green River

Blackstone will also monitor the Green River upstream and downstream of the permit area to detect any impacts from well leaks, including but not limited to changes in salinity.

#### **10.0 Reporting**

Blackstone will report continuous monitoring to DWQ quarterly, which shall include the contents specified in Part III.G of this permit. Blackstone will send these records to DWQ electronically, in accordance with the schedule for submitting quarterly monitoring reports under Part III.G of this permit.

MIT documentation will include the well designation, test date, test duration, beginning and ending pressures, and the signature of the individual responsible for conducting each test. MIT documentation will be available for inspection by DWQ personnel upon request and will not be unreasonably withheld by Blackstone. Blackstone will report MIT results within 60 days after completing MIT, and in accordance with Part III.G.7 of this permit.

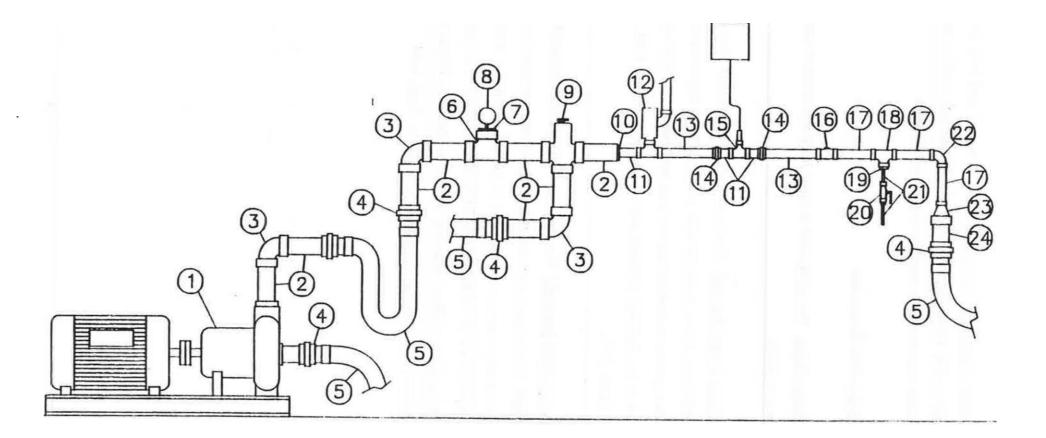


Figure F-1. Injection Pump Manifold Schematic.

Item	Quantity	Description	
1	1	Hydra-Cell model D-40 injection	
2	8	2" x 4" steel nipple	
3	3	2" steel elbow	
4	4	2" steel hammer union	
5	5	Hydraulic hose with 2" MIP steel and connections, 100 psi	
6	1	2" steel tee	
7	i	2" x 1/4" steel reducer male	
8	1	Nibco pressure gauge	
9	2	Bypass-check valve	
10	1"	2" x 1" steel bushing	
11	3	1" x 2" steel nipple	
12	1	Wanner C-24 bypass pressure regulating valve	
13	2	1" x 6" steel nipple	
14	2	1" hammer union	
15	1	Halliburton flow meter model MCII	
16	1	1" steel check valve	
17	3	1" x 4" steel nipple	
18	1	1" steel tee	
19	1	1" to 1/4" steel bushing	
20	1 -	1/4" steel ball valve	
21	2	1/4" x 3" steel nipple	
22	1	1" steel elbow	
23	1	1" to 2" steel reducer	
24	1	2" x 2" steel nipple	

**Table F-1.** Table describing the components of the injection line schematic included in Figure F-1. ASARCO 1993. In Situ Copper Mining Project Casa Grande Arizona. Phase I and II Technical Report. Volume I Sections 1-6. Submitted to the U.S. Bureau of Mines. Submitted by ASARCO April 19, 1993.

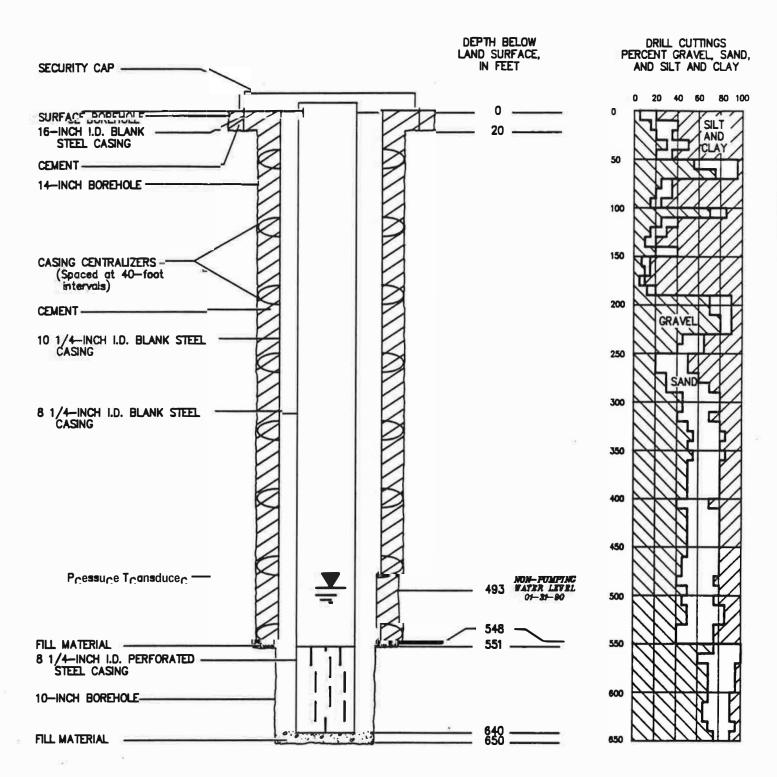


Figure J-2. Monitor well schematic. ASARCO 1993. In Situ Copper Mining Project Casa Grande Arizona. Phase I and II Technical Report. Volume II Section 8. Submitted to the U.S. Bureau of Mines. Submitted by ASARCO April 19, 1993.

# ATTACHMENT G Contingency Plan

### Contents

1.0 Introduction	
2.0 Contingency Plan	

#### **Contingency Plan**

#### 1.0 Introduction

This Attachment G describes Blackstone's Contingency Plan.

#### 2.0 Contingency Plan

Blackstone has developed this Contingency Plan for disposal wells in the event of conditions that require its wells to be temporarily or permanently shut-in. Blackstone will contain any surface leaks or spills according to the facility spill prevention, control, and counter measure plan, which is separate from UIC regulations. An injection well will be temporarily or permanently shut-in or taken out of service for the following:

- Routine maintenance;
- Flow and pressure increase to the threshold pressure limit;
- Significant decreases or increases in permeability and injectivity;
- Unforeseen technical issues or threshold parameter measurements in monitor wells; or Injectate water quality changes that exceed threshold limits.

If a well needs to be temporarily or permanently shut-in, Blackstone will immediately disconnect the well from all sources of brine or water and cap the well at the surface. Continuous monitoring of in line pressure, flow, and TDS, as described in Attachment F, will detect these conditions if they arise.

If a well needs to be shut-in under emergency conditions, the piping system is designed to take the unexpected pressure with a factor of safety. All injection brines in the system will be routed to an overflow holding pond near the lithium production plant. Blackstone will contract service crews to perform emergency repairs if on-site personnel are not capable or available.

In the event of a well failure or a well that is not repairable, Blackstone will plug and abandon the well in accordance with the Plugging and Abandonment Plan, Attachment H. Prior to plugging and abandoning a well, Blackstone will prepare and submit a condition report to the Utah Division of Water Quality (DWQ) for final approval of the modified or unmodified plugging and abandonment plan. A schematic of the wellhead sensors and valve controls is shown in Figure F-1.

# ATTACHMENT H Plugging and Abandonment Plan

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3.0 Contents of the Well Condition Report	34

#### Plugging and Abandonment Plan

#### 1.0 Introduction

This Attachment H describes Blackstone's Plugging and Abandonment Plan for its injection wells. This plan meets the requirements of Utah Administrative Code R317-7-6.6.

#### 2.0 Procedure for Plugging and Abandoning Well

Blackstone must undertake the procedures for plugging and abandonment required by R317-7-6.6. Prior to abandoning its Class V injection wells, Blackstone shall close the well in a manner that prevents the movement of fluid containing any contaminant into an underground source of drinking water, if the presence of that contaminant may cause a violation of any primary drinking water regulation under 40 CFR Part 141 or Utah Primary Drinking Water Standards R309-200-5 or may otherwise adversely affect the health of persons.

Blackstone shall dispose of or otherwise manage any soil, gravel, sludge, liquids, or other materials removed from or adjacent to the well in accordance with all applicable Federal, State, and local regulations.

Blackstone must notify the Director of its intent to close its wells at least 30 days prior to closure. Blackstone will also notify the Director of the plugging timeline to give enough time to schedule Utah Division of Water Quality (DWQ) personnel to witness and inspect the plugging operation.

#### 3.0 Contents of the Well Condition Report

If a well requires abandonment, Blackstone will submit a well condition report that contains the following:

1. The results of the well's most recent mechanical integrity test;

2. The location of any detected or suspected leaks or perforations in the casing;

3. The estimated location of any vertical migration of fluids behind the casing;

4. The adequacy of casing cement bonding across the salt formation, as determined from cement bond logs run at the time of well construction or just prior to well abandonment; and 5. Any supporting data or test results concerning the well's condition.

According to this Plugging and Abandonment Plan, Blackstone will cement the well from the bottom of the well back to the well head and keep cement records documenting well plugging completion using the balance method or another DWQ approved or requested method. Other well closure activities, equipment, and materials are listed in Table I-1.

# ATTACHMENT I Financial Responsibility and Well Closure Cost Estimate

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#### Financial Responsibility and Well Closure Cost Estimate

#### **1.0 Introduction**

This Attachment I describes Blackstone's financial responsibility requirements under Utah Administrative Code R317-7 and 40 CFR Part 144.

#### 2.0 Financial Responsibility Requirements

Blackstone will bond the injection facility closure and plugging and abandonment of injection wells in accordance with R317-7-9.1.D.24, R317-7-9.4, 40 CFR § 144.52(a)(7), this permit, all other applicable regulations, and Utah Division of Water Quality requirements. A copy of the pro forma bond agreement is attached as Exhibit I-1.

#### 3.0 Well Closure and Plugging and Abandonment Cost Estimate

Blackstone's UIC well closure and plugging and abandonment costs per injection well are estimated in Table I-1.



#### State of Utah Department of Environmental Quality Division of Water Quality

#### **Collateral Bond Agreement-Cash Account**

Bond/ Check Number:							
Operator Name:							
City:	S	tate:	Zip Code:				
Phone Number:							
Bonding Contact Name:							
Title:							
Email Address:							
qualified to do business i Treasurer"), in the form Check Number:			-		-		
("Cash Account") as a:				, i incipui			 
	Cover all State	and Fee we	ells drilled in the St	ate of Utah	; or		
	Well Name:						
	API Number:					-	
	Section:	Towr	ıship:	Range	:	-	
	County:				, Utah	_	

#### **Operator Obligation**

The condition of this obligation is such that the Operator (its heirs, executors and successors) is or will be engaged in the drilling, redrilling, deepening, repairing, operating, and plugging and abandonment of a well(s) and restoring the well site(s) in the State of Utah for the purpose of mineral production and/or the injection and disposal of fluids in connection therewith. *See* Utah Admin. Code R649-3.

#### Cash Agreement

This agreement describes the mutually agreed upon instructions of the below signed parties to the State Treasurer, regarding the control, redemption, and release of the State Treasurer's above-described Cash Account, which is being used as principal to guarantee the availability for proper plugging and abandonment of the well(s) and proper well site(s) restoration. It is the intention of the parties that the Cash Account be utilized as principal to guarantee that the full principal amount will be available to the State of Utah, Division of Water Quality (**"Division"**) for proper plugging and abandonment of the well(s) and proper well site(s) restoration. Upon demand and in the event the

Check Number:

Operator of the well site(s) is unable or unwilling to complete proper plugging and abandonment of the well(s) and proper well site(s) restoration in compliance with applicable state law and regulations, the Division may redeem the Cash Account according to the steps outlined below.

#### **Ownership and Renewal:**

Ownership of the Cash Account is retained by the Operator, but it is **payable to the Division** and held by the State Treasurer **for the benefit of the Division**, and is subject to the terms and conditions described in this agreement. The State Treasurer will provide monthly Cash Account information to the Division for balance tracking purposes.

#### **Redemption:**

The Cash Account may only be redeemed (i.e., called on demand) pursuant to the written instruction or demand of the Associate Director of Water Quality for the Division ("Associate Director") to the State Treasurer. Upon the instruction and demand of the Associate Director, the full amount of the Cash Account shall be transferred to the Division. The Operator agrees and irrevocably instructs the State Treasurer that neither the Operator, nor any other person claiming an ownership interest in the Cash Account which is derived from the Operator, shall have the authority to prevent the State Treasurer from carrying out the Associate Director's instruction to redeem the Cash Account.

#### <u>Release</u>:

The State Treasurer shall release the Cash Account only upon the written instruction of the Associate Director to the State Treasurer. Upon release, the terms and conditions of this agreement are no longer in effect, the Cash Account shall be returned to the Operator, or its legal successor-in-interest.

#### Accrued Interest:

Prior to release, all interest which accrues by the Cash Account shall remain in the Cash Account. In no event shall the State Treasurer transfer any amount from the Cash Account which would cause the redemption amount of the Cash Account to be less than the initial amount. All tax liabilities for accrued interest shall remain the sole responsibility of the Operator. Check Number:

These Terms and Conditions are Agreed Upon By:

\_\_\_\_\_

Date: \_\_\_\_\_

Company Officer Signature
Print Name:

Title: \_\_\_\_\_

Operator Name:

Date: \_\_\_\_\_

John Mackey, Director Utah Division of Water Quality

Mail to: Division of Water Quality 195 N 1950 W P.O. Box 144870 Salt Lake City, UT 84116 Phone: 801-536-4300 \_\_\_\_\_

### AFFIDAVIT OF QUALIFICATION OPERATOR \_\_\_00OO00\_\_

I,

, being first duly sworn under oath, deposes and says that he/she is a

Company Officer of

; and that he/she is duly authorized to execute and deliver the

foregoing obligations; and that said OPERATOR is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

		Signature Print Name: Title:		
Subscribed and sworn to before me this	day of		, 20	
		Notary Public		
My Commission Expires:				
	, 20			
Attest:				
STATE OF	) COUNTY OF		)	

Check Number:

) ss:

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### AFFIDAVIT OF QUALIFICATION DIRECTOR \_\_\_00OO00\_

I, John Mackey, being first duly sworn under oath, deposes and says that he is the Director for the Division of Water Quality, Department of Environmental Quality, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said DIRECTOR is authorized to execute the same by authority of laws on behalf of the State of Utah.

	John Mackey, Director Utah Division of Water Quality				
Subscribed and sworn to before me this	day of	, 20			
		Notary Public			
My Commission Expires:	, 20				
Attest:					
STATE OF	) COUNTY OF	)			

Check Number:

) ss:

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ITEM	LABOUR	EQUIPMEN	MATERIAL	DIRECT	TOTAL
Reclamation of drill pad (1 <sup>st</sup> acre)			S	\$14,400.00	\$14,400.00
Decommissionin g of Structures (tanks and fences)	\$110.00			\$1,275.00	\$1,385.00
Reserve Pit	\$72.00	\$870.00	\$14.00		\$956.00
Disposal of salt water	\$138.00	\$956.00	\$14.00	\$3,250.00	\$4,358.00
Re-seeding	\$150.00	\$1,456.00	\$968.00		\$2,264.00
CONTRACTIN G TOTAL	\$470.00	\$2,972.00	\$996.00	\$18,925.00	\$23,363.00
DRILLING RIG	AND CEM	ENTING			TOTAL
Drillhole Closure hole) <sup>1</sup>			\$78,210.00		
Equipment (mob/	demob)		\$16,000.00		
DRILLING AND CEMENTING TOTAL					\$94,210.00
TOTAL RECLAMATION COST					\$117,573.00*
<sup>1</sup> Estimate based of		-		doog not ooo	a for future
*Total reclamatio inflation.	n cost is D	ased upon curr	ent values and	uoes not acco	Juni Ior Iulure

Table I-1. Well plugging and abandonment cost estimate per UIC injection well.