

TESTING AND MONITORING PLAN
40 CFR 146.90

Bluebonnet Sequestration Hub

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1.0 Facility Information

Facility name: Bluebonnet Sequestration Hub (Bluebonnet Hub or the project)
Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3 wells

Facility contacts: **Claimed as PBI**
[REDACTED]

Well location: Chambers County, Texas

Well Name	Latitude (NAD27)	Longitude (NAD27)
Bluebonnet CCS 1	Claimed as PBI	[REDACTED]
Bluebonnet CCS 2	Claimed as PBI	[REDACTED]
Bluebonnet CCS 3	Claimed as PBI	[REDACTED]

This Testing and Monitoring Plan describes how the Bluebonnet Sequestration Hub, LLC, will monitor the Bluebonnet Hub pursuant to 40 CFR §146.90. In addition to demonstrating that the wells are operating as planned, the CO₂ plume and pressure front are moving as predicted, and that there is no endangerment to Underground Sources of Drinking Water (USDWs), the monitoring data will be used to validate and adjust the geological models used to predict the distribution of

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the CO₂ within the storage zone to support Area of Review (AoR) reevaluations and a non-endangerment demonstration.

Results of the testing and monitoring activities described below may trigger action according to the Emergency and Remedial Response Plan attached to this application.

2.0 Overall Strategy and Approach of the Testing and Monitoring Plan

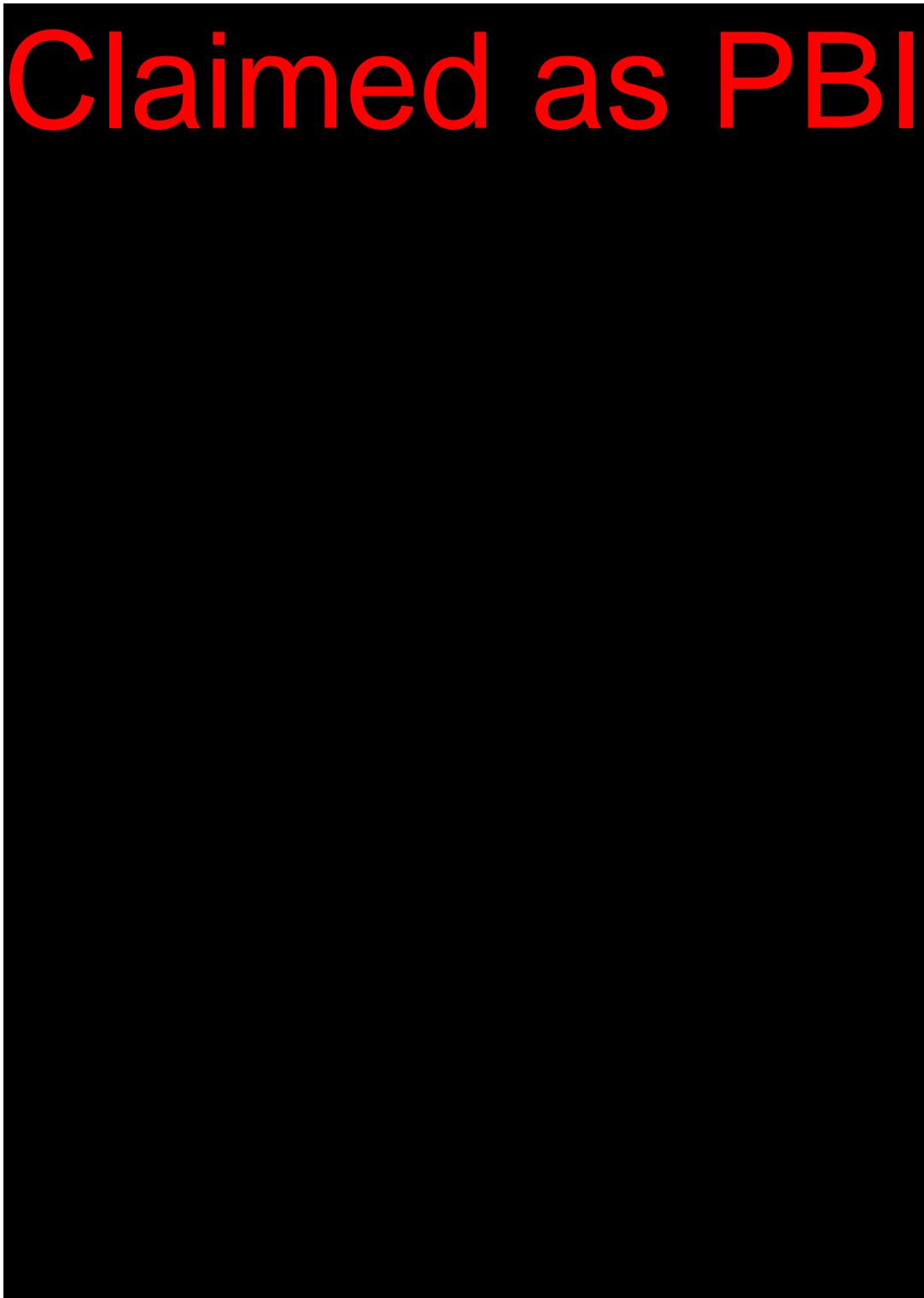
The testing and monitoring plan is designed to detect unforeseen CO₂ and/or brine leakage out of the injection zone that could endanger the USDW, migrate to a different stratus, or create a risk to human health or the environment.

This monitoring plan was tailored based on a qualitative risk assessment of the site, that also was used to inform the Emergency and Remedial Response Plan for the Bluebonnet Hub. Table TM-1 shows a summary table with the residual risk ranking assuming the proposed controls and mitigations of the project design and monitoring plan are in place.

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Table TM-1: Risk Ranking for Bluebonnet Hub Evaluation.



Several components are integrated into the master monitoring plan for the Bluebonnet Hub, which are classified in the following categories:

1. Operational testing and monitoring during injection.
2. Mechanical integrity testing.
3. Groundwater quality and geochemical monitoring.
4. CO₂ plume and pressure-front tracking.
5. Near-surface and surface monitoring.
6. Induced seismicity.

Table TM-2 summarizes of the different methods proposed to monitor the AoR, including the CO₂ plume and pressure front from the CO₂ injector wells proposed at the Bluebonnet Hub: Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3.

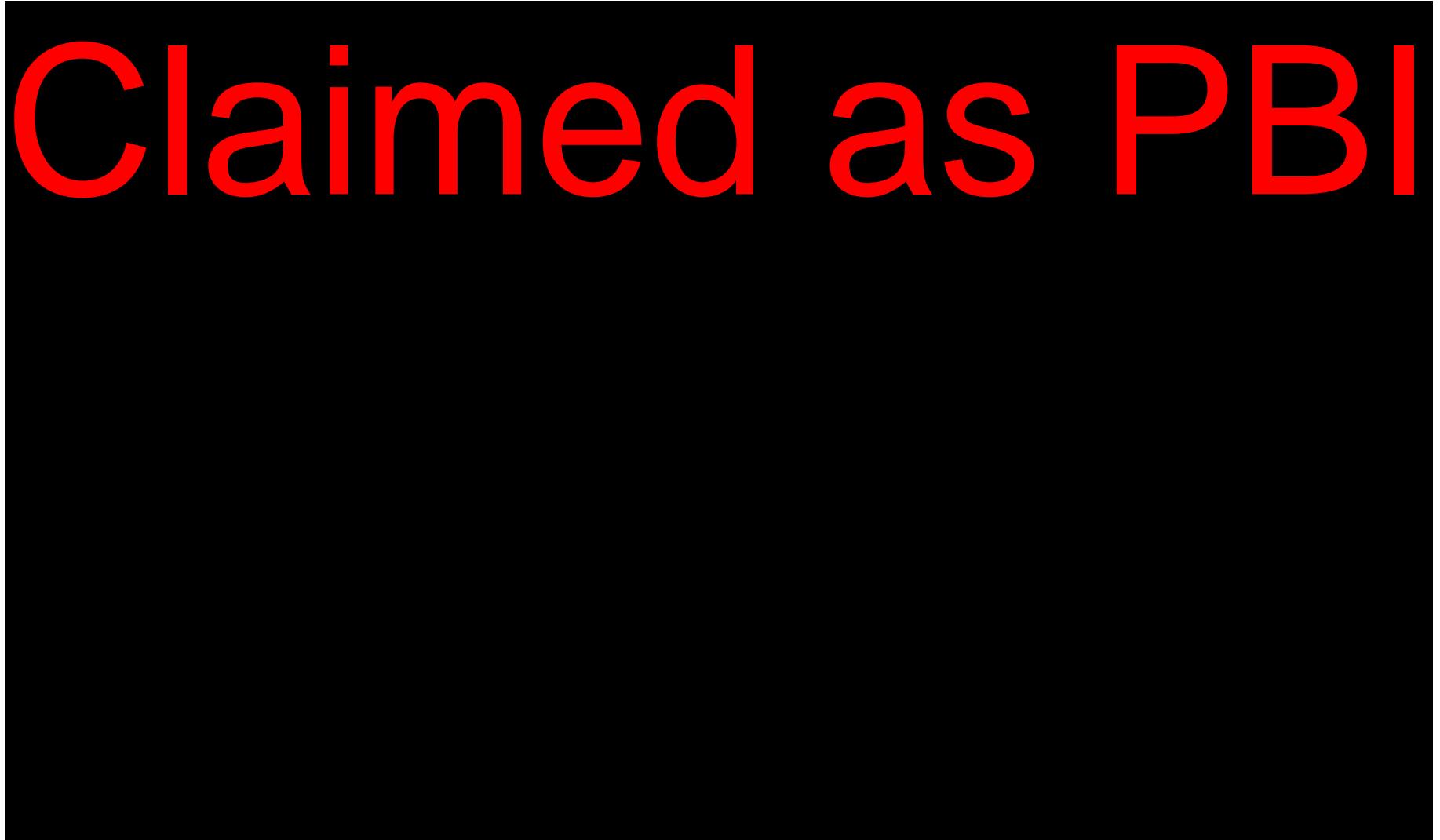
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Table TM-2: Summary of Bluebonnet Hub Testing and Monitoring Plan

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Table TM-2: Summary of Bluebonnet Hub Testing and Monitoring Plan (continued)



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Table TM-2: Summary of Bluebonnet Hub Testing and Monitoring Plan (continued)

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The methodology and frequency of testing and monitoring methods are expected to change throughout the project. Pre-injection monitoring and testing will focus on establishing baselines and ensuring that the site is ready to receive injected CO₂. Injection phase monitoring will be focused on collecting data that will be used to calibrate models and ensure the containment of CO₂. Post-injection phase monitoring and testing is designed to demonstrate CO₂ plume stabilization and ensure containment.

The proposed testing and monitoring plan will collect sufficient geospatial and monitoring data to validate the numerical simulation model, inform operational decisions on the quantity and rate of CO₂ injected, and trigger corrective or preventive maintenance actions, amongst others, to operate the site as designed, efficiently and safely. The monitoring results will allow the project to re-evaluate the AoR and show that there is no endangerment to the USDW.

These methods and their applications in the proposed monitoring plan are discussed in the following sections. Results of the testing and monitoring activities described below may trigger action according to the Emergency and Remedial Response Plan.

The testing and monitoring plan will be reviewed at least once every five years and will be amended, if necessary, to ensure monitoring and storage performance is achieved and new technologies are appropriately incorporated. 40 CFR §146.90 (j).

2.1 Quality Assurance Procedures

A quality assurance and surveillance plan (QASP) for testing and monitoring activities, required pursuant to 146.90(k), is provided as a separate document in this permit.

2.2 Reporting Procedures

The Bluebonnet Sequestration Hub, LLC, will report the results of all testing and monitoring activities to EPA in compliance with the requirements under 40 CFR 146.91.

3.0 Well Monitoring Network Design

Bluebonnet Sequestration Hub, LLC, plans to drill three CO₂ injector wells: Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3, as part of the field development plan for the Bluebonnet Hub. The monitoring program proposed is designed based on the modeled CO₂ plume extension and propagation of the pressure front for the three wells injecting simultaneously according to the AoR delineation process.

The proposed monitoring plan includes a layout of four in zone (reservoir) monitoring wells, (Bluebonnet IZM FM1, Bluebonnet IZM FM2, Bluebonnet IZM M1, and Encanto 01), and six above-confining-zone/USWD monitoring wells (Bluebonnet USDW 1, Bluebonnet USDW 2, Bluebonnet USDW 3, Bluebonnet USDW 4, Bluebonnet USDW 5, and Bluebonnet USDW 6).

Claimed as PBI



Claimed as PBI

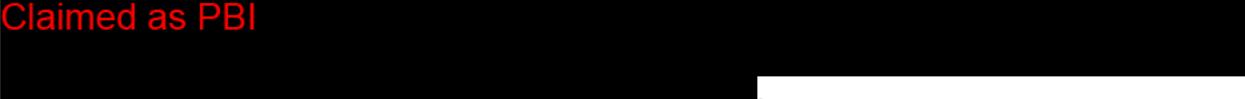


Table TM-3 shows the location of the CO₂ injector wells, monitoring wells, **Claimed as PBI** that plan to be constructed as part of the Bluebonnet Hub.

Table TM-3: Location of proposed CO₂ injector wells, monitoring wells, **Claimed as PBI for Bluebonnet Hub.**



Figure TM-1, Figure TM-2 and Figure TM-3 show the location of the monitoring wells, **Claimed as PBI** and legacy wells relative to the CO₂ injector wells, predicted CO₂ plume, and pressure front delineated by the critical pressure.

Claimed as PBI

Figure TM-1: Location and layout of in-zone monitoring wells and **Claimed as PBI** relative to the CO² injector wells and the CO₂ plume and pressure front development.

Claimed as PBI

Figure TM-2: Location and layout of ACZ/USDW monitoring wells and legacy shallow water wells relative to the CO₂ injector wells and the AoR.

Claimed as PBI

Figure TM-3: Location of the Claimed as PBI relative to the CO₂ injector wells and the AoR.

The well locations show the approximate position of the monitoring wells, Claimed as PBI [REDACTED]. The exact locations might have a slight variation depending on the final design of the surface pads as well as the negotiations with the landowners when the locations are surveyed.

3.1 CO₂ Injector Wells (CCS)

The CO₂ injector wells Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3 are designed to maximize CO₂ injection rates and operate the site efficiently. The wells will be equipped with surface and downhole sensors to track reservoir behavior in real time, allowing the project team to validate the predictions of the numerical simulation model and optimize injection parameters.

The implementation of pulse neutron/saturation log will evaluate the mechanical integrity of the CO₂ injector wells and provide information about the vertical conformance of the injected CO₂ in the injection zone and validate containment.

The project plans to **Claimed as PBI** [REDACTED]
[REDACTED] near the wellbore to identify any
potential migration paths. **Claimed as PBI**
[REDACTED]

Details of the well construction and proposed schematics of the CO₂ injectors are included in the Injector Wells Construction Details Plan of this application.

3.2 In-Zone Monitoring Wells (IZM)

Figure TM-4 and Figure TM-5 show the location of the in-zone monitoring wells relative to the CO₂ injector wells and development of the CO₂ plume at different stages of the project. The location and completion design of the in-zone monitoring wells was defined with the objective to track the early development of the pressure front as it precedes the movement of the plume, to allow for history-matching of the model. The wells were located strategically to mitigate the main risks identified during the evaluation of the site and comply with 40 CFR §146.90 requirements. These areas included highly populated areas, faults, and high density of legacy wells, amongst others.

The in-zone monitoring well locations and completions (Bluebonnet IZM FM1, Bluebonnet IZM FM2, and Bluebonnet IZM M1) allow for the tracking of movement of the CO₂ plume through the application **Claimed as PBI** [REDACTED] from early stages to the end of the injection period. If the surface seismometer network (described in the next sections) detects any activity related to induce seismicity due to the injection, these wells can acquire real time acoustic data to track downhole micro seismicity.



Figure TM-4: Location of the in-zone monitoring wells and water production wells relative to the development of the CO₂ plume in **Claimed as PBI for Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3.**

Claimed as PBI

Figure TM-5: Location of the in-zone monitoring wells and water production wells relative to the development of the CO₂ Plume **Claimed as PBI** for Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS.

3.2.1 Bluebonnet IZM FM1

The Bluebonnet IZM FM1 will be drilled before the CO₂ injection starts or shortly thereafter. The well location was selected to track CO₂ movement and development of the pressure front to the northwest section of the AoR. This well will be located strategically in the updip direction and in the preferential path of the plume development. The well will serve to calibrate the simulation model and provide the capability to image the CO₂ plume. **Claimed as PBI**

The well will be completed in the **Claimed as PBI**

Claimed as PBI and will be equipped with pressure and temperatures gauges downhole, ported to the tubing that will allow for tracking changes in the reservoir conditions. Pressure monitoring is extremely valuable to history-match the simulation model and improve accuracy in the prediction of the CO₂ plume movement.

Since the well will be drilled from surface to **Claimed as PBI** it will enable tracking any changes in CO₂ saturation around the wellbore, not only for **Claimed as PBI**

If the surface seismometer network (described in the next sections) detects any activity that could be related to induced seismicity from CO₂ injection, the Bluebonnet IZM FM1 has the capability to acquire **Claimed as PBI** to track downhole micro seismicity.

The proposed schematic for this well is presented in Figure TM-6.

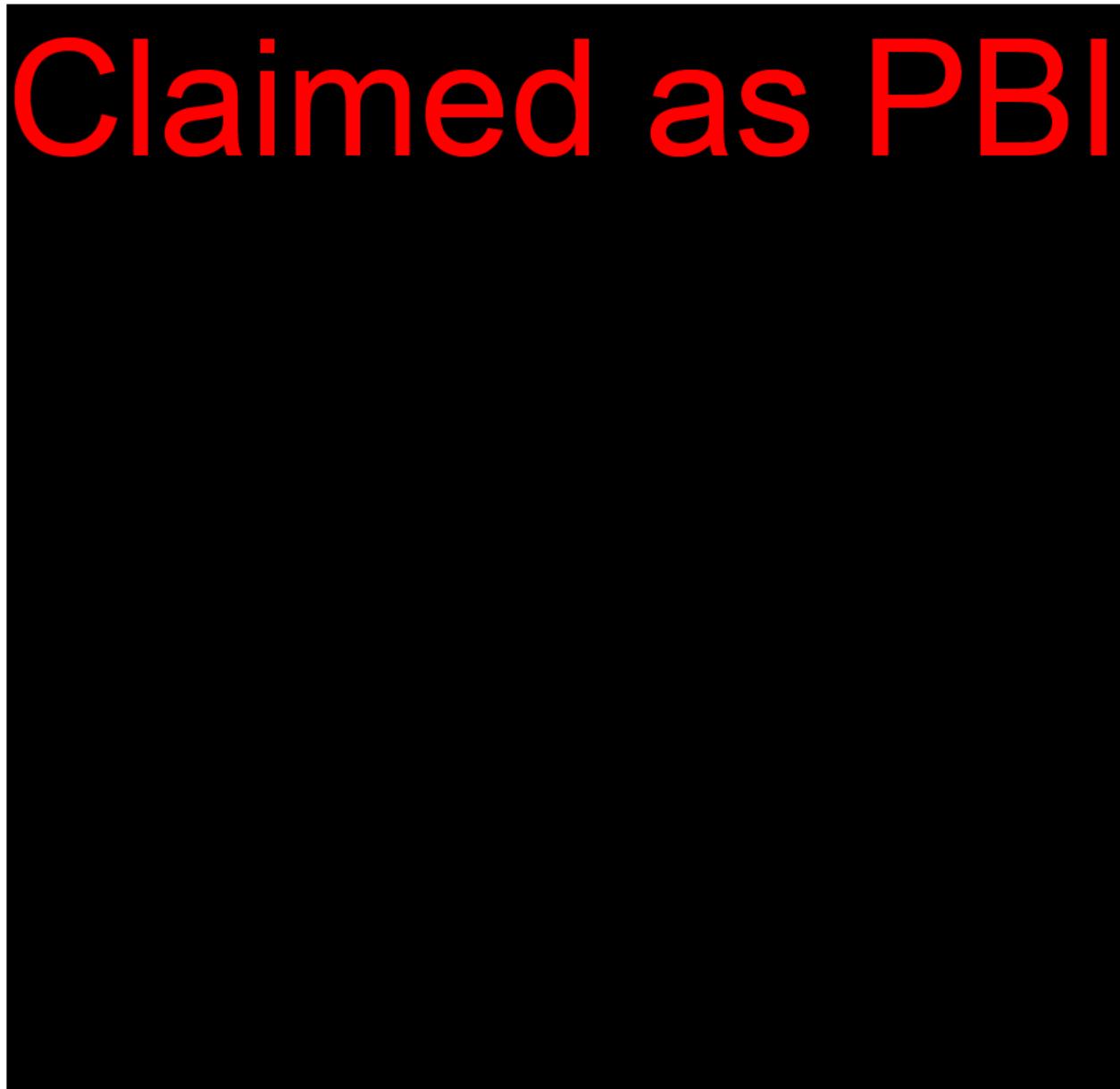


Figure TM-6: Well design and schematic for Bluebonnet IZM FM1.

3.2.2 Bluebonnet IZM FM2

The Bluebonnet IZM FM2 will be drilled before CO₂ injection starts or shortly thereafter. The well location was selected to track the development of the CO₂ plume and pressure front towards the east of the AoR. The east section of the plume will be near the **Claimed as PBI as PBI** Texas, including

the **Claimed as PBI**. The well will be on the border of the CO₂ plume and placed strategically to track any abnormal development of the plume eastward.

The well will be completed in the **Claimed as PBI** and equipped with pressure and temperatures gauges downhole, ported to the tubing that will allow to tracking changes in the reservoir conditions. Pressure monitoring is extremely valuable to history-match the simulation model and improve accuracy in the prediction of the CO₂ plume movement.

Since the well will be drilled from surface **Claimed as PBI**

The well will be equipped with a **Claimed as PBI**

If the surface seismometer network (described in the next sections) detects any activity that could be related to induced seismicity from injection, then Bluebonnet IZM FM2 can **Claimed as PBI** to track downhole micro seismicity, **Claimed as PBI**.

The proposed schematic for this well is presented in Figure TM-7.

Claimed as PBI

3.2.3 Bluebonnet IZM M1

The well location for Bluebonnet IZM M1 was selected to track the development of the CO₂ plume and pressure front towards the northeast section of the AoR. The well will be completed in the **Claimed as PBI** [REDACTED], allowing tracking variations in pressure and temperature in the reservoir above **Claimed as PBI** [REDACTED]. The well will be equipped with **Claimed as PBI** [REDACTED], [REDACTED], [REDACTED], if required, to calibrate the model. If the surface seismometer network (described in the next sections) detects any activity that could be related to induced seismicity from CO₂ injection, then the Bluebonnet IZM M1 can acquire

Claimed as PBI to track downhole micro seismicity with a Claimed as PBI

Implementing a Claimed as PBI in the Bluebonnet IZM M1 will allow to monitor variations in the CO₂ saturation in the Lower Miocene Injection Zone and overburden formations.

The proposed schematic for this well is presented in Figure TM-8.

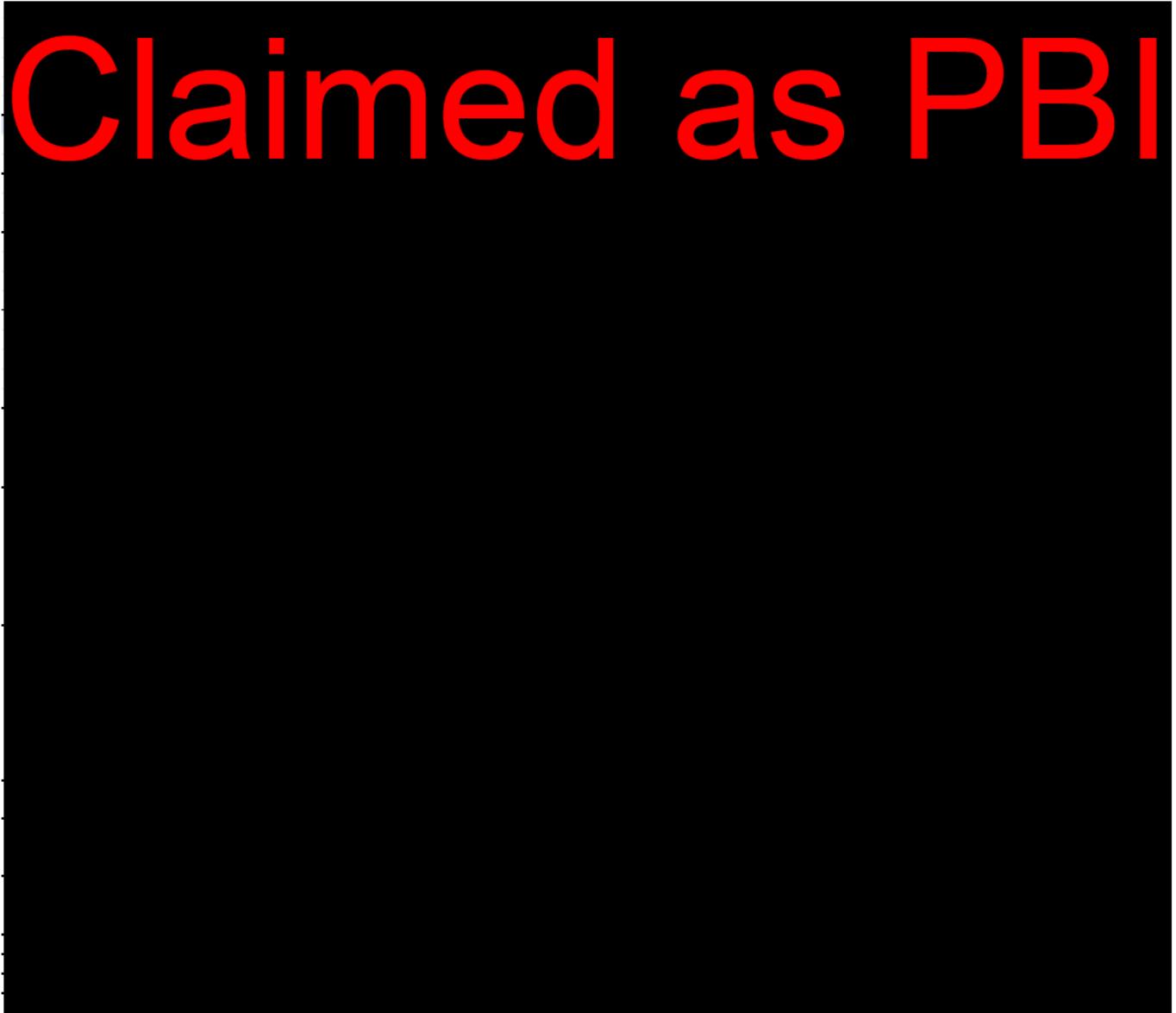


Figure TM-8: Well design and schematic for Bluebonnet IZM M1.

3.2.4 Encanto 01

The Encanto 01 well was drilled in 2022 as part of the stratigraphic well campaign to acquire site-based data for the project and is temporarily abandoned, pending recompletion as part of the project's monitoring network. The well is strategically placed to track any potential migration in the field to the north of the Bluebonnet CCS 1 and Bluebonnet CCS 2 injector wells and will provide monitoring capabilities to track the pressure and temperature changes in the reservoir since these will precede the movement of the CO₂ plume and will allow early calibration of the model. The well will be completed in the **Claimed as PBI**

Since the well was drilled from the surface to **Claimed as PBI** it will enable tracking any changes in CO₂ saturation around the wellbore, not only for the **Claimed as PBI**

The proposed schematic for this well is presented in Figure TM-9.



Figure TM-9: Well design and schematic for Encanto 01.

3.3 Above-Confining-Zone/USDW Monitoring Wells

The project team drilled the Bluebonnet USDW 1 well in 2024 with the objective of characterizing the shallow aquifers and validating the base of the USDW. The well **Claimed as PBI** Electric logs were run and water samples were collected to be used in the delineation of the AoR. The

lower section of the well was abandoned f**Claimed as PBI** with a cement plug and the well was completed in the sand below the base of USDW.

In addition to Bluebonnet USDW 1, the project team plans to construct five USDW monitoring wells across the AoR to closely monitor the above-confining zone/USDW by acquiring water samples and monitoring real time pressure and temperature. Bluebonnet USDW 2, Bluebonnet USDW 3, Bluebonnet USDW 4, Bluebonnet USDW 5, and Bluebonnet USDW 6 will be drilled to the base of the USDW and completed in the lowest-most sand. The wells will be equipped with pressure and temperature sensors at the surface and downhole.

Figure TM-10 shows the well schematic for Bluebonnet USDW 1 and Figures TM-11 to TM-15 show the proposed construction for the additional five USDW monitoring wells.



Figure TM-10: Well design and schematic for Bluebonnet USDW 1.



Figure TM-11: Well design and schematic for Bluebonnet USDW 2.



Figure TM-12: Well design and schematic for Bluebonnet USDW 3.

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Figure TM-13: Well design and schematic for Bluebonnet USDW 4.



Figure TM-14: Well design and schematic for Bluebonnet USDW 5.



Figure TM-15: Well design and schematic for Bluebonnet USDW 6.

3.4 **Claimed as PBI**



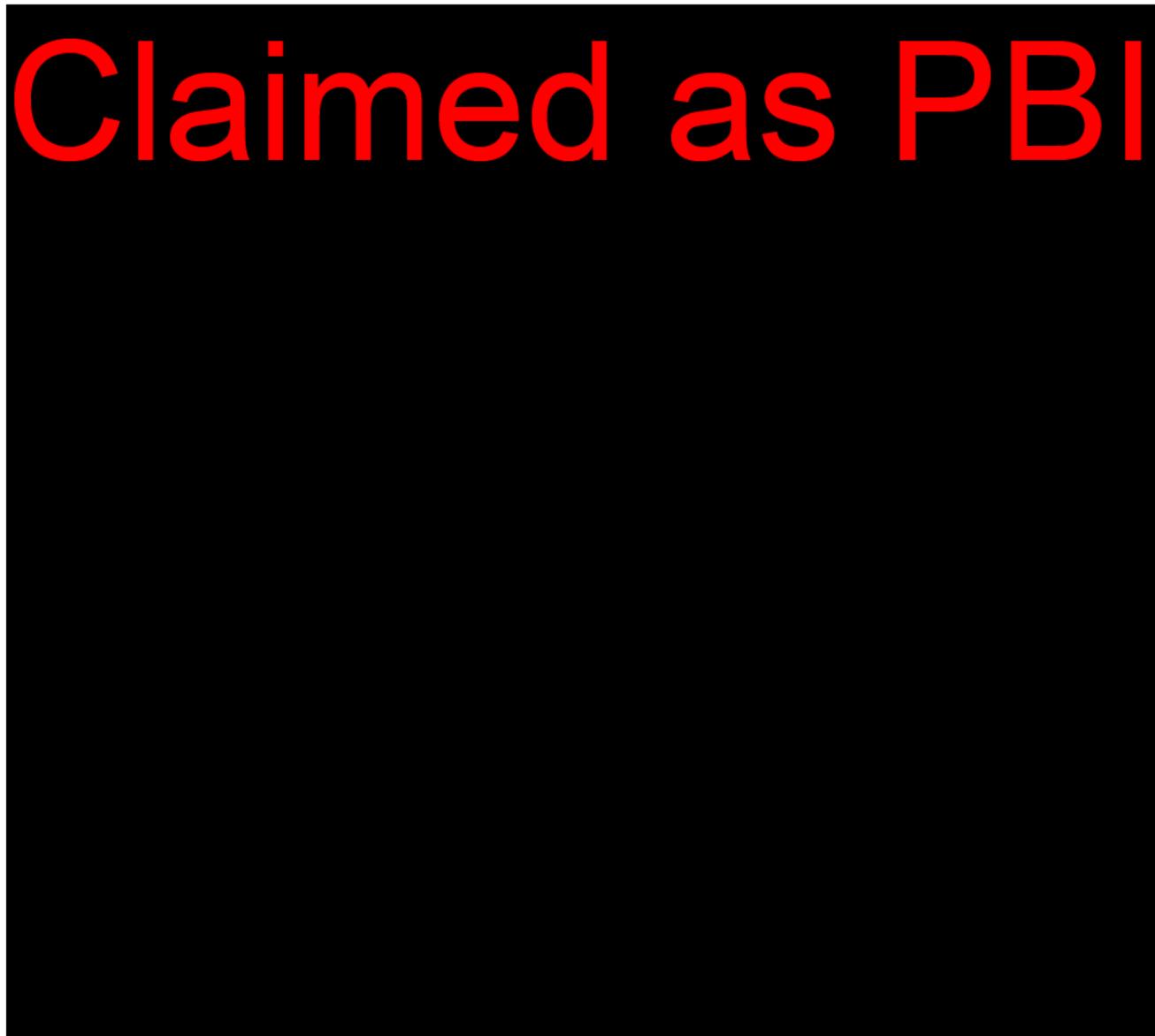
The pressure monitoring data will direct operating parameter adjustments for the Hub and will provide information to validate the assumptions in the numerical simulation model, which will help validate the prediction of CO₂ plume and pressure development. T **Claimed as PBI**



Figure TM-16 and Figure TM-17 show the proposed schematic and design for **Claimed as PBI**

Claimed as PBI

Figure TM-16: Well design and schematic for **Claimed as PBI**



Claimed as PBI



Figure TM-18 and Figure TM-19 shows the proposed design for the Claimed as PBI



Figure TM-18: Well design and schematic for **Claimed as PBI**

Claimed as PBI

Figure TM-19: Well design and schematic for **Claimed as PBI**

4.0 Operational testing and monitoring during injection

4.1 CO₂ Stream Analysis

Pursuant to 40 CFR 146.90(a), during the operation period, Bluebonnet Sequestration Hub, LLC, will analyze the CO₂ stream for its chemical and physical characteristics.

4.1.1 Sampling Location and Frequency

The CO₂ stream sampling will occur quarterly during operation either upstream or downstream of the custody transfer flowmeter that measures the flow rate of the injectant at the site. Multiple samples will be acquired during the startup period of the project (first injection) to validate that the CO₂ stream complies with the required minimum specifications. After the startup period, a sample will be taken 3 months after the start of injection, at 6 months, at 9 months, and at 12 months, as a minimum frequency, continuing every quarter. The sampling period could be increased and slightly shifted in timing, depending on the operations.

The project has developed a minimum standard CO₂ specification, as shown in Table TM-4, to be enforced with the emitters and distribution channels that control the quality of the CO₂ injected at the site. The project will install a gas analyzer at the custody transfer meter located in the sequestration site to monitor CO₂ quality continuously before it is distributed to each well in the site, to detect any major deviation from the contractual specifications. The project could require additional components to be limited and analyzed based on final contractual terms with the emitters.

Table TM-4: CO₂ Stream specifications.



Claimed as PBI

If the CO₂ delivered to a receipt point does not meet the CO₂ specification, the project team will notify the CO₂ source facility and either shut in the source facility or increase the sample frequency, depending on the risk associated with the out-of-specification component.

Claimed as PBI

4.1.2 Analytical parameters

Bluebonnet Sequestration Hub, LLC, will analyze the CO₂ for the constituents identified in Table TM-5 as a minimum (but not limited to) requirement.

Table TM-5: CO₂ stream analysis.

Claimed as PBI

The project team may deem it necessary to test additional elements to ensure the CO₂ delivered in the Bluebonnet Hub complies with contractual specifications.

Claimed as PBI

4.1.3 Sampling Methods

A sampling station will be installed with the ability to purge and collect samples into a container that will be sealed. All sample containers will be labeled with durable labels and indelible markings. A unique identification number and sampling date will be recorded on the sample

containers. The sample containers will be sent to the third-party authorized laboratory contracted for testing.

Sampling procedures will follow the third-party authorized laboratory protocols to ensure the sample is representative of the injectant and samples will be processed, packaged, and shipped to the contracted laboratory, following standard sample handling and chain-of-custody guidance. Sampling methods are described in the QASP.

4.1.4 Laboratory to be Used/Chain-of-Custody and Analysis Procedures

The samples will be analyzed by a third-party laboratory using standardized procedures for gas chromatography, mass spectrometry, detector tubes, and photo ionization. Analytic methods and chain-of-custody procedures are described in the QASP.

4.2 Monitoring and Recording of Operating Parameters in CO₂ Injector Wells

Bluebonnet Sequestration Hub, LLC, will install and use continuous recording devices to monitor injection pressure, rate, and volume, including the pressure on the annulus between the tubing and the long string casing and the temperature of the injected stream in the CO₂ injector wells (Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3,) as required by 40 CFR 146.88 (e)(1), 146.89(b), and 146.90(b).

The project will record any changes in annular fluid volumes during daily or weekly inspections as needed. Additionally, the Project plans to install a downhole gauge above the packer, ported to the annulus, to track in real time changes of pressure above the packer in the annulus.

Injection operations will be continuously monitored and controlled by the operations staff, using the process control system. The system will continuously monitor, control, record, and set with alarms for critical system parameters of pressure, temperature, and flow rate.

The process control system will limit maximum flow to **Claimed as PBI** or approximately **Claimed as PBI**, and limit the wellhead pressure to **Claimed as PBI** to protect the surface equipment.

The system will initiate a shutdown if specified control parameters deviate from the intended operating range and will allow for remote shutdown under emergency conditions. Trend analysis will help evaluate the performance (e.g., drift) of the instruments, suggesting the need for maintenance or calibration.

4.2.1 Monitoring Location and Frequency

Real-time monitoring activities will begin during the startup of the wells for first injection. The injection pressure and temperature will be continuously measured at the surface via real-time pressure and temperature (P/T) instruments installed in the CO₂ injection line near the interface with the wellhead. The pressure will be measured by an electronic pressure transducer with analog output mounted on the CO₂ line associated with the injection well. The temperature will be

measured by an electronic temperature transducer mounted in the CO₂ line near the pressure transducer and both will be near the wellhead.

The flow rate of CO₂ injected into the well will be measured by flowmeter skids with a Coriolis type flowmeter in the CO₂ injection line near the interface with the wellhead. Piping and valving will be configured to permit flowmeter calibration/verification. The flow transmitter will be connected to a remote terminal unit (RTU) on the flowmeter skid.

A P/T gauge will be installed downhole as part of the upper completion and will be ported into the tubing to continuously measure CO₂ injection pressure and temperature at the reservoir. The downhole gauges will be the point of compliance for maintaining injection pressure below 90% of formation fracture pressure as well as to evaluate the reservoir performance and history-match the operation with the projection of the model.

If the downhole gauge stops working between scheduled maintenance events, then the surface pressure limit approved for this permit will be used as a backup until the downhole gauge is repaired or replaced. For calibration purposes, in lieu of removing the injection tubing, the accuracy of the downhole gauges will be demonstrated by using a second pressure gauge with current certified calibration lowered into the well at the same depth as the permanent downhole gauge.

Electronic pressure and temperature transducers will be used to continuously monitor the pressure and temperature of the annulus between the tubing and long-string casing at the surface. Gauges and sensors will be connected to the automation system to provide continuous data analysis and alarms for malfunctioning events when the values deviate from the intended operating range.

A minimum of **Claimed as PBI** differential will be maintained across the packer. The addition of packer fluid volume. Changes in pressure will be noted by the operator in the field and recorded in the project well databases daily. A pressure gauge and temperature sensor will be installed downhole as part of the upper completion and will be ported into the annulus above the packer to continuously measure the pressure in the annular space and identify any potential loss of mechanical integrity. If major variation of pressure is observed in the annular gauges (surface/downhole), then the field operator will proceed to troubleshoot the well.

Claimed as PBI

Automated shutoff devices will be installed at each exit of the flowlines in the wellhead and will be connected to the control system. If the operational parameters deviate from the program operational limits, the system will send an alarm to the operators to evaluate and correct the situation, which might include starting the shutdown protocol, if the parameter exceeds the maximum operating limits [40 CFR 146.88 (e)(2)]. The Bluebonnet Sequestration Hub, LLC, will perform the activities identified in Table TM-6 to monitor operational parameters. All monitoring will take place at the locations and frequencies shown in the table.

Table TM-6: Monitoring devices, locations, and frequencies for continuous monitoring during injection operations in the CO₂ injector wells Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3.

Claimed as PBI

4.2.2 Monitoring Devices Description and Technical Specifications

Technical specifications for the tools to use for real time data acquisition, monitoring, and shut down are described in the QASP.

4.3 Corrosion Monitoring

To meet the requirements of 40 CFR 146.90(c), the Bluebonnet Sequestration Hub, LLC, will monitor well materials during the operation period for loss of mass, thickness, cracking, pitting, and other signs of corrosion to ensure that the well components meet the minimum standards for material strength and performance.

The Bluebonnet Sequestration Hub, LLC, will monitor corrosion using corrosion coupons and collect samples according to the description below. The project team will complement the corrosion coupons with casing inspection logs, visual inspection of the facilities, a robust leak detection and repair program, the use of optical gas imaging cameras (OGI), **Claimed as PBI**

During well material selection, the Bluebonnet Sequestration Hub, LLC, simulated the chemical reactions of the selected material, formation waters, and proposed CO₂ stream at downhole conditions. The project team proceeded to test the selected metallurgic to the maximum limits of the specification and operating parameters to validate the correct selection for downhole materials that will be exposed to the injection stream and formation waters.

4.3.1 Monitoring Location and Frequency

Table TM-7: Monitoring location and frequency of corrosion coupons.

Claimed as PBI

4.3.2 Corrosion Coupon Analysis Description

Samples of selected materials in the wells and facilities (coupons) will be exposed to the injected CO₂ stream and monitored for signs of corrosion to verify that the selected materials meet the minimum standards for material strength and performance and to identify well maintenance needs.

Coupons shall be collected and sent quarterly to a third-party company for analysis, conducted in accordance with NACE Standard SP-0775-2018-SG, to determine and document corrosion wear rates based on mass loss. The project will begin corrosion coupon monitoring after the start of injection and will continue quarterly until the end of injection period.

Table TM-8:Summary of methods to evaluate corrosion coupons.

Parameters	Analytical Method	Resolution Instruments	Precisions/Std Dev
Mass	NACE SP0775-2018-SC	0.05 mg	2%
Thickness	NACE SP0775-2018-SC	0.01 mm	± 0.05 mm

NACE SP0775-2018-SC: Preparation, Installation, Analysis, and Interpretation of Corrosion Coupons in Oilfield Operations

Table TM-9: List of equipment with materials of construction.

Claimed as PBI

Claimed as PBI

4.4 Visual Inspection and Leak Detection and Repair (LDAR) Program using Optical Gas Imaging Camera (OGI)

The project will perform visual inspection of the facilities and wells as part of the maintenance and mechanical integrity program. Inspection will start from the commissioning date and will continue weekly after the site is injecting steadily. Leak detection and repair (LDAR) field inspections will be performed quarterly after the start of injection and continue until injection ceases, using optical gas imaging (OGI) cameras.

During visual inspections, the field operator will be provided with handheld devices to measure explosive gases, H₂S, and CO₂ as part of the safety requirements of the site.

Table TM-10: Monitoring Location and Frequency of Visual Inspections and LDAR Program.

Claimed as PBI

Notes:

1. Multiple inspections using OGI cameras will be performed during the startup of the well (first injection) after authorization to inject is received and will continue quarterly as minimum frequency during the injection period.

4.5 Pressure Falloff Testing in CO₂ Injector Wells

The Bluebonnet Sequestration Hub, LLC, will perform Pressure Fall Off tests in the CO₂ injector well during the injection phase as described below to meet the requirements of 40 §CFR 146.90(f).

4.5.1 Testing Location and Frequency

Pressure Fall Off testing will be conducted upon completion of the injection well to characterize reservoir hydrogeologic properties, aquifer response model characteristics, and changes in near-well/reservoir conditions that may affect operational CO₂ injection behavior.

Pressure Fall Off testing will be conducted in the CO₂ injector wells at least once every five years during injection for the AoR until the wells are plugged. The objective of the periodic pressure falloff testing is to determine whether any significant changes in the near-wellbore conditions have occurred that may adversely affect the well or reservoir performance.

4.5.2 Testing Details

Detailed procedure and analytics proposed for the falloff test are described in the QASP.

4.6 Tracking and Recording Pressure and Temperature in In-Zone Monitoring Wells

The Bluebonnet Sequestration Hub, LLC, will continuously measure pressure and temperature in the in-zone monitoring wells at the surface via real-time P/T instruments installed in the wellhead.

A P/T gauge will be installed downhole as part of the upper completion and will be ported into the tubing to continuously measure pressure and temperature in the reservoir. These measurements will allow the project team to calibrate and verify the model, improve predictive capability for confirming CO₂ containment, and evaluate the development of the pressure front.

Since the changes in reservoir pressure precede the movement of the CO₂ plume, in-zone monitoring wells will provide data to history-match the model and calibrate the response expected from the reservoir regarding the development of pressure front and CO₂ plume migration.

Table TM-11: Monitoring location and frequency of pressure and temperature gauges in in-zone monitoring wells.

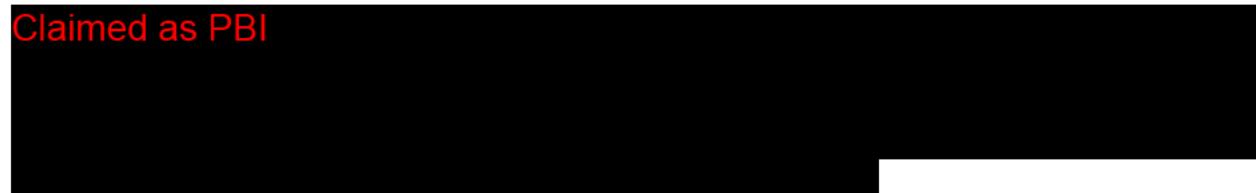
Monitoring Well	Location	Frequency
W1	Surface	Real-time
W2	Surface	Real-time
W3	Surface	Real-time
W4	Surface	Real-time
W5	Surface	Real-time
W6	Surface	Real-time
W7	Surface	Real-time
W8	Surface	Real-time
W9	Surface	Real-time
W10	Surface	Real-time
W11	Surface	Real-time
W12	Surface	Real-time
W13	Surface	Real-time
W14	Surface	Real-time
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W401	Surface	Real-time
W402	Surface	Real-time
W403		

measurement of fluid levels in the well to calculate the bottomhole pressure, while the equipment is replaced and repaired. The project team might install temporary pressure gauges in the well and limit the collection of data to one sample per day.

Claimed as PBI



Claimed as PBI



4.7.1 Monitoring Location and Frequency

Claimed as PBI



4.8 Tracking and Recording Pressure in Above-Confining-Zone/USDW Monitoring Wells

The Bluebonnet Sequestration Hub, LLC, will continuously measure pressure and temperature in the above-confining-zone/USDW monitoring wells at the surface via real-time P/T instruments installed in the wellhead.

The project team plans to install P/T gauges in the upper completion of the above-confining-zone/USDW monitoring wells to track changes in the downhole conditions.

4.8.1 Monitoring Location and Frequency

Table TM-13: Monitoring location and frequency of pressure and temperature gauges for above-confining-zone/USDW monitoring wells.

Claimed as PBI

Claimed as PBI

Claimed as PBI

If the downhole gauge stops working between scheduled maintenance events, then the surface pressure limitation approved for the water disposal well permit will be used until the downhole gauge is repaired or replaced. The project team might install a temporary downhole gauge with

wireline and reduce the frequency of data collection to one sample per day or less, depending on the pressure behaviors observed before the failure.

5.0 Mechanical Integrity Testing

5.1 External Mechanical Integrity Testing

Bluebonnet Sequestration Hub, LLC, will perform a cement logging evaluation with one or more of the following tools, to validate zonal isolation between the injection zones, confining and dissipation zones, and overburden formations after installation of the long string casing during construction of the CO₂ injector, water production wells, water disposal wells, and in-zone monitoring wells [40 CFR 146.87 (a)(2)(ii) 40 CFR 146.87 (a)(3)(ii)]:

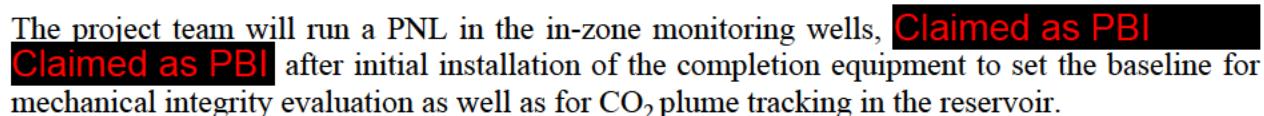
- a) Cement bond logging
- a) Ultrasonic cement evaluation tool
- a) Variable density log (VDL)

The project team will run a pulse neutron log (PNL) in the CO₂ injector wells after initial installation of the completion equipment, and at least once a year to evaluate external mechanical integrity (40 CFR 146.89(c) and 40 CFR 146.90(e)).

Claimed as PBI



Additionally, during well maintenance operations or workovers for the CO₂ injector well, an ultrasonic casing inspection tool will be run to evaluate casing thickness and conditions.

The project team will run a PNL in the in-zone monitoring wells, **Claimed as PBI**  after initial installation of the completion equipment to set the baseline for mechanical integrity evaluation as well as for CO₂ plume tracking in the reservoir.

Claimed as PBI  in the in-zone monitoring wells, Bluebonnet IZM FM1, Bluebonnet IZM FM2, and Bluebonnet IZM M1, that will allow tracking of mechanical integrity in real time as well as changes in reservoir conditions.

Claimed as PBI  Bluebonnet IZM FM1, Bluebonnet IZM FM2, and Bluebonnet IZM M1, the project team will run one of the following tools at least every five years or during well maintenance operations or workovers to evaluate external mechanical integrity:

- a) Pulse neutron through tubing
- b) Electromagnetic casing inspection log
- c) Temperature log

Claimed as PBI



For Encanto 01 stratigraphic well, **Claimed as PBI** [REDACTED] which do not have **Claimed as PBI** [REDACTED] the project team will run one of the following tools at least every five years or during planned well maintenance or workover activities to demonstrate external mechanical integrity:

- a) Pulse neutron through tubing
- b) Electromagnetic casing inspection log
- c) Temperature log

5.1.1 Testing Location and Frequency

Table TM-15 below provides a summary of the external mechanical integrity tools.

Table TM-15: Corrosion monitoring and surface leak detection tools.

Claimed as PBI

5.1.2 Testing Details

The logging industry has made impressive advancements in tools that provide images of and data identifying the quality of the cement bond behind the casing after cementing jobs are complete. The casing inspection tool and multi-finger calipers can provide information about ovality, collapse, or damage in the casing, as well as estimations of wall thickness to evaluate wearing and corrosion effects.

The most advanced tools can evaluate up to five concentric tubulars to measure changes in thickness that could be related to corrosion or wearing effects.

The tools described below are readily available technologies on the market and are the basis of the project's master monitoring program for mechanical integrity. No specific provider has been selected. In the future, new technologies or tools may be proposed for further discussion with regulators.

5.1.2.1 Cement Bond Logging, Variable Density Log, and Ultrasonic Cement Evaluation

Cement Bond Log (CBL) is a basic method to evaluate cement quality in the annulus. It is an acoustic wave measurement. The tool usually includes a transmitter and receiver, separated by 3 ft. The acoustic wave is emitted by the transmitter, propagated down and across the annulus, and recorded by the receiver. The attenuation of the wave is analyzed to interpret the bonding behind the pipe. Signal coming from a properly cemented casing will be more attenuated than the signal coming from a poorly cemented one.

The arriving signal recorded by the receiver is a mixed signal coming from casing, cement, mud, and formations. Each signal has its own pathway because they travel at different velocities through each medium. The signal through the casing is the fastest, as sound travels the quickest through steel. As a result, it is the first signal detected on the receiver. The second signal most likely to arrive is the signal through the formation and last one is the drilling fluid signal because sound travels slower in a liquid.

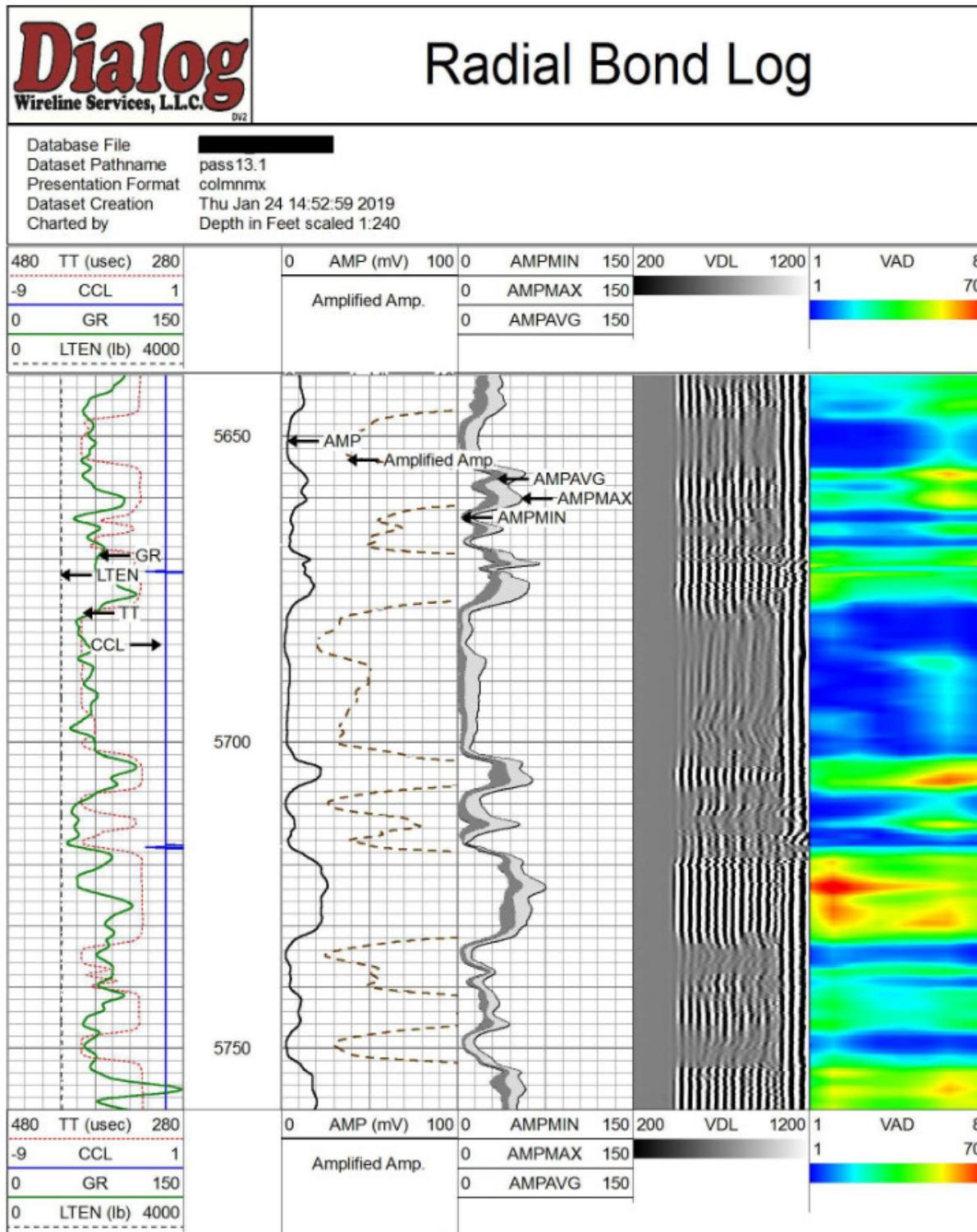


Figure TM-20: CBL and VDL example from dialog wireline services web page.

Variable Density Log (VDL) is commonly used as an adjunct to the cement bond log and offers better insights with its interpretation. In most cases, micro annulus and fast-formation-arrival effects can be identified using this additional display.

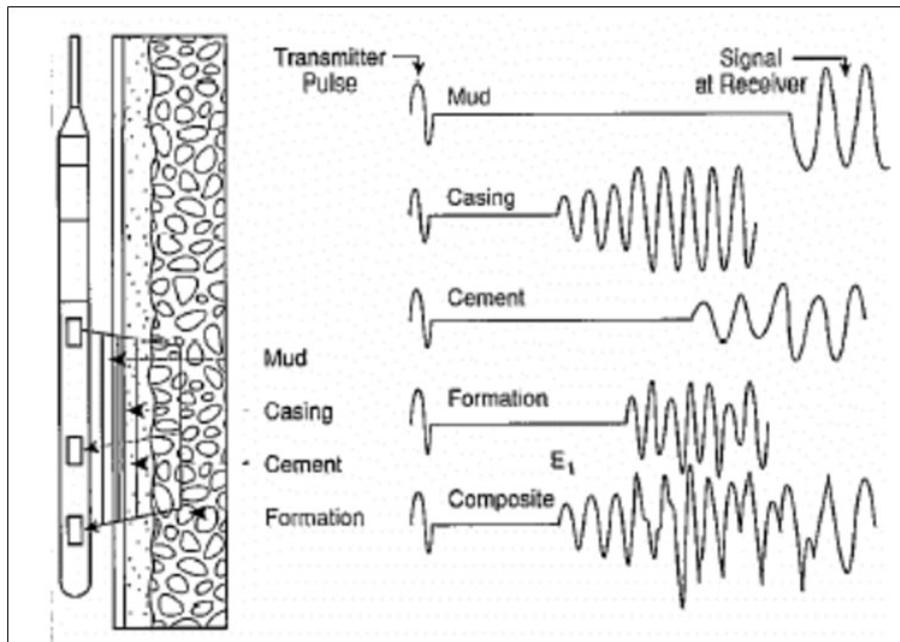


Figure TM-21: Signal received by CBL-VDL.

5.1.2.2 Ultrasonic Cement and Casing Evaluation Tools

USIT (SLB technology) is an example of an ultrasonic imager that delivers an accurate, comprehensive, and high-resolution confirmation of the pipe-to-cement bond quality and downhole pipe condition in real time. Casing inspection and monitoring applications include corrosion detection, identification of internal and external damage or deformation, and casing thickness analysis for collapse and burst pressure calculations.

The rate of decay of the waveforms received indicates the quality of the cement bond at the cement-casing interface and resonant frequency of the casing provides the casing wall thickness required for pipe inspection. The resulting 360° data coverage enables evaluation of the quality of the cement bond and determination of both the internal and external condition of the casing.

Isolation Scanner™ (Schlumberger Technology) is a combination of independent measurements that fully characterizes the annular environment, differentiating low-density solids from liquids to distinguish lightweight and contaminated cements from liquids. Its azimuthal coverage provides results around the entire circumference of the casing, pinpointing any channels in the cement and confirming the effectiveness of the annular barrier for zonal isolation.

The Isolation Scanner™ tool also identifies corrosion or drilling-induced wear through measurement of the inside diameter and thickness of the casing. The flexural wave measurement produces entirely new information from the third-interface echoes (TIEs) between the annulus and

borehole or outer casing. The TIEs image the borehole shape, define the position of the casing within the borehole or outer casing, and image the outer string to reveal corrosion and damage.

5.1.2.3 Distributed Temperature Sensing

Distributed temperature sensing (DTS) technology uses fiber optic sensor cables, typically several kilometers in length, that function as linear temperature sensors. The result is a continuous temperature profile along the entire length of the sensor cable. DTS uses the Raman effect to measure temperature. An optical laser pulse sent through the fiber results in some scattered light reflecting to the transmitting end, where the information is analyzed. The intensity of the Raman scattering is a measure of the temperature along the fiber. The Raman anti-Stokes signal changes its amplitude significantly with changing temperature, while the Raman Stokes signal is relatively stable. The position of the temperature reading is determined by measuring the arrival timing of the returning light pulse like a radar echo.

The fiber optic cable is run alongside the casing as an umbilical and is protected with clamps and centralizers to avoid any damage while deploying it into the well. The fiber is connected on the surface to an interrogator that converts the signal to temperature values and transmits the data to the monitoring platform in real time for surveillance purposes.

The equipment maintenance and calibration will be performed according to the manufacturer's manuals and will be the technology provider's responsibility. Technical specifications are available in the QASP.

5.1.2.4 Electromagnetic Casing Inspection Tool

Electromagnetic Pipe Xaminer® V (EPX™ V) (Halliburton technology) is an example of a proprietary electromagnetic tool. The operating principle of the tool is to induce a high-definition frequency (HDF) electromagnetic energy into the surrounding pipe, which propagates through the concentric well strings with no wellbore fluid influences. The interaction with the metal of the pipe returns a signal to the tool, yielding information on the metal loss present in the tubulars. The magnitude and location of corrosion-induced defects are identified using HDF variance algorithms of the returning electromagnetic waves. This information leads to a quick total thickness calculation determining the overall condition of the pipe structure. This technology enables examination of the whole well in one trip, for up to five concentric strings of pipe.

5.1.2.5 Temperature Log

Temperature logs are used to locate gas entries, detect casing leaks, and evaluate fluid movement behind casing. They are also used to detect lost-circulation zones and cement placement. Temperature logs are used as a basic diagnostic tool and are usually paired with other tools like acoustics or multi-arms calipers, if more in-depth analysis is required.

Temperature instruments used today are based on elements with resistances that vary with temperature. The variable resistance element is connected with bridge circuitry or constant current circuit, so that a voltage response is proportional to temperature. The voltage signal from the temperature device is then usually converted to a frequency signal that is transmitted to the surface,

where it is converted back to a voltage signal and recorded. The absolute accuracy of temperature logging instruments is not high (in the order of $\pm 5^{\circ}\text{F}$), but the resolution is good (0.05°F) or better, although this accuracy can be compromised by present day digitalization of the signal on the surface. The temperature instrument can usually be included in the string with other tools, such as radioactive tracer tools or spinners flowmeters. Temperature logs are run continuously, typically at cable speeds of 20 to 30 ft/min. (A.Daniel Hill 2021).

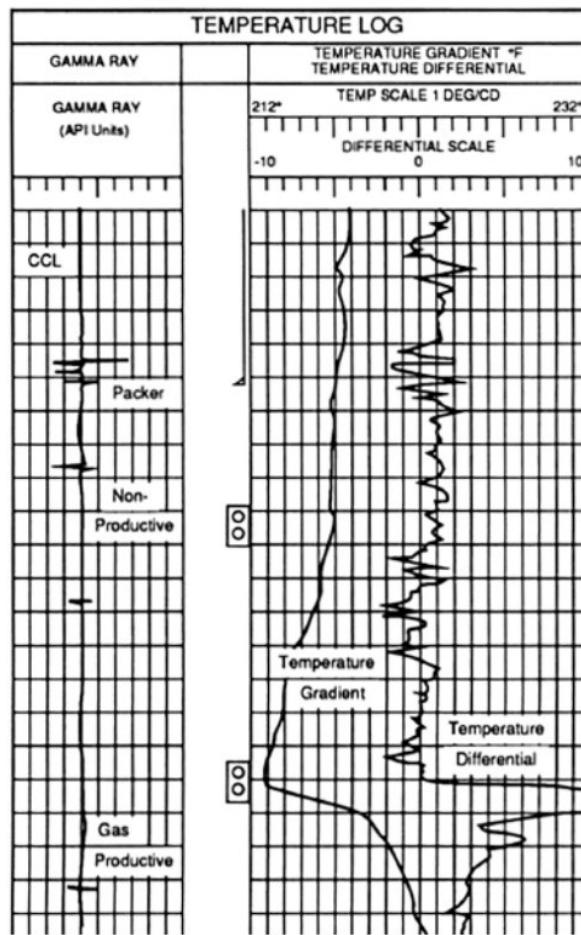


Figure TM-22: Example of temperature log output.

5.1.2.6 Pulse Neutron Log

Pulse neutron log (PNL) provides formation evaluation and reservoir monitoring in cased holes. The PNL is deployed as a wireline logging tool with an electronic pulsed neutron source and one or more detectors that typically measure neutrons or gamma rays. High-speed digital signal electronics process the gamma ray response and its time of arrival relative to the start of the neutron pulse. Spectral analysis algorithms translate the gamma ray energy and time relationship into concentrations of elements. Each logging company has its own proprietary designs and improvements on the tool.

SLB's Pulsar multifunction spectroscopy service (PNX) pairs multiple detectors with a high-output pulsed neutron generator in a slim tool with an outer diameter (o.d.) of 1.72 in. for through-tubing access in cased hole environments. The housing is corrosion-resistant, allowing deployment in wellbore environments such as CO₂. The tool's integration of the high neutron output and fast detection of gamma rays, with proprietary pulse processing electronics, allows differentiation and quantification of gas-filled porosity from liquid-filled and tight zones. The tool can accurately determine saturation in any salinity of formation water, across a wide range of well conditions, mineralogy, lithology, and fluid contents profile at any inclination. Detection limits for CO₂ saturation for the PNX tool vary with the logging speed as well as the formation porosity. Detailed measurement and mechanical specifications for the PNX tool are provided in the QASP document. The wireline operator will provide QA/QC procedures and tool calibration for their equipment.

Halliburton's Reservoir Monitor Tool 3-Detector™ (RMT-3D) is a pulsed-neutron tool that solves for water, oil, and gas saturations within reservoirs using three independent measurements (Sigma, C/O, and SATG). This provides the ability to uniquely solve simple or complex saturation profiles in reservoirs, while eliminating phase-saturation interdependency. The RMT-#D provides gas phase analysis to identify natural gases, nitrogen, CO₂, steam, and air. The tool has 2.125 in diameter OD that allows it to be run through tubing.

5.1.3 Description and Technical Specifications of the Tools for External Mechanical Integrity Evaluation

Detailed information and technical references of these tools are provided in the QASP.

5.2 Internal Mechanical Integrity Testing

Bluebonnet Sequestration Hub, LLC, will perform an annular pressure test in the CO₂ injector wells as in the in-zone monitoring wells and **Claimed as PBI** to demonstrate internal mechanical integrity, according to 40 CFR 146.89(b).

Annular pressure testing is used to validate mechanical integrity. Tests will be performed according to the frequency presented in Table TM-16.

Table TM-16: Annular pressure testing frequency.



If the additional monitoring systems indicate a potential mechanical integrity issue, the Bluebonnet Sequestration Hub, LLC, will perform troubleshooting and perform an annular pressure test as part of the protocol, if needed.

An example overview of the procedure is as follows (actual procedures may vary based upon operating conditions at the well and other safety or technical considerations):

1. First, shut in the well to stabilize the pressures in the injectors and validate static conditions in the monitoring wells.
2. Connect the testing equipment to the annular valves and test surface lines to 1,500 psi above the testing pressure.
3. Verify that there are no surface leaks from the pumping unit to the wellhead valve. Bleed any air in the system. If needed, fill the annular space with packer fluid and corrosion inhibitor (if needed, it should require only a minimal amount). Record the initial tubing and casing pressure.
4. Test the well to 1,000 psi in the annular space for the CO₂ injector wells and 500 psi in the annular for in-zone monitoring wells. The pressure should not decrease more than 10% in 30 minutes.
5. Continuously monitor the tubing and casing pressures. Record the final tubing and casing pressure. If the pressure decreases more than 10%, bleed the pressure completely, test the surface connection, and repeat the test.
6. If there is an indication of mechanical failure, the operator will prepare a plan to repair the well and discuss it with the Director.
7. Document and store the test results in the centralized database of the project for reporting and documentation.

Note: Surface gauges should be calibrated according to manufacturer recommendations. There should be a pressure range that will allow the test pressure to be near the gauge's mid-range. Additionally, the gauge must be of sufficient accuracy and scale to allow an accurate reading of 5% change to be read.

6.0 Groundwater Quality and Geochemical Monitoring

The Bluebonnet Sequestration Hub, LLC, will monitor groundwater quality and geochemical changes above the confining zones during the operation period to meet the requirements of 40 CFR 146.90(d).

The groundwater monitoring locations were selected based on the original assessment of the AoR for existing legacy wells, results of the numerical simulation for CO₂ plume and pressure front, and risk assessment performed by the project. The location, techniques, and frequency were optimized, taking into consideration the complementary techniques proposed in this monitoring

plan for direct and indirect measurements, **Claimed as PBI**

The Bluebonnet Sequestration Hub, LLC, selected **Claimed as PBI** distributed around the AoR to sample and test the freshwater aquifer in the area. These wells targeted the **Claimed as PBI** to provide water for domestic, public, stock, and irrigation uses.

Additionally, the project team drilled Bluebonnet USDW 01 in May 2024 to characterize the different zones between surface and base of the USDW. The well was completed in the first permeable zone below the base of the USDW and will serve to monitor geochemical and pressure changes in the sands underlying the base of USDW.

The project team plans to drill five additional USDW monitoring wells that will be completed in the base of the USDW to track pressure and temperature changes as well as geochemical changes in the aquifers across the AoR.

Figure TM-23 shows the proposed well network for groundwater and above-confining-zone/USDW monitoring wells.

Claimed as PBI

Figure TM-23: Proposed well network for groundwater and above-confining-zone/USDW monitoring.

6.1 Freshwater Shallow Aquifer Water Sampling and Testing

Groundwater production for drinking and municipal use in Chambers, Liberty, and Jefferson Counties, Texas, is primarily sourced from shallow wells completed in the **Claimed as PBI**. Therefore, proposed locations for sampling and testing the shallow freshwater (< 1,000 mg/l TDS) aquifer utilize existing wells completed in the Chicot Aquifer (Table TM-17).

Candidate wells for sampling and testing were selected to cover an extensive area inside and around the defined AoR. Candidate wells were evaluated using publicly available data for installation age, use, depth, and relative location to the AoR and other monitoring wells. Field evaluations are planned for each proposed candidate well to assess mechanical integrity and accessibility. Selected wells will be identified and reported upon completion of field evaluations and access confirmation.

Shallow freshwater aquifer sampling and characterization is planned to commence a minimum of **Claimed as PBI** prior to the start of injection (Table TM-18). Detailed analytical suite for water samples is shown in Table TM-21, which includes characterization of physical and chemical compositions as well as analysis of dissolved gases and major isotope systems.

6.1.1 Monitoring Location and Frequency

Table TM-17 shows the proposed locations for sampling the freshwater shallow aquifer and Table TM-18 shows the frequencies proposed (40 CFR §146.90(d)(1) and 40 CFR §146.90(d)(2)).

Table TM-17: Location of the freshwater shallow water wells selected for sampling in the AoR.

Claimed as PBI

Claimed as PBI

Table TM-18: Sampling frequency for existing shallow freshwater wells (40 CFR §146.90(d)(1) and 40 CFR §146.90(d)(2)).

Claimed as PBI

6.2 USDW/Above-Confining-Zone Monitoring Wells Water Sampling and Testing

Recent field investigations conducted onsite supported publicly available data that showed base USDW (< 10,000 mg/l TDS) is in the [REDACTED] **Claimed as PBI**

[REDACTED] Bluebonnet USDW 01 was recently drilled and completed, and five additional USDW/ACZ monitoring wells are planned. USDW/ACZ monitoring wells will be sampled prior to injection to establish geochemical baselines, and during the injection period for water quality monitoring. The detailed analytical suite for water samples collected from USDW/ACZ monitoring wells is shown in Table TM-21 and is identical to the analytical suite used for the existing shallow freshwater wells. Pressure transducers will be deployed in USDW/ACZ monitoring wells for the high frequency of sampling fluid levels and temperature during injection required by 40 CFR §146.90(d).

6.2.1 Monitoring Location and Frequency for Water Sampling in Above-Confining-Zone/USDW Wells

Tables TM-19 and TM-20 show the location, monitoring interval, monitoring formation, and frequency of sampling for the above-confining-zone/USDW in the USDW monitoring wells Bluebonnet USDW 1, Bluebonnet USDW 2, Bluebonnet USDW 3, Bluebonnet USDW 4, Bluebonnet USDW 5, and Bluebonnet USDW 6 (40 CFR §149.90(d)(1) and 40 CFR §149.90(d)(2)).

Table TM-19: Planned and drilled USDW/ACZ wells for water sampling and testing.

Claimed as PBI

Table TM-20: Location and frequency of the water sampling and testing in the USDW wells.

Claimed as PBI

6.3 Analytical Parameters for Water Testing in Groundwater and USDW/Above-Confining Zone

Bluebonnet Sequestration Hub, LLC, has proposed an extensive water quality characterization program using natural tracers and unique fluid chemical characteristics to define reservoirs within the storage complex (in-zone reservoir, above-confining-zone/USDW, and freshwater aquifers). The sampling and analysis protocol will be used to establish baseline geochemical characteristics and differentiate changes in water quality between natural and anthropogenic influences.

Pre-injection baseline analytical will include detailed characterization of chemical composition and major isotope systems (Table TM-21). Following baseline characterization, a reduced analytical suite will be developed from baseline characterization results to focus on primary indicators of potential leakage. Isotopic compositions will likely not be routinely conducted during injection unless required for source attribution. Proposed changes to the analytical suite will be discussed with the UIC Director after the baseline data is collected and routine testing protocol is finalized. Table TM-21 outlines the analytical suite for water quality samples collected from existing shallow freshwater wells and USDW/ACZ monitoring wells.

Field sampling methods and chain of custody procedures for water quality sampling are described in the QASP. All field and laboratory analytical test will be performed by third-party certified laboratories and follow applicable EPA or industry standard methods.

Table TM-21: Measured parameters and analytical methods summary for existing shallow freshwater wells and USDW/ACZ monitoring wells.

Claimed as PBI

6.4 Sampling Methods for Groundwater and Above-Confining-Zone/USDW Water Samples

Water sampling will be performed by personnel of a certified laboratory, following the specific methods approved by the EPA or other standards. Operators might audit the procedures and results of the selected laboratory with a third party to improve quality control.

Sampling procedures and technical specification of the tools are provided in the QASP.

6.5 Laboratory to be Used/Chain of Custody Procedures

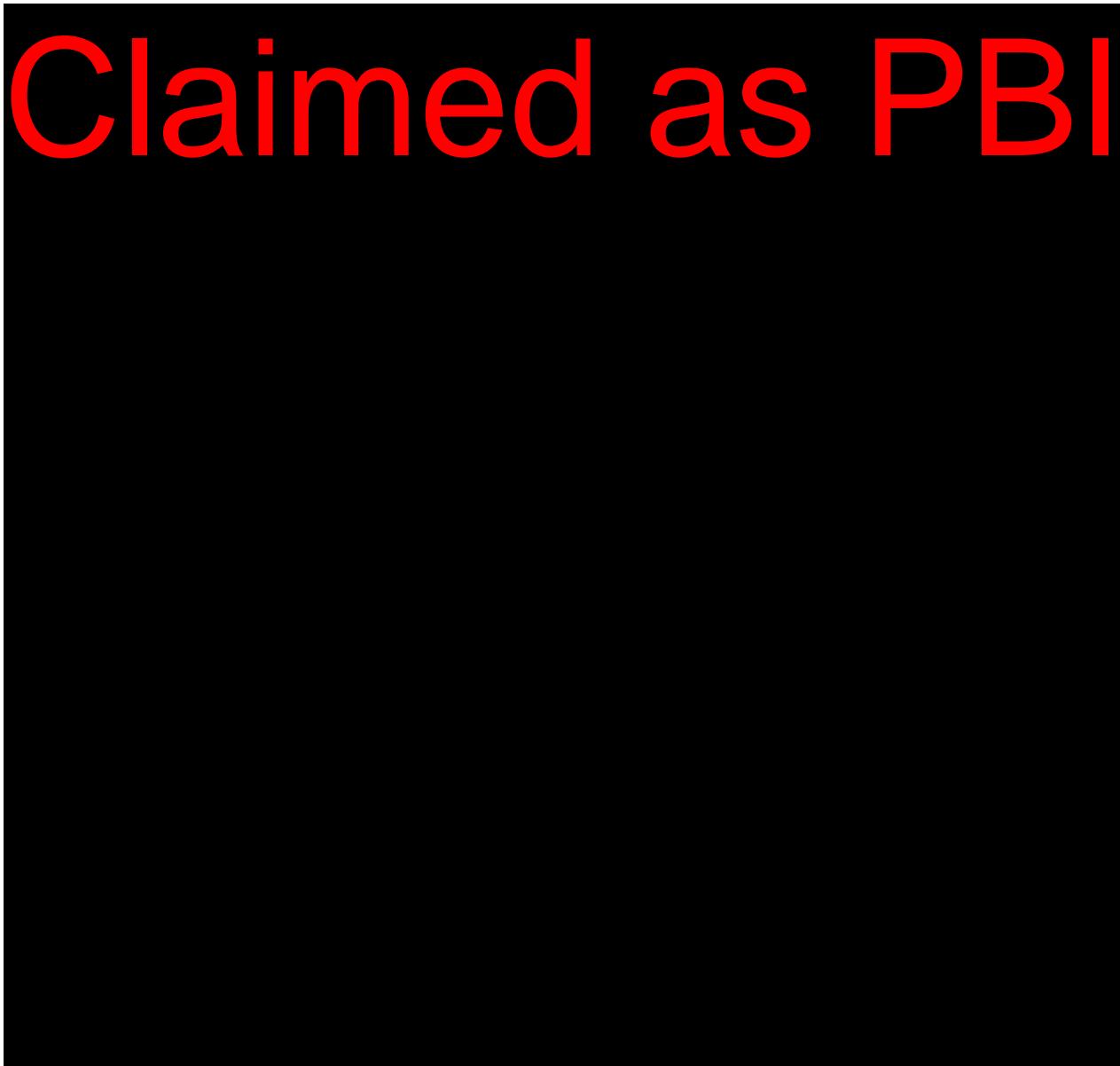
The samples will be analyzed by a third-party laboratory using standardized procedures for gas chromatography, mass spectrometry, detector tubes, and photo ionization. Sampling methods and chain of custody procedures are described in the QASP.

7.0 CO₂ Plume and Pressure-Front Tracking

7.1 Summary of Direct and Indirect Methods to Monitor CO₂ Plume and Pressure Front Development

Table TM-22 presents methods that Bluebonnet Sequestration Hub, LLC, will use to monitor the position of the CO₂ plume and development of the pressure front, including the activities, locations, and frequencies for the Bluebonnet Hub to comply with 40 CFR 146.90(g).

Table TM-22: Summary of methods for monitoring of CO₂ plume extension and pressure front.



7.2 Pressure and Temperature Measurement in the Reservoir

The use of pressure and temperature gauges and transducers for monitoring the CO₂ Injectors, monitoring wells, and water producer wells was explained in Sections 3 and 4 of this document.

Table TM-23: Summary of the sampling frequency for downhole pressure measurements in CO₂ injectors, in-zone monitoring wells, and Claimed as PBI.

Claimed as PBI

7.3 Pulse Neutron/Saturation Log for CO₂ Plume Tracking

The implementation of PNL was described in Section 3 as well as in Section 5 of this document.

Table TM-24: Location and frequency of pulse neutron or saturation log implementation for CO₂ plume monitoring in CO₂ injector wells and in-zone monitoring wells.

Claimed as PBI

7.4 Geophysical Methods for CO₂ Plume Extension Monitoring Details

A multi-scale approach will be employed for plume migration, and CO₂ saturation monitoring, and potential leak detection with multiple seismic methods.

A baseline acquisition program consisting of Claimed as PBI will be acquired prior to injection and is designed to calibrate the in-situ seismic response across multiple scales of investigation and model the predicted seismic response resulting from injection.

During the injection period, **Claimed as PBI** will be acquired and analyzed annually, to provide high imaging and temporal resolution of plume movement proximal to injection wells Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3 and monitoring well Bluebonnet IZM FM1. **Claimed as PBI**

Modeling indicates that the plume extents will be detectable from the injection well **Claimed as PBI**

in the respective injection zone. Modeled plumes and VSP radius of investigation may be seen in Figure TM-24 for Frio Injection and Figure TM-25 for Hackberry Injection.

Claimed as PBI will be acquired and analyzed every five years during injection to monitor plume movement and saturation on an AoR-wide scale. **Claimed as PBI** monitoring will be repeated at the end of injection period, and before closure of the site to demonstrate non-endangerment to USDW. If any aspect of the monitoring system indicates unfavorable plume movement at any point during the injection and post-injection periods, the project team will evaluate the need for additional geophysical surveys. The **Claimed as PBI** is conceptual and will be refined as needed to suit monitoring needs and is visible in both Figures TM-24 and TM-25.

Claimed as PBI is designed to leverage the high resolution of **Claimed as PBI** to understand the early plume development in detail, with the broader scope of the **Claimed as PBI** to monitor for long-term movement.

Plan revision number: 1

Plan revision date: 06/07/24

Claimed as PBI

Figure TM-24: Proposed geophysical monitoring program for **Claimed as PBI**

Claimed as PBI

Figure TM-25: Proposed geophysical monitoring program for **Claimed as PBI**

7.3.1 3D Surface Seismic Baseline Survey

A **Claimed as PBI** [REDACTED] will be acquired covering the AoR prior to injection. Notional acquisition parameters for the survey are designed specifically to provide full fold coverage of the storage complex and strata above. **Claimed as PBI** [REDACTED]

Claimed as PBI

[REDACTED] is seen in Figure TM-26. The processing sequence will include state-of-the-art onshore pre-processing and depth imaging (pre-stack depth migration and velocity model building), followed by complete post-migration processing. Survey results will be used to update

the structure, faulting (if any), and stratigraphy for input into an updated static model prior to injection.

Survey results will also be integrated with rock-physics studies to determine the expected **Claimed as PBI** response given predicted CO₂ saturation values.

Figure TM-27 shows an example of a modeled **Claimed as PBI** performed using the Encanto 01 well. The model included the AoR document, tested **Claimed as PBI**

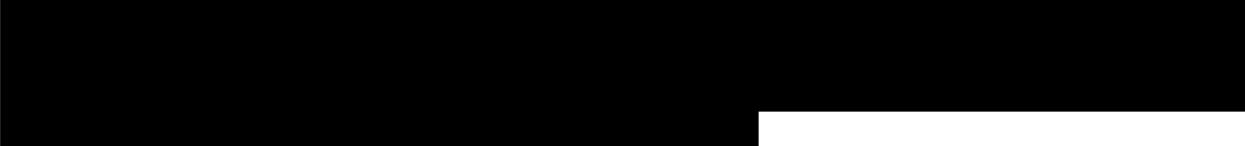




Figure TM-26: Planned baseline **Claimed as PBI** [REDACTED] of the Bluebonnet Project area.

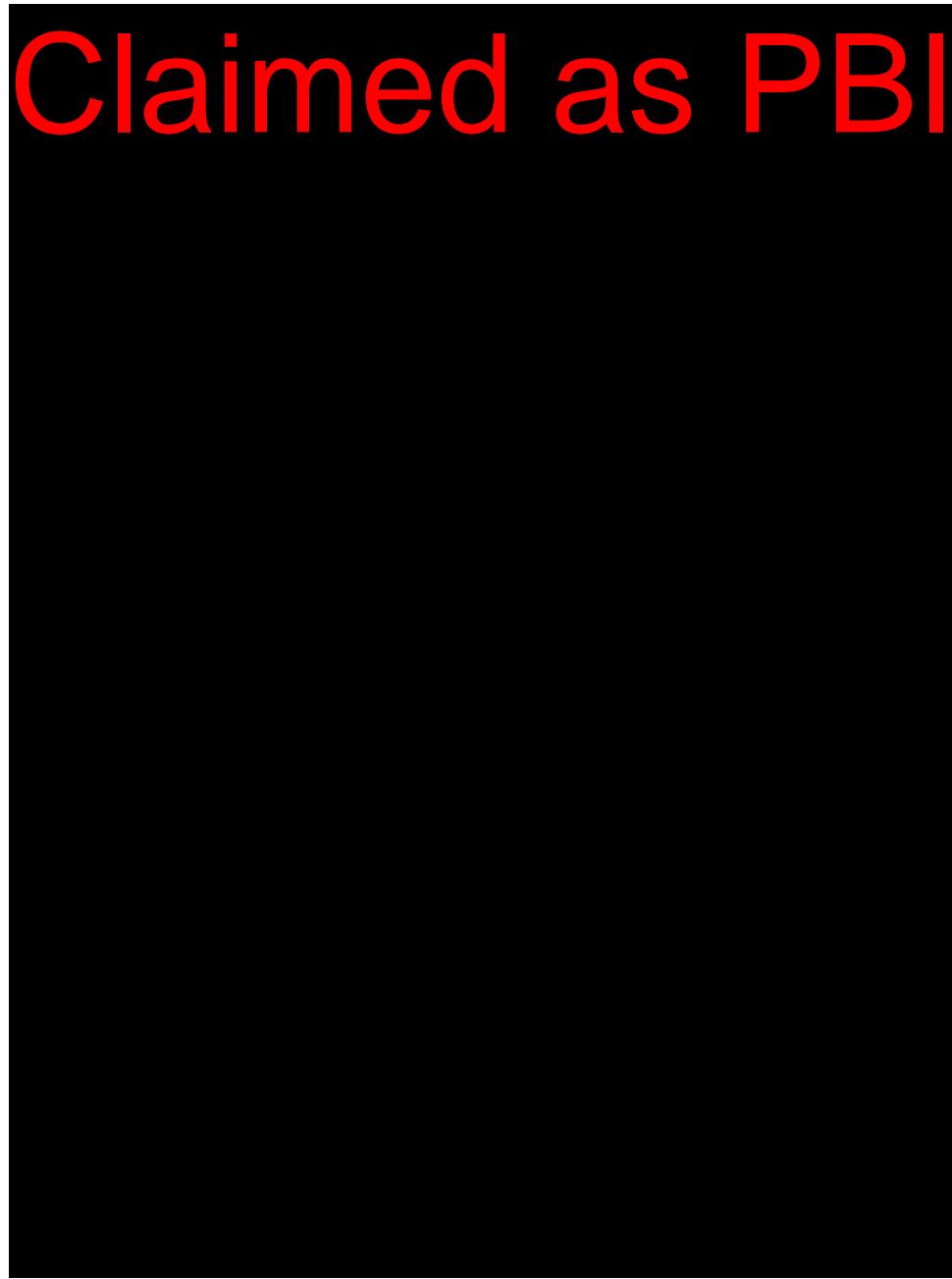


Figure TM-27: Example modeled seismic response from CO₂ saturation at Encanto 01. The right-most track, ΔAI, demonstrates the acoustic impedance signal change from baseline **Claimed as PBI**; the red shading between curves is the difference between the two test cases.

7.3.2 **Claimed as PBI**

Approximately **Claimed as PBI** will be acquired prior to injection to establish a baseline (see Figure TM-24 or Figure TM-25). **Claimed as PBI** is designed to cover the extent of the AoR and beyond, with 2D lines positioned along low traffic roads as much as possible to minimize disruption and allow for frequent and cost-effective repeat surveys. **Claimed as PBI**

design in Figures TM-24 and TM-25 is conceptually based upon the modeled plume and AoR and may change according to subsequent model refinements.

Claimed as PBI is acquired, the design will become static so that repeatability of the monitoring surveys is achieved. **Claimed as PBI** will be a **Claimed as PBI**

Claimed as PBI will be processed with state-of-the-art 2D pre-processing and pre-stack migration, followed by complete post-migration processing. Survey results will be integrated with rock-physics studies to determine the **Claimed as PBI** response given predicted CO₂ saturation values.

Claimed as PBI

Claimed as PBI data will be processed with state-of-the-art joint parallel **Claimed as PBI** pre-processing of the baseline, current, and previous monitor surveys, followed by pre-stack time migration and complete post-migration processing. Seismic amplitude changes observed between the current and previous surveys will be evaluated against the rock physics model to infer changes in CO₂ saturations (see Figure TM-27). These results will be checked against and integrated into the predictive models.

7.3.3 **Claimed as PBI**

Claimed as PBI will be acquired at the injection wells, Bluebonnet CCS 1, Bluebonnet CCS 2, and Bluebonnet CCS 3, and monitoring well Bluebonnet IZM FM1. **Claimed as PBI**

Claimed as PBI will use state-of-the-art **Claimed as PBI** and depth imaging (pre-stack depth migration), followed by post-migration processing. The imaging radius for **Claimed as PBI** (see Figures TM-24 and/or TM-25). Within this radius, high resolution seismic imaging (exceeding that of surface seismic) is expected, along with accurate time-depth control. Structure and stratigraphy from the **Claimed as PBI** will be evaluated and integrated into the geomodel. Survey results will be integrated with rock-physics studies to determine the expected timelapse **Claimed as PBI** response given predicted CO₂ saturation values.

Repeat timelapse **Claimed as PBI** will be acquired on **Claimed as PBI** (using the same acquisition parameters as the **Claimed as PBI**s) until a **Claimed as PBI**

(see Figure TM-24 and/or -25); models predict plume movement beyond **Claimed as PBI**. The

timelapse surveys will be processed using state-of-the-art joint **Claimed as PBI**, current, and previous monitor surveys, followed by pre-stack depth migration and complete post migration processing. Seismic amplitude changes observed between the current and previous surveys will be evaluated against the rock physics model to infer **changes** in CO₂ saturations (see Figure TM-27). The high-imaging-resolution and frequent **Claimed as PBI** acquisition of **Claimed as PBI** is intended to provide detailed information on the early

evolution of the CO₂ plume, including (but not limited to) the response to heterogeneity within the injection reservoir, the integrity of the confining zones, the rate of CO₂ movement, and the fidelity of the subsurface geomodel and resulting simulation.

8.0 Surface and Near Surface Monitoring

8.1 Soil Gas Monitoring and Isotopic Fingerprinting

The Bluebonnet Sequestration Hub, LLC, will install soil gas sample stations and collect soil gas samples. The project plans to characterize the soil gas samples using methodology developed by Dr. Romanak from the Gulf Coast Carbon Center (GCC). 40 CFR §146.90 (h).

The samples will be analyzed by a certified commercial laboratory to determine gas composition and isotopic signatures of carbon and hydrogen elements. This data will be used to inform process-based soil gas monitoring (Romanak 2012) to monitor for ecological stress and distinguish a leakage signal from natural vadose zone CO₂ providing for attribution at the site. Modeling and additional geochemical data from the subsurface overburden will be used to define diagnostic parameters for attribution in soil gas.

Soil gas assessment will consist of characterization of soil gas CO₂, CH₄, O₂, and N₂ ratios within a process-based framework and collection of additional isotopic parameters for further assessment, if thresholds are ever exceeded.

For a minimum **Claimed as PBI** injection, soil gas will be analyzed quarterly for **Claimed as PBI** (Table TM-26). At the end of characterization period, protocols for detection of leakage signal will be tailored to site base data.

As part of the process for designing the soil gas stations and selecting locations, an airborne electromagnetic survey will be conducted over the AoR. The aerial electromagnetic (EM) data will be used to identify and map the extent of near-surface and surface salinization. This environmental determination will inform additional parameters for groundwater monitoring to complement soil gas as part of the near-surface monitoring strategy.

8.1.1 Sampling Location and Frequency for Soil Gas

For soil-gas sampling, 8 cm boreholes will be drilled with a hollow-stem auger by a contracted drilling company to a depth of 3 to 5 ft, depending on the thickness of the vadose zone. Sampling stations will be installed in permeable soil layers. Sample tubes will be comprised of 3 mm diameter stainless steel tubing fitted at one end with Geoprobe® 15 cm vapor implant screens. Each screen will be fitted to the well tubing with Swagelok® gas-tight connectors. Sample depth intervals will be filled with a quartz-sand filter pack placed in the well annulus and isolated with bentonite. The bentonite will be used to backfill between depth intervals, assuring the integrity of each sampling interval. Each well will be sealed at the top with a no-flow Swagelok® quick-connect stem, which restricts the exchange of gas between the soil gas well and the atmosphere. **The soil-gas wells will be protected at the ground surface and capped. General information for**

each sampling station location will be recorded, including project name, borehole designation, borehole total depth, date and time of completion, borehole Geographic Positioning System (GPS) location information, and field personnel information. There may be minor changes to the procedures for soil gas sampling based on actual technical, operational, or safety considerations at the time the sampling occurs. See Figure TM-28 for a schematic of a gas sampling station.

Figure TM-29 shows the proposed location for the soil gas probes installation relative to the AoR and CO₂ injectors.

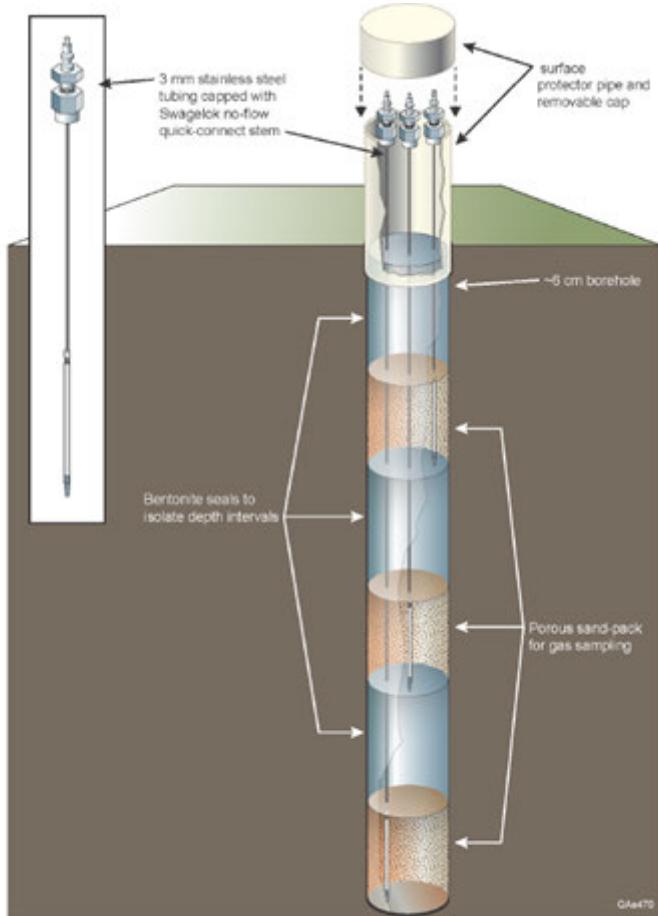


Figure 1. Schematic of gas sampling station construction showing individual gas wells set at different levels. Not to scale.

Figure TM-28: Schematic of soil gas sampling station.

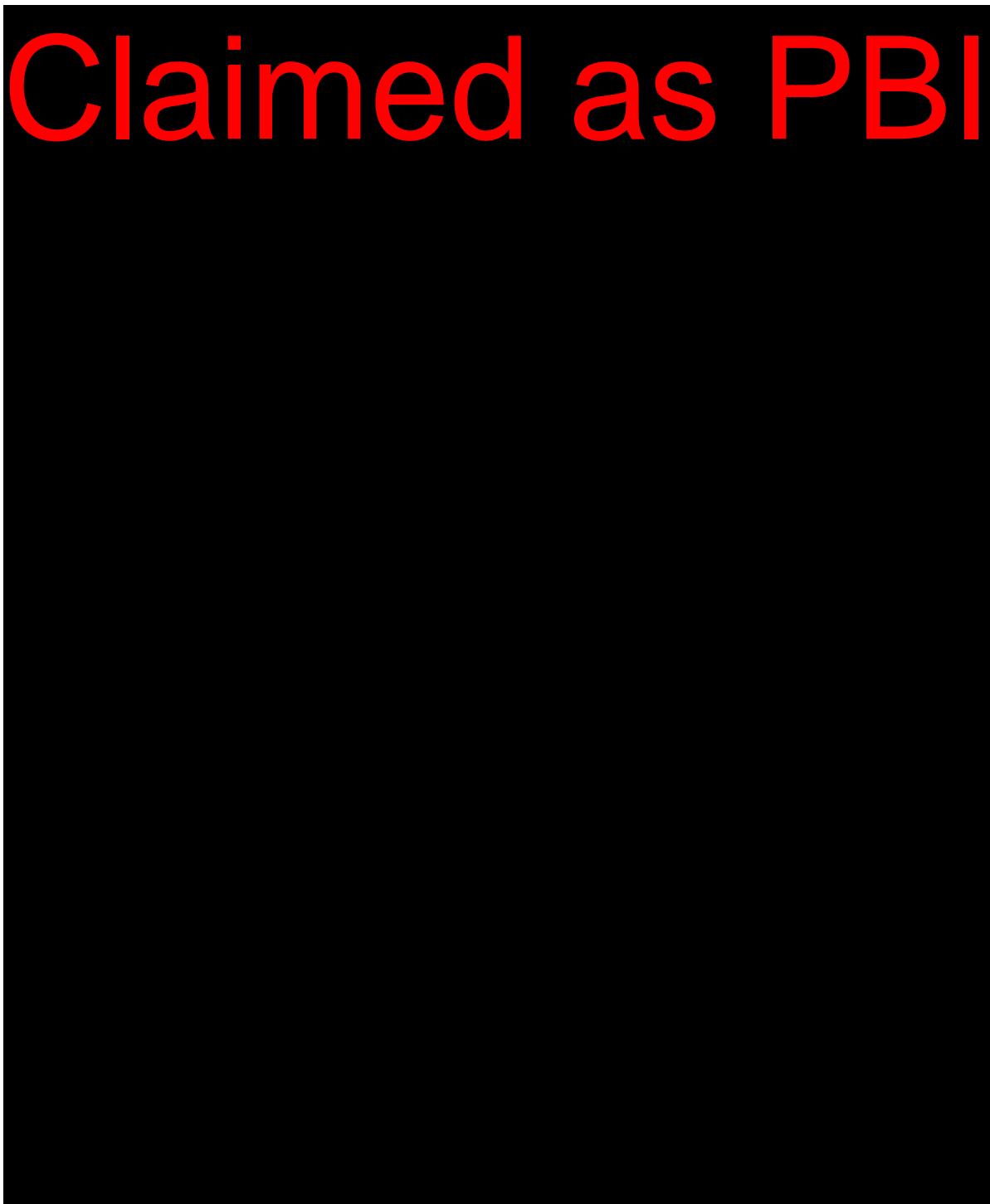


Figure TM-29: Location of the proposed soil gas probes.

Table TM-25 shows the frequency proposed for soil gas sampling and testing.

Table TM-25: Soil gas sampling locations and frequencies.

Claimed as PBI

8.1.2 Parameters for Soil Gas Analysis

Table TM-26: Soil Gas Analysis Parameters.

Claimed as PBI

8.1.3 Sampling Soil Gas Analysis

Trained or specialized personnel will perform the sampling and the field operator will be trained in the process to be able to take samples and monitor gas compositions with handheld devices as a routine operation. The samples are taken in specialized bags to collect the gas and will be sent to a third-party laboratory. Calibration of the field equipment will be performed per manufacturer protocol.

8.1.4 Laboratory to be Used/Chain of Custody and Analysis Procedures.

The samples will be analyzed by a third-party laboratory using standardized procedures for gas chromatography, mass spectrometry, detector tubes, and photo ionization. Analytic methods and chain of custody procedures will follow the laboratory protocol.

8.2 CO₂ Sensors in Surface - Wellheads

The Bluebonnet Sequestration Hub, LLC, will install infrared gas detectors close to the wellheads of the injector, monitoring, and water production wells. These sensors will interface with the surveillance system to set alarms and identify potential leaks at the surface. The final selection of the technology will consider the integration of all the sensors and transducers in a unique surveillance system. Calibration and maintenance protocols will be based on the manufacturer specifications and performed by specialized professionals. Technical specifications for the CO₂ leak detector are provided in the QASP Plan.

Table TM-27: Atmospheric CO₂ sensor in wellhead.

Claimed as PBI

8.3 Airborne Electromagnetic Survey

The purpose of acquiring a baseline timelapse airborne time-domain electromagnetic (ATEM) survey is to identify and map the extent of surface and near-surface electrical resistivity distribution due to fluctuations of the water table and groundwater salinity. This data will be used along with soil gas and water sample data to provide a reference for environmental monitoring.

The airborne electromagnetic data will be acquired by a helicopter-mounted source and receiver at the ground clearance of approximately 30-40 m. The time-domain electromagnetic data acquisition systems vary depending on a provider but can be summarized as one of the options shown in Figure TM-30. A large transmitter loop is towed by a helicopter and a receiver is above or inside it. The signal is transmitted in discrete time intervals. The transmitted signal induces electric current in the subsurface, and, once the transmitter is turned off, the earth response is recorded by a receiver. This recorded signal is a function of electromagnetic properties of subsurface and time.

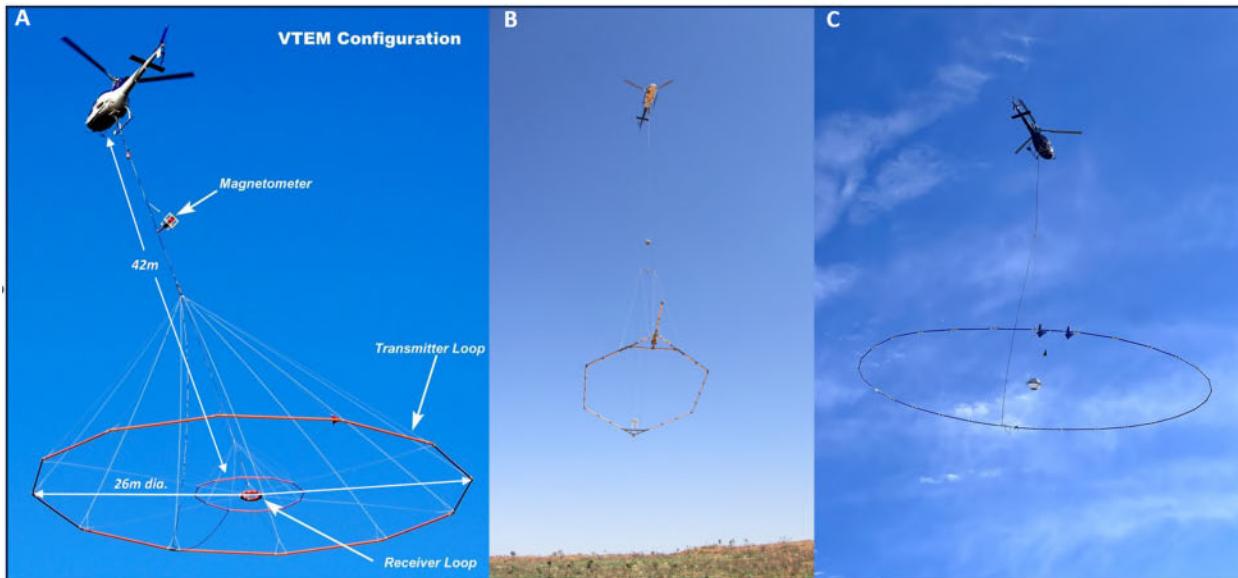


Figure TM-30: Different configurations of airborne time-domain electromagnetic system: A. Geotech VTEM system, courtesy of Geotech (<https://geotech.ca/papers/helicopter-electromagnetic-vtem-ztem-applications-gold-exploration>); B. SkyTEM system, courtesy of SkyTEM; and C. HeliTEM system, courtesy of Xcalibur Multiphysics.

Note:

Imagery courtesy of ESA contains modified Copernicus Sentinel data processed by Sentinel Hub.

Claimed as PBI

Figure TM-31: Location and the outline (red) of the time-domain electromagnetic survey.

The Bluebonnet ATEM survey is located at the intersection of Chambers, Liberty, and Jefferson counties in Texas and comprises an area of **Claimed as PBI** depicted in Figure TM-31. The data will be acquired at an average loop elevation of 30-40 m above the ground. Data lines will be spaced at regular intervals, depending on the data acquisition system, approximately 100-150 m apart.

Bluebonnet Sequestration Hub, LLC, will contract a third-party to conduct the survey using a heliborne electromagnetic time-domain data acquisition system. Data acquisition systems can have various configurations depending on the acquisition provider. Regardless of system configuration, all types of heliborne electromagnetic data acquisition systems are equipped with a GPS electronic navigation system and laser and radar altimeters to ensure accurate positioning of the data. The data acquisition systems are also equipped with airborne video. The data will be processed by a contractor using a system-specific workflow.

Different data inversion techniques can be used to obtain electrical resistivity distribution in the subsurface. For this initial survey, a 1D data inversion will be utilized. In addition, the Bluebonnet Sequestration Hub, LLC, will provide data from nearby USDW wells to the third party to calibrate the inversion procedure.

Table TM-28: Airborne electromagnetic survey.

Claimed as PBI

8.4 Airborne Magnetic Survey

Airborne magnetics is a proven, established technology for detection of near-surface steel-cased wellbores and wellheads. The project team will use this technology to acquire heliborne magnetic data to identify and/or confirm locations of legacy wellbores or pipelines within the AoR.

8.4.1 Methodology to Acquire and Process Airborne Magnetic Survey.

Based on experience with in-house airborne magnetic surveys, the Bluebonnet Sequestration Hub, LLC, determined that magnetic anomalies resulting from steel-cased wells and well heads would be detectable and resolvable by an airborne acquisition system, if the magnetometer height is 20 – 40 m above ground level and with line spacing not larger than 20 m. The Bluebonnet Sequestration Hub, LLC, will engage a third party to conduct the survey using a heliborne magnetic data acquisition system. In such a system, a magnetometer or an ensemble of magnetometers is attached or towed beneath a helicopter (Figure TM-32).

Data acquisition systems can have various configurations depending on the provider. However, regardless of the magnetic system configuration and provider, all types of heliborne magnetic data acquisition systems are equipped with GPS navigation system and laser and radar altimeters to ensure accurate positioning of the data. The data acquisition systems are also equipped with video recording capabilities, which will be used in data interpretation for a real time visual aid in detection of magnetic anomaly sources.

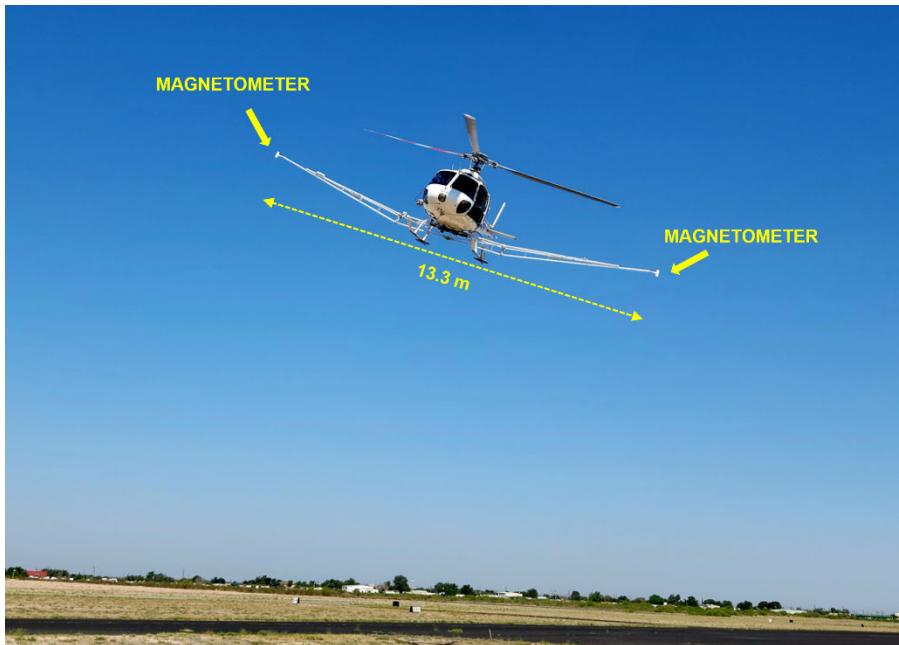


Figure TM-32: An example of heliborne magnetic data acquisition system (MIDAS by Xcalibur Inc.) used in a previous Oxy magnetic survey.

The Bluebonnet Hub, LLC, magnetic survey will be located at the intersection of Chambers, Liberty, and Jefferson counties in Texas and comprises an area of Claimed as PBI depicted in Figure TM-31. The data will be acquired at an average elevation between 20-40 m above the ground with allowed departures in populated areas and if safety hazards are expected. Data lines will be spaced at a regular interval, depending on the data acquisition system, of 15-20 m apart and acquired in approximately North-South orientation. Tie-lines oriented perpendicular to the data lines will be spaced to 1:10 ratio to the data flight lines.

The data will be processed by a contractor using standard airborne magnetic data processing techniques that include removal of spikes and dropouts, diurnal and lag corrections, removal of International Geomagnetic Reference Field (IGRF), line leveling, and micro leveling. No processing of the video data will be required.

8.4.2 Methodology to Interpret Airborne Magnetic Survey.

The Bluebonnet Sequestration Hub, LLC, will perform advanced data processing in-house that includes transformations of the anomalous magnetic field to reduce the effects of inclination, declination, and remanent magnetization. Examples of such transformations are Reduction to Pole, Magnetic Magnitude (or Magnetic Amplitude), and their derivatives such as Total Gradient of the magnetic anomaly and Normalized Source Signal. All transformations are intended to focus the magnetic signal close to the location of a source, independent of magnetization orientation.

The processed magnetic data will be used to interpret locations of magnetic anomalies associated with surface and near-surface expression of steel-cased wells. These data will be combined with

helicopter-acquired video and high-resolution imagery to interpret sources of magnetic anomalies. Data interpretation will take up to two months to complete.

In addition to the surface locations of steel-cased wellbores, the Bluebonnet Sequestration Hub, LLC, will be able to identify magnetic responses resulting from pipelines, electric power lines, and industrial activity. These features are located at the surface or near-surface and do not present a leakage hazard.

Table TM-29: Airborne magnetic survey.

Claimed as PBI

9.0 Induced Seismicity Monitoring

The Bluebonnet Sequestration Hub, LLC, will deploy a seismometer monitoring network to determine the locations, magnitudes, and focal mechanisms of the injection-induced seismic events when observed. This information will be used to address public concerns and identify features that may help to evaluate the plume and pressure front behavior.

9.1 Monitoring Location and Frequency for Induced Seismicity Measurement

The seismometer monitoring network contains 14 sensors strategically placed throughout the Bluebonnet Project area. The network is designed to provide a magnitude threshold equivalent to 0.0 on the Richter scale around the injection wells as well as along faults outside the AoR that are more likely to respond to reservoir pressure increases. Geomechanical modeling indicates that injection pressures will remain significantly below the threshold needed to initiate seismic movement along area faults, but those faults are still included in the seismometer monitoring network. The modeled seismometer network and modeled magnitude threshold in relation to AoR is shown in Figure TM-33, and the coordinates of the seismometers are available in Table TM-31. The location of the sensors may change slightly at the time of installation.



Figure TM-33: Seismometer monitoring network with 14 sensors placed in relation to the CO₂ injector wells and the AoR.

Table TM-30: Seismicity monitoring tools and frequency.



Table TM-31: Location of the seismometers.



9.2 Traffic Light System Protocol

The Richter Magnitude (or Local Magnitude) ML Richter (1935) defined the local magnitude ML of an earthquake observed at a station to be $ML = \log A - \log A_0 (\Delta)$ where A is the maximum amplitude in millimeter's recorded on the Wood Anderson seismograph for an earthquake at epicentral distance of Δ km, and $A_0 (\Delta)$ is the maximum amplitude at Δ km for a standard earthquake; seismometers are calibrated so that consistent magnitudes are recorded from different seismographs. The local magnitude is thus a number characteristic of the earthquake, and independent of the location of the recording station.

While the historical seismicity of the project area indicates no measured earthquakes in the area, the Project intends to maintain a surface array for the duration of the project to ensure the safe operation of both the storage facility and adjacent infrastructure in the area. This seismic monitoring will be conducted with a surface array deployed to ensure detection of events above ML 2.0 with epicentral locations within 5.6 miles of the injection well covering an area of 100 square miles.

This areal coverage was determined by referencing the Texas Railroad Commission's historic designation of Seismic Response Areas (SRA). SRAs are areas determined by RRC seismologists for which consistent identification and seismic response approach will be implemented after the occurrence of seismic events with a magnitude of 3.5 or greater (TRRC, January 2022). For example, after a magnitude 5.4 earthquake occurred on December 19, 2022, the RRC designated SRA with a radial area of 100 square miles (TRRC December 2022). Out of an abundance of

caution, the seismic monitoring area for this project is designed to preemptively cover an area equivalent to the RRC's post-event SRA coverage.

If an event is recorded by either the local private array or public national array to have occurred within 5.6 miles of the injection well, the operator will implement its response plan, subject to detected earthquake magnitude limits defined below to eliminate or reduce the magnitude and/or frequency of seismic events.

- For events above **Claimed as PBI** of the injection well, the project team will closely monitor seismic activity and may pause operations or continue operations at a reduced rate, should analysis indicate a causal relationship between injection operations and detected seismicity.
- For events above **Claimed as PBI** of the injection well, the project team will reduce the injection rate by at least 50%. A detailed analysis will be conducted to determine if a causal relationship exists. Should a causal relationship be determined, a revised injection plan will be developed to reduce or eliminate operationally related seismicity. Such plans will be dependent on the pressures and seismicity observed and may include, but not be limited to:
 1. Pausing operations until reservoir pressures fall below a critical limit,
 2. Continuing operations at a reduced rate and/or below a revised maximum operation pressure.
- For events above **Claimed as PBI** miles of the injection well, the Bluebonnet Hub operations team will stop injection as soon as safely practical. The project team will inspect surface infrastructure for damage that may have resulted from the earthquake. The project team will then immediately inform the regulator of seismic activity and inform them that operations have stopped pending a technical analysis.

A detailed analysis will be conducted to determine if a causal relationship exists between injection operations and observed seismic activity. Should a causal relationship be determined, a revised injection plan will be developed to reduce or eliminate operationally related seismicity before resuming injection operations and will be discussed with the UIC Director. Such plans will be dependent on the pressures and seismicity observed, and may include, but not be limited to:

1. Pausing operations until reservoir pressures fall below a critical limit,
2. Continuing operations at a reduced rate and/or below a revised maximum operation pressure.

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