



Natural State RENEWABLES

CLASS VI PERMIT PRE-OPERATIONAL TESTING PLAN

40 CFR 146.87

NATURAL STATE RENEWABLES INC.
NIMBUS ARCCS INC.
Ouachita County, Arkansas

Prepared By:
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1.0 FACILITY /PROJECT INFORMATION

Facility/project Name: Natural State Renewables Inc.
Nimbus ARCCS Inc.
Class VI Injection Well Nos. 1-4

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Well Locations: Ouachita County, Arkansas

PBI [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The testing activities at the Natural State Renewables (NSR) Nimbus ARCCS Wells described in this module are restricted to the pre-injection phase. Testing and monitoring activities during the injection and post-injection phases are described in the Testing and Monitoring Plan, along with other non-well related pre-injection baseline activities such as geochemical monitoring.

This *Pre-Operational Testing Plan* describes how NSR will obtain data from the drilling and completion of the proposed injection and monitoring wells at or adjacent to the NSR facility in Ouachita County, Arkansas. A total of four Injection Wells, one Above Confining Zone (ACZ) Monitoring Well, four deep In Zone (IZ) Monitoring Wells and one USDW water well are proposed to meet the injection and storage needs for the NSR Nimbus ARCCS site. There are four

proposed injection wells with each injection well to be completed into one of the four geologic injection zones as identified within “*Section 2 – Site Characterization*” of the Project Narrative Report (submitted in Module A – Project Information Tracking).

This Pre-Operational Testing Plan meets the requirements of USEPA 40 CFR §146.87.

NOTE: When used in this document and associated diagrams, the term “gauge” is synonymous with a pressure and temperature sensor and a pressure transducer.

1.1 INTRODUCTION

This plan contains a comprehensive pre-operational data acquisition strategy across the confining and injection zones at NSR Nimbus ARCCS site. These data will be used for site specific determination to evaluate the injection rates, injection volumes, assist with final surface facility design, and revalidation (and update, if needed) of the site model and Area of Review (AoR). The proposed Injection Zones for the project are:

1. Hosston Formation
2. Cotton Valley A Formation
3. Cotton Valley B Formation
4. Upper Smackover Formation

The Injection Zones of the Cotton Valley and Hosston are comprised of alternating sands and shales units and the oolitic limestones of the Upper Smackover; they will individually be completed with one injection zone per injection well to control plume size of the sequestered carbon dioxide. The primary upper Confining Zone for the Hosston and Cotton Valley injection zones is the Rodessa/Pine Island/Sligo (Glen Rose Equivalent) that is located between the Hosston and the Upper Cretaceous Unconformity at the base of the Upper Cretaceous section. For this Class VI application, this group of strata is referred to as the Lower Cretaceous Sequence Boundary (LCSB). The primary upper Confining Zone for the Upper Smackover injection zone is the Buckner formation located between the top of the Upper Smackover and the base of the Cotton Valley B injection zones. The Cotton Valley A and Cotton Valley B injection intervals are separated by a small shale section at the top of the Cotton Valley B. In addition to these Confining Zones, the regionally extensive Midway Shale, which is predominantly a marine shale that exhibits

extremely low porosity and permeability, provides additional containment between the injection zones and the lowermost USDW (Wilcox Formation). The Lower Smackover and Eagle Mills formations serve as the Lower Confining Zone for the Upper Smackover Injection Zone (see Type Log, Figure 2-2 of Module A).

This *Pre-Operational Testing Plan* has been designed to reduce uncertainty and define the depth, thickness, mineralogy, lithology, porosity, permeability, and geomechanical information of the Injection Zones, the overlying and underlying Confining Zones, and other relevant geologic formations in the project area. In addition, formation fluid characteristics will be obtained from each of the Injection Zones, the Tokio Formation, which is above the uppermost confining zone, and the shallower Sparta Formation, which is a known source of drinking water within the project area. These zones have been selected to establish baseline data that will be measured against data collected as part of the Testing and Monitoring Plan and Post-Injection monitoring portions of the project.

NSR has designed the sequestration project using four Class VI Injection Wells. The injection wells are proposed to be drilled approximately 50 feet apart in parallel on the same well pad. These wells will each be completed into an individual injection zone, with completions being the deepest in Injection Well No.1 in the Upper Smackover to shallowest in Injection Well No. 4 in the Hosston. The Injection Wells will follow the 40 CFR §146.87(a), (b), (c), and (d) standards for logging and testing requirements. Coring will be adaptive and based upon the well spatial variability, wellbore conditions, core recovery, and core quality. The Injection Wells will demonstrate mechanical integrity prior to receiving authorization to inject. The data obtained in this plan will be used to validate and update, if necessary, the “*Area of Review and Corrective Action Plan*” (submitted in Module B), to define and reduce uncertainties with the site characterization, revise the “*E.I-Testing and Monitoring Plan*” (submitted in Module E), and determine final operational procedures and limits.

This pre-operational logging and testing strategy has been developed based upon the needs and requirements for the NSR – Nimbus ARCCS Injection Wells (Section 2.0) and for the ACZ and IZ Monitoring Wells (Section 3.0).

2.0 INJECTION WELL – TESTING STRATEGY

The following tests and logs will be conducted during drilling, casing installation, and after casing installation in accordance with the testing required under 40 CFR §146.87(a), (b), (c), and (d). The tests and procedures are described below and in the “*Section 5.0 - Proposed Injection Well Construction Information*” section of the Project Narrative (submitted in Module A).

All logging and well testing plans will be submitted to the UIC Program Director 30 days prior to commencing the operations. The UIC Program Director will be provided the opportunity to witness all operations for the drilling and testing of the injection wells per the 40 CFR §146.87(f). Any changes to the schedule will also be submitted to the Executive Director 30 days prior to the scheduled test.

2.1 DEVIATION CHECKS

Four vertical Class VI Injection Wells are planned to be drilled on the NSR property in Ouachita County, Arkansas. Each injection well be completed in a single injection zone; one in the Upper Smackover, one in the Cotton Valley B, one in the Cotton Valley A, and one in the Hosston.

On a multi-well pad for Nimbus INJ-1 thru 4 while drilling, the minimum interval for taking surveys along the full length of the wells will be every 500 feet by means of a gyro or MWD. Directional tools will be used in cases of anti-collision concerns (e.g. , SF<1.5). The deviation survey intervals for the injection wells will confirm a vertical hole to limit potential of a diverging hole.

2.2 LOGGING AND CASING DEPTH PROGRAM

The well logging and casing depth program will discuss both open hole and cased hole for all drilling stages of the Injection Wells. The logging program will meet all requirements set forth by the EPA Class VI standards and will be used to determine *in-situ* formation properties such as: thickness, porosity, permeability, lithology, formation fluid salinity, and reservoir pressure [per 40 CFR 146.87].

A detailed mud logging program will be developed based upon the target depths for the Injection Wells. Cuttings will be caught from surface to total depth (+/-5,900 feet for Injection Well No. 1,

+/-5,060 feet for Injection Well No. 2, +/-4,540 feet for Injection Well No. 3, +/-3,850 feet for Injection Well No. 4), with adaptive sampling through the proposed Confining Zones and Injection Zones. Gas chromatograph sampling will also be employed and correlated across the cuttings and drilling for onsite analysis.

Table 1 provides information on potential logging run types and the data that each run may provide. Please note that this table is not all encompassing but includes commercially available logs that are commonly run in the wellbores for data acquisition.

Table 1: Potential Logging Tools and Data Acquisition

| Logging tools | Data Acquisition |
|--|---|
| Gamma Ray (GR), Caliper, Spontaneous Potential (SP), Resistivity, Density, Neutron, RT Scanner | Correlation, Shale Volume, Porosity, Saturations, Hole Size, Resistive Anisotropy |
| Sonic compressional and shear | Porosity, Mechanical Properties, |
| Formation Micro-Imager borehole images (resistivity or sonic) | Structure, Env. Deposition, Fractures |
| Magnetic Resonance | Porosity, free and bound fluids, Permeability |
| Elemental Capture Spectroscopy | Lithology |
| Spectral GR | Clay Minerals |
| Modular formation dynamics tester | <i>In situ</i> Fracture Pressure Formation Fluid Samples Mobility |
| Sidewall Coring Tool (rotary and/or percussion) | Porosity, Permeability, Bulk Density |
| Temperature Log | Geothermal Gradient Baseline for Fluid Migration. |
| Vertical Seismic Profile | Tie in to 2D regional profile |
| Cement Bond Log, Variable Density Log, Casing Collar Locator | Casing & cement integrity |

As the injection wells are proposed to be drilled approximately 50 feet apart on the same well pad, logging, coring and testing will be conducted on Injection Well No. 1 which will be completed in the deepest in the Lower Smackover Formation. The following sections detail the approach for logging in the open hole and cased hole sections of the Injection Well No. 1. The Injection Wells have been designed with two phases: a surface hole to protect the USDW and the injection whole to protect formations down to the designated injection zone.

2.2.1 Surface Hole Logging and Casing Program

The depth of the surface casing will be set well below the projected lowermost USDW (defined as the base of the Wilcox Formation) and into the underlying Midway shale and will be cemented to surface. The base of lowermost USDW will be confirmed based upon analysis of the open-hole logs. This section will be drilled with water-based mud to be protective of the freshwater aquifers.

2.2.1.1 Surface Hole Logging Program – Injection Well No. 1

Prior to running surface casing, the surface hole in Injection Well No. 1 will be analyzed using wireline logging techniques (Table 2), with the following geophysical logs planned upon reaching casing point within the Midway Shale (~ 1,000 feet).

Table 2: Surface Hole Logging Runs and Data Acquisition – Injection Well No. 1

| Open Hole – 17 1/2-inch Hole Size – 100 – 1,000 feet | |
|--|--|
| Logging While Drilling | Near bit Gamma Ray |
| Well Log | Data Acquisition Profile |
| Spontaneous Potential | Spontaneous Potential and formation fluid salinity |
| Resistivity | Fluid conductivity, presence of fresh vs. saline water, saturation |
| Gamma Ray | Clay content |
| Neutron-Density | Formation Porosity |
| Dipole Sonic | Compressional and shear acoustic transit time; porosity |
| Formation Imager | Structure, Env. Deposition, Fractures |
| Open Hole Caliper | Borehole diameter and log correction; identify washouts |
| Cased Hole – 13-3/8-inch Casing Size | |
| Well Log | Data Acquisition Profile |
| Cement Bond/Evaluation Tool (CBL/CET/VDL/CCL) | Determine the integrity of the cement |
| Flexural Wave Imaging | Radial cement and casing condition |
| Temperature | Develop temperature profile. Establish Baseline gradient. |

Note: Additional diagnostic logs may be run at the discretion of NSR's geological staff and/or consultants or as directed by the authorized regulatory UIC Program Director.

2.2.2 Protection Hole Logging and Casing Program

The depth of the protection hole will be through the Lower Smackover confining zone and into the Eagle Mills portion of the Lower confining zone in Injection Well No.1, through the Cotton Valley B injection zone and into the Buckner confining zone in Injection Well No. 2, through the Cotton Valley A injection zone in Injection Well No. 3 and through the Hosston formation for Injection

Well No. 4. Each casing string will be cemented to the surface.

2.2.2.1 Protection Hole Logging Program – Injection Well No. 1

The protection hole will be analyzed using wireline logging techniques (Table 3), with the following open and cased hole geophysical logs planned upon reaching total depth (~ 5,950 feet, the estimated base of the Lower Smackover). The protection hole casing will be cemented to the surface for Injection Well No. 1.

Table 3: Protection Hole Logging Runs and Data Acquisition– Injection Well No. 1

| Open Hole – 12 1/4-inch Hole Size – 1,000 – 5,950 | |
|---|---|
| Logging While Drilling | Near bit Gamma Ray |
| Well Log | Data Acquisition Profile |
| Spontaneous Potential | Spontaneous Potential and formation fluid salinity |
| Resistivity | Fluid conductivity, presence of fresh vs. saline water, saturation |
| Natural Gamma Ray | Clay content |
| Density/Neutron | Porosity and saturation |
| Dipole Sonic (long recording time) | Compressional and shear acoustic transit time; porosity |
| Open Hole Caliper | Borehole diameter and log correction; identify washouts |
| Formation Micro-Imager | Identify fractures and breakouts in the formation |
| Modular Dynamics Tester Tool / XPT | Sample formation pressures (XPT) and/or fluids (MDT), and stress testing |
| Dielectric Scanner | Fluid distribution and rock properties |
| LithoScanner w/Spectral Gamma Ray | Elemental and clay content; lithology |
| Magnetic Resonance (CMR/NMR) | Nuclear magnetic resonance; T1 and T2 relaxation times; permeability, bound water, and movable fluid properties |
| Rotary Sidewall Core (contingent) | Formation samples – contingent on whole coring program results |
| Sonic Scanner | Acoustic mechanical Properties, compressional and shear wave velocities / travel times |
| Cased Hole – 9-5/8-inch Casing Size | |
| Well Log | Data Acquisition Profile |
| Cement Bond/Evaluation Tool (CBL/CET/VDL/CCL) | Determine the integrity of the cement |
| Flexural Wave Imaging | Radial cement and casing condition |

| | |
|---|--|
| Cased hole Nuclear Spectroscopy | Baseline pulsed neutron log |
| Temperature | Develop temperature profile. Establish Baseline Gradient |
| Casing Inspection (multi-finger caliper, electromagnetic thickness) | Baseline casing condition |
| Zero Offset Vertical Seismic Profile | Travel time vs. depth to tie into seismic |

Note: Additional diagnostic logs (Table 1) may be run at the discretion of NSR's geological staff and/or consultants or as directed by the authorized regulatory UIC Director.

NSR anticipates taking open hole formation pressures, stress tests and fluid samples in the Hosston (+/-3,100 feet), Cotton Valley A (+/-4,000 feet), Cotton Valley B (+/-4,475 feet), and Upper Smackover (+/-5,200) feet.

After the open and cased hole logging programs have been completed, NSR - Nimbus ARCCS will prepare an evaluation and interpretation of all the logs prepared by a knowledgeable log analyst [per 40 CFR §146.87(a)]. The report will include:

- The date and time of each test, the date of wellbore completion, and the date of installation of all casings and types of cement.
- Chart (graphical) results of each log and any supplemental data.
- The name of the logging company and log analyst and information on their qualifications.
- Interpretation of the well logs by the log analyst, including any assumptions, determination of porosity, permeability, lithology, thickness, depth, and formation fluid salinity of relevant geologic formations; and
- Any changes in interpretation of site stratigraphy based upon the analysis of the logs and tests that were run.

Reports will be submitted to the authorized regulatory UIC Program Director. The data acquired will be used to validate and/or reduce uncertainties presented in the “*Area of Review and Corrective Action Plan*” submitted in Module B. Results will also impact final operating parameters for the Nimbus ARCCS Injection Wells.

2.3 CORE PROGRAM

Petrophysical analysis is used in building the static geologic model. Acquired whole core, rotary sidewall core open-hole, and cased-hole logging data will be utilized to reduce uncertainty in the reservoir quality at the project site. The site-specific data collected during the drilling of the Injection Wells will be used in support of the local geology and future interactions of the static model and dynamic simulations for the project. This data will be used to refine the final model parameters prior to receiving authorization to inject.

Table 4, below, indicates the anticipated Whole Core Sampling Intervals in injection Well 1.

Table 4: Whole Core Sampling Intervals – Injection Well No. 1

| Formation | Regulatory Zones | Approximate Depth* | Core Acquisition** |
|---------------------------|------------------|--------------------|--------------------|
| Sligo | Confining Zone | 3,060-3,120 | Attempt 60-feet |
| Hosston Formation | Injection Zone | 3,600-3,690 | Attempt 90-feet |
| Cotton Valley A Formation | Injection Zone | 4,100-4,190 | Attempt 90-feet |
| Cotton Valley B Formation | Injection Zone | 5,600-5,690 | Attempt 90-feet |
| Upper Smackover Formation | Injection Zone | 5,300-5,390 | Attempt 90-feet |

*Core relative to O.D. Mobley – Gammill No. 1 well log (Figure 2-26 in Module A)

**Core acquisition values are minimums.

The core program strategy (Table 5) developed in this Pre-Operational Testing Plan has been developed specifically for the injection well to meet the standards outlined in 40 CFR §146.87(b). The core program strategy is intended to address remaining uncertainties, define lateral variabilities.

The whole core will be collected in Injection Well No. 1 (Table 4) from the Confining and Injection Zones using drilling fluids designed to reduce the swelling of formation clays and improve the quality of the retrieved core. The whole core program will be adaptive with the possible acquisition of additional cores optional upon the recoveries from the first core attempt in each zone or to address spatial uncertainty.

The depth at which each whole core will be cut will be projected prior to drilling and then further determined by the company's geologist during the drilling of the well. The site-specific core points will be determined by using the correlative analysis of the lithology and rate of penetration of the well being drilled, along with data from nearby offset open hole well logs and mud logs. If an insufficient amount of the formation core has been recovered in any core run, an additional core point may be selected and cut at the discretion of the company's geologist. Additionally, the insufficiently cored interval may be subsequently evaluated with additional rotary sidewall coring. Whole core depth intervals (as well as mud log depth intervals) will be adjusted (depth-shifted) to be equivalent to open-hole logging depths.

Injection Well No. 1 may have rotary sidewall cores collected from the relevant regulatory intervals and may include core samples of other formations in the wellbore, such as from pressure dissipation intervals or secondary confining layers present within the stratigraphic column, in order to characterize the mitigation potential of overlying and underlying geologic formations. The rotary sidewall coring program will be adaptive, based upon whole core recovery, and the evaluated needs of the project.

2.3.1 Analysis

Detailed core analyses will be performed at a well-respected, experienced core laboratory, to characterize both the injection and confining zones. Samples may be distributed to more than one laboratory, based on their individual capability, schedule considerations, and back-log. Analyses will cover the range of rock properties found in the Injection and Confining Zones and include:

- 1) Conventional / Routine Core Analysis
 - a. Routine Core Porosity, Permeability, Grain Density, Petrography
 - b. Thin Sections, SEMs, XRD, XRF
- 2) Special Core Analysis
 - a. Stress Porosity, Permeability
 - b. Core NMR
 - c. Brine, CO₂ Permeability
 - d. Capillary Pressure

- e. Seal Entry Pressure
 - f. Fluid Compressibility
 - g. Wettability
 - h. Brine, CO₂ Relative Permeability
- 3) Geomechanics
- a. Rock Mechanics and Compressibility Measurements
 - b. Acoustic – Shear and Compressional velocities
 - c. Unconfined Compressive Strength, Tensile Strength

At a minimum, routine core analyses (porosity, permeability, and bulk density) will be performed on a distribution of samples characterizing differing lithologies. Additional analyses are expected to include a lithologic core description, thin section preparation and analyses, x-ray diffraction (XRD), and x-ray fluorescence (XRF) to characterize compositional make-up of the key intervals and to reduce uncertainties that impact the depositional and flow environments. Adaptive special core analyses such as electrical property measurements and/or relative permeability measurements will be conducted based upon quality of the recovered core and needs for reducing uncertainty and risk.

The prescribed analyses of the collected core and fluid samples will be used to refine and enhance site characterization per 40 CFR §146.82(a). Suggested analyses that are to be conducted are listed in the following tabulation (Table 5). Data acquired from the analyses will be used to reduce uncertainties within the model and detail spatial variability in parameters. These testing results will enable “fine-tuning” of the static site model.

Table 5: Whole Core Analytical Program – Injection Well No. 1

| Parameter | Measurement | Units |
|--|--|----------------------|
| Porosity | Total Porosity Diffuse Porosity | Percent |
| Permeability | Vertical Permeability Horizontal Permeability | mD/nD |
| Relative Permeability | Relative Gas Permeability Relative Aqueous Permeability | Dimensionless |
| Saturation | Fluid Saturation Residual Aqueous Saturation Residual Gas Saturation | Percent |
| Resistivity | Formation Factor as well as Resistivity Index | Ohm-meters |
| Compressibility | Bulk Compressibility Pore Compressibility | 1/Pa |
| Physical Properties | Rock Strength Ductility Elastic Properties | PSI % Pa |
| Lithology | Description | N/A |
| Rock/Soil Type | Petrology Mineralogy | SEM Thin sections |
| Capillary Pressure/Relative Permeability | Mercury methods Porous-plate methods Centrifuge methods | Psi/mD |

2.3.2 Reporting

NSR - Nimbus ARCCS will submit a report prepared by a reputable and experienced core analyst describing the testing and results of the coring program [per 40 CFR §146.87(b)]. It will include information on the collection and testing method, specific reports on the core intervals that were recovered, laboratory instrumentation calibration, analytical results in either tabular or graphic form, and core photographs and photomicrographs as appropriate. This report will be submitted to the UIC Program Director.

2.4 FORMATION PRESSURE AND FLUID ANALYSIS

The formation pressure measurement and sampling system will be used to quantify the pore pressure and sample the *in-situ* formation fluids. Static levels of the fluids will be recorded in all of the Injection Zones per 40 CFR §146.87(c). The tool used to sample and retain free and dissolved gases and the aqueous phases in equilibrium with such gases will be supplied by a third-

party vendor (Schlumberger, Expro, or an equivalent vendor using a downhole PVT sampler or equivalent tool). The *in-situ* downhole samples are preferred; however, based on subsurface and well conditions, surface samples may be collected for expediency.

The anticipated sampling protocol will be as follows:

1. Purge the well casing volume to bring fresh fluids that have not reacted with casing and tubing to the sample point within the wellbore.
2. Record the Static Level of the fluid in the Injection Zones.
3. Deploy commercial downhole sampler on slickline to collect a fluid sample at formation pressure at the targeted depth. Upon completion, close sampler to retain the collected fluid and gas as it is pulled out of hole.
4. Conserve fluid and gas volumes in preparation for shipping and analysis.
5. Filter and preserve samples following protocols for brine sampling.

All sample containers will be labeled with durable labels and indelible markings. A unique sample identification number and sampling date will be recorded on the sample containers. The sample containers will be sealed and sent to an authorized third-party laboratory.

Repeat sampling and frequency (adaptive program) will be determined based on results.

2.4.1 Analysis

At least one initial baseline fluid sample will be collected from each Injection Zone during the completion activities. This data will be analyzed and used to update the model prior to the commencement of injection operations. These Injection Well fluid samples will provide baseline measurements for formation fluids and document any spatial variability. Table 6 identifies the potential parameters to be monitored and the analytical methods NSR - Nimbus ARCCS may utilize.

The initial parameters identified below may be revised and include additional components for testing dependent on the initial geochemical evaluation. The fluid samples will be sent and analyzed by a third-party accredited laboratory.

Table 6: Summary of Potential Analytical and Field Parameters for Fluid Water Samples – Injection Wells

| Parameters | Analytical Methods |
|---|---|
| Dissolved CO ₂ gas by headspace | Gas Chromatography (GC) |
| Dissolved CH ₄ gas by headspace | Gas Chromatography (GC) |
| Hydrocarbons | Gas Chromatography (GC) |
| Dissolved inorganic carbon | Combustion |
| Bicarbonate | Titration |
| δD CH ₂₄ | Gas chromatography combustion isotope ratio mass spectrometry (GC/C/IRMS) |
| δC ¹³ CO ₂ | Gas chromatography combustion isotope ratio mass spectrometry (GC/C/IRMS) |
| δC ¹³ CH ₄ | Gas chromatography combustion isotope ratio mass spectrometry (GC/C/IRMS) |
| C ¹⁴ CO ₂ | Accelerated mass spectrometry (AMS). |
| C ¹⁴ Methane | Accelerated mass spectrometry (AMS). |
| Isotopic composition of selected major or minor constituents (<i>e.g.</i> , Sr ^{87/86} , S) | Multi-collector-Inductively Coupled Plasma Mass Spectrometer (MC-ICPMS) |
| Cations: Al, As, B, Ba, Ca, Cd, Cr, Cu, Fe, K, Li, Mg, Mn, Na, Pb, Sb, Se, Si, Ti, Zn, | ICP-MS or ICP-OES, ASTM D5673, EPA 200.8 Ion Chromatography, EPA Method 200.8, ASTM 6919 |
| Anions: Br, Cl, F, NO ₃ , SO ₄ , | Ion Chromatography, EPA Method 300.8, ASTM 4327 |
| Total Dissolved Solids | EPA 160.1, ASTM D5907-10 |
| Alkalinity | EPA 310.1 |
| pH (field) | EPA Method 150.1 |
| Specific Conductance (field) | EPA 120.1, ASTM 1125 |
| Temperature (field) | Thermocouple |
| Hardness | ASTM D1126 |
| Turbidity | EPA 180.1 |
| Specific Gravity | Modified ASTM 4052 |
| Density | Modified ASTM 4052 |
| Viscosity | ASTM D445 |

2.4.2 Reporting

NSR - Nimbus ARCCS will submit a report prepared by a specialist for the details on the fluid sampling results [per 40 CFR §146.87(b)]. The report will include information pertaining to

collection and testing methods, specific details on the collection of the samples and the calibration of test instrumentation as appropriate, with results presented in either tabular or graphic form, including any photographs as deemed appropriate for inclusion in said report. The report will be submitted to the UIC Program Director.

2.5 FRACTURE PRESSURE DETERMINATION

The fracture pressure of the confining and injection zones must be determined or calculated pursuant to 40 CFR §146.87(d)(1). This information will be used (along with measured pore pressures in the injection zone) to determine appropriate, safe injection pressures for the project well. NSR - Nimbus ARCCS will utilize density and dipole sonic logs run in the Injection Well to determine the vertical stress (S_v). This vertical stress calculation will be conducted in conjunction with a detailed review of the formation micro-imager log run in the well. This evaluation will aid in the identification of any borehole breakouts or open fractures. Log based estimation of fracture pressure will be provided in absence of conclusive tests described below.

Mini-frac formation stress testing will be used to determine formation breakdown pressure gradient, fracture propagation, and closure pressures (modular dynamics tester (MDT) or equivalent wireline tool). For stress testing to provide accurate information on the state of stress and breakdown pressure for the Injection Zone and the overlying Confining Zone, the tested interval must first be determined to have no pre-existing structural weaknesses, such as natural fractures. A total of 14 mini-fracs are planned for the project. Formation testing of the Injection Zones and Lower Confining Zone will be performed in Injection Well No. 1 (Nimbus INJ-1) as presented in Table 7. To preserve the integrity of the Confining Zone around the injection wells, the mini-frac testing of the Upper Confining Zone will be performed in the In-Zone Monitoring Well No. 1 (Nimbus DM-1).

In general, mini-frac testing conducted on wireline is less invasive and less destructive on the test interval versus propagating a large fracture out into the formation as would occur during step-rate testing. Experience has demonstrated that fracture half-wing lengths could possibly extend hundreds of feet out into the formation, compromising the future integrity of the well completion across the Injection Zone as well as the overlying Confining Zone.

Table 7: Proposed Mini-Frac Testing Details

| Formation | Regulatory Zone | Proposed Number of Tests | Location of Test |
|-----------------|-----------------------|--------------------------|------------------------------------|
| LCSB/Sligo | Upper Confining Zone | 4 | In-Zone Monitor Well (Nimbus SM-1) |
| Hosston | Injection Zone | 2 | Injection Well 1 (Nimbus INJ-1) |
| Cotton Valley A | Injection Zone | 2 | Injection Well 1 (Nimbus INJ-1) |
| Cotton Valley B | Injection Zone | 2 | Injection Well 1 (Nimbus INJ-1) |
| Buckner | Middle Confining Zone | 1 | Injection Well 1 (Nimbus INJ-1) |
| Upper Smackover | Injection Zone | 2 | Injection Well 1 (Nimbus INJ-1) |
| Lower Smackover | Lower Confining Zone | 1 | Injection Well 1 (Nimbus INJ-1) |

Final test intervals will be pre-screened with the processed formation micro-imager logging tool to ensure the absence of fractures and to select packer-setting depths within “in-gauge” boreholes for such testing. NSR - Nimbus ARCCS anticipates taking open hole formation pressures in the Hosston, Cotton Valley A, Cotton Valley B, and the Upper Smackover in Nimbus INJ-1. In Nimbus INJ-1, formation stress tests will be taken in Hosston, Cotton Valley A, Cotton Valley B, the Buckner, the Upper and Lower Smackover formation. In Nimbus DM-1, formation stress tests will be taken in the LCSB and Sligo formations.

Confining Zone – Alternate Diagnostic Fracture Injection Test (DFIT)

In a diagnostic fracture injection test (DFIT), a relatively small volume of fluid is injected into the subsurface, creating a hydraulic fracture. DFITs were originally developed for use in low permeability formations, so there is an applicability to testing the confining zones in injection wells as they are going to have relatively lower permeability than the injection formation.

The testing is essentially similar to the mini-frac test, but the test is conducted in either open or cased hole with dual packers straddling the test interval with injection down a test string or drill pipe. After the fracture has been created and injection has ceased, the pressure in the wellbore is monitored for a set duration, which could range from several hours to several days. Formation pressures measured during the injection and recovery periods are used to infer properties of the formation, including the leak-off coefficient, permeability, fracture closure pressure (related to the magnitude of the minimum principal stress and the net pressure), and formation pressure.

During the initial DFIT injection phase, prior to the formation of a fracture, wellbore storage controls the pressure behavior and pressure increases with increasing injection volume. At formation breakdown pressure, a fracture is initiated in the formation. The initiation of a new fracture will cause a decrease in pressure while the expansion of an already existing fracture will cause pressure to plateau. Following breakdown, continued injection causes the fracture to extend further out into the formation (propagation pressure); once injection ceases, the well is shut in and the ISIP (initial shut-in pressure) is measured. The DFIT analysis primarily focuses on the analysis of the trends in propagation and shut-in pressure that occur in the hours and days immediately following the shutting in of the well.

In general, the DFIT procedure is as follows:

1. In a cased hole, perforate the well (small interval or full set).
2. Install high-resolution surface electronic memory gauges on wellhead and run high-resolution gauges downhole (set recording rate set to 1 second intervals). The use of high-resolution gauges will ensure that virtually all pressure changes are recorded (a 0.100 to 0.001 psi gauge resolution is recommended).
3. Load wellbore with water (KCl or saltwater with minimal additives as needed (to avoid clay swelling, etc.)).
4. Start pressure recording before pumping starts and end recording after the fall-off (pressure recovery) is complete.
5. Commence pumping. The injection rate/pressure should be high enough to break down the perforations and initiate a small fracture. After breakdown, the fluid injection rate should be increased to the designed maximum pressure limit and injection should be continuous at a steady rate for 3 to 5 minutes.
6. The step-down phase of the DFIT procedure should then commence. The rate should be stepped down to 75%, then 50%, and optionally 30% of the maximum rate. The duration of each step-down rate drop can be as short as 10 seconds.

7. Following the completion of the step-down phase, pumping will be immediately stopped, the total volume pumped will be recorded, and the wellhead will be secured to prevent tampering.
8. Rig down the pumping equipment without disturbing the isolated electronic gauges.
9. Collect the data from the pump unit as well as the acquisition setup.

2.5.1 Analysis

The analysis of mini-frac/DFIT test data is performed in two parts: pre-closure analysis and after-closure analysis. Pre-closure analysis consists of identifying closure and analyzing the early pressure falloff period while the induced fracture is closing. One of the most critical parameters in fracture treatment design is the fracture closure pressure.

The following parameters are determined from the post-closure analysis:

- Instantaneous Shut-In Pressure (ISIP) = Final injection pressure - Pressure drop due to friction
- ISIP Gradient = ISIP / Formation Depth
- Closure Gradient = Closure Pressure / Formation Depth
- Net Fracture Pressure (Δp_{net}) – Net fracture pressure is the additional pressure within the frac above the pressure required to keep the fracture open. It is an indication of the energy available to propagate the fracture.
 - $\Delta p_{\text{net}} = \text{ISIP} - \text{Closure Pressure}$
- Fluid efficiency – Fluid efficiency is the ratio of the stored volume within the fracture to the total fluid injected. A high fluid efficiency means low leak-off and indicates the energy used to inject the fluid was efficiently utilized in creating and growing the fracture. Low leak-off is also an indication of low permeability. For mini-frac after-closure analysis, high fluid efficiency is coupled with long closure durations and even longer identifiable flow regime trends.
- Gc is the G-function time at fracture closure.
- Formation leak-off characteristics and fluid loss coefficients.
- Fracture closure pressure (pc)

G-Function Analysis

Post-injection (pre-closure) pressure falloff analysis can be performed using the “G-function” and root time methods. The G-function is a dimensionless time function designed to linearize the pressure behavior during normal fluid leak-off from a bi-wing fracture. Any deviations from this behavior can be used to characterize other leak-off mechanisms. The root time plot exhibits similar behavior and can be used to support the G-function analysis (IHS, 2017).

A straight-line trend of the G-function derivative (Gdp/dG) is expected where the slope of the derivative is still increasing. Position the Fracture Closure Identification line, which is anchored to the origin by default, through the straight-line portion of the G-Function derivative. Fracture closure is identified as the point where the G-Function derivative starts to deviate downward from the straight line as shown in the following graphic (IHS, 2017).

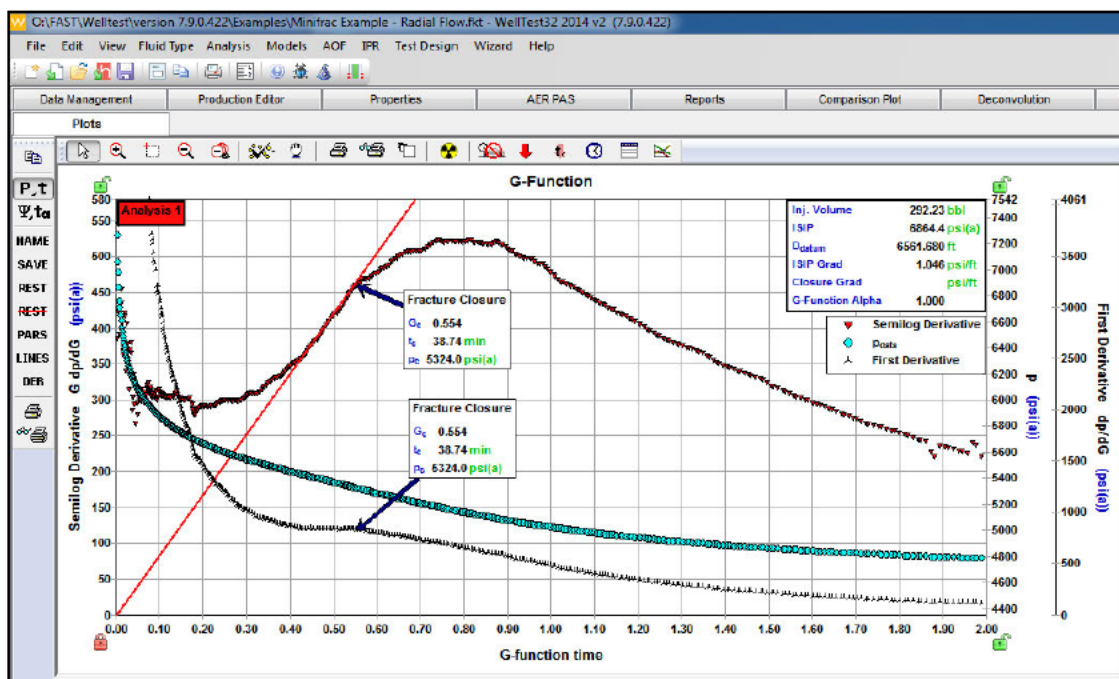


Figure 1: G-Function derivative prior to closure (from IHS, 2017)

https://www.ihsenergy.ca/support/documentation_ca/WellTest/content/html_files/analysis_types/minifrac_test_analyses/minifrac-pre-closure_analysis.htm

Square Root Time Analysis

Fracture closure can be identified by the peak of the first derivative on the sqrt(t) plot, which corresponds to an inflection point on the pressure curve. The semi-log derivative behaves similar to the G-Function Analysis. A user-defined (Sqrt(t)) analysis line may be added to the sqrt(t) plot to help identify the point of inflection (IHS, 2017).

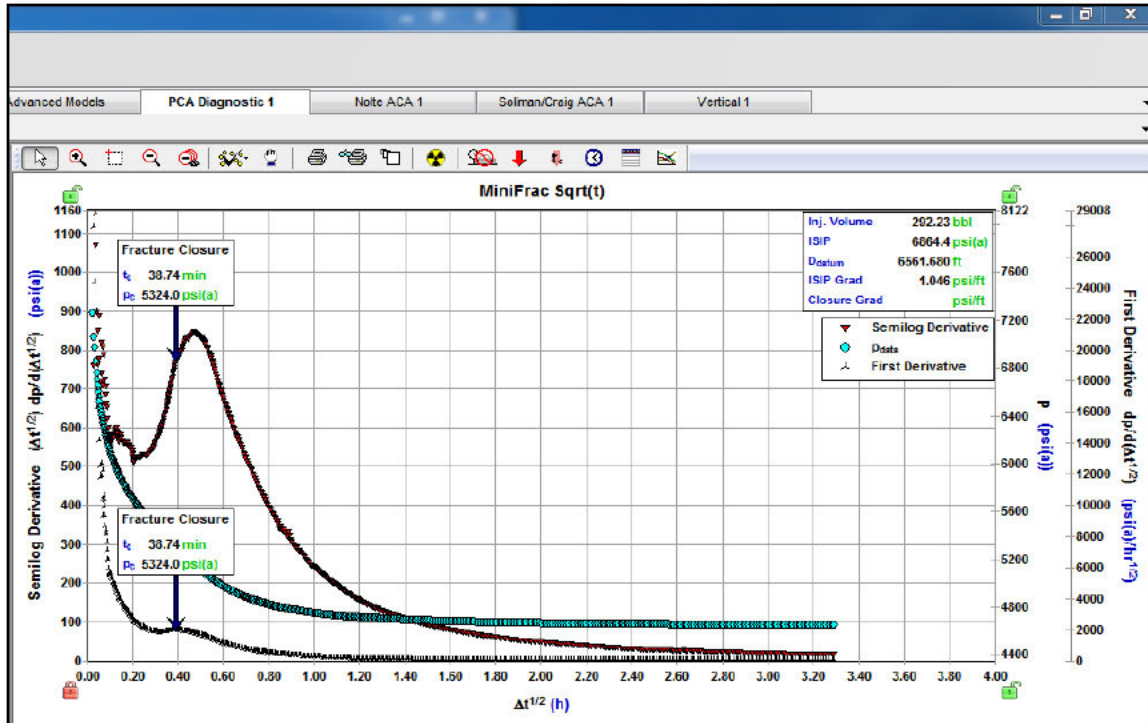


Figure 2: Fracture Closure (from IHS, 2017)

https://www.ihsenergy.ca/support/documentation_ca/WellTest/content/html_files/analysis_types/minifrac_test_analyses/minifrac-pre-closure_analysis.htm

2.6 DEMONSTRATION OF INJECTION WELL MECHANICAL INTEGRITY

Tabulated below (Table 8) is a summary of the Mechanic Integrity Tests (MITs) to be performed on the Injection Wells for the NSR-Nimbus ARCCS site. These tests will be run after installation and prior to commencing sequestration operations. Tests conducted to ensure mechanical integrity of the wells are described in Table 9. The tests will include a pressure test of the well annulus using fluid or gas to ensure there are no leaks internal to the well. Additionally, a radioactive tracer survey or noise log will be run to ensure there is no movement of fluid behind pipe. The purpose of these tests is to ensure that the well's integrity is mechanically sound and that there is no

movement of the formation fluid along the wellbore. If the well fails to demonstrate mechanical integrity, the well will be repaired prior to advancing to the next phase of drilling and construction.

Table 8: Summary of Mechanical Integrity Testing – Injection Wells

| Class VI Rule Citation | Rule Description | Test Description | Program Period |
|------------------------|-------------------|---|---|
| 40 CFR §146.89(a)(1) | MIT – Internal | Pressure test using liquid or gas to determine that there is no significant leak in the casing, tubing, or packer | After construction |
| 40 CFR §146.87(a)(4) | MIT – External | Pressure test using liquid or gas and a casing inspection log to demonstrate the internal and external mechanical integrity of the well | |
| 40 CFR §146.87(e)(1) | Formation Testing | Pressure fall-off test, pump test and injectivity test to verify the hydrogeologic characteristics of the injection zone | Prior to injection operations. Every 5-years during operation. |

NSR - Nimbus ARCCS will notify the EPA or the regulatory UIC Program Director at least 30 days prior to conducting the test and provide a detailed description of the testing procedure to be performed. Notice and the opportunity to witness the test/log shall be provided to the EPA or regulatory UIC Program Director at least 48 hours in advance of a given test/log. The wireline logs that will be run during such MITs are listed below (Table 10).

Table 9: Mechanical Integrity Test Logging Summary – Injection Wells

| Test | Description | Frequency |
|---|---|---|
| Casing Inspection Log (Internal MIT) | To detect deformation, physical wear, and/or corrosion | After Injection Well Construction |
| Cement Bond Log (External MIT) | To evaluate integrity of the cement job between the casing and the formation | After Injection Well Construction |
| Tracer Survey (Oxygen Activation Log) | To detect the movement of fluid behind pipe | After Injection Well Construction Annual Basis during Injection Operations |
| Temperature or Noise Log (External MIT) | To detect thermal or acoustic anomalies that deviate from the baseline gradient and thus detect the movement of fluid behind pipe | After Injection Well Construction Annual Basis during Injection Operations |

During injection operations, an MIT will be performed on an annual basis, within 45 days of the anniversary of the preceding year's test which will include either a Tracer Survey, Temperature,

or Noise Log. Details on the annual testing 40 CFR §146.87(C) are contained in “*E.1 – Testing and Monitoring Plan*”.

In addition to running wireline logs, an Annulus Pressure Test (APT) will be run to verify the well’s internal integrity. The test will be run after well completion and prior to injection operations. Pressures will be recorded on a time-drive recorder for at least 60 minutes in duration and the chart or digital printout of times and pressures will be certified as true and accurate. The pressure scale on the chart will be low enough to readily show a 5 percent change from the starting pressure. In general, the test procedure will be as follows:

1. Connect a high-resolution pressure transducer to the annulus and increase annulus pressure to at least 100 psig over the permitted maximum tubing/injection pressure. Conduct Annulus Pressure Test (APT) by holding annular pressure a minimum of 100 psig above the well’s maximum permitted surface injection pressure for a minimum of 60 minutes.
2. At the conclusion of the APT, annular pressure will be lowered to the well’s normal, safe pressure and the pressure recording equipment will be removed from the wellbore.

A successful pressure test will “PASS” if the pressure holds to +/-5 percent of the starting pressure. **IF** the test indicated that the wellbore is not able to hold pressure for a selected time period, then the test will be considered a “FAIL.” The test will be repeated and if the well continues to “FAIL,” the construction of the well may have lost its integrity. Additional tests at progressively lower pressures may be run to identify the pressure at which the annulus can hold a differential. Continuous monitoring of the annulus system will be reviewed to identify if there is any data that may lead to a potential leak and assist in diagnosing potential issues with the annulus.

Responses to potential loss of well integrity during the construction and testing phase are included in “*E.4 – Emergency and Remedial Response Plan*” submitted in Module E.

2.6.1 Reporting

NSR - Nimbus ARCCS will submit a descriptive report prepared by an experienced log analyst that includes the results of any mechanical integrity test with the application for CCS Project Certification. At a minimum, the report will include:

- Chart and tabular results of each log or test.
- The interpretation of log results provided by a qualified log analyst.
- A description of all tests and methods used.
- The records and schematics of all instrumentation used for the tests and the most recent calibration of any instrumentation.
- The identification of any loss of mechanical integrity, evidence of fluid leakage, and remedial action taken.
- The date and time of each test.
- The name of the logging company that conducted the testing and the log analyst who evaluated the test.
- For any tests conducted during injection, operating conditions during measurement, including injection rate, pressure, and temperature (for tests run during well shut-in, this information must be provided relevant to the period prior to shut-in); and
- For any tests conducted during shut-in, the date and time of the completion of injection and records of well pressure re-equilibration.

NSR - Nimbus ARCCS will submit a report prepared by a specialist for the details on the formation fracture testing results [per 40 CFR §146.87(b)]. The report will include information on collection and testing methods employed, specifics on the test run and calibration of instrumentation as appropriate, results in tabular or graphic form, and photographs as appropriate. The report will be submitted to the UIC Program Director.

If a well cannot establish mechanical integrity, a report within 24 hours will be submitted to the UIC Program Director [per 40 CFR §146.91(c)(4)] and NSR will work with EPA on a path forward.

2.7 FORMATION TESTING

NSR - Nimbus ARCCS will perform pressure fall-off tests during the injection phase as described below to meet the requirements of 40 CFR §146.90(f). Pressure fall-off testing will be conducted

upon completion of the Injection Well to characterize baseline formation properties, as well as determine near wellbore/reservoir conditions that may impact the injection of carbon dioxide.

2.7.1 Ambient Pressure Falloff Testing

NSR - Nimbus ARCCS will perform an initial (baseline) pressure fall-off test in the Injection Wells using brine or municipal water mixed with a clay stabilizer to avert clay swelling. This will allow for baseline characterization of the transmissibility to fluid within each Injection Zone. The initial pressure fall-off testing will be repeated using carbon dioxide within the first 60 days following initiation of sequestration operations. This will allow for comparison to the baseline fluid-to-fluid test with the change in the injection fluid from brine water to carbon dioxide.

A pressure fall-off test will be performed annually at five -year intervals (within +/-45 days of the anniversary of the previous test), for the lifetime of injection operations per 40 CFR 146.90(f). Periodic testing is expected to provide insight into the performance of the Nimbus ARCCS sequestration site and potentially aid in assessing the dimensions of the expanding carbon dioxide plume, based on the expected lateral transition from supercritical carbon dioxide near the wellbore to native formation brine beyond the plume. A final pressure fall-off test will be run after the cessation of injection into the Injection Well.

Test Details

Testing procedures will follow the methodology detailed in “*EPA Region 6 UIC Pressure Falloff Testing Guideline-Third Revision (August 8, 2002)*”¹. Bottomhole pressure measurements will be recorded downhole near the perforations (preferred) due to phase changes within the column of carbon dioxide in the tubing. A surface pressure gauge may also serve as a monitoring tool for tracking testing progress.

The pressure gauge can be either installed as part of the completion or can be deployed via a wireline truck. If a wireline truck deployed gauge is used, the wireline should be corrosion resistant, and the deployed gauges should consist of a surface read-out gauge with a memory backup. Standard gauge specifications are presented in Table 10 as an example.

¹ <https://www.epa.gov/sites/default/files/2015-07/documents/guideline.pdf>

Table 10: Examples of Injection/Falloff Pressure Gauge Information – Wireline Testing Operations

| Pressure Gauge | Property | Value |
|---------------------------------------|--|--|
| Surface Readout Pressure Gauge | Range | 0 – 10,000 psi/356 °F |
| | Resolution | +/-0.01 psi/0.01 °F |
| | Accuracy | +/-0.03% of full scale (+/-3 psi/+/-0.1 °F) |
| | Manufacturer’s Recommended Calibration Frequency | Minimum Annual |
| Memory Pressure Gauge | Range | 0 – 10,000 psi/356 °F |
| | Resolution | +/-0.01 psi/0.01 °F |
| | Accuracy | +/-0.03% of full scale (+/-3 psi/+/-0.1 °F) |
| | Manufacturer’s Recommended Calibration Frequency | Minimum Annual |

The general testing procedure is as follows (and presumes that a wireline-deployed unit is used for the testing). **NOTE:** a dedicated downhole monitoring gauge may be used if installed in the Injection Well:

1. Mobilize wireline unit to the injection well and rig up on wellhead.
2. Rig up a wireline lubricator containing a calibrated downhole surface-readout (SRO) pressure gauge with memory gauge installed in the tool string as a backup, to the adapter above the crown valve. Each gauge should have an operating range of 0 - 10,000 psi. Reference the gauge to kelly bushing (KB) reference elevation as well as the elevation above ground level.
3. Open crown valve, record surface injection pressure, and run-in hole with SRO pressure gauge to just above the shallowest perforations in the completion while maintaining injection at a constant rate. Steady rates of injection should be maintained for at least 24 hours ahead of the planned shut-in of the injection well. Any offset injection well(s) should be either shut-in ahead of the testing or should maintain a constant rate of injection for the entire duration of the testing. This will minimize cross-well interference effects.

4. With the SRO pressure gauge positioned just above the perforations, monitor the bottom-hole injection pressure response for ± 1 hour to allow the gauge to stabilize (temperature and pressure stabilization). Ensure that the injection rate and pressure are stable.
5. Cease injection as rapidly as possible (controlled quick shut-in); close the control valve and the manual flowline valve at the well site (start with the valve **closest** to the wellhead so that wellbore storage effect in early time is minimized). Conduct the pressure fall-off test for approximately 24 hours, or until bottomhole pressures have stabilized.
6. Lock out all valves on the injection annulus pressure system so that the annulus pressure cannot be changed during the falloff period. Ensure that valves on the flow line to the injection well are closed and locked to prevent flow to the well during the fall-off period.
7. After 24 hours, download data and make preliminary field analysis of the fall-off test data with computer-aided transient test software to estimate if or when radial flow conditions might be reached. If sufficient data acquisition is confirmed, end fall-off test. If additional data is required, extend the fall-off test until radial flow conditions are confirmed. After confirmation of sufficient data acquisition, end fall-off test.
8. Retrieve the SRO pressure gauge tool out of the well, stopping at 1,000-foot increments and allowing the gauge to stabilize (five minutes for each stop). Record the stabilized temperature and pressure. Repeat the process to collect stabilized pressure data (5-minute stops) at 1,000-foot intervals and in the lubricator.

In performing a fall-off test analysis, a series of plots and calculations will be prepared to QA/QC the test, identify flow regimes, and determine well completion and reservoir parameters. It will also be used to compare formation characteristics such as transmissivity and skin factor of the near wellbore for changes over time. Skin effects due to drilling and completion (possible damage from perforation) will be assessed for the wells injectivity and potential well cleanouts in the future. These tests can also measure drops in pressure due to potential damage/leakage over time. In CO₂, it is anticipated that pressure drops may indicate multiple fluid phases. The analysis will be designed to consider all parameters.

Reports will be submitted to the EPA within 30 days of the test [per 40 CFR §146.91(e) and §146.91 (b)(3)].

3.0 MONITORING WELLS – TESTING STRATEGY

The following tests and log acquisitions may be conducted during drilling, during casing installation, and after casing installation in the project Monitoring Wells. As such, similar data collected for the Injection Wells may be gathered in the Monitoring Wells. The project currently anticipates that four up dip IZ Monitoring Wells (Nimbus DM-1 to Nimbus DM-4) will be implemented for the project. The project monitoring well will be located up dip of the sequestered CO₂. The location of the well aligns with the expected plume track and will be completed across each of the Injection Zones. As part of the indirect monitoring program, NSR will continually evaluate performance versus target metrics for the selected system. If the selected system is not performing to an acceptable level, NSR will either select and implement another indirect method or may drill the contingent second IZ Monitoring well.

Additionally, one ACZ Monitoring Well (Nimbus SM-1) has been designed to target the first permeable zone (the saline Tokio Formation) above the Confining Zone and will monitor downhole conditions and geochemical properties.

Monitoring well construction details, procedures, and schematics are contained in Section 5.4 of the Project Narrative technical report submitted in Module A.

3.1 DEVIATION CHECKS

The ACZ monitor well (Nimbus SM-1) located on the same pad as the injection wells and on single-well pads, for wells Nimbus DM-1-4 (in-zone monitoring wells), the minimum interval for taking surveys along the full length of the well will be every 500 feet by means of a single-shot survey tool, gyro or measurements while drilling (MWD), depending on the drilling tools employed at the time.

3.2 LOGGING PROGRAM

The well logging program in the Monitoring Wells will cover open hole and cased hole for all drilling stages. The logging program will generally meet similar requirements as those for the injection wells and will be constructed to the Arkansas State standards. These data will be used to reduce uncertainty and will be used to determine *in-situ* formation properties such as: thickness,

porosity, permeability, lithology, formation fluid salinity and reservoir pressure [per 40 CFR 146.87].

The logging program for the Monitoring Wells will be defined based on the initial well design and recompletion, and the logging requirements to track the CO₂ plume and pressure movement. Table 11 shows an example of a typical logging program expected for a Monitoring Well. Additional data may be gathered as needed.

Table 11: Logging Runs and Data Acquisition – Monitoring Wells

| Hole Section | Well Log | Data Acquisition Profile |
|--------------|-----------------------|---|
| Open Hole | Spontaneous Potential | Spontaneous Potential and formation fluid salinity |
| | Resistivity | Fluid conductivity, presence of fresh vs. saline water |
| | Gamma Ray | Clay content |
| | Open Hole Caliper | Borehole diameter and log correction; identify washouts |
| Cased Hole | Cement Bond | Determine the integrity of the cement radially |
| | Variable Density | Well completion quality/cement integrity |
| | Temperature | Develop temperature profile. Establish Baseline gradient. |

3.3 CORE PROGRAM

Petrophysics is used in building the static geologic model for the project. The uncertainty in the static model is impacted by the amount and quality of open hole log, whole core, and rotary sidewall core data. To account for the limited available data of the Injection Zones in the local area, NSR plans to acquire 35 rotary sidewall cores in the deep in-zone monitoring well Nimbus DM-1. The preliminary plan is to collect rotary sidewall cores across the various injection zones as presented in Table 12. Final sidewall core acquisition will be dependent on hole conditions and logging analysis to determine the location and number of side wall cores per formation.

Table 12: Proposed Sidewall Core Acquisition – In-Zone Monitoring Nimbus DM-1

| Formation | Sidewall Cores | Core Analysis |
|-----------|----------------|-----------------------|
| Sligo | 7 | Routine Core Analysis |
| Hosston | 7 | Routine Core Analysis |

| | | |
|-----------------|---|-----------------------|
| Cotton Valley A | 7 | Routine Core Analysis |
| Cotton Valley B | 7 | Routine Core Analysis |
| Upper Smackover | 7 | Routine Core Analysis |

3.3.1 Analysis

Routine core analysis (RCA) will be performed to determine the spatial variability of the porosity, permeability, and bulk density of the formations. The results will also be included in the refined model to reduce uncertainties in homogeneity of the zones. Additional analyses may include a lithologic core description, thin section preparation and analyses, XRD, XRF to characterize compositional make-up of the key intervals and to reduce uncertainties that impact the depositional and flow environments. The analyses of the additional collected core and fluid samples may be used to refine and enhance site characterization per 40 CFR §146.82(a).

3.4 FORMATION FLUID ANALYSIS

NSR - Nimbus ARCCS may acquire formation pressure and mobility data in the Monitoring Wells to evaluate the effectiveness of the primary seal and understand connectivity between the formations laterally and vertically.

NSR - Nimbus ARCCS will acquire baseline fluid samples for the Tokio Formation as part of the shallow ACZ Monitoring Well construction and completion program. Subsequent fluid samples might also be acquired to track the CO₂ pressure and plume front at future intervals. Additionally, NSR - Nimbus ARCCS will acquire baseline samples of the selected USDW formations for one year prior to injection. Samples collected will be sufficient to characterize laterally and vertically across the formations. NSR - Nimbus ARCCS will follow the USEPA guidelines for pressure and fluid sampling.

3.5 DEMONSTRATION OF MONITORING WELL MECHANICAL INTEGRITY

Cement bond and cement evaluation tools will be run on the final casing string in each monitor well and will include a Flexural Wave Imaging tool run. A baseline Nuclear Spectroscopy Log (Pulsed Neutron Tool) will be run in cased hole in each Monitoring Well after installation and completion. The logs will be run prior to commencement of sequestration injection operations to

establish initial conditions. Thereafter, an adaptive program of repeat surveys will be performed if indications of carbon dioxide approaching the monitoring locations are indicated on the pressure/temperature gauges. Additionally, a baseline temperature survey will be run in each Monitoring Well and thereafter under an adaptive program to ensure there is no movement of fluid behind the pipe. The purpose of these tests is to ensure that the well's integrity is mechanically sound and that there is no movement of the formation fluid along the wellbore annulus.

3.6 FORMATION TESTING

NSR - Nimbus ARCCS may perform baseline pressure fall-off tests during the construction of the Monitoring Wells. These tests, if conducted, will be used to quantify spatial variability both laterally and vertically. Procedures will follow those specified in Section 2.7 for the Injection Wells.