



November 28, 2023

Mr. Reice Haase, Deputy Executive Director  
North Dakota Industrial Commission  
ATTN: Oil and Gas Research Program  
State Capitol – 14<sup>th</sup> Floor  
600 East Boulevard Avenue, Department 405  
Bismarck, ND 58505-0840

Re: North Dakota Industrial Commission Contract G-055-110-c  
Request for Time Extension & Request for Additional Funds  
Well Site Thief Hatch Methane Detectors

Dear Mr. Haase:

On behalf of Vareberg Engineering, Ltd. and Blue Rock Solutions, LLC, we would like to request an amendment to Section 2.b of the subject agreement to allow for the Final Report to be submitted on July 1, 2024. Additional Status Reports shall also be submitted on January 1, 2024 and April 1, 2024. The amendment should also change the Terms of the Agreement in Section 24 to end on July 1, 2024.

Blue Rock Solutions would also like to request an amendment to Section 3a of the subject agreement to increase the amount of the contract from \$266,000 to \$436,000 (increase of \$170,000).

Both the request for time extension and request for additional funds are due to the following circumstances:

1. Testing of the devices by Underwriters Laboratories is taking much longer than anticipated (Approximately 9 months of additional time expected).
2. Requests by potential clients for multiple communications protocols increased design time and associated costs.
3. Additional costs were incurred by subcontractor (Signum, LLC) to develop user interface to access collected information from the Cloud (Web Portal).
4. Additional costs for 3<sup>rd</sup> Party testing by Colorado State University System: Methane Emission Technology Evaluation Center (METEC)
5. Additional costs for design revisions following initial 3<sup>rd</sup> Party testing.

Please refer to Attachment A – Revised Budget and Attachment B – Funding Source Updates for more detailed information.

If these requests are acceptable, please issue an amended agreement at your convenience. Please let us know if you have any questions or require additional information.

Respectfully submitted,

**VAREBERG ENGINEERING, LTD.**

A handwritten signature in black ink, appearing to read 'Troy D. Vareberg', is written over a horizontal line.

Troy D. Vareberg, PE

Enclosures:

Attachment A – REVISED BUDGET  
Attachment B – FUNDING SOURCE UPDATES

**ATTACHMENT A – REVISED BUDGET**

<b>PROJECT ASSOCIATED EXPENSE</b>	<b>Hrs</b>	<b>Rate/hour</b>	<b>Total Cost</b>	<b>NDIC Share</b>	<b>Applicant's Share</b>
<b>Engineering/Design</b>					
Project Manager (Blue Rock)	160	\$160	\$25,600	\$0	\$25,600
Design Engineer (Blue Rock)	160	\$125	\$20,000	\$0	\$20,000
Contractor (Signum, LLC)			\$60,000	\$45,000	\$15,000
Project Manager (Blue Rock)	160	\$175	\$28,000	\$0	\$28,000
Contractor (Signum, LLC) - Redesign			\$60,000	\$45,000	\$15,000
<b>Fabrication / Lab Testing</b>					
Project Manager (Blue Rock)	160	\$160	\$25,600	\$0	\$25,600
Design Engineer (Blue Rock)	160	\$125	\$20,000	\$0	\$20,000
Contractor (Signum, LLC)			\$60,000	\$45,000	\$15,000
<b>Software Development</b>					
Project Manager (Blue Rock)	120	\$160	\$19,200	\$0	\$19,200
Design Engineer (Blue Rock)	120	\$125	\$15,000	\$0	\$15,000
Contractor (Signum, LLC)			\$45,000	\$36,000	\$9,000
<b>Web Portal</b>					
Project Manager (Blue Rock)*	200	\$175	\$35,000	\$0	\$35,000
Contractor (Signum, LLC)			\$120,000	\$100,000	\$20,000
<b>Testing by METEC</b>					
Project Manager (Blue Rock)*	120	\$175	\$21,000	\$0	\$21,000
Contractor (METEC)			\$30,000	\$25,000	\$5,000
<b>Field Installation- Pilot Project</b>					
Project Manager (Blue Rock)	60	\$160	\$9,600	\$0	\$9,600
Design Engineer (Blue Rock)	60	\$125	\$7,500	\$0	\$7,500
Producer (Continental Resources)	60	\$125	\$7,500	\$0	\$7,500
<b>Follow-up Site Visits - Pilot Project</b>					
Design Engineer (Blue Rock)	80	\$125	\$10,000	\$0	\$10,000
Producer (Continental Resources)	80	\$125	\$10,000	\$0	\$10,000
<b>Reporting / Documentation</b>					
Project Manager (Blue Rock)	160	\$150	\$24,000	\$0	\$24,000
Clerical (Blue Rock)	40	\$75	\$3,000	\$0	\$3,000
<b>Materials / Equipment</b>			\$45,000	\$30,000	\$15,000
<b>Travel Expenses</b>			\$25,000	\$0	\$25,000
<b>UL Testing/Listing</b>					
Standard Testing			\$60,000	\$45,000	\$15,000
Hazardous Location Testing			\$60,000	\$45,000	\$15,000
<b>Legal Fees (FTO, Patent)</b>			\$30,000	\$20,000	\$10,000
<b>Totals</b>			<b>\$876,000</b>	<b>\$436,000</b>	<b>\$440,000</b>

**ATTACHMENT B - FUNDING SOURCE UPDATE**

---

<b>Funding Source</b>	<b>Current Amount</b>	<b>This Request</b>	<b>Total Amount</b>
Blue Rock Solutions	\$316,000	\$124,000	\$440,000
ND Industrial Commission	\$266,000	\$170,000	\$436,000
<b>TOTAL</b>	\$582,000	\$294,000	\$876,000