

FORM  
2

Rev  
12/20

## State of Colorado

### Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203  
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

402812915

Date Received:

11/12/2021

### APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

Amend ☐

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER: Helium

Refill ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Enterprise State Well Number: 16-1 (2962)  
Name of Operator: BNL (ENTERPRISE) INC COGCC Operator Number: 10763  
Address: 5 TAMARADE DRIVE  
City: LITTLETON State: CO Zip: 80127  
Contact Name: Trent Spry Phone: (303)942-0506 Fax: ( )  
Email: tspry@bluestarhelium.com

### RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20200196

### WELL LOCATION INFORMATION

#### Surface Location

QtrQtr: NESE Sec: 16 Twp: 29S Rng: 62W Meridian: 6  
Footage at Surface: 2015 Feet FSL 786 Feet FEL  
Latitude: 37.518290 Longitude: -104.337470  
GPS Data: GPS Quality Value: 1.3 Type of GPS Quality Value: PDOP Date of Measurement: 06/10/2021  
Ground Elevation: 5753  
Field Name: WILDCAT Field Number: 99999

Well Plan: is ☐ Directional ☐ Horizontal (highly deviated) ☒ Vertical

If Well plan is Directional or Horizontal attach Deviated Drilling Plan and Directional Data.

#### Subsurface Locations

Top of Productive Zone (TPZ)  
Sec: Twp: Rng: Footage at TPZ: FNL/FSL FEL/FWL  
Measured Depth of TPZ: True Vertical Depth of TPZ:  
Base of Productive Zone (BPZ)  
Sec: Twp: Rng: Footage at BPZ: FNL/FSL FEL/FWL  
Measured Depth of BPZ: True Vertical Depth of BPZ:  
Bottom Hole Location (BHL)  
Sec: Twp: Rng: Footage at BHL: FNL/FSL FEL/FWL

### LOCAL GOVERNMENT PERMITTING INFORMATION

County: LAS ANIMAS Municipality: N/A

Is the Surface Location of this Well in an area designated as one of State interest and subject to the requirements of § 24-65.1-108 C.R.S.? No

Per § 34-60-106(1)(f)(I)(A) C.R.S., the following questions pertain to the Relevant Local Government approval of the siting of the proposed Oil and Gas Location.

SB 19-181 provides that when "applying for a permit to drill," operators must include proof that they sought a local government siting permit and the disposition of that permit application, or that the local government does not have siting regulations. § 34-60-106(1)(f)(I)(A) C.R.S.

Does the Relevant Local Government regulate the siting of Oil and Gas Locations, with respect to this Location? ☐ Yes ☒ No

☐ If yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location.

The disposition of the application filed with the Relevant Local Government is: Approved Date of Final Disposition: 11/23/2021

Comments: Local government does not regulate the siting of oil and gas operations. However they do require a general local permit for oil and gas operations; this local permit was pending when the OGD and Form 2A were approved, and has subsequently been approved by Las Animas County.

## SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATION

Surface Owner of the land at this Well's Oil and Gas Location: ☐ Fee ☒ State ☐ Federal ☐ Indian

Mineral Owner beneath this Well's Oil and Gas Location: ☐ Fee ☒ State ☐ Federal ☐ Indian

Surface Owner Protection Financial Assurance (if applicable): \_\_\_\_\_ Surety ID Number (if applicable): \_\_\_\_\_

### MINERALS DEVELOPED BY WELL

The ownership of all the minerals that will be developed by this Well is (check all that apply):

- ☐ Fee  
☒ State  
☐ Federal  
☐ Indian  
☐ N/A

### LEASE INFORMATION

Using standard QtrQtr, Section, Township, Range format describe one entire mineral lease as follows:

\* If this Well is within a unit, describe a lease that will be developed by the Well.

\* If this Well is not subject to a unit, describe the lease that will be produced by the Well.

(Attach a Lease Map or Lease Description or Lease if necessary.)

T29S R62W Section 16: All

Total Acres in Described Lease: 640 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian

Federal or State Lease # OG-112938

### SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1644 Feet  
Building Unit: 2153 Feet  
Public Road: 3867 Feet  
Above Ground Utility: 3497 Feet

#### INSTRUCTIONS:

- Specify all distances per Rule 308.b.(1).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit – as defined in 100 Series Rules.

Railroad: 5280 Feet  
Property Line: 786 Feet

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
LYONS	LYNS			

Federal or State Unit Name (if appl): Unit Number:

## SUBSURFACE MINERAL SETBACKS

Enter 5280 for distance greater than 1 mile.

Is this Well within a unit? No

If YES:

Enter the minimum distance from the Completed Zone of this Well to the Unit Boundary: Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well within the same unit permitted or completed in the same formation: Feet

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: 786 Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well producing from the same lease and permitted or completed in the same formation: 5280 Feet

## Exception Location

☐ If this Well requires the approval of a Rule 401.c Exception Location, enter the Rule or spacing order number and attach the Exception Location Request and Waivers.

## SPACING & FORMATIONS COMMENTS

## DRILLING PROGRAM

Proposed Total Measured Depth: 2500 Feet TVD at Proposed Total Measured Depth 2500 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: Feet ☒ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No If yes, attach an H<sub>2</sub>S Drilling Plan unless a plan was already submitted with the Form 2A per Rule 304.c.(10).

Will there be hydraulic fracture treatment at a depth less than 2,000 feet in this well? No

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: ☐ Annular Preventor ☒ Double Ram ☐ Rotating Head ☐ None

Beneficial reuse or land application plan submitted?

Reuse Facility ID: or Document Number:

**CASING PROGRAM**

<u>Casing Type</u>	<u>Size of Hole</u>	<u>Size of Casing</u>	<u>Grade</u>	<u>Wt/Ft</u>	<u>Csg/Liner Top</u>	<u>Setting Depth</u>	<u>Sacks Cmt</u>	<u>Cmt Btm</u>	<u>Cmt Top</u>
SURF	8+3/4	7	J-55	20	0	750	119	750	0
1ST	6+1/8	4+1/2	J-55	11.6	0	2500		2500	

☐ Conductor Casing is NOT planned

**POTENTIAL FLOW AND CONFINING FORMATIONS**

<u>Zone Type</u>	<u>Formation /Hazard</u>	<u>Top M.D.</u>	<u>Top T.V.D.</u>	<u>Bottom M.D.</u>	<u>Bottom T.V.D.</u>	<u>TDS (mg/L)</u>	<u>Data Source</u>	<u>Comment</u>
Confining Layer	Graneros	0	0	120	120			
Hydrocarbon	none	0	0	2500	2500			No hydrocarbons expected.
Groundwater	Dakota	120	120	242	242	501-1000	Other	Offset wells, DWR, Surface owner - Sand
Groundwater	Purgatoire	242	242	356	356	501-1000	Other	Offset wells, DWR, Surface owner - Sand Limestone, Shale
Confining Layer	Morrison	356	356	580	580			Limestone, Shale, Sand
Confining Layer	Entrada	580	580	720	720			Shale, Sand
Confining Layer	Lykins	720	720	835	835			Shale, Dolomite
Confining Layer	Blaine	835	835	905	905			Shale, Gyps, Anyd, Lime
Groundwater	Lyons	905	905	1097	1097	>10000	Other	Sand (helium gas, no hydrocarbons expected)
Confining Layer	Fountain	1097	1097	2500	2500			Shale, Silt, Sand

**OPERATOR COMMENTS AND SUBMITTAL**

Comments

This well is an exploratory helium well. This well will not be hydraulically stimulated.

Per the approved OGD, nitrogen and carbon dioxide will be vented. No hydrocarbons are anticipated. If hydrocarbons are present the well will be shut in.

This application is in a Comprehensive Area Plan No CAP #: \_\_\_\_\_

OGDP ID#: 480567 OGD Name: Enterprise State 16-1 (2962) Expiration Date: 10/26/2024

Location ID: 481042 Location Name: Enterprise State 16-1 (2962)

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: \_\_\_\_\_ Print Name: Andrea Gross

Title: Permit Agent Date: 11/12/2021 Email: agross@upstreampm.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved:  Director of COGCC Date: 12/22/2021

Expiration Date: 12/21/2024

**API NUMBER**

05 071 09918 00

## **Conditions Of Approval**

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

### **Condition of Approval**

<b><u>COA Type</u></b>	<b><u>Description</u></b>
Drilling/Completion Operations	The operator will perform an inclination survey of the wellbore per Rule 410.c. The operator will file the inclination survey with the Form 5 per Rule 410.c.(1).
	1) If groundwater flow or hydrocarbon bearing zones are encountered during drilling, cement the production casing to 500' above the zone. 2) If dry hole, set minimum 100' plugs across the Lyons and Dakota formation tops and half-in half out of the surface casing shoe.
2 COAs	

### **Best Management Practices**

<b><u>No</u></b>	<b><u>BMP/COA Type</u></b>	<b><u>Description</u></b>

### **Attachment List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
2598081	WELLBORE DIAGRAM
402812915	FORM 2 SUBMITTED
402865635	WELL LOCATION PLAT

Total Attach: 3 Files

### **General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
OGLA	Contacted operator for clarification on local permit status and cultural distances. With operator concurrence, added the local permit approval date and comment describing local permit process, and corrected distance to nearest public road and aboveground utility.	12/22/2021
Permit	Final Review Completed.	12/10/2021
Permit	Added location ID.	12/09/2021
Permit	Per related Form 2A: "Technical Review/State Land Board comment: on 9/29/2021 State Land Board provided the following comment via email to OGLA Staff on this location: The State Land Board does not have any objection to this proposed location."	12/09/2021
OGLA	The Commission approved OGDG #480567 on 10/27/2021 for the Oil and Gas Location related to this Form 2. OGLA task passed.	11/15/2021
Permit	Returned to draft per operator request.	11/12/2021

Total: 6 comment(s)