
WATER PLAN

BNL | ENTERPRISE

State 16 SWSE 3054

Sec. 16 T30S R54W (SW/4 SE/4)

Las Animas County, Colorado

Surface: State

Submitted as an accompaniment to the Form 2A Application.
This plan identifies the planned source of water for drilling and completion operations.

January 19, 2022

BNL (Enterprise) Inc. Las Animas County, Colorado

Water Plan

Project Summary:

BNL (Enterprise) Inc. ("BNL") proposed State 16 SWSE 3054 Location is located in Sec. 16 T30S R54W in Las Animas County, Colorado. BNL plans to drill and test one **helium** well. If the well produces commercial quantities of helium the well will be shut-in for a period of six to nine months until helium production/processing facilities can be constructed on an offsite facility location. The helium facility will be on lands outside of the Oil and Gas Development Plan. The facility will be constructed on private surface. The landowner agreement provides for the installation of the gas gathering line. The production/processing facilities will not require an oil and gas development plan. BNL will use a 130-mil rig liner during the drilling and testing of the well. As minimal soil will be disturbed during this time as possible. The well will be drilled vertically to no more than 2,500 feet and will not require hydraulic fracturing. The proposed location is state surface and state minerals with a total pad disturbance of 3.4± acres. During the drilling and testing phase, the existing access road will be minimally upgraded to allow for construction and, if needed, emergency vehicles. If the well proves to be of commercial quantities, the road will be crowned and ditched, in consultation with the Colorado State Land Board and any other owners along the access route. The graded site elevation is expected to be approximately 5,505'. No federal lands or minerals are involved in this project. All operations would be conducted in compliance with all federal, state, and local applicable laws, rules, and regulations.

Plan

BNL's Water Plan contains all requirements set forth by the Colorado Oil and Gas Conservation Rule 304.c.(18).

BNL will purchase water from:

City of Trinidad
135 North Animas Street
Trinidad, CO 81082
Phone Number: 719-846-9843

Water will be trucked to the location.

The surface water source is North Lake. Lat: 37.241206 Long: -105.038300

Water will be stored in the water tank on location.

BNL is anticipating that approximately 1,500 barrels of water will be needed to drill and for dust mitigation per wellpad. The volume may increase depending on the length of the road, if road watering will occur, and how often road watering is performed. Weather and wind will be a major determinant.

There is no immediate plan to use recycled water, mainly due to availability. The project is remote with few water supply options. If the overall project is determined to be favorable for production, BNL will consider applying to the Colorado Division of Water Resources for industrial water well permits and use.

Once conditions are determined in the field and water recycling is determined to be an option, BNL will revise the Water Plan to include use of recycled water.