

FORM
2A

Rev
01/21

State of Colorado Oil and Gas Conservation Commission

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Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

403037876

(SUBMITTED)

Date Received:

05/20/2022

Oil and Gas Location Assessment

This Oil and Gas Location Assessment is to be submitted to the COGCC for approval prior to any ground disturbance activity associated with oil and gas operations. Approval of this Oil and Gas Location Assessment will allow for the construction of the below specified Location; however, it does not supersede any land use rules applied by the local land use authority. Please see the COGCC website at <https://cogcc.state.co.us/> for all accompanying information pertinent this Oil and Gas Location Assessment.

Location ID:

Expiration Date:

New Location Refile Amend Existing Location # _____

If this Location assessment is a component of an Oil and Gas Development Plan (OGDP) application, enter the OGDP docket number(s).

Docket Number	OGDP ID	OGDP Name
220500108		

If this Location assessment is part of an approved Oil and Gas Development Plan, enter the OGDP ID number(s).

<No existing OGDP number provided>

CONSULTATION

- This location is included in a Comprehensive Area Plan (CAP). CAP ID # _____
- This Location or its associated new access road, utility, or Pipeline corridor meets Rule 309.e.(2).A, B, or C.
- This Location is within 2,640 feet of a GUDI or Type III Well per Rule 411.b.(4).
- This Location includes a Rule 309.e.(2).E variance request.
- This location includes a Rule 309.f.(1).A.ii. variance request.

Operator

Operator Number: 10763

Name: BNL (ENTERPRISE) INC

Address: 2011 FOREST AVENUE

City: DURANGO State: CO Zip: 81301

Contact Information

Name: Peter Kondrat

Phone: (970) 759-5370

Fax: ()

email: pkondrat@bluestarhelium.com

FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID (Rule 706): 20210057 Gas Facility Surety ID (Rule 711): _____
- Waste Management Surety ID (Rule 704): _____

LOCATION IDENTIFICATION

Name: BBB 33 SESE Number: 2860

Provide the location description and the latitude and longitude of a single point near the center of the Working Pad Surface as a reference for this Location.

Quarter: SESE Section: 33 Township: 28S Range: 60W Meridian: 6 Ground Elevation: 5425

Latitude: 37.560784 Longitude: -104.118327

GPS Quality Value: 2.2 Type of GPS Quality Value: PDOP Date of Measurement: 01/11/2022

Date of local government consultation:

Did a pre-application Formal Consultation Process occur with the Federal land manager per Rule 301.f.(3)? No

Date of federal consultation: _____

Was an ALA that satisfies Rule 304.b.(2).C (or substantially equivalent information per Rule 304.e) developed during a federal or local government permit application process? If yes, attach the ALA to the Form 2A. No

ALA APPLICABILITY AND CRITERIA

Complete this section for any pre-application consultation related to this proposed Oil and Gas Location that occurred prior to the submission of this Form 2A. If a pre-application Formal Consultation Process occurred, attach a Consultation Summary.

Does the proposed Oil and Gas Location meet any of the criteria listed in Rule 304.b.(2)B? No

If YES, indicate by checking the box for every Rule 304.b.(2).B criterion met by this proposed Location, and attach an ALA. See Rule 304.b.(2).B.i-x for full text of criteria.

- i. WPS < 2,000 feet from RBU/HOBU
- ii. WPS < 2,000 feet from School/Child Care Center
- iii. WPS < 1,500 feet from DOAA
- iv. WPS < 2,000 feet from jurisdictional boundary and PLG objects/requests ALA
- v. WPS within a Floodplain
- vi.aa. WPS within a surface water supply area
- vi.bb. WPS < 2,640 feet from Type III or GUDI well
- vii. WPS within/immediately upgradient of wetland/riparian corridor
- viii. WPS within HPH and CPW did not waive
- ix. Operator using Surface bond
- x. WPS < 2,000 feet from RBU/HOBU/School within a DIC

Is the proposed Oil and Gas Location within the exterior boundaries of the Southern Ute Indian Reservation, and the Tribe objects to the Location or requests an ALA? If YES, attach an ALA to the Form 2A. No

Operator requests the Director waive the ALA requirement per Rule 304.b.(2).A.i:

Provide an explanation for the waiver request, and attach supporting information (if necessary).

ALTERNATIVE LOCATIONS DASHBOARD

List every alternative location reviewed and included in the ALA. Provide a latitude and longitude for the approximate center of the alternative location, all Rule 304.b.(2).B Criteria met, if a variance would be required to permit the location, and a brief comment on the key points of the alternative location.

304.b.(2).B.i-x Criteria Met:

< No row provided >

SURFACE & MINERAL OWNERSHIP

Surface Owner Info:

Name: BBB Ranch LLC Phone: 719-251-1702
 Address: 1820 Avondale Blvd. Fax: _____
 Address: _____ Email: jbond1820@msn.com
 City: Avondale State: CO Zip: 81022-9718

Surface Owner at this Oil and Gas Location: Fee State Federal Indian

Check only one: The Operator/Applicant is the surface owner.
 The Operator has a signed Surface Use Agreement for this Location – attach SUA.
 All operations on this Oil & Gas Location will develop the minerals beneath the Location, and the surface owner owns the minerals beneath this Location and is committed to an oil and gas lease – attach lease map or provide lease description.
 All operations on this Oil & Gas Location will develop the minerals beneath the Location, and the Operator intends to use a surface bond per Rule 703 to secure access to this Location – attach lease map or provide lease description.

Surface Owner protection Financial Assurance type: N/A Surety ID Number: _____

Mineral Owner beneath this Oil and Gas Location: Fee State Federal Indian

Minerals beneath this Oil and Gas Location will be developed from or produced to this Oil and Gas Location: Yes

Lease description if necessary: T28S R60W Section 33: SE

SITE EQUIPMENT LIST

Indicate the number and type of major equipment components planned for use on this Oil and Gas Location:

Wells	<u>1</u>	Oil Tanks	<u>0</u>	Condensate Tanks	<u>0</u>	Water Tanks	<u>1</u>	Buried Produced Water Vaults	<u>0</u>
Drilling Pits	<u>0</u>	Production Pits	<u>0</u>	Special Purpose Pits	<u>0</u>	Multi-Well Pits	<u>0</u>	Modular Large Volume Tank	<u>0</u>
Pump Jacks	<u>0</u>	Separators	<u>1</u>	Injection Pumps	<u>0</u>	Heater-Treaters	<u>0</u>	Gas Compressors	<u>0</u>
Gas or Diesel Motors	<u>0</u>	Electric Motors	<u>0</u>	Electric Generators	<u>0</u>	Fuel Tanks	<u>0</u>	LACT Unit	<u>0</u>
Dehydrator Units	<u>0</u>	Vapor Recovery Unit	<u>0</u>	VOC Combustor	<u>0</u>	Flare	<u>0</u>	Enclosed Combustion Devices	<u>0</u>
Meter/Sales Building	<u>0</u>	Pigging Station	<u>0</u>			Vapor Recovery Towers	<u>0</u>		

OTHER PERMANENT EQUIPMENT

< No Row Provided >

OTHER TEMPORARY EQUIPMENT

Temporary Equipment Type	Number
Open top steel cuttings tank	1
Cuttings trench	1
Water Tank	1

GAS GATHERING COMMITMENT

Operator commits to connecting to a gathering system by the Commencement of Production Operations? Yes

If the answer is NO, a Gas Capture Plan consistent with the requirements of Rule 903.e MUST be attached on the Plans tab.

FLOWLINE DESCRIPTION

Per Rule 304.b.(6), provide a description of all onsite and off-location oil, gas, and/or water flowlines.

2" and/or 3" Schedule 40 steel flowlines, carrying helium, produced inert gases and water from wellhead to production equipment. Production equipment will be located on the BBB 34 SWNW 2860 location. A pipeline is planned if the well is productive,

CULTURAL DISTANCE AND DIRECTION

Provide the distance and direction to the nearest cultural feature as measured from the edge of the Working Pad Surface.

Rule 604.b Conditions Satisfied
(check all that apply):

	Distance	Direction	604.b. (1)	604.b. (2)	604.b. (3)	604.b. (4)
Building:	2085 Feet	S				
Residential Building Unit (RBU):	2085 Feet	S	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High Occupancy Building Unit(HOBU)	5280 Feet	SW	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Designated Outside Activity Area:	5280 Feet	S				
Public Road:	1522 Feet	SE				
Above Ground Utility:	2322 Feet	S				
Railroad:	5280 Feet	SE				
Property Line:	1117 Feet	S				
School Facility:	5280 Feet	SW				
Child Care Center:	5280 Feet	SW				
Disproportionately Impacted (DI) Community:	5280 Feet	SW				
RBU, HOBU, or School Facility within a DI Community.	5280 Feet	SW	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

RULE 604.a.(2). EXCEPTION LOCATION REQUEST

Operator requests an Exception Location Request from Rule 604.a.(2) [well is less than 150 feet from a property line]. Exception Location Request Letter and Waiver signed by offset Surface Owner(s) must be attached.

CULTURAL FEATURE INFORMATION REQUIRED BY RULE 304.b.(3).B.

Provide the number of each Cultural feature identified within the following distances, as measured from the Working Pad Surface:

	0-500 feet	501-1,000 feet	1,001-2,000 feet
Building Units	0	0	0
Residential Building Units	0	0	0
High Occupancy Building Units	0	0	0
School Properties	0	0	0
School Facilities	0	0	0
Designated Outside Activity Areas	0	0	0

CONSTRUCTION

Size of disturbed area during construction in acres: 1.20

Size of location after interim reclamation in acres: 0.20

Estimated post-construction ground elevation: 5424

DRILLING PROGRAM

Will a closed-loop drilling system be used? No

Is H2S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? Yes If YES, attach H2S Drilling Operations Plan.

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

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE

Drilling Fluids Disposal Method: Commercial Disposal

Cutting Disposal: ONSITE

Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

Minimal fluids are anticipated. Any drilling fluids will be disposed on at a offsite disposal facility.
Cuttings will be dried and buried onsite in a cutting trench.

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ or Document Number: _____

Centralized E&P Waste Management Facility ID, if applicable: _____

CURRENT LAND USE

Current Land Use: check all that apply per Rule 304.b.(9).

Crop Land: Irrigated Non-Irrigated Conservation Reserve Program (CRP)

Non-Crop Land: Rangeland Forestry Recreation Other

Subdivided: Industrial Commercial Residential

Describe the current land use:

Current Land Use is being used as rangeland. There are no structures on the property.

Describe the Relevant Local Government's land use or zoning designation:

Las Animas has the parcel zoned as Agricultural.

Describe any applicable Federal land use designation:

FINAL LAND USE

Final Land Use: check all that apply per Rule 304.b.(9).

Crop Land: Irrigated Non-Irrigated Conservation Reserve Program (CRP)

Non-Crop Land: Rangeland Forestry Recreation Other

Subdivided: Industrial Commercial Residential

REFERENCE AREA INFORMATION

If Final Land Use includes Non-Crop Land (as checked above), the following information is required:

Describe landowner's designated final land use(s):

Landowner's designated final land use will continue to be rangeland.

Reference Area Latitude: 37.560197

Reference Area Latitude: -104.118387

Provide a list of plant communities and dominant vegetation found in the Reference Area.

Plant Community	Dominant vegetation
Shrub Land	Shrubs

Noxious weeds present: No

SOILS

List all soil map units that occur within the maximum extent of the proposed Oil and Gas Location. Attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" listing the typical vertical soil profile(s). This data is to be used when segregating topsoil.

The required information can be obtained from the NRCS website at <https://www.nrcs.usda.gov/wps/portal/nrcs/surveylist/soils/survey/state/> or from the COGCC website GIS Online map page. Instructions are provided within the COGCC website help section.

NRCS Map Unit Name: WV-Almagre-Villedry Comple, 1 to 4 percent slopes

NRCS Map Unit Name: _____

NRCS Map Unit Name: _____

GROUNDWATER AND WATER WELL INFORMATION

Provide the distance and direction, as measured from the Working Pad Surface, to the nearest:

water well: 4080 Feet SE

Spring or Seep: 305 Feet SE

Estimated depth to shallowest groundwater that can be encountered at this Oil and Gas Location: 51 Feet

Basis for estimated depth to and description of shallowest groundwater occurrence:

Basis for estimated depth to shallowest groundwater was determined by Water Well Permit #286928 located in T28S R60 W Sec. 34: SWSE.

SURFACE WATER AND WETLANDS

Provide the distance and direction to the nearest downgradient surface Waters of the State, as defined 305 Feet SE

in the 100-Series Rules, measured from the Working Pad Surface:

If less than 2,640 feet, is the Waters of the State identified above within 15 stream miles upstream of a Public Water

System intake? No

Provide the distance and direction to the nearest downgradient wetland, measured from the Working

Pad Surface: 5280 Feet SE

Provide a description of the nearest downgradient surface Waters of the State:

The nearest downgradient surface Waters of the State is an intermittent stream classified as R4SBA. This drainage is typically dry throughout the year. During a field visit, no Ordinary High Water Mark was observed by a wildlife biologist.

If the proposed Oil and Gas Location is within a Rule 411.a Surface Water Supply Area buffer zone, select the buffer zone type: _____

Public Water System Administrator - Contact Name _____ Email _____

If the proposed Oil and Gas Location is within a Rule 411.b GUDI/Type III buffer zone, select the buffer zone type: _____

Public Water System Administrator - Contact Name _____ Email _____

Is a U.S. Army Corps of Engineers Section 404 permit required for the proposed Oil and Gas Location, access road, or associated pipeline corridor? No

If a U.S. Army Corps of Engineers Section 404 permit is required, provide the permit status, and permit number if available:

Is the Location within a Floodplain? No Floodplain Data Sources Reviewed (check all that apply):

Federal (FEMA) State County Local

Other _____

Does this proposed Oil and Gas Location lie within a Sensitive Area for water resources, as defined in the 100-Series Rules? Yes

CONSULTATION, WAIVERS, AND EXCEPTIONS

When Rule 309.e.(2) Consultation must occur, check all that apply:

- This location is included in a Wildlife Mitigation Plan
- This Oil and Gas Location or associated new access road, utility, or pipeline corridor falls within federally designated critical habitat or an area with a known occurrence for a federal or Colorado threatened or endangered species. Provide description in Comments section of Submit tab.
- This Oil and Gas Location or associated new access road, utility, or pipeline corridor falls within an existing conservation easement established wholly or partly for wildlife habitat. Provide description in Comments section of Submit tab.

When Rule 309.e.(3) Consultation is not required, check all that apply:

- This Oil and Gas Location has been included in a previously approved, applicable Wildlife Protection Plan.
- This Oil and Gas Location has been included in a previously approved, applicable Wildlife Mitigation Plan.
- This Oil and Gas Location has been included in a previously approved, applicable conservation plan.

Pre-application Consultation:

- A pre-application consultation with CPW, regarding this Oil and Gas Location, occurred _____ on:

CPW Waivers and Exceptions (check all that apply and attach all CPW waivers to this Form 2A):

- The applicant has obtained a Rule 304.b.(2).B.viii CPW waiver for the requirement to complete an ALA.
- The applicant has obtained a Rule 309.e.(2).G CPW waiver and consultation is not required.
- The applicant has obtained a Rule 309.e.(5).D.i CPW waiver and is requesting an exception from Rule 1202.c.(1).R.
- The applicant has obtained a Rule 309.e.(5).D.ii CPW waiver and is requesting an exception from Rule 1202.c.(1).S.
- The applicant has obtained a Rule 309.e.(5).D.iii CPW waiver of Rule 1202.c.(1).T.
- The applicant has obtained a Rule 309.e.(5).D.iv CPW waiver and is requesting an exception from Rule 1202.c.(1) in accordance with an approved CAP.
- The applicant has obtained a Rule 1202.a CPW waiver.
- The applicant has obtained a Rule 1202.b CPW waiver.
- In accordance with Rule 1203.a.(3), the applicant requests an exception from compensatory mitigation Rule(s): _____

HIGH PRIORITY HABITAT AND COMPENSATORY MITIGATION

This Oil and Gas Location, associated access roads, utility, or Pipeline corridor falls wholly or partially within the following High Priority Habitats (Note: dropdown options are abbreviated - see Rule 1202 for full rule text):

< No row provided >

The following questions are for Oil and Gas Locations that cause the density to exceed one Oil and Gas Location per square mile in Rule 1202.d High Priority Habitat:

Direct Impacts:

Is Compensatory Mitigation required per Rule 1203.a for this Oil and Gas Location? No

Is a Compensatory Mitigation Plan proposed to address direct impacts for this Oil and Gas Location? No

Have all Compensatory Mitigation Plans been approved for this Location? No

If not, what is the current status of each Plan?

N/A

Is a Compensatory Mitigation Fee proposed for this Oil and Gas Location? No

Direct impact habitat mitigation fee amount: \$ _____

Indirect Impacts:

Is Compensatory Mitigation required per Rule 1203.d for this Oil and Gas Location? No

Is a Compensatory Mitigation Plan proposed to address indirect impacts for this Oil and Gas Location? No

Have all Compensatory Mitigation Plans been approved for this Location? No

If not, what is the current status of each Plan?

N/A

Is a Compensatory Mitigation Fee proposed for this Oil and Gas Location? No

Indirect impact habitat mitigation fee amount: \$ _____

Operator Proposed Wildlife BMPs

No BMP

AIR QUALITY MONITORING PROGRAM

Will the Operator install and administer an air quality monitoring program at this Location? No

Operator Proposed BMPs

No BMP

PLANS

Total Plans Uploaded: 13

- (1) Emergency Spill Response Program consistent with the requirements of Rules 411.a.(4).B, 411.b.(5).B, & 602.j
- (2) Noise Mitigation Plan consistent with the requirements of Rule 423.a
- (3) Light Mitigation Plan consistent with the requirements of Rule 424.a
- (4) Odor Mitigation Plan consistent with the requirements of Rule 426.a
- (5) Dust Mitigation Plan consistent with the requirements of Rule 427.a
- (6) Transportation Plan
- (7) Operations Safety Management Program consistent with the requirements of Rule 602.d

- (8) Emergency Response Plan consistent with the requirements of Rule 602.j
- (9) Flood Shut-In Plan consistent with the requirements of Rule 421.b.(1)
- (10) Hydrogen Sulfide Drilling Operations Plan consistent with the requirements of Rule 612.d
- (11) Waste Management Plan consistent with the requirements of Rule 905.a.(4)
- (12) Gas Capture Plan consistent with the requirements of Rule 903.e
- (13) Fluid Leak Detection Plan
- (14) Topsoil Protection Plan consistent with the requirements of Rule 1002.c
- (15) Stormwater Management Plan consistent with the requirements of Rule 1002.f
- (16) Interim Reclamation Plan consistent with the requirements of Rule 1003
- (17) Wildlife Plan consistent with the requirements of Rule 1201
- (18) Water Plan
- (19) Cumulative Impacts Plan
- (20) Community Outreach Plan
- (21) Geologic Hazard Plan

VARIANCE REQUESTS

Check all that apply:

- This proposed Oil and Gas Location requires the approval of a Rule 502.a variance from COGCC Rule or Commission
Order number: _____

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

RULE 304.d LESSER IMPACT AREA EXEMPTION REQUESTS

Check the boxes below for all Exemptions being requested. Lesser Impact Area Exemption Request must be attached, and will include all requested exemptions.

- | | |
|--|--|
| <input type="checkbox"/> 304.b.(1). Local Government Siting Information | <input type="checkbox"/> 304.c.(1). Emergency Spill Response Program |
| <input type="checkbox"/> 304.b.(2). Alternative Location Analysis | <input checked="" type="checkbox"/> 304.c.(2). Noise Mitigation Plan |
| <input type="checkbox"/> 304.b.(3). Cultural Distances | <input checked="" type="checkbox"/> 304.c.(3). Light Mitigation Plan |
| <input type="checkbox"/> 304.b.(4). Location Pictures | <input type="checkbox"/> 304.c.(4). Odor Mitigation Plan |
| <input type="checkbox"/> 304.b.(5). Site Equipment List | <input type="checkbox"/> 304.c.(5). Dust Mitigation Plan |
| <input type="checkbox"/> 304.b.(6). Flowline Descriptions | <input type="checkbox"/> 304.c.(6). Transportation Plan |
| <input type="checkbox"/> 304.b.(7). Drawings | <input type="checkbox"/> 304.c.(7). Operations Safety Management Program |
| <input type="checkbox"/> 304.b.(8). Geographic Information System (GIS) Data | <input type="checkbox"/> 304.c.(8). Emergency Response Plan |
| <input type="checkbox"/> 304.b.(9). Land Use Description | <input type="checkbox"/> 304.c.(9). Flood Shut-In Plan |
| <input type="checkbox"/> 304.b.(10). NRCS Map Unit Description | <input type="checkbox"/> 304.c.(10). Hydrogen Sulfide Drilling Operations Plan |
| <input type="checkbox"/> 304.b.(11). Best Management Practices | <input type="checkbox"/> 304.c.(11). Waste Management Plan |
| <input type="checkbox"/> 304.b.(12). Surface Owner Information | <input type="checkbox"/> 304.c.(12). Gas Capture Plan |
| <input type="checkbox"/> 304.b.(13). Proximate Local Government | <input type="checkbox"/> 304.c.(13). Fluid Leak Detection Plan |
| <input type="checkbox"/> 304.b.(14). Wetlands | <input type="checkbox"/> 304.c.(14). Topsoil Protection Plan |
| <input type="checkbox"/> 304.b.(15). Schools and Child Care Centers | <input type="checkbox"/> 304.c.(15). Stormwater Management Plan |
| | <input type="checkbox"/> 304.c.(16). Interim Reclamation Plan |
| | <input type="checkbox"/> 304.c.(17). Wildlife Plan |
| | <input type="checkbox"/> 304.c.(18). Water Plan |
| | <input type="checkbox"/> 304.c.(19). Cumulative Impacts Plan |
| | <input type="checkbox"/> 304.c.(20). Community Outreach Plan |
| | <input type="checkbox"/> 304.c.(21). Geologic Hazard Plan |

OPERATOR COMMENTS AND SUBMITTAL

Comments | This location will be drilling for helium. The operator will not encounter natural gas while drilling. No natural gas will be flared or vented. The well will not be hydraulically fractured. The Helium will be piped to an offsite processing facility.

The pipeline corridor runs through High Priority Habitat, Timpas Creek. The pipeline will be bored under the creek and outside of the NSO buffer. An initial conversation with Karen Volutra with Colorado Parks and Wildlife (CPW) occurred on May 10, 2022.

This location does not meet the requirements for the following site specific plans: Emergency Spill Response Program, Odor Mitigation Plan, Flood Shut-In Plan, Hydrogen Sulfide Drilling Operations Plan, Geologic Hazard Plan and Community Outreach Plan.

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

Signed: _____ Date: 05/20/2022 Email: agross@upstreampm.com

Print Name: Andrea Gross Title: Permit Agent

Based on the information provided herein, this Oil and Gas Location Assessment complies with COGCC Rules, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____

Public Comments

No public comments were received on this application during the comment period.

