

FORM
2

Rev
05/22

State of Colorado

Energy & Carbon Management Commission

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



Document Number:

403612246

(SUBMITTED)

Date Received:

12/11/2023

APPLICATION FOR PERMIT TO

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

Amend ☐

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

Refill ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Bolling

Well Number: 09 NWNW 2960

Name of Operator: BNL (ENTERPRISE) INC

COGCC Operator Number: 10763

Address: 2011 FOREST AVENUE

City: DURANGO

State: CO

Zip: 81301

Contact Name: Peter Kondrat

Phone: (970)759-5370

Fax: ()

Email: pkondrat@bluestarhelium.com

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance

☒ The Operator has provided or will provide Financial Assurance to the COGCC for this Well.

Surety ID Number (if applicable): 20210057

Federal Financial Assurance

☐ In checking this box, the Operator certifies that it has provided or will provide at least this amount of Financial Assurance to the federal government for this Well. (Per Rule702.a.)

Amount of Federal Financial Assurance \$

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NWNW Sec: 9 Twp: 29S Rng: 60W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 904 Feet FNL 763 Feet FWL

Latitude: 37.540509

Longitude: -104.130592

GPS Data: GPS Quality Value: 2.2 Type of GPS Quality Value: PDOP

Date of Measurement: 01/15/2022

Ground Elevation: 5455

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:

Measured Depth of TPZ:

True Vertical Depth of TPZ:

FNL/FSL

FEL/FWL

Base of Productive Zone (BPZ)

Sec: _____ Twp: _____ Rng: _____ Footage at BPZ: _____
Measured Depth of BPZ: _____ True Vertical Depth of BPZ: _____ FNL/FSL _____ FEL/FWL _____

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: _____ Date of Final Disposition: _____

Comments: _____

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 Bond (if applicable): Blanket Surety ID Number (if applicable): 20210056

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.)

Township 29 South, Range 60 West, 6th PM
Section 04: E2SE, E2NWSE, SESW
Section 09: N2NW, W2NWNE, N2SENE, SWSENE, SWNWNE

Total Acres in Described Lease: 280

Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 4903 Feet
Building Unit: 4903 Feet
Public Road: 3582 Feet
Above Ground Utility: 4903 Feet
Railroad: 2616 Feet
Property Line: 297 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.

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: _____

Enter 5280 for distance greater than 1 mile.

SUBSURFACE MINERAL SETBACKS

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: 416 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: _____ 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

Well is located in an un-spaced area and the OGDG was approved on a leasehold basis.

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? No

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than

or equal to 100 ppm? No If yes, attach an H₂S 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

| Casing Type | Size of Hole | Size of Casing | Grade | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 17+1/2 | 13+3/8 | J-55 | 48 | 0 | 35 | 20 | 35 | 0 |
| SURF | 12+1/4 | 9+5/8 | J-55 | 48 | 0 | 737 | 103 | 737 | 0 |
| OPEN HOLE | 8+1/2 | | | | 737 | 2500 | | | |

☐ Conductor Casing is NOT planned

POTENTIAL FLOW AND CONFINING FORMATIONS

| Zone Type | Formation /Hazard | Top M.D. | Top T.V.D. | Bottom M.D. | Bottom T.V.D. | TDS (mg/L) | Data Source | Comment |
|-----------------|-------------------|----------|------------|-------------|---------------|------------|-------------|---|
| Confining Layer | Alluvium | 0 | 0 | 4 | 4 | | | Boulders, sand, silt, clays |
| Confining Layer | Mancos | 4 | 4 | 22 | 22 | | | Shale, sand |
| Groundwater | Dakota | 22 | 22 | 97 | 97 | 501-1000 | USGS | Sand, shale, USGS |
| Confining Layer | Purgatoire | 97 | 97 | 115 | 115 | | | Sand, limestone, shale, |
| Confining Layer | Morrison | 115 | 115 | 293 | 293 | | | Shale, limestone, sandstone |
| Confining Layer | Entrada | 293 | 293 | 471 | 471 | | | Sandstone, shale |
| Confining Layer | Lykins | 471 | 471 | 569 | 569 | | | Dolomite, shale |
| Confining Layer | Blaine | 569 | 569 | 744 | 744 | | | Anhydrate, gypsum, shale, limestone |
| Hydrocarbon | Lyons | 744 | 744 | 959 | 959 | | | Sandstone with helium, nitrogen, carbon dioxide gases. No hydrocarbons in this formation. |
| Confining Layer | Fountain | 959 | 959 | 2500 | 2500 | | | Sand, shale, silt |

OPERATOR COMMENTS AND SUBMITTAL

Comments

Helium well without any hydrocarbons. Rig availability January 1st 2024.
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.

This application is in a Comprehensive Area Plan No

CAP #: _____

Oil and Gas Development Plan Name Bolling-Daniel OGD

OGDP ID#: 485113

Location ID: 485655

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

Signed: _____

Print Name: Peter Kondrat

Title: Chief Operating Officer

Date: 12/11/2023

Email: pkondrat@bluestarhelium.com

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: _____

Expiration Date: _____

API NUMBER

05

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.

COA Type

Description

| | |
|-------|--|
| 0 COA | |
|-------|--|

Best Management Practices

No BMP/COA Type

Description

| | |
|--|--|
| | |
|--|--|

Attachment List

Att Doc Num

Name

| | |
|-----------|--------------------|
| 403612501 | WELL LOCATION PLAT |
| 403620311 | WELLBORE DIAGRAM |

Total Attach: 2 Files

General Comments

User Group

Comment

Comment Date

| | | |
|----------|---|------------|
| Engineer | RTD for following issues. 1. Update the Casing & Cementing plan to reflect a well depth of 2500' for every well. 2. Update the wellbore diagrams to show a depth of 2500'. 3. Update the Potential Flow table lines for Dakota and Purgatoire. Comments section should indicate specifically what the "Other" data source actually was. 4. On the Spacing & Formations tab an Objective Formation needs to be chosen. (Lyons) | 12/08/2023 |
|----------|---|------------|

Total: 1 comment(s)