

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:

403873062

Date Received:

08/08/2024

APPLICATION FOR PERMIT TO

Drill  Deepen  Re-enter  Recomplete and Operate

Amend

TYPE OF WELL OIL  GAS  COALBED  OTHER: Helium

Refile

ZONE TYPE SINGLE ZONE  MULTIPLE ZONES  COMMINGLE ZONES

Sidetrack

Well Name: Red Rocks Well Number: 1-09  
Name of Operator: DESERT EAGLE OPERATING LLC ECMC Operator Number: 10797  
Address: 17330 PRESTON RD STE 200D-208  
City: DALLAS State: TX Zip: 75252  
Contact Name: Wesley Marshall Phone: (214)886-5098 Fax: ( )  
Email: wmarshall@prohelium.com

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

ECMC Financial Assurance

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

Surety ID Number (if applicable): 20240040

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: SENE Sec: 1 Twp: 30S Rng: 55W Meridian: 6

Footage at Surface: 2445 Feet FNL/FSL 275 Feet FEL/FWL

Latitude: 37.460372 Longitude: -103.517227

GPS Data: GPS Quality Value: 1.3 Type of GPS Quality Value: PDOP Date of Measurement: 11/17/2023

Ground Elevation: 5472

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: Approved Date of Final Disposition: 08/05/2024

Comments: Robert Lucero, Land Officer with the Las Animas County, was provided a copy of the Form 2A to permit the drilling of this helium well. Final County approval was received from Robert Lucero on 08/05/2024.

**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): \_\_\_\_\_ 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.)

Shown on Mineral lease as T29S R55W Section 35: E2W2, E2

480 gross acres

Shown on Mineral lease as T30S R55W Section 1: E2,N2NW4

400 gross acres

Total Acres in Described Lease: 880 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # \_\_\_\_\_

## SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet  
Building Unit: 5280 Feet  
Public Road: 5280 Feet  
Above Ground Utility: 5280 Feet  
Railroad: 5280 Feet  
Property Line: 2340 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: \_\_\_\_\_

## 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: 275 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: 1573 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

The offset well producing from the same lease and completed in the same formation is the Red Rocks 1-16 API 05-071-09931-00

## DRILLING PROGRAM

Proposed Total Measured Depth: 1229 Feet TVD at Proposed Total Measured Depth 1229 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? No

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	14	35	0
SURF	12+1/4	9+5/8	J-55	36	0	1020	188	1020	0
OPEN HOLE	8+3/4				1020	1229			

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
Groundwater	Dakota	0	0	223	223	1001-10000	Other	Existing Red Rocks wells encountered no water in this zone. Source: DWR, CGS, Surface Owner
Confining Layer	Morrison	223	223	485	485			Assorted shale, limestone, sand. Existing Red Rocks wells encountered no groundwater in this zone.
Confining Layer	Entrade Sandstone	485	485	752	752			Sand and shale Existing Red Rocks wells encountered no groundwater in this zone.
Confining Layer	Lykins	752	752	1052	1052			Shale, silts, dolomites and anhydrite with minor sandstone. Existing Red Rocks wells encountered no groundwater in this zone.
Hydrocarbon	Lyons Sandstone	1052	1052	1229	1229			Sand containing inert gas: helium, nitrogen and CO <sub>2</sub> gasses. No hydrocarbons present in this formation.

## OPERATOR COMMENTS AND SUBMITTAL

Comments



## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Operator acknowledges Rule 408.r. Requirement to Log well. Alternative Logging Program - A GR/cement bond log will be obtained after setting and cementing the surface string of casing. Once the well is deepened and reaches total depth, a Gamma Ray - Neutron log will be obtained in the open hole section to total depth.

Total: 1 comment(s)

### ATTACHMENT LIST

<u>Att Doc Num</u>	<u>Name</u>
403873062	FORM 2 SUBMITTED
403881365	WELL LOCATION PLAT
403881381	OTHER
403881392	WELLBORE DIAGRAM

Total Attach: 4 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	08/27/2024
Permit	Contacted operator to confirm the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease. -Corrected distance to reflect well location plat.	08/26/2024
Engineer	Offset well evaluation completed. No offset well mitigation required.	08/22/2024
OGLA	Corrected OGDID to 486873. Added Location ID 487585.	08/18/2024
OGLA	The Commission approved OGDID #486873 on August 7, 2024 for the Oil and Gas Location related to this Form 2. OGLA task passed.	08/18/2024

Total: 5 comment(s)