

FORM  
2  
Rev  
10/24

# State of Colorado Energy & Carbon Management Commission

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



Document Number:

404556172

Date Received:

03/02/2026

## APPLICATION FOR PERMIT TO

Drill     Deepen     Re-enter     Recomplete and Operate    Amend

TYPE OF WELL OIL  GAS  COALBED  GEOTHERMAL  GEOLOGIC STORAGE    Refile

OTHER: Helium    Sidetrack

TYPE OF GEOLOGIC STORAGE WELL SCIENCE  MONITORING

ZONE TYPE SINGLE ZONE  MULTIPLE ZONES  COMMINGLE ZONES

Well Name: Jackson Well Number: 01 NWSE 3054

Please describe the reason for the scientific well and its potential future use:

[Empty box for describing the well's purpose]

Name of Operator: BNL (ENTERPRISE) INC ECMC Operator Number: 10763

Address: 6494 S QUEBEC ST

City: ENGLEWOOD State: CO Zip: 80111

Contact Name: Shane Gillespie Phone: (970)590-1841 Fax: ( )

Email: scgillespie@bluestarhelium.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): 20240146

#### 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: NWSE Sec: 1 Twp: 30S Rng: 54W Meridian: 6

Footage at Surface: 2316 Feet <sup>FNL/FSL</sup> FSL 2145 Feet <sup>FEL/FWL</sup> FEL

Latitude: 37.460118 Longitude: -103.409909

GPS Data: GPS Quality Value: 2.1 Type of GPS Quality Value: PDOP Date of Measurement: 10/19/2022

Ground Elevation: 4808

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 and §37-90.5-107(2)(b)(I) C.R.S, the following questions pertain to the Relevant Local Government approval of the siting of the proposed Oil and Gas or Deep Geothermal Locations.

The Energy and Carbon Management Act and the Geothermal Resources Act provide 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.

Does the Relevant Local Government regulate the siting of Oil and Gas and Deep Geothermal 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: In Process Date of Final Disposition: \_\_\_\_\_

Comments: The Las Animas County permit has been submitted.

## GEOTHERMAL

### Well Overview

The following questions determine informational requirements based on Well type:

Which type of Geothermal Well is this? Select one of the following:

Will this well be constructed using cementing methodologies other than those listed in Rule 408.f?

If Yes, what method will be used:

Please describe the cementing method to be used in detail:

### Geothermal Resource Units

Fill out the information below to submit an application for a Geothermal Resource Unit (GRU) as part of the current permit application. This may also be completed later using a Form 4 Sundry.

Will this Well be in an existing GRU?

Are you submitting your application for a new GRU as part of the current application?

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

Surface Owner of the land at this Well's Oil and Gas Or Deep Geothermal Location:  Fee  State  Federal  Indian

Mineral Owner beneath this Well's Oil and Gas Or Deep Geothermal 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.)

TOWNSHIP 30 SOUTH, RANGE 53 WEST, 6th P.M.  
 Section 06: Lots 5 (39.48), 6 (39.80), 7 (40.12), E2SW, SENW  
 Section 18: Lots 2 (40.41), 3 (40.49), SENW  
 Section 31: SE  
 TOWNSHIP 30 SOUTH, RANGE 54 WEST, 6th P.M.  
 Section 01: Lots 1 (40.24), 2 (40.74), 3 (41.20), 4 (41.69), S2NE, SE  
 Section 02: Lots 1 (41.88), 2 (41.68), SWNE, SENW, W2SW, W2SE, E2SW Section 11: W2NE, E2NW, NWNW  
 Section 12: SENW Section 13: SENE, S2  
 Section 20: NW, SESE, SW Section 21: SWNW, W2SW Section 22: E2SW, SE Section 23: SESE, NWSW  
 Section 24: NENE, NESE, SWSW, S2SE  
 Section 25: NW, NESW, N2NE, NWSW, SWSW Section 26: NESE, SESE, N2NW, N2NE, SENE  
 Section 27: SWSW Section 28: S2SE, S2SW  
 Section 29: NE, N2SE, SWSE  
 Section 33: NWNE, NWNW, S2N2, NENE  
 Section 35: E2  
 TOWNSHIP 31 SOUTH, RANGE 53 WEST, 6th P.M.  
 Section 06: Lots 2 (46.60), 3 (46.36), 4 (47.67), 5 (40.77), SENW TOWNSHIP 31 SOUTH, RANGE 54 WEST, 6th P.M.  
 Section 01: Lots 1 (46.91), 4 (48.89), SENE, SWSW  
 Section 02: Lot 1 (49.57) SESE, S2SW, SWSE, SENE, NESE  
 Section 11: NWNW  
 Section 12: NWNW, SWNW

Total Acres in Described Lease: 5454 Described Mineral Lease is:  Fee  State  Federal  Indian  
 Federal or State Lease # \_\_\_\_\_

**SAFETY SETBACK INFORMATION**

Distance from Well to nearest:

Building: 4618 Feet  
 Building Unit: 4618 Feet  
 Public Road: 263 Feet  
 Above Ground Utility: 1038 Feet  
 Railroad: 5280 Feet  
 Property Line: 2593 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: 495 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: 4280 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: 2490 Feet

TVD at Proposed Total Measured Depth 2490 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? 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	12+1/4	9+5/8	J-55	36	0	35	8	35	0
SURF	8+3/4	7	J-55	26	0	1035	59	1035	0
OPEN HOLE	8+3/4				1035	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	Quaternary Alluvium	0	0	35	35			
Confining Layer	Mancos/Graneros	35	35	364	364			
Groundwater	Dakota	364	364	496	496	501-1000	Other	"Offset wells, DWR, Surface owner - Sand"
Groundwater	Purgatoire	496	496	600	600	501-1000	Other	"Offset wells, DWR, Surface owner - Sand Limestone, Shale"
Confining Layer	Morrison	600	600	740	740			
Confining Layer	Entrada	740	740	800	800			
Confining Layer	Lykins	800	800	1073	1073			
Confining Layer	Blaine	1073	1073	1149	1149			
Hydrocarbon	Lyons	1149	1149	1393	1393			
Confining Layer	Fountain	1393	1393	2500	2500			

## OPERATOR COMMENTS AND SUBMITTAL

Comments

This application is in a Comprehensive Area Plan     No     CAP #:                       
 Oil and Gas Development Plan Name Galactica-Pegasus OGD II OGD ID#: 483920  
 Location ID: 484599

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: 3/2/2026 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 ECMC Rules, applicable orders, and SB 19-181 and is hereby approved.

ECMC Approved:  Director of ECMC Date: 5/11/2026

Expiration Date: 06/06/2026

<b>API NUMBER</b> 05 071 09952 00
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## CONDITIONS OF APPROVAL, IF ANY LIST

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.

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	1) Submit Form 42 electronically to ECMC 2 business days prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 2 business day spud notice via Form 42 for all subsequent wells drilled on the pad. 2) Comply with Rule 408.e. (2). Operator will isolate groundwater with fully-cemented surface casing. Verify coverage with a cement bond log.
1 COA	

## Operator Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	The well be logged open hole from TD to 7 inch casing with a triple combo log suite. Additionally a GR/CBL/Neutron will run inside 7 inch casing to surface.

Total: 1 comment(s)

## ATTACHMENT LIST

<u>Att Doc Num</u>	<u>Name</u>
404556172	FORM 2 SUBMITTED
404562723	WELL LOCATION PLAT

Total Attach: 2 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Complete.	05/08/2026
Permit	Per operator, corrected Proposed Total Measured Depth to 2490'.	05/07/2026
Permit	Nearest lease line = 495' Confirm well depth (conflicts with Rule 401)	05/07/2026
OGLA	The Commission approved OGDG #483920 on June 7, 2023 for the Oil and Gas Location related to this Form 2. OGLA task passed.	04/06/2026
Engineer	No offset well mitigation required. Surface casing only. Annular Preventor for Helium well. Updated open-hole hole size.	03/09/2026

Total: 5 comment(s)