

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF AN APPLICATION BY)
BISON OIL & GAS II, LLC FOR AN ORDER TO)
MODIFY AN ESTABLISHED 695.46-ACRE)
DRILLING AND SPACING UNIT AND)
ESTABLISH AN APPROXIMATE 1,355.1-ACRE)
DRILLING AND SPACING UNIT WITH WELL)
LOCATION RULES FOR THE DRILLING OF)
WELLS AND PRODUCING OF OIL, GAS, AND)
ASSOCIATED HYDROCARBONS FROM THE)
NIOBRARA, FORT HAYS, CODELL, AND)
CARLILE FORMATIONS FOR THE W½ OF)
SECTION 1, ALL OF SECTION 2, AND THE E½)
OF SECTION 3, TOWNSHIP 8 NORTH, RANGE)
59 WEST, 6TH P.M., UNNAMED FIELD, WELD)
COUNTY, COLORADO)

Cause No. 535

Docket No. 181000709

Type: SPACING

APPLICATION

Bison Oil & Gas II, LLC ("Applicant" or "Bison"), Operator No. 10661, by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for order modifying an approximate 695.46-acre drilling and spacing unit established by Order No. 535-3 and pooled and ratified by Order Nos. 535-211 and 535-821 covering Section 3, Township 8 North, Range 59 West, 6th P.M., and establishing an approximate 1,355.1-acre drilling and spacing unit for the W½ of Section 1, all of Section 2, and the E½ of Section 3, Township 8 North, Range 59 West, 6th P.M., and approving up to twenty horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations. In support of its Application, Applicant states as follows:

1. Applicant is a limited liability company duly authorized to conduct business in Colorado.
2. Applicant, owns leasehold interests and/or the right to drill, and is an Owner as defined by Commission rules, in the following lands ("Application Lands"):

Township 8 North, Range 59 West, 6th P.M.

Section 1: W½

Section 2: All

Section 3: E½

A reference map of the Application Lands is attached as Exhibit B hereto.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply.

4. On March 8, 2011, the Commission entered Order No. 535-3, which established 160 approximate 640-acre drilling and spacing units for certain lands in Townships 8, 9, and 10, North, Ranges 58 through 62 West, 6th P.M., and approved one horizontal well in each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be located no closer than 600 feet from the unit boundaries, without exception being granted by the Director. Section 3 of the Application Lands is subject to this order for the Niobrara Formation.

5. On September 14, 2011, the Commission approved a Form 2 Application for Permit-to-Drill the McClellan PC LG03-78HN Well (API No. 05-123-34351). The McClellan PC LG03-78HN Well was spud on November 28, 2011, and ultimately completed to the Niobrara Formation. The McClellan PC LG03-78HN Well continues to produce oil, gas, and associated hydrocarbons from the Niobrara Formation.

6. On October 1, 2012, the Commission entered Order No. 535-211, which pooled all interests in an approximate 640-acre drilling and spacing unit established by Order No. 535-3 for Section 3, Township 8 North, Range 59 West, 6th P.M., and approved cost recovery against the nonconsenting owners in the McClellan PC LG03-78HN Well, for the development and operation of the Niobrara Formation, effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S. §34-60-116(7)(b)(II) are first incurred for the drilling of the McClellan PC LG03-78HN Well. Section 3 of the Application Lands is subject to this order for the Niobrara Formation

7. On June 17, 2014, the Commission entered Order No. 535-496, which, among other things, modified an approximate 640-acre drilling and spacing unit established by Order No. 535-3 for Section 3, Township 8 North, Range 59 West, 6th P.M., to allow for 300 foot setbacks along the northern unit boundary, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations. Section 3 of the Application Lands is subject to this order for the Niobrara and Codell Formations.

8. On June 12, 2017, the Commission entered Order No. 535-821, which ratified Order No. 535-211 to pool all interests in an approximate 695.46-acre drilling and spacing unit established for Section 3, Township 8 North, Range 59 West, 6th P.M., and approved cost recovery against the nonconsenting owners in the McClellan PC LG03-78HN Well, for the for the development and operation of the Niobrara Formation, effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S. §34-60-116(7)(b)(II) are first incurred for the drilling of the McClellan PC LG03-78HN Well. Section 3 of the Application Lands is subject to this order for the Niobrara and Codell Formations.

9. To promote efficient drainage, and to prevent waste, Applicant requests that the Commission:

(i) Modify an approximate 695.46-acre drilling and spacing unit established by Order No. 535-3 and pooled and ratified by Order Nos. 535-211 and 535-821 covering Section 3, Township 8 North, Range 59 West, 6th P.M., to be specific to the McClellan PC LG03-78HN Well;

(ii) Establish an approximate 1,355.1-acre drilling and spacing unit for the Application Lands, and approve up to twenty (20) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations, with the treated interval of each wellbore within the drilling and spacing unit being no closer than 600 feet from the unit boundary, and no closer than 165 feet from the productive interval of any other wellbore located within the unit, unless an exception is granted by the Director.

10. Applicant requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Niobrara, Fort Hays, Codell, and Carlile Formations, prevents waste, protects correlative rights, and assures the greatest ultimate recovery of oil, gas and associated hydrocarbons from the Application Lands. The drilling and spacing unit is not smaller than the maximum area that can be drained by the proposed wells. Applicant further maintains that the drilling and spacing unit will have no adverse effect on correlative rights.

11. Applicant states that the wells are to be drilled and operated from no more than two (2) surface locations within the unit or at a legal location on adjacent lands.

12. The proposed drilling and spacing unit contains federal minerals. As such, Applicant or successor operator agrees to submit a Communitization Agreement ("CA") to the Bureau of Land Management ("BLM") at least 30 days before the anticipated date of first production (as defined in the COGCC Rules) from the initial well drilled within the drilling and spacing unit

13. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within seven (7) days after filing of the Application as required by Rules 503.e., 507.b.(1), and 507.c.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that, upon such hearing, this Commission enter its order consistent with Applicant's proposals as set forth above.

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Dated this 26th day of July, 2018.

Respectfully submitted,
WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

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Applicant's Address:

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518 17th Street, Suite 1800
Denver, CO 80202
Attn: Robert Pierini
Phone: (720) 644-6997

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Robert Pierini, Vice President – Land, for Bison Oil & Gas II, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

BISON OIL & GAS II, LLC

Robert Pierini
Vice President - Land

Subscribed and sworn to before me this 24th day of July 2018 by Robert Pierini, Vice President - Land, for Bison Oil & Gas II, LLC.

Witness my hand and official seal.

ABIGAIL WENK
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164009689
MY COMMISSION EXPIRES MARCH 8, 2020

Notary Public
My Commission Expires: March 8, 2020

EXHIBIT A

PARTIES ENTITLED TO NOTICE UNDER RULE 507.c.

Weld County

Jason Maxey
Weld County
Department of Planning Services
1555 North 17th Ave.
Greeley CO 80631

Colorado Department of Public Health and Environment

Attn: Oil and Gas Liaison
4300 Cherry Creek Dr. South
Denver, CO 80246-1530

Colorado Division of Wildlife

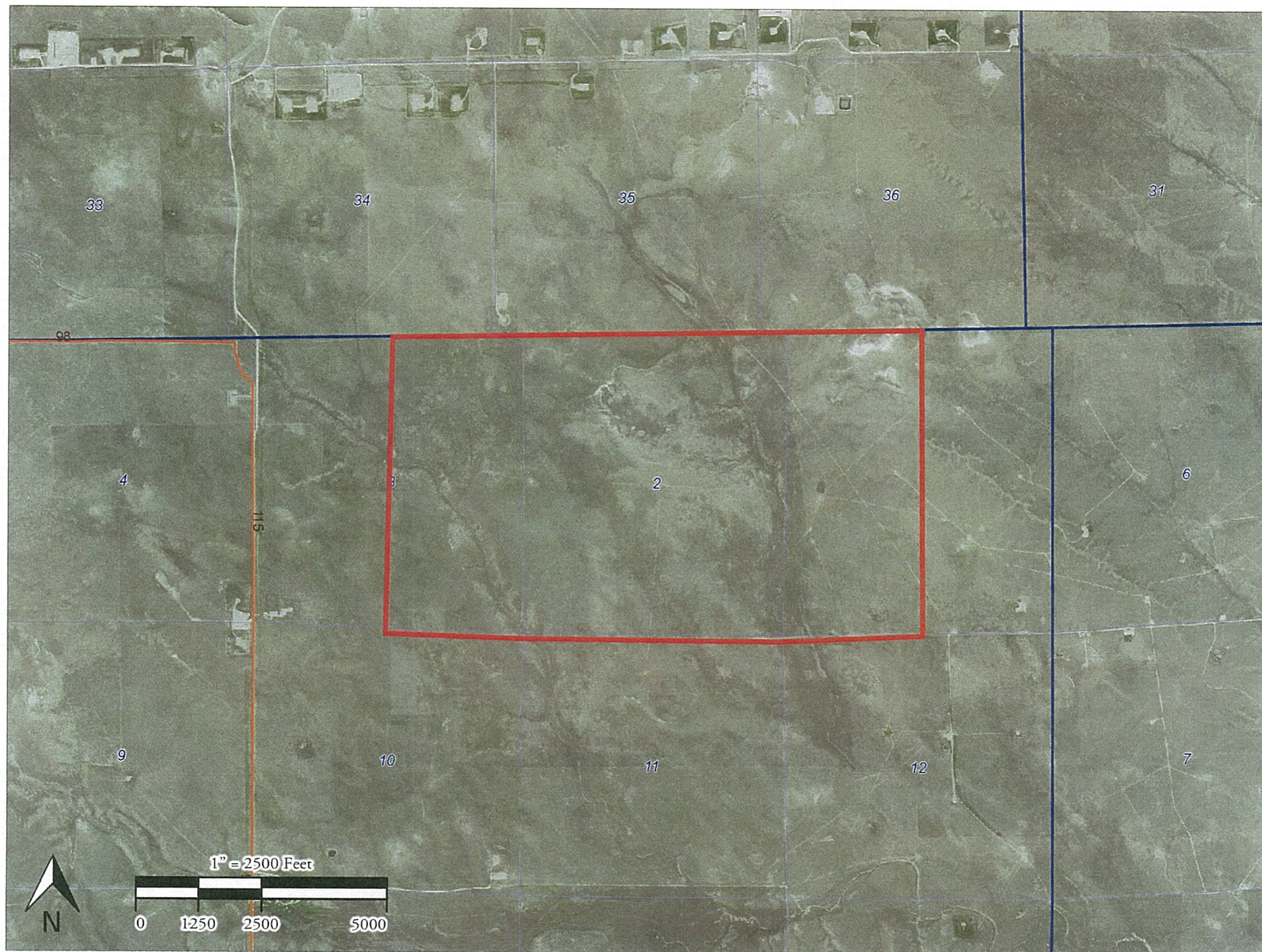
Northeast Region Office
6060 Broadway
Denver, CO 80216

EXHIBIT A

INTERESTED PARTIES

CLEAR CREEK RESOURCE PARTNERS HOLDINGS LLC
CROSIER, KELLY & HALL PARTNERSHIP
JERRY MAHONEY
MICHAEL MAHONEY
DPOC, LLC
NOBLE ENERGY, INC.
NOBLE ENERGY WYCO, LLC
ACME OIL CORP, LLC
GRINDSTONE RESOURCES, LLC
RED SPUR RESOURCES LLC
JOHN S. GIBSON PRODUCTION, LLC
EOG RESOURCES, INC
WALSH PRODUCTION, INC
DAVID G. WALSH AND FRANK H. WALSH
MILE HI OIL & GAS INC
WARD PETROLEUM CORPORATION
WILLIAM C. WARD
HOLTON RESOURCES, LTD
HOFACKET-WARD FAMILY TRUST

Exhibit B - Application Lands



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OF THE STATE OF COLORADO

IN THE MATTER OF AN APPLICATION BY)	Cause No. 535
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CARLILE FORMATIONS FOR THE W½ OF)	
SECTION 1, ALL OF SECTION 2, AND THE E½)	
OF SECTION 3, TOWNSHIP 8 NORTH, RANGE)	
59 WEST, 6TH P.M., UNNAMED FIELD, WELD)	
COUNTY, COLORADO)	

AFFIDAVIT OF MAILING

STATE OF COLORADO §
 §
CITY AND COUNTY OF DENVER §

I, Geoffrey W. Storm, of lawful age, and being first duly sworn upon my oath, state and declare:

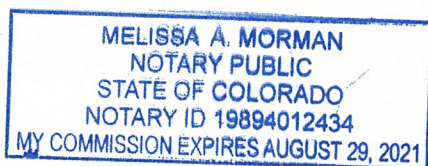
That I am the attorney for Bison Oil & Gas II, LLC and that on or before August 2, 2018, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

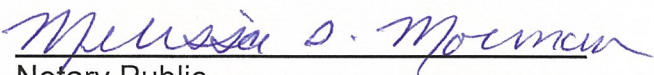


Geoffrey W. Storm

Subscribed and sworn to before me August 2, 2018.

Witness my hand and official seal.





Notary Public
My commission expires: 8/29/2021