

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

IN THE MATTER OF THE APPLICATION OF)
BISON OIL & GAS II, LLC FOR AN ORDER)
MODIFYING AN APPROXIMATE 960-ACRE)
DRILLING AND SPACING UNIT TO ESTABLISH)
WELL LOCATION RULES APPLICABLE TO)
THE DRILLING OF WELLS AND PRODUCING)
OF OIL, GAS, AND ASSOCIATED)
HYDROCARBONS FROM THE NIOBRARA)
FORMATION COVERING CERTAIN LANDS IN)
SECTIONS 22 AND 23, TOWNSHIP 8 NORTH,)
RANGE 60 WEST, 6TH P.M., UNNAMED FIELD,)
WELD COUNTY, COLORADO.)

Cause No. 535

Docket No. 181200996

Type: REDUCED SETBACKS

APPLICATION

Bison Oil & Gas II, LLC ("Applicant"), 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 an order modifying an approximate 960-acre drilling and spacing unit established by Order No. 535-893 for all of Section 22 and the W½ of Section 23, Township 8 North, Range 60 West, 6th P.M., such to establish well location rules applicable to the drilling of wells and producing of oil, gas and associated hydrocarbons from the Niobrara Formation. 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 interest and/or the right to operate, and is an Owner as defined by Commission rules, in the following lands ("Application Lands"):

Township 8 North, Range 60 West, 6th P.M.

Section 22: All

Section 23: W½

Weld County, Colorado

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. 535-277, which established an approximate 640-acre drilling and spacing unit for Section 22, Township 8 North, Range 60 West, 6th P.M., and approved one horizontal well within the unit, for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation, with the treated interval of the wellbore located no closer than 600 feet from the unit boundaries and no closer than 150 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.

5. On November 28, 2017, the Commission entered Order No. 535-893, which vacated an approximate 640-acre drilling and spacing unit established by Order No. 535-277 for Section 22, Township 8 North, Range 60 West, 6th P.M., and established an approximate 960-acre drilling and spacing unit for the Application Lands, and approved up to sixteen horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the productive interval of the wellbore located no closer than 600 feet from the unit boundaries, and no closer than 100 feet from the productive interval of any other wellbore located in the unit, unless the Director grants an exception. The Application Lands are subject to this order.

6. No horizontal wells have been drilled on the Application Lands.

7. To promote efficient drainage, and to assist in preventing waste, Applicant requests that the Commission modify an approximate 960-acre drilling and spacing unit established by Order No. 535-893 for the Application Lands only such to establish that the treated interval of the wells drilled within the unit be located no closer than 300 feet from the unit boundaries, and no closer than 165 feet from the productive interval of any other wellbore producing from the same common source of supply, unless the Director grants an exception.

8. Applicant maintains that the Application will allow for efficient drainage of the Niobrara Formation, will prevent waste, will protect correlative rights, and will assure a greater ultimate recovery of oil, gas and associated hydrocarbons.

9. The drilling and spacing unit is not smaller than the maximum area that can be drained by the wells within the unit drilled to the requested boundary setbacks, and Applicant's request will have no adverse effect on correlative rights of adjacent owners.

10. The 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.

11. Applicant intends that all other provisions of the drilling and spacing unit established by Order No. 535-893 remain unaffected by its Application.


12. 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.

Dated this 17 day of October, 2018.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 
Joseph C. Pierzchala
Geoffrey W. Storm
Welborn Sullivan Meck & Tooley, P.C.
Attorneys for Applicant
1125 17th Street, Suite 2200
Denver, CO 80202
303-830-2500
jpierzchala@wsmtlaw.com
gstorm@wsmtlaw.com

Applicant's Address:

Bison Oil & Gas II, LLC
518 17th Street, Suite 1800
Denver, CO 80202
Attn: Heath Lovell
Phone: (720) 644-6997

VERIFICATION

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

Heath Lovell, Senior Landman 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



Heath Lovell
Senior Landman

Subscribed and sworn to before me this 18 th day of October 2018 by Heath Lovell, Senior Landman for Bison Oil & Gas II, LLC.

Witness my hand and official seal.



Notary Public
My Commission Expires: March 8, 2020

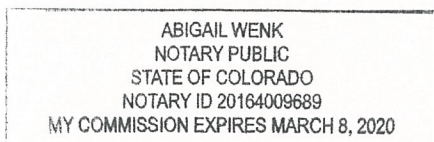


EXHIBIT A

INTERESTED PARTIES

Weld County

Jason Maxey
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

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INTERESTED PARTIES

Unleased Mineral Interests

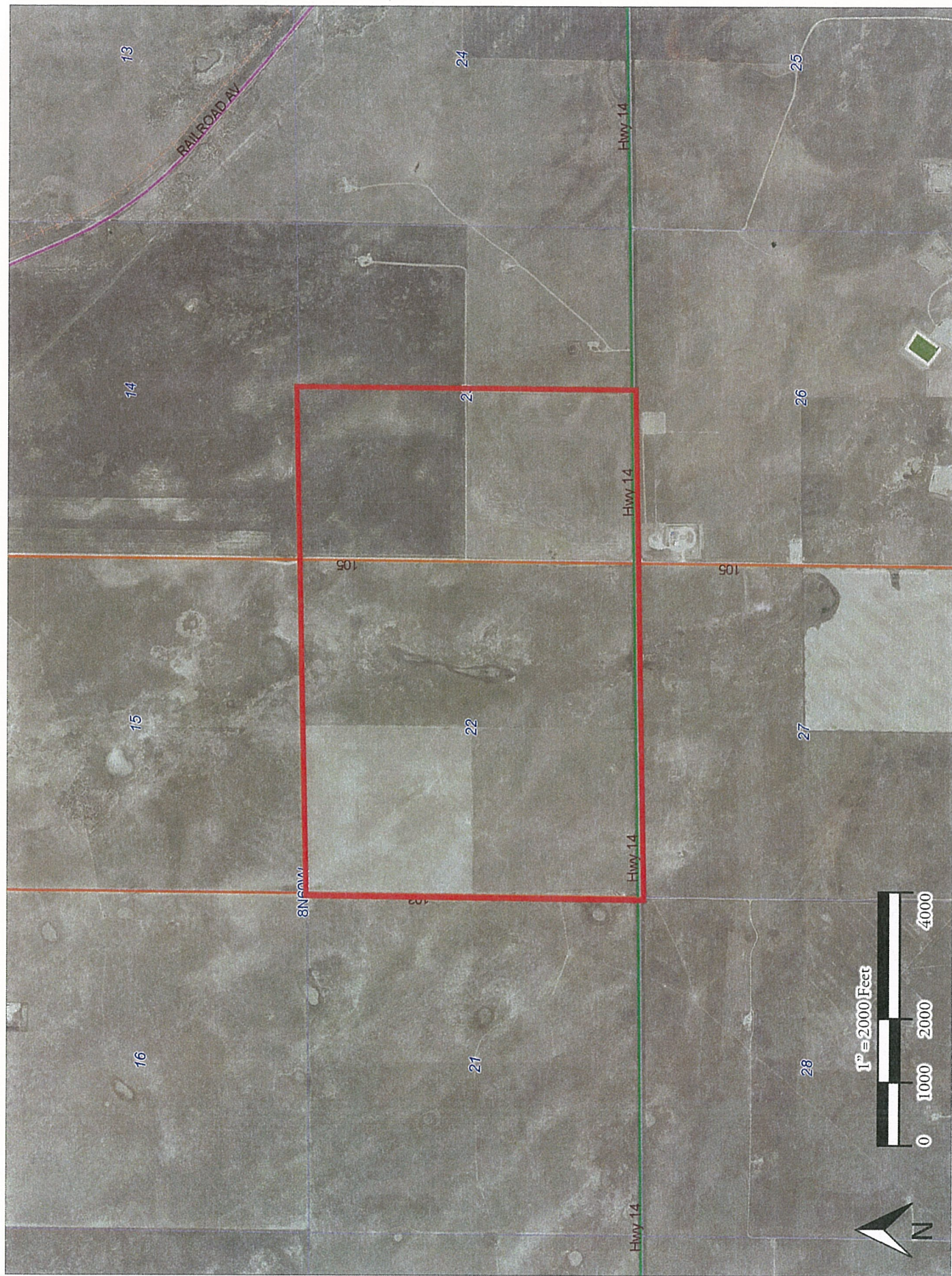
Byrd Augustine
Cobalt Oil & Gas LLC
Dave M. Buchanan
Dawn Denzer
Dianna K. Gemaehlich
Edward J. Buchanan Revocable Trust
Howard Tim Beacham
James E. Clinton, III
John H. Beyers, Jr.
John L. Beecherl
Larry Jarboe Davis
McCulliss Resources Co. Inc.
McCulliss Oil and Gas Inc.
Michael Storm
Miriam Morley
Nerd Gas Company, LLC
Okreek Oil and Gas II, LLC
Shirley A. Cartwright
Susan M. Bucher
Richard H. Buchanan
The Williams Home, as Successor-in-Interest for Irene A. Doty a/k/a Irene A. Emery
Whitetail Minerals, LLC

Working Interest Owners

Acoma Energy, LLC
Alpha DJ Holdings, LLC, a Delaware LLC
Bison Oil & Gas II, LLC
Colbalt Oil & Gas, LLC
Denver Basin Oil & Gas, LLC
DPOC, LLC
Duncan Energy Properties I, LLC
Foundation Energy Fund III-A, LP
Foundation Energy Fund III-B HOLDING, LLC
Foundation Energy Fund III-B, LP
Foundation Energy Fund IV-A, LP
Foundation Energy Fund IV-B, LP
Foundation Energy Fund IV-B Holding, LLC
Foundation Energy Management, LLC
Haimo Oil & Gas LLC
Herv Oil, LLC

Incline Niobrara Partners, LP
IOCL (USA) Inc.
Mallard Exploration, LLC
Mile Hi Oil & Gas
Noble Energy, Inc.
Noble Energy VII, LLC
Noble Energy WyCo, LLC
Oil India (USA), Inc. c/o Thompson Knight, LLP
OOGC America LLC
SKV, LLC
Three Crown Petroleum, LLC
Verdad Resources, LLC
Vincent J. Duncan

Exhibit B - Application Lands



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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:

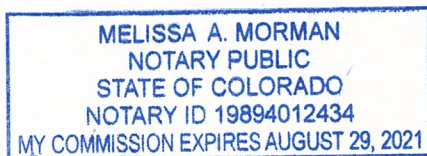
That I am the attorney for Bison Oil & Gas II, LLC and that on or before October 25, 2018, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

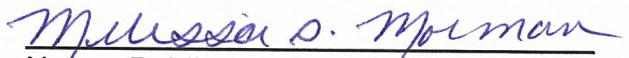


Geoffrey W. Storm

Subscribed and sworn to before me October 26, 2018.

Witness my hand and official seal.





Notary Public
My commission expires: 8/29/2021