OCT 24 2018

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

| IN THE MATTER OF THE APPLICATION |) | CAUSE NO. 535 |
|-----------------------------------|-----|----------------------|
| OF BISON OIL & GAS II, LLC FOR AN |) | |
| ORDER POOLING ALL INTERESTS IN |) | DOCKET NO. 181201049 |
| AN ESTABLISHED 960-ACRE DRILLING |) | |
| AND SPACING UNIT COVERING THE |) | TYPE: POOLING |
| S½ OF SECTION 17 AND ALL OF |) | |
| SECTION 20, TOWNSHIP 8 NORTH, |) | |
| RANGE 60 WEST, 6TH P.M., UNNAMED |) | |
| FIELD, WELD COUNTY, COLORADO, |) | |
| FOR THE PRODUCTION OF OIL, GAS, | j , | |
| AND ASSOCIATED HYDROCARBONS |) | |
| FROM THE NIOBRARA, FORT HAYS, | ý | |
| CODELL AND CARLILE FORMATIONS | ý | |
| | , | |

APPLICATION

Bison Oil & Gas II, LLC ("Bison" or "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 pooling all interests in an established 960-acre drilling and spacing unit for the S½ of Section 17 and all of Section 20, Township 8 North, Range 60 West, 6th P.M., Weld County, Colorado, for production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations. In support thereof, Applicant states as follows:

- 1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado and is an operator in good standing with the Commission.
- 2. Applicant owns substantial leasehold in the following lands ("Application Lands"):

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

Section 17: N½
Section 20: All

A reference map of the Application Lands is attached 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, as of February 22, 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 wellbores to be located no closer than 600 feet from the unit boundaries, without exception being granted by the Director.

- 5. On March 19, 2018, the Commission entered Order No. 535-952, which vacated two approximate 640-acre drilling and spacing units established by Order No. 535-3 for Sections 17 and 20, Township 8 North, Range 60 West, 6th P.M., and established an approximate 960-acre drilling and spacing unit for the Application Lands, an approved a total of up to 16 horizontal wells within the unit to the Niobrara Formation, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the productive interval of the wellbores located no closer than 600 feet from the unit boundaries, and no closer than 165 feet from the productive interval of any other wellbore producing from the same source of supply within the unit, unless the Director grants an exception. The Application Lands are subject to this order.
- 6. On September 17, 2018, the Commission entered Order No. 535-1091, which approved an application requesting an order modifying an approximate 960-acre drilling and spacing unit established by Order No. 535-952 for the Application Lands, to include the Fort Hays, Codell, and Carlile Formations, to approve up to four(4) Codell horizontal wells within the unit, for a total of twenty (20) horizontal wells within the unit, and to establish well location rules such that the treated interval of each wellbore within the unit be located no closer than 300 feet from the northern and southern unit boundary, no closer than 600 feet from the eastern and western unit boundary, and no closer than 150 feet from the productive interval of any other wellbore located within the same source of supply within the unit, unless the Director grants an exception. The Application Lands are subject to this order.
 - 7. Applicant has plans to drill the following wells in the Application Lands:

| Well Name | API No. | Spud Date (estimated) |
|---------------------|--------------|--------------------------|
| Hunt 8-60 17A-20-1 | 05-123-48035 | October 9, 2018 |
| Hunt 8-60 17A-20-2 | 05-123-48030 | October 8, 2018 |
| Hunt 8-60 17A-20-C1 | 05-123-48034 | October 10, 2018 |

(collectively the "Wells").

- 8. Pursuant to the relevant provisions of Section 34-60-116(6) & (7), C.R.S., as amended, and Commission Rule 530, Applicant seeks an order pooling all interests in the Application Lands for the development and operation of the Niobrara, Fort Hays, Codell, and Carlile Formations.
- 9. Applicant certifies that, at least sixty (60) days prior to the date of the hearing for this Application, each owner which Applicant was able to locate, not already

2

leased or voluntarily pooled, will be provided with the well proposal and information required by Section 34-60-116(7), C.R.S. and Commission Rule 530 and tendered a reasonable offer to lease (if an unleased mineral owner), or participate and bear costs associated with the drilling and completion of the Wells.

- 10. Applicant requests that a pooling order be entered as a result of this Application, that it be made effective as of the earlier of the date of this Application, or the date costs specified in Section 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of each of the Wells, and that the order specify that a nonconsenting owner is immune from liability for costs arising from spills, releases, damage, or injury resulting from oil and gas operations on the unit.
- 11. The granting of this Application would be in accord with the Oil and Gas Conservation Act, found at Section 34-60-101, *et seq.*, C.R.S., as amended, and the Commission rules.
- 12. The names and addresses of the interested parties (persons who own an interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) are attached hereto and marked Exhibit A. Applicant certifies that copies of this Application will be served on all locatable interested parties within seven (7) days of the date hereof, as required by Commission Rule 507.b(2), and that at least sixty (60) days prior to the date of the hearing for this Application, each owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Wells, and will be provided with the information required by Section 34-60-116(7), C.R.S. and Commission Rule 530.

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:

- A. Pooling all interests in the Application Lands for production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlie Formations;
- B. Providing that the pooling order is made effective as of the date of this Application, or the date that the costs specified in Section 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of the following wells:

| Well Name | API No. | Spud Date (estimated) |
|---------------------|--------------|-----------------------|
| Hunt 8-60 17A-20-1 | 05-123-48035 | October 9, 2018 |
| Hunt 8-60 17A-20-2 | 05-123-48030 | October 8, 2018 |
| Hunt 8-60 17A-20-C1 | 05-123-48034 | October 10, 2018 |

C. Providing that the interests of any owners, with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Wells, are pooled and deemed nonconsent by operation of statute, pursuant to Section 34-60-116(7), C.R.S., and made subject to the cost recovery provisions thereof;

- D. Providing that any nonconsenting owners within the Application Lands are immune from liability for costs arising from spills, releases, damage, or injury resulting from oil and gas operations on the unit; and
- E. For such other findings and orders as the Commission may deem proper or advisable in the premises.

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.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By:

Joseph 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 St. Ste 1800 Denver, CO 80202

Attn: Karsten Baker, Landman

Phone: 720-644-6997

VERIFICATION

| STATE OF COLORADO |) |
|-------------------------|------|
| |) ss |
| CITY & COUNTY OF DENVER |) |

Karsten Baker, Landman with 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

Karsten Baker, Landman

Subscribed and sworn to before me this _\scribe_\tag{8} day of October, 2018 Karsten Baker, Landman for Bison Oil & Gas II, LLC.

Witness my hand and official seal.

ABIGAIL WENK NOTARY PUBLIC STATE OF COLORADO NOTARY ID 2016409689

MY COMMISSION EXPIRES MARCH 8, 2020

Notary Public

My Commission Expires: march 8, 2020

EXHIBIT A

INTERESTED PARTIES

Carlson Oil and Gas, Inc.

Carolyn A. Beltzer

Cobalt Oil & Gas, LLC

County of Weld, Colorado

DPOC, LLC

Grayrock Minerals, LLC

Haimo Oil & Gas, LLC

IOCL (USA) Inc.

Karen R. Haley, as Trustee of the Karen R. Haley Revocable Trust Agreement dated

February 8, 2002

Kenneth W. Hunt

Mary Beltzer

OIL India (USA) Inc.

OOGC America, LLC

Proved Reserves, LLC

Ray E. Butler

Relic Mineral Fund, LP

Richard W. Mann

Silver Spur Resources, LLC

Spraberry Minerals, LP

Trojan Lake Group, Inc.

United States of America

Verdad Resources, LLC

Exhibit B - Application Lands

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

| IN THE MATTER OF THE APPLICATION OF |) | Cause No. 535 |
|--------------------------------------|--------|----------------------|
| BISON OIL & GAS II, LLC FOR AN ORDER |) | |
| POOLING ALL INTERESTS IN AN |) | Docket No. 181201049 |
| ESTABLISHED 960-ACRE DRILLING AND |) | |
| SPACING UNIT COVERING THE S1/2 OF |) | Type: POOLING |
| SECTION 17 AND ALL OF SECTION 20, |) | |
| TOWNSHIP 8 NORTH, RANGE 60 WEST, | ý | |
| 6TH P.M., UNNAMED FIELD, WELD | ý | |
| COUNTY, COLORADO, FOR THE | ý | |
| PRODUCTION OF OIL, GAS, AND | ý | |
| ASSOCIATED HYDROCARBONS FROM THE | Ś | |
| NIOBRARA, FORT HAYS, CODELL AND | Ś | |
| CARLILE FORMATIONS | , , | |
| | , | |

AFFIDAVIT OF MAILING

STATE OF COLORADO 888 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.

Subscribed and sworn to before me October 26, 2018.

Witness my hand and official seal.

MELISSA A. MORMAN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894012434 MY COMMISSION EXPIRES AUGUST 29, 2021 Notary Public
My commission expires: 7 2912021