



March 22, 2018

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80202

RE: Request to Flare
Bison Exploration LLC
Houlihan 4-64 22A 21-1

Dear Ms. Burn,

Bison Exploration is currently in production activities on the eastern edge of the Denver Julesburg oil and gas field and recent developments with gas takeaway capacity in the area have dictated then need to extend the temporary request authorization to flare per rule 912 as required by the Commission regarding the following Bison Exploration sites:

<i>Site Name</i>	<i>API NO</i>	<i>Field</i>
Houlihan 4-64 22A 21-1	#05-005-07279	Wildcat

Rule 912 provides that:

- a. The unnecessary or excessive venting or flaring of natural gas produced from a well is prohibited.
- b. Except for gas flared or vented during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test, gas from a well shall be flared or vented only after notice has been given and approval obtained from the Director on a Sundry Notice, Form 4, stating the estimated volume and content of the gas. The notice shall indicate whether the gas contains more than one (1) ppm of hydrogen sulfide. If necessary to protect the public health, safety or welfare, the Director may require the flaring of gas.
- c. Gas flared, vented or used on the lease shall be estimated based on a gas-oil ratio test or other equivalent test approved by the Director, and reported on Operator's Monthly Report of Operations, Form 7.
- d. Flared gas that is subject to Sundry Notice, Form 4, shall be directed to a controlled flare in accordance with Rule 903.b.(2) or other combustion device

operated as efficiently as possible to provide maximum reduction of air contaminants where practicable and without endangering the safety of the well site personnel and the public.

- e. Operators shall notify the local emergency dispatch or the local governmental designee of any natural gas flaring. Notice shall be given prior to flaring when flaring can be reasonably anticipated, or as soon as possible, but in no event more than two (2) hours after the flaring occurs.

2 C.C.R. 1-404:912 (2015).

Commission Requests

Based on the draft Notice to Operators dated November 4, 2015, the Commission requests for such authorization include:

- 1) The estimated volume and content of the gas to be flared.
- 2) Hydrogen sulfide gas analysis for the subject well.
- 3) For requests based on lack of available infrastructure, the operator must state:
 - a. Why the well cannot be connected to midstream infrastructure (e.g., remote area with no plans to constructed infrastructure) and an economic justification for this determination.
 - b. When the well(s) will be connected to midstream infrastructure, and why the operator commenced production of the well before midstream infrastructure was available.
- 4) A statement that the operator will comply with rule 805.b.(1).; and,
- 5) A statement that the operator will use and enclosed flare unless and open flare is specifically allowed by CDPHE's Regulation 7, and that any site specific permitting required by CDPHE is complete.

Bison Exploration's Request

Bison Exploration is currently in the production and appraisal phase and hereby requests the extension of the previously approved authorization to flare until an October/November timeline in which midstream is anticipated to be tied into location by providing information to the Commission's request by submitting a Form 4 Sundry request with this attachment.

Answers to the questions listed above are as follows:

- 1) The estimated volume of gas to be flared for this temporary period (March to November) is approx. 207 MMCF.
- 2) No Hydrogen Sulfide (H2S) was detected in the most recent gas analysis sampled on 2/8/18 (attached).
- 3) The previous request stated "*This request is based on current lack of midstream infrastructure. Bison Exploration was originally under contract with Anadarko Midstream for gathering this*

location, however, Anadarko has notified us that they will not honor that contract and is shutting down the LP system the area. Bison Exploration has reviewed other possibilities such as cryogenic or other gas processing skids for temporary use, but there are no available units at the current time. Bison Exploration has also evaluated tying into the Discovery system in the area and is in right of way negotiations to execute pipeline construction, the midstream takeaway capacity, and build out for potential future pads in the area.”

Due to unforeseen complications in getting ROW access for the new Discovery line, the current timeframe for tie-in is October/November and Bison is seeking permission to continue to flare until that time period. This location is currently a single well appraisal pad to test well length and completion technique, Bison hereby commits to drilling no new wells on this location until midstream infrastructure is in place. In an effort to avoid waste and be a good steward of resources, Bison has explored the option of mobilizing equipment to capture any NGL's and reinject the gas. However between CDHPE permitting, rental equipment costs, and new infrastructure, Bison has calculated that this would cause the well to run at a substantial economic deficit. Bison contends flaring the gas to keep the well economical until the Discovery line is tied in is the best option, and encourages future midstream infrastructure to be constructed in the area to make the region a viable and economic resource beneficial to the State of Colorado.

- 4) The operator is intending to flare the associated gas and therefore will comply with the odor provisions of Rule 805.b.(1).
- 5) Bison Exploration intends to use an enclosed flare for encountered gas from the wellhead and ECD's for compliance with storage tank emissions management. All other permitting and compliance provisions for the CDPHE are in process and will be followed as required.

Please contact Josh Carlisle at (720) 481-2372 if you need further information.

Sincerely,



Josh Carlisle
Environmental, Health, Safety and Regulatory Manager
Bison Exploration