

CROWLEY | FLECK LLP  
ATTORNEYS

1915 S. 19<sup>th</sup> Avenue  
P.O. Box 10969  
Bozeman, MT 59719-0969  
Phone: (406) 556-1430  
Fax: (406) 556-1433

**FACSIMILE TRANSMITTAL**

Date: May 4, 2021

To: **Board of Oil & Gas Conservation State of Montana**  
**Attn: Jim Halvorson**

From: Urlah J. Price

Re: ***Slawson Exploration Company, Inc. – Demand for Opportunity to  
be Heard concerning Bison Oil & Gas III, LLC's Applications for  
Permits to Drill***

Fax: **1-406-652-5305**

Pages: 16, including cover page

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confidential

CROWLEY | FLECK  
ATTORNEYS

URIAH J. PRICE  
1915 SOUTH 19TH AVENUE  
P.O. BOX 10969  
BOZEMAN, MT 59719  
TELEPHONE: (406) 522-4548  
FACSIMILE: (406) 556-1433  
UPRICE@CROWLEYFLECK.COM

May 4, 2021

E-MAIL AND FAX

Mr. Jim Halvorson  
Administrator  
Board of Oil & Gas Conservation  
State of Montana  
2535 St. Jon's Avenue  
Billings, Montana 59102-4693  
Fax No. (406) 652-5305

RE: Slawson Exploration Company, Inc. – Demand for Opportunity to be Heard concerning Bison Oil & Gas III, LLC's Applications for Permits to Drill

To Jim:

Pursuant to A.R.M. § 36.22.601, enclosed please find a Demand for Opportunity to be Heard, filed on behalf of Slawson Exploration Company, Inc., and concerning APDs filed by Bison Oil & Gas III, LLC. A Certificate of Service is attached to the Demand.

Please do not hesitate to call if you have questions.

Best Regards,



Uriah J. Price

**BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF MONTANA**

**REGARDING BISON OIL AND GAS III, LLC'S APPLICATIONS FOR PERMITS TO DRILL OIL AND GAS WELLS, IN A PERMANENT SPACING UNIT COMPRISED OF TOWNSHIP 26 NORTH, RANGE 59 EAST, SECTIONS 2 & 11, AS PUBLISHED IN THE SIDNEY HERALD AND THE HELENA INDEPENDENT ON MARCH 10, 2021**

**DEMAND FOR OPPORTUNITY  
TO BE HEARD CONCERNING  
BISON OIL AND GAS III, LLC'S  
APPLICATIONS FOR PERMITS  
TO DRILL**

Pursuant to Montana Administrative Rule § 36.22.601, Slawson Exploration Company, Inc., 1675 Broadway, Suite 1600, Denver, CO 80202, Phone No. (303) 592-8880 ("Slawson"), demands an opportunity to be heard concerning three applications for permits to drill pursuant to the Notices of Intention to Apply for Permit to Drill Oil and Gas Well, published by Bison Oil and Gas III, LLC ("Bison") in the Sidney Herald and the Helena Independent on April 25, 2021 ("APDs"). The APDs are for proposed wells to be drilled within a permanent spacing unit comprised of Sections 2 & 11, Township 26 North, Range 59 East, Roosevelt County, MT ("PSU"), as previously established per Board Order 224-2012. This demand is timely per A.R.M. § 36.22.601(6)(d). *Enclosed is a copy of Bison's Published Notice in the Sidney Herald with the Section 2 and 11 APD Notices highlighted ("Notices")*.

1. Slawson is the operator of the Citadel 2-11-2H well located within the PSU ("Well").
2. Slawson owns 41.197563% working interest in the PSU. According to record title, Bison currently owns less than 1% working interest in the PSU (0.294433%).
3. Slawson requests a hearing regarding Bison's APDs in the PSU based on the following specific reasons and considerations including:
  - a. Ownership and Experience. Slawson has the most working interest in, and has operated the PSU from its inception and administered the federal communitization agreement covering the PSU ("CA") since its approval. Bison's 0.294433% working interest in the PSU was only recently acquired, effective August 1, 2020. Additionally, Slawson has been an active operator in the Williston Basin since 1975, Slawson has successfully drilled and operated 64 wells in Montana since 2004 and more than 500 in the Williston Basin in that time. Slawson is unaware of any active or previous Bison drilling operations in the Williston Basin, the State of Montana, or Roosevelt County.
  - b. Support for Slawson as Sole Operator of the PSU. Slawson is the largest owner in the PSU with 41.197563% working interest. Slawson also has significant support from multiple non-operating working interest owners in the PSU to remain as the sole operator ("Supporters"). The combined working interests of the Supporters totals 53.020655%. This support is evidenced by the Support of Operator Summary and Letters, attached as Exhibit A. The combined working interest of Slawson and the Supporters equals 94.218218%.
  - c. Operational. Slawson is the designated operator of the Well and the PSU, and is intimately familiar with operations in the PSU and the Elm Coulee, Northeast field. With no setback

rules applicable inside the PSU, two distinct operators drilling and operating wells in such close proximity will unfavorably impact the otherwise orderly and geologically driven development of the PSU. It would also hinder each operator's ability to maximize operational efficiencies and ultimate recovery techniques within the PSU.

- d. Surface Use. The proposed surface hole locations for the APDs are in conflict with existing surface use agreements granted exclusively to Slawson by the surface owners for oil and gas operations. To Slawson's knowledge, Bison has no such rights for the proposed surface hole locations.
- e. Federal Reporting. The PSU contains two federal leases that are comprised of three separate tracts. Slawson has an approved CA covering the lands in the PSU. Accordingly, Slawson solely administers all associated reporting to the federal Office of Natural Resources Revenue pursuant to the CA.
- f. Correlative Rights. In consideration of the reasons listed above, denying the APDs will ensure that the PSU is developed in an orderly and geologically driven manner that promotes maximum efficient recovery, protects correlative rights, and prevents waste.

WHEREFORE, Slawson requests the following relief:

1. That Bison's APDs be referred to the Board for notice and public hearing as required per A.R.M. § 36.22.601(4)(a).
2. That after the hearing, the Board enter an Order denying Bison's APDs.
3. For such other relief as the Board may deem appropriate.

Dated this 4th day of May, 2021.

Slawson Exploration Company, Inc.

By



Uriah J. Price, Its Attorney

CROWLEY FLECK PLLP  
1915 South 19<sup>th</sup> Avenue  
P.O. Box 10969  
Bozeman, MT 59719  
(406) 522-4548  
E-Mail: [uprice@crowleyfleck.com](mailto:uprice@crowleyfleck.com)

CERTIFICATE OF SERVICE

I, URIAH J. PRICE, in accordance with A.R.M. § 36.22.601(6)(e), hereby certify that the foregoing Statement of Reasons was served on this 4th day of May, 2021 on the following:

By FAX to:

Montana Board of Oil & Gas  
Conservation  
Attn: Mr. Jim Halvorson  
2535 St. Johns Avenue  
Billings, MT 59102  
FAX No. (406) 652-5305

*With a copy sent via electronic mail to  
Mr. Jim Halvorson at: jhalvorson@mt.gov*

By Certified Mail to:

Bison Oil & Gas III, LLC  
518 17<sup>th</sup> St. Suite 1800  
Denver, CO 80202

*With a copy sent via electronic mail to  
Bison's legal counsel Ms. Kelley Huemoeller  
Lewis at: klh@klhadvisors.com*

By:   
Uriah J. Price

**EXHIBIT A****SUPPORT OF OPERATOR SUMMARY AND LETTERS**

<b><u>SUPPORTER</u></b>	<b><u>WORKING INTEREST</u></b>
Riverbend Oil & Gas VI, LLC	34.851870%
Cimarex Energy Company	9.284312%
Equinor Energy LP/Grayson Mill Energy, LLC	4.570705%
Northern Oil and Gas, Inc.	3.122951%
Prima Exploration, Inc.	1.190817%
<b>TOTAL SUPPORTER WI:</b>	<b>53.020655%</b>

*Support of Operator Letters follow.*



March 17, 2021

Montana Board of Oil and Gas Conservation  
2535 St. Johns Avenue  
Billings, MT 59102

c/o Slawson Exploration Company, Inc.  
1675 Broadway, Suite 1600  
Denver, CO 80202

RE: Support of Operator – Citadel PSU

It has come to the attention of Riverbend Oil & Gas VI, LLC (“Riverbend”) that Bison Oil and Gas III, LLC (“Bison”) submitted Docket No. 24-2021 to the Montana Board of Oil and Gas Conservation (the “Board”) applying to authorize the drilling of two additional horizontal Bakken/Three Forks formation wells in the following Permanent Spacing Unit (“Citadel PSU”) operated by Slawson Exploration Company, Inc. (“Slawson”):

Township 26 North, Range 59 East, M.P.M  
Section 2: All;  
Section 11: All;  
Roosevelt County, Montana

As a working interest owner in the Citadel 2-11-2H, API No. 25-85-21806 (the “Well”) since 2017, Riverbend is familiar with Slawson’s capabilities and experience operating the Well and Citadel PSU.

Riverbend has concerns and reservations regarding more than one operator conducting operations in the Citadel PSU. Riverbend believes that Slawson, as operator of the Well, is best qualified to develop the Citadel PSU in an orderly and geologically driven manner that will promote maximum efficient recovery, protect correlative rights, and prevent waste.

Accordingly, Riverbend Oil & Gas VI, LLC, as the owner of 34.851870% working interest in the Citadel PSU, does hereby support Slawson as the sole operator of the Citadel PSU and requests that the Board deny Bison’s applications for permits to drill submitted under Docket 24-2021.

Respectfully,

Riverbend Oil & Gas VI, LLC

By: [Signature]

Name: COLIN BARNETT

Title: V.P. Law

Date: 3-17-21

Cimarex Energy Co.  
1700 Lincoln Street  
Suite 3700  
Denver, Colorado 80203-4618



March 17, 2021

Montana Board of Oil and Gas Conservation  
2535 St. Johns Avenue  
Billings, MT 59102

c/o Slawson Exploration Company, Inc.  
1675 Broadway, Suite 1600  
Denver, CO 80202

RE: Support of Operator – Citadel PSU

It has come to the attention of Cimarex Energy Company ("Cimarex") that Bison Oil and Gas III, LLC ("Bison") submitted Docket No. 24-2021 to the Montana Board of Oil and Gas Conservation (the "Board") applying to authorize the drilling of two additional horizontal Bakken/Three Forks formation wells in the following Permanent Spacing Unit ("Citadel PSU") operated by Slawson Exploration Company, Inc. ("Slawson"):

Township 26 North, Range 59 East, M.P.M

Section 2: All;

Section 11: All;

Roosevelt County, Montana

As a working interest owner in the Citadel 2-11-2H, API No. 25-85-21806 (the "Well") since 2011, Cimarex is familiar with Slawson's capabilities and experience operating the Well and the Citadel PSU.

Cimarex has concerns and reservations regarding more than one operator conducting operations in the Citadel PSU. Cimarex believes that Slawson, as operator of the Well, is best qualified to develop the Citadel PSU in an orderly and geologically driven manner that will promote maximum efficient recovery, protect correlative rights, and prevent waste.

Accordingly, Cimarex Energy Company, as the owner of 9.284312% working interest in the Citadel PSU, does hereby support Slawson as the sole operator of the Citadel PSU and requests that the Board deny Bison's applications for permits to drill submitted under Docket 24-2021.

Respectfully,

Cimarex Energy Company

By: 

Name: Darren J. Lay

Title: Vice President – Business Development

Date: March 17, 2021





March 17, 2021

Montana Board of Oil and Gas  
Conservation  
2535 St. Johns Avenue  
Billings, MT 59102

c/o Slawson Exploration  
Company, Inc.  
1675 Broadway, Suite 1600  
Denver, CO 80202

RE: Support of Operator – Citadel PSU

It has come to the attention of Equinor Energy LP (“Equinor”) that Bison Oil and Gas III, LLC (“Bison”) submitted Docket No. 24-2021 to the Montana Board of Oil and Gas Conservation (the “Board”) applying to authorize the drilling of two additional horizontal Bakken/Three Forks formation wells in the following Permanent Spacing Unit (“Citadel PSU”) operated by Slawson Exploration Company, Inc. (“Slawson”):

Township 26 North, Range 59 East, M.P.M  
Section 2: All;  
Section 11: All;  
Roosevelt County, Montana

As a working interest owner in the Citadel 2-11-2H, API No. 25-85-21806 (the “Well”) since 2011, Equinor is familiar with Slawson’s capabilities and experience operating the Well and Citadel PSU.

Equinor has concerns and reservations regarding more than one operator conducting operations in the Citadel PSU. Equinor believes that Slawson, as operator of the Well, is best qualified to develop the Citadel PSU in an orderly and geologically driven manner that will promote maximum efficient recovery, protect correlative rights, and prevent waste.

Accordingly, Equinor Energy LP, as the owner of 4.570705% working interest in the Citadel PSU, does hereby support Slawson as the sole operator of the Citadel PSU and requests that the Board deny Bison’s applications for permits to drill submitted under Docket 24-2021.

Respectfully,

Equinor Energy LP

By: [Signature]  
Name: Eric Luszer  
Title: Area Land Manager  
Date: 3/17/21

**GRAYSON MILL**  
ENERGY

March 17, 2021

Montana Board of Oil and Gas Conservation  
2535 St. Johns Avenue  
Billings, MT 59102

c/o Slawson Exploration Company, Inc.  
1675 Broadway, Suite 1600  
Denver, CO 80202

RE: Support of Operator – Citadel PSU

It has come to the attention of Grayson Mill Energy, LLC (“Grayson Mill”) that Bison Oil and Gas III, LLC (“Bison”) submitted Docket No. 24-2021 to the Montana Board of Oil and Gas Conservation (the “Board”) applying to authorize the drilling of two additional horizontal Bakken/Three Forks formation wells in the following Permanent Spacing Unit (“Citadel PSU”) operated by Slawson Exploration Company, Inc. (“Slawson”) in Roosevelt County, Montana.

Township 26 North, Range 59 East, M.P.M

Section 2: All

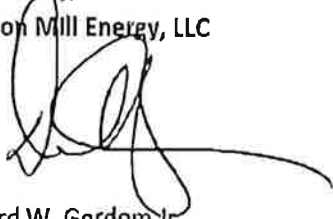
Section 11: All

Grayson Mill recently executed an agreement to purchase all right, title and interest of Equinor Energy LP (“Equinor”) in the Citadel PSU including the Citadel 2-11-2H (the “Well”) and is familiar with Slawson’s capabilities and experience operating the Well and the Citadel PSU. Grayson Mill has concerns and reservations regarding more than one operator conducting operations in the Citadel PSU. Grayson Mill believes that Slawson, as operator of the Well, is best qualified to develop the Citadel PSU in an orderly and geologically driven manner that will promote maximum efficient recovery, protect correlative rights, and prevent waste.

Accordingly, Grayson Mill Energy, LLC, as the pending owner of 4.570705% working interest (as successor to Equinor) in the Citadel PSU, does hereby support Slawson as the sole operator of the Citadel PSU and requests that the Board deny Bison’s applications for permits to drill submitted under Docket 24-2021.

Respectfully,

Grayson Mill Energy, LLC



Deward W. Gerdon Jr.

VP, Business Development

Northern  
Oil & Gas, Inc.

601 Carlson Pkwy · Suite 900 · Minnetonka · Minnesota · 55305 · Phone: 952-476-9800 · Fax: 952-476-9801  
www.northernoil.com

March 17, 2021

Montana Board of Oil and Gas Conservation  
2535 St. Johns Avenue  
Billings, MT 59102

c/o Slawson Exploration Company, Inc.  
1675 Broadway, Suite 1600  
Denver, CO 80202

RE: Support of Operator – Citadel PSU

It has come to the attention of Northern Oil and Gas, Inc. ("Northern") that Bison Oil and Gas III, LLC ("Bison") submitted Docket No. 24-2021 to the Montana Board of Oil and Gas Conservation (the "Board") applying to authorize the drilling of two additional horizontal Bakken/Three Forks formation wells in the following Permanent Spacing Unit ("Citadel PSU") operated by Slawson Exploration Company, Inc. ("Slawson"):

Township 26 North, Range 59 East, M.P.M  
Section 2: All;  
Section 11: All;  
Roosevelt County, Montana

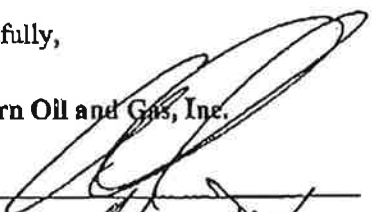
As a working interest owner in the Citadel 2-11-2H, API No. 25-85-21806 (the "Well") since 2015, Northern is familiar with Slawson's capabilities and experience operating the Well and Citadel PSU.

Northern has concerns and reservations regarding more than one operator conducting operations in the Citadel PSU. Northern believes that Slawson, as operator of the Well, is best qualified to develop the Citadel PSU in an orderly and geologically driven manner that will promote maximum efficient recovery, protect correlative rights, and prevent waste.

Accordingly, Northern Oil and Gas, Inc., as the owner of 3.122951% working interest in the Citadel PSU, does hereby support Slawson as the sole operator of the Citadel PSU and requests that the Board deny Bison's applications for permits to drill submitted under Docket 24-2021.

Respectfully,

Northern Oil and Gas, Inc.

By:   
Name: Adam Dillan  
Title: COO  
Date: 3/17/21

March 15, 2021

Montana Board of Oil and Gas Conservation  
2535 St. Johns Avenue  
Billings, MT 59102

c/o Slawson Exploration Company, Inc.  
1675 Broadway, Suite 1600  
Denver, CO 80202

RE: Support of Operator – Citadel PSU

It has come to the attention of Prima Exploration, Inc. ("Prima") that Bison Oil and Gas III, LLC ("Bison") submitted Docket No. 24-2021 to the Montana Board of Oil and Gas Conservation (the "Board") applying to authorize the drilling of two additional horizontal Bakken/Three Forks formation wells in the following Permanent Spacing Unit ("Citadel PSU") operated by Slawson Exploration Company, Inc. ("Slawson"):

Township 26 North, Range 59 East, M.P.M  
Section 2: All;  
Section 11: All;  
Roosevelt County, Montana

As a working interest owner in the Citadel 2-11-2H, API No. 25-85-21806 (the "Well") since 2011, Prima is familiar with Slawson's capabilities and experience operating the Well and Citadel PSU.


Prima has concerns and reservations regarding more than one operator conducting operations in the Citadel PSU. Prima believes that Slawson, as operator of the Well, is best qualified to develop the Citadel PSU in an orderly and geologically driven manner that will promote maximum efficient recovery, protect correlative rights, and prevent waste.

Accordingly, Prima Exploration, Inc., as the owner of 1.190817% working interest in the Citadel PSU, does hereby support Slawson as the sole operator of the Citadel PSU and requests that the Board deny Bison's applications for permits to drill submitted under Docket 24-2021.

Respectfully,

Prima Exploration, Inc.  
250 Fillmore Street, Suite 500  
Denver, Colorado 80206  
Ph: (303) 755-5681

By:




LOREN J. O'TOOLE II

ATTORNEY FOR PRIMA EXPLORATION, INC.

CERTIFICATE OF SERVICE

This is to certify that the foregoing was duly served by mail upon the following parties of record at their respective addresses on the 18th day of MARCH, 2021

By:   
LOREN J. O'TOOLE II

MONTANA BOARD OF OIL & GAS CONSERVATION  
2535 St. Johns Avenue  
Billings, Montana 59102  
Via Fax (406) 655-6015 and First Class Mail

BISON OIL & GAS III, LLC  
518 17<sup>th</sup> Street  
Suite 1800  
Denver, Colorado 80202

SLAWSON EXPLORATION COMPANY, INC.  
1675 Broadway, Suite 1600  
Denver, Colorado 80202





