

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

IN THE MATTER OF THE APPLICATION OF)	
URSA OPERATING COMPANY LLC TO)	
ESTABLISH A DRILLING AND SPACING)	Cause Nos. 139 & 440
UNIT IN SECTION 24 (SOUTH OF THE)	
COLORADO RIVER), TOWNSHIP 7 SOUTH,)	Docket No.
RANGE 96 WEST, GARFIELD COUNTY, AND)	
TO ALLOW TEN-ACRE BOTTOMHOLE WELL)	
DENSITY IN THE WILLIAMS FORK)	
FORMATION)	

APPLICATION

COMES NOW, Ursa Operating Company LLC ("Ursa" or "Applicant"), by and through its undersigned attorneys, and requests that the Commission establish a drilling and spacing unit ("proposed unit"), and allowing 10-acre bottomhole well density therein, comprised of the following lands:

Township 7 South, Range 96 West, 6th P.M.
Section 24: Lots 1, 5 & 6; NE $\frac{1}{4}$ NE $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; S $\frac{1}{2}$
(excluding Lots 2, 3 & 4, North of the Colorado River)
Approximately 588 acres

("Application Lands" – see Exhibit A)

In support whereof, Ursa states:

1. Applicant is registered to conduct business in Colorado and is an operator in good standing with the Commission.
2. Applicant owns a substantial leasehold position in the proposed unit.
3. The Application Lands are subject to Order No's. 139-31 and 440-18, effective as of July 1, 1997. Under said orders, the well density for the Williams Fork Formation of the Mesaverde Group was set a 40 acres (16 per 640 acre unit). However, 10-acre well density has become standard for Williams Fork development in the area of the Application Lands, and Applicant seeks authorization to drill up to 58 wells on the proposed unit.
4. In accordance with standard unit boundary setbacks in the area, Applicant proposes that the bottom-hole location of the authorized wells be no less than 100 feet from the proposed unit boundaries, except that such setback shall be 200 feet with respect to adjoining and cornering lands for which the Commission, at the time of drilling, has not approved equivalent well offsets.

5. In accordance with standard surface location restrictions applied to 10-acre well density units in the area, Applicant agrees limit its well pads to no more than one per 40 acres.


6. The establishment of the proposed unit and the authorization of 10-acre bottom-hole well density will facilitate the maximum efficient recovery of oil, gas and associated hydrocarbons from the Williams Fork Formation from the Application Lands.

7. In order to promote efficient drainage of the Williams Fork Formation, to prevent waste, and to protect correlative rights, the Commission should establish the proposed unit comprised of the Application Lands, and authorize the drilling of up to 58 wells thereon. The specified size and configuration of the proposed unit are consistent with the maximum area that can be economically and efficiently drained by the requested wells.

8. Applicant certifies that copies of this Application will be served on all interested parties no later than seven business days after the filing of this Application, in accordance with Rules 503(e) and 507(b)(1).

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's petition. Applicant agrees to be bound by the oral order of the Commission in this regard.

Dated: April 18, 2013

By: 
Kenneth A. Wonstolen
Beatty & Wozniak, P.C.
216 Sixteenth Street-Suite 1100
Denver, CO 80202-5115

Address of Applicant
Jarred McGhee
Ursa Operating Company LLC
1050 17th St., Suite 2400
Denver, CO 80265

VERIFICATION

STATE OF COLORADO)
)
COUNTY OF Denver) ss.

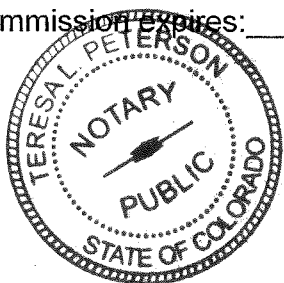
Jarred McGhee, of lawful age, being first duly sworn upon oath, deposes and says that he is Landman for Ursa Operating Company LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.


Jarred McGhee

Subscribed and sworn to before me this 18 day of April, 2013.

Witness my hand and official seal.

My commission expires: 10-04-13



Notary Public

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FORMATION)

Cause Nos. 139 & 440

Docket No.

Intake No. 49

AFFIDAVIT OF MAILING

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

Kenneth A. Wonstolen, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is an attorney for Ursa Operating Company LLC, that on or before April 30, 2013, she caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on the attached list.



Kenneth A. Wonstolen

Subscribed and sworn to before me April 30, 2013.

Witness my hand and official seal.

My commission expires: 10-04-13.



Notary Public

Interested Parties

ExxonMobil Corporation
Attn: Paul Keffer
810 Houston Street
Fort Worth, TX 76102

Williams Production RMT Company
1515 Arapahoe St., Tower 3, STE. 1000
Denver, CO 80202

Texas Eastern Skyline Oil Company (AKA
Spectra Energy)
Attn: Ginger Funk
5400 Westheimer Court
Houston, TX 77056

Alarado Resources, Limited Partnership
215 Union Blvd. Suite 450
Lakewood, CO 80228

Zenith Drilling Corporation
1223 N Rock Road # A200
Wichita, KS 67206

Yates Drilling Company
730 17th St., # 320
Denver, CO 80202

Yates Petroleum Corporation
730 17th St., # 320
Denver, CO 80202

ABO Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210

MYCO Industries, Inc.
423 W. Main Street
Artesia, NM 88210

United States of America – Bureau of Land
Management
2850 Youngfield Street
Lakewood, CO 80215

Delbarco, Inc.
P.O. Box 781581
Wichita, KS 67278

4-D Energy, Inc.
1313 North Webb Rd., STE 200
Wichita, KS 67206

Kent Kuster
Oil & Gas Consultant Coordinator
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Michael Warren, Energy Liaison
Colorado Parks and Wildlife
Northwest Regional Office
711 Independent Avenue
Grand Junction, CO 81505

Kirby H. Wynn
Garfield County
0375 County Road 352, Bldg 2060
Rifle, CO 81650-8412