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

IN THE MATTER OF THE APPLICATION OF)	
URSA OPERATING COMPANY LLC TO)	
POOL ALL INTERESTS IN A DRILLING AND)	Cause Nos. 139 & 440
SPACING UNIT IN SECTION 24 (SOUTH OF)	
THE COLORADO RIVER), TOWNSHIP 7)	Docket No.
SOUTH, RANGE 96 WEST, GARFIELD)	
COUNTY)	

APPLICATION

COMES NOW, Ursa Operating Company LLC ("Ursa" or "Applicant"), by and through its undersigned attorneys, and requests that the Commission pool all interests in the drilling and spacing unit comprised of the following lands:

Township 7 South, Range 96 West, 6th P.M.
Section 24: Lots 1, 5 & 6; NE¼NE¼; S½NE¼; S½

(excluding Lots 2, 3 & 4, North of the Colorado River)

Approximately 588 acres

("Application Lands")

In support whereof, Ursa states:

- 1. Applicant is duly 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. On April 18, 2013, Applicant filed an application to establish a drilling and spacing unit comprised of the Application Lands. Approval of this pooling application is contingent on approval of this companion spacing application.
- 4. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in the Application Lands for the development of the Williams Fork Formation of the Mesaverde Group.
- 5. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of a well to the Williams Fork Formation on the Application Lands.
- 6. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled as required by Rules 503.e and 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not

already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of a well, and will be provided with the information required by Rule 530.

- 7. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Williams Fork Formation.
 - 8. Applicant agrees to be bound by the oral order of the Commission in this matter.

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:

- A. Pooling all interests in the Application Lands for the development of the Williams Fork Formation.
- B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of a well to the Williams Fork Formation on the Application Lands.
- 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 a well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to all wells authorized to be drilled to develop the Williams Fork Formation in the drilling unit comprised of the Application Lands.
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

Dated: April 18, 2013

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)	SS.
COUNTY OF Denver)	

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

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

IN THE MATTER OF THE APPLICATION OF URSA OPERATING COMPANY LLC TO POOL ALL INTERESTS IN A DRILLING AND SPACING UNIT IN SECTION 24 (SOUTH OF THE COLORADO RIVER), TOWNSHIP TOWN	O) O) Cause Nos. 139 & 440 O) O Docket No.		
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 <u>30</u> , 2013.			
Witness my hand and official seal.			
My commission expires:	3. Serva L Helers Notary Public		

Interested Parties

ExxonMobil Corporation Attn: Paul Keffer 810 Houston Street Fort Worth, TX 76102 4-D Energy, Inc. 1313 North Webb Rd., STE 200 Wichita, KS 67206

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