

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

IN THE MATTER OF AN APPLICATION BY URSA)
OPERATING COMPANY LLC, FOR AN ORDER) CAUSE NO. 440
ESTABLISHING AN APPROXIMATE 960-ACRE)
EXPLORATORY DRILLING UNIT FOR CERTAIN) DOCKET NO. *To be assigned*
PORTIONS OF SECTIONS 7 AND 18, TOWNSHIP 7)
SOUTH, RANGE 95 WEST, 6TH P.M., FOR)
PRODUCTION FROM THE MANCOS, NIOBRARA,)
FRONTIER, MOWRY AND DAKOTA FORMATIONS,)
PARACHUTE FIELD, GARFIELD COUNTY,)
COLORADO)

APPLICATION

Ursa Operating Company LLC (“Ursa” or “Applicant”), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order to establish an approximate 960-acre exploratory drilling unit for certain portions of Sections 7 and 18, Township 7 South, Range 95 West, 6th P.M. (described below) for horizontal, directional and vertical well development, for the production of gas and associated hydrocarbons from the Mancos, Niobrara, Frontier, Mowry and Dakota Formations (collectively, the “Deep Formations” for purposes of this Application). In support of its Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 7 South, Range 95 West, 6th P.M.

Section 7: S½

Section 18: All

Garfield County, Colorado

These lands comprise approximately 960 acres, more or less, and are hereinafter referred to as the “Application Lands.” A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. There are no other specific Commission Orders applicable to the Deep Formations underlying the Application Lands.

4. Applicant requests the Commission establish an approximate 960-acre exploratory drilling unit comprising the Application Lands for horizontal, directional and vertical well development of the proposed unit, for the production of gas and associated hydrocarbons from the Deep Formations.

5. Applicant requests it be authorized to drill and complete up to six (6) horizontal, vertical or directional wells in the approximate 960-acre exploratory drilling unit proposed for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations. Applicant asserts this request is consistent with governance under the Oil and Gas Conservation Act, in that the request is necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

6. Applicant requests that for wells permitted as result of this Application, whether horizontal, vertical or directional for the bottomhole location, or in the case of horizontal wells for the treated intervals of the wellbore, should be located not less than 600 feet from the outer boundary of the proposed exploratory drilling unit and not less than 300 feet from any other well or treated interval of a well producing from the Deep Formations, without exception being granted by the Director.

7. Applicant requests that wells permitted under this Application should be drilled from a new, common, or existing well pad from the surface either on the Application Lands or on adjacent lands with consent of the landowner, from no more than one (1) pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto), unless exception is granted by the Commission pursuant to an application made for such exception.

8. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

9. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to being bound by said oral order.

10. That the names and addresses of the interested parties (owners within the proposed drilling unit) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

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. Establishing an approximate 960-acre exploratory drilling unit for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations.

B. Authorizing the drilling and completion of up to six (6) horizontal, vertical or directional wells in the proposed approximate 960-acre exploratory drilling unit for the

Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations, with any permitted well drilled under the Application, whether horizontal, vertical or directional for the bottomhole location, or in the case of horizontal wells for the treated intervals of the wellbore, should be located not less than 600 feet from the outer boundary of the proposed exploratory drilling unit and not less than 300 feet from any other well or treated interval of a well producing from the Deep Formations, without exception being granted by the Director.

C. Requiring, except as previously authorized by order of the Commission, wells authorized under this Application should be drilled from a new, common, or existing well pad from the surface either on the Application Lands or on adjacent lands with consent of the landowner, from no more than one (1) pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto), unless exception is granted by the Commission pursuant to an application made for such exception.

D. Providing that relief granted under this Application be effective on oral order by the Commission, relying on the Applicant's desire to be bound by said oral order.

E. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 17th day of April, 2014.

Respectfully submitted,

URSA OPERATING COMPANY LLC

By: 

Robert A. Willis (Colorado Bar No. 26038)

Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

(303) 407-4499

rwillis@bwenergylaw.com

jfulcher@bwenergylaw.com

Applicant's Address:

Jarred McGhee

Ursa Operating Company LLC

1050 17th St., Suite 2400

Denver, CO 80265

VERIFICATION

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

Jarred McGhee, Landman for Ursa Operating Company 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.

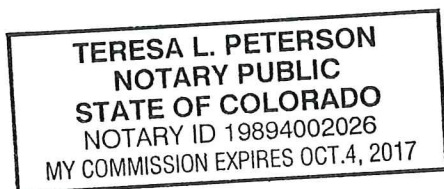
URSA OPERATING COMPANY LLC

Jarred McGhee

Subscribed and sworn to before me this 17th day of April, 2014, by Jarred McGhee,
Landman for Ursa Operating Company, LLC.

Witness my hand and official seal.

My commission expires: 10-04-17



Notary Public

T7S, R95W
Garfield County

Exhibit A
Application Map



Application lands -

T7S, R95W 2	1	6	T7S, R95W 5	4
11	12	7	8	9
14	13	18	17	16
23	24	19	20	21

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within the Application Lands) according to the information and belief of the Applicant are set forth in this Exhibit B.

Ursa Operating Company LLC
1050 17th St., Ste. 2400
Denver, CO 80265

Encana Oil & Gas (USA) Inc.
Attn: Richard Champion
370 17th Street, Suite 1700
Denver, CO 80202

WPX Rocky Mountain, LLC
Attn: Bart Valls
1001 17th Street, Suite 1200
Denver, CO 80202

Chevron Corporation
Attn: Kevin McCarty
1400 Smith Street, Room 47170
Houston, TX 77002

Paradise Valley Minerals
P.O. Box 6000
Battlement Mesa, CO 81636

Apollo Energy, LLC
1557 Ogden Street, Suite 300
Denver, CO 80218

Yates Petroleum Corporation
105 S. 4th Street
Artesia, New Mexico 88210

Della Vanbeber
317 W. 9th Street
Rifle, CO 81650

B & V Developers
259 CR 320
Rifle, CO 81650

Hill Country Hospitality, LLC
5921 The Knolls
Lincoln, NE 68507

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

Mountain & Lake Suites, Inc.
5921 The Knolls
Lincoln, NE 68507

ABO Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Sharbro Oil Ltd.
423 Main Street
Artesia, NM 88210

Norman Feck and Kateri Feck
8968 County Road 300
Parachute, CO 81635

Russell Johnson and Margo Johnson
296 Nikolau Place
Hilo, HI 96720

Garfield County Board of County
Commissioners
108 8th Street, Suite 213
Glenwood Springs, CO 81601

Cheryl Powers
1040 Oak Ridge Way
Auburn, CA 95603

Ella and Richard O'Rourke
3744 Big Dipper Court
Sparks, NV 89436

Gloria and Robert Martin
8940 Turbine Way
Reno, NV 89506

Charlene Ashton
12225 Shale Ridge Lane
Auburn, CA 95602

Terry and Joaquin Baeza
1408 Texas Street
Redlands, CA 92374

Kathy and Roger Flowers
488 England Hollow
Chillicothe, OH 45601

Marsha Glandon
2176 3rd Road
Wakefield, KS 67487

Kathryn Tucker
2974 Main Avenue
Durango, CO 81301

David Parkhurst
3362 Victoria Court
Springfield, MO 65809

Marlene Stone
4700 Aurora Drive #24
Ventura, CA 93003

Ramona Amundsen
112 W. Aliso St.
Ojai, CA 93023

Betty Lou & Donald Timms
PO Box 1361
Ojai, CA 93024

Betty Lou & Donald Timms
PO Box 1361
Ojai, CA 93024

Sara Parkhurst
1923 E. Marsa
Springfield, MO 65804

John Irving Parkhurst
2208 Edgewood Drive
Detroit Lakes, MN 56501

Sharon Gardner
1236 County Road 302
Parachute, CO 81635

The Town of Parachute
222 Grand Valley Way
Parachute, CO 81635

Mr. 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 & Wildlife
711 Independent Avenue
Grand Junction, CO 81505

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

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COLORADO)

AFFIDAVIT OF MAILING

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


Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assitant for Beatty & Wozniak P.C. the attorneys for Ursa Operating Company LLC, that on or before April 24, 2014, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.


Jennifer Pittenger

Subscribed and sworn to before me April 17, 2014.

Witness my hand and official seal.


Notary Public