

**BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF AN APPLICATION BY URSA
OPERATING COMPANY LLC FOR AN ORDER
SUBJECTING ALL NONCONSENTING INTERESTS
TO COST RECOVERY FOR ADDITIONAL WELLS IN
AN ESTABLISHED APPROXIMATE 560-ACRE
POOLED DRILLING AND SPACING UNIT IN
SECTION 24 (SOUTH OF THE COLORADO RIVER),
TOWNSHIP 7 SOUTH, RANGE 96 WEST, 6TH P.M.,
FOR THE DEVELOPMENT/OPERATION OF THE
WILLIAMS FORK FORMATION, PARACHUTE FIELD,
GARFIELD COUNTY, COLORADO

CAUSE NO. _____

DOCKET NO. *To be
assigned*

APPLICATION

Ursa Operating Company LLC, Operator No. 10447 ("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 subjecting all nonconsenting interests to cost recovery for additional wells located in an approximate 560-acre pooled drilling and spacing unit established for Section 24, Township 7 South, Range 96 West, 6th P.M., for development and operation of the Williams Fork Formation. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly registered to conduct business in Colorado and is an operator in good standing with the Commission.
2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 7 South, Range 96 West, 6th
P.M.

Section 24: Lots 1, 5 & 6; and adjacent
lands thereto, lying up to the center line
of the Colorado River, 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 center line of the Colorado
River)

Garfield County, Colorado

These lands are hereinafter referred to as the "Application Lands".

3. On June 17, 2013, corrected January 9, 2014 and April 15, 2014, the Commission entered Order Nos. 139-116 and 440-67, which, among other things, established an approximate 563.1-acre drilling and spacing unit for Application Lands

and approved 10-acre bottomhole density within the unit for the production of oil, gas and associated hydrocarbons from the Williams Fork Formation.

4. On July 29, 2013, corrected January 9, 2014, the Commission entered Order Nos. 139-117 and 440-69, which, among other things pooled all interests in the Application Lands and subjected all nonconsenting interests to the cost recovery provisions of §34-60-116 (7), C.R.S., for the BAT 32C-24-07-96 Well, the BAT 32B-24-07-96 Well, the BAT 12B-24-07-96 Well and the BAT 12A-24-07-96 Well, for development and operation of the Williams Fork Formation.

5. On January 27, 2014, the Commission entered Order No. 139-118, which, among other things, subjected all nonconsenting interests to the cost recovery provisions of §34-60-116 (7), C.R.S., for the drilling of the BAT 12C-24-07-96 Well, the BAT 12D-24-07-96 Well, the BAT 13A-24-07-96 Well, the BAT 13B-24-07-96 Well, the BAT 32D-24-07-96 Well, the BAT 33A-24-07-96 Well, the BAT 33B-24-07-96 Well, and the BAT 33C-24-07-96 Well, for the development and operation of the Williams Fork Formation.

6. On July 28, 2014, the Commission entered Order No. 139-121, which among other things, subjected all nonconsenting interests to the cost recovery provisions of §34-60-116 (7), C.R.S., for the drilling of the BAT 13C-24-07-96 Well, the BAT 33D-24-07-96 Well, the BAT 13D-24-07-96 Well, and the BAT 34A-24-07-96 Well, for the development and operation of the Williams Fork Formation.

7. Acting pursuant to the relevant provisions of §34-60-116(7), C.R.S., and Rule 530., Applicant requests 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 the BAT 34B-24-07-96 Well (API No. 05-045-22416), the BAT 24A-24-07-96 Well (API No. 05-045-20549), the BAT 32A-24-07-96 Well (API No. 05-045-22105), the BAT 24B-24-07-96 Well (API No. 05-045-22419), the BAT 34C-24-07-96 Well (API No. 05-045-22424), the BAT 24C-24-07-96 Well (API No. 05-045-22418), the BAT 34D-24-07-96 Well (API No. 05-045-22417), and the BAT 24D-24-07-96 Well (API No. 05-045-22425) ("Subject Wells"), are made subject to the cost recovery provisions thereof.

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 be bound by said oral order.

10. That the names and addresses of the interested parties (persons with whom Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Well) according to the information and belief of the Applicant are set forth in Exhibit A 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. 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 the Subject Wells, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of each of the Subject Wells

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

DATED this 21 day of May, 2015.

Respectfully submitted,

URSA OPERATING COMPANY LLC

By: 
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Jillian Fulcher
Beatty & Wozniak, P.C.
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Denver, Colorado 80202
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Address of Applicant

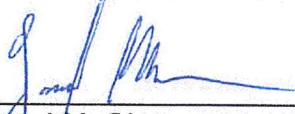
Jarred McGhee
Ursa Operating Company LLC
1050 17th St., Suite 2400
Denver, CO 80265

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

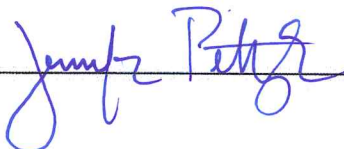


Jarred McGhee

Subscribed and sworn to before me this 21st day of May, 2015, by Jarred McGhee, Landman for Ursa Operating Company LLC.

Witness my hand and official seal.

My commission expires: 9-27-2017



Notary Public

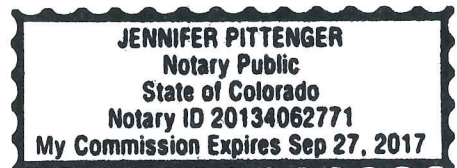


EXHIBIT A

INTERESTED PARTIES

The names and addresses of the interested parties (persons with whom Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Wells) according to the information and belief of the Applicant are set forth in this Exhibit A.

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

Beatty & Wozniak, P.C.
216 16th Street, Suite 1100
Denver, Colorado 80202

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

WPX Energy Rocky Mountain, LLC
1001 17th Street, Suite 1200
Denver, CO 80202

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

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

Chevron Midcontinent, L.P.
Attn: Kevin McCarty
1400 Smith, Room 47170
Houston, TX 77002

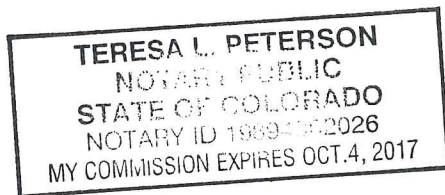
Graham Resources, Inc.
ATTN: Land Department
114 North Blvd., Suite 9
Covington, LA 70433

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

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Ursa Operating Company LLC, and on or before May 28, 2015, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.





Notary Public