

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

IN THE MATTER OF AN APPLICATION BY URSA)
OPERATORING COMPANY LLC FOR AN ORDER) CAUSE NO. ____
VACATING 160-ACRE DRILLING AND SPACING UNITS)
ESTABLISHED FOR CERTAIN PORTIONS OF SECTION 12,) DOCKET NO. *To be assigned*
TOWNSHIP 6 SOUTH, RANGE 92 WEST, 6TH P.M.,)
ESTABLISHING AN APPROXIMATE 320-ACRE DRILLING)
AND SPACING UNIT FOR THE W½ OF SAID SECTION 12,)
AND AUTHORIZING TEN-ACRE BOTTOMHOLE WELL)
DENSITY FOR THE WILLIAMS FORK AND ILES)
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: (1) vacating the approximate 160-acre drilling and spacing units established for the NW¼ and SW¼ of Section 12, Township 6 South, Range 92 West, 6th P.M., for production of gas and associated hydrocarbons from the Williams Fork and Iles Formation; and (2) establishing an approximate 320-acre drilling and spacing unit for the W½ of Section 12, Township 6 South, Range 92 West, 6th P.M., and approving the equivalent of one well per 10-acre density within the proposed unit for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations. 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 majority leasehold interests in the below-listed lands:

Township 6 South, Range 92 West, 6th P.M.
Section 12: W½

These lands 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.

4. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing. The Application Lands are subject to Rule 318.a. for the Williams Fork and Iles Formation.

5. On or about October 31, 2011, the Commission entered Order No. 191-90 which, among other things, vacated an approximate 320-acre drilling and spacing unit established by Order No. 191-72 for the Application Lands, and established an approximate 160-acre drilling and spacing unit for the SW¼ of Section 12, Township 6 South, Range 92 West, 6th P.M. and approved the equivalent of one well per 10-acre density within the unit. The NW¼ of Section 12 reverted back to statewide spacing rules, Rule 318.a.

6. On or about January 27, 2014, the Commission entered Order No. 523-8 which, among other things, established an approximate 160-acre drilling and spacing unit for the NW¼ of

Section 12, Township 6 South, Range 92 West, 6th P.M., and approved the equivalent of one well per 10-acre density within the unit.

7. Applicant requests the Commission vacate those portions of Order Nos. 191-90 and 523-8 which establish 160-acre drilling and spacing units for the NW¹/₄ and SW¹/₄ of said Section 12, for production of gas and associated hydrocarbons from the Williams Fork and Iles Formation. This request is made to more economical and efficient recovery of the resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

8. Applicant requests the Commission establish the Application Lands as an approximate 320-acre drilling and spacing unit for the Williams Fork and Iles Formations pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the wells proposed to be drilled under this Application and completed in the Williams Fork and Iles Formations.

9. Applicant requests the Commission approve the equivalent of one (1) well per 10 acres well density for the Application Lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, as 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. .

10. Further, Applicant states that, for any permitted wells to be drilled under this Application, the bottomhole location should be located anywhere upon the Application Lands but no closer than 100 feet from the unit boundaries, without exception being granted by the Director. It is furthermore requested that in cases where the Application Lands abut or corner lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork Formation and Iles Formation wells, the permitted well should be located downhole no closer than 200 feet from the unit boundaries, without exception being granted by the Director.

11. Furthermore, except as previously authorized by order of the Commission, wells authorized under this Application shall be drilled from the surface either vertically or directionally 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.

12. 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.

13. 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.

14. 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. Vacating those portions of Order Nos. 191-90 and 523-8 which establish 160-acre drilling and spacing units for the NW $\frac{1}{4}$ and SW $\frac{1}{4}$ of said Section 12, for production of gas and associated hydrocarbons from the Williams Fork and Iles Formation.

B. Establishing an approximate 320-acre drilling and spacing unit for the Application Lands, for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

C. Authorizing the equivalent of one (1) well per 10 acres well density for the Application Lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the bottomhole location of any permitted well located anywhere upon the Application Lands but no closer than 100 feet from the unit boundaries, however, in cases where the lands abut or corner lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork Formation and Iles Formation wells, the permitted well should be located downhole no closer than 200 feet from the lease boundaries, without exception being granted by the Director.

D. Requiring, except as previously authorized by order of the Commission, wells authorized under this Application to be drilled from the surface either vertically or directionally 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.

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

DATED this 17 day of July, 2014.

Respectfully submitted,

URSA OPERATING COMPANY LLC

By: 

Robert A. Willis (Colorado Bar No. 26308)

Jillian Fulcher (Colorado Bar No. 45010)

Attorneys for Applicant

Beatty & Wozniak, P.C.

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Denver, CO 80202

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Applicant's Address:

Jarred McGhee

Ursa Operating Company LLC

1050 17th St., Suite 2400

Denver, CO 80265

Exhibit A

Application Map



4		3		2		1	6
9		T6S, R92W		11		12	7
							T6S, R91W
16		15		14		13	18
21		22		23		24	19

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

Freeman Investments
3415 South Clayton Boulevard
Englewood, CO 80113-7611

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

WYOTEX Oil Company
Post Office Box 36157
Denver, CO 80236

Dolphin Energy Corporation
1331 17th Street, Suite 730
Denver, CO 80202

Huckleberry Minerals, LLC
15250 Emporia Street
Brighton, CO 80602

Exxel Energy (USA) Inc.
Independence Plaza, B-180
1001 Sixteenth Street
Denver, CO 80265

Excel Land Services, LLC
Post Office Box 132526
Tyler, TX 75713

Steven W. Weller and Toni L. Weller, TIC
415 Bayou Cove Court
Houston, TX 77042

JLW Investment, LLC
2432 West 82nd Place, Suite I
Westminster, CO 80031

Charles F. and Eva Charlene Weller, TIC
5331 Fenwick Way Court
Sugar Land, TX 77479

Parker Geoscience Consulting, LLC
6346 Secrest Street
Arvada, CO 80403

Michele Pfeifer
0295 County Road 262
Silt, CO 81652

Kelly and Michael Lyon Family, LLC
Post Office Box 110
Silt, CO 81652-0110

Louis M. Dodo
7717 County Road 245
New Castle, CO 81647

Warren L. Dodo
4701 County Road 226
New Castle, CO 81647

Heirs of Rachel Dodo
Route 1, Box 38
Silt, CO 81652

Ronald R. Dodd
11749 County Road 311
Silt, CO 81652

Lynne K. McCray
511 County Road 324
Silt, CO 81652

Frederick W. Locke and Jeanne R.
Muttillio-Long
Post Office Box 934

Robert M. Regulski
Post Office Box 9
Rifle, CO 81650

John D. Dahl
34651 Highway 6
Silt, CO 81652

David A. Wanzer and Debbra L. Wanzer
34775 Highway 6 & 24
Silt, CO 81652-9529

Barrett D. Baker
717 17th Street, Suite 1545
Denver, CO 80202

Guy Geoffery Middleton
1912 County Road 311
New Castle, CO 81647

Colorado Department of Transportation
Property Management Section
Real Estate Division
Attn: Mark Kendall
15285 South Golden Road, Building 47
Golden, CO 80401

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

Leslie Dale McPherson and Jeanne L.
McPherson
1859 County Road 344
Silt, CO 81652

Nancy Joyce Bird
17055 45-1/2 Road
DeBeque, CO 81630

Rufus Craig Patch
Post Office Box 43
Rifle, CO 81650

New Castle, CO 81647
Pamela G. Lauman and Paul S. Lauman
597 County Road 335
New Castle, CO 81647

Robin Schreiner and Nancy Schreiner
34641 Highway 6 & 24
Silt, CO 81652

Kristine M. Peterson
2525 South Wadsworth Boulevard,
Suite 303
Lakewood, CO 80227-4346

Myron W. Black
3050 Highway 13
Rifle, CO 81650

Thomas Lee Wisdom
6830 Corntassel Drive
Colorado Springs, CO 80911

Union Pacific Railroad
c/o Farmers National Company
Oil and Gas Leasing
Attn: Samantha Morgan
5110 South Yale, Suite 400
Tulsa, OK 74135

Flat Tops, LLC
Post Office Box 324
Lakeview, AR 72642

Barbara Fern Wiles
5428 Bobcat Street
Frederick, CO 80504

Mary Ramona Walker
0703 County Road 250
Silt, CO 81652

Robert Daniel Raley
6707 Mineral Drive
San Diego, CA 92119

Phyllis Anita Scarrow
4756 County Road 309
Parachute, CO 81635

Errol Rufus Raley
844 20-1/2 Road
Fruita, CO 81521

George Eugene Bagley
6044 County Road 233
Silt, CO 81652

Lana Arleen Scott
6615 Kuna Road
Kuna, ID 83634

Susan A. Powell
451 Steirman Way
Eagle, ID 83616

Bessie Natalie Meisner
Post Office Box 3346
Arizona City, AZ 85123

Luke Allen Bagley
540 Crawford Lane
Palisade, CO 81526

Frank Deyoe Green
118 8th Street NW, Post Office Box 127
Beulah, ND 58523

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

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

Bonnie Pearl Hess
1397 North Challenger Drive
Pueblo West, CO 81007

Charles Allen Bagley
627 North Happy Valley Road
Nampa, ID 83687

Susie Geiser
2780 143rd Avenue, #70
Rapid City, SD 57701

June Aleta McNamee
21007 North 124th Avenue
Sun City West, AZ 85275

Shawn Clay
125 West Gate Road, #89
Box Elder, SD 57719

Marylee Hoaglund
10876 Melody Drive
Northglenn, CO 80234

Paul Lewis Bagley
401 County Road 266
Silt, CO 81652

McClung Trust
Stella Caroline McClung, Trustee
4200 Summers Lane, #58
Klamath Falls, OR 97603

Michael Warren, Energy Liaison
Colorado Parks & Wildlife
711 Independent Avenue
Grand Junction, CO 81505

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FORMATIONS, PARACHUTE FIELD, GARFIELD COUNTY,)
COLORADO)

AFFIDAVIT OF MAILING

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

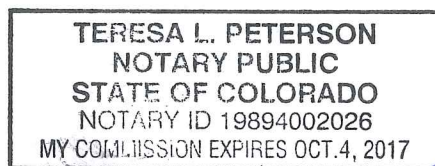
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Ursa Operating Company LLC, and on or before July 24th, 2014, 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 this 17th day of July, 2014.

Witness my hand and official seal.




Notary Public