

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. \_\_\_\_  
VACATING THE APPROXIMATE 320-ACRE DRILLING )  
AND SPACING UNIT ESTABLISHED FOR THE W½ OF ) DOCKET NO. *To be assigned*  
SECTION 11, TOWNSHIP 6 SOUTH, RANGE 92 WEST, 6<sup>TH</sup> )  
P.M., ESTABLISHING TWO APPROXIMATE 160-ACRE )  
DRILLING AND SPACING UNITS FOR THE NE¼ AND SE¼ )  
OF SAID SECTION 11, 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", Operator No. 10447), 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 320-acre drilling and spacing unit established for the E½ of Section 11, Township 6 South, Range 92 West, 6<sup>th</sup> P.M., for production of gas and associated hydrocarbons from the Williams Fork and Iles Formation; and (2) establishing two approximate 160-acre drilling and spacing units for the NE¼ and the SE¼ of Section 11, Township 6 South, Range 92 West, 6<sup>th</sup> P.M., and approving the equivalent of one well per 10-acre density within the proposed unit, for the 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 substantial leasehold interests in the below-listed lands:

Township 6 South, Range 92 West, 6<sup>th</sup> P.M.  
Section 11: NE¼, SE¼

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 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 E½ of Section 11, Township 6 South, Range 92 West, 6<sup>th</sup> P.M., and established an approximate 320-acre drilling and spacing unit for the S½ of Section 11, Township 6 South, Range 92 West, 6<sup>th</sup> P.M. and approved the equivalent of one well per 10-acre density within the unit for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations.

6. On or about March 17, 2014, the Commission entered Order No. 191-100 which,

among other things, established an approximate 160-acre drilling and spacing unit for the NE¼ of Section 11, Township 6 South, Range 92 West, 6<sup>th</sup> P.M., and approved the equivalent of one well per 10-acre density within the unit.

7. On or about September 15, 2014, the Commission entered Order No. 191-101 which, among other things, vacated those portions of Order Nos. 191-90 and 191-100 which established drilling and spacing units for the NE¼ of said Section 11 and the S½ of Section 11, for production of gas and associated hydrocarbons from the Williams Fork and Iles Formation, and established the E½ of Section 11, Township 6 South, Range 92 West, 6<sup>th</sup> P.M. as an approximate 320-acre drilling and spacing unit for the Williams Fork and Iles Formations, and approved the equivalent of one (1) well per 10 acres well density therein.

8. Applicant requests the Commission vacate Order No. 191-101. 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.

9. Applicant requests the Commission establish the Application Lands as two approximate 160-acre drilling and spacing units, consisting of the NE¼ and SE¼ of said Section 11, 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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 Order No. 191-101 which established a drilling and spacing unit for the E½ of Section 11, Township 6 South, Range 92 West, 6<sup>th</sup> P.M., for production of gas and associated hydrocarbons from the Williams Fork and Iles Formation.

B. Establishing two approximate 160-acre drilling and spacing units for the NE¼ and SE¼ of said Section 11, 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<sup>th</sup> day of November, 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.

216 16<sup>th</sup> Street, Suite 1100

Denver, CO 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

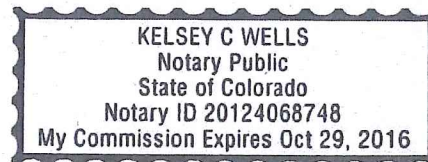
  
Jarred McGhee

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

Witness my hand and official seal.

My commission expires: 10/29/2016

  
Notary Public



T6S, R92W Garfield County

**Exhibit A**  
Application Map

Application Lands - 

4	3	2	1	6
9	T6S, R92W 10	11	12	7
16	15	14	13	18
21	22	23	24	19
T6S, R91W				

## 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 17<sup>th</sup> 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 17<sup>th</sup> 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 82<sup>nd</sup> 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

Carol Dodo  
7719 County Road 245  
New Castle, CO 81647

Dominic Dodero  
2653 County Road 250  
Silt, CO 81652

Zachary W. Johnson  
1234 Kalamath Street  
Denver, CO 80204

Kathy J. Wanner  
11187 Reutzel  
Boise, ID 83709

Kristie L. Bean  
7100 Star Road  
Mereidian, ID 83642

LANDCO V, Inc.  
3201 Old Hickory Drive  
La Porte, TX 77571-4265

Dixon Water Foundation  
6060 North Central Expressway, Suite 305  
Dallas, TX 75206

Frederick W. Locke and Jeanne R. Muttillio-Long  
Post Office Box 934  
New Castle, CO 81647  
Kimiko Powers  
13114 Highway 82  
Carbondale, CO 81623-1615

Kelly Lyon and Jeanette Lyon  
Post Office Box 110  
Silt, CO 81652-0110

David A. Diedrich

Catarino A. Rodriguez and Maria Mercedes

990 County Road 311  
New Castle, CO 81647

John D. Dahl  
34651 Highway 6  
Silt, CO 81652

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

The Discovery Foundation  
6060 North Central Expressway, Suite 305  
Dallas, TX 75206

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 8<sup>th</sup> 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

Phyllis Anita Scarrow  
4756 County Road 309  
Parachute, CO 81635

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

Rodriguez  
34671 Highway 6 & 24  
Silt, CO 81652

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

Alpine Bank  
Post Office Box 10000  
Glenwood Springs, CO 81602

Myron W. Black  
3050 Highway 13  
Rifle, CO 81650

Thomas Lee Wisdom  
6830 Corn tassell 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

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

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



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 8<sup>th</sup> Street NW, Post Office Box 127  
Beulah, ND 58523

Susie Geiser  
2780 143<sup>rd</sup> Avenue, #70  
Rapid City, SD 57701

June Aleta McNamee  
21007 North 124<sup>th</sup> 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

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AFFIDAVIT OF MAILING

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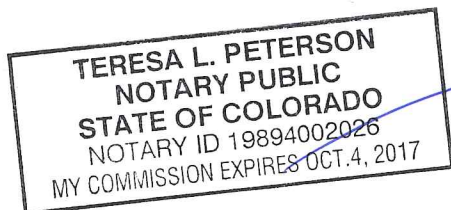
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

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

Witness my hand and official seal.



  
\_\_\_\_\_  
Notary Public