

**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
AMENDING ORDER NO. 440-83, WHICH POOLED AN
APPROXIMATE 640-ACRE OVERLAPPING DRILLING
AND SPACING UNIT ESTABLISHED FOR SECTION 8,
TOWNSHIP 7 SOUTH, RANGE 95 WEST, 6TH P.M.,
FOR THE DEVELOPMENT AND OPERATION OF THE
WILLIAMS FORK FORMATION, PARACHUTE FIELD,
GARFIELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

TYPE: POOLING

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 amending Order No. 440-83, which pooled all interests in an approximate 640-acre drilling and spacing unit ("DSU") established for the Application Lands, as defined below, and authorized cost recovery pursuant to C.R.S. 34-60-116(7) for the Monument Ridge B 32D-08-07-95 Well (API No. 05-045- 22902).

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 is an owner in the below-listed lands:

Township 7 South, Range 95 West, 6th P.M.
Section 8: All
640 acres, more or less, Garfield County, Colorado

These lands are hereinafter referred to as the "Application Lands" and depicted in **Exhibit A** attached hereto.

3. On February 22, 2010, the Commission issued Order No. 440-59, which established an approximate 320-acre DSU consisting of the S½ of Section 8, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons Williams Fork and Iles Formations, and authorized the equivalent of one well per ten acres, to be located anywhere in the DSU but no closer than 100 feet from the boundaries of the DSU without exception being granted by the Director of the Commission. The order stated that 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 and Iles Formation wells, the well shall be located downhole no closer than 200 feet from the boundary or boundaries of the DSU so abutting or cornering such lands without exception being granted by the Director of the Commission.

4. On January 30, 2017, the Commission issued Order No. 440-77, which pooled all interests in the DSU established for by Order No. 440-59 for the S½ of Section 8, Township 7 South, Range 95 West, 6th P.M., and authorized cost recovery pursuant to C.R.S. 34-60-116(7) for the following wells: Monument Ridge B 24A-08-07-95 Well (API No. 05-045-22895), Monument Ridge B 23D-08-07-95 Well (API No. 05-045-22896), Monument Ridge B 33A-08-07-95 Well (API No. 05-045-22901), Monument Ridge B 33B-08-07-95 Well (API No. 05-045-22903), Monument Ridge B 33D-08-07-95 Well (API No. 05-045-22905), Monument Ridge B 33C-08-07-95 Well (API No. 05-045-22906), Monument Ridge B 24C-08-07-95 Well (API No. 05-045-22907), Monument Ridge B 24D-08-07-95 Well (API No. 05-045-22908), Monument Ridge B 34B-08-07-95 Well (API No. 05-045-22909), Monument Ridge B 24B-08-07-95 Well (API No. 05-045-22910), Monument Ridge B 34C-08-07-95 Well (API No. 05-045-22911), Monument Ridge B 34A-08-07-95 Well (API No. 05-045-22912), Monument Ridge B 43C-08-07-95 Well (API No. 05-045-22914), Monument Ridge B 43B-08-07-95 Well (API No. 05-045-22915), Monument Ridge B 44B-08-07-95 Well (API No. 05-045-22916), Monument Ridge B 44D-08-07-95 Well (API No. 05-045-22917), Monument Ridge B 34D-08-07-95 Well (API No. 05-045-22959), Monument Ridge B 43A-08-07-95 Well (API No. 05-045-22960), Monument Ridge B 44A-08-07-95 Well (API No. 05-045-22961), Monument Ridge B 23C-08-07-95 Well (API No. 05-045-22963), Monument Ridge B 44C-08-07-95 Well (API No. 05-045-22964), and Monument Ridge B 43D-08-07-95 Well (API No. 05-045-22965).

5. On April 28, 2014, the Commission issued Order No. 440-70, which established an approximate 320-acre DSU consisting of the N½ of Section 8, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons Williams Fork and Iles Formations, and authorized the equivalent of one well per ten acres, to be located anywhere in the DSU but no closer than 100 feet from the boundaries of the DSU without exception being granted by the Director of the Commission. The order stated that 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 and Iles Formation wells, the well shall be located downhole no closer than 200 feet from the boundary or boundaries of the DSU so abutting or cornering such lands without exception being granted by the Director of the Commission.

6. On January 30, 2017, the Commission issued Order No. 440-76, which pooled all interests in the drilling and spacing unit established by Order No. 440-70, and authorized cost recovery pursuant to C.R.S. 34-60-116(7) for the following wells: Monument Ridge B 32D-08-07-95 Well (API No. 05-045-22902), Monument Ridge B 42D-08-07-95 Well (API No. 05-045-22913), Tompkins 31A-08-07-95 Well (API No. 05-045-22471), Tompkins 32C-08-07-95 Well (API No. 05-045-22472), Tompkins 42B-08-07-95 Well (API No. 05-045-22473), Tompkins 42C-08-07-95 Well (API No. 05-045-22474), Tompkins 32B-08-07-95 Well (API No. 05-045-22475), Tompkins 41D-08-07-95 Well (API No. 05-045-22476), Tompkins 32A-08-07-95 Well (API No. 05-045-22477), Tompkins 42A-08-07-95 Well (API No. 05-045-22478), Tompkins 31C-08-07-95 Well (API No. 05-045-22479), Tompkins 41A-08-07-95 Well (API No. 05-045-22480), Tompkins 41C-08-07-95 Well (API No. 05-045-22481), Tompkins 41B-08-07-95 Well

(API No. 05-045-22482), Tompkins 31D-08-07-95 Well (API No. 05-045-22483), Tompkins 31B-08-07-95 Well (API No. 05-045-22484), Tompkins 41AWI-08-07-95 Well (API No. 05-045-22551), Tompkins 21B-08-07-95 Well (API No. 05-045-22821), Tompkins 21C-08-07-95 Well (API No. 05-045-22822), and Tompkins 21A-08-07-95 Well (API No. 05-045-22823).

7. On June 11, 2017, the Commission issued Order No. 440-82, which established an approximate 640-acre overlapping DSU covering the Application Lands ("Subject DSU"), and authorized the Monument Ridge B 32D-08-07-95 Well (API No. 05-045-22902) directional well in the Subject DSU.

8. On June 11, 2017, the Commission issued Order No. 440-83, which pooled all interests in the Subject DSU for the Monument Ridge B 32D-08-07-95 Well (API No. 05-045-22902) directional well and authorized cost recovery pursuant to C.R.S. 34-60-116(7) for such well.

9. Applicant filed concurrently herewith an Application for an order authorizing an additional directional well ("Subject Well") in the Williams Fork and Iles Formations in the Subject DSU.

10. Pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530, Applicant seeks an order amending Order No. 440-83 so as to include the Subject Well within the terms of Order No. 440-83.

11. Further, Applicant requests that the production obtained from Subject Well be allocated to each owner in the DSU on the basis of the proportion that the number of acres in such tract bears to the total number of mineral acres within the DSU; and that each owner of an interest in the DSU shall be entitled to receive its share of the production of the Subject Well applicable to its interest in the DSU.

12. Further, 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 Subject Well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the date that costs specified in §34-60-116(7)(b), C.R.S. were first incurred for the drilling of the Subject Well.

13. Applicant requests the terms of Order Nos. 440-57, 440-58, 440-59, and 440-77 remain in full force and effect. Other than the two wells authorized within the Subject DSU, all wells permitted to the DSUs established and pooled by such orders will remain permitted to such DSUs.

14. This Application will not affect the allocation of proceeds from any well in the Application Lands except the two wells authorized within the Subject DSU.

15. 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.

16. 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.

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. Amending Order No. 440-83 so as to include the Subject Well within the terms of Order No. 440-83.

B. Providing that the production obtained from the Subject Well be allocated to each owner in the DSU on the basis of the proportion that the number of acres in such tract bears to the total number of mineral acres within the DSU; and that each owner of an interest in the DSU shall be entitled to receive its share of the production of the two authorized wells located on the DSU applicable to its interest in the DSU.

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 the Subject Well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the date that costs specified in §34-60-116(7)(b), C.R.S. were first incurred for the drilling of the Subject Well.

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

DATED this 13 day of July, 2017.

Respectfully submitted,

URSA OPERATING COMPANY LLC

By: 

James Parrot
Jillian Fulcher
Beatty & Wozniak, P.C.
Attorneys for Applicant
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Address of Applicant

N. Arthur Bollen
Ursa Operating Company LLC
1050 17th St., Suite 2400
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STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

URSA OPERATING COMPANY LLC

N. Arthur Bollen

Subscribed and sworn to before me this 13th day of July 2017, by
N. Arthur Bollen, Land Manager for Ursa Operating Company LLC.

Witness my hand and official seal.

Notary Public

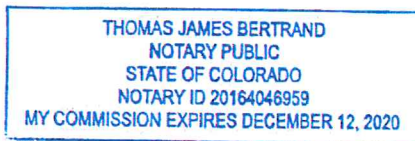
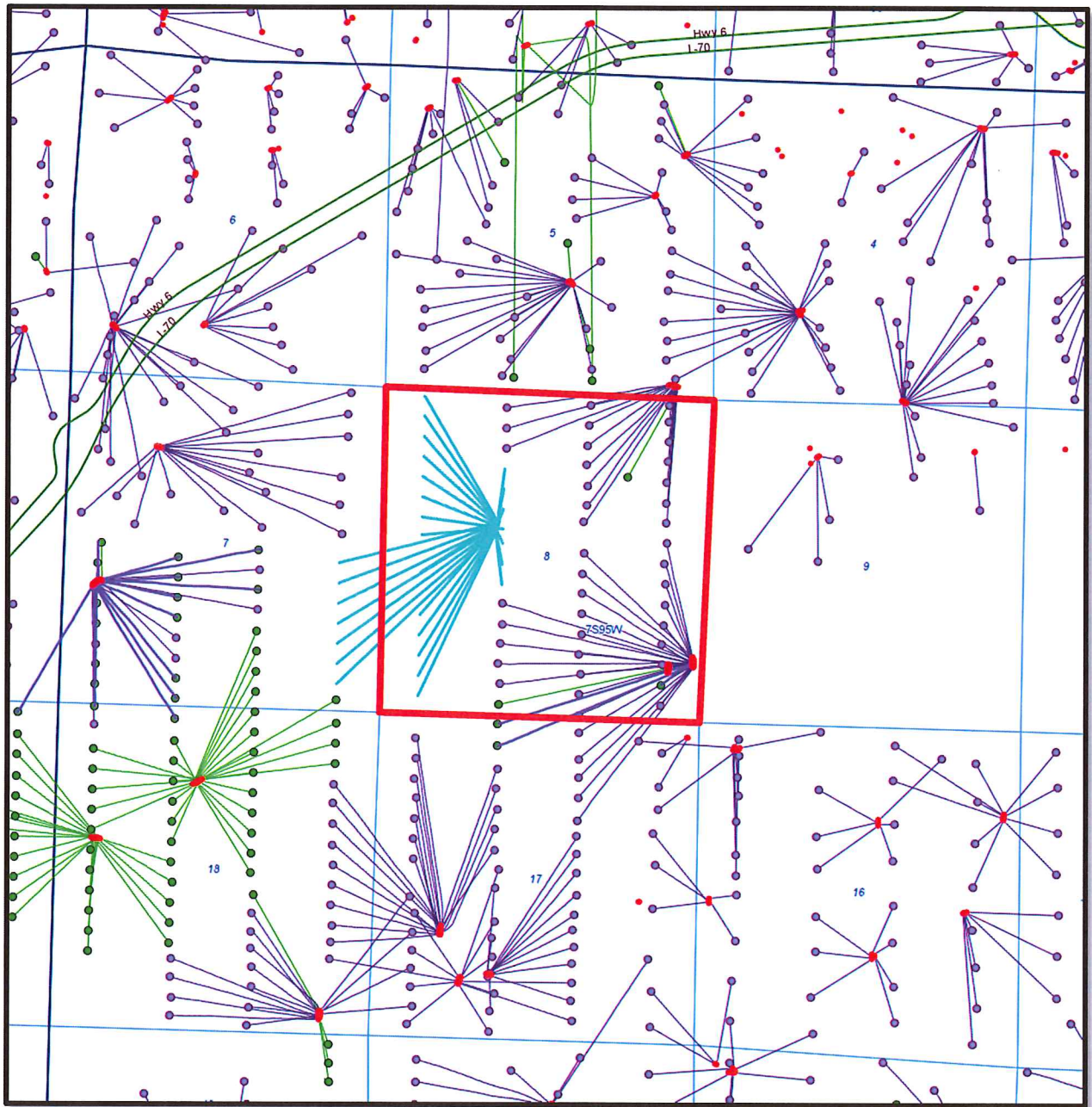


Exhibit A

Reference Map



IN THE MATTER OF AN APPLICATION BY URSA
OPERATING COMPANY LLC FOR AN ORDER
AMENDING ORDER NO. 440-83, WHICH POOLED AN
APPROXIMATE 640-ACRE OVERLAPPING DRILLING
AND SPACING UNIT ESTABLISHED FOR SECTION 8,
TOWNSHIP 7 SOUTH, RANGE 95 WEST, 6TH P.M.,
FOR THE DEVELOPMENT AND OPERATION OF THE
WILLIAMS FORK FORMATION, PARACHUTE FIELD,
GARFIELD COUNTY, COLORADO

TYPE: POOLING

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 the 20th day of July, 2017 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 attached hereto.

Subscribed and sworn to before me this 19 day of July, 2017.

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894002026
MY COMMISSION EXPIRES OCT.4, 2017

Notary Public

OMB Royalties II LLC
410 17th Street, Suite 1150
Denver, CO 80202

B. Kole Killion
P.O. Box 471655
Fort Worth, TX 76147

Weller, Eva Charlene
16007 Morgan Street
Sugarland, TX 77478

Heiss, William & Susan Heiss, Trustees of the
WNP PSP
P.O. Box 2680
Casper, WY 82602

Ann B.F. Flanigan, as Custodian for Peter C.
Freeman
3415 S. Clayton Blvd
Englewood, CO 80113

Flanigan, Daniel P. & Ann. B.F. Flanigan, as joint
tenants
651 Orchard
Santa Barbara, CA 93108

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

Parkhurst, Jeremy Joe
912 Corona Street
Colorado Springs, CO 80903

Ed Phillips & Associates, Inc.
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Midland, TX 79702

Bank of America, N.A. and Sandra Lee
Stierberger, Successor Trustees of the Edward
A. Stierberger Rev Trust dated November 14,
1996
P.O. Box 830308
Dallas, TX 75283

Pichowsky, David R., Jr.
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Houston, TX 77082

Savage, John W.
P.O. Box 1926
Rifle, CO 81650

Bosely, Mary
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Monument Ridge LLC
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Bakke, Steven D.
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Highlands Ranch, CO 80129

Hunter Family Limited Partnership
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Helena, MT 59620

Juhan-Ray, LLC
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Map0304, an Oklahoma General Partnership
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EXHIBIT A

INTERESTED PARTIES

XTO Energy Inc.
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Chaparral Royalty Company
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Midland, TX 79702

F.H. Mills, Jr., Trustee
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Midland, TX 79702

Board of County Commissioners, Garfield County,
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Johnson, Russell M., and Margo L. Johnson,
Trustees The Russell M. Johnson and Margo L.
Johnson Revocable Trust dated November 6,
2006
659 W. Redondo Place
Green Valley, AZ 85614

Roy Royalty, Inc.
P.O. Box 368
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Parker, CO 80134

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Breitenbach, Kenneth A.
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Denver, CO 80220

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JLW Investment, LLC
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Denver, CO 80220

Freeman Investments
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Huckleberry Minerals, LLC
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Ann B.F. Flanigan, as Custodian for Ellen S.
Freeman
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Englewood, CO 80113

Marion, Laura Freeman
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Boulder, CO 80304

IN THE MATTER OF THE PROMULGATION)	CAUSE NO. 440
AND ESTABLISHMENT OF FIELD RULES TO)	
GOVERN OPERATIONS FOR THE WILLIAMS)	DOCKET NO. 170900609
FORK AND ILES FORMATIONS, PARACHUTE)	
FIELD, GARFIELD COUNTY, COLORADO)	TYPE: POOLING

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 17th day of August, 2017, caused a copy of the above captioned Application and Notice of Hearing to be deposited in the United States Mail, postage prepaid, addressed to following corrected address.

Grace Go-Hoveland

Subscribed and sworn to before me this 17th day of August, 2017.

Notary Public

