

**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  
AUTHORIZING AN ADDITIONAL DIRECTIONAL  
WELL IN THE WILLIAMS FORK AND ILES  
FORMATIONS IN AN APPROXIMATE 640-ACRE  
OVERLAPPING DRILLING AND SPACING UNIT FOR  
SECTION 8, TOWNSHIP 7 SOUTH, RANGE 95  
WEST, 6TH P.M., PARACHUTE FIELD, GARFIELD  
COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

**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 authorizing an additional directional well in the Williams Fork and Iles Formations in an approximate 640-acre drilling and spacing unit ("DSU") covering the Application Lands, as defined below, Parachute Field, Garfield County, Colorado. 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 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 requests the Commission authorize an additional well ("Subject Well") to be drilled and completed within the proposed DSU. Applicant's development plans for the Subject DSU call for the Subject Well to be drilled within the 100-foot setbacks corridor along the northern boundary of the DSU established by Order No. 440-59 for the S½ of Section 8, Township 7 South, Range 95 West, 6th P.M. Applicant submitted waivers to the owners in the N½ of Section 8, Township 7 South, Range 95 West, 6th P.M. in order to obtain an exception location for the Subject Well, but not all owners elected to sign the waivers, making an exception location unfeasible. Therefore, Applicant is requesting a second well within the Subject DSU in order to prevent waste, protect correlative rights, and maximize the efficient and economic production of hydrocarbons within the Application Lands. For the Application Lands, the proposed DSU is not smaller than the maximum area that can be economically and efficiently drained by the Subject Well.

10. Concurrently herewith, Applicant is filing an Application to amend Order No. 440-83 so as to include the Subject Well.

11. Applicant requests the terms of Order Nos. 440-59, 440-70, 440-76, 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.** The Subject DSU will continue to overlay the existing DSUs within the Application Lands, but will not otherwise affect such DSUs.

12. **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.**

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.

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. Authorizing an additional directional well in the approximate 640-acre drilling and spacing unit established for all of Section 8, in Township 7 South, Range 95 West, 6th P.M., as an approximate 640-acre DSU, for production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations.

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

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 consistent with Applicant's proposals as set forth above.

DATED this 26<sup>th</sup> day of July, 2017.

Respectfully submitted,

**URSA OPERATING COMPANY LLC**

By: 

James Parrot  
Jillian Fulcher  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16th Street, Suite 1100  
Denver, Colorado 80202  
(303) 407-4499  
jparrot@bwenergylaw.com  
jfulcher@bwenergylaw.com

Address of Applicant

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

VERIFICATION

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

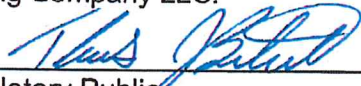
N. Arthur Bollen, Land Manager for Ursa Operating Company LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

URSA OPERATING COMPANY LLC

  
\_\_\_\_\_  
N. Arthur Bollen

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

Witness my hand and official seal.

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

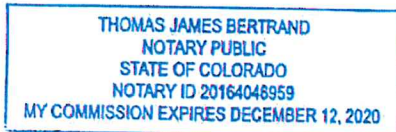
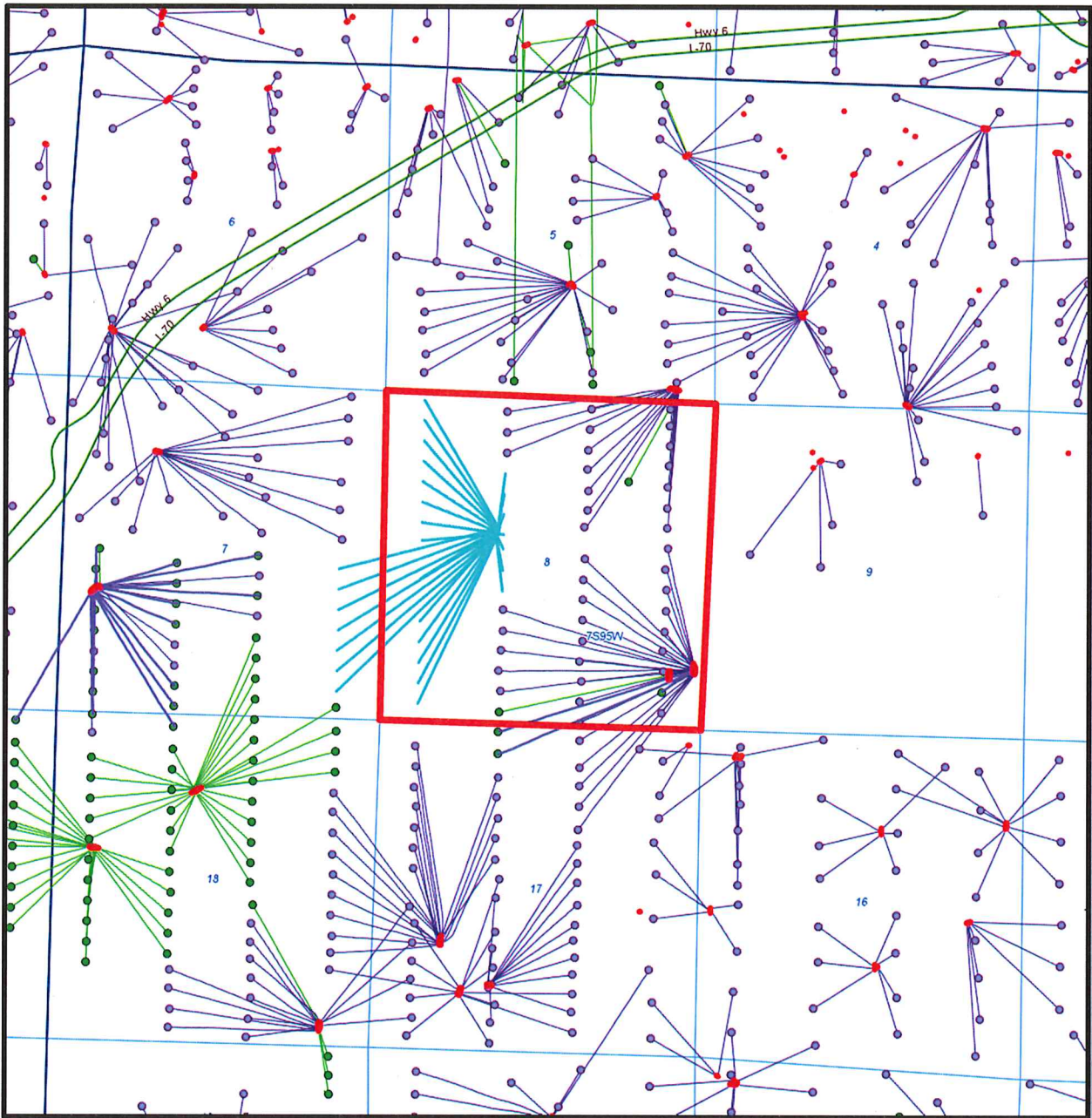




Exhibit A

Reference Map



IN THE MATTER OF AN APPLICATION BY URSA  
OPERATING COMPANY LLC FOR AN ORDER  
AUTHORIZING AN ADDITIONAL DIRECTIONAL  
WELL IN THE WILLIAMS FORK AND ILES  
FORMATIONS IN AN APPROXIMATE 640-ACRE  
OVERLAPPING DRILLING AND SPACING UNIT FOR  
SECTION 8, TOWNSHIP 7 SOUTH, RANGE 95  
WEST, 6TH P.M., PARACHUTE FIELD, GARFIELD  
COUNTY, COLORADO

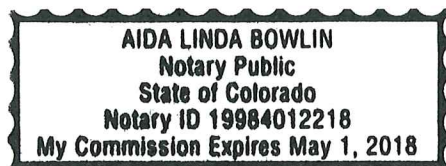
DOCKET NO.

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 27 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 20<sup>th</sup> day of July, 2017.

Notary Public



**Exhibit A**

**INTERESTED PARTIES**

NUCOR ENERGY HOLDINGS, INC.  
1660 LINCOLN ST. SUITE 2100  
DENVER, CO 80264

ENCANA OIL & GAS (USA) INC.  
370 17<sup>TH</sup> ST. SUITE 1700  
DENVER, CO 80202

KENT KUSTER  
OIL & GAS CONSULTANT COORDINATOR  
COLORADO DEPARTMENT OF  
PUBLIC HEALTH & ENVIRONMENT  
4300 CHERRY CREEK DRIVE SOUTH  
DENVER, CO 80246-1530

KIRBY H. WYNN  
GARFIELD COUNTY  
195 WEST 14TH STREET, BLD D, STE 306  
RIFLE, CO 81650

URSA PICEANCE LLC  
1050 17TH STREET, SUITE 2400  
DENVER, CO 80265

MICHAEL WARREN  
ENERGY LIAISON  
COLORADO PARKS AND WILDLIFE  
NORTHWEST REGIONAL OFFICE  
711 INDEPENDENT AVENUE  
GRAND JUNCTION, CO 81505