

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

IN THE MATTER OF THE PROMULGATION AND
ESTABLISHMENT OF FIELD RULES TO GOVERN
OPERATIONS FOR THE WILLIAMS FORK AND ILES
FORMATIONS (INCLUDING THE SEGO
FORMATION), SULPHUR CREEK FIELD, RIO
BLANCO COUNTY, COLORADO

CAUSE NO. 527
DOCKET NO. 171000714
TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 2 South, Range 98 West, 6th P.M.
Section 24: S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$

APPLICATION

On August 31, 2017, Ursa Operating Company LLC (Operator No. 10447) ("Ursa" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

1. Establish an approximate 480-acre drilling and spacing unit, and approve the equivalent of one 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 (including the Segó Formation); and

2. Require that 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 lease 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 (including the Segó 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.

3. Require, 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 pad per approximately 40 acres, without exception being granted by the Director.

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "Regulation,"
then click on "Orders" or "Rules")

- 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 Target Formation.

- On March 20, 2006 (corrected February 9, 2017), the Commission entered Order No. 527-1, which, among other things, allowed additional wells to be drilled on the S½S½ of Section 24, Township 2 South, Range 98 West, 6th P.M., and other lands, the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the boundary of the lands, for the production of gas and associated hydrocarbons from the Williams Fork Formation.
- On August 28, 2007, the Commission entered Order No. 527-4, which, among other things, established 100 foot setbacks from the outside boundary for S½S½ of Section 24, Township 2 South, Range 98 West, 6th P.M., and allowed one (1) well per 10 acres for the lands, for the production of gas and associated hydrocarbons from the Iles and Segó Formations.
- On January 27, 2014, the Commission entered Order No. 527-12, which, among other things, allowed the equivalent of one well per 10 acres well density for the N½ of Section 24, Township 2 South, Range 98 West, 6th P.M., and other 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 on the Application Lands but no closer than 100 feet from the lease or unit boundaries; however, in cases where the lands abut or corner lands for which the Commission has not at the time of permit application granted the right to drill 10-acre density Williams Fork Formation and Iles Formation wells, the permitted well shall be located downhole no closer than 200 feet from the lease or unit boundaries, without exception being granted by the Director.
- On March 20, 2017, the Commission entered Order No. 527-19, which, among other things, allowed the equivalent of one well per 10 acres well density for all of Section 24, Township 2 South, Range 98 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formation (including the Segó Formation), with such wells to be drilled either vertically or directionally from no more than one pad located on a given quarter-quarter section; however, in cases where the lands abut or corner lands for which the Commission has not at the time of permit application granted the right to drill 10-acre density Williams Fork Formation and Iles Formation wells, the permitted well shall be located downhole no closer than 200 feet from the lease or unit boundaries, without exception being granted by the Director.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to -130, C.R.S. and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Date: October 30-31, 2017

Time: 9:00 a.m.

Place: The Colorado Oil and Gas Conservation Commission
The Chancery Building

1120 Lincoln St. Suite 801
Denver, CO 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 days before the hearing.

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509, no later than October 16, 2017.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings_unit@state.co.us), one original and two copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of October 16, 2017, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention.** Pursuant to Rule 511, if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Julie Spence Prine, Secretary

Dated: September 25, 2017

Colorado Oil and Gas Conservation Commission
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