



Ursa Operating Company LLC

1050 17th St., Suite 2400, Denver, CO 80265

August 11, 2014

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

Attn: Mr. Matt Lepore, COGCC Director

Re: **Rule 318.c. Exception Location Request to Spacing Order 440-72**
B&V 24D-18-07-95
Township 7 South, Range 95 West, 6th PM
SESW-Sec.7: 82' FNL, 1900' FEL (bottom hole location)
Garfield County, Colorado

Mr. Lepore:

Please let this letter serve as a request for administrative approval of a Rule 318.c. exception location to the spacing requirements set forth in Order Number 440-72, which read:

The wells may be located downhole anywhere upon the Application Lands, but no closer than 100 feet from the outside boundary of the Application Lands, unless such boundary abuts or corners lands for which the Commission has not at the time of the well permit application granted the right to drill 10-acre density wells, in which event the wells may be drilled no closer than 200 feet to such abutting or cornering lands

Ursa Operating Company LLC (Ursa) is proposing a bottom hole location 82' from the northern spacing unit boundary established under Order Number 440-72, which covers the S/2 of Section 7-T7S-R95W. The encroached upon section has been spaced to 10 acre density under Order Number 440-71, which covers the N/2 of Section 18-T7S-R95W. Ursa is the operator of the subject spacing unit as well as the adjacent spacing unit that is being encroached upon, therefore no waivers are required.

Ursa believes that the approval of the variance request as outlined above is necessary to achieve efficient development of the surface and minerals within this area.

Should you have any questions, please contact me at (720) 508-8362 or jlind@ursaresources.com.

Sincerely,
Ursa Operating Company LLC

Jennifer Lind
Regulatory Analyst