



1050 17th Street, Suite 2400
Denver, CO 80265

December 1, 2014

Colorado Oil & Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, CO 80203

Attn: Mr. Matt Lepore, Director

RE: 318.c. Exception Location Request to Spacing Order Number 440-58

Watson Ranch B Pad (Form 2A Doc #: 400725879)

Township 7 South, Range 95 West, 6th P.M.

SESW of Section 17: 1061' FSL, 2171' FWL (Form 2A Reference Point)

Garfield County, Colorado

Dear Mr. Lepore,

Please let this letter serve as a request for administrative approval of an exception location for the captioned Oil and Gas Location and associated Wells, listed below.

Ursa Operating Company LLC (Ursa) proposes to place the above referenced Pad and the Wells listed below in a quarter quarter section where a pad has already been built:

Existing Pad: Watson Ranch Pad located in the SESW-Sec.17-T7S-R95W

Location ID: 413055

Proposed Well Information:

Well Name	Form 2 Doc #
Watson Ranch B 32B-17-07-95	400731422
Watson Ranch B 32C-17-07-95	400731423
Watson Ranch B 32D-17-07-95	400731424
Watson Ranch B 33A-17-07-95	400731428
Watson Ranch B 23A-17-07-95	400731430
Watson Ranch B 33B-17-07-95	400731432
Watson Ranch B 33C-17-07-95	400731436
Watson Ranch B 23C-17-07-95	400731447
Watson Ranch B 33D-17-07-95	400731451
Watson Ranch B 34A-17-07-95	400731452
Watson Ranch B 24A-17-07-95	400731458
Watson Ranch B 34C-17-07-95	400731461
Watson Ranch B 24C-17-07-95	400731462
Watson Ranch B 32B-17-07-95	400731422
Watson Ranch B 32C-17-07-95	400731423



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Spacing Order Number 440-58 requirements state:

That, except as previously authorized by order of the Commission, wells to be drilled under this application should be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto) unless exception is granted by the Director of the Oil and Gas Conservation Commission pursuant to application made for such exception.

The existing pad is unable to be expanded to allow for the additional wells planned from this location, both from a surface standpoint as well as a technical, bottom hole reach standpoint. The location of the above referenced Oil and Gas Location and associated wells have been determined per the surface owner's request. The Surface Use Agreement is attached to the Form 2's and Form 2A.

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