



Ursa Operating Company LLC

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

June 27, 2016

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

Attn: Mr. Matt Lepore, COGCC Director

Re: Rule 502.b. Variance to Spacing Order 440-71
BMC B 22D-18-07-95 (Form 2 Doc # 400927762)
Township 7 South, Range 95 West, 6th PM
SENW of Sec.18: 2588' FNL, 1901' FWL (bottomhole location)
Garfield County, Colorado

Director Lepore:

Please let this letter serve as a request for administrative approval of a Rule 502.b. variance as allowed per Rule 318.c. to the spacing requirements set forth in Order Number 440-71, which read:

All future Williams Fork and Iles Formation wells to be drilled upon said drilling and spacing unit should be located downhole anywhere in the drilling and spacing unit but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director of the Commission.

Ursa Operating Company LLC (Ursa) is proposing the subject bottomhole location (BHL) 88' from the southern spacing unit boundary established under Order Number 440-71, which covers the N/2 of Section 18-T7S-R95W. The encroached upon spacing unit has been spaced to 10 acre density under Order Number 440-60, which covers the S/2 of Section 18-T7S-R95W.

Ursa believes that the approval of this variance request is necessary to achieve efficient development of the surface and minerals within this area. BHLs are spaced strategically in a north-south orientation in order to maximize development on the approved 10-acre spacing based on the maximum geologic stress orientation in the area. Should this BHL not be located and approved as proposed, there would be minerals stranded and left undeveloped. The surface area in the vicinity of the proposed BMC B pad location is sensitive and planning is complex as it falls within the Battlement Mesa Planned Unit Development (BMPUD). Available surface locations in the BMPUD are limited due to numerous residences in the area and are strictly located per the 1982 Garfield County Resolution and the Surface Use Agreement executed in 2009. In order to effectively manage surface operations and to limit impact to the community, it is imperative that the well be drilled from the proposed surface location and in sequence with the other wells being permitted from the BMC B pad.

Furthermore, the subject BHL encroachment onto the S/2 of Section 18-T7S-R95W is offset by the proposed BMC D 32E-18-07-95 (Form 2 Doc # 400928406) BHL, which encroaches onto the N/2 of Section 18-T7S-R95W as it is located 46' from the southern spacing unit boundary. The encroachment from both sides of the boundary provides balance to the impacted mineral interest owners.

Rule 318.c. states:

The Director may grant an operator's request for a well location exception to the requirements of this rule or any order because of geologic, environmental, topographic or archaeological conditions, irregular sections, a surface owner request, or for other good cause shown provided that a waiver or consent signed by the lease owner toward whom the well location is proposed to be moved, agreeing that said well may be located at the point at which the operator proposes to

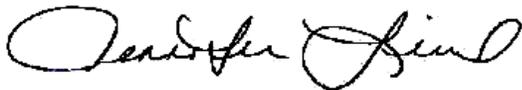
drill the well and where correlative rights are protected. If the operator of the proposed well is also the operator of the drilling unit or unspaced offset lease toward which the well is proposed to be moved, waivers shall be obtained from the mineral interest owners under such lands. If waivers cannot be obtained from all parties and no party objects to the location, the operator may apply for a variance under Rule 502.b. If a party or parties object to a location and cannot reach an agreement, the operator may apply for a Commission hearing on the exception location.

Ursa has made a good faith effort to obtain the required waivers from all mineral interest owners in the S/2 of Section 18-T7S-R95W (encroached upon spacing unit lands). To date, we have received 12 signed waivers of a total of 22 waivers sent, representing a majority approval rate of **55%**. Further to that point, the waivers received to date represent **93%** of the mineral interest under the lands covered by the encroached upon spacing unit. The waivers that have been received to date are attached for your reference. Although some waivers are outstanding, Ursa has received **no objections** to the proposed BHL. A good faith effort has been and continues to be made through continuing communication with the outstanding parties. A detailed timeline of mailings and followup contact with outstanding parties is attached for your reference. Ursa will continue to pursue waivers from the interested parties in an effort to obtain 100% of the responses.

The approval of the variance request as set forth in this letter will not violate the basic intent of the Oil and Gas Conservation Act.

Thank you for your consideration of this matter. Should you have any questions, please contact me at (720) 508-8362 or jlind@ursaresources.com.

Sincerely,
Ursa Operating Company LLC

A handwritten signature in black ink, appearing to read "Jennifer Lind". The signature is fluid and cursive, with the first name being more prominent.

Jennifer Lind
Regulatory Analyst

Enclosures

BMC B 22D-18-07-95

Mineral Interest Owners - Waiver Status

Section	Owner	Date Mailed	Certified #	GREEN CARD	Comment
18: S/2	BURKE, DENNIS L.	5/16/2016	94147118995633592259-97	YES	RECEIVED
18: S/2	CARL D AND KATHRYN M TUCKER, LLC, DAVID JOE TUCKER, MGR	5/16/2016	94147118995633525632-94	YES	RECEIVED
18: S/2	COBANK, FCB	5/16/2016	94147118995633527472-98	YES	
18: S/2	FOUNTAIN, E FARREL & DEANN S FOUNTAINE	5/16/2016	94147118995633597771-82	YES	RECEIVED
18: S/2	FOUNTAIN, EDWIN F & DESSA LYNN FOUNTAINE	5/16/2016	94147118995633597072-19	YES	RECEIVED
18: S/2	FOUNTAIN, J PAUL & CAROLYN FOUNTAINE	5/16/2016	94147118995633594915-52	YES	RECEIVED
18: S/2	FOUNTAIN, JASON HOGARTH	5/16/2016	94147118995633594516-31	YES	
18: S/2	FOUNTAIN, LAWRENCE MICHEAL	5/16/2016	94147118995633472492-71	YES	
18: S/2	FOUNTAIN, MATTHEW TROY	5/16/2016	94147118995633472755-60	YES	
18: S/2	GARDNER, SHARON I	5/16/2016	94147118995633477584-21	YES	
18: S/2	GREATER HEIGHTS CO ENERGY ACQUISITIONS LLC	5/16/2016	94147118995633594161-97		URSA
18: S/2	HEIN, TERESA JANE	5/16/2016	94147118995633471148-21	YES	RECEIVED
18: S/2	JORGENSEN, GLENN A	5/16/2016	94147118995633594319-23	YES	
18: S/2	KEITHLEY, EARL D III	5/16/2016	94147118995633597542-44	YES	RECEIVED
18: S/2	LOFTIN, GARY P & LINDA A LOFTIN, H/W	5/16/2016	94147118995633591909-05	YES	RECEIVED
18: S/2	MCOMIE, NOLA FOUNTAINE & DOUGLAS H MCOMIE	5/16/2016	94147118995633472209-11	YES	RECEIVED
18: S/2	PARADISE VALLEY MINERALS LLC	5/16/2016	94147118995633472681-28	YES	RECEIVED - 6/10 Matt H. is mailing originals to Denver office
18: S/2	RASMUSSEN, CRAIG	5/16/2016	94147118995633527713-54	YES	
18: S/2	RASMUSSEN, DONALD	5/16/2016	94147118995633592542-32	YES	
18: S/2	RASMUSSEN, KATHY	5/16/2016	94147118995633473852-45	YES	
18: S/2	RASMUSSEN, ROBERT	5/16/2016	94147118995633477232-69	YES	
18: S/2	XTO ENERGY INC ATTN PAUL KEFFER	5/16/2016	94147118995633471109-77	YES	RECEIVED

WAIVER SIGNED / RECEIVED

BMC B 22D-18-07-95

Communication Log for Outstanding Waivers

Section	Owner	Date Mailed	Certified #	Green Card	Comment 1	Comment 2	Comment 3	Comment 4	Comment 5	Comment 6
18: S/2	COBANK, FCB	5/12/2016	94147118995633527472-98	YES						
18: S/2	FOUNTAIN, JASON HOGARTH	5/12/2016	94147118995633594516-31	YES	6/2 - Unable to locate a phone number - Green Card was signed by Matt Fountaine - another possible address 3684 Oxford Way, SLC 84119;	6/13: Email to Farrel Fountaine for contact info;				
18: S/2	FOUNTAIN, LAWRENCE MICHEAL	5/12/2016	94147118995633472492-71	YES	5/27/2016 - Mailed waiver to updated address	6/3 - Rcv'd green card from 2nd mailing;	6/13: Email to Farrel Fountaine for contact info;			
18: S/2	FOUNTAIN, MATTHEW TROY	5/12/2016	94147118995633472755-60	YES	6/6 - Casey emailed Matt;	6/13: Email to Farrel Fountaine for contact info.				
18: S/2	GARDNER, SHARON I	5/12/2016	94147118995633477584-21	YES	AB					
18: S/2	JORGENSEN, GLENN A	5/12/2016	94147118995633594319-23	YES	6/2 - Per Casey, mail Waiver to the new address in UT - Kasey mailed new waiver	6/13 - Rcv'd new Green card signed by Mark Jorgensen				
18: S/2	RASMUSSEN, CRAIG	5/12/2016	94147118995633527713-54	YES	6/3 - Kasey left a VM. 6/3 - Kasey left a VM. TT	6/06, requested further understanding of waiver; emailed plat and explanation. He'll discuss w/brothers/sisters	6/7 - Art spoke with Kathy (Craig's sister) who is going to call Craig to discuss waiver.	6/9 - Kasey Left a VM and Sent an email to Craig following up on Waivers	6/13 - Craig emailed that he and his siblings will only sign if Ursa pays them a bonus.	6/15 - AB responded to Craig's email explaining that we do not pay bonuses for executing the waiver and asking for the Rasmussen family to reconsider signing the waiver.
18: S/2	RASMUSSEN, DONALD	5/12/2016	94147118995633592542-32	YES	6/2 - Mail Waiver to UT address, the original was sent to Craig's address	6/13 - Craig emailed that he and his siblings will only sign if Ursa pays them a bonus		6/15 - AB responded to Craig's email explaining that we do not pay bonuses for executing the waiver and asking for the Rasmussen family to reconsider signing the waiver.		
18: S/2	RASMUSSEN, KATHY	5/12/2016	94147118995633473852-45	YES	6/2 - K Emailed	6/7 - Art spoke with Kathy, answered questions, Kathy will call Craig to discuss.	6/13 - Craig emailed that he and his siblings will only sign if Ursa pays them a bonus	6/15 - AB responded to Craig's email explaining that we do not pay bonuses for executing the waiver and asking for the Rasmussen family to reconsider signing the waiver.		
18: S/2	RASMUSSEN, ROBERT	5/12/2016	94147118995633477232-69	YES	6/13 - Craig emailed that he and his siblings will only sign if Ursa pays them a bonus	6/15 - AB responded to Craig's email explaining that we do not pay bonuses for executing the waiver and asking for the Rasmussen family to reconsider signing the waiver.				



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$
Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S $\frac{1}{2}$ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC D 32E-18-07-95 Well
Located: NWSE Section 18-7S-95W
2,592.90' from the south line, 1,997.00' from the east line
Unit boundary set-back: 45.61'

Ursa also holds oil and gas leases in a 320-acre drilling and spacing unit in the immediately adjacent N $\frac{1}{2}$ of Section 18 (the "N $\frac{1}{2}$ DSU"). Ursa has submitted an application to the COGCC seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 22D-18-07-95 Well
Located: SENW Section 18, T7S-R95W
1,900.80' from the west line, 2,588.20' from the north line
Unit boundary set-back: 88.46'

Ursa has developed a well location plan designed to provide efficient reservoir drainage, prevent waste and assure a greater ultimate recovery of hydrocarbons – thus increasing income to both the mineral owners and Ursa. However, this design requires that some wells (including the two described above) be placed less than 100-feet from the unit boundary. In this case, one well (the BMC D 32E-18-07-95 Well) will be less than 100-feet from the N $\frac{1}{2}$ DSU, and the other well (the BMC B 22D-18-07-95 Well) will be less than 100-feet from the S $\frac{1}{2}$ DSU. Because these wells "offset," Ursa believes this placement will both increase revenue and be fair to the owners in both DSUs.

However, the COGCC orders creating the drilling and spacing unit for both the N $\frac{1}{2}$ DSU and the S $\frac{1}{2}$ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their

Mineral Owner
Set-back Waiver
May 11, 2016
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respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

URSA OPERATING COMPANY LLC

N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

Dennis Burke does hereby waive the setback and approves drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 7 day of June, 2016.

(sign here) 
Address: PO Box 114
Parachute, Colorado 81635

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S $\frac{1}{2}$ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

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However, the COGCC orders creating the drilling and spacing unit for both the N½ DSU and the S½ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

URSA OPERATING COMPANY LLC



N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, DAVID J TUCKER (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 16 day of May, 2016.



Address: 1538 CR 523
BAYFIELD, CO 81122

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S½

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S½ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N½ DSU:

BMC B 32E-18-07-95 Well
Located: NWSE Section 18-7S-95W
2,592.90' from the south line, 1,997.00' from the east line
Unit boundary set-back: 45.61'

Ursa also holds oil and gas leases in a 320-acre drilling and spacing unit in the immediately adjacent N½ of Section 18 (the "N½ DSU"). Ursa has submitted an application to the COGCC seeking approval to drill the following well to the Williams Fork Formation in the N½ DSU:

BMC B 22D-18-07-95 Well
Located: SENW Section 18, T7S-R95W
1,900.80' from the west line, 2,588.20' from the north line
Unit boundary set-back: 88.46'

Ursa has developed a well location plan designed to provide efficient reservoir drainage, prevent waste and assure a greater ultimate recovery of hydrocarbons – thus increasing income to both the mineral owners and Ursa. However, this design requires that some wells (including the two described above) be placed less than 100-feet from the unit boundary. In this case, one well (the BMC B 32E-18-07-95 Well) will be less than 100-feet from the N½ DSU, and the other well (the BMC B 22D-18-07-95 Well) will be less than 100-feet from the S½ DSU. Because these wells "offset," Ursa believes this placement will both increase revenue and be fair to the owners in both DSUs.

Mineral Owner
Set-back Waiver
May 11, 2016
Page 2 of 2

However, the COGCC orders creating the drilling and spacing unit for both the N½ DSU and the S½ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

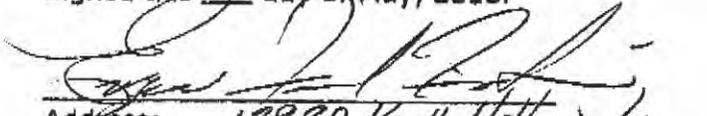
Sincerely,

URSA OPERATING COMPANY LLC


N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, Eugene Farrel Fountaine (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 30th day of May, 2016.


Address: 13980 Knoll Hollow Ln.
Draper, UT

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

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Sincerely,

URSA OPERATING COMPANY LLC



N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, EDWIN F FOUNTAINE (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 19 day of May, 2016.



1779 SUGAR FACTORY RD

Address: WEST JORDAN, UT 84088

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

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Mineral Owner
Set-back Waiver
May 11, 2016
Page 2 of 2

However, the COGCC orders creating the drilling and spacing unit for both the N $\frac{1}{2}$ DSU and the S $\frac{1}{2}$ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

URSA OPERATING COMPANY LLC


N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, Dessa Lynn Fountaine (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 19th day of May, 2016.

Dessa Lynn Fountaine
Address: 1779 Sugar Factory Rd
West Jordan, Utah 84088

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S½

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S½ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N½ DSU:

BMC B 32E-18-07-95 Well
Located: NWSE Section 18-7S-95W
2,592.90' from the south line, 1,997.00' from the east line
Unit boundary set-back: 45.61'

Ursa also holds oil and gas leases in a 320-acre drilling and spacing unit in the immediately adjacent N½ of Section 18 (the "N½ DSU"). Ursa has submitted an application to the COGCC seeking approval to drill the following well to the Williams Fork Formation in the N½ DSU:

BMC B 22D-18-07-95 Well
Located: SENW Section 18, T7S-R95W
1,900.80' from the west line, 2,588.20' from the north line
Unit boundary set-back: 88.46'

Ursa has developed a well location plan designed to provide efficient reservoir drainage, prevent waste and assure a greater ultimate recovery of hydrocarbons - thus increasing income to both the mineral owners and Ursa. However, this design requires that some wells (including the two described above) be placed less than 100-feet from the unit boundary. In this case, one well (the BMC B 32E-18-07-95 Well) will be less than 100-feet from the N½ DSU, and the other well (the BMC B 22D-18-07-95 Well) will be less than 100-feet from the S½ DSU. Because these wells "offset," Ursa believes this placement will both increase revenue and be fair to the owners in both DSUs.

Mineral Owner
Set-back Waiver
May 11, 2016
Page 2 of 2

However, the COGCC orders creating the drilling and spacing unit for both the N $\frac{1}{2}$ DSU and the S $\frac{1}{2}$ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

URSA OPERATING COMPANY LLC



N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, James Paul Fountains (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 20 day of May, 2016.

James P. Fountains
Address: 1221 E. Hunt Rd.
Murray, UT 84117

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S $\frac{1}{2}$ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 32E-18-07-95 Well
Located: NWSE Section 18-7S-95W
2,592.90' from the south line, 1,997.00' from the east line
Unit boundary set-back: 45.61'

Ursa also holds oil and gas leases in a 320-acre drilling and spacing unit in the immediately adjacent N $\frac{1}{2}$ of Section 18 (the "N $\frac{1}{2}$ DSU"). Ursa has submitted an application to the COGCC seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 22D-18-07-95 Well
Located: SENW Section 18, T7S-R95W
1,900.80' from the west line, 2,588.20' from the north line
Unit boundary set-back: 88.46'

Ursa has developed a well location plan designed to provide efficient reservoir drainage, prevent waste and assure a greater ultimate recovery of hydrocarbons – thus increasing income to both the mineral owners and Ursa. However, this design requires that some wells (including the two described above) be placed less than 100-feet from the unit boundary. In this case, one well (the BMC B 32E-18-07-95 Well) will be less than 100-feet from the N $\frac{1}{2}$ DSU, and the other well (the BMC B 22D-18-07-95 Well) will be less than 100-feet from the S $\frac{1}{2}$ DSU. Because these wells "offset," Ursa believes this placement will both increase revenue and be fair to the owners in both DSUs.

However, the COGCC orders creating the drilling and spacing unit for both the N½ DSU and the S½ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

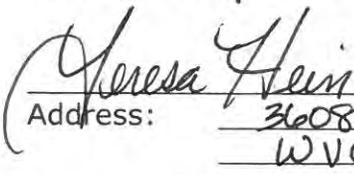
URSA OPERATING COMPANY LLC



N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, Teresa Hein (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 24 day of May, 2016.


Address: 3608 Tower View Way
WVC Ut 84119

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S $\frac{1}{2}$ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 32E-18-07-95 Well
Located: NWSE Section 18-7S-95W
2,592.90' from the south line, 1,997.00' from the east line
Unit boundary set-back: 45.61'

Ursa also holds oil and gas leases in a 320-acre drilling and spacing unit in the immediately adjacent N $\frac{1}{2}$ of Section 18 (the "N $\frac{1}{2}$ DSU"). Ursa has submitted an application to the COGCC seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 22D-18-07-95 Well
Located: SENW Section 18, T7S-R95W
1,900.80' from the west line, 2,588.20' from the north line
Unit boundary set-back: 88.46'

Ursa has developed a well location plan designed to provide efficient reservoir drainage, prevent waste and assure a greater ultimate recovery of hydrocarbons – thus increasing income to both the mineral owners and Ursa. However, this design requires that some wells (including the two described above) be placed less than 100-feet from the unit boundary. In this case, one well (the BMC B 32E-18-07-95 Well) will be less than 100-feet from the N $\frac{1}{2}$ DSU, and the other well (the BMC B 22D-18-07-95 Well) will be less than 100-feet from the S $\frac{1}{2}$ DSU. Because these wells "offset," Ursa believes this placement will both increase revenue and be fair to the owners in both DSUs.

However, the COGCC orders creating the drilling and spacing unit for both the N½ DSU and the S½ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

URSA OPERATING COMPANY LLC



N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, EARL D. KEITHLEY III (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 18th day of May, 2016.

Earl D. Keithley III
Address: 0776 CNTY RD 227
RIFLE CO. 81650

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S $\frac{1}{2}$ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 32E-18-07-95 Well

Located: NWSE Section 18-7S-95W

2,592.90' from the south line, 1,997.00' from the east line

Unit boundary set-back: 45.61'

Ursa also holds oil and gas leases in a 320-acre drilling and spacing unit in the immediately adjacent N $\frac{1}{2}$ of Section 18 (the "N $\frac{1}{2}$ DSU"). Ursa has submitted an application to the COGCC seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 22D-18-07-95 Well

Located: SENW Section 18, T7S-R95W

1,900.80' from the west line, 2,588.20' from the north line

Unit boundary set-back: 88.46'

Ursa has developed a well location plan designed to provide efficient reservoir drainage, prevent waste and assure a greater ultimate recovery of hydrocarbons – thus increasing income to both the mineral owners and Ursa. However, this design requires that some wells (including the two described above) be placed less than 100-feet from the unit boundary. In this case, one well (the BMC B 32E-18-07-95 Well) will be less than 100-feet from the N $\frac{1}{2}$ DSU, and the other well (the BMC B 22D-18-07-95 Well) will be less than 100-feet from the S $\frac{1}{2}$ DSU. Because these wells "offset," Ursa believes this placement will both increase revenue and be fair to the owners in both DSUs.

However, the COGCC orders creating the drilling and spacing unit for both the N $\frac{1}{2}$ DSU and the S $\frac{1}{2}$ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

URSA OPERATING COMPANY LLC



N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, GARY P. LOFTIN, Linda A. Loftin (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 16TH day of May, 2016.

Gary P. Loftin Linda A. Loftin
Address: 307 TUSCALOOSA RD.
COLUMBUS, MS. 39702

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S $\frac{1}{2}$ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 32E-18-07-95 Well
Located: NWSE Section 18-7S-95W
2,592.90' from the south line, 1,997.00' from the east line
Unit boundary set-back: 45.61'

Ursa also holds oil and gas leases in a 320-acre drilling and spacing unit in the immediately adjacent N $\frac{1}{2}$ of Section 18 (the "N $\frac{1}{2}$ DSU"). Ursa has submitted an application to the COGCC seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 22D-18-07-95 Well
Located: SENW Section 18, T7S-R95W
1,900.80' from the west line, 2,588.20' from the north line
Unit boundary set-back: 88.46'

Ursa has developed a well location plan designed to provide efficient reservoir drainage, prevent waste and assure a greater ultimate recovery of hydrocarbons – thus increasing income to both the mineral owners and Ursa. However, this design requires that some wells (including the two described above) be placed less than 100-feet from the unit boundary. In this case, one well (the BMC B 32E-18-07-95 Well) will be less than 100-feet from the N $\frac{1}{2}$ DSU, and the other well (the BMC B 22D-18-07-95 Well) will be less than 100-feet from the S $\frac{1}{2}$ DSU. Because these wells "offset," Ursa believes this placement will both increase revenue and be fair to the owners in both DSUs.

However, the COGCC orders creating the drilling and spacing unit for both the N½ DSU and the S½ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

URSA OPERATING COMPANY LLC



N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, Nola F. McOmie (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 18 day of May, 2016.

Nola F. McOmie Douglas Hales McOmie
Address: 7707 S. 4770 W. 5-18-2016
West Jordan, UT 84084

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$

Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S $\frac{1}{2}$ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 32E-18-07-95 Well
Located: NWSE Section 18-7S-95W
2,592.90' from the south line, 1,997.00' from the east line
Unit boundary set-back: 45.61'

Ursa also holds oil and gas leases in a 320-acre drilling and spacing unit in the immediately adjacent N $\frac{1}{2}$ of Section 18 (the "N $\frac{1}{2}$ DSU"). Ursa has submitted an application to the COGCC seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 22D-18-07-95 Well
Located: SENW Section 18, T7S-R95W
1,900.80' from the west line, 2,588.20' from the north line
Unit boundary set-back: 88.46'

Ursa has developed a well location plan designed to provide efficient reservoir drainage, prevent waste and assure a greater ultimate recovery of hydrocarbons – thus increasing income to both the mineral owners and Ursa. However, this design requires that some wells (including the two described above) be placed less than 100-feet from the unit boundary. In this case, one well (the BMC B 32E-18-07-95 Well) will be less than 100-feet from the N $\frac{1}{2}$ DSU, and the other well (the BMC B 22D-18-07-95 Well) will be less than 100-feet from the S $\frac{1}{2}$ DSU. Because these wells "offset," Ursa believes this placement will both increase revenue and be fair to the owners in both DSUs.

Mineral Owner
Set-back Waiver
May 11, 2016
Page 2 of 2

However, the COGCC orders creating the drilling and spacing unit for both the N½ DSU and the S½ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

URSA OPERATING COMPANY LLC


N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

I, ERIC SCHMIDT (please print name) do hereby waive the setback and approve drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 9 day of May, 2016.

Address: _____

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter



May 11, 2016

To: Mineral Owners in the 320-Acre Unit Composed of
Township 7 South, Range 95 West
Section 18: S $\frac{1}{2}$
Garfield County, Colorado

RE: Request for Setback Waiver

Dear Mineral Owner:

We are writing to you because you own minerals in the above-referenced drilling and spacing unit (the "S $\frac{1}{2}$ DSU"). Ursa Operating Company LLC ("Ursa") holds oil and gas leases in this unit and has submitted an application to the Colorado Oil and Gas Conservation Commission ("COGCC") seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC D 32E-18-07-95 Well
Located: NWSE Section 18-7S-95W
2,592.90' from the south line, 1,997.00' from the east line
Unit boundary set-back: 45.61'

Ursa also holds oil and gas leases in a 320-acre drilling and spacing unit in the immediately adjacent N $\frac{1}{2}$ of Section 18 (the "N $\frac{1}{2}$ DSU"). Ursa has submitted an application to the COGCC seeking approval to drill the following well to the Williams Fork Formation in the N $\frac{1}{2}$ DSU:

BMC B 22D-18-07-95 Well
Located: SENW Section 18, T7S-R95W
1,900.80' from the west line, 2,588.20' from the north line
Unit boundary set-back: 88.46'

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However, the COGCC orders creating the drilling and spacing unit for both the N $\frac{1}{2}$ DSU and the S $\frac{1}{2}$ DSU provide that wells drilled to the Williams Fork Formation may not be located downhole closer than 100-feet from the boundary of their

Mineral Owner
Set-back Waiver
May 11, 2016
Page 2 of 2

respective units. Fortunately, COGCC Rule 318.c. (copy attached) permits Ursa to drill these wells at the planned locations if it obtains waivers of this set-back from oil and gas lessees and mineral owners in the affected DSU, or obtains a variance from the COGCC.

Ursa therefore requests your waiver of the setback so it may drill the BMC B BMC B 22D-18-07-95 Well at the location identified above. We request you provide this waiver by signing as indicated at the bottom of this letter and returning one (1) fully executed copy of this letter in the enclosed pre-paid envelope. To keep us on schedule, we request you return this to us no later than May 25, 2016. If we do not obtain all waivers or any objections from mineral owners, Ursa proposes to seek a variance under COGCC Rule 502.b, authorizing the BMC B 22D-18-07-95 Well to be drilled at the above location.

Thank you in advance for your prompt attention to this matter. Please do not hesitate to contact me directly with any questions or comments regarding the proposed waiver, or objections to the proposed drilling plan and variance.

Sincerely,

URSA OPERATING COMPANY LLC

N. Arthur Bollen
Land Manager
720-508-8352
abollen@ursaresources.com

XTO Energy Inc. does hereby waive the setback and approves drilling of the BMC B 22D-18-07-95 Well at the location described above, as authorized by COGCC Rule 318.c.

Signed this 9th day of June, 2016.



Paul L. Keffer, Division Landman
810 Houston Street
Fort Worth, Texas 76102

Attachments:

- Wells and DSU locator plat
- COGCC Rule 318.c.
- Second copy of this letter