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BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

ORIGINAL

IN THE MATTER OF THE PROMULGATION) CAUSE NO. 513
AND ESTABLISHMENT OF FIELD RULES TO)
GOVERN OPERATIONS FOR THE) DOCKET NO. 1410-UP-312
WILLIAMS FORK AND ILES FORMATIONS,)
KOKOPELLI FIELD, GARFIELD COUNTY,)
COLORADO)

REQUEST FOR RECOMMENDATION OF
APPROVAL OF APPLICATION WITHOUT A HEARING

Ursa Operating Company LLC ("Applicant"), by and through its undersigned attorneys, hereby requests pursuant to Rule 511.a. of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission for the Director to recommend approval of its August 28, 2014, and the supporting exhibits without a hearing.

Applicant requests that the above-captioned matter be approved based upon: (i) the merits of the Application, and (ii) Applicant's sworn written testimony verifying sufficient facts along with exhibits that adequately support the relief requested in the Application. To Applicant's information and belief, no protests were timely filed in this matter.

WHEREFORE, Applicant requests that its request for a recommendation for approval of its Application without a hearing be granted.

DATED this 7th day of October, 2014.

Respectfully submitted,

URSA OPERATING COMPANY LLC

By: 

Robert A. Willis
Jillian Fulcher
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Ursa Operating Company, LLC

Cause No. 513
Docket No. 1410-UP-312

Land Testimony – Jarred D. McGhee
Cause No. 523; Docket No. 1410-UP-312
Pooling Application –Williams Fork and Iles Formations

October 2014 Colorado Oil and Gas Conservation Commission Hearing

My name is Jarred McGhee, and I am employed as a Landman for Ursa Operating Company LLC (“Ursa”). I received my Bachelor of Business Administration degree in Energy Commerce from Texas Tech University in 2010. I have experience as a Landman and have been with Ursa since March, 2011. I work directly with the properties that are the subject of today’s hearing.

In support of Ursa’s Application and my sworn testimony herein, I have prepared the following exhibits. This testimony and accompanying exhibits provide the supporting basis for approval of Ursa’s request for an order to pool all interests in an approximate 320-acre drilling and spacing unit established for the E½ of Section 12, Township 6 South, Range 92 West, 6th P.M. (“Application Lands”), for development and operation of the Williams Fork and Iles Formations, and to subject all nonconsenting interests to the cost recovery provisions of C.R.S. § 34-60-116(7) for the drilling of the additional permitted wells referenced below.

- Exhibit No. 1

Exhibit No. 1 is a map that shows the approximate location of the wells named below that have been (collectively “Subject Wells”) drilled or to be drilled on the Application Lands.

1. Frei A18
2. McLin A33A-12-06-92
3. McLin A33B-12-06-92
4. McLin A33C-12-06-92
5. McLin A33D-12-06-92
6. McLin A34A-12-06-92
7. McLin A34B-12-06-92
8. McLin A34C-12-06-92
9. McLin A34D-12-06-92

- Exhibit No. 2

Exhibit No. 2 is a list of all nonconsenting parties (unleased mineral interests and non-participating working interest owners) within the Application Lands.

- Exhibit No. 3

Exhibit No. 3 is an example of the offer letter sent, pursuant to Rule 530., to working interest owners regarding the construction of the Subject Wells on the Application Lands. This exhibit also contains the form letter sent to unleased owners. These letters advised working interest owners and/or unleased mineral interest owners of their right to participate in the proposed operations within the Application Lands, and/or sign a lease on reasonable terms, for the development of the Williams Fork Formation.

- Exhibit No. 4

Exhibit No. 4 are copies of the Authority for Expenditures (“AFEs”) for the Subject Wells.

The AFEs were sent by Ursa to the working and/or unleased mineral interest owners and are fair and reasonable estimates of the costs of the drilling and completion operations of the Subject Wells.

- Exhibit No. 5

Exhibit No. 5 is a copy of the lease form which was sent to unleased mineral interest owners. The lease form is reasonable and customary for this area of Colorado.

Summary of Testimony

Based upon examination of relevant contracts and records, all owners of an oil and gas interest in the tracts to be pooled (who could be located by Ursa) received timely notice of the Application. In addition, at least thirty (30) days will have elapsed prior to the hearing on this matter since the information required by Rule 530. was provided to those interested parties entitled to such offers to lease or to participate in the Subject Wells. To date, Ursa has been unable to obtain a lease or other agreement to participate in the Subject Wells from one or more parties, listed on Exhibit No. 2. Further, as of the date of this testimony, Ursa has not received any notice of objection or protest to the Application.

Accordingly, Ursa requests that its Application be approved without the necessity of a hearing, and that all nonconsenting parties be made subject to the cost recovery provisions of the statute as applicable.

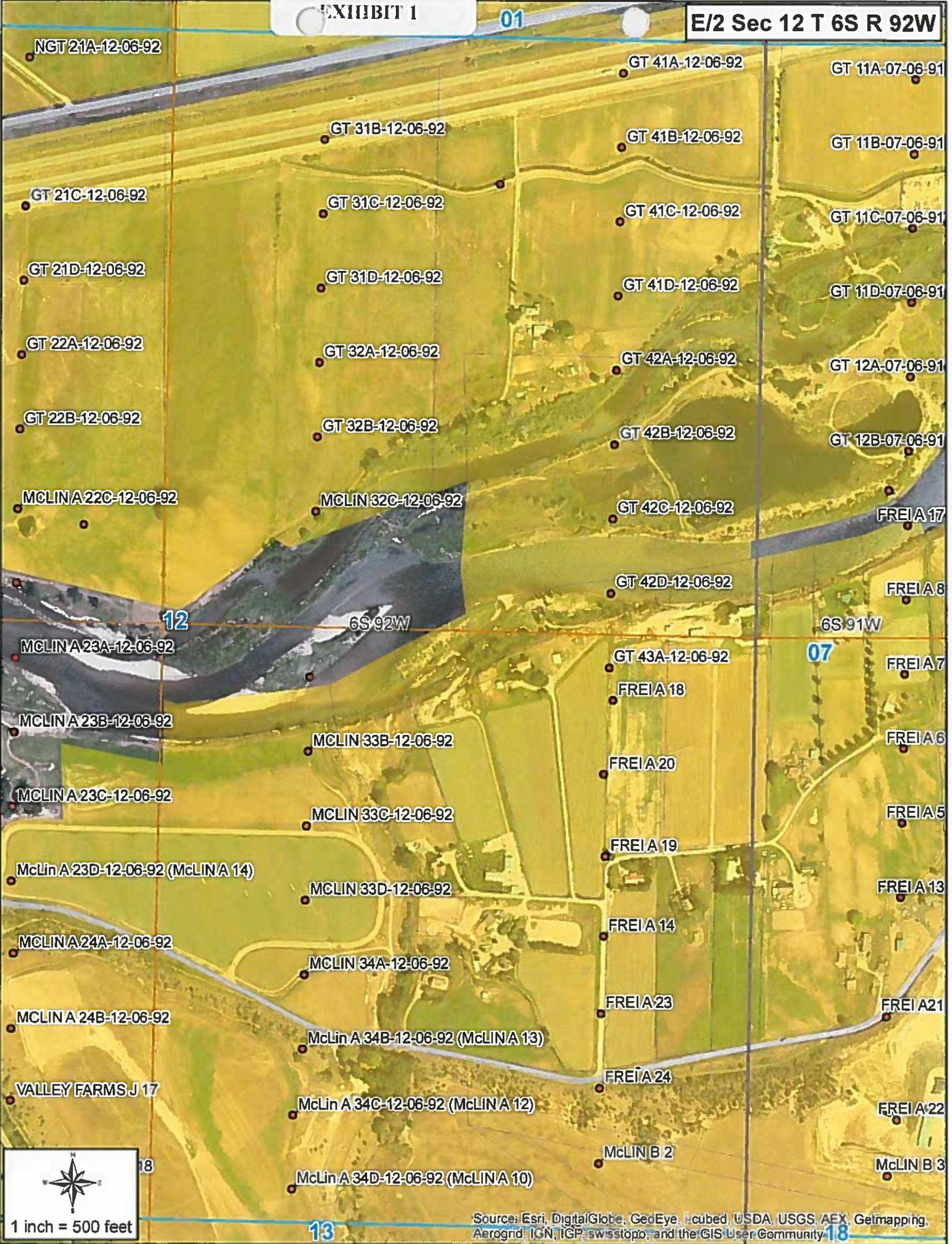


EXHIBIT 2

Barbara B. Pfeiffer Restated Trust dated 12/15/1984
1900 16th Street, Suite 1200
Denver, CO 80202

Mildred M. Bohlen Family Trust dated 8/9/1971
1900 16th Street, Suite 1200
Denver, CO 80202



Ursa Operating Company LLC

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

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

September 19, 2014

Mildred M. Bohlen Family Trust dated 8/9/1971
1900 16th Street, Suite 1200
Denver, CO 80202

Re: Compulsory Pooling Order
E/2 of Section 12, Township 6S, Range 92W, 6th P.M.
Garfield County, Colorado

To whom it may concern:

Ursa Operating Company LLC is in the process of pooling a drilling and spacing unit comprised of a portion of the above-described lands for the drilling of the wells listed below to the Williams Fork Formation. Upon approval by the Colorado Oil and Gas Conservation Commission, your working interest in this drilling unit of approximately 320 acres will be force pooled into a unit. We are soliciting your participation in some or all of the wells to be drilled in this unit.

Your .00255547% mineral interest in this unit is currently unleased. Please find the attached offer to lease and standard lease form. If you lease to us, you will be entitled to a proportionately reduced royalty free of the costs to drill and complete the wells. If you are willing to lease to us under the terms described in the attached lease offer, which are comparable to those prevailing in the area, please mark the appropriate line below and execute and return the lease to us.

You have the opportunity to participate in unit operations for the drilling of each well. This will require you to: (1) Elect to participate and enter into a Joint Operating Agreement ("JOA") with Ursa as the Operator; and (2) pay your proportionate share of the costs of drilling and operating the above wells, as provided in a JOA. The working interest owned by you equates to approximately .00255547% in the unit. Please find the attached authorization for expenditures ("AFE") for each well. We request your election to participate or not to participate in your proportionate share by indicating and signing in the space provided below, and returning the letter to the undersigned. Once we have all working interest party elections, we will forward you an AAPL Form 1989 Operating Agreement to review and execute. On a going forward basis, you will be entitled to a share of production revenues, as well as being responsible for your share of lease operating expenses, as provided in the JOA. In addition, your participation in any subsequent drilling operations will be governed by the procedures provided in the JOA.

As you know drilling oil & gas wells, carry substantial risk as to whether the drilling and completion investments will be recovered. If you do not agree to participate as outlined above, Ursa is entitled to be compensated for its risk. Should you decline to participate or by failing to respond to this letter, your working interest will be subject to a non-consent penalty as provided under C.R.S. 34-60-116(7) until such time as your proportionate share of costs, plus penalties, are recovered. In the event cost, plus penalties are recovered, your interest in that specific well will revert to the percentage of your original ownership as stated above.

As we intend to commence the drilling of the initial well soon, time is of the essence and your prompt response is requested. Please make the desired selection and return one (1) executed original of this letter to the undersigned no later than thirty (30) days from receipt of this offer. If we do not receive your response by such date, you will be deemed to have elected to not participate in the drilling of the well or future unit operations.

In the alternative, if you are interested in selling your interest, do not hesitate to contact us.

If I can answer any questions, please do not hesitate to contact me at 720-508-8352 or by email at jmcghee@ursaresources.com.

Sincerely,

Jarred McGhee
Landman

_____ I will execute a Joint Operating Agreement and participate in the wells as indicated below, and upon receipt of an invoice agree to pay my proportionate share of the drilling and completion costs.

_____ 1. Frei A18

_____ 2. Frei A19

_____ 3. Frei A20

_____ 4. Frei A14

_____ 5. Frei A23

_____ 6. Frei A24

_____ 7. McLin A 33A-12-06-92

_____ 8. McLin A 33B-12-06-92

_____ 9. McLin A 33C-12-06-92

_____ 10. McLin A 33D-12-06-92

_____ 11. McLin A 34A-12-06-92

_____ 12. McLin A 34B-12-06-92

_____ 13. McLin A 34C-12-06-92

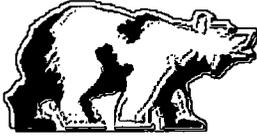
_____ 14. McLin A 34D-12-06-92

_____ I will lease our interest to Ursa.

_____ I will not participate in the unit operations.

Signed and agreed to this _____ day of _____, 2014.

By:



Ursa Operating Company LLC

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

September 19, 2014

Mildred M. Bohem Family Trust dated 8/9/1971
1900 16th Street, Suite 1200
Denver, CO 80202

Re: Township 6 South Range 92 West, Section 12
Tract in the E/2
Garfield County, Colorado

To whom it may concern:

I have prepared an Oil and Gas Lease for you. According to our records, you own .81775 net mineral acres in the above referenced tract of land. I have enclosed for your review and execution a Paid-Up Oil and Gas Lease for the term of 3 years, and an IRS W-9 Form. Please sign, notarize, and return a copy of the Oil & Gas Lease and the W-9 form in the envelope provided.

Upon receipt of the signed lease and W-9, Ursa Operating Company LLC will send you a bonus check in the amount of \$408.88. This bonus consideration is computed on the basis of \$500.00 per mineral acre and includes all delayed rentals in advance.

Please contact me at your earliest convenience at **720-508-8352**. You can also reach me via email at: jmcghee@ursaresources.com. Thank you for your attention to this matter and I look forward to speaking with you.

Respectfully,

Jarred McGhee
Landman



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8368

EXHIBIT 4

AUTHORIZATION FOR EXPENDITURE

Lease/Well: McLin A 34A-12-06-92 Section/T/R: Section 12, T6S, R 91W AFE Number: _____
 County/State: Garfield County, CO SHL: _____ AFE Date: 7/21/14
 Field/Prospect: Gravel Trend BHL: _____ WI%: 91.36%
 Objective: Williams Fork NRI%: 80.76%
 Proposed TMD/TVD: _____
 AFE Project Type: Drill & Complete-Dev Drill & Complete-Explor Cap Facility
 Cap Workover/Recomplete Expense Workover Other

Project Description: Drill, complete, and equip a 7,163' MD "S" shaped Williams Fork well, including 8 stage Gen 3 frac stimulation completion

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$13,770	\$0	\$0	\$13,770
22	Location, Pits, Roads	\$10,200	\$10,200	\$3,000	\$23,400
23	Mob/Demob Rig	\$46,463	\$0		\$46,463
24	Daywork-Rig	\$166,844	\$0		\$166,844
27	Completion/WO-Rig		\$48,960		\$48,960
28	Fuel, Power, & Water	\$52,673	\$2,550		\$55,223
29	Bits	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$77,979	\$0		\$77,979
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$85,560		\$85,560
33	Casing & Lay Down Crews	\$0	\$3,040		\$3,040
34	Cementing Services	\$26,000	\$67,000		\$93,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$14,994	\$1,500	\$6,000	\$22,494
40	Vac Tri/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,591	\$0		\$2,591
42	Surface Rentals	\$62,152	\$80,376	\$0	\$142,528
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$6,834			\$6,834
45	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$20,000			\$20,000
48	CH Log, Perf, & Electric Line		\$75,990		\$75,990
50	Tubular Inspection & Testing	\$7,500	\$0		\$7,500
53	Swab/Stickline & Well Test/FIwbc		\$119,340		\$119,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$726,240		\$726,240
56	Contract Labor Services	\$19,380	\$10,200	\$10,000	\$39,580
57	Supervision & Consulting Services	\$15,953	\$19,890	\$6,000	\$41,843
58	Overhead Expenses	\$4,350	\$2,000		\$6,350
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,361	\$0		\$3,361
62	Misc/Contingency	\$4,437	\$0		\$4,437
63	Fluid Disposal	\$30,000	\$57,434		\$87,434
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$652,690	\$1,325,070	\$25,000	\$2,002,760

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$5,200			\$5,200
67	Surface Casing 1000 feet @ \$/ft \$23 00	\$23,460			\$23,460
68	Intermediate Casing	\$0			\$0
69	Liner	\$0	\$101,963		\$101,963
70	Production Casing 7362 feet @ \$/ft \$13 85	\$3,000	\$5,000		\$8,000
71	Liner Hanger/Csg Accessories	\$7,000	\$20,000		\$27,000
72	Wellhead Equipment		\$27,540		\$27,540
74	Tubing 6000 feet @ \$/ft \$4 50		\$0		\$0
75	Rods		\$0		\$0
76	Downhole Pump		\$2,000		\$2,000
77	Packers/Other Downhole Equip	\$0	\$0		\$0
79	Misc Tangible Equipment			\$4,080	\$4,080
4	Safety System Equip			\$0	\$0
5	Electrical Service & Equip			\$0	\$0
9	Tanks 3 tanks @ \$/tank \$11,000			\$10,200	\$10,200
11	Connections, Fittings, & Supplies			\$0	\$0
12	SWD Pumps & Equipment			\$22,500	\$22,500
14	Separator & Treating Equipment			\$3,000	\$3,000
15	Metering Equip & LACT Unit			\$3,000	\$3,000
18	Pipelines/Flowlines 250 feet @ \$/ft \$12			\$0	\$0
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$38,660	\$156,503	\$42,780	\$237,943

TOTAL TANGIBLE & INTANGIBLE COSTS \$691,350 \$1,481,573 \$67,780 \$2,240,703

URSA APPROVAL: Prepared by _____ Date <u>7/21/2014</u> Approved by _____ Date _____	NONOPERATOR APPROVAL Company _____ WI(%) _____ Appr'd by _____ Title _____ Date _____ <input type="checkbox"/> Desire to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance
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NOTE It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well	McLin A 33A-12-06-92	Section/T/R:	Section 12, T6S, R 91W	AFE Number	
County/State.	Garfield County, CO	SHL:		AFE Date	7/21/14
Field/Prospect.	Gravel Trend	BHL:		WI%	91.36%
Objective:	Williams Fork			NR1%	80.78%
Proposed TMD/TVD.					
	<input checked="" type="checkbox"/> X	Drill & Complete-Dev	<input type="checkbox"/>	Drill & Complete-Explor	<input type="checkbox"/> Cap Facility
AFE Project Type.		<input type="checkbox"/> Cap Workover/Recomplete	<input type="checkbox"/> Expense Workover	<input type="checkbox"/> Other	

Project Description: **Drill, complete, and equip a 7,163' MD "S" shaped Williams Fork well, including 8 stage Gen 3 frac stimulation completion**

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$13,770	\$0	\$0	\$13,770
22	Location, Plts, Roads	\$10,200	\$10,200	\$3,000	\$23,400
23	Mob/Damob Rig	\$46,463	\$0		\$46,463
24	Daywork-Rig	\$146,844	\$0		\$146,844
27	Completion/WO-Rig		\$48,960		\$48,960
28	Fuel, Power, & Water	\$52,673	\$2,550		\$55,223
29	Plts	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$77,979	\$0		\$77,979
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$79,560		\$79,560
33	Casing & Lay Down Crews	\$0	\$2,040		\$2,040
34	Cementing Services	\$24,000	\$65,000		\$89,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$14,994	\$1,500	\$6,000	\$22,494
40	Vac Trk/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,591	\$0		\$2,591
42	Surface Rentals	\$52,167	\$80,376	\$0	\$132,543
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$6,834			\$6,834
45	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$20,000			\$20,000
48	CH Log, Perf, & Electric Line		\$75,990		\$75,990
50	Tubular Inspection & Testing	\$7,500	\$0		\$7,500
53	Swab/Sticketline & Well Test/Fwback		\$119,340		\$119,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$726,240		\$726,240
56	Contract Labor Services	\$19,380	\$10,200	\$10,000	\$39,580
57	Supervision & Consulting Services	\$15,953	\$19,890	\$6,000	\$41,843
58	Overhead Expenses	\$4,350	\$2,000		\$6,350
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,361	\$0		\$3,361
62	Misc/Contingency	\$4,437	\$0		\$4,437
63	Fluid Disposal	\$35,000	\$66,875		\$101,875
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$625,706	\$1,325,511	\$25,000	\$1,976,217

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$3,060			\$3,060
67	Surface Casing	\$23,460			\$23,460
68	Intermediate Casing	\$0			\$0
69	Liner	\$0			\$0
70	Production Casing		\$101,963		\$101,963
71	Liner Hanger/Csg Accessories	\$3,000	\$5,000		\$8,000
72	Wellhead Equipment	\$7,000	\$20,000		\$27,000
74	Tubing		\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment	\$0	\$0		\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks	3 tanks @ \$/tank	\$11,000		\$0
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$22,500	\$22,500
15	Metering Equip & LACT Unit			\$3,000	\$3,000
18	Pipelines/Flowlines	250 feet @ \$/ft	\$12	\$3,000	\$3,000
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$36,520	\$156,503	\$42,780	\$235,803

TOTAL TANGIBLE & INTANGIBLE COSTS \$662,226 \$1,482,014 \$67,780 \$2,212,020

URSA APPROVAL		NONOPERATOR APPROVAL	
Prepared by		Company	WI(%)
Date	7/21/2014	Appr'd by	
Approved by		Title	Date
Date		<input type="checkbox"/> Desire to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance	

NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
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AUTHORIZATION FOR EXPENDITURE

Lease/Well: McLin A 33B-12-06-92 Section/T/R: Section 12, T6S, R 91W AFE Number: _____
 County/State: Garfield County, CO SHL: _____ AFE Date: 7/21/14
 Field/Prospect: Gravel Trend BHL: _____ WI%: 91.38%
 Objective: Williams Fork NRI%: 80.76%
 Proposed TMD/TVD: _____

AFE Project Type: Drill & Complete-Dev Drill & Complete-Explor Cap Facility
 Cap Workover/Recomplete Expense Workover Other

Project Description: Drill, complete, and equip a 7,163' MD "S" shaped Williams Fork well, including 8 stage Gen 3 frac stimulation completion

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$13,770	\$0	\$0	\$13,770
22	Location, Pits, Roads	\$10,200	\$10,200	\$3,000	\$23,400
23	Mob/Demob Rig	\$46,463	\$0		\$46,463
24	Daywork-Rig	\$146,844	\$0		\$146,844
27	Completion/WO-Rig		\$48,960		\$48,960
28	Fuel, Power, & Water	\$52,673	\$2,550		\$55,223
29	Bits	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$77,979	\$0		\$77,979
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$79,560		\$79,560
33	Casing & Lay Down Crews	\$0	\$2,040		\$2,040
34	Cementing Services	\$24,000	\$65,000		\$89,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$14,984	\$1,500	\$6,000	\$22,484
40	Vac Trk/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,591	\$0		\$2,591
42	Surface Rentals	\$52,167	\$80,376	\$0	\$132,543
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$0			\$0
45	DST, FT, & Coring	\$20,000			\$20,000
46	Open Hole Logging		\$75,990		\$75,990
48	CH Log, Perf, & Electric Line	\$7,500	\$0		\$7,500
50	Tubular Inspection & Testing		\$119,340		\$119,340
53	Swab/Stickline & Well Test/Flwback		\$9,180		\$9,180
54	CT, Snubbing, N2 Services		\$726,240		\$726,240
55	Stimulation-Frac & Acid	\$19,380	\$10,200	\$10,000	\$39,580
56	Contract Labor Services	\$15,953	\$19,890	\$6,000	\$41,843
57	Supervision & Consulting Services	\$4,350	\$2,000		\$6,350
58	Overhead Expenses	\$0	\$0		\$0
59	Plugging Costs	\$3,361	\$0		\$3,361
60	Well Control Insurance	\$4,437	\$0		\$4,437
62	Misc/Contingency	\$30,000	\$55,700		\$85,700
63	Fluid Disposal			\$0	\$0
64	Pipeline Interconnect/Hot Tap				\$0
TOTAL INTANGIBLE COSTS		\$620,706	\$1,314,336	\$25,000	\$1,960,042

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$5,200			\$5,200
67	Surface Casing	1000 feet @ \$/ft \$23.00	\$23,460		\$23,460
68	Intermediate Casing		\$0		\$0
69	Liner		\$0		\$0
70	Production Casing	7362 feet @ \$/ft \$13.85	\$101,963		\$101,963
71	Liner Hanger/Csg Accessories		\$3,000	\$5,000	\$8,000
72	Wellhead Equipment		\$7,000	\$20,000	\$27,000
74	Tubing	6000 feet @ \$/ft \$4.50	\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment		\$0	\$0	\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks	3 tanks @ \$/tank \$11,000		\$0	\$0
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$22,500	\$22,500
15	Metering Equip & LACT Unit			\$3,000	\$3,000
18	Pipelines/Flowlines	250 feet @ \$/ft \$12		\$3,000	\$3,000
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$38,660	\$156,503	\$42,780	\$237,943

TOTAL TANGIBLE & INTANGIBLE COSTS \$659,366 \$1,470,839 \$67,780 \$2,197,985

URSA APPROVAL: Prepared by _____ Date <u>7/21/2014</u> Approved by _____ Date _____	NONOPERATOR APPROVAL Company _____ WI(%) _____ Apprd by _____ Title _____ Date _____ <input type="checkbox"/> Desire to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance
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NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well: McLin A 33C-12-06-92 Section/T/R: Section 12, T6S, R 91W AFE Number: _____
 County/State: Garfield County, CO SHL: _____ AFE Date: 7/21/14
 Field/Prospect: Gravel Trend BHL: _____ WI%: 91.36%
 Objective: Williams Fork NRI%: 80.76%
 Proposed TMD/TVD: _____

AFE Project Type: Drill & Complete-Dev Drill & Complete-Explor Cap Facility
 Cap Workover/Recomplete Expense Workover Other

Project Description: Drill, complete, and equip a 7,163' MD "S" shaped Williams Fork well, including 8 stage Gen 3 frac stimulation completion.

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$13,770	\$0	\$0	\$13,770
22	Location, Pits, Roads	\$10,200	\$10,200	\$3,000	\$23,400
23	Mob/Demob Rig	\$46,463	\$0		\$46,463
24	Daywork-Rig	\$148,844	\$0		\$148,844
27	Completion/WO-Rig		\$48,960		\$48,960
28	Fuel, Power, & Water	\$52,673	\$2,550		\$55,223
29	Bits	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$77,979	\$0		\$77,979
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$85,560		\$85,560
33	Casing & Lay Down Crews	\$0	\$3,040		\$3,040
34	Cementing Services	\$26,000	\$67,000		\$93,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$14,994	\$1,500	\$6,000	\$22,494
40	Vac Trk/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,591	\$0		\$2,591
42	Surface Rentals	\$62,152	\$80,376	\$0	\$142,528
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$6,834			\$6,834
45	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$20,000			\$20,000
48	CH Log, Perf, & Electric Line		\$75,990		\$75,990
50	Tubular Inspection & Testing	\$7,500	\$0		\$7,500
53	Swab/Sticckline & Well Test/FWbck		\$119,340		\$119,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$726,240		\$726,240
56	Contract Labor Services	\$19,380	\$10,200	\$10,000	\$39,580
57	Supervision & Consulting Services	\$15,953	\$19,890	\$6,000	\$41,843
58	Overhead Expenses	\$4,350	\$2,000		\$6,350
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,361	\$0		\$3,361
62	Misc/Contingency	\$4,437	\$0		\$4,437
63	Fluid Disposal	\$30,000	\$57,434		\$87,434
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$632,690	\$1,325,070	\$25,000	\$1,982,760

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$5,200			\$5,200
67	Surface Casing	1000 feet @ \$/ft \$23.00	\$23,460		\$23,460
68	Intermediate Casing		\$0		\$0
69	Liner		\$0		\$0
70	Production Casing	7362 feet @ \$/ft \$13.85	\$101,963		\$101,963
71	Liner Hanger/Csg Accessories		\$3,000	\$5,000	\$8,000
72	Wellhead Equipment		\$7,000	\$20,000	\$27,000
74	Tubing	6000 feet @ \$/ft \$4.50	\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment		\$0	\$0	\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks	3 tanks @ \$/tank \$11,000		\$0	\$0
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$22,500	\$22,500
15	Metering Equip & LACT Unit			\$3,000	\$3,000
18	Pipelines/Flowlines	250 feet @ \$/ft \$12		\$3,000	\$3,000
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$38,660	\$156,503	\$42,780	\$237,943

TOTAL TANGIBLE & INTANGIBLE COSTS \$671,350 \$1,481,573 \$67,780 \$2,220,703

URSA APPROVAL		NONOPERATOR APPROVAL	
Prepared by		Company	WI(%)
Date	<u>7/21/2014</u>	Appr'd by	
Approved by		Title	Date
Date		<input type="checkbox"/> Desire to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance	

NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well: McIn A 33D-12-06-92 Section/T/R: Section 12, T6S, R 91W AFE Number: _____
 County/State: Garfield County, CO SHL: _____ AFE Date: 7/21/14
 Field/Prospect: Gravel Trend BHL: _____ WI%: 81.36%
 Objective: Williams Fork NRI%: 80.76%
 Proposed TMD/TVD: _____
 Drill & Complete-Dev Drill & Complete-Explor Cap Facility
 AFE Project Type: _____
 Cap Workover/Recomplete Expense Workover Other

Project Description: Drill, complete, and equip a 7,163' MD "S" shaped Williams Fork well, including 8 stage Gen 3 frac stimulation completion

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$13,770	\$0	\$0	\$13,770
22	Location, Pits, Roads	\$10,200	\$10,200	\$3,000	\$23,400
23	Mob/Demob Rig	\$46,463	\$0		\$46,463
24	Daywork-Rig	\$146,844	\$0		\$146,844
27	Completion/WO-Rig		\$48,960		\$48,960
28	Fuel, Power, & Water	\$52,673	\$2,550		\$55,223
29	Bits	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$77,979	\$0		\$77,979
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$79,560		\$79,560
33	Casing & Lay Down Crews	\$0	\$2,040		\$2,040
34	Cementing Services	\$26,000	\$70,000		\$96,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$14,994	\$1,500	\$6,000	\$22,494
40	Vac Tri/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,591	\$0		\$2,591
42	Surface Rentals	\$62,152	\$80,376	\$0	\$142,528
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$6,834			\$6,834
45	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$20,000			\$20,000
48	CH Log, Perf, & Electric Line		\$75,990		\$75,990
50	Tubular Inspection & Testing	\$7,500	\$0		\$7,500
53	Swab/Stickline & Well Test/Fiwbck		\$119,340		\$119,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$726,240		\$726,240
56	Contract Labor Services	\$19,380	\$10,200	\$10,000	\$39,580
57	Supervision & Consulting Services	\$15,953	\$19,890	\$6,000	\$41,843
58	Overhead Expenses	\$4,350	\$2,000		\$6,350
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,361	\$0		\$3,361
62	Misc/Contingency	\$4,437	\$0		\$4,437
63	Fluid Disposal	\$30,000	\$57,434		\$87,434
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$632,690	\$1,321,070	\$25,000	\$1,978,760

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$5,200			\$5,200
67	Surface Casing 1000 feet @ \$/ft \$23.00	\$23,460			\$23,460
68	Intermediate Casing	\$0			\$0
69	Liner	\$0			\$0
70	Production Casing 7362 feet @ \$/ft \$13.65		\$101,963		\$101,963
71	Liner Hanger/Csg Accessories	\$3,000	\$5,000		\$8,000
72	Wellhead Equipment	\$7,000	\$20,000		\$27,000
74	Tubing 6000 feet @ \$/ft \$4.50		\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment	\$0	\$0		\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks 3 tanks @ \$/tank \$11,000			\$0	\$0
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$22,500	\$22,500
15	Metering Equip & LACT Unit			\$3,000	\$3,000
18	Pipelines/Flowlines 250 feet @ \$/ft \$12			\$3,000	\$3,000
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$38,660	\$156,503	\$42,780	\$237,943

TOTAL TANGIBLE & INTANGIBLE COSTS \$671,350 \$1,477,573 \$67,780 \$2,216,703

URSA APPROVAL: Prepared by _____ Date <u>7/21/2014</u> Approved by _____ Date _____	NONOPERATOR APPROVAL Company _____ WI(%) _____ Appr'd by _____ Title _____ Date _____ <input type="checkbox"/> Desire to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance
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NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80202
 Tel: 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well: McLin A 34B-12-05-92 Section/T/R: Section 12, T6S, R92W AFE Number: 14-166
 County/State: Garfield County, CO SHL: 928' FSL, 2230' FWL AFE Date: 6/23/14
 Field/Prospect: Gravel Trend BHL: 703' FSL, 1980' FEL W1%: 100.00%
 Objective: Williams Fork HRI%: 81.76%
 Proposed TMD/TVD: 7221' MD / 7017' TVD

_____ X _____ Drill & Complete-Dev _____ Drill & Complete-Explor _____ Cap Facility
 AFE Project Type, _____ Cap Workover/Recomplete _____ Expense Workover _____ Other

Project Description: Drill, complete, and equip a 7,221' MD "S" shaped Williams Fork well, including 8 stage frac stimulation completion

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$11,220	\$0	\$0	\$11,220
22	Location, Pills, Roads	\$24,327	\$10,200	\$3,000	\$37,527
23	Mob/Demob Rig	\$36,946	\$0		\$36,946
24	Daywork-Rig	\$137,746	\$0		\$137,746
27	Completion/WO-Rig		\$48,960		\$48,960
28	Fuel, Power, & Water	\$50,959	\$2,550		\$53,509
29	Bits	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$89,921	\$0		\$89,921
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$59,670		\$59,670
33	Casing & Lay Down Crews	\$0	\$0		\$0
34	Cementing Services	\$16,000	\$60,000		\$76,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$17,546	\$4,500	\$6,000	\$28,146
40	Vac Trk/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,508	\$0		\$2,508
42	Surface Rentals	\$49,685	\$87,006	\$0	\$136,691
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$6,426			\$6,426
45	DST, F1, & Coring	\$0			\$0
46	Open Hole Logging	\$0			\$0
48	CH Log, Perf, & Electric Line		\$65,260		\$65,260
50	Tubular Inspection & Testing	\$7,500	\$0		\$7,500
53	Swab/Stickline & Well Test/Flwbck		\$119,340		\$119,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$620,670		\$620,670
56	Contract Labor Services	\$19,380	\$10,200	\$10,000	\$39,580
57	Supervision & Consulting Services	\$15,259	\$19,890	\$6,000	\$41,149
58	Overhead Expenses	\$4,150	\$2,000		\$6,150
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,388	\$0		\$3,388
62	Misc/Contingency	\$4,233	\$0		\$4,233
63	Fluid Disposal	\$30,000	\$33,048		\$63,048
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$574,505	\$1,158,104	\$25,000	\$1,757,609

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$3,080			\$3,080
67	Surface Casing 1000 feet @ \$/ft \$23.00	\$23,480			\$23,480
68	Intermediate Casing	\$0			\$0
69	Liner	\$0			\$0
70	Production Casing 7221 feet @ \$/ft \$13.85		\$102,011		\$102,011
71	Liner Hanger/Csg Accessories	\$3,000	\$5,000		\$8,000
72	Wellhead Equipment	\$7,000	\$20,000		\$27,000
74	Tubing 6000 feet @ \$/ft \$4.50		\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment	\$0	\$0		\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks 3 tanks @ \$/tank \$11,000			\$0	\$0
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$25,000	\$25,000
15	Metering Equip & LACT Unfl			\$3,000	\$3,000
18	Pipelines/Flowlines 250 feet @ \$/ft \$12			\$3,000	\$3,000
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$36,520	\$156,551	\$45,280	\$238,351

TOTAL TANGIBLE & INTANGIBLE COSTS \$611,025 \$1,314,655 \$70,280 \$1,995,960

Handwritten initials and date: JH 6/23/2014

URSA APPROVAL: Prepared by: <u>Hans Wychgram / Pate Younger</u> Date: <u>6/23/2014</u> Approved by: <u>[Signature]</u> Date: <u>7/1/14</u>	NONOPERATOR APPROVAL Company: _____ W1(%): _____ Apprd by: _____ Date: _____ Title: _____ <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance
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NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well: McLin A 34C-12-06-92 Section/T/R: Section 12, T6S, R92W AFE Number: 14-167
 County/State: Garfield County, CO SJL: 924' FSL, 2218' FWL AFE Date: 6/23/14
 Field/Prospect: Gravel Trend BHL: 453' FSL, 1980' FEL WI%: 100.00%
 Objective: Williams Fork NRJ%: 81.76%
 Proposed TMD/TVD: 7295' MD / 7049' TVD
 _____ X _____ Drill & Complete-Dev _____ Drill & Complete-Explor _____ Cap Facility
 AFE Project Type: _____ Cap Workover/Recomplete _____ Expense Workover _____ Other

Project Description: Drill, complete, and equip a 7,296' MD "S" shaped Williams Fork well, including 5 stage frac stimulation completion.

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$11,220	\$0	\$0	\$11,220
22	Location, Pits, Roads	\$24,327	\$10,200	\$3,000	\$37,527
23	Mob/Demob Rig	\$36,946	\$0		\$36,946
24	Daywork-Rig	\$137,746	\$0		\$137,746
27	Completion/WO-Rig		\$48,860		\$48,860
28	Fuel, Power, & Water	\$50,959	\$2,550		\$53,509
29	Bills	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$69,921	\$0		\$69,921
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$59,670		\$59,670
33	Casing & Lay Down Crews	\$0	\$0		\$0
34	Cementing Services	\$16,000	\$60,000		\$76,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$17,848	\$4,500	\$6,000	\$28,348
40	Vac Tri/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,509	\$0		\$2,509
42	Surface Rentals	\$49,685	\$87,006	\$0	\$136,691
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$6,428			\$6,428
46	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$0			\$0
48	CH Log, Perf, & Electric Line		\$65,280		\$65,280
50	Tubular Inspection & Testing	\$7,600	\$0		\$7,600
53	Swab/Slickline & Well Test/FWbck		\$110,340		\$110,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$620,670		\$620,670
56	Contract Labor Services	\$19,380	\$10,200	\$10,000	\$39,580
57	Supervision & Consulting Services	\$15,259	\$19,890	\$6,000	\$41,149
58	Overhead Expenses	\$4,150	\$2,000		\$6,150
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,423	\$0		\$3,423
62	Misc/Contingency	\$4,233	\$0		\$4,233
63	Fluid Disposal	\$30,000	\$33,048		\$63,048
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$574,540	\$1,158,104	\$26,000	\$1,758,644

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$3,060			\$3,060
67	Surface Casing	\$23,460			\$23,460
68	Intermediate Casing	\$0			\$0
69	Liner	\$0			\$0
70	Production Casing		\$103,058		\$103,058
71	Liner Hanger/Csg Accessories	\$3,000	\$5,000		\$8,000
72	Wellhead Equipment	\$7,000	\$20,000		\$27,000
74	Tubing		\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment	\$0	\$0		\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
8	Tanks			\$0	\$0
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$25,000	\$25,000
15	Metering Equip & LACT Unit			\$3,000	\$3,000
18	Pipelines/Flowlines			\$3,000	\$3,000
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$36,520	\$157,596	\$45,280	\$239,396

TOTAL TANGIBLE & INTANGIBLE COSTS \$611,060 \$1,315,700 \$70,280 \$1,997,041

Handwritten signature and date: 6/23/2014

URSA APPROVAL: Prepared by: <u>Hank Wychgram / Pake Younger</u> Date: <u>6/23/2014</u> Approved by: <u>[Signature]</u> Date: <u>7/14/14</u>	NONOPERATOR APPROVAL Company: _____ WI(%) Appr'd by: _____ Title: _____ Date: _____ <input type="checkbox"/> Desire to be covered by Ursa Resources Group well control Insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control Insurance
--	--

NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well: McLin A 34D-12-06-92 Section/T/R: Section 12, T6S, R92W AFE Number: 14-168
 County/State: Garfield County, CO SHL: 920' FSL, 2207' FWL AFE Date: 6/23/14
 Field/Prospect: Gravel Trend BHL: 125' FSL, 1980' FEL WI%: 100.00%
 Objective: Williams Fork NRI%: 81.75%
 Proposed TMD/TVD: 7401' MD / 7083' TVD

AFE Project Type: Drill & Complete-Dev Drill & Complete-Explor Cap Facility
 Gap Workover/Recomplete Expense Workover Other

Project Description: Drill, complete, and equip a 7,401' MD "S" shaped Williams Fork well, including 6 stage frac stimulation completion.

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 165	TOTAL
21	Survey, Permits, Damages, Legal	\$11,220	\$0	\$0	\$11,220
22	Location, Pits, Roads	\$24,327	\$10,200	\$3,000	\$37,527
23	Mob/Demoh Rig	\$38,946	\$0		\$38,946
24	Daywork-Rig	\$137,748	\$0		\$137,748
27	Completion/WO-Rig		\$48,960		\$48,960
28	Fuel, Power, & Water	\$50,959	\$2,550		\$53,509
29	Bits	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$69,921	\$0		\$69,921
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$59,670		\$59,670
33	Casing & Lay Down Crews	\$0	\$0		\$0
34	Cementing Services	\$16,000	\$80,000		\$96,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$17,646	\$4,500	\$6,000	\$28,146
40	Vac Tri/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,509	\$0		\$2,509
42	Surface Rentals	\$49,685	\$87,006	\$0	\$136,691
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$6,428			\$6,428
45	DST, FT, & Coring	\$0			\$0
48	Open Hole Logging	\$0			\$0
48	CH Log, Perf, & Electric Line		\$65,280		\$65,280
50	Tubular Inspection & Testing	\$7,500	\$0		\$7,500
53	Swab/Slickline & Well Test/FWbck		\$119,340		\$119,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$620,870		\$620,870
56	Contract Labor Services	\$19,380	\$10,200	\$10,000	\$39,580
57	Supervision & Consulting Services	\$15,259	\$19,890	\$6,000	\$41,149
58	Overhead Expenses	\$4,160	\$2,000		\$6,160
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,473	\$0		\$3,473
62	Misc/Contingency	\$4,233	\$0		\$4,233
63	Fluid Disposal	\$30,000	\$33,048		\$63,048
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$574,590	\$1,158,104	\$25,000	\$1,757,694

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$3,060			\$3,060
67	Surface Casing 1000 feet @ \$/ft \$23.00	\$23,460			\$23,460
68	Intermediate Casing	\$0			\$0
69	Liner	\$0			\$0
70	Production Casing 7401 feet @ \$/ft \$13.85		\$104,554		\$104,554
71	Liner Hanger/Csg Accessories	\$3,000	\$5,000		\$8,000
72	Wellhead Equipment	\$7,000	\$20,000		\$27,000
74	Tubing 6000 feet @ \$/ft \$4.50		\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment	\$0	\$0		\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks 3 tanks @ \$/tank \$11,000			\$0	\$0
11	Connections, Fillings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$25,000	\$25,000
15	Metering Equip & LACT Unit			\$3,000	\$3,000
16	Pipelines/Flowlines 250 feet @ \$/ft \$12			\$3,000	\$3,000
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$36,520	\$159,094	\$45,280	\$240,894

TOTAL TANGIBLE & INTANGIBLE COSTS \$611,110 \$1,317,198 \$70,280 \$1,998,568

[Handwritten signature]
 6/23/2014

URSA APPROVAL Prepared by: <u>Hans Wychgram / Pake Younger</u> Date: <u>6/23/2014</u> Approved by: <u>[Signature]</u> Date: <u>6/11/14</u>	NONOPERATOR APPROVAL Company: _____ WI(%) _____ Appr'd by: _____ Title: _____ Date: _____ <input type="checkbox"/> Desire to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance
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NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well:	Frel A18	Section/T/R:	Section 7, T6S, R91W	AFE Number:	13-300
County/State:	Garfield County, CO	SIL:	582' FSL, 909' FWL	AFE Date:	11/25/13
Field/Prospect:	Gravel Trend	BHL:	2364' FSL, 660' FEL	WI%:	81.36%
Objective:	Williams Fork			NRI%:	80.76%
Proposed TMO/TVD:	7605				

AFE Project Type: Drill & Complete-Dev Drill & Complete-Explor Cap Facility
 Cap Workover/Recomplete Expense Workover Other

Project Description: Drill, complete, and equip a 7,505' MD "B" stapped Williams Fork well, including 8 stage frac stimulation completion

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$5,270	\$0	\$6,649	\$11,919
22	Locallon, Pits, Roads	\$11,220	\$10,200	\$3,570	\$24,990
23	Mob/Demob Rig	\$30,323	\$0		\$30,323
24	Daywork-Rig	\$153,037	\$19,283		\$172,320
27	Completion/WO-Rig		\$57,120		\$57,120
28	Fuel, Power, & Water	\$64,719	\$9,333		\$74,052
29	Bits	\$25,000	\$0		\$25,000
30	Directional Drilling Services	\$73,695	\$0		\$73,695
31	Mud & Chemicals	\$38,250			\$38,250
32	Completion/WO Fluids		\$91,800		\$91,800
33	Casing & Lay Down Crews	\$1,224	\$10,200		\$11,424
34	Cementing Services	\$18,000	\$55,000		\$73,000
36	Communications	\$3,743	\$194		\$3,937
37	Transportation/Trucking	\$13,617	\$6,923	\$8,925	\$29,465
40	Vac Trk/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$1,836	\$0		\$1,836
42	Surface Rentals	\$46,114	\$84,127	\$0	\$130,241
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$5,184			\$5,184
45	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$3,600			\$3,600
48	CH Log, Perf, & Electric Line		\$97,410		\$97,410
50	Tubular Inspection & Testing	\$5,000	\$0		\$5,000
53	Swab/Slickline & Well Test/Fwbc		\$68,340		\$68,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$583,950		\$583,950
56	Contract Labor Services	\$11,730	\$10,200	\$18,380	\$41,310
57	Supervision & Consulting Services	\$14,905	\$34,846	\$8,925	\$58,676
58	Overhead Expenses	\$3,925	\$2,475		\$6,400
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,521	\$0		\$3,521
62	Misc/Contingency	\$4,004	\$485		\$4,488
63	Fluid Disposal	\$30,000	\$69,768		\$99,768
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$567,818	\$1,226,443	\$47,449	\$1,841,709

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$3,060			\$3,060
67	Surface Casing	\$25,047			\$25,047
68	Intermediate Casing	\$0			\$0
69	Liner	\$0			\$0
70	Production Casing		\$106,023		\$106,023
71	Liner Hanger/Csg Accessories	\$2,500	\$10,000		\$12,500
72	Wellhead Equipment	\$7,000	\$28,000		\$33,000
74	Tubing		\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment	\$0	\$0		\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks			\$6,000	\$6,000
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$25,500	\$25,500
15	Metering Equip & LACT Unit			\$3,570	\$3,570
18	Pipelines/Flowlines			\$3,060	\$3,060
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$37,607	\$171,563	\$52,410	\$261,580

TOTAL TANGIBLE & INTANGIBLE COSTS \$806,425 \$1,398,006 \$99,859 \$2,103,290

11/25/13

URSA APPROVAL: Prepared by: Hans Wychgram / Pake Younger Date: _____ Approved by: <i>[Signature]</i> Date: 11/25/13	NONOPERATOR APPROVAL Company: _____ WI(%): _____ Appr'd by: _____ Title: _____ Date: _____ <input type="checkbox"/> Desire to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance
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NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8360

AUTHORIZATION FOR EXPENDITURE

Lease/Well	Frel A20	Section/TR:	Section 12, T6S, R92W	AFE Number:	13-301
County/State:	Garfield County, CO	SHL:	668' FSL, 907' FWL	AFE Date:	11/25/13
Field/Prospect:	Gravel Trend	BHL:	2023' FSL, 660' FEL	WI%	91.36%
Objective:	Williams Fork			NR%	80.76%
Proposed TMD/TVD:	7391				
<input checked="" type="checkbox"/> Drill & Complete-Dev		<input type="checkbox"/> Drill & Complete-Explor		<input type="checkbox"/> Cap Facility	
<input type="checkbox"/> AFE Project Type: Cap Workover/Recomplete		<input type="checkbox"/> Expense Workover		<input type="checkbox"/> Other	

Project Description: Drill, complete, and equip a 7,391' MD "S" shaped Williams Fork well, including 8 stage frac stimulation completion

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$5,270	\$0	\$5,649	\$11,919
22	Location, Pits, Roads	\$11,220	\$10,200	\$3,570	\$24,990
23	Mob/Demob Rig	\$30,323	\$0		\$30,323
24	Daywork-Rig	\$152,998	\$19,283		\$172,281
27	Completion/WO-Rig	\$57,120	\$57,120		\$57,120
28	Fuel, Power, & Water	\$64,719	\$9,333		\$74,052
29	Bits	\$25,000	\$0		\$25,000
30	Directional Drilling Services	\$73,695	\$0		\$73,695
31	Mud & Chemicals	\$38,250			\$38,250
32	Completion/WO Fluids		\$91,800		\$91,800
33	Casing & Lay Down Crews	\$1,224	\$10,200		\$11,424
34	Cementing Services	\$16,000	\$55,000		\$73,000
36	Communications	\$3,743	\$194		\$3,937
37	Transportation/Trucking	\$13,617	\$6,923	\$8,925	\$29,465
40	Vac Trk/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$1,836	\$0		\$1,836
42	Surface Rentals	\$46,114	\$84,127	\$0	\$130,241
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$5,184			\$5,184
45	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$3,500			\$3,500
49	CH Log, Perf, & Electric Line		\$97,410		\$97,410
50	Tubular Inspection & Testing	\$5,000	\$0		\$5,000
53	Swab/Slickline & Well Test/FIw/bk		\$68,340		\$68,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$583,950		\$583,950
56	Contract Labor Services	\$11,730	\$10,200	\$19,380	\$41,310
57	Supervision & Consulting Services	\$14,905	\$34,846	\$6,925	\$58,676
58	Overhead Expenses	\$3,925	\$2,475		\$6,400
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,468	\$0		\$3,468
62	Misc/Contingency	\$4,004	\$485		\$4,489
63	Fluid Disposal	\$30,000	\$69,768		\$99,768
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$567,725	\$1,226,443	\$47,449	\$1,841,617

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 162	N 164	FACILITY 156	TOTAL
66	Conductor Casing	\$3,060			\$3,060
67	Surface Casing	1036 feet @ \$/ft	\$25,023		\$25,023
68	Intermediate Casing		\$0		\$0
69	Liner		\$0		\$0
70	Production Casing	7391 feet @ \$/ft	\$13 85	\$104,413	\$104,413
71	Liner Hanger/Csg Accessories		\$2,500	\$10,000	\$12,500
72	Wellhead Equipment		\$7,000	\$26,000	\$33,000
74	Tubing	6000 feet @ \$/ft	\$4 50	\$27,540	\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment		\$0		\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks	3 tanks @ \$/tank	\$11,000	\$6,000	\$6,000
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$25,500	\$25,500
15	Metering Equip & LACT Unit			\$3,570	\$3,570
18	Pipelines/Flowlines	250 feet @ \$/ft	\$12	\$3,060	\$3,060
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$37,583	\$169,953	\$52,410	\$259,946

TOTAL TANGIBLE & INTANGIBLE COSTS \$605,308 \$1,396,396 \$99,859 \$2,101,563

Handwritten: 11/25/2013

URSA APPROVAL: Prepared by: <u>Hans Wychgram / Pake Younger</u> Date: _____ Approved by: <u>[Signature]</u> Date: <u>11/25/13</u>	NONOPERATOR APPROVAL Company: _____ WI(%) Apprd by: _____ Title: _____ Date: _____ <input type="checkbox"/> Desire to be covered by Ursa Resources Group well control Insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control Insurance
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NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well:	<u>Frel A19</u>	Section/TIR:	<u>Section 12, T65, R92W</u>	AFE Number:	<u>13-302</u>
County/State:	<u>Garfield County, CO</u>	SHL:	<u>657' FSL, 905' FWL</u>	AFE Date:	<u>11/25/13</u>
Field/Prospect:	<u>Gravel Trend</u>	BHL:	<u>1661' FSL, 660' FEL</u>	Wt%:	<u>91.36%</u>
Objective:	<u>Williams Fork</u>			NRt%:	<u>80.76%</u>
Proposed TMO/TVD:	<u>7312</u>				
AFE Project Type		<input checked="" type="checkbox"/> Drill & Complete-Dev	<input type="checkbox"/> Drill & Complete-Explor	<input type="checkbox"/> Cap Facility	
		<input type="checkbox"/> Cap Workover/Recomplets	<input type="checkbox"/> Expense Workover	<input type="checkbox"/> Other	

Project Description: Drill, complete, and equip a 7,312' MD "S" shaped Williams Fork well, including 8 stage frac stimulation completion.

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$5,270	\$0	\$6,649	\$11,919
22	Location, Pits, Roads	\$11,220	\$10,200	\$3,570	\$24,990
23	Mob/Demob Rig	\$30,323	\$0		\$30,323
24	Daywork-Rig	\$152,491	\$19,283		\$171,774
27	Completion/WO-Rig		\$57,120		\$57,120
28	Fuel, Power, & Water	\$64,719	\$0,333		\$74,052
29	Blts	\$25,000	\$0		\$25,000
30	Directional Drilling Services	\$73,695	\$0		\$73,695
31	Mud & Chemicals	\$38,250			\$38,250
32	Completion/WO Fluids		\$91,800		\$91,800
33	Casing & Lay Down Crews	\$1,224	\$10,200		\$11,424
34	Cementing Services	\$18,000	\$55,000		\$73,000
36	Communications	\$3,743	\$194		\$3,937
37	Transportation/Trucking	\$13,617	\$6,923	\$8,925	\$29,465
40	Vac Trk/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$1,836	\$0		\$1,836
42	Surface Rentals	\$46,114	\$84,127	\$0	\$130,241
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Well-site Geology	\$5,184			\$5,184
45	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$3,500			\$3,500
48	CH Log, Perf, & Electric Line		\$97,410		\$97,410
50	Tubular Inspection & Testing	\$5,000	\$0		\$5,000
53	Swab/Slickline & Well Test/Flwback		\$68,340		\$68,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$563,950		\$563,950
56	Contract Labor Services	\$11,730	\$10,200	\$19,360	\$41,310
57	Supervision & Consulting Services	\$14,905	\$34,846	\$8,925	\$58,676
58	Overhead Expenses	\$3,825	\$2,475		\$6,400
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,431	\$0		\$3,431
62	Misc/Contingency	\$4,004	\$485		\$4,488
63	Fluid Disposal	\$30,000	\$69,768		\$99,768
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$567,181	\$1,226,443	\$47,449	\$1,841,073

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 164	FACILITY 156	TOTAL
66	Conductor Casing	\$3,060			\$3,060
67	Surface Casing	1023 feet @ \$/ft \$23.66	\$24,709		\$24,709
68	Intermediate Casing		\$0		\$0
69	Liner		\$0		\$0
70	Production Casing	7312 feet @ \$/ft \$13.85	\$103,297		\$103,297
71	Liner Hanger/Csg Accessories		\$2,500	\$10,000	\$12,600
72	Wellhead Equipment		\$7,000	\$26,000	\$33,000
74	Tubing	6000 feet @ \$/ft \$4.50		\$27,540	\$27,540
75	Rods			\$0	\$0
76	Downhole Pump			\$0	\$0
77	Packers/Other Downhole Equip			\$2,000	\$2,000
79	Misc Tangible Equipment		\$0	\$0	\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks	3 tanks @ \$/tank \$11,000		\$6,000	\$6,000
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$26,500	\$26,500
15	Metering Equip & LACT Unit			\$3,570	\$3,570
18	Pipelines/Flowlines	250 feet @ \$/ft \$12		\$3,060	\$3,060
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$37,269	\$188,837	\$52,410	\$258,516

TOTAL TANGIBLE & INTANGIBLE COSTS \$604,450 \$1,395,279 \$99,859 \$2,099,589

Handwritten: 1/25/2013

URSA APPROVAL: <i>[Signature]</i> Prepared by: <u>Hans Wychgram / Pake Younger</u> Date: _____ Approved by: <i>[Signature]</i> Date: <u>11/25/13</u>	NONOPERATOR APPROVAL Company: _____ Wt(%) Apprd by: _____ Title: _____ Date: _____ <input type="checkbox"/> Desire to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance
--	--

NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.

AUTHORIZATION FOR EXPENDITURE

Lease/Well: Frel A14
 County/State: Garfield County, CO
 Field/Prospect: Gravel Trend
 Objective: Williams Fork
 Proposed TMD/TVD: 7332

Section/TR: Section 12, T6S, R92W
 SHL: 545' FSL, 903' FWL
 BHL: 1295' FSL, 660' FEL

AFE Number: 13-303
 AFE Date: 11/25/13
 W1%: 81.36%
 NR1%: 80.76%

AFE Project Type: Drill & Complete-Dev

Drill & Complete-Explor

Cap Workover/Recomplete

Expense Workover

Cap Facility

Project Description: Drill, complete, and equip a 7,332' MD "S" shaped Williams Fork well, including 5 stage frac stimulation completion

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 165	TOTAL
22	Location, Pits, Roads	\$11,220	\$10,200	\$6,649	\$28,069
23	Mob/Demob Rig	\$30,323	\$0	\$3,570	\$34,893
24	Daywork-Rig	\$152,267	\$19,283	\$0	\$171,550
27	Completion/WO-Rig	\$64,719	\$57,120	\$0	\$121,839
28	Fuel, Power, & Water	\$26,000	\$0	\$0	\$26,000
29	Blits	\$73,685	\$0	\$0	\$73,685
30	Directional Drilling Services	\$38,250	\$0	\$0	\$38,250
31	Mud & Chemicals	\$1,224	\$91,800	\$0	\$93,024
32	Completion/WO Fluids	\$18,000	\$10,200	\$0	\$28,200
33	Casing & Lay Down Crews	\$3,743	\$9,333	\$0	\$13,076
34	Cementing Services	\$13,617	\$194	\$0	\$13,811
36	Communications	\$0	\$6,923	\$9,925	\$16,848
37	Transportation/Trucking	\$0	\$6,610	\$0	\$6,610
40	Vac Tilt/Hot Oil/Pumping Services	\$1,836	\$0	\$0	\$1,836
41	Downhole Rentals	\$46,114	\$84,127	\$0	\$130,241
42	Surface Rentals	\$0	\$0	\$0	\$0
43	Fishing Tools & Services	\$5,184	\$0	\$0	\$5,184
44	Mud Logging & Wellsite Geology	\$0	\$0	\$0	\$0
45	DST, FT, & Coring	\$3,500	\$0	\$0	\$3,500
46	Open Hole Logging	\$0	\$97,410	\$0	\$97,410
48	CH Log, Perf. & Electric Line	\$0	\$0	\$0	\$0
50	Tubular Inspection & Testing	\$0	\$68,340	\$0	\$68,340
53	Swab/Slickline & Well Test/Flwbok	\$0	\$8,180	\$0	\$8,180
54	CT, Snubbing, N2 Services	\$11,730	\$583,950	\$0	\$595,680
55	Stimulation-Frac & Acid	\$14,905	\$10,200	\$19,380	\$44,485
56	Contract Labor Services	\$3,925	\$34,846	\$8,925	\$47,696
57	Supervisor & Consulting Services	\$0	\$2,475	\$0	\$2,475
58	Overhead Expenses	\$0	\$0	\$0	\$0
59	Plugging Costs	\$3,440	\$0	\$0	\$3,440
60	Well Control Insurance	\$4,004	\$485	\$0	\$4,489
62	Misc/Contingency	\$30,000	\$69,768	\$0	\$99,768
63	Fluid Disposal	\$0	\$0	\$0	\$0
64	Pipeline Interconnect/Hot Tap	\$0	\$0	\$0	\$0
TOTAL INTANGIBLE COSTS		\$566,956	\$1,226,443	\$47,449	\$1,840,848

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 162	N 164	FACILITY 166	TOTAL
67	Surface Casing	\$24,584	\$0	\$0	\$24,584
68	Intermediate Casing	\$0	\$0	\$0	\$0
69	Liner	\$2,500	\$103,579	\$0	\$106,079
70	Production Casing	\$7,000	\$10,000	\$0	\$17,000
71	Liner Hanger/Csg Accessories	\$26,000	\$26,000	\$0	\$52,000
72	Wellhead Equipment	\$27,540	\$0	\$0	\$27,540
74	Tubing	\$0	\$0	\$0	\$0
75	Rods	\$0	\$2,000	\$0	\$2,000
76	Downhole Pump	\$0	\$0	\$2,000	\$2,000
77	Packers/Other Downhole Equip	\$0	\$0	\$0	\$0
79	Misc Tangible Equipment	\$0	\$4,080	\$0	\$4,080
4	Safety System Equip	\$0	\$0	\$0	\$0
5	Electrical Service & Equip	\$6,000	\$6,000	\$0	\$12,000
9	Tanks	\$10,200	\$10,200	\$0	\$20,400
11	Connections, Fittings, & Supplies	\$0	\$0	\$0	\$0
12	SWD Pumps & Equipment	\$25,500	\$25,500	\$0	\$51,000
14	Separator & Treating Equipment	\$3,570	\$3,570	\$0	\$7,140
15	Metering Equip & LACT Unit	\$3,080	\$3,080	\$0	\$6,160
18	Pipelines/Flowlines	\$0	\$0	\$0	\$0
21	Pumping Unit	\$0	\$0	\$0	\$0
23	Misc Facility Costs	\$0	\$0	\$0	\$0
TOTAL TANGIBLE COSTS		\$37,124	\$169,119	\$52,410	\$258,653
TOTAL TANGIBLE & INTANGIBLE COSTS		\$604,081	\$1,395,662	\$99,859	\$2,099,502

URSA APPROVAL:
 Prepared by: Hans Wychgram / Pake Younger
 Date: 11/25/13

NONOPERATOR APPROVAL
 Company: _____
 Appr'd by: _____
 Title: _____
 W1(%) _____
 Date: _____

NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your approval of the operation specified, whether more or less than that herein set out.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well: Frel A24 Section/T/R: Section 7, T6S, R 91W AFE Number 13-304
 County/State: Garfield County, CO SHL: _____ AFE Date 7/21/14
 Field/Prospect: Gravel Trend BHL: _____ WI% 91.36%
 Objective Williams Fork NRI% 80.76%
 Proposed TMD/TVD: _____
 _____ X _____ Drill & Complete-Dev _____ Drill & Complete-Explor _____ Cap Facility
 AFE Project Type: _____ Cap Workover/Recomplete _____ Expense Workover _____ Other

Project Description: Drill, complete, and equip a 7,163' MD "S" shaped Williams Fork well, including 8 stage Gen 3 frac stimulation completion

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$13,770	\$0	\$0	\$13,770
22	Location, Pits, Roads	\$10,200	\$10,200	\$3,000	\$23,400
23	Mob/Demob Rig	\$46,463	\$0		\$46,463
24	Daywork-Rig	\$146,844	\$0		\$146,844
27	Completion/WO-Rtg		\$48,980		\$48,980
28	Fuel, Power, & Water	\$52,673	\$2,550		\$55,223
29	Bits	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$77,979	\$0		\$77,979
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$79,580		\$79,580
33	Casing & Lay Down Crews	\$0	\$2,040		\$2,040
34	Cementing Services	\$24,000	\$65,000		\$89,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$14,994	\$1,500	\$6,000	\$22,494
40	Vac Trk/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,591	\$0		\$2,591
42	Surface Rentals	\$52,167	\$80,376	\$0	\$132,543
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$6,834			\$6,834
45	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$20,000			\$20,000
48	CH Log, Perf, & Electric Line		\$75,990		\$75,990
50	Tubular Inspection & Testing	\$7,500	\$0		\$7,500
53	Swab/Stickline & Well Test/Fwbck		\$119,340		\$119,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$726,240		\$726,240
56	Contract Labor Services	\$19,380	\$10,200	\$10,000	\$39,580
57	Supervision & Consulting Services	\$15,953	\$19,890	\$6,000	\$41,843
58	Overhead Expenses	\$4,350	\$2,000		\$6,350
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,361	\$0		\$3,361
62	Misc/Contingency	\$4,437	\$0		\$4,437
63	Fluid Disposal	\$35,000	\$56,875		\$91,875
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$625,706	\$1,315,511	\$25,000	\$1,966,217

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$3,060			\$3,060
67	Surface Casing	1000 feet @ \$/ft \$23 00			\$23,460
68	Intermediate Casing	\$0			\$0
69	Liner	\$0			\$0
70	Production Casing	7362 feet @ \$/ft \$13 85	\$101,963		\$101,963
71	Liner Hanger/Csg Accessories	\$3,000	\$5,000		\$8,000
72	Wellhead Equipment	\$7,000	\$20,000		\$27,000
74	Tubing	6000 feet @ \$/ft \$4 50	\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment	\$0	\$0		\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks	3 tanks @ \$/tank \$11,000		\$0	\$0
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$22,500	\$22,500
15	Metering Equip & LACT Unit			\$3,000	\$3,000
18	Pipelines/Flowlines	250 feet @ \$/ft \$12		\$3,000	\$3,000
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$36,520	\$156,503	\$42,780	\$235,803

TOTAL TANGIBLE & INTANGIBLE COSTS \$662,226 \$1,472,014 \$67,780 \$2,202,020

URSA APPROVAL:	NONOPERATOR APPROVAL
Prepared by _____	Company _____ WI(%) _____
Date <u>7/21/2014</u>	Apprd by _____
Approved by _____	Title _____ Date _____
Date _____	() Desire to be covered by Ursa Resources Group well control insurance
	() Decline to be covered by Ursa Resources Group well control insurance

NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above.



Ursa Operating Company
 1050 17th Street, Suite 2400, Denver, CO 80265
 Tel: 720-508-8350, Fax: 720-508-8368

AUTHORIZATION FOR EXPENDITURE

Lease/Well: Fral A23 Section/TTR: Section 7, T6S, R 91W AFE Number: 13-304
 County/State: Garfield County, CO SHL: _____ AFE Date: 7/21/14
 Field/Prospect: Gravel Trend BHL: _____ WI%: 91 36%
 Objective: Williams Fork NRI%: 80 76%
 Proposed TMD/TVD: _____

AFE Project Type: Drill & Complete-Dev Drill & Complete-Explor Cap Facility
 Cap Workover/Recomplete Expense Workover Other

Project Description: Drill, complete, and equip a 7,163' MD "S" shaped Williams Fork well, including 8 stage Gen 3 frac stimulation completion

SUB ACCT CODE	INTANGIBLE COSTS	DRILLING 151	N 153	FACILITY 155	TOTAL
21	Survey, Permits, Damages, Legal	\$13,770	\$0	\$0	\$13,770
22	Location, Pits, Roads	\$10,200	\$10,200	\$3,000	\$23,400
23	Mob/Demob Rig	\$46,463	\$0		\$46,463
24	Daywork-Rig	\$146,844	\$0		\$146,844
27	Completion/WO-Rig		\$48,960		\$48,960
28	Fuel, Power, & Water	\$52,673	\$2,550		\$55,223
29	Bits	\$31,000	\$0		\$31,000
30	Directional Drilling Services	\$77,979	\$0		\$77,979
31	Mud & Chemicals	\$35,700			\$35,700
32	Completion/WO Fluids		\$79,560		\$79,560
33	Casing & Lay Down Crews	\$0	\$2,040		\$2,040
34	Cementing Services	\$24,000	\$65,000		\$89,000
36	Communications	\$510	\$0		\$510
37	Transportation/Trucking	\$14,994	\$1,500	\$6,000	\$22,494
40	Vac Trk/Hot Oil/Pumping Services	\$0	\$5,610		\$5,610
41	Downhole Rentals	\$2,591	\$0		\$2,591
42	Surface Rentals	\$52,167	\$80,376	\$0	\$132,543
43	Fishing Tools & Services	\$0	\$0		\$0
44	Mud Logging & Wellsite Geology	\$6,834			\$6,834
45	DST, FT, & Coring	\$0			\$0
46	Open Hole Logging	\$20,000			\$20,000
48	CH Log, Perf, & Electric Line		\$75,990		\$75,990
50	Tubular Inspection & Testing	\$7,500	\$0		\$7,500
53	Swab/Slickline & Well Test/Flwback		\$119,340		\$119,340
54	CT, Snubbing, N2 Services		\$9,180		\$9,180
55	Stimulation-Frac & Acid		\$726,240		\$726,240
56	Contract Labor Services	\$19,380	\$10,200	\$10,000	\$39,580
57	Supervision & Consulting Services	\$15,953	\$19,890	\$6,000	\$41,843
58	Overhead Expenses	\$4,350	\$2,000		\$6,350
59	Plugging Costs	\$0	\$0		\$0
60	Well Control Insurance	\$3,361	\$0		\$3,361
62	Misc/Contingency	\$4,437	\$0		\$4,437
63	Fluid Disposal	\$35,000	\$34,376		\$69,376
64	Pipeline Interconnect/Hot Tap			\$0	\$0
TOTAL INTANGIBLE COSTS		\$625,706	\$1,293,012	\$25,000	\$1,943,718

SUB ACCT CODE	TANGIBLE COSTS	DRILLING 152	N 154	FACILITY 156	TOTAL
66	Conductor Casing	\$3,060			\$3,060
67	Surface Casing	1000 feet @ \$/ft \$23 00	\$23,460		\$23,460
68	Intermediate Casing		\$0		\$0
69	Liner		\$0		\$0
70	Production Casing	7362 feet @ \$/ft \$13 85	\$101,963		\$101,963
71	Liner Hanger/Csg Accessories		\$3,000	\$5,000	\$8,000
72	Wellhead Equipment		\$7,000	\$20,000	\$27,000
74	Tubing	6000 feet @ \$/ft \$4 50	\$27,540		\$27,540
75	Rods		\$0		\$0
76	Downhole Pump		\$0		\$0
77	Packers/Other Downhole Equip		\$2,000		\$2,000
79	Misc Tangible Equipment		\$0	\$0	\$0
4	Safety System Equip			\$4,080	\$4,080
5	Electrical Service & Equip			\$0	\$0
9	Tanks	3 tanks @ \$/tank \$11,000		\$0	\$0
11	Connections, Fittings, & Supplies			\$10,200	\$10,200
12	SWD Pumps & Equipment			\$0	\$0
14	Separator & Treating Equipment			\$22,500	\$22,500
15	Metering Equip & LACT Unit			\$3,000	\$3,000
18	Pipelines/Flowlines	250 feet @ \$/ft \$12		\$3,000	\$3,000
21	Pumping Unit			\$0	\$0
23	Misc Facility Costs			\$0	\$0
TOTAL TANGIBLE COSTS		\$36,520	\$156,503	\$42,780	\$235,803

TOTAL TANGIBLE & INTANGIBLE COSTS \$662,226 \$1,449,515 \$67,780 \$2,179,521

URSA APPROVAL Prepared by _____ Date <u>7/21/2014</u> Approved by _____ Date _____	NONOPERATOR APPROVAL Company _____ WI(%) _____ Appr'd by _____ Title _____ Date _____ <input type="checkbox"/> Desire to be covered by Ursa Resources Group well control insurance <input type="checkbox"/> Decline to be covered by Ursa Resources Group well control insurance
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NOTE: It is recognized that the amounts herein are estimates only and approval of this authorization constitutes your agreement to share in the actual costs incurred in conducting the operation specified, whether more or less than that herein set out, as to your working interest percentage shown above

EXHIBIT 5

Producers 88 – PAID UP
Revised

PAID-UP OIL AND GAS LEASE

AGREEMENT, Made and entered into the 20th day of September, 201 4, by and between

Mildred M. Bohem Family Trust dated 8/9/1971

whose address is

1900 16th Street, Suite 1200, Denver, CO 80202

, hereinafter called Lessor (whether one or more) and

Ursa Piceance LLC

whose address is

1050 17th Street Denver, CO 80265

hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE DOLLARS (\$10.00+) cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, specifically including coalbed methane and any and all substances produced in association therewith from coal-bearing formations, with rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of **Garfield** State of **Colorado**, described as follows, to-wit:

Township 6 South, Range 92West, 6th P.M.

Section 12: That portion of the NW/4NE/4 lying North of the R.G. Junction Railroad

together with any reversionary rights therein, and together with all strips or parcels of land, (not, however, to be construed to include parcels comprising a regular 40-acre legal subdivision or lot of approximately corresponding size) adjoining or contiguous to the above described land and owned or claimed by Lessor, and containing **3.271 acres**, more or less.

1 It is agreed that this lease shall remain in force for a term of **three (3) years** and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

In the event a well or wells is drilled and completed on the lands, or on the lands pooled therewith, for the purpose of developing coalbed gas, the word "operations" shall mean, in addition to those matters covered in the preceding paragraph. (1) operations of said wells to remove water or other substances from the coalbed, or to dispose of such water or other substances, even though such operations do not result in the production of hydrocarbons in paying quantities, or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3 In consideration of the premises the said Lessee covenants and agrees:

- 1st To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal **eighteen percent (18%)** part of all oil produced and saved from the leased premises.
- 2nd To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **eighteen percent (18%)** of the net proceeds derived from such sale or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **eighteen percent (18%)** of such gas and casinghead gas, Lessor's interest, in either case, to bear **eighteen percent (18%)** of the cost of compressing, dehydrating and otherwise treating such gas or casinghead gas to render it marketable or usable and **eighteen percent (18%)** of the cost of gathering and transporting such gas and casinghead gas from the mouth of the well to the point of sale or use.
- 3rd To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product, a royalty of **eighteen percent (18%)** of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4 Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5 If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6 Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon.

7 When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

- 9 Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.
10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.
- 12 Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease, such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land, and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.
13. When operations or production are delayed or interrupted by lack of water, labor or material, or by fire, storm, flood, war rebellion, insurrection, riot, strike, differences with workmen, or failure of carriers to furnish transport or furnish facilities for transportation or lack of market in the field for the minerals produced, or as a result of any cause whatsoever beyond the control of Lessee, the time of such delay or interruption shall not be counted against Lessee and this lease shall remain in force during such delay or interruption and ninety (90) days thereafter, anything in this lease to the contrary notwithstanding.
- 14 Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.
15. Lessors herein intend to lease any right, title and interest Lessors may have in and to any and all mineral rights in and under all strips or parcels of land including, but not limited to streets, county roads, highways, railroad strips and/or any and all other easements and rights of way whatsoever, canals, ditches and other waterways lying across and/or adjacent and/or in any way appertaining to the lands hereinabove described, including without limitation any lands acquired by accretion through meander of waterways.
- 16 Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.
17. Lessor agrees that Lessee may locate a well or wells on any drilling site located on any part of the land described herein, including the right to a subsurface easement through any part of the land described herein, which wells will be used to access the subsurface of adjacent mineral owners.
18. Notwithstanding anything to the contrary contained herein, Lessee has the option to extend the primary term an additional one (1) year with the payment of an amount equal to \$200 per net acre, such amount being paid to Lessor on or before the expiration of the primary term set forth above in paragraph 1. Such payment shall be considered tendered by Lessee and received by Lessor when deposited, postage-paid, in the United States mail, or with a nationally recognized carrier service.
19. Should Lessee be prevented from complying with or fulfilling any express or implied covenant or other provision of this lease, by reason of scarcity of or inability to obtain or to use equipment or material, or any Federal or State Law, or any order, rule or regulation of governmental authority, or due to the inability to obtain necessary administrative action of a governmental authority, or by events of force majeure and/or by such events as are beyond the reasonable control of Lessee, then while so prevented, the time within which Lessee may comply with or fulfill such covenant or other provision shall be suspended; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land, and for an additional ninety (90) days thereafter; and the time while Lessee is so prevented shall not be counted against Lessee in computing the time within which compliance or performance occurred, anything in this lease to the contrary notwithstanding.
20. Preferential Right. For the consideration herein recited, if during the term of this lease (but not more than 20 years after the date hereof) Lessor receives a bona fide offer from any party to purchase a new lease covering all or any part of the lands or substances covered hereby, and if Lessor is willing to accept such offer, then Lessor shall promptly notify Lessee in writing of the name and address of the offeror, and of all pertinent terms and conditions of the offer, including any lease bonus offered. Lessee shall have a period of 30 days after receipt of such notice to exercise a preferential right to purchase a new lease from Lessor in accordance with the terms and conditions of the offer, by giving Lessor written notice of such exercise. Promptly thereafter, Lessee shall furnish to Lessor the new lease for execution, along with a time draft for the lease bonus conditioned upon execution and delivery of the lease by Lessor and approval of title by Lessee, all in accordance with the terms of said draft. Whether or not Lessee exercises its preferential right hereunder, then as long as this lease remains in effect any new lease from the Lessor shall be subordinate to this lease and shall not be construed as replacing or adding to Lessee's obligations hereunder.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

STATE of Colorado

COUNTY of _____

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 201 4, personally appeared _____

_____, to me known to be the identical person s described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed same as his free and voluntary act and deed for the uses and purposes therein set forth and in the capacity stated therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires: _____

Notary Public:
Address:

ACKNOWLEDGEMENT-INDIVIDUAL

STATE of Colorado

COUNTY of _____

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____, 201 4, personally appeared _____

_____, to me known to be the identical person _____ described in and who executed the within and foregoing instrument of writing and acknowledged to me that s he duly executed same as her free and voluntary act and deed for the uses and purposes therein set forth and in the capacity stated therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires: _____

Notary Public:
Address:

After recording return to:

Ursa Piceance LLC
1050 17th St., Ste 2400
Denver, CO 80265