

# *Exhibit A*

## Transferring Operator Water Reuse Plan

Ursa Operating Company, LLC and Encana Oil & Gas (USA) Inc.

July 2014

## Purpose and Need

This water re-use plan is to be submitted to the Colorado Oil and Gas Conservation Commission (COGCC) with a Form 4 (sundry) to allow a temporary produced water transfer agreement between Encana Oil & Gas (USA) Inc. (COGCC ID 100185) and Ursa Operating Company, LLC (COGCC ID 10447).

Ursa Operating Company, LLC has a need for up to 750,000 barrels (bbls) of produced water for Exploration and Production operations in Garfield County, Colorado. Ursa operates wells in the Mamm Creek field located in Garfield County, Colorado.

Ursa Operating Company, LLC would like to receive water for completions operations. If permitted to do so, water will be collected from temporary tanks via Encana's (TWIN CREEK-67S92W1SWSE COGCC ID 334939 SWSE, Sec. 01 T7S-R92W) (O1E) pad located inside the Hunter Mesa Unit (Unit ID: COC55972X). Ursa will collect water via temporary water tanks. Once water leaves Encana's temporary tanks (TWIN CREEK-67S92W 1SWSE COGCC ID 334939 SWSE, Sec. 01 T7S-R92W) this will serve as Point of Custody. Ursa plans to take water from the Point of Custody to use it for completions operations on their (Castle Springs Federal E Pad COGCC ID 418828 NESW Sec. 09 T1S-R91W) pad. All wells are located in Garfield County, Colorado. Ursa Operating Company, LLC will test and verify compatibility of the produced water provided by Encana. Transfer of produced water would begin upon COGCC approval and terminate after one year with an option for extension.

## Benefits

Under this plan, each party shall use reasonable and available means to safely transfer production water, in sufficient volumes and quality, to meet the other party's transfer request, when mutually agreeable to do so. The benefits include:

- Less fresh water withdraws from surface water sources;
- Less reliance on injection wells for disposal of production/flowback water;
- Increased operational efficiencies from reusing local supplies of production/flowback water to meet water demands for drilling, completion and workover activities.

## Produced Fluid Pickup and Transfer Location

Produced water will be collected from (TWIN CREEK-67S92W 1SWSE COGCC ID 334939 SWSE, Sec. 01 T7S-R92W) (O1E) pad from temporary water tanks. The transferring company (Encana) shall maintain all regulatory responsibility, custody and control for all water until it is transferred through Encana's temporary tanks. Ursa will use the water collected from Encana for completions operations on their (Castle Springs Federal E Pad COGCC ID 418828 NESW Sec. 09 T1S-R91W) well pad. Encana's tanks are located on pad (TWIN CREEK-67S92W 1SWSE COGCC ID 334939 SWSE, Sec. 01 T7S-R92W) (O1E) this pad will serve as the Custody Transfer Point. Ursa will assume all regulatory responsibility, custody and control of the water. (See attached map for additional detail on the custody transfer point).

From the custody transfer point, Ursa will reuse the transferred water at the following location:

(Castle Springs Federal E Pad COGCC ID 418828 NESW Sec. 09 T1S-R91W)

### Transfer

Ursa's transfer activities will consist of the following:

Transporting water from Encana's (TWIN CREEK-67S92W 1SWSE COGCC ID 334939 SWSE, Sec. 01 T7S-R92W) (O1E) transfer point to (Castle Springs Federal E Pad COGCC ID 418828 NESW Sec. 09 T1S-R91W) well pad. Custody Transfer Point is located in Garfield County, Colorado. Encana will assume responsibility of the water from its point of origin, (Hunter Mesa Facility COGCC ID: 149011 Sec. 1 T7S-R93W) to Encana's O1E well pad.

The volumes of fluid to be delivered will be up to 750,000 bbls; actual transferred volumes will be metered.

Ursa Operating Company, LLC will maintain records with the following information:

- Changes to the approved plan;
- Applicable training requirements for Ursa Operating Company, LLC and its contractors (lock out/ tag out, job hazard analysis at the transfer location, etc.);
- Types and results of internal and contractor audits conducted;
- Tabulated waste generator records, if required by Rule 907.b.(2) including:
  - Date of transport
  - Identity of water generator
  - Identity of water transporter
  - Volume of water transported
  - Location of receiving point  
(Transport tickets will be maintained for each load)
- Summary of spills, incidents or upsets;

### Spill Response and Cleanup Measures

Piceance Energy's collection facilities are covered under a Spill Prevention Control and Countermeasure Plan (SPCC).

Encana's receiving points are also covered under a SPCC plan.

### Analytical Data

An analysis representative of the water to be transferred to Ursa Operating Company, LLC will be included as Attachment B prior to transfer of water.

Operator Contact Information

Ursa Operating Company, LLC  
Pake Younger  
Completions Manager  
792 Buckhorn Drive  
Rifle, CO 81650  
Direct: (970) 260-2423

Encana Services Company Ltd.  
Louie Gibson  
Trucking Supervisor: Western Operations- Water Management  
143 Diamond Ave.  
Parachute, CO 81635  
970.489.1749 Office  
970.989.0143 Mobile

Summary

Origination of water – Encana’s Hunter Mesa Facility (COGCC ID: 149011 Sec. 1 T7S-R93W) Located in Garfield County, Colorado.

Destination of water – Ursa’s (Castle Springs Federal E Pad COGCC ID 418828 NESW Sec. 09 T1S-R91W). located in Garfield County, Colorado.

Water Transportation – All water given to Ursa will be delivered via temporary tanks on Encana’s (TWIN CREEK-67S92W 1SWSE COGCC ID 334939 SWSE, Sec. 01 T7S-R92W) (O1E) pad.

Estimated volume of water transferred – up to 750,000 bbls.