

RELATED REMOTE LOCATIONS

(Enter as many Related Locations as necessary. Enter the Form 2A document # only if there is no established COGCC Location ID#)

This proposed Oil and Gas Location is:

LOCATION ID # FORM 2A DOC #

FACILITIES

Indicate the number of each type of oil and gas facility planned on location

Wells	<u>16</u>	Oil Tanks*	<u> </u>	Condensate Tanks*	<u>2</u>	Water Tanks*	<u>4</u>	Buried Produced Water Vaults*	<u> </u>
Drilling Pits	<u> </u>	Production Pits*	<u> </u>	Special Purpose Pits	<u> </u>	Multi-Well Pits*	<u> </u>	Modular Large Volume Tanks	<u> </u>
Pump Jacks	<u> </u>	Separators*	<u>16</u>	Injection Pumps*	<u> </u>	Cavity Pumps*	<u> </u>	Gas Compressors*	<u> </u>
Gas or Diesel Motors*	<u> </u>	Electric Motors	<u> </u>	Electric Generators*	<u> </u>	Fuel Tanks*	<u> </u>	LACT Unit*	<u> </u>
Dehydrator Units*	<u> </u>	Vapor Recovery Unit*	<u> </u>	VOC Combustor*	<u>1</u>	Flare*	<u> </u>	Pigging Station*	<u>1</u>

OTHER FACILITIES*

Other Facility Type

Number

<u>Other Facility Type</u>	<u>Number</u>

Those facilities indicated by an asterisk () shall be used to determine the distance from the Production Facility to the nearest cultural feature on the Cultural Setbacks Tab.

Per Rule 303.b.(3)C, description of all oil, gas, and/or water pipelines:

16 buried flowlines from well head to separators and to water and oil tanks
1 buried gas pipeline to connect with gas gathering network

CONSTRUCTION

Date planned to commence construction: 02/05/2015 Size of disturbed area during construction in acres: 2.80
Estimated date that interim reclamation will begin: 05/01/2016 Size of location after interim reclamation in acres: 1.50
Estimated post-construction ground elevation: 5519

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: Yes

Is H₂S anticipated? No

Will salt sections be encountered during drilling: No

Will salt based mud (>15,000 ppm Cl) be used? No

Will oil based drilling fluids be used? No

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Method: Recycle/reuse

Cutting Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

See Attach J(1) Waste Management Plan

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: or Document Number:

Centralized E&P Waste Management Facility ID, if applicable:

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: Alex & Brenda Yater

Phone:

Address: 7281 County Road 300

Fax: _____

Address: _____

Email: _____

City: Parachute State: CO Zip: 81635

Surface Owner: Fee State Federal Indian

Check all that apply. The Surface Owner: is the mineral owner

is committed to an oil and Gas Lease

has signed the Oil and Gas Lease

is the applicant

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed from or produced to this Oil and Gas Location: No

The right to construct this Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

Date of Rule 306 surface owner consultation 09/09/2014

CURRENT AND FUTURE LAND USE

Current Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP

Non-Crop Land: Rangeland Timber Recreational Other (describe): _____

Subdivided: Industrial Commercial Residential

Future Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP

Non-Crop Land: Rangeland Timber Recreational Other (describe): _____

Subdivided: Industrial Commercial Residential

CULTURAL DISTANCE INFORMATION

Provide the distance to the nearest cultural feature as measured from Wells or Production Facilities onsite.

	From WELL	From PRODUCTION FACILITY
Building:	429 Feet	579 Feet
Building Unit:	429 Feet	579 Feet
High Occupancy Building Unit:	1555 Feet	1704 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	879 Feet	714 Feet
Above Ground Utility:	902 Feet	733 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	195 Feet	55 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of nearest Well or edge of nearest Production Facility to nearest of each cultural feature as described in Rule 303.b.(3)A.
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.
- For measurement purposes only, Production Facilities should only include those items with an asterisk(*) on the Facilities Tab.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a:

Buffer Zone

Exception Zone

Urban Mitigation Area

- Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit.
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: 10/14/2014

FOR MULTI-WELL PADS AND PRODUCTION FACILITIES WITHIN DESIGNATED SETBACK LOCATIONS ONLY:

- Check this box if this Oil and Gas Location has or will have Production Facilities that serve multiple wells (on or offsite) and the Production Facilities are proposed to be located less than 1,000 feet from a Building Unit. *(Pursuant to Rule 604.c.(2)E.i., the operator must evaluate alternative locations for the Production Facilities that are farther from the Building Unit, and determine whether those alternative locations were technically feasible and economically practicable for the same proposed development.)*
- By checking this box, I certify that no alternative placements for the Production Facilities, farther from the nearest Building Unit, were available based on the analysis conducted pursuant to Rule 604.c.(2)E.i.

In the space below, explain rationale for siting the multi-well Production Facility(ies) that supports your Rule 604.c.(2)E.i determination. Attach documentation that supports your determination to this Form 2A.

Per COGCC rule 604.c.(2)E.i, Ursa evaluated alternatives to determine if the production facilities are as far from building units as possible. The evaluation is captured in Ursa's Site Assessment Checklist (provided to D. Kubeczko, OGLA) at the field onsite on October 23, 2014. Production equipment for this location will be placed on the well pad. As such, Ursa evaluated the well pad location/production facilities based on several criteria including topography, pad stability, access, access to bottomhole locations, mineral lease and surface use agreements, established transportation and haul routes per local and community preferences, setbacks identified in the Section 300 and 600 regulations, community concerns, and environmental concerns based on proximity to sensitive areas. Sensitive areas include state waters, wetlands, floodplains and key wildlife habitat. It was determined that no other alternatives are feasible based on the criteria described herein.

SOIL

List all soil map units that occur within the proposed location. attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" report listing the soil typical vertical profile. This data is to be used when segregating topsoil.

The required information can be obtained from the NRCS web site at <http://soildatamart.nrcs.usda.org/> or from the COGCC web site GIS Online map page found at <http://colorado.gov/cogcc>. Instructions are provided within the COGCC web site help section.

NRCS Map Unit Name: 56 Potts loam (6-12% slopes)

NRCS Map Unit Name: 58 Potts-Ildefonso complex (12-25%)

NRCS Map Unit Name: _____

PLANT COMMUNITY:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes No

Plant species from: NRCS or, field observation Date of observation: 10/03/2014

List individual species: PLEASE SEE ATTACHMENT H - SOILS

Check all plant communities that exist in the disturbed area.

- Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
- Native Grassland (Bluestem, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)
- Shrub Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)
- Plains Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)
- Mountain Riparian (Cottonwood, Willow, Blue Spruce)
- Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon, Aspen)
- Wetlands Aquatic (Bullrush, Sedge, Cattail, Arrowhead)
- Alpine (above timberline)
- Other (describe): _____

WATER RESOURCES

Is this a sensitive area: No Yes

Distance to nearest

downgradient surface water feature: 471 Feet

water well: 327 Feet

Estimated depth to ground water at Oil and Gas Location 78 Feet

Basis for depth to groundwater and sensitive area determination:

Please refer to Attachment P, Q, S and Attachment E.

Is the location in a riparian area: No Yes

Was an Army Corps of Engineers Section 404 permit filed No Yes If yes attach permit.

Is the location within a Rule 317B Surface Water Supply Area buffer zone: No

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified: _____

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
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Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments Ursa requests the approval of a Rule 604.a.(1).B. exception location – request letter attached.

Pre-Application Notice / Buffer Zone Notice was sent to building unit owners within 1000' of the location on 10/14/14, certification attached.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: _____ Date: _____ Email: cmascioli@ursaresources.com

Print Name: Cari Mascioli Title: Regulatory Technician

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____

Conditions Of Approval

All representations, stipulations and conditions of approval stated in this Form 2A for this location shall constitute representations, stipulations and conditions of approval for any and all subsequent operations on the location unless this Form 2A is modified by Sundry Notice, Form 4 or an Amended Form 2A.

Best Management Practices

No BMP/COA Type	Description
1 Planning	<p>GENERAL – PLANNING</p> <ul style="list-style-type: none"> • This is a new oil and gas location and will include construction of a well pad and 16 proposed wells. • Prior to initiation of the COGCC Form 2A permitting process, Ursa held internal meetings and onsites to determine the feasibility of the location, and identified all compliance requirements, guidance and policies needed to permit the location and proposed oil and gas operations. All COGCC permitting requirements under the 200 through 1200 series rules were incorporated, as appropriate into this Form 2A and related attachments. • The best management practices (BMPs) incorporated herein also considered other Federal, state and county agency requirements and guidance, including those under the jurisdiction of the Environmental Protection Agency (EPA), U.S. Fish and Wildlife Service (USFWS), U.S. Army Corps of Engineers (ACOE), Federal Emergency Management Agency (FEMA), Colorado Department of Public Health and Environmental (CDPHE), Colorado Parks and Wildlife (CPW), and Garfield County (GARCO), among others. • Planning and permitting information relevant to the location based on Federal, state and county regulations, guidance and policies is documented as appropriate in Ursa's "Site Assessment Checklist/Map". A copy of this was provided to Dave Kubeczko at the onsite held on October 23, 2014. • Upon approval of the Form 2A, Ursa holds Pre-Construction, Pre-Spud, Pre-Completions and Pre-Production meetings with contractors performing work at the location, as applicable to the proposed activity. As a BMP, Ursa has developed checklists for these meetings to review regulations, COAs, NTOs and related requirements. • Traffic and Public Safety – Ursa developed a site-specific Emergency Response Plan (SSERP) and Haul Route Map which are communicated to local emergency response agencies, affect communities and stakeholders, as well as contractors performing work at the location.
2 Community Outreach and Notification	<p>COMMUNITY / STAKEHOLDER OUTREACH AND NOTIFICATIONS</p> <ul style="list-style-type: none"> • An SUA has been signed with the landowner allowing this location to be constructed, drilled and operated in accordance with the Form 2A submitted. • Ursa routinely communicates proposed plans and operations schedules to stakeholders through Community Counts, the GARCO Energy Advisory Board, Battlement Mesa Concerned Citizens, NW Colorado Oil & Gas Forum and others. In addition, periodic stakeholder meetings are held with landowners and affected parties. • Communication with Kirby Wynn and municipal LGDs are also held routinely in addition to communication required by COGCC regulations, as appropriate.

3	General Housekeeping	<p>ENVIRONMENTAL STEWARDSHIP AND COMPLIANCE / HOUSEKEEPING</p> <ul style="list-style-type: none"> • AGENCY INSPECTIONS AND CORRECTIVE ACTIONS – Ursa will implement corrective actions necessary in response to all Federal and state agency inspections in a timely manner. Inspections resulting in the potential for immediate or significant environmental impacts will be addressed immediately, subject to safety and weather considerations. • URSA VOLUNTARY INSPECTIONS – Ursa conducts voluntary inspections and corrective actions of all locations at least monthly using a self-implemented checklist of key actions (including environmental) that require compliance with COGCC, Federal, and other state and county requirements. • AESTHETICS AND NOISE – Lighting, noise, odors, dust and related nuisances are managed in accordance with COGCC 600 and 802, 803, 804 and 805 Series Rules, and in accordance with Ursa policies, procedures and checklists. • AIR PERMITTING AND COMPLIANCE – Ursa will comply with CDPHE regulations regarding air permitting, compliance monitoring, inspections and reporting. All air sources will be assigned AIRS ID numbers by the CDPHE and tracked for compliance and reporting purposes. In addition, Ursa is required to track, monitor and report Greenhouse Gas (GHG) emissions to EPA annually. • CHEMICAL & MATERIAL HANDLING – All materials and chemicals will be managed to minimize environmental contamination in accordance with MSDS sheets and EPA, COGCC and CDPHE regulations. Materials and chemicals that are not a waste may be reused or recycled. • SETBACK MITIGATION REQUIREMENTS – Ursa has incorporated the mitigation requirements identified in COGCC Rule 604, as applicable on a site-specific basis into its Operations Checklists, Voluntary and Mandatory Site Inspections, and Environmental Programs plans, status monitoring, and policies and procedures. • NOXIOUS WEEDS – Weeds will be managed in accordance COGCC Rule 1003.f. and 1004.e. as incorporated into Ursa's Noxious Weed plan; to include up to three treatments per year depending upon the species being managed and mapping as needed, throughout the life cycle of the location (construction – final reclamation). • SAFETY – Safety requirements and buffers as required by the COGCC 602, 603, and 606A and 606B Series Rules, among others, and the Office of Safety and Health Administration (OSHA) will be observed at all time. Daily safety briefings and Job Safety Assessments (JSA's) are routinely conducted in all phases of operations. In addition, Ursa employees a full-time safety manager to oversee all field contractors. • SPILLS / INCIDENTS – Spill prevention and response are addressed in Ursa's Spill Prevention and Management Plan. This includes training of employees and contractors personnel on at least an annual basis. Spill response includes notifications, reporting, response actions, remediation and corrective actions. The spill criteria in Ursa's plan requires that waste be properly classified as E&P or non-E&P wastes. For E&P waste, all spills greater than 1 barrel the COGCC will be reported to the COGCC using a Form 19. Should remediation be required, a Form 27 will be submitted as well. Spills related to non-E&P waste will be managed in accordance with CDPHE and EPA regulations depending on the volume spilled. As a BMP, Ursa tracks and cleans up all spills, including those that are not reportable. • SPCC / CONTAINMENT – All production tanks and tanks used for completions activities will be installed, labeled, contained, operated, and decommissioned in accordance with Ursa's SPCC/Containment Plan, which is required by EPA regulations (40 CFR 112). The plan, in combination with Ursa's Spill Prevention and Management plan, addresses COGCC 600 and 900 Series Rules, among others, regarding the management of tanks. • WASTE - The location will be managed in accordance with COGCC 907 and 907A Rules, which are incorporated into Ursa's Waste Management Plan, which addresses both E&P and non-E&P waste, including those under the jurisdiction of the CDPHE and EPA. The plan, in combination with Ursa's Spill Prevention and Management Plan, minimizes the potential for any exploration and production wastes, chemicals, fluids, etc. from leaving the location, using BMPs including berms, barriers, and use of spill control materials. • WILDLIFE - A Wildlife Mitigation Plan is in place that allows for 90+ well pads.
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4	Construction	<p>CONSTRUCTION AND SITE STABILIZATION</p> <ul style="list-style-type: none"> • The BMPs below entitled “Environmental Stewardship and Compliance” provide additional information that is applicable to one or more phases of operations. • CONSTRUCTION (General) – The location will be constructed and maintained in accordance with COGCC 1002 Rules regarding soil and stormwater management, and surface disturbance minimization as incorporated into Ursa’s plans, policies and procedures. • DUST CONTROL - The pad and access road will be graveled to reduce fugitive dust and maintained as required by COGCC rules. In addition, water and other dust suppressants are used as required, dependent upon the level of activity, moisture conditions, etc. throughout all phases of operations • RECLAMATION (Interim) - The site/soils will be stabilized as soon as practical during and immediately following construction. Once wells at the location are drilled, Ursa will complete interim reclamation in accordance with the COGCC 1003 rules using seed mixes and materials compatible with soil types, moisture, and local climate conditions as specified by the appropriate agency and/or in landowner surface use agreements, or locally acceptable industry practices. • STORMWATER - The location will be constructed / maintained in accordance with the CDPHE and COGCC 1002.f. (1) and (2) stormwater regulations as implemented by Ursa’s Stormwater Management Plan, so as to control sediment run-off. Stormwater BMPs will also serve as secondary or tertiary containment in the event of a spill. Site specific plans (i.e. diagrams) will be developed and inspected against at the frequency required by CDPHE regulations, to include 14 day, 30 day, and major storm event inspections until 70% reclamation is achieved. Corrective actions and maintenance will be tracked and implemented. The post-construction stormwater program will be managed in accordance with COGCC Rule 1002.f. (3). Inspections and corrective actions will be conducted through 80% interim reclamation and annually thereafter. These inspections are also tracked and corrective actions implemented. Native soils will be used whenever available to construct stormwater BMPs, supplemented by non-native materials based on site-specific conditions. • WATER WELL SAMPLING (COGCC Rule 609) – Water well sampling will be conducted prior to setting conductors; followed by post-sampling requirements and reporting the landowner and COGCC. • For safety purposes, the location and site layout has been designed to accommodate all operations within the limits of disturbance while meeting Federal and state safety regulations, including required buffers and distances between operating components and combustion sources. • FLOODPLAIN IMPACTS – Ursa completed a floodplain assessment and found that this location did not meet criteria to be designated within the 100 year floodplain.
5	Drilling/Completion Operations	<p>DRILLING</p> <ul style="list-style-type: none"> • Drilling multiple wells from this location using directional / horizontal drilling will be implemented to avoid the need for additional well pads; reducing potential environmental impacts to include habitat loss and fragmentation, noise, traffic concerns, and related impacts to air, land and water. • MIRU – Unless waived, Notice to all Building Unit owners will be sent at least 30 days, but no more than 90 days within the Buffer Zone prior to the Move-In, Rig-Up of the drilling rig when more than 1 year has elapsed since previous notice or since drilling activity last occurred, or if no notice had previously been required in accordance with the four examples provided in the COGCC MIRU policy. • No cuttings pits are proposed.

6	Drilling/Completion Operations	<p>COMPLETIONS</p> <ul style="list-style-type: none"> • The BMPs below entitled “Environmental Stewardship and Compliance” provide additional information that is applicable to one or more phases of operations. • TEMPORARY COMPLETIONS FACILITIES - Completions at the location may be supported by staging temporary tanks / water pumping station at adjacent existing location(s), including the Watson Ranch Pad. This will support lease operations as authorized under COGCC regulations. • AIR & ODORS - Well completions will utilize flowback completion technologies and/or flares to reduce odors from plug drillout, and venting of salable and non-salable gas • CHEMICAL USE – All chemicals used will be tracked and reported in accordance with COGCC rules and submitted through FracFocus within 120 days of initiating well stimulation. • WASTE MANAGEMENT OF WATER – Flowback water used for well completions will be recycled and treated to the maximum extent practical at the location. Water that can't be recycled will be injected through the use of wells approved by COGCC and Garfield County, or transported via truck or pipeline to the COGCC and Garfield County approved Wasatch E&P Facility. • WASTE - No stimulation or flowback pits will be constructed.
7	Drilling/Completion Operations	<p>PRODUCTION</p> <ul style="list-style-type: none"> • The BMPs below entitled “Environmental Stewardship and Compliance” provided more detailed information regarding environmental protection applicable general operations. • All production equipment to include separators, produced water and condensate tanks, pipelines and flowlines will be constructed and managed in accordance with COGCC 605 and 1100 Series Rules. • AIR & ODORS - Combustor controls will be used to mitigate odors from production tanks. Ursa will perform inspections on at least a monthly basis to ensure potential emissions sources are properly managed. In addition, Ursa's pumper crew inspects each location on a daily basis. • REMOTE MONITORING - Remote monitoring will be used to reduce truck traffic, fugitive dust to the extent practical. • VISUAL IMPACTS - Above-ground facilities (e.g. production tanks) will be managed to minimize visual effects (e.g. painted to blend with environment) • WILDLIFE – All separators/dehydrators and heater –treater equipment are outfitted with bird cones. • WATER RECYCLING – Produced water used for well completions will be recycled and treated to the maximum extent practical. Water that can't be recycled will be injected through the use of wells approved by COGCC and Garfield County, or transported via truck or pipeline to the COGCC and Garfield County approved Wasatch E&P Facility.

Total: 7 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400725025	LOCATION PICTURES
400725050	HYDROLOGY MAP
400725052	ACCESS ROAD MAP
400725056	NRCS MAP UNIT DESC
400725061	CONST. LAYOUT DRAWINGS
400725063	FACILITY LAYOUT DRAWING
400725064	MULTI-WELL PLAN
400725065	OTHER
400725072	EXCEPTION LOC REQUEST
400725758	OTHER
400725796	WASTE MANAGEMENT PLAN
400729849	EQUIPMENT LIST
400729874	OTHER
400731314	SURFACE AGRMT/SURETY
400731649	PROPOSED BMPS
400731823	LOCATION DRAWING

Total Attach: 16 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)