



1050 17th Street, Suite 2400
Denver, CO 80265

December 7, 2015

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

Attn: Mr. Matt Lepore, Director

RE: Exception Location Request to Rule 604.a.(1) and 604.a.(2)

BMC B Pad (Location ID: TBD, Form 2A Doc #: 400927767)

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

SWNW of Section 18: 2262' FNL, 654' FWL (Form 2A Reference Point)

Garfield County, Colorado

Dear Mr. Lepore,

Please let this letter serve as a request for administrative approval of a Rule 604.a.(1) and Rule 604.a.(2) exception location and exception to setback requirements as allowed per Rule 604.b.(2).

Ursa Operating Company LLC (Ursa) proposes to place the BMC B Pad production facilities at a location within the 500' Exception Zone setback. Additionally, the associated BMC B pad wells (listed below) are proposed to be located the 1000' Buffer Zone setback. The BMC B pad and associated wells meet the criteria for an Urban Mitigation Area (UMA) as defined in the 100-series rules.

Pad Name	Pad Location (Reference Pt)	Form 2A Doc #	Distance to Nearest Building Unit
BMC B Pad	2262' FNL, 654' FWL	400927767	421' (production facility)
Well Name	Well Location (Surface)	Form 2 Doc #	Distance to Nearest Building Unit
BMC B 11C-18-07-95	2240' FNL, 577' FWL	400927737	620'
BMC B 11D-18-07-95	2239' FNL, 637' FWL	400927739	580'
BMC B 12A-18-07-95	2238' FNL, 617' FWL	400927740	593'
BMC B 12B-18-07-95	2239' FNL, 637' FWL	400927743	581'
BMC B 12C-18-07-95	2237' FNL, 657' FWL	400927744	568'
BMC B 12CWI-18-07-95	2257' FNL, 733' FWL	400927746	508'
BMC B 12D-18-07-95	2257' FNL, 713' FWL	400927747	518'
BMC B 13A-18-07-95	2258' FNL, 693' FWL	400927748	530'
BMC B 13B-18-07-95	2259' FNL, 673' FWL	400927749	541'
BMC B 13C-18-07-95	2260' FNL, 653' FWL	400927751	554'
BMC B 13D-18-07-95	2260' FNL, 633' FWL	400927752	566'

BMC B 14A-18-07-95	2261' FNL, 613' FWL	400927753	580'
BMC B 21B-18-07-95	2239' FNL, 587' FWL	400927755	613'
BMC B 21C-18-07-95	2239' FNL, 607' FWL	400927756	600'
BMC B 21D-18-07-95	2239' FNL, 627' FWL	400927757	587'
BMC B 22A-18-07-95	2237' FNL, 647' FWL	400927758	574'
BMC B 22B-18-07-95	2236' FNL, 667' FWL	400927759	562'
BMC B 22C-18-07-95	2257' FNL, 723' FWL	400927760	513'
BMC B 22D-18-07-95	2258' FNL, 703' FWL	400927762	524'
BMC B 23A-18-07-95	2258' FNL, 683' FWL	400927763	535'
BMC B 23B-18-07-95	2239' FNL, 627' FWL	400927764	548'
BMC B 23C-18-07-95	2260' FNL, 643' FWL	400927765	560'
BMC B 23D-18-07-95	2261' FNL, 623' FWL	400927766	573'

Rule 604.a.(1) of the Colorado Oil and Gas Commission's Rules and Regulations states:

No Well or Production Facility shall be located five hundred (500) feet or less from a Building Unit except as provided in Rules 604.a.(1) A and B, and 604.b.

Rule 604.a.(2) of the Colorado Oil and Gas Commission's Rules and Regulations states:

No Well or Production Facility shall be located one thousand (1,000) feet or less from a Building Unit until the Operator certifies it has complied with Rule 305.a., 305.c., and 306.e. and the Form 2A or Form 2 contains conditions of approval related to site specific mitigation measures as necessary to eliminate, minimize or mitigate potential adverse impacts to public health, safety, welfare, the environment, and wildlife.

Rule 305 and 306 certification letters are attached to the subject Form 2A. The location of BMC B pad, production facilities and associated wells have been determined per a Surface Use Agreement dated January 15, 2009 (redacted version of the SUA is attached to subject Form 2A and associated Form 2's).

Rule 604.b.(2) states:

Existing Surface Use Agreement or Site Specific Development Plan. The Director shall grant an exception to setback requirements set forth in Rule 604.a. for a Surface Use Agreement or site specific development plan (as defined in § 24-68-102(4)(a), C.R.S. that establishes vested property rights as defined in § 24-68-103, C.R.S.), that was executed on or before August 1, 2013, and which expressly governs the location of Wells or Production Facilities on the surface estate, provided mitigation measures imposed in the Form 2 or Form 2A will eliminate, minimize or mitigate noise, odors, light, dust, and similar nuisance conditions to the extent reasonably achievable and the location complies with all other safety requirements of these Commission Rules.



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Due to the sensitive nature of the pad location, Ursa has voluntarily elected to follow substantive requirements of Rule 604.a. and 604.c. with regard to UMA / designated setback location notifications, mitigation measures and installation of field facilities. Please refer to the BMC B Pad Form 2A for a complete list of Ursa's Best Management Practices (BMPs). Ursa has obtained a waiver of Rule 604.a.(1) from the Building Unit owner within 500' of the proposed pad location. The executed waiver is attached to the Form 2A and applicable Form 2's.

Should you have any questions, please contact me at (720) 508-8362 or jlind@ursaresources.

Thank you for your assistance in this matter.

Sincerely,

Ursa Operating Company LLC

Jennifer Lind
Regulatory Analyst