



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.(2)

BMC D Pad (Location ID: TBD, Form 2A Doc #: 400928415)

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

NENW of Section 18: 1268' FNL, 2319' 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.(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 D Pad and associated wells (listed below) at a location within the 1000' Buffer Zone setback and within 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 D Pad	1268' FNL, 2319' FWL	400928415	726'
Well Name	Well Location (Surface)	Form 2 Doc #	Distance to Nearest Building Unit
BMC D 31A-18-07-95	1239' FNL, 2314' FWL	400928384	895'
BMC D 31B-18-07-95	1227' FNL, 2330' FWL	400928385	875'
BMC D 31C-18-07-95	1248' FNL, 2339' FWL	400928396	880'
BMC D 31D-18-07-95	1260' FNL, 2323' FWL	400928398	900'
BMC D 32A-18-07-95	1266' FNL, 2315' FWL	400928402	909'
BMC D 32B-18-07-95	1272' FNL, 2307' FWL	400928403	910'
BMC D 32C-18-07-95	1278' FNL, 2299' FWL	400928404	901'
BMC D 32D-18-07-95	1284' FNL, 2291' FWL	400928405	892'
BMC D 32E-18-07-95	1290' FNL, 2283' FWL	400928406	884'
BMC D 34A-07-07-95	1269' FNL, 2273' FWL	400928407	898'
BMC D 34B-07-07-95	1263' FNL, 2282' FWL	400928408	907'
BMC D 34C-07-07-95	1257' FNL, 2290' FWL	400928409	916'



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BMC D 34D-07-07-95	1251' FNL, 2298' FWL	400928410	915'
BMC D 41A-18-07-95	1233' FNL, 2322' FWL	400928411	885'
BMC D 41B-18-07-95	1242' FNL, 2347' FWL	400928412	870'
BMC D 41C-18-07-95	1254' FNL, 2331' FWL	400928413	890'
BMC D 44D-07-07-95	1245' FNL, 2306' FWL	400928414	905'

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 D pad location 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.

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 D Pad Form 2A for a complete list of Ursa's Best Management Practices (BMPs).

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

Thank you for your assistance in this matter.

Sincerely,

Ursa Operating Company LLC



1050 17th Street, Suite 2400
Denver, CO 80265

A handwritten signature in black ink that reads "Jennifer Lind". The signature is written in a cursive, flowing style.

Jennifer Lind
Regulatory Analyst