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Grand Junction, CO 81505
Phone: 970-243-3271
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October 2, 2014

Mr. Robert (Rob) Bleil
Ursa Regulatory & Environmental Manager
Ursa Operating Company LLC
792 Buckhorn Dr.
Rifle, CO 81650

TRANSMITTAL LETTER

Dear Mr. Bleil,

Please find enclosed a final draft of the 404 Investigation for the proposed Yater well pad for Ursa Operating Company LLC (Ursa). If you have any additional questions or comments, please do not hesitate to contact me at the above number.

Sincerely,

HRL Compliance Solutions, Inc.

Maurice Foye
Certified Wetland Scientist
Vice President

Attachment: USACE 404 Investigation Report

October 2, 2014

Mr. Robert (Rob) Bleil
Ursa Regulatory & Environmental Manager
Ursa Operating Company LLC
792 Buckhorn Dr.
Rifle, CO 81650

**RE: Ursa Operating Company LLC – Yater Well Pad and Access Road
USACE 404 Investigation Report**

Dear Mr. Bleil,

HRL Compliance Solutions, Inc. (HCSI) has been contracted by Ursa Operating Company LLC, (Ursa) to assist with U.S. Army Corps of Engineers (USACE) Section 404 compliance requirements for well pad construction actions that Ursa is undertaking. This project involves construction of a well pad and access road located in Garfield County, Colorado.

***Summary-** This activity does not impact jurisdictional waters of the United States and will not require USACE permitting. An initial desktop review indicated drainage was present in the vicinity of the proposed location and a site visit was conducted to verify current surface hydrology. The site visit revealed the historical and current land use as agricultural with no drainage features present representing jurisdictional waters.*

***Results-** HCSI conducted a desktop review utilizing USGS 7.5 minute series Parachute Quadrangle, Garfield Colorado 1962 Topographic Map, Mapdata© Google Imagery 2014, and ArcMap GIS software. The 1962 USGS Quad map illustrated a blue line representing an intermittent drainage. The Google Imagery and ArcMap imagery illustrated an agricultural field. A site visit was conducted to ground verify site conditions.*

The site visit revealed the land use has been historically, and is currently, agricultural in nature. The land use is active farming of irrigated fields utilizing irrigation water ditched across the property to allow growing of alfalfa and pasture grass. The landowner uses flood irrigation that crosses the surface and is collected in another irrigation ditch and then used on an adjacent field. The water does not originate from natural drainage features in the area, and does not terminate into natural features connecting to jurisdictional waters down gradient.

HCSI has determined this site will have no impacts to jurisdictional waters. To confirm there is no USACE permitting required, HCSI verbally verified this interpretation and findings with USACE Project Manager, Nathan Green during a phone call on Wednesday, October 1, 2014. Mr. Green agreed that based on our description of the site and planned activities, Ursa has no permitting obligation with the USACE.

Site Description-

Location: The project area is located approximately 1 mile east of Battlement Mesa, Colorado. The legal coordinates for the well pad are:

Township 95 North, Range 7 West, NW¹/₄ SW¹/₄ Section 17 Garfield County, CO.
Approximate GPS coordinates N 39.43537 W 108.02648

Project Permittee:

Robert (Rob) Bleil
Ursa Regulatory & Environmental Manager
Ursa Operating Company LLC
792 Buckhorn Dr.
Rifle, CO 81650
Rifle Office: (970) 625-9922 (Primary) Ext. 303

Sincerely,

HRL Compliance Solutions, Inc.

A handwritten signature in blue ink, appearing to read "Maurice Foye".

Maurice Foye
Certified Wetland Scientist
Vice President