



1050 17th Street, Suite 2400
Denver, CO 80265

10/19/2015

Dennis L. Burke
PO Box 114
Parachute CO 81635

RE: Waiver of Rule 604.a.(1) A.
BMC B PAD
Township 7 South, Range 95 West, 6th P.M.
SW¼NW¼ of Section 18:

Garfield County, Colorado

Dear Dennis:

Ursa Operating Company LLC ("Ursa") has staked the BMC B Pad at a surface location 435 feet from your building unit. This location meets the requirements for the Urban Mitigation Area as defined in the Colorado Oil and Gas Conservation Commission Rules. Rule 604.a.(1) 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.(1) A allows for the 500' setback as required per Rule 604.a.(1) to be waived by the surface owner, stating:

- A. Urban Mitigation Areas. The Director shall not approve a Form 2A or associated Form 2 proposing to locate a Well or a Production Facility within an Exception Zone Setback in an Urban Mitigation Area unless:
 - i. the Operator submits a waiver from each Building Unit Owner within five hundred (500) feet of the proposed Oil and Gas Location with the Form 2A or associated Form 2, or obtains a variance pursuant to Rule 502; and
 - ii. the Operator certifies it has complied with Rules 305.a, 305.c., and 306.e.; and
 - iii. the Form 2A or Form 2 contains conditions of approval related to site specific mitigation measures sufficient to eliminate, minimize or mitigate potential adverse impacts to public health, safety, welfare, the environment, and wildlife to the maximum extent technically feasible and economically practicable."

The BMC B Pad well was staked at a location 435' from your building unit. Ursa respectfully requests your consent to an exception location for this well by waiver of the COGCC Rule 604.a (1) A.

If this meets with your approval, please sign and date both originals of this letter, keeping one for your files and returning one to the undersigned.

Thank you for your time and consideration in this matter. If you have any questions or comments, please contact me at 970-379-0008 cell.



1050 17th Street, Suite 2400
Denver, CO 80265

Sincerely,

Ursa Operating Company LLC

John Doose
Ursa Field-Landman



1050 17th Street, Suite 2400
Denver, CO 80265

[Surface Owner]
Rule 604.a.(1) waiver
Date
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THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 604.a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE BMC B PAD AND APPROVES THE SURFACE LOCATION 435 FEET FROM THE BURKE RESIDENCE.

SURFACE OWNER:

A handwritten signature in blue ink that reads "Dennis L. Burke". The signature is written in a cursive style.

Dennis L. Burke