

Rule 604.c.(2).E.i. Alternatives Evaluation for Locating Production Facilities

URSA Operating Company LLC, BMC D Pad, NENW Sec 18 T7S R95W, Garfield County, Form 2A#400928415

604. SETBACK AND MITIGATION MEASURES FOR OIL AND GAS FACILITIES, DRILLING, AND WELL SERVICING OPERATIONS

c. Mitigation Measures.

(2) Location Specific Requirements – Designated Setback Locations.

E. Multi-well Pads.

- i. Where technologically feasible and economically practicable, operators shall consolidate wells to create multi-well pads, including shared locations with other operators. Multi-well production facilities shall be located as far as possible from Building Units.

Per COGCC Rule 604.c.(2).E.i., Ursa evaluated alternatives to determine consolidation of multi-well pads and to determine if the production facilities (and location) are as far from building units as possible. Several considerations weighed heavily on the location proposed in this permit application. This application is one of two locations proposed under Phase 1 of natural gas development within the Battlement Mesa Planned Unit Development (BM PUD). A total of five (5) locations are currently proposed within the BMPUD, including the two aforementioned locations under Phase 1.

In addition to the well pad location siting rationale and considerations, the location of the production facilities has been determined based on several criteria. First, the existing SUA expressly governs the location of the production facilities on the surface owner's land. Second, placement of the production facilities along the southwestern edge of the pad surface is the preferred location as the equipment will be tucked into the cut slope of the pad (see the Construction Layout Drawings attachment). This is preferred as the placement of equipment near the cut slope will provide both visual (line of sight) and sound mitigation based on the topology of the area and the location of the residences in the vicinity. Additionally, and included as an exhibit to the SUA, Ursa has a detailed landscape plan for the BMC D pad location. The mounding and vegetative cover is planned to screen the production equipment in order to provide yet another level of visual impact and sound mitigation to proximate residences.

Ursa has invested significant capital in having a third-party sound and visual impact study conducted and an in-depth report generated for site-specific BMC D pad conditions. The study is being included with this analysis as supplemental information to further support the proposed location of the BMC D pad production facilities (see the Location Siting Rationale attachment, Landscape Plan). It should be noted that this information is part of the approved Garfield County application materials.

Shifting of the production facilities to the east along the south-western edge or to eastern edge of the pad would place the equipment closer to the apartment complex northeast of the pad location. In fact, moving the facilities to this area would place equipment closer to the apartment complex than it currently sits in relation to the housing subdivision to the southwest of the pad. Relocation of the production facilities to the northern- northwestern side of the pad would place the equipment closer to the housing subdivision to the northeast of the pad location and closer to the Colorado River. Furthermore, equipment placement on the northern edge would fall on the fill side of the pad, would not take advantage of the cut slope barrier and would be much more visible to surrounding residences. Based on this information, there are no feasible, alternative production facility locations within the abutting lands that would move the equipment further than 1000' from building units and allow for maximum mitigation of nuisance conditions.