

FORM
2

Rev
08/13

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400928384

Date Received:

12/07/2015

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: BMC D

Well Number: 31A-18-07-95

Name of Operator: URSA OPERATING COMPANY LLC

COGCC Operator Number: 10447

Address:

City: _____ State: CO Zip: _____

Contact Name: JENNIFER LIND

Phone: (720)508-8362

Fax: () _____

Email: JLIND@URSARESOURCES.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120125

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 18 Twp: 7S Rng: 95W Meridian: 6

Latitude: 39.441572

Longitude: -108.040739

Footage at Surface: 1239 feet FNL/FSL FNL 2314 feet FEL/FWL FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 5270

County: GARFIELD

GPS Data:

Date of Measurement: 06/16/2014 PDOP Reading: 1.7 Instrument Operator's Name: HOFFMANN

If well is ☒ Directional ☐ Horizontal (highly deviated) submit deviated drilling plan.

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

79 FNL 1993 FEL 79 FNL 1993 FEL
Sec: 18 Twp: 7S Rng: 95W Sec: 18 Twp: 7S Rng: 95W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Surface Owner is: ☒ is the mineral owner beneath the location.

(check all that apply)

☒ is committed to an Oil and Gas Lease.

☒ has signed the Oil and Gas Lease.

☐ is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

A portion of Sections 7 and 18 of T7S-R95W. Please see attached lease map.

Total Acres in Described Lease: 185 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 645 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 895 Feet
Building Unit: 895 Feet
High Occupancy Building Unit: 3304 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 264 Feet
Above Ground Utility: 240 Feet
Railroad: 4409 Feet
Property Line: 227 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☒ Buffer Zone
☐ Exception Zone
☒ Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: 09/12/2015

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: 09/24/2015

SPACING and UNIT INFORMATION

Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 330 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 79 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Ursa requests the approval of a Rule 318.c. exception location to Spacing Order 440-71 as the BHL is closer than 100' to the spacing unit boundary. Exception location request letter is attached.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WILLIAMS FORK	WMFK	440-71	320	SEC.18 N/2

DRILLING PROGRAM

Proposed Total Measured Depth: 6989 Feet

Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator:

3223 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: ☐ Annular Preventor ☐ Double Ram ☒ Rotating Head ☐ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Please see Waste Management Plan attached to the associated Form 2A

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24	16	75	0	60	111	60	0
SURF	12+1/4	8+5/8	32	0	1791	370	1791	0
1ST	7+7/8	4+1/2	11.6	0	6989	556	6989	2927

☐ Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☒ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- ☒ Rule 318.c. Exception Location from Rule or Spacing Order Number 440-71
- ☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments First String / Production cement will be > 500 feet above TOG. Distance to nearest well completed in the same formation / permitted or existing well penetrating objective formation was measured to the proposed BMC D 31B-18-07-95. Distance to nearest well completed in the same formation / permitted or existing well belonging to another operator was measured to the T&T Associates PA 442-7 (API 05-045-20159).

The BMPs included in this Form 2 application are being submitted in accordance with Rule 604.a.(2) and specifically address the mitigation of nuisance items (noise, lighting, odors and dust) associated with well-specific development. Please refer to associated Form 2A for a full list of Rule 604 mitigation measures applicable to the pad location, preapplication notice certifications, and Garfield County Special Use Permit COAs.

Ursa requests approved of a Rule 318.c. exception location to spacing order 440-71, request letter attached. Ursa also requests approval of a Rule 604.a.(2) exception location in accordance with Rule 604.b.(2). Exception location request letter is attached.

Please note, several of the mineral interest owner waivers attached to the variance request letter contain a typo in the offset well name. The letter references the BMC B 31A-18-07-95. The correct well name is BMC D 31A-18-07-95. The footages and additional information with regard to this well are correct as stated.

This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: JENNIFER LIND

Title: REGULATORY ANALYST Date: 12/7/2015 Email: JLIND@URSARESOURCES.C

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved:  Director of COGCC Date: 7/14/2016

Expiration Date: 07/13/2018

API NUMBER

05 045 23267 00

Conditions Of Approval

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

<u>COA Type</u>	<u>Description</u>
	The approved Form 2A #400928415 for this Oil and Gas Location will be posted onsite during construction, drilling, and completions operations. The Form 2A includes the conditions of approval that also apply to the activities conducted under this Form 2.
	<p>1) Operator shall comply with the most current revision of the Northwest Notification Policy.</p> <p>2) Operator shall comply with the most current revision of the Garfield County Rulison Field Notice to Operators, with the following exception: All field notice requirements specified in that Notice to Operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see Condition of Approval #1).</p> <p>3) Operator shall provide cement coverage from the production casing shoe (4+1/2" First String) to a minimum of 650' above the Mesaverde Group to provide isolation of the Lower Wasatch, all Mesaverde Group formations including the Ohio Creek Formation, and underlying formations, if penetrated. Verify production casing cement coverage with a cement bond log.</p>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	Garfield County COA #22 - Development timing • Ursa agrees and commits to a three year time frame which includes placing up to 28 natural gas wells into full production on the BMC D pad. This time frame will commence at the start of construction of a well pad.
2	Community Outreach and Notification	<p>Complaints</p> <ul style="list-style-type: none"> • Ursa has a dedicated phone line to address complaints and responds 24 hours per day, 7 days a week. All complaints received by Ursa are documented, investigated, responded to immediately with appropriate corrective actions and communicated to the complainant, landowner, county LGD and appropriate state agency officials. Coordination with Kirby Wynn, Garfield County LGD, will be ongoing to ensure the effectiveness of our complaint management process. The following phone numbers and websites are available to the community members to report complaints: - Ursa complaint / 24 hr hotline: 970-620-2787 - Ursa emergency / 24 hotline: 855-625-9922 - Community Counts: 866-442-9034 - Garfield County (Kirby Wynn): 970-987-2557 - Colorado Oil & Gas Conservation Commission: http://cogcc.state.co.us/complaints.html#/complaints
3	Pre-Construction	<ul style="list-style-type: none"> - 604.c.(2)N. - Control of fire hazards - 604.c.(4)B.i. - Control of fire hazards • All equipment will be grounded to prevent lightning strike hazards. Additionally, any material not in use that might constitute a fire hazard will be removed a minimum of 25 feet from the wellheads and production equipment.
4	Traffic control	<ul style="list-style-type: none"> - 604.c.(2)D. - Traffic Plan - Garfield County COA #23 - Haul Route • In consultation with Garfield County and the local emergency response agencies (Fire/police), Ursa has developed a site-specific Emergency Response Plan and Haul Route Map which is communicated to local emergency response agencies and stakeholders, as well as contractors performing work at the location. The preferred/primary haul route for this location is the Upper Route (I-70 exit 75). The Lower Route (I-70 exit 72) shall be a secondary route.

5	General Housekeeping	<p>- Garfield County COA #13 - Noxious Weeds • Weeds will be managed in accordance COGCC Rule 1003.f. and 1004.e. as incorporated into Ursa's Noxious Weed plan; to include up to three treatments per year depending upon the species being managed and mapping as needed, throughout the life cycle of the location (construction – final reclamation). Additionally, Once construction begins, the Operator shall treat all List A, B, C noxious weeds within pad site perimeter and along access road according to Ursa's noxious weed management plan. This shall include three treatments annually by a licensed and certified herbicide applicator.</p> <p>- 604.c.(2)P. - Removal of surface trash - • WASTE - The location will be managed in accordance with COGCC 907 and 907A Rules, which are incorporated into Ursa's Waste Management Plan, which addresses both E&P and non-E&P waste, including those under the jurisdiction of the CDPHE and EPA. The plan, in combination with Ursa's Spill Prevention and Management Plan, minimizes the potential for any exploration and production wastes, chemicals, fluids, etc. from leaving the location, using BMPs including berms, barriers, and use of spill control materials.</p>	
6	Wildlife	<p>• WILDLIFE - All separators/dehydrators and heater –treater equipment are outfitted with bird cones.</p> <p>• 1200 Series • WILDLIFE - A Wildlife Mitigation Plan (2011) is in place that allows for up to 15 well pads in the Battlement Mesa area (including within the PUD). Once COGCC and Garfield County Permits are approved, additional mitigation will be required provided that CPW approves Ursa's draft Wildlife Management Plan Revisions (pending). Annual meetings (quarterly as deemed appropriate by Colorado Parks and Wildlife) will be held with Colorado Parks and Wildlife (CPW) to determine the status of, and any outstanding commitments.</p> <p>- 306.c.(1).A.i. - CPW Wildlife Consultation Task - The Ursa BMC B and D Pad locations were provided to CPW and analyzed as part of the Antero (now Ursa) Battlement Mesa Wildlife Mitigation Plan (WMP). The terms and conditions agreed upon within the WMP document are still adequate to avoid, minimize, and mitigate any impacts to wildlife from the proposed actions. Agreed upon BMPs from the WMP document have been sent for inclusion as an attachment to the Form 2A permit and are listed below:</p> <ol style="list-style-type: none"> 1. Closed loop (pitless) drilling systems. 2. Annual raptor and other bird surveys will be conducted in accordance with protocols provided by CPW. 3. Rig shift changes will take place when practical at 6am and 6pm and will utilize one (1) vehicle to minimize impacts to wildlife. 4. Development program is planned to include four phases as a means for mitigating wildlife impacts. These phases will be based on infrastructure construction schedules and will be coordinated with affected land owners, the Battlement Mesa Services Association (BMSA), local municipalities, Garfield County, COGCC, and CDPHE during the Comprehensive Drilling Plan and the Major Land Use Impact Review process. 5. Well pad location visits during the production phase of operations (post drilling and completion for all wells on a well pad location) will be restricted when/where possible to between the hours of 10am and 3pm to minimize impacts to wildlife unless operational concerns warrant pad visits outside this timeframe. 6. Buried water and gas pipelines will be utilized as means to reduce truck traffic and impacts to wildlife. 7. Restrict rig operation to no more than 2 rigs per section (or equivalent acreage) within the big-game seclusion areas during the winter. 8. Maintaining a ¼ mile no surface occupancy buffer around active bald eagle nests. 9. New pad construction not to exceed 3 acres of working surface. 10. Pad density not to exceed 1 pad per 160 acres. 11. Bury all gas and water pipelines adjacent to roads whenever possible. 12. A weed management plan will be developed and implemented to monitor and control noxious and invasive weeds. 13. Noxious weed control includes three treatments per year. 14. Existing weed infestations will be mapped prior to the development of each pad, access road and pipeline when practicable. 15. Antero (now Ursa) has completed all habitat restoration contributions contained within the WMP. 	
7	Material Handling and Spill Prevention	<p>- 604.c.(2)F. - Leak Detection Plan - Monitoring - • TANK MONITORING - Fluid Monitoring in tanks will be achieved through high level alarms installed in each tank with floating tank level gauges. These gauges report remotely tank volumes via</p>	

telemetry. This telemetry allows pumpers to have real time access to information and review levels on a daily basis. Pumpers also have the ability to program the wells to be shut in automatically in the event of pressure loss. Reference Ursa's Leak Detection and Flowline Management plan for specifics on inspections, testing, documentation, etc.

- **FLOWLINE TESTING / MONITORING** - will be tested per COGCC 1100 regulations/1101 and 1102 guidance document Updated February 25, 2016.
 - New flowlines will be hydrotested to manufactures recommended levels before put in to use.
 - Ursa will use SCADA to continuously monitor line pressures. Any fluctuations or drops in pressures that indicate a drop or rise in pressure will be closely monitored and will trigger immediate action including shutting in and scheduling repairs/replacements as necessary.
- 604.c.(2)F. - Leak Detection Plan - Maintenance • **MAINTENANCE** - Corrective actions relating to the tanks or flowlines will have effected equipment repaired or replaced as necessary. If larger issues are identified, the repairs may require further attention and/or redesign.
- 604.c.(2)F. - Leak Detection Plan - Inspections • **TANK INSPECTIONS** - will be formally inspected every 30 days under the Spill Prevention Control and Countermeasures (SPCC) plan unless specific COAs warrant more frequent inspections. Ursa contracts Forward Looking Infrared (FLIR) inspections to HCSI. HCSI performs regulatory required FLIR inspections with frequencies determined by throughput volumes. Tanks are also inspected daily by the lease operator (pumper) and contract water haulers, who have been trained on identifying corrective actions on tanks/flowlines. Reference Ursa's SPCC, Storage Tank Emissions Monitoring (STEM) and Leak Detection and Flowline Management Plans for inspection and location specifics.
- **FLOWLINE INSPECTIONS** - will be inspected per COGCC 1100 regulations/1101 and 1102 guidance document Updated February 25, 2016.
 - Daily site visits are made by lease operators (aka pumpers) to the well pad for maintenance issues including leaks and spill potential.
 - Monthly site inspections will be conducted by 3rd party environmental contractors to look for any signs of leaks and or potential leaks.
 - FLIR surveys are used to identify any leaks coming from the flowlines on a regular basis.
 - According to Ursa's STEM Management Plan onsite inspections will also conducted to check for leaks.
 - New flowlines will be hydrotested to manufactures recommended levels before put in to use.
 - Ursa will use SCADA to continuously monitor line pressures. Any fluctuations or drops in pressures that indicate a drop or rise in pressure will be closely monitored and will trigger immediate action including shutting in and scheduling repairs/replacements as necessary.
- 604.c.(2)F. - Leak Detection Plan
- 604.c.(4)B.ii. - Leak Detection, repair, reporting and record keeping • Spill prevention and response are addressed in Ursa's Spill Prevention and Management Plan which includes training of employees and contractors personnel on at least an annual basis. Spill response includes notifications, reporting, response actions, remediation and corrective actions. The spill criteria in Ursa's plan requires that waste be properly classified as E&P or non-E&P wastes. For E&P waste, all spills greater than 1 barrel (outside containment) or greater than 5 barrels (inside containment) will be reported to the COGCC using a Form 19. Should remediation be required, a Form 27 will be submitted as well. Spills related to non-E&P waste will be managed in accordance with CDPHE and EPA regulations depending on the volume spilled. As a BMP, Ursa tracks and cleans up all spills, including those that are not reportable.
- 604.c.(4)B.ii. - Leak Detection, repair, reporting and record keeping
- Garfield County COA #11 - Air quality / leak detection
- Operator shall comply with the CDPHE regulations and air quality permit conditions for emission controls considering technically and economically feasible BMPs. All facilities onsite shall be subjected to an instrument-based leak detection and repair (LDAR) inspection at least monthly during drilling and completion and quarterly during production. If a leak over 10,000 ppm hydrocarbons is discovered, the first attempt to repair the leak shall be made as soon as reasonably possible and in accordance with state law.
- High level alarms will be installed on production tanks.

8	Dust control	<p>- 604.c.(2)S. - Access roads</p> <p>- Garfield County COA # 7.c. & #14 - Dust Control • The pad and access road will be graveled to reduce fugitive dust and maintained as required by COGCC rules. In addition, Operator will have water trucks onsite for dust abatement during construction. Water and other dust suppressants are used as required, dependent upon the level of activity, moisture conditions, etc. throughout all phases of operations. Ursa commits to ensuring truckloads of dirt, sand, aggregate materials, drilling cuttings, and similar materials are covered to reduce dust and PM emissions during transport.</p> <p>• Remote monitoring and telemetry will be used to optimize truck trips and reduce resultant fugitive dust to the extent practical.</p>	
9	Construction	<p>- Garfield County COA #9 - Construction • The construction of the BMC D Pad shall be limited to the hours of 7:00AM to 7:00PM, with the exception of emergencies and episodic events beyond Ursa's control.</p> <p>- 604.c.(2)E.i. - Multi-well Pads</p> <p>- 604.c.(2)V. - Development from existing well pads • Drilling multiple wells from the BMC D pad location using directional drilling will be implemented to minimize the need for additional well pads; reducing potential environmental impacts including habitat loss and fragmentation, noise, traffic concerns, and related impacts to air, land and water. There are no existing Ursa pads nor available shared locations with other operators to access the targeted bottom hole locations. The initial plan by Antero consisted of 14 well pads to access the minerals beneath the BMPUD which will now be accessed by consolidating the wells on 5 total pads within the BMPUD, including the BMC D Pad.</p> <p>- 604.c.(2)E.ii. - Multi-well Pads • This pad is planned to be constructed to allow for the installation and removal of Ursa's proposed sound mitigation measures (i.e. sound walls) without disturbing the location or proposed landscaping.</p> <p>- 604.c.(2)E.iii. - Multi-well Pads • Access road will be maintained as an all-weather access route for operator and emergency response. Accumulations of snow that prevent or limit access to the location will be removed within 24 hours or as soon as conditions allow after a weather event. The road will be timely maintained to prevent ruts, potholes and other damage.</p> <p>- 604.c.(2)G. - Berm construction (Buffer Zone) • All containment is constructed of steel rings with an engineered impervious liner and are sized to hold 150% of the volume of the largest single tank in the secondary containment.</p> <p>- 604.c.(2)M. - Fencing requirements • Fencing will be installed per the surface use agreement and shall be designed and maintained to prevent unauthorized access to the site during production operations.</p> <p>- 604.c.(2)R. - Tank specifications • All production tanks and tanks used for completions activities will be installed, labeled, contained, operated, and decommissioned in accordance with NFPA Code 30 (2008 Revision) and Ursa's SPCC/Containment Plan, which is required by EPA regulations (40 CFR 112). The plan, in combination with Ursa's Spill Prevention and Management plan, addresses COGCC 600 and 900 Series Rules, among others, regarding the management of tanks. Records will be maintained in accordance with Rule 604.c.(2)R.</p> <p>- 604.c.(4)B.iii. - Automated well shut-in control • All wells on the BMC D pad will be equipped with remote monitoring / telemetry system setup to allow for automated shut-in controls in the event of an emergency.</p> <p>- 604.c.(4)C.iii. - Visual Impacts • Ursa has a detailed landscape plan for the BMC D Pad which has been approved by Garfield County as part of the special use permit. The plan includes mounding and a mix of native trees and shrubs that will assist in shielding well heads and production facilities from the surrounding properties. Above-ground facilities (e.g. production tanks) will be managed to minimize visual effects (e.g. painted to blend with environment). Please refer to the Alternatives Analysis - Supplemental Information document for additional detail.</p>	

10	Noise mitigation	<p>- Garfield County COA #7.a. - Noise • Volume of the sound generated: Every use shall be so operated that the volume of sound inherently and recurrently generated does not exceed 70 dB(A) from 7:00 AM to 7:00 PM and 65 dB(A) from 7:00 PM to 7:00 AM, measured 350 feet from the edge of the pad. As set forth in COGCC Regulation 802(b), the noise levels shall be subject to an increase by 10 dB(A) for a period not to exceed 15 minutes in any one (1) hour period and cannot exceed 65 dB(A) for shrill or periodic impulsive noise. Complaint protocols shall be governed by COGCC Rule 802(c).</p> <p>- 604.c.(2)A. - Noise • Lighting, noise, odors, dust and related nuisances are managed in accordance with COGCC 600 and 802, 803, 804 and 805 Series Rules, and in accordance with Ursa policies, procedures and checklists. Additional noise monitoring above and beyond COGCC regulations may be conducted by Ursa on a voluntary basis. If conditions warrant further mitigation at the time of operations, Ursa will request approval as necessary from the COGCC to implement additional measures.</p> <p>- 604.c.(4)C.i. - Noise</p> <p>- Garfield County COA #25 - Noise Site Control Access • Sound walls will be installed per the site specific plan provided by a professional third party firm to include on-pad mitigation designed for specific equipment and orientation of said equipment to be used during drilling and completion operations. This includes a combination of 32' and 40' sound walls to surround the entire pad including and acoustic gate to close off the entrance of the pad. Sound barriers shall be included around the perimeter of the well pad and internal completions equipment. Additional sound walls closer to residential units shall be available upon mutual agreement between the Operator, landowner, and homeowner(s).</p>
11	Odor mitigation	<p>- 604.c.(2)C. - Green Completions – Emission Control Systems • Combustor controls will be used to mitigate odors from production tanks. Ursa will perform inspections at minimum on a monthly basis to ensure potential emissions sources are properly managed. In addition, Ursa's pumper crew inspects each location on a daily basis.</p>
12	Drilling/Completion Operations	<p>One of the first wells drilled on the pad will be logged with open-hole Resistivity Log and Gamma Ray Log from TD into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which openhole logs were run.</p>
13	Drilling/Completion Operations	<p>-Garfield County COA #8 - Lighting • All lighting, except as demonstrated for safety reasons, shall be directed inward and downward and be shaded in order to prevent direct reflection on adjacent property and residences in the area. LED lights will be used when possible and practical. Workers will be advised when moving light plants to ensure that the light is focused directly on the work being done. Most lighting will be below the sound wall. Drilling mast lighting that is above the sound wall will be downcast and/or shielded to reduce fugitive light outside sound wall and well pad. Safety considerations will take precedence.</p> <p>-Garfield County COA #9 - Completions • Well completion activity shall be limited to occurring between 7:00AM and 7:00PM. Once the wells are in production, vehicle trips to the pad shall be limited to the hours of 7:00AM to 7:00PM, with the exception of emergencies and episodic events beyond Ursa's control.</p> <p>- 604.c.(2)B.i. - Closed Loop Drilling Systems – Pit Restrictions • A closed-loop (pitless) drilling system will be used.</p> <p>- 604.c.(2)B.ii-v. - Closed Loop Drilling Systems – Pit Restrictions • No stimulation, flowback or fresh water storage pits will be constructed for the BMC D pad location.</p> <p>- 604.c.(2)C.i. - Green Completions – Emission Control Systems • Green completions will be used for this well. Salable quality gas will be immediately routed to the sales line or shut in and conserved.</p> <p>- 604.c.(2)C.ii. - Green Completions – Emission Control Systems</p> <p>- 604.c.(4)B.iv. - Venting • Ursa commits to zero venting / flaring of gas upon completion and flowback of these wells except during upset or emergency conditions only. If plans change and venting / flaring during completion and flowback operations becomes necessary, Ursa will obtain COGCC approval prior to venting / flaring when required in accordance with the Venting / Flaring NTO Policy and Rule 912.a.</p> <p>- 604.c.(2)C.iii.aa. - Green Completions – Emission Control Systems • Flowback equipment is sized to accommodate a minimum of 1.5 times the largest flowback</p>

		<p>volume of gas experienced in a ten (10) mile radius.</p> <p>- 604.c.(2)C.iii.bb. - Green Completions – Emission Control Systems • Flowback tanks will employ valves and porting available to divert gas to temporary equipment or to permanent flaring and oxidizing equipment. Open flares will not be used during flowback operations.</p> <p>- 604.c.(2)C.iii.cc. - Green Completions – Emission Control Systems • Flowback tanks will be equipped with auxiliary fuel with sufficient supply and heat to sustain combustion or oxidation of the gas mixture when the mixture includes non-combustible gases.</p> <p>- 604.c.(2)H.ii. - Blowout preventer equipment (“BOPE”) • BOPE will meet minimum requirements per Rule 604.c.(2)H.ii. The person with Well Control Certification or Director approved training present during drilling will be identified using the sign-in sheet and training certifications will be available upon request by COGCC.</p> <p>- 604.c.(2)I. - BOPE testing for drilling operations • BOPE testing will be completed in accordance with Rule 604.c.(2)I. - 604.c.(2)J.i. - BOPE for well servicing operations • Adequate blowout prevention equipment will be used on all well servicing operations. This prevention equipment will be rated to pressures of 5000 psi.</p> <p>- 604.c.(2)J.ii. - BOPE for well servicing operations • Backup stabbing valves will be used on well servicing operations during reverse circulation. Valves will be pressure tested in accordance with Rule 604.c.(2)J.ii prior to being put into use. Ursa will keep valve pressure testing results on file for a minimum of one year and provide test results to COGCC upon request</p> <p>- 604.c.(2)K. - Pit level indicators • Tank level indicators will be installed on all tanks associated with the drilling rig. No stimulation, flowback or freshwater storage pits will be constructed.</p> <p>- 604.c.(2)L. - Drill stem tests • Ursa does not plan to conduct drill stem tests. If plans change and drill stem tests are required, Ursa will notify COGCC via Form 4 prior to completing the test.</p> <p>- 604.c.(2)O. - Loadlines • All loadlines will be capped. The loadline ports will be located inside of the tank containment berms and will have sumps in place in the event of small drips or spills.</p> <p>- 604.c.(2)Q. - Guy line anchors • All guy line anchors left buried for future use will be identified as required per Rule - 604.c.(2)Q.</p> <p>- 604.c.(4)B.vi. - Proppant</p> <p>- Garfield County COA #26 - Proppant • Ursa plans to utilize "proppant-less" fracture stimulation. Should Ursa plans change to utilize silica proppant during completion of wells on the BMC D pad, silica proppant shall be utilized only with silica dust controls including dustless silos, sand boxes, or equivalent vacuum technology. Ursa will notify COGCC via Form 4 prior to using or changing proppant materials.</p>
14	Interim Reclamation	<p>• Ursa will comply with Rule 1003 by mounding around the well pad and planting of native vegetation to include trees, shrubs and grasses in accordance with the SUA. However, the pad will not be pulled back in after drilling and completions, but maintained, stabilized and revegetated around the perimeter of the working surface. The purpose of the proposed landscaping is to visually shield production tanks during production phase of operations.</p> <p>Irrigation water will be applied until vegetation is established (also a requirement under the Garfield County Special Use Permit). If required by COGCC Reclamation Unit, Ursa will request a variance from applicable provisions of Rule 1003 prior to commencement of construction on this pad.</p>
15	Final Reclamation	<p>- 604.c.(2)T. - Well site cleared • Within 90 days of plugging and abandonment, the well site will be cleared of all non-essential equipment, trash, and debris. The landscaping will remain at the discretion of the landowner, subject to COGCC Reclamation Unit variance requirements.</p> <p>- 604.c.(2)U. - Identification of plugged and abandoned wells • Upon plugging and abandonment, the location of the wellbore will be marked per Rule 319.a.(5)</p>

Total: 15 comment(s)

Applicable Policies and Notices to Operators

Policy
Piceance Rulison Field - Notice to Operators. http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf
NW Colorado Notification Policy. http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2168133	VARIANCE REQUEST & WAIVERS
2168145	WELL LOCATION PLAT
400928384	RULE 502.b. VARIANCE TO SPACING ORDER 440-71
400946376	DEVIATED DRILLING PLAN
400946380	DIRECTIONAL DATA
400946383	LEASE MAP
400946384	SURFACE AGRMT/SURETY
400949309	EXCEPTION LOC REQUEST

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected date of 305.a.(1) Urban Mitigation Area Notification to LGD from 9/16/15 to 9/12/15 as per 2A document. Operator has agreed to BPM's which have been attached. BMP Doc 400960963 has been deleted. Please see Form 2A Doc 2107892 for revised and complete BMP's. Final review complete.	7/14/2016 1:18:32 PM
Permit	Made correction of distance to high occupancy building unit from 4692' to 3304' as directed by operator. Attached new Well Location Plat and deleted original document submitted with this form.	7/11/2016 8:08:22 AM
Permit	Attached corrected variance request and waivers as per operator, and deleted incorrect version. Added Operator Comment regarding well names on waivers as directed by operator. Deleted incorrect exception location request.	6/27/2016 3:12:51 PM
Permit	Logging BMP is last item in BMP #12 Drilling & Completions Operations.	6/27/2016 3:06:49 PM
Permit	Operator will provide revised variance request letter for less than 100' unit setback and summary of mineral interest waivers received to date by June 22.	6/21/2016 8:53:50 AM
Engineer	The Wasatch Formation is present at surface, possibly overlain by alluvium, based on review of COGCC's geologic maps. The operator's proposed surface casing setting depth is near the Fort Union Formation top. COGCC engineering staff notified operator on 5/3/2016 of new Parachute Field geologic isolation requirements for the Mesaverde Group and lower portion of the Wasatch Formation, as specified in Conditions of Approval on this Form 2. COGCC staff met with operator staff on 5/5/2016, 5/16/2016, and 6/16/2016 to discuss isolation requirements. Condition of Approval #3 addresses isolation of the Lower Wasatch and Mesaverde Group. Operator submitted revised cement volume and a proposed cement top for the First String on 6/23/2016 to provide the required coverage (updated by COGCC in the casing/cement section of this form on 6/24/2016; sacks based on operator's proposed 1.83 cf/sk yield). Based on COGCC log review and operator information demonstrating low Fort Union water saturation in offset wells, Fort Union cement coverage is not required for wells on this pad.	5/23/2016 12:40:56 PM

Permit	Required Logging BMP is not attached. Exception location request is incorrect. Exception need waiver. Operator notified.	5/3/2016 1:17:12 PM
LGD	Submitted by Garfield County LGD, Kirby Wynn Please see comments on Form 2A	2/13/2016 11:19:00 AM
Permit	Corrected right to construct from SUA to lease as per operator.	1/22/2016 2:31:41 PM
Engineer	Evaluated existing offset oil and gas wells within 1,500 feet of this wellbore. No mitigation required. Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 300 feet.	1/11/2016 2:00:31 PM
Permit	Public comment period has been extended from 1/26/16 to 2/16/16 at Garfield County LGD request.	1/8/2016 10:29:10 AM
Permit	Passed completeness.	1/6/2016 3:12:24 PM
Permit	Returned to draft for additional BMPs.	12/28/2015 2:19:02 PM
Permit	Returned to draft per Operator.	12/7/2015 3:53:01 PM

Total: 14 comment(s)