



1600 Broadway, Suite 2600
Denver, CO 80202

April 6, 2018

Colorado Oil & Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, CO 80203

Attn: Mrs. Julie Murphy, Director

RE: 502.b. Variance Request to Rule 605.a.(3)

BMC A Pad (Location ID: **TBD**)

Township 7 South, Range 96 West, Section 13, SESE 6th P.M.

Township 7 South, Range 95 West, Section 18, SWSW 6th P.M.

Garfield County, Colorado

Dear Director Murphy,

Please let this letter serve as a 502.b. variance request for Director approval from Rule 605.a.(3) for the proposed BMC A pad location. Ursa's Form 2A (Doc# 401234964) application, as identified by the enclosed location drawing dated 2/14/2018, proposes to locate 6 produced water tanks 173.7' from the nearest building, which is less than the required setback of 200 feet identified in Rule 605.a.(3).

Rule 605.a.(3) states:

"At the time of installation, tanks shall be a minimum of two hundred (200) feet from any building."

Ursa does not believe that the requested variance violates the basic intent on the Oil and Gas Conservation Act as there are no anticipated impacts to public health, safety, welfare or the environment associated with the proposed pad design on the BMC A pad. After further design review of this proposed location and upon receiving feedback from the local community through the public comment process, we propose to relocate production facilities from the southeast side of the drill pad to the northwest side. The revised plan relocates our production facilities outside of the 500' *Exception Zone*, farther away from homes and addresses public concerns related to brush fires on the southeast side of the pad. However, these proposed design changes locate 6 produced water tanks on the drill pad less than 200 feet from a building. The proposed location of our produced water tanks will cause us to be out of compliance with Rule 605.a.(3).

The encroached building belongs to Battlement Mesa Metropolitan District and is part of the *Waste Water Facility* to the northwest of our proposed pad. Ursa has met with Battlement Mesa Metropolitan District and has confirmed the building is used primarily for storage and is unoccupied. No personnel from the *Waste Water Facility* office at this location. A signed waiver was obtained from the Board of Directors of



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the Battlement Mesa Metropolitan District during their monthly board meeting held on March 22, 2018. The signed waiver is enclosed with this letter.

Ursa has detailed in depth our Best Management Practices "BMPs" for "Material Handling and Spill Prevention" on our Form 2A application. These BMPs will remain in place for the new proposed location of produced water tanks on the pad. Special consideration will be given to the northwest side of the pad location to stabilize soils utilizing techniques such as soil-crete, concrete pads, concrete pillars or compaction testing.

Should you have any questions, please contact me at (970) 284-3244 or cmascioli@ursaresources.com.

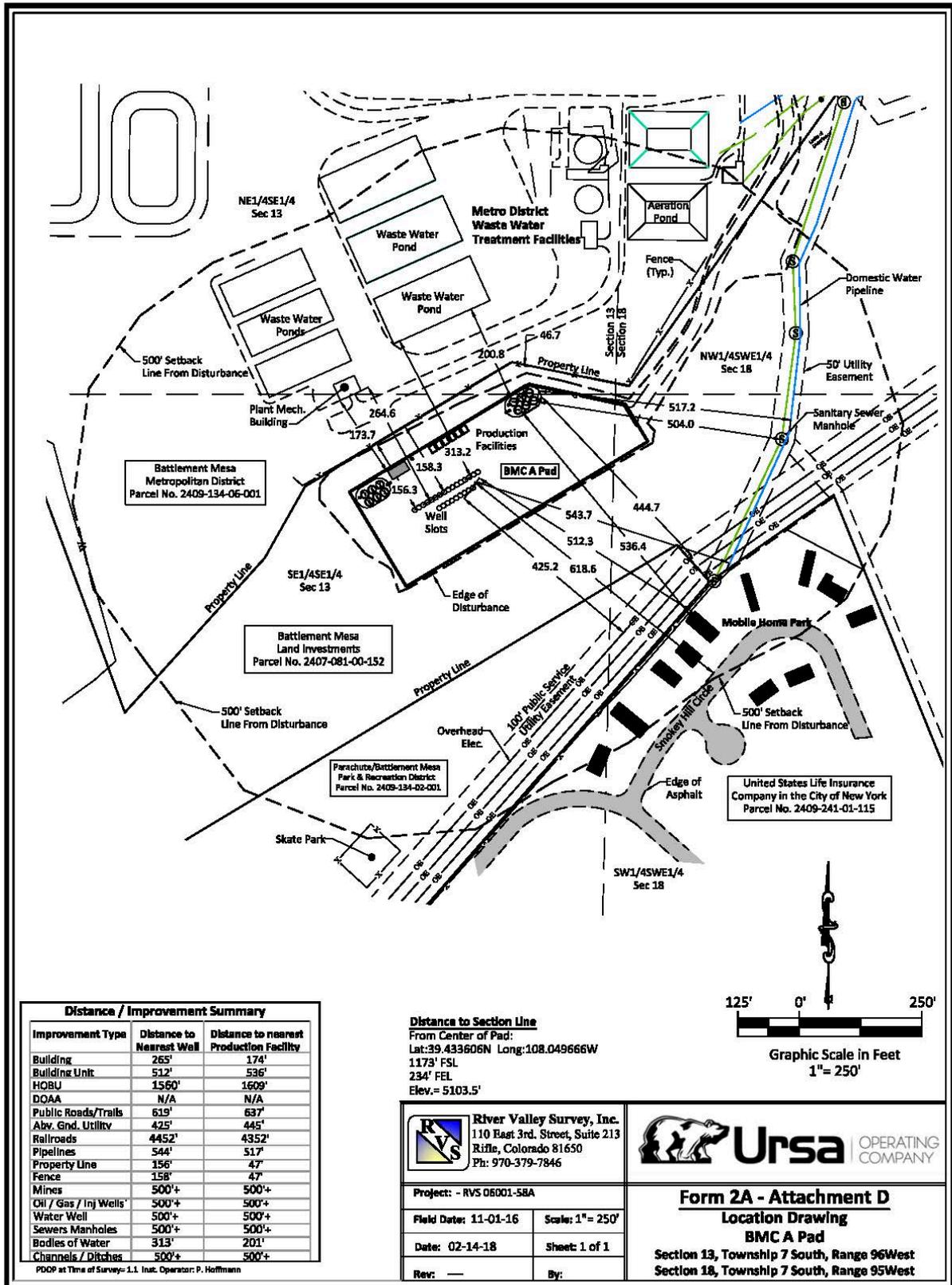
Thank you for your assistance in this matter.

Sincerely,

Ursa Operating Company LLC

Cari Mascioli
Regulatory Analyst

Enclosures: Location Drawing Revised as of 2/14/2018
Executed waiver of Rule 605.a.(3)





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1600 Broadway Street, Suite 2600
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3/1/2018

Battlement Mesa Metro District
401 Arroyo Dr.
Parachute, CO 81635

RE: Waiver of Rule 605.a.(3) – ACTION REQUIRED
BMC A Pad (Location ID: TBD)
Township 7 South, Range 96 West, 6th P.M.
SE¼SE¼ of Section 13: 1173' FSL, 234' FEL (Form 2A Center of Pad)
Garfield County, Colorado

Mr. Steve Rippy:

Please let this letter serve as a request for Waiver from rule 605.a.(3). for the proposed location of production facilities on the proposed **BMC A Pad**.

Ursa Operating Company LLC (Ursa) proposes to place produced water tanks on the proposed BMC A pad, at location less than 200 feet from a building. The minimum distance proposed at this location was surveyed to be 173.7' to the nearest building. The nearest building is located on the property of Battlement Mesa Metro District, which is the operator of the waste water treatment facility. The building houses mechanical equipment and is unoccupied on a normal basis.

COGCC Rule 605.a.(3) states:

"At the time of installation, tanks shall be a minimum of two hundred (200) feet from any building."

Ursa does not believe that this waiver violates the basic intent on the Oil and Gas Conservation Act as there are no anticipated impacts to public health, safety, welfare or the environment associated with the proposed production facility location.

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).

Sincerely,

Ursa Operating Company LLC



John Doose



1600 Broadway, Suite 2600
Denver, CO 80202



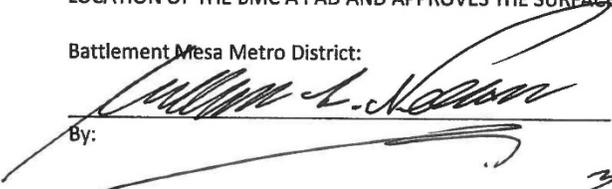
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Ursa Field-Landman
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Battlement Mesa Metro District
Rule 605.a.(3) Waiver
3/1/2018

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 605.a.(3) AS IT APPLIES TO THE SURFACE LOCATION OF THE BMC A PAD AND APPROVES THE SURFACE LOCATION.

Battlement Mesa Metro District:

By: 

3/22/2018