



AGENDA
TOWN OF PARACHUTE
PLANNING AND ZONING COMMISSION
REGULAR MEETING
TOWN OF PARACHUTE TOWN HALL
222 GRAND VALLEY WAY
May 14, 2015
6:30 PM

(A) **ROLL CALL**

(B) **PLEDGE OF ALLEGIANCE**

(C) **APPROVAL OF AGENDA**

(D) **CONSIDERATION OF MINUTES**

- Regular Meeting February 12, 2015
- Regular Meeting April 9, 2015

(E) **PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

The Planning and Zoning Commission welcomes you and thanks you for your time and concerns. If you wish to address the Planning and Zoning Commission, this is the time set on the agenda for you to do so. When you are recognized, please step to the podium, state your name and address then address the Commission. Your comments will be limited to **three (3) minutes**. The Commission may not respond to your comments this evening, rather they may take your comments and suggestions under advisement and provide direction to the appropriate member of Town Staff for follow-up. Thank you.

(F) **CONTINUATION OF PUBLIC HEARING BEFORE THE PLANNING AND ZONING COMMISSION FOR A SPECIAL REVIEW APPLICATION**

APPLICANT/OWNER: Ursa Operating Company, LLC
792 Buckhorn Drive
Rifle, CO 81650

B&V Developers LLLP
259 CR 320
Rifle, CO 81650

PROJECT NAME: Special Review Use to seek authorization from the Town of Parachute to produce oil and natural gas products from Natural Gas Extraction Support Facilities in an area (Spring Lake Estates) that is currently zoned Service Commercial.

PROJECT LOCATION: Spring Lakes Estates Subdivision

LEGAL DESCRIPTIONS: Parcel # - 2407-073-07-018: Section: 7
Township: 7 Range: 95 Subdivision:
SPRING LAKE ESTATES, PHASE II Lot:
18 A RESUB OF LOTS 1,2 &3, SEC
A;LOTS 1,2 & 3, SEC D;LOT 1, SEC B;&
LOTS 1-A & 3, SEC C
Parcel # - 2407-073-07-019: Section: 7
Township: 7 Range: 95 Subdivision:
SPRING LAKE ESTATES, PHASE II Lot:
19 A RESUB OF LOTS 1,2 &3, SEC
A;LOTS 1,2 & 3, SEC D;LOT 1, SEC B;&
LOTS 1-A & 3, SEC C
Parcel # - 2407-073-07-020: Section: 7
Township: 7 Range: 95 Subdivision:
SPRING LAKE ESTATES, PHASE II Lot:
20 A RESUB OF LOTS 1,2 &3, SEC
A;LOTS 1,2 & 3, SEC D;LOT 1, SEC B;&
LOTS 1-A & 3, SEC C
Town of Parachute
County of Garfield
State of Colorado

STAFF: DAVIS FARRAR, TOWN PLANNER
STUART McARTHUR, TOWN MANAGER

(G) MOTION TO ADJOURN

**TOWN OF PARACHUTE
PLANNING & ZONING COMMISSION
MINUTES OF SPECIAL MEETING
February 12, 2015**

ACTION MINUTES:

Meeting called to order at 6:25 p.m. by Chairperson Kelli Stanton.

(A) ROLL CALL

COMMISSION MEMBERS PRESENT:

Kelli Stanton, Juanita Williams, Sherry Loschke, Roy McClung

COMMISSION MEMBERS ABSENT:

John Yadloski,

STAFF PRESENT:

Town Manager Stuart McArthur, Town Clerk Denise Chiaretta, Town Planner Davis Farrar

Audience Attendance List Attached.

(B) PLEDGE OF ALLEGIANCE

(C) APPROVAL OF AGENDA

MOTION NO. 1

Moved and Seconded by Members McClung / Williams to Approve the Agenda

Vocal Vote-Unanimously Approved

(D) CONSIDERATION OF MINUTES FROM THE SEPTEMBER 18, 2014 MEETING

MOTION NO. 2

Moved and Seconded by Members McClung / Loschke to Approve the September 18, 2014 Minutes as presented.

Motion Passed Unanimously

(E) PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

There were none.

Chairperson Stanton called the Public Meeting to Order at 6:37 p.m.

(F) PUBLIC MEETING BEFORE THE PLANNING AND ZONING COMMISSION FOR A LAND USE APPLICATION

| | |
|----------------------------|--|
| APPLICANT/OWNER: | Town of Parachute 222 Grand Valley Way Parachute, CO 81635 |
| PROJECT NAME: | Revisions to the Town of Parachute's Municipal Code: Title 15 (Town of Parachute Land Use Regulations), Schedule of Uses, Article III, Sections 15.03.215 and 15.03.216 |
| PROJECT LOCATION: | N/A |
| LEGAL DESCRIPTIONS: | N/A |

T. M. McArthur explained that this was a Public Meeting of the Town of Parachute to Update Title 15 (Town of Parachute's Municipal Code) Land Use Regulations there were no noticed property owners or a published notice.

Town Planner Farr gave a brief overview of his staff report that was included in the packet and asked if there were any concerns about the revised Table of Uses for the Town of Parachute zoning regulations.

Member Loschke asked about Nurseries and thought they should be Service Commercial.

It was decided to add Nurseries to Service Commercial.

There was Discussion on what category the Events Center should be in. At this time it is Rural Agricultural Use, it was decided to leave the use as is.

(G) CONSIDERATION OF RESOLUTION NO. 2015-03

A RESOLUTION OF THE TOWN OF PARACHUTE, COLORADO, PLANNING AND ZONING COMMISSION RECOMMENDING APPROVAL OF AN AMENDMENT TO SECTION 15.03.215 OF THE PARACHUTE MUNICIPAL CODE, SCHEDULE OF USES PERMITTED IN ZONE DISTRICTS

MOTION NO.3

Moved and Seconded by Members McClung / Williams to adopt Resolution NO. 2015 and forward to the Board of Trustees with the suggested changes.

A RESOLUTION OF THE TOWN OF PARACHUTE, COLORADO, PLANNING AND ZONING COMMISSION RECOMMENDING APPROVAL OF AN AMENDMENT TO SECTION 15.03.215 OF THE PARACHUTE MUNICIPAL CODE, SCHEDULE OF USES PERMITTED IN ZONE DISTRICTS

(H) ADJOURNMENT

Moved and Seconded by Members McClung / Stanton to adjourn.

Vocal Vote-Unanimously Approved

Meeting adjourned at 7:01 p.m.

SIGNED:

P & Z CHAIRPERSON

ATTESTED:

TOWN CLERK

**TOWN OF PARACHUTE
PLANNING & ZONING COMMISSION
MINUTES OF REGULAR MEETING
APRIL 9, 2015**

ACTION MINUTES:

Meeting called to order at 6:31 p.m. by Chairperson Kelli Stanton.

(A) ROLL CALL

COMMISSION MEMBERS PRESENT:

Mary Allbee, Kelli Stanton, Juanita Williams, Sherry Loschke, Tim Olk.

COMMISSION MEMBERS ABSENT:

Roy McClung

STAFF PRESENT:

Town Manager Stuart McArthur

STAFF ABSENT:

Town Clerk Denise Chiaretta

Audience Attendance List Attached.

(B) PLEDGE OF ALLEGIANCE

(C) APPROVAL OF AGENDA

MOTION NO. 1:

Moved and Seconded by Members Williams / Loschke to Approve the Agenda
Vocal Vote-Unanimously Approved

(D) PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

There were none.

**(E) PUBLIC HEARING BEFORE THE PLANNING AND ZONING COMMISSION
FOR A SPECIAL REVIEW APPLICATION**

APPLICANT/ OWNER:

Ursa Operating Company, LLC
792 Buckhorn Drive
Rifle, CO 81650

PROJECT NAME:

Special review to seek authorization from the Town
of Parachute to produce oil and natural gas products

in an area (Spring Lake Estates) that is currently zoned Service Commercial.

PROJECT LOCATION:

Spring Lake Estates Subdivision

LEGAL DESCRIPTION:

Section: 7, Township 7, Range 95.
Subdivision: Spring Lake Estates
Phase II Lots: 18, 19 and 20
A Resub. of Lots 1, 2, and 3, Sec. A; Lots 1, 2, and 3, Sec D; Lot 1-A and 3 Sec. C
Town of Parachute
County of Garfield
State of Colorado

Town Manager McArthur informed the Planning and Zoning Commission that URSA Company was unable to get all of their information together in time for this meeting and is requesting a continuation.

MOTION NO. 2:

Moved and Seconded by Members William / Loschke to continue the public hearing to date – certain of May 14, 2015.
Motion passed unanimously.

(H) ADJOURNMENT

MOTION NO. 3:

Moved and Seconded by Members Olk / Williams to adjourn.
Vocal Vote-Unanimously Approved

Meeting adjourned at 6:34 p.m.

SIGNED:

P & Z CHAIRPERSON

ATTESTED:

TOWN CLERK



Town of Parachute

A Safe Place to Land
Davis Farrar, Town Planner

222 Grand Valley Way • Parachute, CO 81635 • (970) 285-7630

Town of Parachute Planning and Zoning Commission Meeting
Thursday May 14, 2015 - 6:30 PM
Ursa Natural Gas Extraction Support Facilities Special Review Use
Staff Report

Report Date - 5/4/15

| PROJECT INFORMATION | |
|--------------------------------------|--|
| Name of Project: | B&V Natural Gas Extraction Support Facilities |
| Type of Request: | Special Review Use - Natural Gas Extraction Support Facilities |
| Name of Applicant: | Ursa Operating Company, LLC - Applicant Representative, Jeff Powers |
| Address: | 792 Buckhorn Drive, Rifle, CO 81650 |
| Phone: | 303-571-7451 Telephone, 303-294-2088 Fax |
| Property Owner: | B&V Developers, LLLP c/o Ted Vaughan |
| Property Owner Address/Phone: | 0259 County Rd. 320, Rifle, CO 81650 |
| Parcel Number | 2407-073-07-019, 2407-073-07-020, 2407-073-07-018 |
| Existing Zoning | Service Commercial |
| Surrounding Zoning: | <i>North</i> - Residential Medium Density, Neighborhood Commercial, Service Commercial, <i>East</i> - Service Commercial, <i>South</i> - Rural Agriculture, <i>West</i> - Residential Medium Density, Rural Agriculture. |
| Existing Land Use: | Vacant Land |
| Surrounding Land Uses: | <i>North</i> - Commercial, <i>East</i> - commercial, <i>South</i> - Open Space & Colorado River, <i>West</i> - Residential. |
| Proposed Use: | Natural Gas Extraction Support Facilities. |
| Lot Size | 9.018 acres, 2.047 acres & 3.456 acres = 14.521 Acres |
| Minimum Lot Size | Service Commercial 6,000 ft. ² |

| | |
|-----------------------------------|---|
| Property Legal Description | Parcel # - 2407-073-07-018: Section: 7 Township: 7 Range: 95 Subdivision: SPRING LAKE ESTATES, PHASE II Lot: 18 A RESUB OF LOTS 1,2 &3, SEC A;LOTS 1,2 & 3, SEC D;LOT 1, SEC B;& LOTS 1-A & 3, SEC C Parcel # - 2407-073-07-019: Section: 7 Township: 7 Range: 95 Subdivision: SPRING LAKE ESTATES, PHASE II Lot: 19 A RESUB OF LOTS 1,2 &3, SEC A;LOTS 1,2 & 3, SEC D;LOT 1, SEC B;& LOTS 1-A & 3, SEC C Parcel # - 2407-073-07-020: Section: 7 Township: 7 Range: 95 Subdivision: SPRING LAKE ESTATES, PHASE II Lot: 20 A RESUB OF LOTS 1,2 &3, SEC A;LOTS 1,2 & 3, SEC D;LOT 1, SEC B;& LOTS 1-A & 3, SEC C |
|-----------------------------------|---|

Project Location: South of Cardinal Way, Near the Intersection of Callahan Way and north of the lake adjacent to Spring Lake Estates.



I. Description of Application:

The applicant is requesting a special review use approval for natural gas extraction support facilities associated with an approved gas well to be located on approximately 2.93 acres within the Spring Lake Estates Subdivision.

In 2014, the Colorado Oil and Gas Conservation Commission (COGCC) granted approval for a gas well pad site at the proposed location in the subdivision. The gas well pad may consist of 27 “well slots” to be directionally drilled. The Town of Parachute does not have land-use jurisdiction over permitting well pads. The Town’s authority vests with land-use approval over natural gas extraction support facilities through the special review use process.

The site is to include eight (8) produced water and two condensate tanks located in the southwest portion of the pad site. “Proposed temporary completion tanks” are planned along the north and east boundaries of the pad site. A 32-foot high sound wall will surround the pad site during drilling and well completion operations. After the drilling is completed and the sound wall is removed, a privacy fence is to be installed around the site. The application did not include a description of the privacy fence.

During the production phase of the site development, it is anticipated that between 1-4 vehicles will visit the site on a daily basis.

All required lighting on the pad will be directed inward. The 32-foot high sound wall should mitigate much of the impact from lighting.

Access to the drill pad site will be from Cardinal way on a gravel roadway.

Ursa states in their application that they do “not anticipate drainage from the site. However, in the circumstance of a major storm event, the storm water BMPs (best management practices) that are installed at the time of the pad construction will mitigate all possible drainage mitigation issues.”

The eight (8) produced water tanks and two (2) condensate tanks will be permanently located on the site, monitored on a daily basis by Ursa personnel, and emptied as necessary.

All driving and parking surfaces on the site will be covered with gravel.

Ursa is required to have an emergency response plan at the pad location at all times. This plan is required to be submitted to local emergency responders. Fire extinguishers are required by all on-site personnel.

No on-site toilet facilities are anticipated, but the applicant may occasionally place a portable toilet on the site when “major maintenance on the location is necessary”.

No potable water supply will be located on the site.

The applicant notes that natural gas could be produced from this location for up to 30 years. A 12-inch gas pipeline is proposed to carry produced gas from the site. The final route for the pipeline has not been finalized. The applicant states that they will provide the Town with “a diagram of the pipeline on this property when we have finalized the route.”

II. Requested Actions:

The applicant is requesting a Special Review Use for natural gas extraction support facilities. The subject property was rezoned from high density residential to service commercial in the fall of 2014. Additionally, the Town of Parachute approved a zoning text amendment to allow “Natural Gas or Oil Extraction Support Facilities” by special review use permit.

The following Code language describes a special review use. “Uses designated as special review uses are contingent uses which may or may not be appropriate in a particular location depending on the nature of the proposed use, its relationship to surrounding land uses and its impact on traffic capacities, potential environmental effects, compatibility with the neighborhood, and conformance with the Parachute Plan. It is the intent of these Regulations to provide a review of special review uses so that the community is assured that any proposed special review uses are suitable for the proposed location and are compatible with the surrounding land uses.”

Applications for special review uses will be reviewed according to the procedures set forth in Chapter 15.05 and listed below. The Board of Trustees may require a Development Improvements Agreement for special review uses

if it is deemed necessary for construction of public or other improvements associated with the special review use.

It should be noted, “Fences or walls shall not exceed seven feet (7’) in height except a higher fence may be required by the Town as a condition of approval of a special review use. The height shall be measured at the finished grade on the side nearest the street or abutting property.” In this case, the applicant is proposing to construct a 32-foot high sound wall to mitigate the impact of the drilling operations due to the proximity of residential and commercial uses.

If the Town approves a special review use, “the record of decision shall be recorded in the real estate section of the records of the Garfield County Clerk and Recorder.”

The review criteria for Special Review Uses are as follows:

1. Conformance of the proposal with the Town of Parachute Municipal Code;
2. The compatibility of the proposal with the character of the surrounding area including, but not limited to the architectural character of the neighborhood;
3. The desirability for the proposed use in the specific area of the Town;
4. The potential for adverse environmental effects that might result from the proposed use;
5. Compatibility of the proposed use and the site (or subdivision) plan with the Parachute Plan; and
6. Conformance of any plan with the requirements of the Town of Parachute Public Works Improvements Manual.

III. Application Comments/Issues/Concerns:

Site Infrastructure - The proposed facility will not require water or sewer utilities from the Town. The location of the well pad lies across the originally platted Spring Lake Boulevard. At a minimum, the Town should consider a license allowing the applicant to occupy the right-of-way for drilling purposes. In the long term and with the permanent nature of the wells, Parachute should consider vacating all or a portion of the right-of-way and working with the property owner to re-plat the roadway alignment.

Site Access - Access to proposed site is off Cardinal Way. Although this access is temporary, the applicant should work with the public works department on the roadway entrance to ensure compliance with public works design standards. Consideration should be given to a gravel mud pad where the site access intersects Cardinal Way to minimize tracking of mud and other debris onto the roadway. The applicant should be responsible for maintaining Cardinal Way in a clean condition in the event material is tracked onto the street.

Drainage - The applicant’s representative has stated that they “do not anticipate drainage from the site” and will utilize best management practices if there is a major storm event. The applicant should ensure that historic flows off the property are not increased and that drainage is directed to proper drainage facilities. Recommendations on drainage should be solicited from the Public Works department and/or Town engineer.

Lighting - The applicant states that lighting at the facility will be directed inward and the 32-foot sound wall will minimize impacts on adjacent properties. The height of the drill rig will extend above the sound wall and the rig tower will be illuminated for operational purposes. The applicant should consider mitigation measures in the event that there are complaints from nearby residential properties.

Project Site Plan - The applicant submitted a site plan showing the anticipated layout of the drill-pad and the natural gas extraction support facilities. The Planning Commission should keep in mind that their authority relates to the support facilities and not the drilling operations. When the final alignment of the 12-inch gas pipeline is known, the applicant should submit that information to the Town for review.

Site Fencing - The application notes that there will be a 32-foot high sound wall during drilling operations. After the drilling is completed, the site will be fenced. The applicant should present a fence plan to the Town for staff review and approval unless this design is submitted for review and approval by the Board of Trustees.

IV. Review Agency Comments

The application should be subject to examination and comment by the Town's review agencies. Ideally, written review agency comments should be delivered for review prior to the Board of Trustees public hearing on this application. Staff will review any other agency comments and incorporate feedback into the revised staff report for the Board of Trustees public hearing. As of the date of this memorandum, no comments have been received.

Public Works - No comments received.

Fire Department - No comments received.

Police Department - No comments received.

Town Engineer - No comments received.

V. Special Review Use.

When considering a special review use the Planning Commission must evaluate the proposal based upon compliance with the following criteria:

1. ***Conformance of the proposal with the Town of Parachute Municipal Code.***

Staff Comment. Ursa will be required to conform to all of the requirements of the Municipal Code, public works manual, building/fire codes, national electric codes and other applicable regulations.

Access - The access-ways within the project are proposed to be gravel without a paved surface.

Staff Comment. The applicant should install adequate road base on the drive surfaces in conformance with the Parachute Design Standards and be subject to public works or the Town engineer's review and approval.

Storm Drainage Facilities - This topic was discussed previously in this memorandum.

Staff Comment. The applicant is required to comply with Town of Parachute drainage requirements that will be subject to review and approval by the Town prior to initiation of construction.

2. ***The compatibility of the proposal with the character of the surrounding area including, but not limited to, the architectural character of the neighborhood.***

Staff Comment. The proposed use is adjacent to undeveloped lands on the south, north and east. There are residential uses on the west. The gas extraction support facilities subject to this permit process should have minimal impacts on adjoining properties. Again, these comments relate to the support facilities and not the drilling operations that have been approved by the COGCC. The proposed use is generally compatible with the location. There is no "architectural character" associated with the support facilities. These improvements should be painted to blend with the site and minimize their appearance.

3. ***The desirability of the proposed use in the specific area of the Town.***

Staff Comment. Staff finds that the proposed use is necessary in this specific area of the Town of Parachute in order to support the approved drilling operation.

4. ***The potential for adverse environmental effects that might result from the proposed use.***

Staff Comment. The proposed use is governed by regulations of the State of Colorado and EPA. The produced water and condensate tanks site should be bermed or otherwise protected to contain the liquids in the event of a leak or spill. The proposed support facilities are not anticipated to create adverse environmental effects if they are properly constructed and maintained. There is separation of this facility from nearby uses that will minimize adverse effects from this use. The applicant should utilize best management practices for all facilities on the site.

5. Compatibility of the proposed use and the site (or subdivision) plan with the Parachute Plan.

Staff Comment. The Parachute Comprehensive Plan does not specifically address this type of use at this location.

Conclusions. The application.

VI. Planning Commission Recommendation to the Board of Trustees:

Special Review Use - The Parachute Planning and Zoning Commission recommends **APPROVAL** of the Ursa Special Review Use for Natural Gas Extraction Support Facilities with the following conditions:

1. A final fencing design plan must be submitted and shall be subject to review and approval by the Town staff.
2. The applicant shall submit a drainage plan that conforms to the recommendations of the Town engineer and the Parachute Public Works Manual for review and approval by Town staff prior to initiation of construction.
3. The applicant should work with the Town on vacation of or realignment of Spring Lake Boulevard to a location around the well pad.
4. Pursuant to the Parachute land use regulations on fence height, the Trustees should approve use of the proposed 32-foot sound wall to mitigate sound and other drilling impacts on this site.
5. A site access plan should be presented to the public works department for review and approval prior to initiation of construction. The access plan should include a gravel pad to prevent mud, dirt and debris from being tracked onto the public right-of-way and the applicant should be required to clean up a material carried onto the street as needed.
6. The Town should establish procedures for addressing and mitigating complaints that are brought to the attention of the Town and which the Board of Trustees direct the applicant to mitigate.
7. The applicant should be required to address written comments from review agencies as determined by the Parachute Board of Trustees.
8. All representations made by the applicant verbally or in writing and in all application materials presented to the Planning Commission and/or Board of Trustees are considered part of the application and binding on the applicant.
9. Applicant shall reimburse the Town for any and all fees, including consulting costs, incurred in the review of the Application.

VII. Recommended Motion:

The recommended motion on this request is as follows.

Motion - The Parachute Planning and Zoning Commission recommends **APPROVAL** of the Ursa Special Review Use Application subject to the staff recommended conditions.

(Any modifications or additional conditions made by the Planning Commission should be added to this motion).



TOWN OF PARACHUTE
 PO BOX 100
 222 GRAND VALLEY WAY
 PARACHUTE, CO 81635

LAND USE APPLICATION

Name of Applicant: Ursa Operating Company LLC, 792 Buckhorn Drive, Rifle, CO
(INCLUDE ADDRESS AND TELEPHONE NO.)

Project Name: BTU Pad - operations

Project Location: NW/4 SW/4 Section 7, Township 7 South, Range 95 West.

LEGAL DESCRIPTION: " "

Existing Zoning: Service Commercial Proposed Zoning: _____

Type of Application (check all that apply):

SUBDIVISION:

- | | | | | | |
|-------------------------------------|----------------------|--------------------------|-----------------------------------|--------------------------|-------|
| <input type="checkbox"/> | MINOR SUBDIVISION | <input type="checkbox"/> | PRELIMINARY | <input type="checkbox"/> | FINAL |
| <input type="checkbox"/> | MAJOR SUBDIVISION | <input type="checkbox"/> | PRELIMINARY | <input type="checkbox"/> | FINAL |
| <input type="checkbox"/> | RE-SUBDIVISION | <input type="checkbox"/> | PRELIMINARY | <input type="checkbox"/> | FINAL |
| <input type="checkbox"/> | P. U. D. | <input type="checkbox"/> | PRELIMINARY | <input type="checkbox"/> | FINAL |
| <input type="checkbox"/> | BUILDING DIVISIONS | <input type="checkbox"/> | PRELIMINARY | <input type="checkbox"/> | FINAL |
| <input type="checkbox"/> | AMENDED PLAT | <input type="checkbox"/> | PRELIMINARY | <input type="checkbox"/> | FINAL |
| <input type="checkbox"/> | REZONING | <input type="checkbox"/> | SIGN VARIANCE | | |
| <input type="checkbox"/> | ZONING VARIANCES | <input type="checkbox"/> | FLOOD PLAIN DEVELOPMENT | | |
| <input checked="" type="checkbox"/> | SPECIAL REVIEW USE | <input type="checkbox"/> | VACATION OF STREET, ALLEY, R.O.W. | | |
| <input type="checkbox"/> | GEOLOGIC DEVELOPMENT | <input type="checkbox"/> | ANNEXATIONS | | |
| <input type="checkbox"/> | LOT CONSOLIDATION | <input type="checkbox"/> | WATERSHED PERMIT | | |

PROPERTY OWNER: BTU Developers LLC - Ted Vaughan
970-379-0504
(INCLUDE NAME, ADDRESS, AND TELEPHONE NO.)

PROJECT ENGINEER/SURVEYOR: Ursa operating company LLC - 970-388-9359 - Jeff Powers
(INCLUDE NAME, ADDRESS, AND TELEPHONE NO.)

(INCLUDE NAME, ADDRESS, AND TELEPHONE NO.)

ADJACENT PROPERTY OWNERS: (attach separate sheet if needed)

| Name | Address |
|----------------|---------|
| "See Attached" | |
| | |
| | |
| | |

MINERAL RIGHTS OWNERS & LESSEES OF SUBJECT PROPERTY (attach separate sheet if needed) *PLEASE NOTE ALL MINERAL RIGHTS OWNERS AND LESSEES MUST BE NOTIFIED 30 DAYS IN ADVANCE TO APPLICATION REVIEW. PLEASE INDICATE ALL MINERAL RIGHTS OWNERS, & LESSEES AS (MR), OR (L)

| Name | Address |
|-------------------------------------|-----------------------------|
| BTU Developers LLC "Ted Vaughan" | 0259 CR 320 Rifle, CO 81650 |
| | |
| | |

DESCRIPTION OF PROPOSAL: (INCLUDE PROPOSED USE, ACREAGE, ETC.)

The purpose of this proposal is to receive authorization from the Town, through special review, to produce oil + natural gas products from the BTU Pool location operated by Ursa Operating Company LLC.

Describe how this Proposed Land Use Application Complies with the Town of Parachute Land Use Regulations and the Town of Parachute Master Plan 2002.

The production of natural gas from this location will support the town's master development plan by promoting economic growth and development within the town.

Describe any possible Flood Plain issues:

None

Describe Traffic Impact Fees Proposal: (Standard Calculation or Individual Traffic Study)

None

Describe Land Dedication Proposal:

N/A

Describe Water Rights Dedication Proposal:

N/A

I Certify that the information and exhibits herewith are true and correct to the best of my knowledge, and that in filing this application, I am acting with knowledge and consent of those persons listed above without whose consent the requested action cannot lawfully be accomplished.

Name:(print) JEFF POWERS - Ursa Operating Company LLC.
Address: 722 Buckhorn Drive Rifle, CO 81650
Signature: [Signature] Date: 3-18-15

INSTRUCTIONS:

1. **Read both sides of application thoroughly.**
2. **Complete all of the requested information.**
3. Descriptions of property and dedication proposals on this form should be general and brief.
4. All applications must include a **CURRENT TITLE POLICY**, indicating ownership and encumbrances.
5. All applications must include **PROOF OF TAXES PAID**.
6. Applicants should review the Town of Parachute Land Use Regulations 15.01, 15.03, 15.04, 15.05, 15.06, and any other sections specified for the proposed request.
7. **All applicants who are not property owners must present a Letter of Representation, signed and notarized by the property owners.**
8. **Applications not signed and lacking any of the requested information will be deemed incomplete and will not be scheduled for a Planning and Zoning Commission review.**

ADMINISTRATIVE PERSONNEL:

APPLICATION FEE: _____

APPLICATION RECEIVED DATE: _____ COMPLETE DATE: _____

PLANNING & ZONING HEARING: _____ BOT HEARING: _____

MAILINGS DATE: _____ PUBLICATION DATE: _____

P&Z APPROVAL DATE: _____ BOT APPROVAL DATE: _____

| LABELS | PARCEL | NAME |
|--------|--------------|--|
| 1 | 240707307019 | B & V DEVELOPERS, LLC |
| 2 | 240707307020 | B & V DEVELOPERS, LLC |
| 3 | 240707302006 | B & V DEVELOPERS, LLLP |
| 4 | 240912400059 | ERTL ENTERPRISES, LLC |
| 5 | 240912400060 | WISSLER TRUST |
| 6 | 240912436011 | FEDERAL HOME LOAN MORTGAGE CORPORATION |
| 7 | 240912436010 | TO, MARIA |
| 8 | 240912436009 | ANDERSON, JUSTIN |
| 9 | 240912436008 | COLONNA, PATRICIA & BERNARD |
| 10 | 240912425016 | RADEL, LOREN & EDITH |
| 11 | 240912425015 | STEIMEL, FRANK & KARMEN |
| 12 | 240912425014 | NELSON, ROBERT & DIANNE |
| 13 | 240912425027 | SADLER, LORRAINE |
| 14 | 240912425026 | ROMO, ARNOLDO |
| 15 | 240912425009 | JARRETT, RONALD & PAMELA |
| 16 | 240707307018 | B & V DEVELOPERS, LLC |
| 17 | 240707307015 | VALLEY CREEKSIDE, LLC |
| 18 | 240707307014 | VALLEY CREEKSIDE, LLC |
| 19 | 240707307013 | VALLEY CREEKSIDE, LLC |
| 20 | 240707307012 | VALLEY CREEKSIDE, LLC |
| 21 | 240707306001 | MOUNTAIN & LAKE SUITES, INC |
| 22 | 240707306002 | HIGH COUNTRY HOSPITALITY, LLC |
| 23 | 240707307021 | VALLEY CREEKSIDE, LLC |
| 24 | 240707307022 | B & V DEVELOPERS, LLC |

TOWN OF PARACHUTE, COLORADO
AGREEMENT FOR PAYMENT OF LAND USE APPLICATION FEES

I, B&V DEVELOPERS, LLLP as property owner and
I, Ursa Operating Company LLC as authorized applicant, if different from
Owner, (Collectively "Applicant"), agree as follows with the TOWN OF PARACHUTE, COLORADO ("Town"),
in consideration of the Town's acceptance of Applicant's application for the land use approval as further
described below:

1. Applicant has submitted to the TOWN an application for approval of:

A Special use review for B&V Developers LLLP /
Spring Lake Estates.

2. Applicant acknowledges and understands that the Board of Trustees has established a fee structure in Section 15.01.108 of Title 15, Town of Parachute Land Use Regulations for Land Use Applications. This includes a non-refundable deposit which must be paid prior to the Town's acceptance of any application for processing, and the provisions for billing the Applicant for any costs accrued above the non-refundable deposit amount. The Town's land use application fee schedule in Title 15 and this Agreement shall govern the payment of fees for processing applications.
3. The Application shall not be accepted for processing unless the property owner of record of the property included in the Application signs this Agreement. In the case of multiple property owners, the Town Clerk shall have the discretion to determine which owner shall sign.
4. The Applicant shall be billed by the Town for all actual costs for attorney's fees, consultant's fees, engineering fees, surveyor's fees, mailing, copying and publication and any other fees incurred by the Town, which the Town has accrued to date in processing the Application. The Town will bill the Applicant until all costs are paid.
5. The Applicant agrees to pay all such bills in full, and by whatever manner of payment is specified by the Town, by delivery made to the Town no later than thirty (30) days after the billing date. The Town shall have the discretion to suspend processing of the Application if any payments under this agreement are not made on time. This suspension may involve the postponement of scheduled Planning and Zoning Commission or Board of Trustees hearings or meetings and the incurrence of additional costs such as for re-notification or re-publication. Similarly, the Town shall have the discretion to terminate the processing of any Application for which any billed payment is more than forty-five (45) days overdue.
6. The person whom the Applicant designates to receive all billings for fees under this Agreement is as follows (Include full name and mailing address):

Ursa Operating Company LLC - Attn: Jeff Powers
792 Buckhorn Drive, Rifle, CO 81650

Any billing mailed to this person. /address and not returned to the Town shall be deemed to

have been received. The Applicant may change the billing address under this paragraph by providing written notification of such change to the Town.

- 7. All land use application fees, other fees and costs authorized by Title 15 of the Parachute Municipal Code, and all actual review costs including but not limited to, the cost of outside Town consultants, engineers and Town legal fees shall constitute a lien upon any lot, land, building or premises which is the subject of a land use application until fully paid. If said fees and costs are not paid when due, the Town Treasurer may certify the amount of the same to the County Treasurer, to be placed on the tax list for the current year, and to be collected in the same manner as other taxes are collected, with eighteen percent (18%) added thereto to defray the costs of collection, in accordance with Section 31-20-105, C.R.S. All laws of this State for the assessment and collection of general taxes, including the laws for the sale of property for taxes and redemption of the same, shall apply.

In addition, failure to pay the fees and costs authorized by Title 15 of the Parachute Municipal Code when due and owing shall constitute grounds to deny any pending land use application and shall also constitute grounds to revoke any prior land use approval related to such unpaid fees and costs.

- 7. Any agreement by the Town to forego any of the judicial or administrative remedies available to it under this Agreement in response to the late payment or nonpayment of fees, shall not in any way constitute a waiver by the Town of any rights to collect fees or appropriately process the Application as provided herein.
- 8. This Agreement shall be construed and enforced in accordance with the ordinances and laws of the Town and the State of Colorado.

APPLICANT:

(Property owner to sign per paragraph 3, above)

Ursa Operating Company LLC.

By: *Jeff Powers - [Signature]*

By: _____

Date: *5/4/15*

Date: _____

TOWN OF PARACHUTE, COLORADO
A home rule municipal corporation

By: *[Signature]*
Town Manager

Date: *5/5/14*

Garfield County Treasurer Receipt of Tax Payment

| Account | Parcel Number | Receipt Date | Receipt Number |
|---------|---------------|--------------|--------------------|
| R044753 | 240707307020 | Feb 26, 2015 | 2015-02-26-CB-1378 |

B & V DEVELOPERS, LLC
0259 COUNTY ROAD 320
RIFLE, CO 81650

| Situs Address | Payor |
|---------------|--|
| | B & V DEVELOPERS, LLC 0259 COUNTY ROAD 320 RIFLE, CO 81650 |

Legal Description
Section: 7 Township: 7 Range: 95 Subdivision: SPRING LAKE ESTATES, PHASE II Lot: 20 A RESUB OF LOTS 1,2 & 3, SEC A; LOTS 1,2 & 3, SEC D; LOT 1, SEC B; & LOTS 1-A & 3, SEC C

| Property Code | Actual | Assessed | Year | Area | Mill Levy |
|--------------------------------|--------|----------|------|------|-----------|
| VACANT RESIDENTIAL LOTS - 0100 | 50,280 | 14,580 | 2014 | 048 | 51.468 |

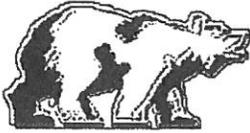
Payments Received
Check Multi-Account Payment
Check # 1314

| Payments Applied | | | | | |
|------------------|---------|----------|----------------|---------------------------------------|-----------------|
| Year | Charges | Billed | Prior Payments | New Payments | Balance |
| 2014 | Tax | \$750.40 | \$0.00 | \$375.20 | \$375.20 |
| | | | | \$375.20 | \$375.20 |
| | | | | Balance Due as of Feb 26, 2015 | \$375.20 |

ALL CHECKS ARE SUBJECT TO FINAL COLLECTION.

Thank you for your payment!

Garfield County Treasurer
109 8th Street, Suite 204
Glenwood Springs, Colorado 81601
970-945-6382
www.garfield-county.com



Ursa Operating Company LLC

1050 17th St., Suite 2400, Denver, CO 80265

April 21, 2015

Mr. Davis Farrar
Town of Parachute Planner
0165 Basalt Mtn. Drive
Carbondale, CO 81623

RE: Agent Authorization for B&V Pad Permitting

Dear Mr. Farrar,
I, Ted Vaughan, Managing Partner of B&V Developers LLLP, authorize Ursa Operating Company LLC to act on behalf of and represent us in all matters related to land use permitting in the Town of Parachute for the B&V Pad location.

Please contact me with any questions you may have.

Sincerely,

Ted Vaughan
Managing Partner of B&V Developers LLLP
0259 County Road 320
Rifle, CO 81650

QUITCLAIM DEED

THIS DEED is dated April 15, 2008, and is made between EDWARD H. KOCH AND BILLIE SUE KOCH, the "Grantor," of the County of Pulaski and State of Arkansas, and B&V DEVELOPERS, LLLP, a Colorado limited liability limited partnership, the "Grantee," whose legal address is 259 County Road 320, Rifle, CO 81650, of the County of Garfield and State of Colorado.

WITNESS, that the Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby remise, release, sell and QUITCLAIM unto the Grantee, and the Grantee's heirs and assigns, forever, all the right, title, interest, claim and demand which the Grantor has in and to all minerals and mineral rights, including but not limited to, oil, gas, coal, coal bed methane, hydrocarbons, metals of every kind and nature, and geothermal energy or water, on or under the real property, located in the County of Garfield and State of Colorado, described as follows:

Lots 12-22, inclusive, Spring Lake Estates - Phase II, according to the plat thereof recorded in the office of the Garfield County Clerk and Recorder on November 11, 2007, as Reception No. 736910.

also known by street address as: N/A
and assessor's schedule or parcel number:

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging, or in anywise thereto appertaining, and all the estate, right, title, interest and claim whatsoever of the Grantor, either in law or equity, to the only proper use, benefit and behoof of the Grantee, and the Grantee's heirs and assigns, forever.

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

Edward H Koch
EDWARD H. KOCH
Billie Sue Koch
BILLIE SUE KOCH

STATE OF ARKANSAS)
County of Pulaski) ss.

The foregoing instrument was acknowledged before me this 14 day of April, 2008, by Edward H. Koch and Billie Sue Koch.

Witness my hand and official seal.
My commission expires: 11-7-2017

[Signature]
Notary Public



No. 933, Rev. 1-06, QUITCLAIM DEED (Page 1 of 1)
RETURN TO: B+V DEVELOPERS
259 CR 320 RIFLE CO 81650

SPECIAL WARRANTY DEED

THIS DEED is dated April 15, 2008, and is made between EDWARD H. KOCH AND BILLIE SUE KOCH, the "Grantor", of the County of Garfield and State of Arkansas, and B&V DEVELOPERS, L.L.P., a Colorado limited liability limited partnership, the "Grantee," whose legal address is 259 County Road 320, Rifle, CO 81650, of the County of Garfield and State of Colorado.

WITNESS, that the Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants, bargains, sells, conveys and confirms unto the Grantee and the Grantee's heirs and assigns forever, all mineral rights, interest in oil, gas, other minerals, geothermal energy or water (as excepted therefrom in the General Warranty Deed by Grantor made August 6, 2004, and recorded in the office of the Garfield County Clerk and Recorder on January 19, 2006, at Reception No. 690780) (collectively, the "Minerals") on or under the real property, located in the County of Garfield and State of Colorado, described as follows:

Lot 3, Section A, of Spring Lake Estates as shown on the Final Plat thereof recorded on December 16, 1980 at Reception No. 310277, in the office of the Clerk & Recorder, Garfield County, Colorado, and consisting of approximately 2.87 acres.

also known by street address as: N/A
and assessor's schedule or parcel number:

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained Minerals, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said Minerals above bargained and described, with the appurtenances, unto the Grantee and the Grantee's heirs and assigns forever. The Grantor, for the Grantor and the Grantor's heirs and assigns, does covenant and agree that the Grantor shall and will WARRANT AND FOREVER DEFEND the above described Minerals in the quiet and peaceable possession of the Grantee and the heirs and assigns of the Grantee, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor except and subject to:
 none; or the following matters:

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

Edward H Koch
Edward H. Koch
Billie Sue Koch
Billie Sue Koch

STATE OF ARKANSAS)
County of Garfield) ss.

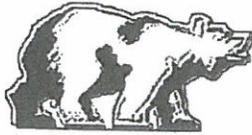
The foregoing instrument was acknowledged before me this 15 day of April, 2008, by Edward H. Koch and Billie Sue Koch.

Witness my hand and official seal.
My commission expires: 11-7-2017

[Signature]
Notary Public



RETURN TO: B+V DEVELOPERS
259 CR 320 RIFLE CO 81650



Ursa Operating Company LLC

792 Buckhorn Drive, Rifle, CO 81650

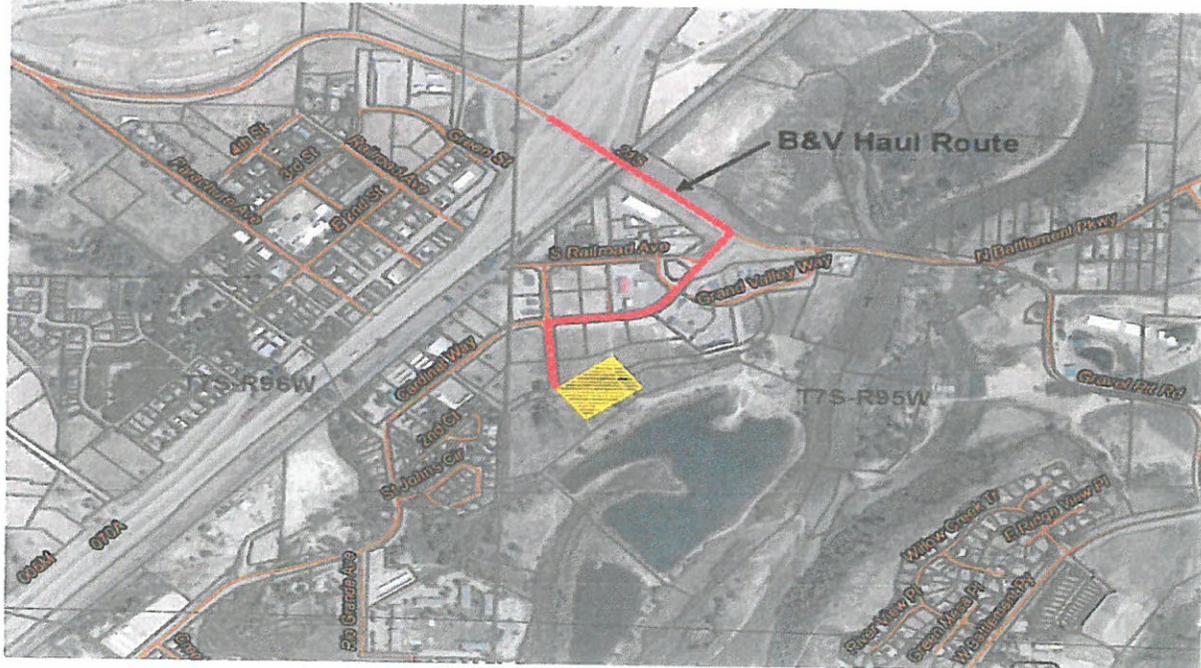
Hand Delivered Flyer - March 11, 2015

RE: Ursa Operating Company - B&V Pad Construction

Dear Community Member,

As per the public meeting that Ursa held on February 19, 2015 at the Parachute Library, this is a note to remind you that Ursa plans on beginning construction of the B&V Pad location on or around **March 19 2015**.

See Diagram for reference:



For questions please contact us at the information provided below.

Jeff Powers – Ursa Landman

970.309.9359 – Cell

970.329.4376 - Office

jpowers@ursaresources.com

Town of Parachute
222 Grand Valley Way
PO Box 100
Parachute CO 81635

970-285-7630

Receipt No: 3.030836

Apr 21, 2015

URSA

Previous Balance: .00
Planning & Zoning
P & Z Charges for 250.00
Services
10-34-180
P & Z CHARGES FOR SERVICES

Total: -----
250.00
=====

Check
Check No: 19970 250.00
Total Applied: 250.00

Change Tendered: -----
.00
=====

Duplicate Copy
05/06/2015 08:44AM

FEES
Postage per piece \$0.48
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48



ARTICLE NUMBER
9414 7118 9956 2940 0408 41

ARTICLE ADDRESS TO:
Mountain & Lake Suites
P.O. Box 6608
Lincoln NE 68506-0608

U.S. Postal Service
Certified Mail Receipt

FEES
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Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48

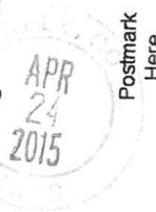


ARTICLE NUMBER
9414 7118 9956 2947 6132 46

ARTICLE ADDRESS TO:
ERTL Enterprises, LLC
1130 Francis Street, 7159
Longmont CO 80501-3704

U.S. Postal Service
Certified Mail Receipt

FEES
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Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48



ARTICLE NUMBER
9414 7118 9956 2947 9351 88

ARTICLE ADDRESS TO:
Justin Anderson
520 Ash Avenue
Rifle CO 81650-2920

U.S. Postal Service
Certified Mail Receipt

FEES
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Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48



ARTICLE NUMBER
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ARTICLE ADDRESS TO:
High Country Hospitality
P.O. Box 6608
Lincoln NE 68506-0608

U.S. Postal Service
Certified Mail Receipt

FEES
Postage per piece \$0.48
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48



ARTICLE NUMBER
9414 7118 9956 2948 9509 82

ARTICLE ADDRESS TO:
Vista Del Rio Village HOA
Attn: Jan Enlow
11 St. Johns Circle
Parachute CO 81635-9647

U.S. Postal Service
Certified Mail Receipt

FEES
Postage per piece \$0.48
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Return Receipt Fee 2.70
Total Postage & Fees: \$6.48



ARTICLE NUMBER
9414 7118 9956 2947 6029 50

ARTICLE ADDRESS TO:
Maria M. To
9421 Crosspointe Ave.
Las Vegas NV 89117-0227

U.S. Postal Service
Certified Mail Receipt

U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9414 7118 9956 2940 0117 66

ARTICLE ADDRESS TO:
Valley Creekside, LLC
600 Cardinal Way
Parachute CO 81635-9690

FEES
Postage per piece \$0.48
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48

Postmark Here



U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9414 7118 9956 2948 9056 47

ARTICLE ADDRESS TO:
Arnoldo Romo
183 S. 2nd Ct
Parachute CO 81635-9611

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Total Postage & Fees: \$6.48

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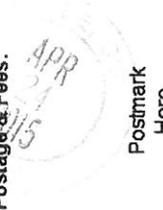
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Certified Mail Receipt

ARTICLE NUMBER
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ARTICLE ADDRESS TO:
Ronald & Pamela Jarrett
184 S. 2nd Ct
Parachute CO 81635-9610

FEES
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Return Receipt Fee 2.70
Total Postage & Fees: \$6.48

Postmark Here



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Certified Mail Receipt

ARTICLE NUMBER
9414 7118 9956 2948 9634 63

ARTICLE ADDRESS TO:
Patricia & Bernard Colonna
PO Box 1968
Rifle CO 81650-1968

FEES
Postage per piece \$0.48
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Return Receipt Fee 2.70
Total Postage & Fees: \$6.48

Postmark Here



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Certified Mail Receipt

ARTICLE NUMBER
9414 7118 9956 2948 9673 93

ARTICLE ADDRESS TO:
Frank & Karmen Steimel
175 S. 2nd Ct
Parachute CO 81635-9611

FEES
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Return Receipt Fee 2.70
Total Postage & Fees: \$6.48

Postmark Here



U.S. Postal Service
Certified Mail Receipt

ARTICLE NUMBER
9414 7118 9956 2948 9626 71

ARTICLE ADDRESS TO:
Edith Radel
173 S. 2nd Ct
Parachute CO 81635-9611

FEES
Postage per piece \$0.48
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48

Postmark Here



**U.S. Postal Service
Certified Mail Receipt**

ARTICLE NUMBER
9414 7118 9956 2948 9819 93

ARTICLE ADDRESS TO:
Lorraine Sadler
179 S. 2nd Court
Parachute CO 81635-9611

FEES

Postage per piece \$0.48
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48



**U.S. Postal Service
Certified Mail Receipt**

ARTICLE NUMBER
9414 7118 9956 2947 6463 43

ARTICLE ADDRESS TO:
Edward & Wanda Wissler
PO Box 42
Parachute CO 81635-0042

FEES

Postage per piece \$0.48
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48



**U.S. Postal Service
Certified Mail Receipt**

ARTICLE NUMBER
9414 7118 9956 2948 9822 04

ARTICLE ADDRESS TO:
Robert & Dianne Nelson
177 S. 2nd Ct
Parachute CO 81635-9611

FEES

Postage per piece \$0.48
Certified Fee 3.30
Return Receipt Fee 2.70
Total Postage & Fees: \$6.48



