



Caerus Piceance LLC
143 Diamond Ave
Parachute, CO 81635

March 29, 2018

Director Murphy
Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

RE: Rule 502.b. Variance

Dear Director Murphy,

Caerus Piceance LLC. (Caerus) is formally requesting a Rule 502.b. variance for the N. PARACHUTE-65S95W 29SE9W (F29) Location (Location ID# 335963). A variance is being requested for the following Rules:

Rule 1004.a As applicable, compaction alleviation, restoration and revegetation of well sites, associated production facilities and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003.

Rule 1004.d Final reclamation of all disturbed areas shall be considered complete when all activities disturbing the ground have been completed, and all disturbed areas have been either built upon , compacted, covered, paved or otherwise stabilized in such a way as to minimize erosion, or a uniform vegetative cover has been established that reflects pre-disturbance or reference area forbs, shrubs, and grasses with total percent plant cover of at least eighty percent (80%) of pre-disturbance or reference area levels, excluding noxious weeds, or equivalent permanent , physical erosion reduction methods have been employed. Re-seeding alone is not sufficient.

The request is being made to accommodate the wishes of the surface owner, Caerus Piceance LLC, to utilize the well pad as the "F29 Storage Facility" permitted by Garfield County. Sixteen (16) wells were proposed on the location and Applications for Permit to Drill were approved in 2008; none of the sixteen (16) wells were drilled and the location was abandoned on October 13th, 2011. Caerus conducted an onsite inspection on January 8th, 2018 and the surface owner and company President Matthew Wurtzbacher, has signed a Final Reclamation Agreement.

The pad area of the location is currently being used as an equipment laydown and storage yard for equipment used in Caerus' oil and gas operations. Disturbance not permitted by Garfield County has been reclaimed to stabilize cut and fill slopes. There is no active stormwater erosion on site and noxious weeds have been controlled. An existing graveled well access road that extends through the location has been left and stabilized for continued use to allow for better access to locations on the East Fork of the North Parachute Ranch property owned by Caerus Piceance LLC.



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Caerus has conducted an Operators Analysis and determined that public health, safety, welfare and the environment will not be harmed if the variance is approved.

All supporting documentation has been attached to the submitted Form 4 Sundry Notice (Doc# 401590990).

If you have any questions or need additional information, please contact me at 970-285-2656 or at jeckman@caerusoilandgas.com.

Sincerely,

A handwritten signature in blue ink that reads "Jason Eckman". The signature is written in a cursive, flowing style.

Jason Eckman
Sr. Regulatory Analyst

January 30, 2018

Matthew Wurtzbacher
President
Caerus Piceance LLC
1001 17th Street, Suite 1600
Denver, CO 80202

Re: Final Reclamation Agreement
N. PARACHUTE-65S95W 29SE¹⁰NW (F29)
Location I.D. # 335963
T.5.S. R.95.W., 6th P.M.
Section 29: SENW
Garfield County, CO

Dear Mr. Wurtzbacher:

Caerus Piceance LLC (Caerus) is the operator of the N. PARACHUTE-65S95W 29SE¹⁰NW (“F29”). Applications for Permit to Drill (“APD’s”) for the drilling of sixteen wells were approved in 2008 and the well site location was constructed on a mine bench on the East Fork of the North Parachute Ranch property. None of the sixteen wells were drilled and the location was abandoned on October 13th, 2011.

The following is the list of wells originally proposed to be drilled on the location:

API Number	Facility Name
045-16160	N. PARACHUTE EF07D-29 F29 59
045-16161	N. PARACHUTE EF03B-32 F29 59
045-16162	N. PARACHUTE EF15A-29 F29 59
045-16163	N. PARACHUTE EF15B-29 F29 59
045-16164	N. PARACHUTE EF12C-29 F29 59
045-16165	N. PARACHUTE EF12A-29 F29 59
045-16166	N. PARACHUTE EF10B-29 F29 59
045-16167	N. PARACHUTE EF11B-29 F29 59
045-16168	N. PARACHUTE EF11D-29 F29 59
045-16169	N. PARACHUTE EF11A-29 F29 59
045-16170	N. PARACHUTE EF14A-29 F29 59
045-16171	N. PARACHUTE EF14B-29 F29 59
045-16172	N. PARACHUTE EF14C-29 F29 59
045-16173	N. PARACHUTE EF03A-32 F29 59
045-16174	N. PARACHUTE EF02A-32 F29 59
045-16175	N. PARACHUTE EF03C-32 F29 59

The F29 well site was constructed upon a pre-existing mine bench. Upon abandonment of the APD’s portions of the site, shown on the attached Exhibit “A”, were reclaimed to stabilize cut and fill slopes. The remainder of the permitted well site area, on the pre-existing mine bench, has been left un-reclaimed to allow for the use of the flat, graveled area as an equipment laydown and storage yard for equipment used in Caerus’ oil and gas operations. The area has been permitted as the “F29 Storage Facility” under Garfield County GAPA #8221. The un-reclaimed pad area, constructed primarily on the rock shelf of the mine bench,

has been graveled and compacted to stabilize the surface and prevent soil from leaving the site. There is no active stormwater erosion on the site. Slopes have been moderated and reclaimed, with permanent diversion ditches installed to prevent future erosion. Noxious weeds have been controlled on the well site. The well site access serves the laydown yard and existing oil and gas locations beyond the former well site.

A waiver of the following COGCC 1000 Series rules is requested:

1004.a As applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003. Compaction of the site has not been alleviated and the well site and access road have not been recontoured or revegetated. The site was graveled, compacted, re-graded to manage stormwater runoff and left un-vegetated to create a stable surface for the continued use of the well site in continuing oil and gas. You, as an Officer of Caerus Piceance LLC (Surface Owner), wish to waive any requirement for recontouring of the location and the access road.

1004.d Final reclamation of all disturbed areas shall be considered complete when all activities disturbing the ground have been completed, and all disturbed areas have been either built upon, compacted, covered, paved, or otherwise stabilized in such a way as to minimize erosion, or a uniform vegetative cover has been established that reflects pre-disturbance or reference area forbs, shrubs, and grasses with total percent plant cover of at least eighty percent (80%) of pre-disturbance or reference area levels, excluding noxious weeds, or equivalent permanent, physical erosion reduction methods have been employed. Re-seeding alone is not sufficient. The site has been graveled and compacted and thus stabilized. Stormwater flows have permanently managed to prevent erosion of the slopes and resulting soil loss. You, as an Officer of Caerus Piceance LLC (Surface Owner), wish to waive any requirement for eighty percent (80%) pre-disturbance vegetative cover as the site is permanently stabilized and the un-vegetated, graveled surface is needed for the land use.

You, as an Officer of Caerus Piceance LLC, certify that you are an agent of the owner of the surface of the Lands. You acknowledge that you, as surface owner, are accepting responsibility for protection of topsoil on the unreclaimed portion of the land. Your acceptance and acknowledgement of the foregoing does not release Caerus, as operator, from its responsibilities for the plugging of the well or closure of any pits in compliance with COGCC regulations.

If this letter correctly reflects your agreement, please sign and date this letter and return one copy to the undersigned. Thank you for your time and consideration in this matter. If you have any questions or comments, please call the undersigned at 970-285-2816.

Sincerely,

Caerus Piceance LLC

Zane Lay - Surface Lead Landman

I ACKNOWLEDGE AND AGREE as set forth above.

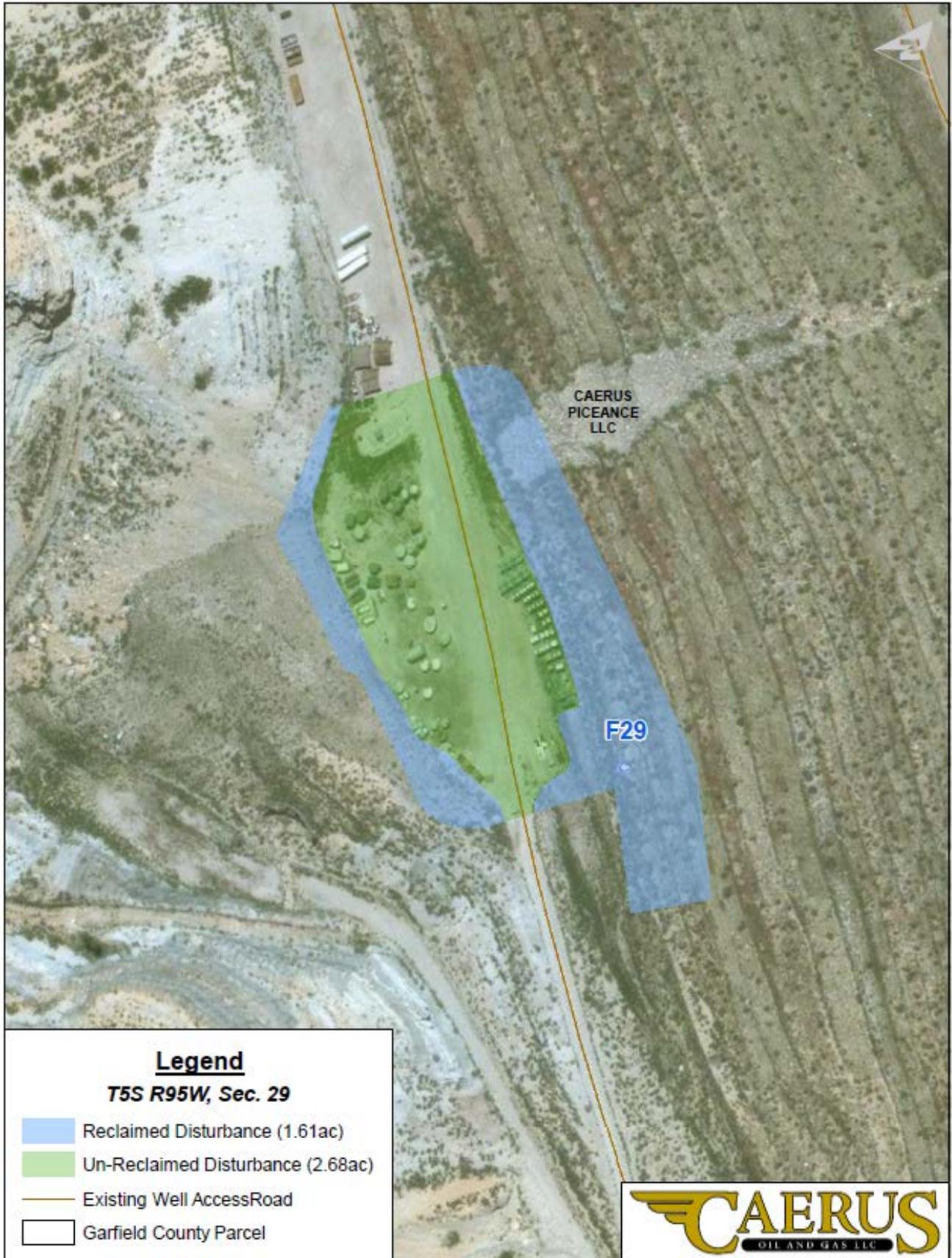
SURFACE OWNER

Signed:


Matthew Wurtzbacher
President
Caerus Piceance LLC

Date: February 4, 2018

EXHIBIT "A"





COGCC Landowner Reclamation Variances and Waivers Guidance Document - Operator Analysis

Location Data

Location Name:	F29 595 - Storage Yard
COGCC Location ID:	335963
Legal:	T.5S. R.95W., 6th P.M. - Section 29, SENW
Landowner:	Caerus Piceance LLC
Waiver/Variance Request:	Final Reclamation - Well Pad
Waiver/Variance Request from Rules:	1004.a & 1004.d
Disturbed Area Reclaimed	1.61 Acres
Disturbed Area to Remain	2.68 Acres

Guidance Document Criteria

All Wells on Location Plugged and Abandoned (Y/N)	N/A
Form 6 Subsequent Submitted (Y/N)	N/A
O&G Equipment Removed (Y/N)	N/A
Trash and Debris Removed (Y/N)	Yes
Noxious Weeds Controlled (Y/N)	Yes
Consultation with Landowner (Y/N)	Yes

Existing State of Reclamation:	The F29 well site was constructed upon a pre-existing mine bench. Upon abandonment of the APD's, portions of the site, were reclaimed to stabilize cut and fill slopes. The remainder of the permitted well site area, on the pre-existing mine bench, has been left un-reclaimed to allow for the use of the flat, graveled area as an equipment laydown and storage yard for equipment used in Caerus' oil and gas operations. The area has been permitted as the "F29 Storage Facility" under Garfield County GAPA #8221. The un-reclaimed pad area, constructed primarily on the rock shelf of the mine bench, has been graveled and compacted to stabilize the surface and prevent soil from leaving the site. There is no active stormwater erosion on the site. Slopes have been moderated and reclaimed, with permanent diversion ditches installed to prevent future erosion. Noxious weeds have been controlled on the well site. The well site access serves the laydown yard and existing oil and gas locations beyond the former well site.
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Stormwater Management Controls/Stabilization:	The un-reclaimed pad area, constructed primarily on the rock shelf of the mine bench, has been graveled and compacted to stabilize the surface and prevent soil from leaving the site. There is no active stormwater erosion on the site. Slopes have been moderated and reclaimed, with permanent diversion ditches installed to prevent future erosion.
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Topsoil Conservation:	Topsoil present at the time of construction was redistributed around the location.
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Nature of Location: Urban/Rural	Rural
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Proximity to Surface Water:	East Fork of Parachute Creek is located 855 feet south of the F29 Storage Yard. Dry Creek is located approximately 2400 feet to the west of the location. The location has been graveled and compacted to stabilize the surface and prevent soil from leaving the site.
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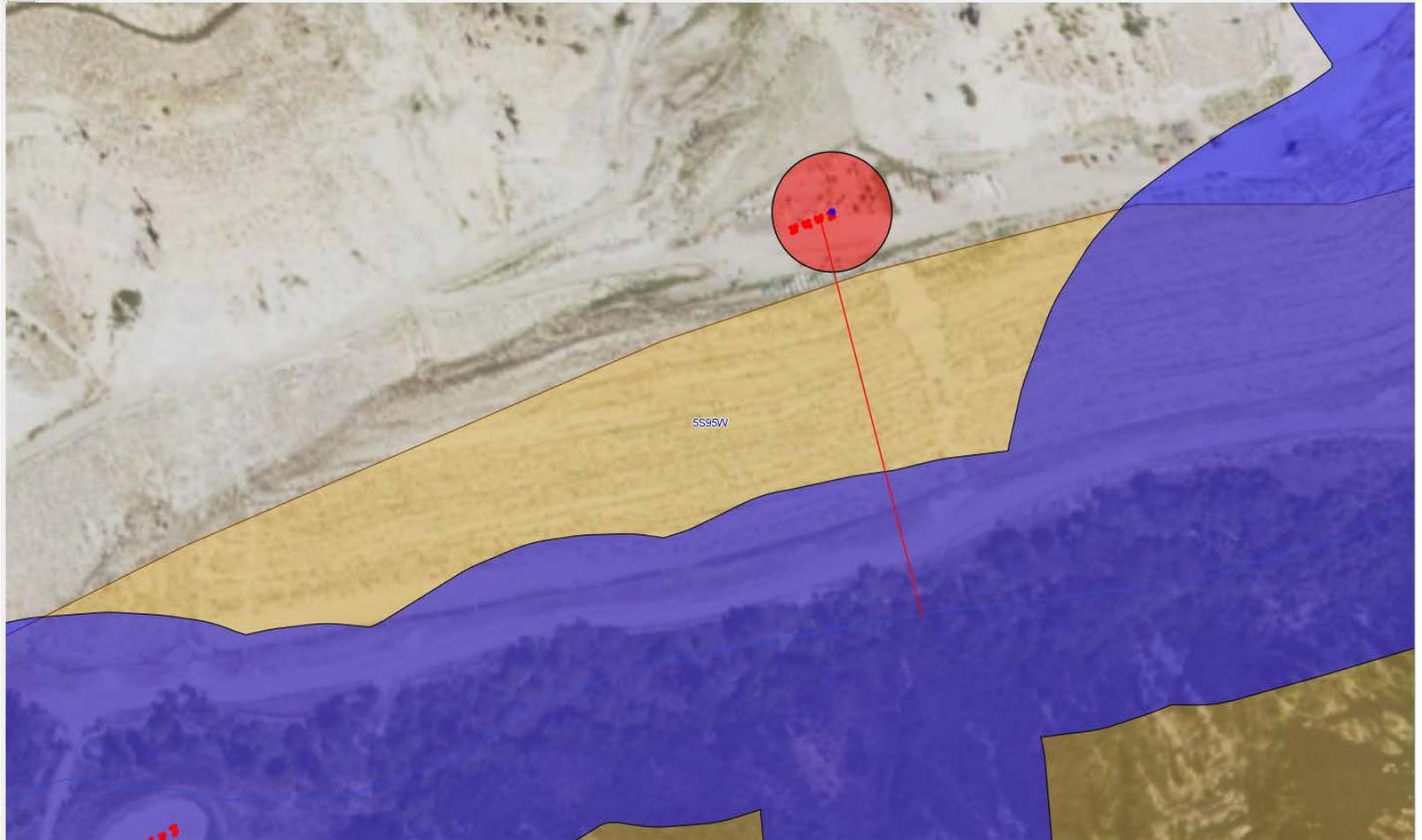
Wildlife Areas:	This location does not fall within a CPW RSO or SHW area.
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317B Area (Y/N):	This location does not fall within a 317B Area
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Sensitive Area Classification:	This location does not fall within a Classified Sensitive Area.
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Comparative benefits of re-contouring and reseeding vs. reseeding only	Upon abandonment of the APD's, portions of the site, were reclaimed to stabilize cut and fill slopes. The remainder of the permitted well site area, on the pre-existing mine bench, has been left un-reclaimed to allow for the use of the flat, graveled area as an equipment laydown and storage yard for equipment used in Caerus' oil and gas operations. The area has been permitted as the "F29 Storage Facility" under Garfield County GAPA #8221.
Conclusion:	Caerus' analysis, in accordance with COGCC guidance, would indicate that the granting of this variance request would not endanger public health, safety, and welfare, or significantly impact the environment or wildlife resources.

- Public Water System (PWS) Protection
 - Contacts
 - Brighton 1-189
 - Brighton 1-189 PWS Area
 - 317B
 - 317B Internal Buffer
 - 317B Intermediate Buffer
 - 317B External Buffer
- Seismic Permits
- Other Projects
- Historic Wells
- Roads & Railroads (CDOT)
- Water Resources (DWR)
 - Water Well
 - Designated Groundwater Management Area
 - Designated Basin
 - Planned Reservoir
 - Lake
 - River/Stream
 - Aquifer (CDPHE Regulation 42)
- Floodplains (FEMA)
- Environmental Sites
 - Section, Township, & Range (PLSS)
 - Local Government Designees (LGDs)
 - Wildlife (CPW)
 - Energy Liaisons
 - Districts
 - State Wildlife Area
 - Wildlife Management Plan
 - Restricted Surface Occupancy (RSO) Area
 - Sensitive Wildlife Habitat (SWH) Area
 - Black Bear
 - Restricted Surface Occupancy (RSO) Details
 - Sensitive Wildlife Habitat (SWH) Details
- State Land (SLB)
- Indian Land
- Federal Land (BLM)
- Surface Features
 - Places
 - Parcels
 - Cities
- Surface Owner
 - Counties
- Soil Survey (NRCS)
- Mining
- Geology
- Topography
- Aerial Imagery



X: 234896, Y: 4386548 (METER)

1 Well (API Spot) selected

1: 2370.37

2938.27 x 1746.91 (ft)