



Caerus Piceance LLC
143 Diamond Ave
Parachute, CO 81635

April 5, 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 MILHOLLAND #25-1 (**O25**) Location (Location ID# 312399). 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, Mountain Meadows Ranch Trust, operated by John Walter, to utilize the well pad and access road as a stack and storage yard for equipment in support of his ranching operations. All associated production facilities and trash and debris has been removed. Caerus and the surface owner conducted an onsite inspection at the time of final reclamation and the surface owner has signed a Final Reclamation Agreement.

The well site area has been left un-reclaimed to allow use of the flat, graveled area as a stack and storage yard for equipment used for ranching. The well site area currently houses farming equipment, vehicles, and tools. Access through the location was graveled to stabilize the surface to prevent soil from leaving the site. Slopes have been moderated to manage stormwater. There is no evidence of active stormwater erosion or noxious weeds on the site. The location is currently best serving the surface owner's agricultural operations with beneficial value as a flat surface used to store equipment, vehicles, and various tools.



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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# 401598627).

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

March 20, 2018

MOUNTAIN MEADOWS RANCH TRUST

Attn: John Walter

PO Box 981

Molina, CO

81646

Re: Final Reclamation Agreement
Milholland 25-1 (A.P.I. 05-077-08098)
T.10S. R.96W., 6th P.M.
Section 25: SWSE
Mesa County, Colorado

Dear Mr. Walter:

Caerus Piceance LLC (Caerus) is the operator of the Milholland 25-1. The well has been plugged and a Subsequent Form 6 has been filed with the Colorado Oil and Gas Conservation Commission (COGCC). All associated production facilities and any trash or debris connected to the previous oil and gas operations have been removed from the well site. There is no evidence of active stormwater erosion or noxious weeds on the site.

In accordance with the requirements of COGCC Rules 306.a. and 306.f an on-site review of the planned reclamation of the well site was conducted on December 7th, 2017. Reclamation of the well site and the access road has been completed per your specifications. The well site area, shown on Exhibit A, has been left un-reclaimed to allow you use of the flat, graveled area as a stack and storage yard for equipment in support of your ranching operations. The well site area, is currently in use as a storage yard and houses your equipment, vehicles, and tools. Access through the location was graveled to stabilize the surface to prevent soil from leaving the site. Slopes have been moderated to manage stormwater. There is no evidence of active stormwater erosion or noxious weeds on the site. The location is currently best serving your agricultural operations with beneficial value as a flat surface used to store equipment, vehicles, and various tools.

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 well site has not been alleviated and this area of the site has not been recontoured or revegetated. The access road is being left in a compacted and stable state. The site has not been recontoured. You, as the Surface Owner, wish to waive the requirement for the recontouring, revegetation and restoration of the well site and access road to “as nearly as practicable to their original condition”.

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, with slopes stabilized and stormwater flows permanently managed to prevent erosion of the slopes and resulting soil loss. You, as the Surface Owner, wish to waive any requirement for eighty percent (80%) pre-disturbance vegetative cover on the site and the access road as they are permanently stabilized, and the un-vegetated, graveled surface is needed for your beneficial use of the land.

You, as the Surface Owner, agree that Caerus has fulfilled the requirements set forth by the COGCC for the abandonment of the wells, including reclamation required under COGCC Rules 1001 through 1004, that you have waived the reclamation of the well site and certify that you are the owner of the surface of the Lands. You understand and agree that Caerus shall have no further responsibility or liability for the reclamation of this site. You acknowledge that you are accepting responsibility for any future reclamation of the unreclaimed portion of the land and, to the extent applicable, for protection of topsoil on the unreclaimed portion of the land. You acknowledge that Caerus has complied with your direction regarding final reclamation of the well and associated well site. You also acknowledge that Caerus has provided you with a copy of COGCC Rules 1001 through 1004. Your acceptance and acknowledgement of the foregoing does not release Caerus from its responsibilities to comply with regulations administered by the COGCC, nor do you by signing accept any responsibility or future liability for the same.

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 970-285-2697.

Sincerely,
Caerus Piceance LLC


Kane Gunther – Surface Landman



I ACKNOWLEDGE AND AGREE as set forth above.

SURFACE OWNER

Signed:



John Walter,
MOUNTAIN MEADOWS RANCH TRUST

Date: 3/21, 2018



BLM




CURRIER
CARLYLE W

Milholland
25-1

MOUNTAIN
MEADOWS
RANCH TRUST

Legend

(T10S R96W, Sec. 25)

-  Unreclaimed Access Road (0.2ac)
-  Milholland 25-1 Well Pad (1.7ac)
-  Mesa County Parcel







COGCC Landowner Reclamation Variances and Waivers Guidance Document - Operator Analysis

Location Data

Location Name:	O25 1096 (Milholland 25-1)
API:	05-077-08098
Legal:	T.10S. R.96W., 6th P.M. - Section 25, SWSE
Landowner:	Mountain Meadows Ranch Trust
Waiver/Variance Request:	Final Reclamation - Access Road and Well Pad
Waiver/Variance Request from Rules:	1004.a & 1004.d
Disturbed Area Reclaimed	0 Acres
Disturbed Area to be Remain	1.9 Acres

Guidance Document Criteria

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

Existing State of Reclamation:	Reclamation of the well site and the access road has been completed per the landowner specifications. The well site area has been left un-reclaimed to allow the landowner use of the flat, graveled area as a stack and storage yard for equipment in support of the landowners ranching operations. The well site area, is currently in use as a storage yard and houses equipment, vehicles, and tools. Access through the location was graveled to stabilize the surface to prevent soil from leaving the site. Slopes have been moderated to manage stormwater. There is no evidence of active stormwater erosion or noxious weeds on the site. The location is currently best serving the landowners agricultural operations with beneficial value as a flat surface used to store equipment, vehicles, and various tools
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Stormwater Management Controls/Stabilization:	There is no active stormwater erosion on the access road or well pad. Slopes have been stabilized and stormwater flows permanently managed to prevent erosion and resulting soil loss.
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Topsoil Conservation:	Topsoil present at the time of construction was redistributed around the access road.
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Nature of Location: Urban/Rural	Rural
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Proximity to Surface Water:	An unnamed drainage is located approximately 1700 feet to the south of the location. The location is graded and stabilized to prevent runoff from reaching surface water.
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Wildlife Areas:	This location does not fall within a CPW RSO or SWH 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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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.
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- Layers
- Other Projects
 - Historic Wells
 - Roads & Railroads (CDOT)
 - Water Resources (DWR)
 - 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
 - Bald Eagle Nest
 - Bighorn Sheep
 - Columbian Strong-Tailed Grouse
 - Cutthroat Trout
 - Ferruginous Hawk
 - Golden Eagle Nest
 - Gold Medal Waters
 - Greater Sage Grouse
 - Gunnison Sage Grouse
 - Lesser Prairie Chicken
 - Northern Goshawk
 - Osprey Nest
 - Peregrine Falcon
 - Plains Strong-Tailed Grouse
 - Prairie Falcon
 - Sensitive Wildlife Habitat (SWH) Details
 - Bald Eagle Nest
 - Bald Eagle Roost
 - Black Foot Ferret
 - Bighorn Sheep
 - Columbian Sharp-Tailed Grouse
 - Elk Production
 - Elk Winter Concentration
 - Golden Eagle Nest
 - Greater Sage Grouse
 - Gunnison Sage Grouse
 - Lesser Prairie Chicken
 - Mule Deer
 - Plains Sharp-Tailed Grouse
 - Pronghorn
 - State Land (SLB)
 - Indian Land
 - Federal Land (BLM)
 - Surface Features
 - Places
 - Parcels

