



Caerus Piceance LLC
143 Diamond Ave
Parachute, CO 81635

April 12, 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 65S96W 10SWSE 596 (O10A) Location (Location ID# 335851). 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, access road, and turnaround area for reclamation tours that Caerus hosts on its property. Twelve (12) wells were proposed on the location and Applications for Permit to Drill were approved in 2006; none of the twelve (12) wells were drilled and the permits expired on February 4th, 2013. All associated production facilities, trash and debris have been removed. Caerus conducted an onsite inspection on January 9th, 2018 and the surface owner and company President Matthew Wurtzbacher has signed a Final Reclamation Agreement.

The pad area has been recontoured to approximate the pre-disturbance landform and a graveled turnaround area and access road have been left to allow for groups or individuals to observe successful final reclamation. There is no active stormwater erosion on site and noxious weeds have been controlled. The graveled turnaround area and access road have been left stabilized for continued use and to allow for better access to the reclaimed area.



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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# 401605556).

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
Multi-Well Pad (12 Wells)

Location I.D. #: 335851
T.5.S. R.96.W., 6th P.M.
Section 10: SWSE
Garfield County, CO

Dear Mr. Wurtzbacher:

Caerus Piceance LLC (Caerus) is the operator of the N. PARACHUTE-65S96W 10SWSE also known as the O10A. Applications for Permit to Drill for twelve wells to be drilled of the well site were approved in 2006 and the location was constructed. None of the twelve (12) wells were drilled and the permits expired on February 4th, 2013.

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

API Number	Facility Name
045-12353	N PARACHUTE WF04B O10A 596
045-12354	N PARACHUTE WF03B O10A 596
045-12355	N PARACHUTE MF04D O10A 596
045-12356	N PARACHUTE WF06B O10A 596
045-12357	N PARACHUTE WF12D O10A 596
045-12368	N PARACHUTE WF12B O10A 596
045-12375	N PARACHUTE WF08D O10A 596
045-12374	N PARACHUTE WF09D O10A 596
045-12373	N PARACHUTE WF13B O10A 596
045-12372	N PARACHUTE WF13D O10A 596
045-12371	N PARACHUTE WF14B O10A 596
045-12370	N PARACHUTE WF16D O10A 596

All associated production facilities and any trash or debris connected to the previous oil and gas operations have been removed from the well site. With the exception of a graveled turnaround area, the well site, shown on Exhibit A, has been recontoured to approximate the pre-disturbance landform and has been reseeded.

There is no active stormwater erosion on the site. Noxious weeds have been controlled on the well site. A graveled access road to the well site and the turnaround area at the southeast corner of the well site have been left in place. The access road and turnaround provide access to this site for reclamation tours that Caerus hosts on its property. This location is used to demonstrate successful reclamation techniques utilized to better wildlife habitat, creative and effective application of permanent stormwater management design

in areas of steep and highly varied topography and successful revegetation of challenging slopes and soils to achieve reclamation objectives.

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 turnaround area and access road has not been alleviated and this area of the well site has not been recontoured or revegetated. The access road is being left in a compacted and stable state.

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 access road and turnaround have been permanently stabilized, utilizing a compacted gravel cap. You as an office of Caerus Piceance LLC (surface owner), wish to waive any requirement for the total percent plant cover of eighty percent (80%) of pre-disturbance or reference area levels for the un-reclaimed turnaround and access road, which is necessary for the desired land use at the site.

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.

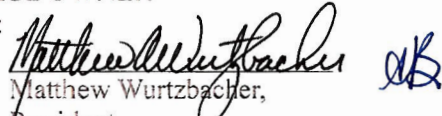
Sincerely,
Caerus Piceance LLC


Zane Lay - Surface Lead Landman

I ACKNOWLEDGE AND AGREE as set forth above.

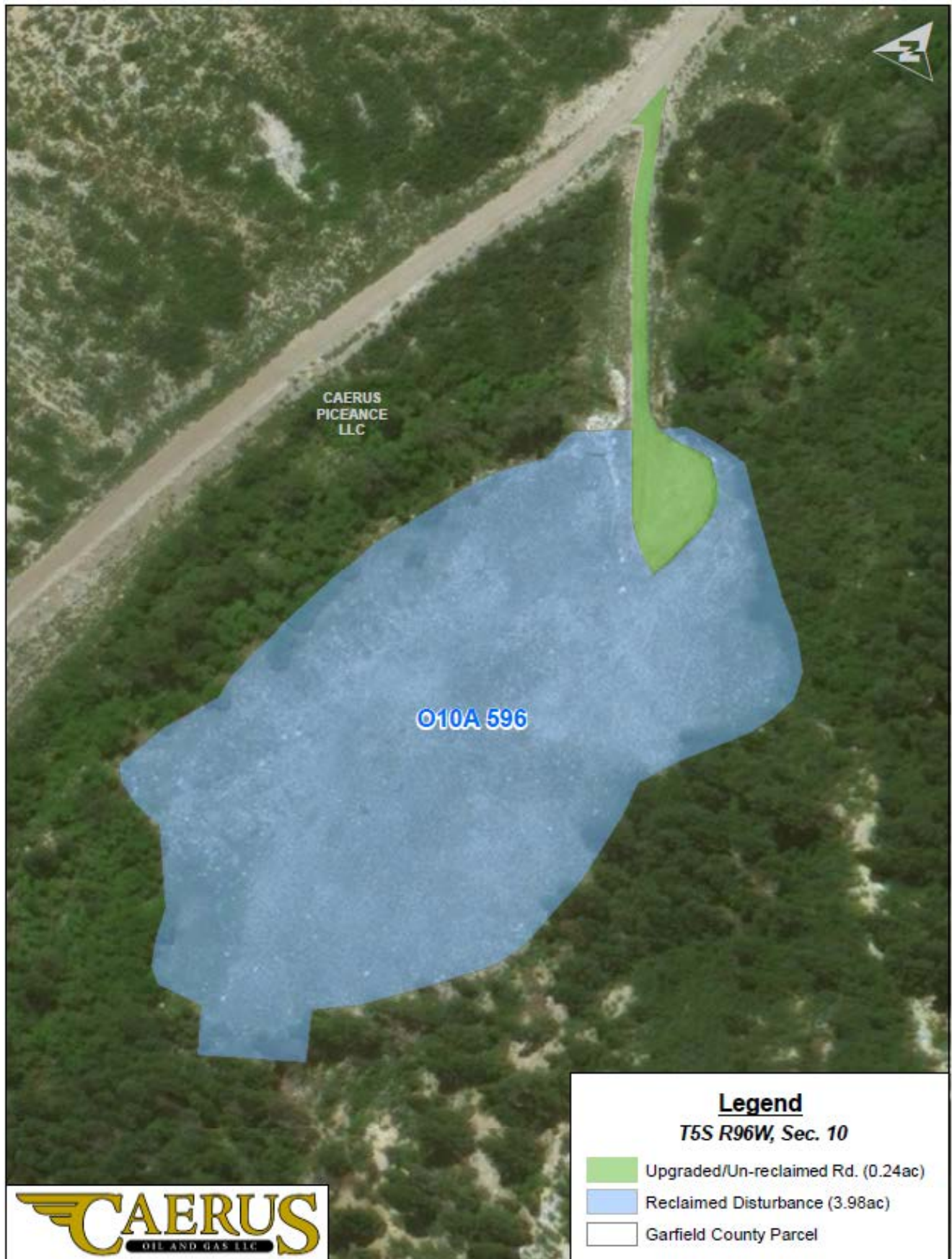
SURFACE OWNER

Signed:


Matthew Wurtzbacher,
President
Caerus Piceance LLC

Date: 2/4/18, 2018

EXHIBIT "A"





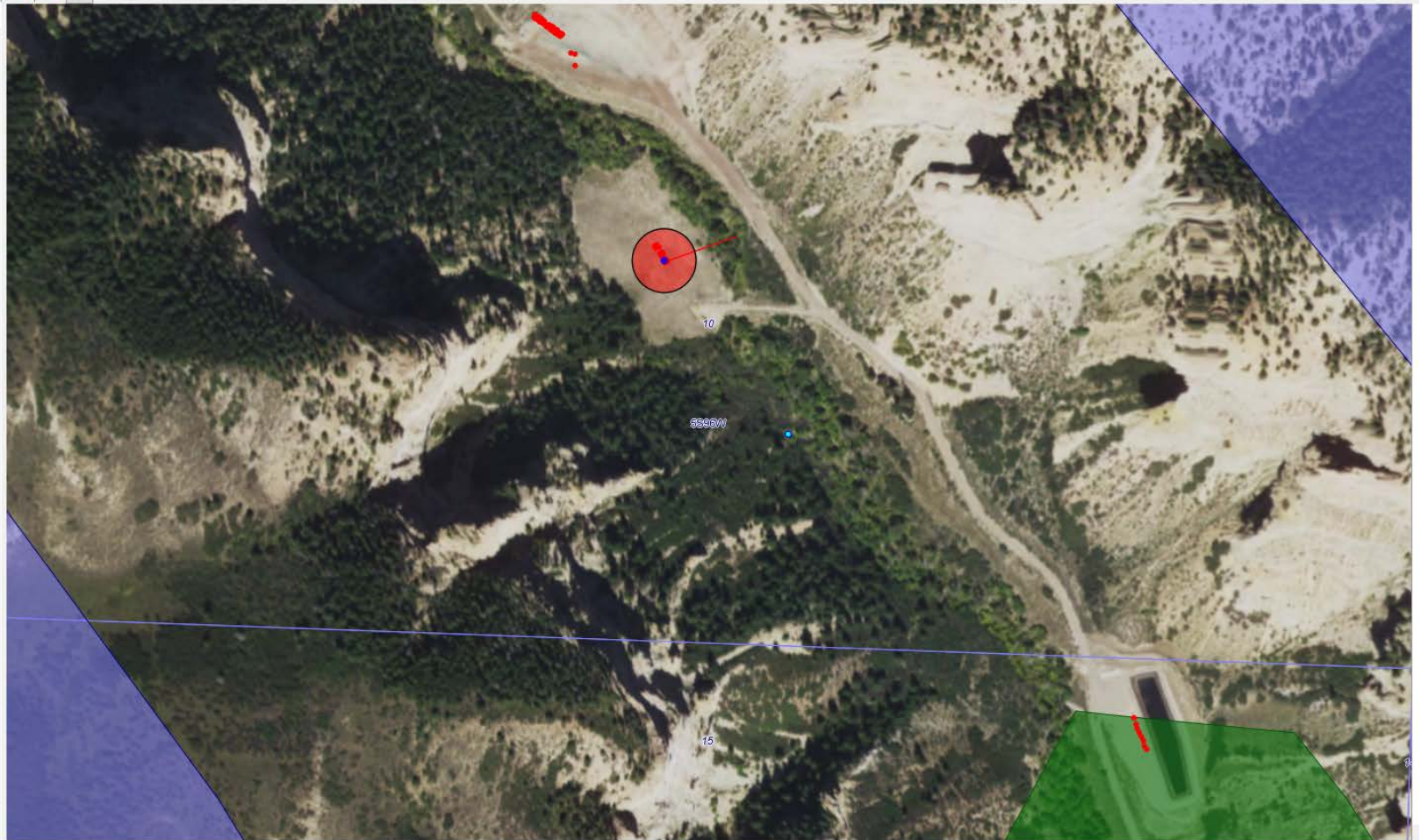


COGCC Landowner Reclamation Variances and Waivers Guidance Document - Operator Analysis

Location Data	
Location Name:	O10A 596
COGCC Location ID:	335851
Legal:	T.5S. R.96W., 6th P.M. - Section 10, SWSE
Landowner:	Caerus Piceance LLC
Waiver/Variance Request:	Final Reclamation - Access Road Only
Waiver/Variance Request from Rules:	1004.a & 1004.d
Disturbed Area Reclaimed	0.24 Acres
Disturbed Area to Remain	3.98 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:	With the exception of a graveled turnaround area, the well site, has been recontoured to approximate the pre-disturbance landform and has been reseeded. There is no active stormwater erosion on the site. Noxious weeds have been controlled on the well site. A graveled access road to the well site and the turnaround area at the southeast corner of the well site have been left in place.
Stormwater Management Controls/Stabilization:	There is no active stormwater erosion on the site. The access road has been compacted and graveled.
Topsoil Conservation:	Topsoil present at the time of construction was redistributed around the location.
Nature of Location: Urban/Rural	Rural
Proximity to Surface Water:	West Fork of Parachute Creek is located 230 feet east of the O10A location. The well site, has been recontoured to approximate the pre-disturbance landform and has been reseeded. The access road has been graveled and compacted to stabilize the surface and prevent soil from leaving the site.
Wildlife Areas:	This location does not fall within a CPW RSO or SHW area.
317B Area (Y/N):	This location does not fall within a 317B Area
Sensitive Area Classification:	This location does not fall within a Classified Sensitive Area.
Comparative benefits of re-contouring and reseeding vs. reseeding only	With the exception of a graveled turnaround area, the well site, has been recontoured to approximate the pre-disturbance landform and has been reseeded. There is no active stormwater erosion on the site. Noxious weeds have been controlled on the well site. A graveled access road to the well site and the turnaround area at the southeast corner of the well site have been left in place.
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.

Layers

- ☒ Restricted Surface Occupancy (RSO) Legend
 - ☒ 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
 - ☒ Cities
- ☒ Surface Owner
 - ☐ Counties
- ☐ Soil Survey (NRCS)
- ☐ Mining
- ☒ Geology
- ☒ Topography
- ☒ Aerial Imagery
 - ☐ 1990s (Black & White) Image Dates
 - ☐ 1990s (Black & White)
 - ☒ 2009 (NAIP)



X: 228611, Y: 4391198 (METER)

1 Well (API Spot) selected

1: 3555.56

4395.06 x 2620.37 (ft)