



Caerus Piceance LLC
143 Diamond Ave
Parachute, CO 81635

June 22, 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 Knight 12-5 Location (Location ID# 323880). 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 to utilize the well pad and access road in their agricultural operations. The well has been plugged and a Subsequent Form 6 has been filed. All associated production facilities and trash and debris has been removed. Caerus and the surface owner conducted an onsite inspection on May 11, 2016 and the surface owner has signed a Final Reclamation Agreement.

The pad area has been left level and compacted for its planned use as an equipment storage yard. There is no active stormwater erosion on site and noxious weeds have been controlled. The access road has been upgraded and left compacted and stabilized to allow for easier access to the lands and is retained for agricultural equipment transportation and use on the property.

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.



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143 Diamond Ave
Parachute, CO 81635

All supporting documentation has been attached to the submitted Form 4 Sundry Notice (Doc# 401682587).

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

May 4th, 2016

Pearl M. Knight
57 County Rd. 316
Silt, CO 81652

Re: Final Reclamation Agreement
Knight 12-5 (API # 05-045-06832)
T.7S. R.92W., 6th P.M.
Section 22: SWNW
Garfield County, Colorado

Dear Ms. Knight:

Encana Oil & Gas (USA) Inc. (Encana) is the operator of the Knight 12-5. 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.

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. 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 level and stabilized for your use as an equipment storage yard utilized in the agricultural operations on the property. Access to the well site is off of Dry Hollow Road (CR 331). The access road provides necessary access to your agricultural operations and has been retained for this purpose.

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

1004.a All access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured. Culverts and any other obstructions that were part of the access road(s) shall be removed. Well locations, access roads and associated facilities shall be reclaimed. 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.

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.

Slopes on the site have been 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 as the site is permanently stabilized and the surface is suitable for the land use, and you desire to have full use of the disturbed area. The graveled and compacted access road will also remain, un-reclaimed, for your use.

You, as the Surface Owner, agree that Encana 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 access road, and certify that you are the owner of

the surface of the Lands. You understand and agree that Encana 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 Encana has complied with your direction regarding final reclamation of the well and associated well site. You also acknowledge that Encana has provided you with a copy of COGCC Rules 1001 through 1004. Your acceptance and acknowledgement of the foregoing does not release Encana from its responsibilities for the plugging of the well or closure of any pits in compliance with COGCC regulations, 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 970-285-2816.

Sincerely,
Encana Oil & Gas (USA) Inc.,
by its authorized agent,
Encana Services Company Ltd.

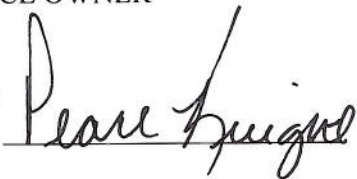


Zane Lay – Surface Land Negotiator

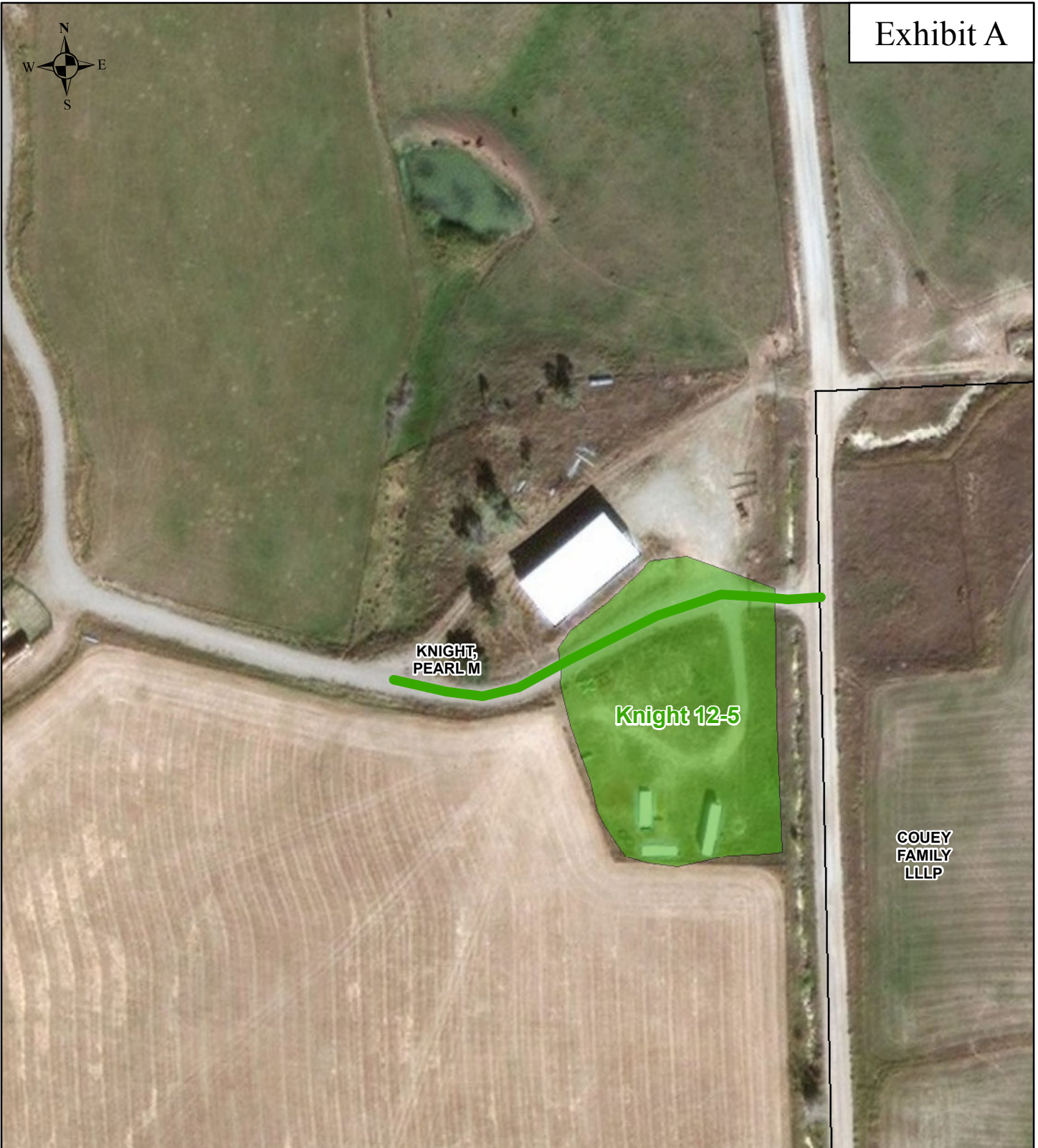
I ACKNOWLEDGE AND AGREE as set forth above.

SURFACE OWNER

Signed:



Date: May 11, 2016






KNIGHT,
PEARLM

Knight 12-5

COUEY
FAMILY
LLLP

Legend

T7S R92W, Sec. 22

-  Upgraded/Unreclaimed Disturbance (~0.11ac)
-  Unreclaimed Disturbance (~1.05ac)
-  Garfield County Parcel



COGCC Landowner Reclamation Variances and Waivers Guidance Document - Operator Analysis

Location Data

Location Name:	Knight 12-5 (E22E)
API:	05-045-06832
Legal:	T.7S. R.92W., 6th P.M, Section 22: SWNW
Waiver/Variance Request:	Final Reclamation of Well Pad and Access Road
Waiver/Variance Request from Rules:	1004.a and 1004.d
Landowner:	Pearl Knight
Disturbed Area Reclaimed	0.00 Acres
Disturbed Area to Remain	1.14 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 level and stabilized for the landowner's use as an equipment storage yard utilized in the agricultural operations on the property. Access to the well site is off of Dry Hollow Road (CR 331). The access road provides necessary access to the landowner's agricultural operations and has been retained for this purpose.
Stormwater Management Controls/Stabilization:	There is no active stormwater erosion on the site. Slopes on the site have been stabilized and stormwater flows permanently managed to prevent erosion of the slopes and resulting soil loss. The access road is graveled and compacted.
Topsoil Conservation:	Topsoil present at the time of construction was redistributed around the location.
Nature of Location: Urban/Rural	Rural
Proximity to Surface Water:	An unnamed irrigation ditch is located approximately 150 feet to the east of the location. The location is stable and Caerus does not foresee any negative impacts to the irrigation drainage ditch coming from this location.
Wildlife Areas:	This location does not fall within a CPW RSO area. This location does fall within the mule deer SHW area. The location will be used for the landowner's livestock operations. Caerus does not foresee any issues that would negatively impact mule deer.
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	Reclamation of the well site and the access road has been completed per the landowner specifications. The well site area has been left level and stabilized for the landowner's use as an equipment storage yard utilized in the agricultural operations on the property. Access to the well site is off of Dry Hollow Road (CR 331). The access road provides necessary access to the landowner's agricultural operations and has been retained for this purpose.
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

- PWS Protection
 - 317B
 - Brighton 1-189
- COGCC Oil & Gas Fields
- Seismic Permits
- Environmental
 - Sample Sites
- Roads & RRs
- Water Resources
- Floodplains
- SecTwpRng
- Wildlife CPW
 - Energy Liaisons
 - CPW Districts
 - State Wildlife Area
 - WMPs
 - Black Bear
 - CPW_RSO
 - CPW_SWH
 - RSO Detail
 - B eagle Nest
 - Bighorn Sheep
 - Columbian ST Gr
 - Ferruginous Hawk
 - Gld Eagle Nest
 - Gold Medal Streams
 - Greater Sage Gr
 - Gunnison Sage Gr
 - Lsr Prairie Chkn
 - Northern Goshawk
 - Osprey
 - Peregrine Falcon
 - Plains ST Grouse
 - Prairie Falcon
 - Cutthroat
- SWH Detail
 - B Eagle Nest
 - B Eagle Roost
 - Black Ft Ferret
 - Bighorn Sheep
 - Columbian ST Gr
 - Elk Prod Area
 - Elk Winter
 - Gld Eagle Nest
 - Greater Sage Gr
 - Gunnison Sage Gr
 - Lsr Prairie Chkn
 - Mule Deer
 - Plains ST Gr
 - Pronghorn

X: 270899, Y: 4368455 (METER)

1 Wells selected

1: 3316.87

4160.49 x 2507.81 (ft)