



Caerus Piceance LLC  
143 Diamond Ave  
Parachute, CO 81635

July 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 HR Milholland SR 1 (PL24NE) Location (Location ID# 312351). 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 as it provides access from their home to 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 June 9, 2016 and the surface owner has signed a Final Reclamation Agreement.

The pad area has been alleviated of compaction and recontoured to approximate the pre-disturbance landform. The location has been reseeded to facilitate vegetation regrowth. There is no active stormwater erosion on site and noxious weeds have been controlled. A graveled access road has been left to allow for access to the lands utilized in the landowner's agricultural operations and is being retained for that purpose.

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.



Caerus Piceance LLC  
143 Diamond Ave  
Parachute, CO 81635

All supporting documentation has been attached to the submitted Form 4 Sundry Notice (Doc# 401695005).

If you have any questions or need additional information, please contact me at 970-285-2656 or at [jeckman@caerusoilandgas.com](mailto:jeckman@caerusoilandgas.com).

Sincerely,

A handwritten signature in blue ink that reads "Jason Eckman". The signature is fluid and cursive, with the first name "Jason" and last name "Eckman" clearly distinguishable.

Jason Eckman  
Sr. Regulatory Analyst

May 5<sup>th</sup>, 2016

Anthony D. Elkins  
11073 54 7/10 RD  
Molina, CO 81646

Re: Final Reclamation Agreement  
HR Milholland SR 1 (API #05-077-05028)  
T.10S. R.96W.  
Sec. 24 SWNE  
Mesa County, Colorado

Dear Mr. Elkins:

Encana Oil & Gas (USA) Inc. (Encana) is the operator of the HR Milholland SR 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.

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 July 24<sup>th</sup>, 2015. 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 recontoured to approximate the pre-disturbance landform and has been reseeded. Encana will continue to monitor revegetation of the reclaimed pad, work to control any noxious weed species that may present themselves in the reclaimed areas, and monitor for and repair any stormwater issues that may arise in the reclaimed areas until such time as the reclamation criteria, as set forth in COGCC Rules 1001 through 1004, have been met and COGCC bond release has been approved. Access to the well is off of the existing Milholland 24-4 access road. The access road, as shown in Exhibit A, provides access to your home and agricultural operations and has been left for these purposes.

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.**

The access road, shown in Exhibit A, is being left un-reclaimed, in a stable and compacted state, suitable for the land use.

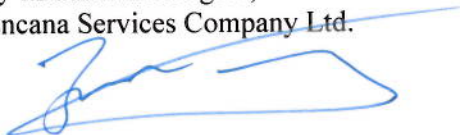
You, as the Surface Owner, agree that Encana has fulfilled the requirements set forth by the COGCC for

the abandonment of the wells, including reclamation required under COGCC Rules 1001 through 1004, that you have waived the reclamation of the 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 the access road. 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: 6/9, 2016





BIRCH  
JENNINGS  
BRYAN III

HR Milholland Sr 1  
(PL24NE)

NARA ANDREW A

ELKINS  
ANTHONY D

CURRIER  
CARLYLE W

Sec.  
24  
Sec.  
25

Milholland 24-4 Access Rd

**Legend**  
**T10S R96W**

- Upgraded/Unreclaimed Road (~0.98ac)
- Reclaimed Disturbance (~0.98ac)
- Section
- Mesa County Parcel

Imagery: 6/23/2015

**CAERUS**  
OIL AND GAS LLC





COGCC Landowner Reclamation Variances and Waivers Guidance Document - Operator Analysis

Location Data

Location Name:	HR Milholland SR 1 (PL24NE)
API:	05-077-05028
Legal:	T.10S. R.96W., 6th P.M. - Section 24, SWNE
Landowner:	Anthony Elkins
Waiver/Variance Request:	Final Reclamation - Access Road Only
Waiver/Variance Request from Rules:	1004.a & 1004.d
Disturbed Area Reclaimed	0.98 Acres
Disturbed Area to Remain	0.98 Acres

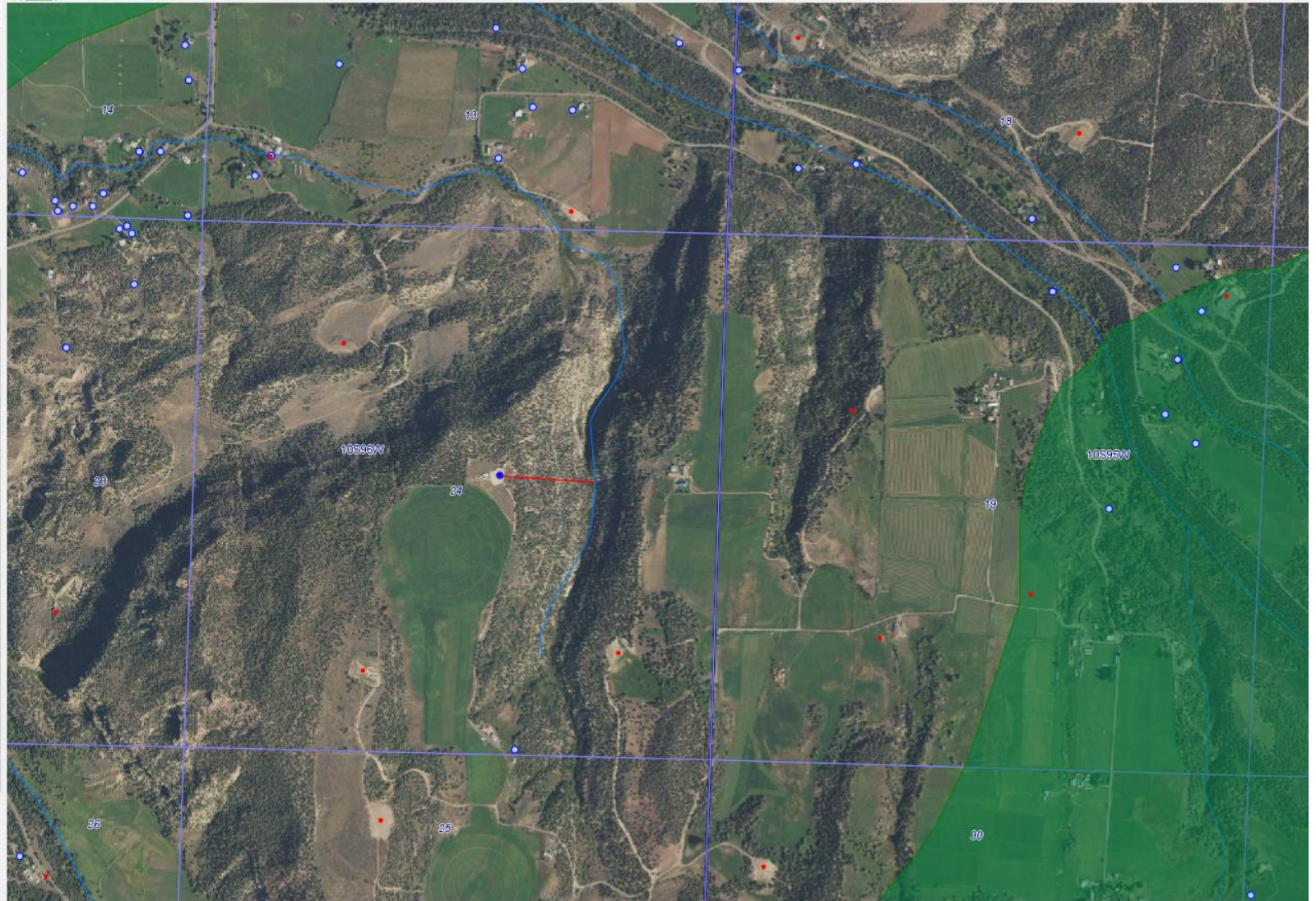
Guidance Document Criteria

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:	<p>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 July 24th, 2015. Reclamation of the well site and the access road was completed per the landowner specifications. The well site area has been recontoured to approximate pre-disturbance landforms and has been reseeded. Encana will continue to monitor revegetation of the reclaimed pad, work to control any noxious weed species that may present themselves in the reclaimed areas and monitor for and repair any stormwater issues that may arise in the reclaimed areas until such time as the reclamation criteria, as set forth in COGCC Rules 1001 through 1004, have been met and COGCC bond release has been approved. Access to the well is off of the existing Milholland 24-4 access road. The access road provides access to the landowner's home and agricultural operations and has been left for these purposes.</p>
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.
Topsoil Conservation:	Topsoil present at the time of construction was redistributed around the location.
Nature of Location: Urban/Rural	Rural
Proximity to Surface Water:	Bull Creek is located approximately 900 feet to the east of the location. The location is graded and stabilized to prevent runoff from reaching surface water.
Wildlife Areas:	This location does not fall within a CPW RSO or SWH 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.
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

- ☒ Piceance
- ☐ Paradox H2S
- ☐ CDPS
- ☐ WLR\_318B
- ☐ GWA\_H2O Samples
- ☐ GWA317A
- ☐ GWA318A
- ☐ August Applications
- ☐ Spacing
- ☐ PWS Contacts
- ☐ Design Outside Act Area
- ☒ PWS Protection
  - ☒ 317B
  - ☒ Brighton 1-189
- ☐ COGCC Oil & Gas Fields
- ☐ Seismic Permits
- ☒ Environmental
  - ☐ Sample Sites
- ☒ Roads & RRs
- ☒ Water Resources
  - ☒ DWR\_Wells
  - ☒ Dsgntd GW Mgmt
  - ☒ Dsgntd Basin
  - ☒ REG42 Aquifers
  - ☒ Planned Reservoirs
- ☒ Lakes
- ☒ Rivers-Streams
- ☒ Floodplains
- ☒ SecTwpRng
- ☒ Wildlife CPW
  - ☐ Energy Liaisons
  - ☐ CPW Districts
  - ☐ State Wildlife Area
  - ☐ WMPs
  - ☐ Black Bear
  - ☒ CPW\_RSO
  - ☒ CPW\_SWH
- ☐ RSO Detail
- ☐ SWH Detail
- ☒ State Lands
- ☒ Indian Lands
- ☒ BLM Lands
- ☒ Surface Lands
  - ☐ Places
  - ☐ Counties\_Zoom
  - ☒ CityPolygons
- ☐ Surface Owner
- ☒ Special Projects
- ☐ Soil Surveys
- ☒ Geology



X: 238339, Y: 4339266 (METER)

1 Wells selected

1: 11851.85