



Caerus Piceance LLC
143 Diamond Ave
Parachute, CO 81635

July 16, 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 O'CONNELL 34-4C (D34SE) Location (Location ID# 324240). 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 for multiple ranching and irrigation purposes. 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 September 23, 2015 and the surface owner has signed a Final Reclamation Agreement.

The site was regraded to accommodate for stormwater drainage, compacted, and graveled to be utilized as a truck and equipment turnaround and as a livestock feeding area. Areas around the graveled turnaround have been alleviated of compaction and reseeded to facilitate vegetation. Slopes have been moderated to prevent stormwater erosion. There is no active stormwater erosion on site and noxious weeds have been controlled. The access road has been left compacted and stabilized to allow for access to irrigation ditches needed to maintain livestock pasture.



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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# 401705458).

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 fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jason Eckman
Sr. Regulatory Analyst

September 23, 2015

Daniel T. O'Connell and Marsha Kay O'Connell
10325 County Road 331
Silt, CO 8181652630

Re: Final Reclamation Agreement
O'Connell 34-4C and Associated Facilities
T7S R92W, 6th P.M.
Section 34: NWNW
Garfield County, Colorado

Dear Mr. and Mrs. O'Connell:

Encana Oil & Gas (USA) Inc. (Encana) has plugged and abandoned the above referenced well, and removed all associated production facilities, equipment, trash and debris from the well site. The subsequent Form 6 was approved on February 2, 2015. On May 14, 2015, Encana and Daniel T. O'Connell and Marsha Kay O'Connell (O'Connell) completed an on-site consultation for final reclamation in accordance with the requirements of Colorado Oil and Gas Conservation Commission (COGCC) Rules 306.a. and 306.f.

Per your request and according to COGCC rules and regulations, Encana performed the following reclamation activities. The site was re-graded to accommodate for water drainage, access to the ranch was added in the NW corner of the pad, gravel was added to approximately 70% of the pad and the remainder of the pad was seeded and mulched. There are currently no stormwater issues (see attached photos). The BMPs put in place by Encana are adequate to prevent any sediment from leaving the location.

Noxious weeds are not present on the location. Annual weeds have been managed through Encana's weed management program. O'Connell requested that the access road be left in place because it provides access to their ranch. Attachment A provides additional details, including the locations of the road, BMPs and existing O'Connell operations.

The former well site is currently being used by O'Connell to provide access to the ranch, maintain and facilitate irrigation, provide a truck and equipment turnaround and used as a feeding area for livestock. To prevent interference with their ranching and farming operations, O'Connell has requested a reclamation waiver for the following rules:

1004.a: As applicable, compaction alleviation, restoration, and re-vegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003: The location will not be re-contoured as described in rule 1003.e because a level surface is needed for the final land use. O'Connell would like to utilize the flat surface for its ranching and farming operations.

1004.a: All access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and re-contoured: The access road to the plugged and abandoned well was not closed, graded and re-contoured because the road provides access to O'Connell's ranch.

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 was graveled, seeded and mulched, however the O'Connell wishes to waive the 80% establishment

requirement because it would like to utilize the site for its ranching and farming. O'Connell would like to use the location to provide access to the ranch, maintain and facilitate irrigation, provide a truck and equipment turnaround and for use as a feeding area for livestock.

Public health, safety, and welfare, including the environment and wildlife resources, will not be significantly adversely impacted by granting the requested variance.


You, the Surface Owner, agree that Encana has fulfilled the requirements set forth by the COGCC for the abandonment of the well and you waive the reclamation of the pad and the road. You agree that Encana shall have no further responsibility or liability for any reclamation, stormwater, or weed control and you acknowledge that you are accepting responsibility for any future reclamation of the site and, to the extent applicable, for protection of topsoil and stormwater management on the site. You acknowledge that Encana has complied with your direction regarding final reclamation of the well, associated well pad, and access road. You also acknowledge that Encana has provided you with a copy of COGCC Rules 1001 through 1004.

If this letter correctly reflects your understanding, please confirm your acknowledgement, agreement, and acceptance of the terms of this letter by signing and returning the signed letter to Encana.

Thank you for your time and consideration in this matter. If you have any questions or comments, please call the undersigned at 970-285-2810.

Sincerely,

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



Roger C. Miller,
Surface Land Negotiator

I ACKNOWLEDGE AND AGREE as set forth above

SURFACE OWNER

Signed:



Daniel T. O'Connell

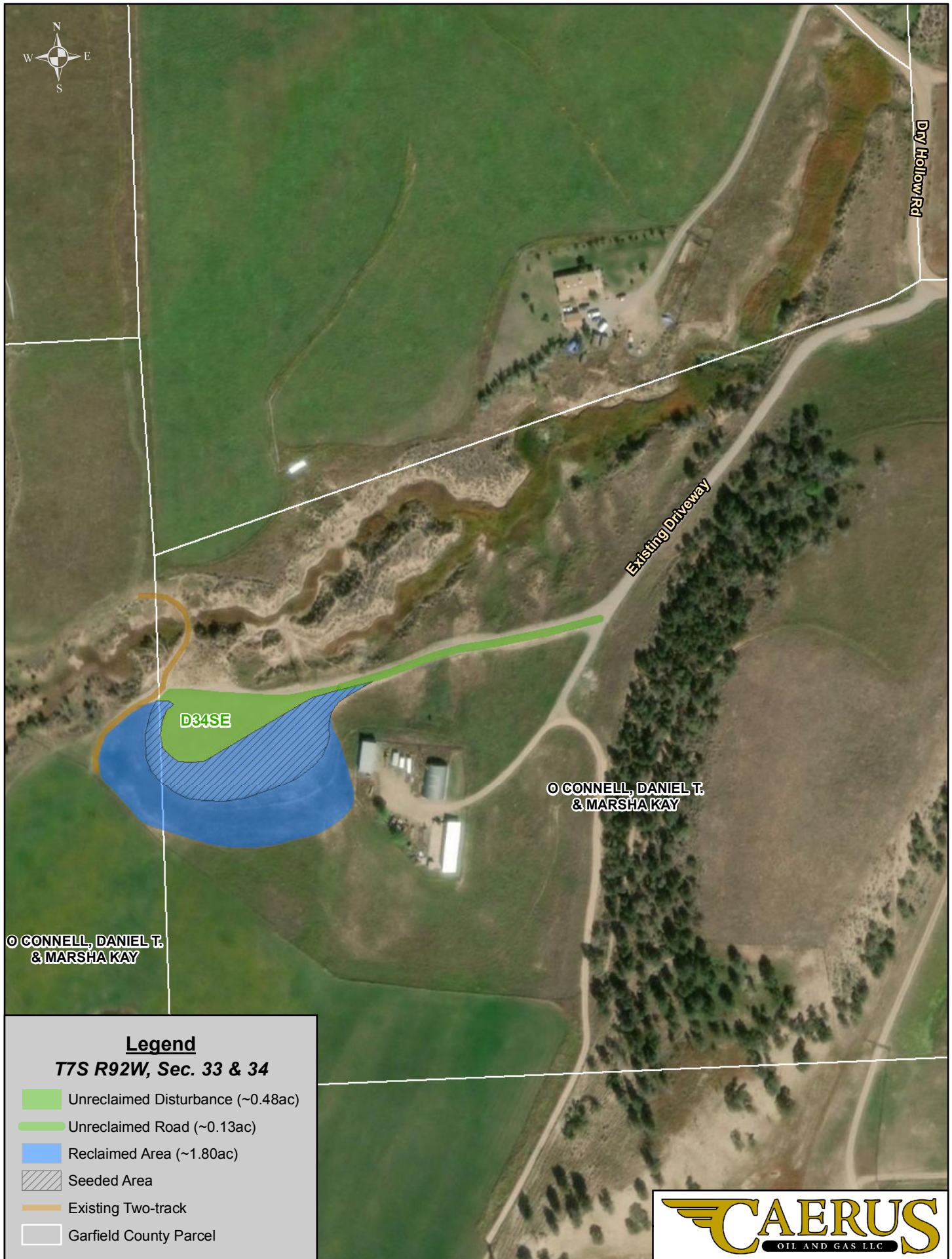
Signed:



Marsha Kay O'Connell

Date:

Sept 23, 2015







COGCC Landowner Reclamation Variances and Waivers Guidance Document - Operator Analysis

Location Data

Location Name:	O'Connell 34-4C (D34SE)
API:	05-045-09353
Legal:	T.7S. R.92W., 6th P.M. - Section 34, NWNW
Landowner:	Dnaiel T. and Marsha Kay O'Connell
Waiver/Variance Request:	Final Reclamation - Access Road and Well Pad
Waiver/Variance Request from Rules:	1004.a & 1004.d
Disturbed Area Reclaimed	~1.80 Acres
Disturbed Area to Remain	~0.61 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. There is no evidence of active stormwater erosion or noxious weeds on the site. The well site has been left flat and graveled, leaving a large, stabilized, turnaround to be used for multiple ranching operations and access to irrigation. Limited recontouring of fill slopes has been completed to alleviate gradient, permanently manage stormwater flows and prevent erosion and soil loss. The access road and well location have been graveled, compacted and stabilized and have been left to provide access to assist in irrigation, provide a truck and equipment turnaround area as well as a livestock feeding area.
Stormwater Management Controls/Stabilization:	There is no evidence of active stormwater erosion on the site. Limited recontouring of fill slopes has been completed to alleviate gradient, permanently manage stormwater flows and prevent erosion and soil loss. The access road and well location have been graveled, compacted and stabilized.
Topsoil Conservation:	Topsoil present at the time of construction was redistributed around the well pad in areas to be reseeded.
Nature of Location: Urban/Rural	Rural
Proximity to Surface Water:	An intermittent drainage is located approximately 490 feet to the west of the location. The well pad and access road are 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.
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. There is no evidence of active stormwater erosion or noxious weeds on the site. The well site has been left flat and graveled, leaving a large, stabilized, turnaround as a future storage area. Limited recontouring of fill slopes has been completed to alleviate gradient, permanently manage stormwater flows and prevent erosion and soil loss. The access road and well location have been graveled, compacted and stabilized and have been left to allow for access to the lands for multiple ranching operations including truck and equipment turnaround as well as assisting in access to irrigation.

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
- ☒ Well (API Spot)
 - ☐ Well Operator
 - ☐ Well Name
 - ☐ Well API #
 - ☐ Well Status Label
 - ☐ Well Status
 - ☒ Locations
 - ☐ Underground Injection Control (UIC)
 - ☒ Permits
 - ☐ Pending Well (Form 2) Permit
 - ☐ Approved Well (Form 2) Permit
 - ☐ Pending Location (Form 2A) Permit
 - ☐ Approved Location (Form 2A) Permit
 - ☒ Facilities
 - ☐ Directional Wellbores
 - ☒ COGCC
 - ☐ Environmental
 - ☐ Oil & Gas Fields
 - ☐ Orders
 - ☐ Projects Rulison & Rio Blanco
 - ☐ Rules
 - ☐ Seismic Permits
 - ☐ Orphaned Well Program
 - ☐ Other Projects
 - ☒ Historic Wells
 - ☒ Roads & Railroads (CDOT)
 - ☒ Water Resources (DWR)
 - ☒ Floodplains (FEMA)
 - ☒ Environmental Sites
 - ☒ Section, Township, & Range (PLSS)
 - ☒ Local Government Designees (LGDs)
 - ☒ Wildlife (CPW)
 - ☒ 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)
 - ☐ 2011 (NAIP)
 - ☐ 2013 (NAIP)
 - ☐ 2015 (NAIP)
 - ☐ 2017 (NAIP)

