



Caerus Piceance LLC
143 Diamond Ave
Parachute, CO 81635

July 25, 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 Standard Shale 6402 Location (Location ID# 323906). 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 both surface owners' (#13 Enterprises, LLC & Caerus Piceance LLC) to utilize the access road as it is a more accessible means of access to each of their properties for hunting and cattle raising 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 has conducted an onsite the year with each surface owner. Final Reclamation Agreements from each party have been signed and attached.

The pad area has been recontoured to approximate the pre-disturbance landform. Compaction of the former operation area has been alleviated and reseeded to facilitate vegetation growth. There is no active stormwater erosion on site and noxious weeds have been controlled. A graveled turnaround has been left at the foot of the west side of the location for turnaround of trailers and other heavy equipment. A graveled, stable, and compacted access road remains on Caerus Piceance LLC and #13 Enterprises, LLC as it provides eased access to areas used in hunting and cattle grazing operations.



Caerus Piceance LLC
143 Diamond Ave
Parachute, CO 81635

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# 401714554).

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

July 19th, 2018

Matthew Wurtzbacher
Vice-President
Caerus Piceance LLC
1001 17th Street, Suite 1600
Denver, CO 80202

Re: Final Reclamation Agreement
Standard Shale 6402 (A.P.I. 05-045-06914)
T.7S. R99W., 6th P.M.
Section 11: NWNW
Garfield County, Colorado

Dear Mr. Wurtzbacher:

Caerus Piceance LLC (“Caerus”) is the operator of the Standard Shale 6402. 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 and the associated access road.

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 May 18th, 2018. Reclamation of the well site and the access road has been completed per your specifications. The well site area, excepting a small turnaround area at the west end of the location, has been reclaimed to the pre-disturbance landform. The well access road has been reduced to a stabilized two-track road. The two-track access road and the turnaround are necessary and utilized in grazing and hunting operations on the property. Caerus 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. The two-track access road and the turnaround have been left, as shown in Exhibit “A”, to allow for access to the lands and for parking and turnaround of vehicles utilized primarily in cattle grazing and hunting operations.

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

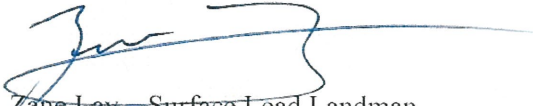
been permanently stabilized, and you as an officer of Caerus Piceance LLC (surface owner) wish to waive any requirement for the total percent plant cover of eighty percent (80%) of pre-disturbance or reference area levels for the un-reclaimed turnaround and access road, which is necessary for the desired 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

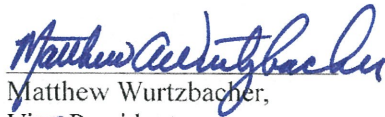


Zane Lay — Surface Lead Landman

I ACKNOWLEDGE AND AGREE as set forth above.

SURFACE OWNER

Signed:



Matthew Wurtzbacher,
~~Vice~~ President
Caerus Piceance LLC

Date: 7/20/18, 2018

Exhibit "A"





May 25, 2018

The High Lonesome Ranch
#13 Enterprises LLC
Attn: Scott Stewart
PO Box 88
0275 County Road 222
Debeque, CO 81630

Re: Final Reclamation Agreement
Standard Shale 6402 (A.P.I. 05-045-06914)
T.7S. R99W., 6th P.M.
Section 11: NWNW
Garfield County, Colorado

Dear Mr. Stewart:

Caerus Piceance LLC (Caerus) is the operator of the Standard Shale 6402 and its associated access road. 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 and the associated access road.

In accordance with the requirements of COGCC Rules 306.a. and 306.f an on-site review of the planned reclamation of the access road was conducted on May 18th, 2018. Reclamation of the access road has been completed per your specifications. The portion of access road on #13 Enterprises, LLC lands (the "Lands"), as shown in Exhibit "A", has been left compacted and stabilized, to prevent erosion and any soil from leaving the site. The road allows you access to the Lands and adjacent leased lands, for cattle grazing and hunting operations. Noxious weeds have been controlled along the access road.

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 access road has not been alleviated and this portion of the disturbance has not been recontoured or revegetated. The access road is being left in a compacted and stable state.

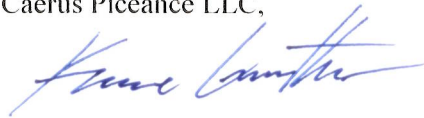
1004.d Final reclamation of all disturbed areas shall be considered complete when all activities disturbing the ground have been completed, and all disturbed areas have been either built upon, compacted, covered, paved, or otherwise stabilized in such a way as to minimize erosion, or a uniform vegetative 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. You, as the Surface Owner, wish to waive any requirement for eighty percent (80%) pre-disturbance vegetative cover on the access road as this portion of the disturbance is permanently stabilized and the un-vegetated, stabilized surface is needed for property access and land use.

You, as the Surface Owner, agree that Caerus has fulfilled the requirements set forth by the COGCC for the abandonment of the access road, 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 Caerus shall have no further responsibility or liability for the reclamation of the road on your property. 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 associated well site and access road(s). 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,

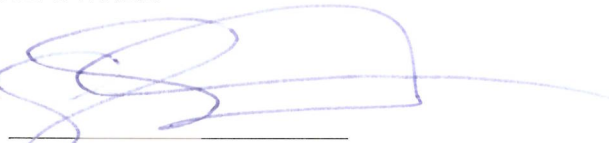


Kane Gunther – Surface Landman

I ACKNOWLEDGE AND AGREE as set forth above.

SURFACE OWNER

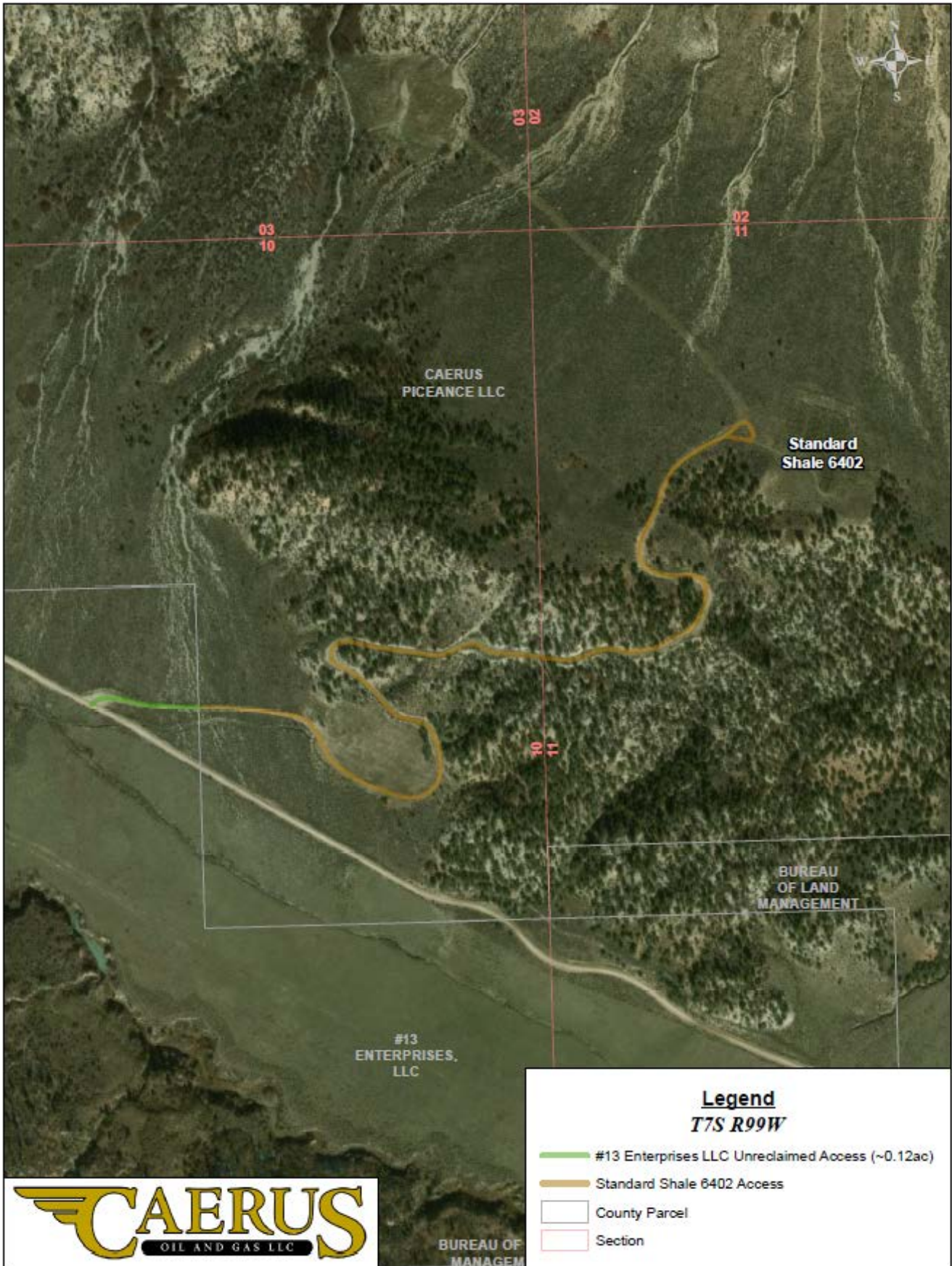
Signed: _____



Scott Stewart,
The High Lonesome Ranch
#13 Enterprises, LLC

Date: 7/17, 2018

Exhibit "A"





COGCC Landowner Reclamation Variances and Waivers Guidance Document - Operator Analysis

Location Data

Location Name:	Standard Shale 6402
API:	05-045-06914
Legal:	T.7S. R.99W., 6th P.M. - Section 11, NWNW
Landowner:	Caerus Piceance LLC
Waiver/Variance Request:	Final Reclamation - Access Road and Well Pad
Waiver/Variance Request from Rules:	1004.a & 1004.d
Disturbed Area Reclaimed	~4.53 Acres
Disturbed Area to Remain	~1.26 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>Reclamation of the well site and the access road has been completed per the landowner specifications. The well site area, except a small graveled turnaround area at the end of the access road, as been reseeded. The well pad has been recontoured to approximate the pre-disturbance landform.</p> <p>Caerus will continue to monitor revegetation of the reclaimed pad, work to control any noxious weeds species that may present themselves, and monitor for and repair any stormwater issues that may arise in the reclaimed areas until such time as the reclamation has met COGCC's reclamation criteria and the location is released from the Bond. The access road and the turnaround have been left to allow for access to the lands and for parking and turnaround of the vehicles utilized in the landowner's cattle raising and hunting operations.</p>
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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 has been graveled, compacted and stabilized.
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Topsoil Conservation:	Topsoil present at the time of construction was redistributed around the well pad.
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Nature of Location: Urban/Rural	Rural
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Proximity to Surface Water:	An intermittent drainage is located approximately 3462 feet to the south of the location. The well pad and access road are graded and stabilized to prevent runoff from reaching surface water.
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Wildlife Areas:	This location does fall within the Elk Winter Concentration SWH area. Caerus does not foresee any issues that would negatively impact Elk.
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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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- Wells
 - Well (API Spot)
 - Well Operator
 - Well Name
 - Well API #
 - Well Status Label
 - Well Status
 - Underground Injection Control (UIC)
- Locations
- 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)
 - Water Well
 - Designated Groundwater Management A
 - Designated Basin
 - Planned Reservoir
 - Lake
 - River/Stream
 - Aquifer (CDPHE Regulation 42)
- 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

