



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7210
www.blm.gov



In Reply Refer To:
CO-922 (3180)
Big Jimmy Unit – Setback Relief Request
COC74105X
Expanded Liberty Unit – Setback Relief Request
COC69926X

AUG 02 2018

Nathan Burget
Caerus Oil and Gas LLC
1001 Seventeenth Street
Suite 1600
Denver, CO 80202

Dear Mr. Burget,

On July 24, 2018, the Bureau of Land Management (BLM) received your Federal Unit Setback Relief Request for the Big Jimmy Unit (COC74105X) and the Expanded Liberty Unit (COC69926X). Caerus Piceance LLC (Caerus), as operator of the Big Jimmy Unit and Expanded Liberty Unit, is formally requesting relief from Colorado Oil and Gas Conservation Commission (COGCC) Rule 318.d(3) that no well in excess of two thousand five hundred (2,500) feet in depth shall be located less than six hundred (600) feet from the exterior or interior (if there be one) boundary of the unit area.....unless otherwise authorized by the order of the Commission after proper notice to owners outside the unit area.

Caerus requests the setback be adjusted to 100 feet from the exterior or interior boundary of the referenced Federal Unit areas for any well drilled to the Williams Fork Formation. Caerus' request is supported by COGCC's Order 510-13, which covers portions of the Big Jimmy Unit, that allows wells drilled to the Williams Fork Formation to have a downhole location no closer than 100 feet from the lease line.

The BLM agrees with setbacks being adjusted to 100 feet from the exterior or interior boundaries of the Big Jimmy Unit (COC74105X) and the Expanded Liberty Unit (COC69926X) for the **North and South boundaries** only based on Order 510-13 and additional spacing orders for the Williams Fork Formation in the Piceance Basin. The COGCC has been looking at adjusting the boundaries in this area to 100 feet from the north and south boundaries and 600 feet from the east and west boundaries. The BLM will require additional engineering/geological documentation that justifies the 100 foot setbacks to the east and west boundaries before supporting 100 foot setbacks to the east and west boundaries.

If you have questions, please contact Jim Annable, Petroleum Engineer, at 303-239-3756.

Sincerely,

Acting 

Jonathan Fairbairn
Chief, Branch of Fluid Minerals
Division of Energy, Lands, and Minerals