

Caerus Piceance, LLC

SURFACE USE PLAN OF OPERATIONS

BJU M23A-496 Pad – Fee Surface-Fed Minerals

W1/2-SW, Sec. 23, T4S, R96W

Big Jimmy Unit COC-74105A

Federal Lease No.: COC-64814

Federal Lease No.: COC-61137

JUNE 2020

Proposed Action

Caerus Piceance, LLC is proposing to drill 27 Federal wells located on Fee surface/Federal minerals. APDs for the following wells located in the table below are being submitted.

<u>BJU</u> <u>M23A-496</u> <u>Well Pad -</u> <u>27 Wells:</u>	BJU M23A FED 12B-23-
	496, 12C-23-496, 12D-23-
	496, 13A-23-496, 13B-23-
	496, 13C-23-496, 13D-23-
	496, 14A-23-496, 14D-23-
	496, 15A-23-496, 15B-23-
	496, 15C-23-496, 21A-23-
	496, 21B-26-496, 23D-22-
	496, 24A-22-496, 24B-22-
	496, 24C-22-496, 24D-22-
	496, 24D-23-496, 25A-23-
	496, 25B-22-496, 25C-22-
	496, 25C-23-496, 25D-22-
	496, 25B-23-496, 26A-22-
	496

Green highlights indicate Fed well/**bold indicates wells submitted.**

1. Existing Roads

Refer to "Topo Map" (Sheet A and B) of the attached APD(s). The access road is a two-track that needs upgraded. The 2-track is 572' and new construction needs to cover a section 536' feet and 852'. The access road will support access to the BJU M23A-496 Pad and connect to an existing road that travels south to the existing F26-496 Frac Support Pad.

Access roads and surface disturbing activities will conform to standards outlined in the 2007 version of BLM and USFS "Surface Operating Standards for Oil and Gas Exploration and Development – The Gold Book."

All equipment and vehicles will be confined to the access road, pad and areas specified in the APD. The Operator will be responsible for continuous inspection and maintenance of the access road. The Operator will conform to a schedule of preventive maintenance, which at a minimum, provides for the following corrective measures on a biannual basis. (Problem areas will be corrected as needed.)

- Road surface grading.
- Relief ditch, culvert cleaning and cattle guard cleaning.
- Erosion control measures for cut and fill slopes and all other disturbed areas.
- Road closures in periods of excessive soil moisture to prevent rutting caused by vehicular traffic.
- Road and slope stabilization measures as required. The road shall be maintained to the standards required for the construction of the road until final abandonment and rehabilitation takes place.

2. New or Reconstructed Access Roads

An existing access road will be used to access the pad – refer to “Topo Map” (Sheet A and B). An existing 2-track will be upgraded to access the Frac Support Pad. Upgrade and new road construction is necessary.

The pad is located on private surface will be expanded. An existing 2-track (572' +/-) will need upgraded to access the proposed N23 496 Central Delivery Point (CDP) and the existing BJU F26-496 Frac Support Pad to the south. The additional section of new road construction will cover 536' +/- and 852' +/- . This construction is on private surface. See Topo Map – B (Access Road). In the future, if any gravel is required it will come from Elam Construction Inc. and Una gravel pit located on 318 County Road 300 Parachute, Colorado 81635, NW ¼ of Sec. 34, T6S-R96W.

This location will have a proposed secondary access road (2117' +/-) on the West side of the pad, for safety ingress/egress during Drilling/Completions activities. This road will be reclaimed during interim reclamation.

Driving Directions to BJU M23A-496 Pad are as-follows:

PROCEED IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION FROM PARACHUTE, COLORADO ALONG COUNTY ROAD 215 APPROXIMATELY 10.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 3.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN NORTHEASTERLY, THEN SOUTHWESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 2.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 3.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION

APPROXIMATELY 0.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1,786' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM PARACHUTE, COLORADO TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 22.7 MILES.

Please refer to Section 1 (Existing Roads) for maintenance plans and conformance standards.

3. Location of Existing Wells

See "Topo Map C – "One-Mile Radius" plat.

WELL NUMBER	OPERATOR	QTR/QTR	SECTION	TOWNSHIP	RANGE
SG 8508D-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8511A-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8503D-22-N22496	Caerus Piceance LLC	LOT 5	22	4S	96W
SG 8508E-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8509A-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8506D-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8508C-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8501D-21-N22496	Caerus Piceance LLC	LOT 5	22	4S	96W
SG 8506B-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8506C-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8501E-21-N22496	Caerus Piceance LLC	LOT 5	22	4S	96W
SG 8508B-21-N22496	Encana Oil and Gas (USA) Inc	SESW	22	4S	96W
SG 8503E-22-N22496	Caerus Piceance LLC	LOT 5	22	4S	96W
SG 8506E-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8508A-21-N22496	Encana Oil and Gas (USA) Inc	SESW	22	4S	96W
SG 8506A-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8516C-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8509E-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8509B-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8509C-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8511D-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8514D-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8516A-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8509F-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8514C-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8514B-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8514A-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8516B-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W

SG 8511E-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8511C-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG 8509D-21-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SG-8511B-22-N22496	Caerus Piceance LLC	SESW	22	4S	96W
SGU CP01B-27-M23A-496	Caerus Energy Services LLC	SWSW	23	4S	96W
SGU CP12D-23-M23A-496	Caerus Piceance LLC	SWSW	23	4S	96W
SG 8510B-23	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8505E-24-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8505D-24	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8509B-24	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8512A-24	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8507B-23	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8509A-24-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8509E-24-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8512C-24	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8509C-24	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8505C-24-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8505B-24	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8510A-23-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8510C-23-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8507A-23	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8512D-24-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8507E-23-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8510E-23	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8512E-24-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8508E-24	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8512B-24-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8505A-24	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8509D-24	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8510D-23	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8502D-23-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SG 8502C-23-L24496	Caerus Piceance LLC	NWSW	24	4S	96W
SGU 8506B-F26-496	Caerus Energy Services LLC	SENW	26	4S	96W
SGU 8505D-F26-496	Encana Oil and Gas (USA) Inc	SENW	26	4S	96W

Geospatial data has been electronically sent concurrently to WRFO.

4. Location of Existing and/or Proposed Production Facilities

At each drill location, surface disturbance will be kept to a minimum. Each drill pad will be leveled using cut and fill construction techniques as noted in the attached survey.

Should drilling result in established commercial production the following will be shown:

1. Proposed location and attendant lines, by flagging, if off well pad.
2. Dimensions of facilities.
3. Construction methods and materials.
4. Protective measures and devices to protect livestock and wildlife.
5. All buried pipelines will be buried to a minimum depth of 3 feet, except at road crossing where they will be buried to a depth of 4 feet. The maximum right-of-way for the pipeline route will be 75 feet wide and will be minimized at 50 feet when possible. The right-of-way will be minimized by utilizing existing roads and existing rights-of-way when possible and when fewer pipes will be installed in the same trench when surrounding topography is flatter and does not require significant side cuts.
6. Pipeline location warning signs shall be installed within 90 days after construction is completed.
7. Caerus shall condition pipeline right-of-way in a manner to preclude vehicular travel upon said rights-of-way, except for access to pipeline drips and valves.
8. During the drilling, completing and production of the wells on this pad Caerus will be needing to install pipes in one right-of-way:
 - Buried up to 12" for 3-phase gathering that connects to the production pad and will deliver 3-phase flow to the BJU N23-496 CDP Pad
 - Buried up to 8" frac line for the remote frac operations
 - Surface up to 12" for 3-phase flowback that will be conducted on the BJU N23-496 CDP
 - Buried up to 6" gas lift line
 - Buried up to 12" water line

Water will be pumped from Divide Road Water Treatment Facility to the BJU F26-496 Frac Support Pad using an existing 12" buried waterline accompanied by 1,376' of buried waterline. Additionally, 3,450' of remote frac line will be buried from the BJU F26-496 Frac Support Pad to the BJU M23A 496 Pad to support remote frac operations. This line will follow the proposed pipeline ROW for all the lines supporting the BJU M23A 496 Pad (Figure 9 and Topo D).

A new 3-phase gathering line will be constructed that will carry gas, water and oil from the BJU M23A-496 Pad to the newly constructed BJU N23-496 CDP, where new gathering facilities will be constructed. This new pipeline will be buried and up to 12" in diameter, covering approximately 2,703'. The new gathering facility will consist of multiple bulk, 3-phase separators, a custody transfer gas meter, a tank battery for oil storage and sales point, and may include a generator and liquid cooler for early life flows. Three phase separation will occur at the gathering facility, with oil being separated, dumped to, and sold from the oil tank battery. Water will be separated, cooled, and pumped back to Divide Road Water Treatment where the water will be reused for completion activities or disposed of in existing salt-water disposal well. Gas will be separated, measured, and will flow into an existing gas gathering line, carrying the gas to the Story Gulch Compressor Station or Middle Fork Compressor Station, where compression and dehydration activities will occur. Measurement of the gas, on the gathering facility pad, will be the custody transfer and allocation point.

Caerus intends to bury these pipelines with the exception of the up to 12-inch steel surface flowback line. This surface line will be removed once completion and flowback operations have been completed. All disturbances will be reclaimed according to BLM and surface owner requirements.

See Figure 9 for proposed location of the BJU F26-496 Frac Support Pad and Figure 7 and 8 for BJU N23-496 CDP Pad.

The new CDP, the BJU N23-496, will consist of water pumps, bulk 3-phase separators, a custody transfer gas meter, a tank battery for oil storage and sales point, and water tanks for storage. The facility may include a generator and one or more liquid coolers.

All tanks are installed in secondary containment that is lined (i.e. production tanks, produced water tanks, etc.) Secondary containment will be constructed on compacted subsoil, be impervious, and hold 110% of the capacity of the largest tank.

9. All tank containments will be lined with a minimum 24 mil impermeable liner.
10. All permanent (onsite for six months or longer) above-the-ground constructed or installed, including pumping units, will be painted a color determined by BLM. All production facilities will be painted within six months of installation. Facilities that are required to comply with Occupation Health and Safety Act Rules and Regulations will be excluded from this painting requirement.
11. If different production facilities are required, a sundry notice will be submitted.
12. Run off and sediment Best Management Practices will be implemented and maintained per Caerus Piceance LLC Stormwater Management Plan (CDPHE Certification #COR037689). The Pad will have a berm built around entire location.
13. Caerus Piceance LLC shall protect all survey monuments, witness corners, and reference monuments against disturbance during construction, operation, maintenance and termination of the facilities authorized herein.

Caerus shall immediately notify the authorized officer in the event that any corners, monuments or markers are disturbed or are anticipated to be disturbed. If any monuments, corner or accessories are destroyed, obliterated or damaged during construction, operation or maintenance, Caerus shall secure the services of a Registered Land Surveyor to restore the disturbed monuments, corner or accessories, at the same location, using surveying procedures found in the Manual of surveying Instructions for the Survey of the public Lands of the United States, latest edition. Caerus shall ensure that the Registered Land Surveyor properly records the survey in compliance with the Colorado Revised Statutes 38-53-101 through 38-53-112 (1973) and shall send a copy to the authorized officer.

During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.

Reclamation of disturbed areas no longer needed for drilling/completion operation will be accomplished by grading, leveling and seeding as recommended by the Bureau of Land Management.

Caerus will be responsible for road maintenance from the beginning to completion of operations.

See Figure 6 for the proposed Location of the M23A-496 Pad and Figure 9 for proposed location of the BJU F26-496 Frac Support Pad.

The new gathering facility will consist of water pumps, bulk 3-phase separators, a custody transfer gas meter, a tank battery for oil storage and sales point, and water tanks for storage. The facility may include a generator and one or more liquid coolers.

Refer to "Construction Layout" (Figure 1, 2, 7, and 8) of the attached plat package as well as "Interim Reclamation-Production Schematic" (Figure 4 and Figure 4A) attached to each APD.

5. Location and Types of Water Supply

Water to be used for drilling these wells will be delivered to the location by pipeline and trucking. Completions of the wells will be delivered to the location via pipeline. Water delivery for Drilling will be diverted from Caerus surface at the North Parachute Ranch West Fork Point of Diversion (POD Lat/Long – 39 37' 49.51"N 108 11' 42.57"W with WD ID# 3901083). This water will be pumped through existing pipeline infrastructure delivered to the M34 freshwater pond through an 8" buried pipeline. From the pond, water will be hauled via truck to the M23A Drilling operations. Water delivery for Completions will be initiated from Divide Road via existing buried pipeline infrastructure directly to the existing F26

pad location. From the ancillary remote frac pad water is pumped to the wells via the buried remote frac line as described above in Section 4.

The water source may be from (1) recycled flow back water (frac water from completion operations), production water gathered from producing wells, or some combination thereof resulting from ongoing operations in the Piceance Basin that may be treated for reuse, or (2) fresh water from available water rights in the Piceance Basin.

The water provider is Caerus. Caerus maintains numerous water rights in Piceance Basin/or its tributaries. Fresh water for Drilling will come from our Industrial Rights in North Parachute Ranch West Fork Point of Diversion (POD Lat/Long – 39 37' 49.51"N 108 11' 42.57"W with WD ID# 3901083).

The estimated amount of water used for construction, drilling and dust abatement is 14,000 bbls fresh water per well. This is based on estimated use of 1,000 bbl water/day for dust control. Completions will use ~234,000 bbls of water per well. It is Caerus' intent to exhaust all reasonable volumes of produced/flowback waters for Completions operations before utilizing a fresh water source. In the event that fresh water is needed for Completions, the diversions of water will occur at the Una Bridge Alternate Point of Diversion (Lat/Long - 39 23' 37.57"N 108 6' 8.60"W with WD ID# 3901079). This site is covered by Caerus' industrial water rights and in the event of an "on-call" period by a senior water right, Caerus' augmentation plan with the Co River District will allow diversions to occur as required necessary for operations. Water at this site will be pumped by temporary electric pumping equipment into a 12" buried pipeline through existing buried infrastructure delivered directly to the frac location.

Access route is as follows: Please see "Driving Directions" for directions to pad (Section 2).

6. Source of Construction Materials

All necessary materials for earthwork construction are on this location. Caerus will not be borrowing materials from any other location. Pad and access road construction will be balanced cut/fill earthwork quantities; there will be no import earthwork material. Surface gravel aggregates and/or pit lining material will be imported from Una/Parachute Gravel Pit, a permitted commercial gravel pit near Rifle, CO.

Una/Parachute Gravel Pit, 318 CR 300, Parachute, CO 81635. Their gravel pit is in the NW ¼ of Section 34, T6S-R96W; also, Latham-Burkett gravel pit located in the SW ¼ of Section 27, T8S-R97W.

7. Methods for Handling Waste Disposal

Drill cuttings generated during drilling of the proposed well will be managed on the pad surface in a cutting's management area. The area will be sufficiently bermed to provide run-on protection and run-off controls. The moisture content will be as low as practicable to prevent accumulations of liquids greater than a de minimis amount. This will be accomplished through solids control equipment consisting of shale shakers, centrifuges, and a flocculating unit to separate drill cuttings solids from liquid (water). Any liquid removed the solids will be reused as part of the drilling process. Both surface interval and production interval drill cuttings will be segregated and sampled for the pertinent suite of COGCC Table 910-1 analytes, such that the different cuttings can be managed appropriately (if necessary). Those cuttings analytically demonstrating conformance with applicable COGCC Table 910-1 standards will be beneficially reused as part of the pad reclamation efforts. Cuttings analytically above COGCC Table 910-1 standards will be remediated on-site to below pertinent thresholds and then beneficially reused as part of the pad reclamation. The cuttings management area will be reclaimed in accordance with the 900 and 1000 COGCC Rules. Western Colorado Waste Inc., P.O. Box 26, Mack, CO 81525 provides roll-off dumpsters and portable toilets. The location will have 1-2 40-yard closed top container that will be emptied weekly. There will be 1-

2 portable toilets that will be serviced weekly. All trash and porta potty liquids will be disposed of at Garfield County Landfill, 0075 CR 246, Rifle, CO 81650; (970) 625-2516.

Stallion Oilfield Services, 240 Cactus Rose Lane, Rifle, CO 81650 provides housing, water and sewer services. All housing units have full bathrooms. All grey water is treated and stored in 2000-gallon waste water storage tanks. This water is picked up every four days and disposed of at the City of Rifle Water Treatment System. All water hauling of potable and non-drinking water is under the State of Colorado PWSID Permit # CO00223729 which allows Stallion to operate as a potable water delivery operator. Water is purchased from the Town of Parachute, CO at Red Point LLC, 808 CR 215, Parachute, CO 81635. The following equipment will be on location:

- 3 - Climate Controlled 3000-gallon potable water tanks
- 5 - 2000-gallon wastewater storage tanks
- 2 - 40-yard closed top roll-off dumpsters
- 2 - Portable Toilets

8. Ancillary Facilities

For completions, the M23A-496 pad will be completed from the existing BJU F26-496 Remote Frac Pad (Figure 9) located in SENW, Sec. 26, T4S, R96W. This ancillary pad is on private surface owned by Caerus Piceance LLC.

There are two locations that will be utilized as ancillary facilities for the BJU M23A-496 pad, consisting of the BJU N23-496 CDP and the BJU F26-496 Remote Frac Pad. The BJU M23A-496 will utilize 3-phase gathering which is consistent with other producing pads in the area. Gas, water and condensate will flow from the wells on the BJU M23A-496 to the BJU N23-496 CDP. At the CDP gas, water and condensate will all be separated and metered. The CDP will consist of separators, pumps, generators and tanks for oil storage and sales. Additionally, the CDP will support early life flowback operations. During flowback, generators, coolers, pumps and tanks will be utilized for separating, cooling and pumping water. Flowback operations will utilize the newly installed, up to 12", surface line that will carry gas, water and condensate from the BJU M23A-496 to the BJU N23-496 CDP.

The BJU F26-496 Remote Frac Pad will be utilized for remote completion activities during fracturing operations. Water will be pumped from Divide Road Water Treatment Facility to the BJU F26-496 Pad where all fracturing equipment will be staged. Pumps, tanks, generators and other equipment will occupy the BJU F26-496 pad. During fracturing operations, high pressure water will be pumped from the BJU F26-496 Pad to the BJU M23A-496 Pad utilizing the newly installed, buried remote frac line.

After completion activities, a workover rig will be used on the BJU M23A-496 Pad to place tubing in all of the wells for long term production.

9. Wellsite Layout

See "Well Location Plat" attached to each APDs for the Well Location.

See Figure 1 and Figure 2 find the Construction Layout.

See Figure 3 and 3A find the Drill Rig Layouts.

See Figure 4 find the Interim Reclamation-Production Schematic.

See Figure 4A find the Interim Reclamation Diagram.

See Figure 6 find the Location Drawing.

See Figure 7 and Figure 8 find the Construction Layout for the BJU N23-496 CDP Pad.

See Figure 9 Site Plan for the BJU F26-496 Frac Support Pad.

See Exhibit – Surface Use Disturbance – BJU M23A-496 Pad

See Exhibit 1 – Surface Use Disturbance – BJU N23-496 CDP Pad

See Topo Map – A Topo

See Topo Map – B (Access Road)
See Topo Map – C (One-Mile Radius)
See Topo Map – D (Pipeline Map)
See Topo Map – W (Hydrology Map)

10. Plans for Surface Reclamation

Interim Reclamation

Also, unless otherwise directed by the landowner or a jurisdictional authority, rocks, cut vegetation, and other surface material temporarily stockpiled during construction are redistributed as backfill on the project area and blended into the natural landscape. The segregated topsoil is then spread evenly across the reclaimed areas. Due to the amount of soil moved around the site during reclamation, perimeter sediment controls such as wattles or diversion ditches will need to be implemented if not present already.

Once all topsoil has been distributed across the site, the location is then seeded by drill seeding methods or broadcast seeding. The recommended seed mix for revegetation on the BJU M23A-496 surface has been provided by the BLM WRFO and is attached to the submitted APDs. All reclaimed areas except areas needed for production will be seeded. All areas needed for production will be graveled. The Pad boundary will be fenced per surface owner request.

Re-vegetation is accomplished as soon as practical following the preparation of a site for final stabilization. Seeding will be done when seasonal or weather conditions are most favorable. Whenever possible, seeding is timed to take advantage of moisture, such as early spring or late fall.

On terrain where drill seeding is appropriate, seed may be planted using a drill equipped with a depth regulator to ensure proper depth of planting. Drilling will be used where topography and soil conditions allow operation of equipment to meet the seeding requirements of the species being planted while steeper areas are broadcast seeded. Steeper areas will be assessed in order to determine if additional BMPs are needed to stabilize the soil until vegetation develops.

If necessary, in areas of concentrated surface flow, turf reinforcement mats and erosion control blankets will be employed to help facilitate vegetative growth.

Final Reclamation

Unless otherwise directed by the landowner or a jurisdictional authority, the following standards will apply to final reclamation.

- A. Re-contouring:** Unless an agreement is made with the landowner to keep the road and/or pad in place, the disturbed areas surrounding the well location, including the access road will be recontoured to blend as nearly possible with the natural topography. Final grading of back-filled and cut slopes will be done to prevent erosion and encourage establishment of vegetation. Existing drainages will be re-established.
- B. Re-vegetation:** The long-term objective is to establish a self-perpetuating plant community that is compatible with and capable of supporting the identified land use. Noxious weeds will be treated in accordance with applicable COGCC rules.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The marker will be constructed after contouring. The top of the marker will be closed or capped and the following minimum information will be permanently placed on the marker with a plate, cap or beaded-on with a welding torch: "Fed" or "Fee", as applicable; "well number, location by quarter, quarter section, township and range"; and "lease number".

Surface Ownership:

Caerus Piceance LLC
1001 17th Street, Suite 1600
Denver, CO 80202
(303) 565-4600

Refer to “Topo Map” (Sheet A and B) and “Location Drawing” (Figure 7) detailed pad information including existing access.

The well pad and all production facilities are located on private surface owned by Caerus Piceance LLC.

11. Other Information

Through the annual site visits, noxious and invasive weeds will be identified, inventoried and treated by licensed contracted herbicide applicators.

Caerus Piceance LLC will monitor, control and reduce the spread of noxious and invasive weed species within Caerus disturbances as determine in the Colorado Noxious Weed Act and rules pertaining to the administration and enforcement of the Colorado Noxious Weed Act.”

Success will be achieved when minimal noxious weeds exist, and native vegetation dominates the area reclaimed during interim reclamation activities which will be evaluated during annual site visits.

Caerus Piceance LLC will have a Paleo Monitor on location during Pad construction.

Caerus Piceance LLC estimates it will cost \$262,410 dollars to complete final reclamation which includes the well pad, remote frac pad/production pad, access roads and associated pipelines.

Environmental Considerations

RESOURCE / ENVIRONMENTAL ISSUE	POTENTIAL IMPACTS		COMMENTS
	YES	NO	
AIR QUALITY		X	All equipment and infrastructure complies with COGCC and CDPHE air quality regulations for an APEN or permitting.
CHEMICAL MANAGEMENT		X	All chemical management complies with COGCC, CDPHE and SARA Title III reporting requirements, including MSDS sheets for all chemicals used in Caerus Piceance, LLC operations.
CULTURAL OR PALEO RESOURCES PRESENT	TBD	TBD	BLM WRFO requires paleo monitor on location during pad construction.
GROUNDWATER		X	Drilling plans comply with COGCC ground water protection regulations.
MINERALS - FEDERAL		X	27 APDs submitted herein comply with 43 CFR 3160, et. al. and associated Onshore Orders and guidance.
MINERALS- STATE AND COUNTY		X	APDs have been submitted to the COGCC for State Approval in accordance with COGCC Title 34 regulations. Any SUP or other county requirements will be complied with.
NEPA		X	The proposed actions may qualify for categorical exclusion which will be determined by WRFO.

NOISE		X	Noise thresholds as established by the COGCC will be complied with in accordance with State Title 34 regulations.
NOXIOUS WEEDS	TBD	TBD	This location will be added to the noxious weed management plan
RECLAMATION		X	The BJU M23A-496 Pad is on private surface owned by Caerus Piceance LLC.
SPILLS	TBD	TBD	All spills will be managed in accordance with Federal (NRC, BLM, et. al.), state (COGCC, CDPHE, CDOT) requirements, including notification, reporting, response and remediation actions. The appropriate level of notification will depend upon the waste classification as an E&P, or non-E&P waste, as defined by EPA regulations.
VISUAL RESOURCES		X	The area is in a Class II area and the surface location is located entirely on private surface.
WASTE		X	All E&P wastes, including drilling cuttings, produced water; frac water, etc. will be managed in accordance with Federal (BLM) and COGCC regulations. Non-E&P wastes will be managed in accordance with EPA and CDPHE regulations.
WATER – 404 LOCATIONS		X	N/A - Pad already constructed and not in a jurisdictional area.
WATER – GENERAL / NPDES / WATER RIGHTS		X	Any NPDES discharge permits (if needed) and water rights obligations will be complied with under state COGCC, CDPHE and SEO regulations.
WATER - SPCC		X	All SPCC locations with comply with 40 CFR 112.
WATER-STORMWATER		X	Stormwater is addressed under a field-wide Stormwater Management Plan (CDPHE Certification #COR400000 for North Parachute).
WILDLIFE-NON-GAME AND TE&S (INCLUDES RAPTORS)		X	November 2019 - Caerus Piceance LLC (Caerus) formally requested and received authorization from Colorado Parks and Wildlife (CPW) to transfer the Encana USA Inc. Wildlife Mitigation Plan Agreement (WMPA) to Caerus' existing WMPA. Caerus is currently adhering to all aspects of both WMPAs through Caerus' current best management practices.
Raptors	TBD	TBD	At the on-site no mention of raptor survey was requested.

See Exhibit – Surface Use Disturbance – BJU M23A-496 Pad

Project Surface Disturbance (Acres)						
	Private		BLM-USDA FS		Totals	
<i>New Disturbance</i>	<i>Total</i>	<i>Long-Term</i>	<i>Total</i>	<i>Long-Term</i>	<i>Total</i>	<i>Total Long-Term</i>
BJU M23A-496 Well Pad	11.118	2.072	0	0	0	0
BJU M23A-496 Access Road Re-Route	2.808	0.878	0	0	0	0
BJU M23A-496 Pipeline R-O-W	5.921	0.0	0	0	0	0
Subtotal	19.847	2.95	0	0	0	0
<i>Existing Disturbance</i>	<i>Total</i>	<i>Long-Term</i>	<i>Total</i>	<i>Long-Term</i>	<i>Total</i>	<i>Total Long-Term</i>
BJU M23A-496 Well Pad	0.0	0.0	0	0	0	0
BJU M23A-496 Existing 2-track	0.394	0.0	0	0	0	0
Subtotal	0.394	0.0	0	0	0	0
<i>Re-Disturbance</i>	<i>Total</i>	<i>Long-Term</i>	<i>Total</i>	<i>Long-Term</i>	<i>Total</i>	<i>Total Long-Term</i>
BJU M23A-496 Well Pad	0.00	0.00	0	0	0	0
Pipeline	0.00	0.00	0	0	0	0
Subtotal	0.00	0.00	0	0	0	0
TOTAL DISTURBANCE	20.241	2.95	0	0	0	0

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

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