



Caerus Piceance LLC
143 Diamond Ave
Parachute, CO 81635

November 4, 2020

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 N31 995 Location (Location ID# 312673). 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 a portion of the well pad and access road to be used as a livestock handling and watering area. The wells have 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 and the surface owner has signed a Final Reclamation Agreement.

The well site has been recontoured to approximate the pre-disturbance landform and has been reseeded at the direction of the surface owner. There is no active stormwater erosion on site and noxious weeds have been controlled. A graveled access road and turn around area has been left to allow for access to the lands for agricultural operations. Caerus will monitor revegetation of the reclaimed portion of the pad and control any noxious weeds and monitor and repair any stormwater issues that may arise.



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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# 402525330).

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
Surface Regulatory Lead



Caerus Piceance LLC
1001 Seventeenth Street
Suite 1600
Denver, CO 80202

August 13, 2020

Benjamin E. Nichols Living Trust
c/o Ben E Nichols, Jr., Trustee
PO Box 68
Mesa, CO 81643

Via CMRRR 7017 1450 0001 7440 2904

Re: Final Reclamation Agreement
Nichols 31-42 (N31 995) (A.P.I. 05-077-08752)
T.9S. R95W., 6th P.M
Section 31: SESW
Mesa County, Colorado

Dear Mr. Nichols

Caerus Piceance LLC (Caerus) is the operator of the N31 995 ("Well Site"). The Nichols 31-42 well located on the Well Site 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. You are, per the records of Mesa County, Colorado, the owner, or legal representative acting on behalf of the owner(s), of the surface of the lands on which the Well Site is located (the "Surface Owner").

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 28, 2020. Reclamation of the Well Site and the access road has been completed per your specifications. except for a compacted graveled area of the well site, as approximately shown on Exhibit A, that has been left flat, to be used as a livestock handling and watering area, the well site has been recontoured to approximate the pre-disturbance landform and has been reseeded. Caerus will continue to monitor revegetation of the reclaimed portions of the pad, and work to control any noxious weed species that may present themselves in the reclaimed areas. Caerus will also monitor 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 site is off County Road 56 ½. The upgraded and graveled access road has been left to allow for accessto the lands and to the livestock handling and watering area, for use in your livestock 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 flat area 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. You, as the Surface Owner, wish to waive the requirement for the alleviation of compaction of the access road and for full recontouring of the well site.

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

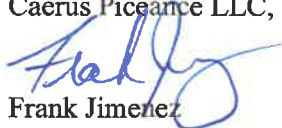
plant cover of at least eighty percent (80%) of pre-disturbance or reference area levels, excluding noxious weeds, or equivalent permanent, physical erosion reduction methods have been employed. Re-seeding alone is not sufficient. The access road and the un-vegetated, stabilized surface of the livestock handling area are necessary for access to your land in your livestock operations. You, as the Surface Owner, wish to waive any requirement for eighty percent (80%) pre-disturbance vegetative cover on the access road and the flat area which are permanently stabilized.

You, as the Surface Owner, agree that Caerus 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 livestock use area 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 and livestock handling and watering use area. 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 well and associated well site. 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 for the plugging of the well or closure of any pit 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 970-285-2606 or 970-319-8385.

Sincerely,
Caerus Piceance LLC,


Frank Jimenez
Surface Landman

I ACKNOWLEDGE AND AGREE as set forth above.

SURFACE OWNER
Benjamin E. Nichols Living Trust

Signed: 
Ben E. Nichols, Trustee

Date: 8/27, 2020

Exhibit A



View of the access road from the northwest.



View southwest of the location from the access road.



View of the location from the southeast.



View of the location from the west.



COGCC Landowner Reclamation Variances and Waivers Guidance Document - Operator Analysis

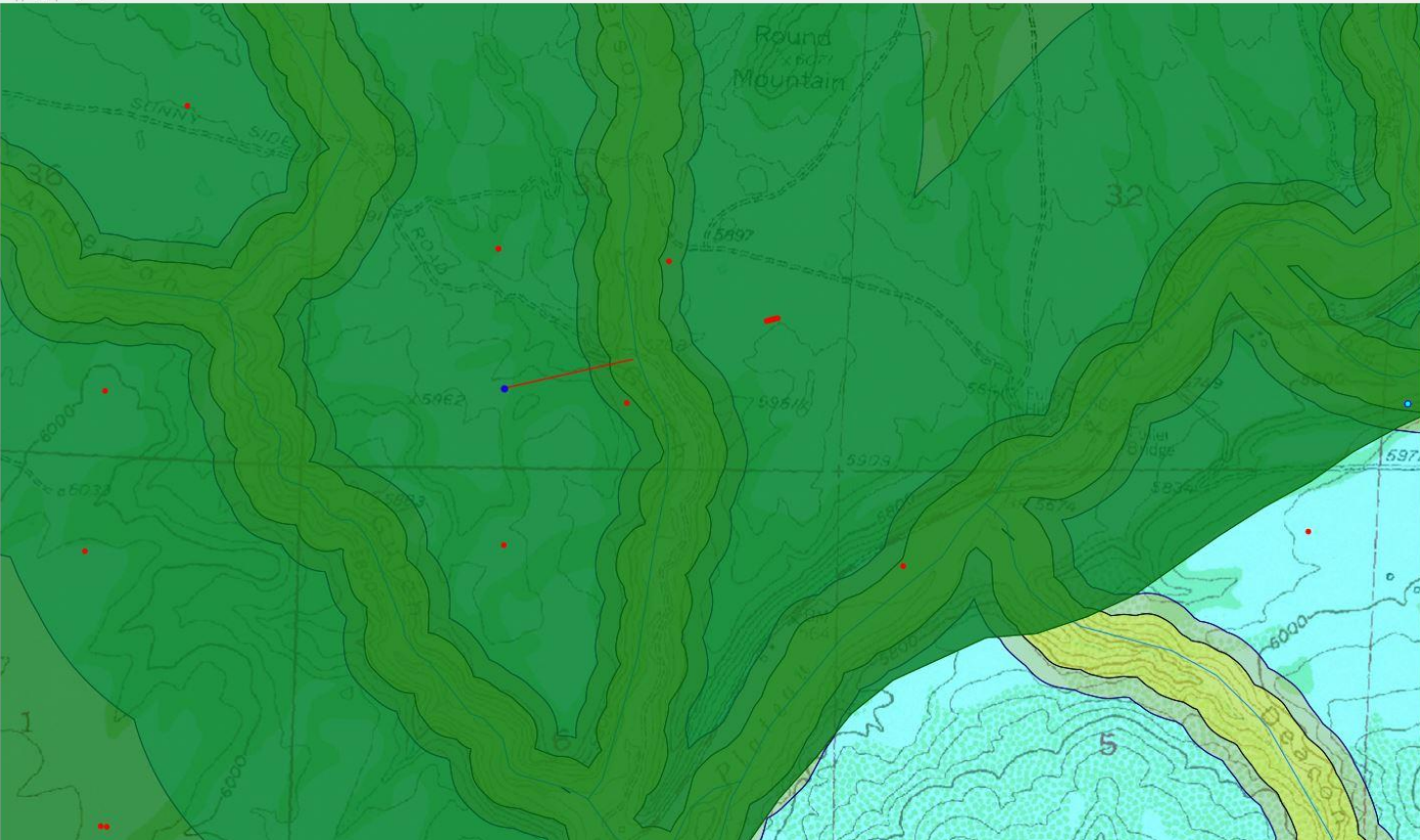
Location Data

Location Name:	N31 995 (Nichols 31-42)
API	05-077-08752
Legal:	T.9.S. R.95W., 6th P.M. - Section 31, SESW
Landowner:	Caerus Piceance, LLC
Waiver/Variance Request:	Final Reclamation - Well Pad & Access Road
Waiver/Variance Request from Rules:	1004.a & 1004.d
Disturbed Area Reclaimed	~ 1.35 Acres
Disturbed Area to Remain	~ 0.73 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's specifications. A compacted graveled area of the well site has been left ifat, to be used as a livestock handling and watering area. The well site has been recontoured to approximate the pre-disturbance landform and has been reseeded. Caerus will continue to monitor revegetation of the reclaimed portions of the pad, and work to control any noxious weed species that may present themselves in the reclaimed area.
Stormwater Management Controls/Stabilization:	There is no active stormwater erosion on the access road or well pad. Slopes on the road and pad have been stabilized and stormwater flows permanently managed to prevent erosion 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:	Anderson Gulch is located approximately 1,291 feet to the west of the location. The location is stabilized to prevent runoff from reaching surface water.
Wildlife Areas:	This location falls within the SWH for Mule Deer. Caerus does not believe that the recontouring will have a negative impact on either species.
317B Area (Y/N):	This location does fall within a 317B External Buffer Area.
Sensitive Area Classification:	This location is located within a Classified Sensitive Area. There is a 317B Water, approximately 1,2941 feet from the well. The access road is stabilized to prevent runoff from negatively impacting the adjacent water well.
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.

- Water Resources (DWR & CDPHE)
 - Water Well
 - Designated Groundwater Management Area
 - Designated Basin
 - Planned Reservoir
 - Lake
 - River/Stream
- Specified Area (CDPHE Regulation 42)
 - Public Water System (PWS) Protection
 - Contacts
 - Brighton 1-189
 - Brighton 1-189 PWS Area
 - 317B
 - 317B Internal Buffer
 - 317B Intermediate Buffer
 - 317B External Buffer
 - Draft SB 19_181 Rule 411
- Floodplains (FEMA)
- Environmental Sites
 - Air Quality (CDPHE)
 - Section, Township, & Range (PLSS)
 - Local Government Designees (LGDs)
- Parks & Wildlife (CPW)
 - Energy Liaisons
 - Districts
 - State Parks
 - State Trust Lands
 - State Wildlife Area
 - Wildlife Management Plan
 - Restricted Surface Occupancy (RSO) Area
 - Sensitive Wildlife Habitat (SWH) Area
 - Black Bear
 - Restricted Surface Occupancy (RSO) Details
 - Sensitive Wildlife Habitat (SWH) Details
 - Bald Eagle Nest
 - Bald Eagle Roost
 - Black Foot Ferret
 - Bighorn Sheep
 - Columbian Sharp-Tailed Grouse
 - Elk Production
 - Elk Winter Concentration
 - Golden Eagle Nest
 - Greater Sage Grouse
 - Gunnison Sage Grouse
 - Lesser Prairie Chicken
 - Mule Deer
 - Plains Sharp-Tailed Grouse
 - Pronghorn



Measure Distance

Click a start and end point.

Measure units:

Miles	
Segment:	1291.41 (Feet)
Segment:	0.24 (Miles)
Total:	1291.41 (Feet)
Total:	0.24 (Miles)

- To measure multiple distances, continue clicking new points.
- To finish, click "Stop".
- For reference, feet are always displayed above selected unit of measurement.
- You can pan or zoom and continue measuring by clicking "Resume".
- To start over, click "Clear".

Clear Resume