



Caerus Piceance LLC  
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February 25, 2021

*Via Electronic Mail*

Via Electronic Mail

February 24, 2021

Mr. Alex Fischer  
West Environmental Supervisor  
Colorado Oil and Gas Conservation Commission  
[alex.fischer@state.co.us](mailto:alex.fischer@state.co.us)

Re: Conditions of Approval for Beneficial Reuse of Drill Cuttings

Dear Mr. Fisher:

Caerus would like to better understand the reasons for the Colorado Oil and Gas Conservation Commission ("COGCC") adding two conditions of approval ("COAs") to the Form 4, Sundry Notices that Caerus Piceance LLC filed for the beneficial reuse of drill cuttings at the A03-596 and L27-496 locations, Documents No. 402473553 and 402431254.

The COAs read as follows:

*Within 180 days of this Sundry approval, the operator shall advance borings through the north bottom and southwest bottom footprints of the former Pit Facility. Continuous samples shall be collected, screened, and sampled for BTEX and TPH. It is anticipated that the total depth of the former Pit Facility is 12 feet.*

*Within 180 days of this Sundry approval, the operator shall advance a boring through the southwest bottom footprint of the former Pit Facility and through the fractured bedrock until groundwater is encountered. A groundwater monitoring well shall be installed to monitor the groundwater for Table 910-1 constituents.*

The references to "the former Pit Facility" appear to allude to pit facilities that were historically present at the two locations: pit number 414549 at the A03-596 location; and pit number 4141279 at the L27-496 location. Both pits were remediated and closed by a prior operator more than 18 months before Caerus acquired the locations in July 2017. The COGCC approved the closure of pit facility number 414549 in February 2015 (Document No.



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400787375) and the closure of pit facility number 4141279 in November 2015 (Document No. 400938573). Neither approval required any further investigation or monitoring regarding the pit facilities, and the L27 pit closure approval specifies that “No Further Action is Required regarding the closure of this pit.”

Given these circumstances, we do not understand the Staff’s reasons for imposing the COAs on Caerus or how the resulting requirements would protect and minimize adverse impacts to the public and the environment from our beneficial reuse of drill cuttings at the locations. Caerus did not construct, operate, or close the pit facilities; they had already been closed with COGCC approval when Caerus acquired the locations. And Caerus did not generate any of the fluids that were stored in the pits. Accordingly, we are not a responsible party who may be required to conduct investigation or monitoring regarding the former pit facilities. Further, our beneficial reuse of the drill cuttings is unrelated to the pit facilities and does not create any new risks or impacts regarding them. The cuttings have already been sampled, and the potential environmental risks have been separately addressed. We are not seeking to reconstruct the former pit facilities, and the cuttings are not being placed on or near the locations of the former pits. Therefore, the COAs in question appear unrelated to potential impacts from our beneficial reuse of the cuttings.

We would greatly appreciate any information that you can provide regarding the COGCC’s reasoning in imposing the COAs and the agency’s consideration of the circumstances outlined above. Any information that you can share will help us to better understand whether the COAs are appropriate and enable us to engage in a constructive dialogue on this subject.

Respectfully,

A handwritten signature in black ink that reads "Holly Hill". The signature is written in a cursive, flowing style.

Holly Hill  
Regulatory Manager