



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

May 3, 2022

Director Julie Murphy
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

**RE: COGCC Variance Rule 502.b for Rule 406.e.(4)
Caerus Piceance LLC's ELU A18-495 Well pad
NWNW Section 18, T4S R95W, Rio Blanco County, Colorado
Form 2A Document No. 402589248**

Dear Director Murphy,

Caerus Piceance LLC (Caerus) has filed a Form 2A, Oil and Gas Location Assessment with the Colorado Oil and Gas Conservation Commission (COGCC) for the above referenced location. Caerus respectfully requests a variance under Rule 502.b pursuant to Rule 406.e.(4) which states if an Operator has not drilled a well within six (6) months of setting conductor on rangeland the Operator will plug the conductor and commence reclamation. Due to Federal and CPW wildlife timing stipulations Caerus has a limited window for construction and subsequently drilling and completion operations. The applicable wildlife stipulations are listed in the attached document and further explained. Therefore, for reasons detailed in the attachment Caerus requests that a twelve (12) month period be granted from the date of setting conductors to drilling the wells.

Should you have any further questions or concerns please do not hesitate to contact me directly at 303-521-2835 or hhill@caerusoilandgas.com.

Sincerely,

A handwritten signature in blue ink that reads "Holly Hill".

Holly Hill
Regulatory Manager
Caerus Piceance LLC

Caerus Piceance LLC
 ELU A18-495 Well Pad
 Rule 502.b Variance to Rule 406.e.(4)

Exemption or Variance Requested From Rule	Resource Concern Exemption	Circumstance	Description
Rule 502.b Variance to Rule 406.e.(4)	If an Operator has not drilled wells within six (6) months of setting conductors on rangeland the Operator will plug the conductors and begin reclamation	The six (6) month window in Rule 406.e.(4) is impossible to adhere to due to Federal and CPW wildlife stipulations that prevent construction and drilling operations for a significant period of a year. Federal and CPW wildlife stipulations applicable to this location only allow an Operator to construct well pads in a 4-month window from August 1st to November 30th. After which drilling may occur after July or August.	Due to federal and CPW wildlife timing stipulations for big game, raptors and sage grouse, which are detailed below, Caerus has a limited window to commence well pad construction, which includes setting conductors for each well. While the BLM may consider granting approval for continuous drilling operations in certain wildlife stipulation windows, construction is limited to a short timeframe from August 1st to November 30th. Construction of the location, and associated pipelines and roads, typically lasts 20-24 weeks. As a general practice, Caerus typically sets conductors during the construction phase no later than November 30th, adhering to wildlife considerations for construction, so that when wildlife stipulations have ended in July or August drilling may commence. The conductors will be enclosed with grade cover and fenced off with cattle panels to protect wildlife. Therefore, Caerus is seeking a 502.b Variance to Rule 406.e.(4) to allow for twelve (12) months from setting conductors to either drill the wells or conduct reclamation.

Wildlife Species	Agency	Timing Stipulation or Other Information
Big Game Winter Range - no surface disturbance (WR-TL-12)	WRFO BLM	12/1 - 4/30 Exemptions may be considered
Greater Sage Grouse (general habitat) GRSG (TL-46e)	WRFO BLM	3/1 - 7/15
Active Raptor Nests - no surface disturbance (WR-TL-15)	WRFO BLM	2/1 - 8/1 Exemptions may be considered after survey to determine if nests in proximity are occupied.
Greater Sage Grouse - Special Species Status COAs	WRFO BLM	3/1 - 7/15 (no construction or D&C) 4/15 - 7/1 (restrict construction activities) Exemptions may be considered
Greater Sage Grouse - No construction	CPW	4/15 - 7/1
Greater Sage Grouse (GRSG) - no pad construction or interim/final reclamation	CPW	12/15 - 7/15
Big Game - no construction, D&C prep, interim/final reclamation	CPW	4/15 - 7/1
Migratory Bird Survey (Rule 1202.a.(8))	COGCC	Must conduct a survey prior to commencing vegetation removal 4/1 - 8/31 (no vegetation removal)
Elk migration corridor, production area and winter concentration areas (Rule 1202.d.(2))	COGCC	If location exceeds 1 per square mile must have a CPW approved WMP per Rule 1201.b. Please reference Wildlife Management Plan.
Mule deer migration corridors and winter concentration areas (Rule 1202.d.(3))	COGCC	If location exceeds 1 per square mile must have a CPW approved WMP per Rule 1201.b. Please reference Wildlife Management Plan.
Greater sage-grouse occupied habitat and production areas (PHMA) (Rule 1202.d.(5))	COGCC	If location exceeds 1 per square mile must have a CPW approved WMP per Rule 1201.b. Please reference Wildlife Management Plan.
Aquatic Sportfish Management (Rule 1202.c.(1).S)	COGCC	No new surface disturbance within 500-feet of Ordinary High Water Mark Note location is not within 500-feet, but an existing access road which will be upgraded and co-located with a