



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

April 6, 2023

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 PCU FED B27-197 Well Pad  
Lot 3 Section 27, T1S R97W, Rio Blanco County, Colorado  
Form 2A Document No. 403206163**

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 subsequent 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 questions or concerns please do not hesitate to contact me directly at 720-547-8757 or [jmckinley@caerusoilandgas.com](mailto:jmckinley@caerusoilandgas.com).

Sincerely,  
CAERUS PICEANCE LLC

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

Joei McKinley  
Senior Regulatory Analyst

Enclosure

Caerus Piceance LLC  
PCU FED B27-197 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 3-month window from September 1st to November 30th. After which drilling may occur after July or August of the following year. | Due to federal and CPW wildlife timing stipulations for big game and raptor, 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 September 1st to November 30th. Construction of the location, 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 of the following year, drilling may commence. The conductors will be enclosed with grade cover and fenced off with cattle panels to protect wildlife. Therefore, Caerus seeks 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 Severe Winter Range - no surface disturbance (WR-TL-12)                          | WRFO BLM | 12/1 - 4/30<br>Exceptions may be considered.  |
| Active Raptor Nests - no surface disturbance (WR-TL-15)                                   | WRFO BLM | 2/1 - 8/31<br>Exceptions may be considered after survey to determine if nests in proximity are occupied.  |
| Big Game - no construction, D&C prep, interim/final reclamation                           | CPW      | 12/1 - 4/30   |
| Migratory Bird Survey (Rule 1202.a.(8))   | COGCC    | Must conduct a survey prior to commencing vegetation removal.<br>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 Wildlife Mitigation Plan per Rule 1201.b. Please see Wildlife Mitigation 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 Wildlife Mitigation Plan per Rule 1201.b. Please see Wildlife Mitigation Plan.   |
| Native Aquatic Species Conservation Waters (within 500' of OHWM) - (Rule 1202.c.(1).R.)   | COGCC    | No new surface disturbance within 500-feet of Ordinary High Water Mark (OHWM).<br>Per Rule 1202.c.(2).C., the permitting of access road construction, which is the only proposed disturbance that interacts with this COGCC HPH mapping layer, may be allowed in consultation with CPW and CPW-approved BMPs in the Wildlife Mitigation Plan.<br>[The turn-off from Rio Blanco County Road 5 and the first few feet of access road are the only proposed disturbances for the PCU FED B27-197 that fall within the COGCC map layer buffer for native aquatic species conservation waters. Rio Blanco County Road 5 lies between Piceance Creek and the proposed disturbance.]   |
| Aquatic Sportfish Management Waters (within 500' of OHWM) - (Rule 1202.c.(1).S.)          | COGCC    | No new surface disturbance within 500-feet of Ordinary High Water Mark (OHWM).<br>Per Rule 1202.c.(2).C., the permitting of access road construction and pipeline installation, which are the only proposed disturbances that interact with this COGCC HPH mapping layer, may be allowed in consultation with CPW and CPW-approved BMPs in the Wildlife Mitigation Plan.<br>[The turn-off from Rio Blanco County Road 5, the first few hundred feet of access road, and approximately half of the proposed pipeline disturbance for lines from the PCU FED B27-197 Well Pad to the PCU FED A27-197 Central Delivery Point are the only proposed disturbances for the PCU FED B27-197 that fall within the COGCC map layer buffer for aquatic sportfish management waters over Lee Gulch. Caerus enlisted the services of a 3rd party biological survey firm. Per the Aquatic Species Habitat Assessment, Lee Gulch is an ephemeral channel with no OHWM, does not contain habitat for aquatic wildlife, and the drainage bottom has an existing two-track road for access to BLM administered lands.] |