



Caerus Oil & Gas, LLC  
600 Seventeenth Street  
Suite 1600N  
Denver, CO 80202

July 27, 2015

Matt Lepore, Director  
Colorado Oil and Gas Conservation Commission  
Department of Natural Resources  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

RE: Request for Exception to Rule 318.A.a  
Terrell 25-761-0460BH (Doc. No. 400822378)  
Terrell 25-761-0460AH (Doc. No. 400822379)  
SESW, Section 24-T7N-R61W  
Weld County, Colorado

Dear Director Lepore:

Caerus Washco, LLC respectfully requests approval of an exception to Rule 318.A.a to allow the above named wells to be drilled at the above referenced location. Rule 318A.a. of the Colorado Oil and Gas Commission's Rules and regulations requires wells to be drilled and completed in a square with sides four hundred (400) feet in length, the center of which is the center of any quarter/quarter section or in the center of any quarter section with the four sides begin eight hundred (800) feet in length.

Caerus Washco, LLC is requesting an exception to this rule based on Section 24 being an irregular section. The Terrell 25-761-0460BH SHL is 1716' FWL, 1040' FSL and the Terrell 25-761-0460AH SHL is 1731' FWL, 1040' FSL. The west line coordinates puts both SHLs outside the GWA window. These wells are proposed outside the GWA window to maximize the production interval.

Caerus Washco, LLC has provided COGCC with a signed Surface Use Agreement. Caerus Washco, LLC has obtained a waiver for Rule 318A.a from the surface owner in Section 4.7 of the Surface Use Agreement".

Sincerely,

Caerus Washco, LLC

A handwritten signature in black ink that reads 'Reed Haddock'. The signature is written in a cursive, flowing style.

Reed Haddock  
Sr. Regulatory Specialist  
Caerus WashCo, LLC  
600 17<sup>th</sup> Street, Suite 1600  
Denver, CO 80202