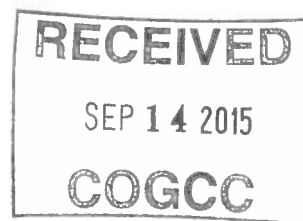




Department of Energy
Washington, DC 20585

September 8, 2015



Ms. Sarah Freeman
Permit/Completion
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

Subject: U.S. Department of Energy Office of Legacy Management Preliminary's Review
of Well Permit Applications and Well Location Information near the Rulison,
Colorado, Site

Dear Ms. Freeman:

The U.S. Department of Energy Office of Legacy Management (DOE-LM) has performed a preliminary review of (1) the well permit applications from the operator Caerus Oil and Gas, LLC and (2) the well location information provided by the Colorado Oil and Gas Conservation Commission (COGCC). The table below indicates the planned surface and bottom hole locations for gas wells to be drilled near the Rulison, Colorado, site. DOE-LM reviewed the location information and determined that all of the wells are within section 2 of the COGCC Tier II sampling area.

API 09-1 05-045	REFILE	APD'S IN PROCESSING OPERATOR	WELL NAME	WELL#	LOCATION	N Latitude	W Longitude	BOTTOM HOLE LOCATION Date	PreScreen Date	DOE Notice Date	DOE Notice Operator
18766		CAERUS	Rulison Federal	33D-17	NWSW 17 7S 94W	39.436121	-107.915389	9/1/2015			
18743		CAERUS	Rulison Federal	33C-17	NWSW 17 7S 94W	39.436154	-107.915421	9/1/2015			
18751		CAERUS	Rulison Federal	33B-17	NWSW 17 7S 94W	39.43617	-107.915437	9/1/2015			
18744		CAERUS	Rulison Federal	33A-17	NWSW 17 7S 94W	39.43622	-107.915485	9/1/2015			
18761		CAERUS	Rulison Federal	13A-17	NWSW 17 7S 94W	39.436252	-107.915561	9/1/2015			
18748		CAERUS	Rulison Federal	13B-17	NWSW 17 7S 94W	39.436236	-107.915545	9/1/2015			
18767		CAERUS	Rulison Federal	13C-17	NWSW 17 7S 94W	39.436203	-107.915513	9/1/2015			
18768		CAERUS	Rulison Federal	13D-17	NWSW 17 7S 94W	39.436187	-107.915497	9/1/2015			
18763		CAERUS	Rulison Federal	14A-17	NWSW 17 7S 94W	39.436154	-107.915465	9/1/2015			
18759		CAERUS	Rulison Federal	14B-17	NWSW 17 7S 94W	39.436138	-107.915449	9/1/2015			
18757		CAERUS	Jones	23D-17	NWSW 17 7S 94W	39.435864	-107.912474	9/1/2015			
18765		CAERUS	Jones	23C-17	NWSW 17 7S 94W	39.436718	-107.912461	9/1/2015			
18741		CAERUS	Jones	23B-17	NWSW 17 7S 94W	39.437667	-107.912557	9/1/2015			
18739		CAERUS	Jones	23A-17	NWSW 17 7S 94W	39.43852	-107.912586	9/1/2015			
18746		CAERUS	Jones	24A-17	NWSW 17 7S 94W	39.43493	-107.912421	9/1/2015			
18740		CAERUS	Jones	24B-17	NWSW 17 7S 94W	39.434045	-107.912327	9/1/2015			

Abbreviations:

APD =Application for Permit to drill

API =American Petroleum Institute/ The API Well Numbers are assigned by the appropriate state or federal regulatory agency.

All surface drill pads and bottom hole locations are within NWSW 17 7S 94W. Of all the proposed well locations, well 14B-17 (API# 05-045-18759) is the closest to the Rulison site, (2.6 miles).



Ms. Sarah Freeman

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September 8, 2015

At this time, DOE-LM is not requesting any additional information but requests that COGCC place general language in the permit requiring that the company accommodate DOE sampling requests in the future. DOE-LM will continue to review the proposed locations and subsurface orientations of the proposed drilling to look for any potential problems involving future DOE-LM sampling at the Rulison site.

Please contact me at (970) 248-6034 if you have any questions. Please send any correspondence to:

U.S. Department of Energy
Office of Legacy Management
2597 Legacy Way
Grand Junction, CO 81503

Sincerely,

A handwritten signature in cursive script, appearing to read 'Art Kleinrath', written in dark ink.

Art Kleinrath
Site Manager

cc:

R. Hutton, SN3

File: RUL 0125.05 (rc grand junction)

Sites\Rulison\9-8-15 RUL Review of Well Permit Applications.docx