



Caerus Oil & Gas LLC
1001 Seventeenth Street
Suite 1600
Denver, Colorado 80202

July 28, 2016

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

RE: Request for Form 2A and Form 2 Approval under Rule 303.i.(2)
C23-697 – Location ID: 335512
Garfield County, Colorado

Dear Director Lepore:

Caerus Piceance LLC ("Caerus") respectfully requests approval of Form 2A (C23-697; Location ID: 335512) and seventeen (17) Form 2s under COGCC Rule 303.i.(2) "Special Circumstances for Permit Issuance without Notice of Consultation".

Caerus Piceance LLC is currently drilling the 17L-794 Pad, Location ID: 413221. Due to circumstances beyond our control, the next pad scheduled to drill, the Parachute Creek 5A, Location ID: 335781 will be delayed due to the surface owner's request, "that all drilling be completed by September 30, 2016". Caerus is unable to meet this request.

To avoid un-necessary financial hardship due to incurred "rig down time" charges, Caerus Piceance LLC needs to move the H&P 330 rig to the C23-697 Pad starting September 1, 2016. On July 14, 2016, the permits for this pad were submitted. The "Public Comment" period ends August 8, 2016. COGCC stated the earliest Form 2A and Form 2s (17) can be approved is August 8, 2016.

The prior owner (Marathon) previously constructed the C23-697 Pad. Caerus Piceance LLC is in the final stage of an "asset purchase" with Marathon that includes the C23-697 Pad. This transaction is scheduled to close on August 2, 2016. Once this occurs, COGCC will be provided documentation showing the asset purchase; a signed waiver from the surface owner acknowledging their waived "right to comment" during the 20-day comment period; and the LGD has waived their 20-day comment period. Attached find all documentation to these waivers.

Based on these circumstances, Caerus Piceance LLC is requesting approval of Form 2A and seventeen (17) APDs by August 2, 2016.

Sincerely,

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

Caerus Piceance, LLC

Reed Haddock

Sr. Regulatory Specialist, Caerus Piceance, LLC

1001 17th Street, Suite 1600

Denver, CO 80202