



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

January 23, 2019

Julie Murphy, Director
Colorado Oil and Gas Conservation Commission
Department of Natural Resources
1120 Lincoln Street, Suite 80202
Denver, CO 80203

RE: Request for Exception to Rule 318.a. – for Bottom Hole locations less than 1,200' from any other producible or drilling oil or gas well when drilling to the same common source of supply wells. In addition, request to add the Fort Union Formation which is unspaced. This request includes the following four wells:

NPR 11D-15-596 (API No. 05-045-23752); NPR 15D-10-596 (API No. 05-045-23762);
NPR 11B-15-596 (API No. 05-045-23754); and NPR 15B-10-596 (API No. 05-045-23784)

Dear Director Murphy:

Caerus Piceance LLC ("Caerus") respectfully requests an exception to Rule 318.a. which states, "A well to be drilled two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply."

Caerus Piceance LLC wants to add the Fort Union Formation to the above listed wells. The Fort Union in Sec. 10 and 15, T5S-R96W is unspaced. The top of gas in all four wellbores are less than 1,200' from each other.

Caerus Piceance LLC is the fee surface owner and fee mineral owner. Our lease hold contains Sec. 10, T5S-R96W – All and Sec. 15, T5S-R96W – S2, NW4, W2NE, NENE and other lands containing 25,456 fee acres.

Caerus Piceance LLC is requesting this exception for the purpose of testing the viability of the Fort Union Formation.

Sincerely,


Reed Haddock, LLC

Reed Haddock
Sr. Regulatory Specialist
1001 17th Street, Suite 1600
Denver, CO 80202