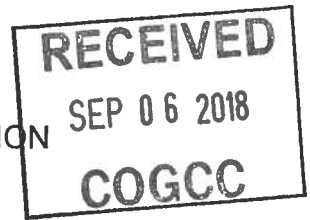


BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO



IN THE MATTER OF THE APPLICATION OF) Cause No. 510
CAERUS PICEANCE LLC FOR AN ORDER)
AMENDING ORDER NOS. 510-13, 510-18,) Docket No. 181000805
510-25, 510-35, AND 510-40 AND)
ESTABLISHING WELL LOCATION RULES) Type: SPACING
FOR CERTAIN LANDS IN TOWNSHIPS 5)
AND 6 SOUTH, RANGES 95 THROUGH 97)
WEST, 6TH P.M., WILLIAMS FORK)
FORMATION, GARFIELD COUNTY,)
COLORADO.)

APPLICATION

Caerus Piceance LLC ("Applicant" or "Caerus"), Operator No. 10456, by its attorneys Welborn Sullivan Meck & Tooley, P.C., pursuant to Commission Rule 503.b.(1), submits this application to the Colorado Oil and Gas Conservation Commission of the State of Colorado for an order to amend Order Nos. 510-13, 510-18, 510-25, 510-35, and 510-40 to remove the downhole limitation of four (4) wells per governmental quarter-quarter section only as to certain lands in Townships 5 and 6 South, Ranges 95 through 97 West, 6th P.M., Garfield County, Colorado, which are the subject of this Application for the production of gas and associated hydrocarbons from the Williams Fork Formation. In support of its Application, Caerus states:

1. Applicant is a Colorado limited liability company authorized to conduct business in the state of Colorado and is a registered operator in good standing with the Commission.
2. Applicant owns leasehold interests within the lands identified on Exhibit A to the Application (the "Application Lands") and therefore has standing to maintain this Application for the relief sought herein. A map of the Application Lands is attached as Exhibit B.
3. On March 22, 2005, the Commission entered Order No. 510-13, which among other things, amended Order Nos. 479-2 and 510-1 to increase the number of wells that can be optionally drilled into and produce from the Williams Fork Formation and allowed the equivalent of one (1) well per 10 acres with no more than four (4) wells allowed to be drilled downhole per governmental quarter-quarter section for certain lands in Townships 4 through 6 South, Ranges 95 and 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation. The Application Lands subject to Order No. 510-13 are identified on Exhibit B.
4. On January 9, 2006, the Commission entered Order No. 510-18, which among other things, established 320-acre drilling and spacing units and allowed the equivalent of one (1) well per 10 acres with no more than four (4) wells allowed to be drilled downhole per governmental quarter-quarter section for certain lands in Townships 5 and 6 South, Ranges 96

and 97 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation. The Application Lands subject to Order No. 510-18 are identified on Exhibit B.

5. On August 16, 2006, the Commission entered Order No. 510-25, which among other things, established certain drilling and spacing units and allowed the equivalent of one (1) well per 10 acres with no more than four (4) wells allowed to be drilled downhole per governmental quarter-quarter section for certain lands in Townships 5 and 6 South, Ranges 96 and 97 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation. The Application Lands subject to Order No. 510-25 are identified on Exhibit B.

6. On May 10, 2007, the Commission entered Order No. 510-35, which among other things, approved additional wells with the equivalent of one (1) well per 10 acres with no more than four (4) wells allowed to be drilled downhole per governmental quarter-quarter section for certain lands in Township 5 South, Range 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation. The Application Lands subject to Order No. 510-35 are identified on Exhibit B.

7. On January 15, 2008, the Commission entered Order No. 510-40, which among other things, established certain drilling and spacing units and approved wells with the equivalent of one (1) well per 10 acres with no more than four (4) wells allowed to be drilled downhole per governmental quarter-quarter section for certain lands in Township 6 South, Range 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation. The Application Lands subject to Order No. 510-40 are identified on Exhibit B.

8. Pursuant to Section 34-60-116, C.R.S., Applicant requests that the Commission amend Order Nos. 510-13, 510-18, 510-25, 510-35, 510-40 insofar and only insofar as they pertain to the Application Lands, to remove the downhole limitation of four (4) wells per governmental quarter-quarter section contained therein with all other provisions in the orders remaining unmodified.

9. Applicant states that amending Order Nos. 510-13, 510-18, 510-25, 510-35, and 510-40 to remove the downhole limitation of four wells per governmental quarter-quarter section will result in more efficient and economic development of the Williams Fork Formation, prevent waste, not harm correlative rights, not result in the drilling of unnecessary wells and will better ensure the greatest ultimate recovery of gas and associated hydrocarbons from the Williams Fork Formation. The requested amendment of Order Nos. 510-13, 510-18, 510-25, 510-35, and 510-40 will not result in the established drilling and spacing units for the Application Lands becoming smaller than the area that can be drained by the authorized number of wells consistent with the established requirement of allowing the equivalent of one well per 10 acres on the Application Lands.

10. The granting of this Application would be in accord with the Oil and Gas Conservation Act, found at Section 34-60-101, et seq., C.R.S., as amended, and the Commission Rules.

11. The names of the interested parties according to the information and belief of the Applicant are set forth in Exhibit C attached hereto, and the undersigned certifies that copies of this the Application, shall be served on each interested party within seven days after filing of the Application as required by the Rules 503.e and 507.b.(1). Applicant further certifies that each interested party will be delivered notice at least 35 days in advance of the date of hearing.

WHEREFORE, Applicant requests that this matter be set for hearing at the next scheduled Commission hearing, that notice be given as required by law, and that upon such hearing the Commission enter its order consistent with the relief requested herein, and award Applicant such further relief as the Commission deems proper and advisable.

Dated this 30th day of August, 2018.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

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EXHIBIT A

APPLICATION LANDS SPREADSHEET

EXHIBIT A

TwN	Rng	Sec	QRT	Mineral Ownership	Order No.
5S	95W	15	S2, S2N2	Fee	510-13
5S	95W	16	ALL THAT PART LYING SOUTH OF THE SOUTHERMOST MAHOGANY MARKER; a.ka. HOFFMAN PLACER MINING CLAIM NO. 34, HOFFMAN NO.35 (N2S2 OF SEC 16 BEING A PORTION THEREOF), NO. 36 (S2N2 OF SEC 16, BEING A PORTION THEREOF) CONTAINING 386 ACRES, MORE OR LESS	Fee	510-13
5S	95W	17	ALL THAT PART OF THE N2S2 LYING SOUTH OF THE SOUTHERNMOST MAHOGANY MARKER; AKA HOFFMAN PLACER MINING CLAIM #30 (N2S2), HOFFMAN #31 (S2S2) CONTAINING 201.00 ACRES, MORE OR LESS	Fee	510-13
5S	96W	2	Lot 4, SW1/4	Fee	510-13
5S	96W	3	All	Fee	510-13
5S	96W	4	All	Fee	510-13
5S	96W	5	All	Fee	510-13
5S	96W	6	All	BLM	510-35
5S	96W	7	All	BLM	510-35
5S	96W	8	All	Fee	510-13
6S	96W	1	Lots 3,4,5,6,7,8,9,10,11,12,13,14	Fee	510-13
5S	96W	9	All	Fee	510-13
5S	96W	10	All	Fee	510-13
5S	95W	19	LOTS 10,11,3,4,8,9	BLM	510-13
5S	95W	19	Lot 1, 2, 5, 6, 7, 12, E2	Fee	510-13
5S	95W	20	All	Fee	510-13
5S	95W	21	All	Fee	510-13
5S	95W	22	All	Fee	510-13
5S	95W	27	All	Fee	510-13
5S	95W	28	All	Fee	510-13
5S	95W	30	W2SE,NESE,Lots 2-6, 8-15	BLM	510-13
5S	95W	30	Lot 1, 7, NE, SESE	Fee	510-13
5S	95W	31	Lots 2-5, 9 & 10	BLM	510-13
5S	95W	31	Lot 1,6, 7, 8, 11, 12, E2	Fee	510-13
5S	95W	32	All	Fee	510-13
5S	95W	33	All	Fee	510-13
5S	96W	11	W2	Fee	510-13
5S	96W	14	SE,W2, W2NE	Fee	510-13
5S	96W	15	NENE,NW,W2NE,S2	Fee	510-13

EXHIBIT A

Twon	Rng	Sec	QRT	Mineral Ownership	Order No.
5S	96W	16	All	Fee	510-13
5S	96W	17	W2	BLM	510-35
5S	96W	17	E2	Fee	510-13
5S	96W	18	All	BLM	510-35
5S	96W	19	Lots 3 & 4, SENE	Fee	510-18
5S	96W	20	NE, SW	Fee	510-18
5S	96W	21	All	Fee	510-13
5S	96W	22	All	Fee	510-13
5S	96W	23	W2NW, SENW, N2SW, SESW, SWSE	BLM	510-13
5S	96W	23	NE, N2SE, SESE, NENW, SWSW	Fee	510-13
5S	96W	24	All	Fee	510-13
5S	96W	25	SWNW, N2SW, LOTS 3,4,5,6,7,8	BLM	510-13
5S	96W	25	Lot 1, 2, N2N2, SENW, SWSE, S2SW	Fee	510-13
5S	96W	26	N2NE, SENE, N2SE, SWSE, SWNE	BLM	510-13
5S	96W	26	SESE, W2	Fee	510-13
5S	96W	27	All	Fee	510-13
5S	96W	28	All	Fee	510-13
5S	96W	29	NE, SW, S2SE	Fee	510-18
5S	96W	30	Lot 3 & 4, NE	Fee	510-18
5S	96W	31	Lot 3 & 4, NE	Fee	510-18
5S	96W	32	All	Fee	510-18
5S	96W	33	NE, SW, N2NW	Fee	510-13, 510-18, 510-25
5S	96W	34	SWNW, SW	BLM	510-13
5S	96W	34	SE, NE, NWNW, E2NW	Fee	510-13
5S	96W	35	N2, SE	Fee	510-13, 510-18
5S	96W	36	E2NE, SE	BLM	510-13
5S	96W	36	W2NE, NW	Fee	510-13
6S	96W	2	All	Fee	510-13
6S	96W	3	Lot 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,14, SE, E2SW	Fee	510-13
6S	96W	4	All	Fee	510-13
6S	96W	5	Lot 1,2,7,10, SENE	Fee	510-18, 510-40
6S	96W	6	Lot 1,2,7,8,9,10,15,16, SW	Fee	510-18, 510-40
6S	96W	9	All	Fee	510-13
6S	96W	10	All	Fee	510-13
6S	96W	15	W2, W2E2	Fee	510-13
6S	96W	16	All	Fee	510-13
6S	96W	18	Lot 1,2, SW, W2NE	Fee	510-11, 510-18
6S	96W	21	E2NW, N2SE, NE, Lot 6,7	Fee	510-13

EXHIBIT A

Twon	Rng	Sec	QRT	Mineral Ownership	Order No.
6S	96W	22	Lot 1,2, N2SW, N2	Fee	510-13
6S	97W	1	Lots 11,12,13,14,23,24 NWSW, SWSW, NESW, SESW	Fee	510-18, 510-25
6S	97W	2	SW, Lot 11,12,13,14,23,24	Fee	510-18, 510-25
6S	97W	11	NE, SW	Fee	510-18
6S	97W	12	NE, SW, SE	Fee	510-18
6S	97W	13	NE, SW	Fee	510-18
6S	97W	14	SW	Fee	510-18
6S	97W	21	NE, SW	Fee	510-18
6S	97W	22	NE, SW	Fee	510-18
6S	97W	28	NE, SW	Fee	510-18
6S	97W	33	Lot 1, 2	Fee	510-18
5S	95W	34	All	Fee	510-13

EXHIBIT B

MAP OF APPLICATION LANDS

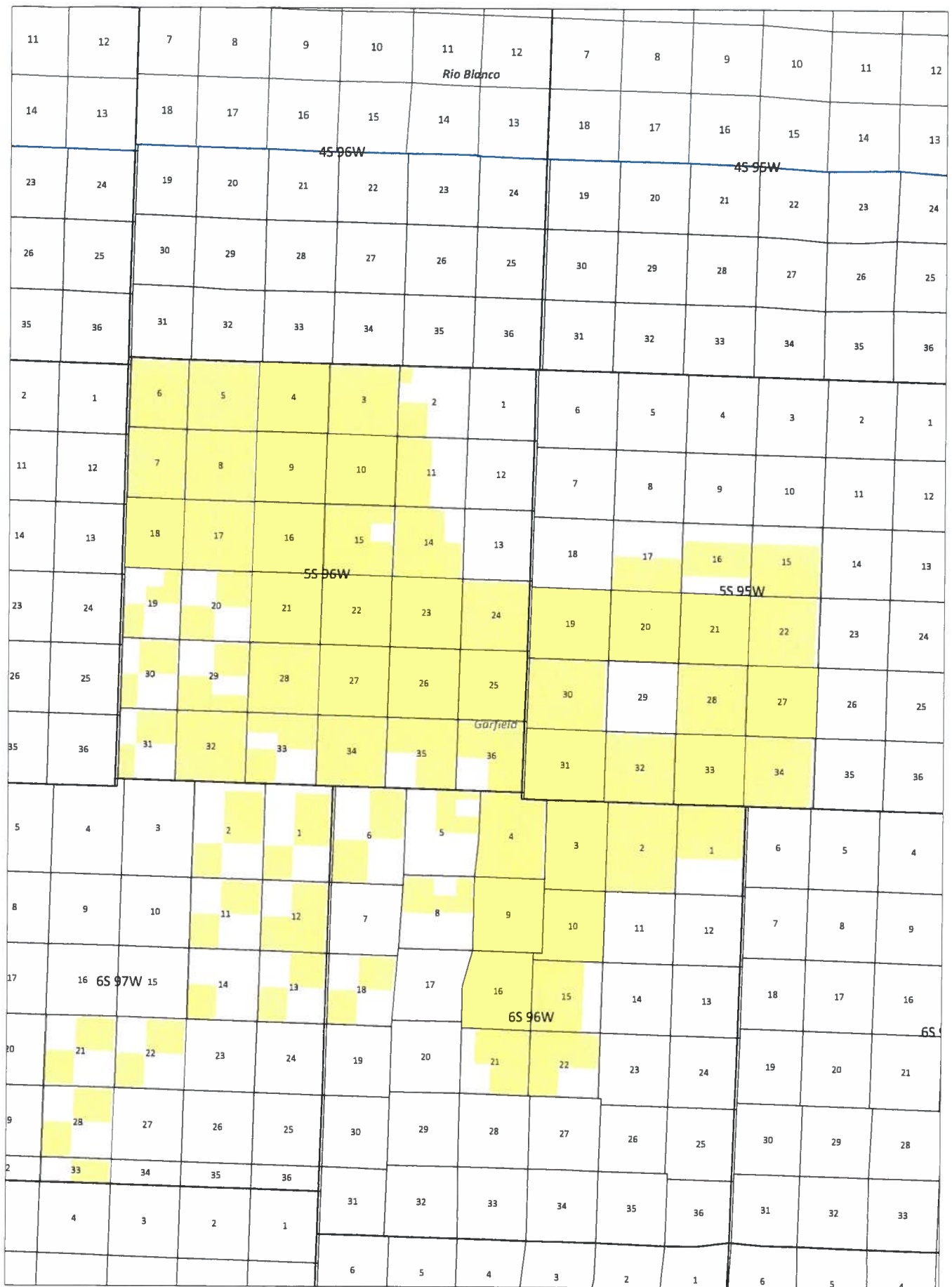


EXHIBIT C

INTERESTED PARTIES

Garfield County

Kirby H. Wynn
195 West 14th Street, Building D, Suite 306
Rifle, CO 81650

Colorado Department of Public Health and Environment

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Colorado Parks and Wildlife

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Bureau of Land Management

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EXHIBIT A CONTINUED ON NEXT PAGE

EXHIBIT C
INTERESTED PARTIES

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Barry Petroleum Company
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