



Denver, Colorado 80202

Caerus Oil & Gas LLC
1001 Seventeenth Street
Suite 1600

November 2, 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 Exception to Rule 603.a.(2) – Section 1, T6N-R61W and Section 12, T6N-R61W,
Weld County, Colorado

K&H Ranches MN 1-661 Pad – Exception Location – 150' Setback

Section 1, T6N-R61W, Weld County, Colorado

K&H Ranches 1-661-5701BH (Doc. No. 400889683), K&H Ranches 1-661-5701CH (Doc. No. 400889712), K&H Ranches 1-661-5802AH (Doc. No. 400889720), K&H Ranches 1-661-5802XBH (Doc. No. 400890998), K&H Ranches 1-661-5802XCDH (Doc. No. 400891106), K&H Ranches 1-661-5802XCH (Doc. No. 400891249), K&H Ranches 1-661-5903XAH (Doc. No. 400891285), K&H Ranches 1-661-5903XAH2 (Doc. No. 400891696), K&H Ranches 1-661-5903XBH (Doc. No. 400893588), K&H Ranches 1-661-5903XCH (Doc. No. 400893599), K&H Ranches 1-661-6004XAH (Doc. No. 400893623), K&H Ranches 1-661-6004XBH (Doc. No. 400894689), K&H Ranches 1-661-6004XCDH (Doc. No. 400894695), and K&H Ranches 1-661-6004XCH (Doc. No. 400894697)

Section 12, T6N-R61W, Weld County, Colorado

K&H Ranches 12-661-0157XBH (Doc. No. 400976271), K&H Ranches 12-661-0157XCH (Doc. No. 400976277), K&H Ranches 12-661-0258XAH (Doc. No. 400976291), K&H Ranches 12-661-0258XBH (Doc. No. 400976303), K&H Ranches 12-661-0258XCDH (Doc. No. 400976311), K&H Ranches 12-661-0258XCH (Doc. No. 400976322), K&H Ranches 12-661-0359XAH (Doc. No. 400976345), K&H Ranches 12-661-0359XAH2 (Doc. No. 400976396), K&H Ranches 12-661-0359XBH (Doc. No. 400976409), K&H Ranches 12-661-0359XCH (Doc. No. 400976419), K&H Ranches 12-661-0460XAH (Doc. No. 400976433), K&H Ranches 12-661-0460XBH (Doc. No. 400976440), K&H Ranches 12-661-0460XCDH (Doc. No. 400976984), and K&H Ranches 12-661-0460XCH (Doc. No. 400976995)

Dear Director Lepore:

CAERUS WASHCO LLC respectfully requests approval of an exception to Rule 603.a.(2) to allow the above named wells to be drilled less than 150' from the property line. Rule 603.a.(2) of the Colorado Oil and Gas Commission's Rules and Regulations requires wells to be located not less than one hundred fifty (150) feet from a surface property line. The Director may grant an exception if it is not feasible for the Operator to meet this minimum distance requirement and a waiver is obtained from the offset Surface Owner(s).

CAERUS WASHCO LLC is requesting an exception to this rule based on the proposed "pad location" straddling both Section 1, T6N-R61W and Section 12, T6N-R61W. CAERUS WASHCO LLC worked with the surface owner to reduce the impact to their surface holdings as much as possible. Both parties agreed the best way to reduce the surface impact and meet the needs of the surface owner was to locate the pad straddling both Section 1, T6N-R61W and Section 12, T6N-R61W. The above listed wells all fall within 150' of the property line although the surface owner considers Section 1 and Section 12 as one contiguous parcel.

CAERUS WASHCO LLC has provided COGCC with a signed Surface Use Agreement. CAERUS WASHCO LLC has obtained a waiver for Rule 603.a(2) from the surface owner outlined in Section 4.9 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 17th Street, Suite 1600
Denver, CO 80202