



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Colorado River Valley Field Office
2300 River Frontage Road
Silt, Colorado 81652
(970) 876-9000

In Reply Refer to:
(CON040)
COC70014
COC70015

June 22, 2015

Certified No. 7014 2120 0001 7991 8235
Return Receipt Requested

Caerus Oil and Gas, LLC
Attn: P.M. Di Grappa
600 Seventeenth Street, Suite 1600N
Denver, CO 80202

DECISION

Re: Suspension of Operations and Production for Federal Oil and Gas Leases COC70014 and COC70015

Dear Mr. Di Grappa:

This letter is in response to the suspension request letter dated May 29, 2015. Leases COC70014 and COC70015 underlies national forest systems lands managed by the U.S. Forest Service, White River National Forest. The Bureau of Land Management's (BLM) Colorado River Valley Field Office is responsible for managing the subject federal mineral estate. The Leases were issued with an effective date of June 1, 2007, with a ten-year primary term.

The BLM has identified the need to address a National Environmental Policy Act (NEPA) deficiency associated with the initial decision to issue the Leases. The BLM is in the process of writing an Environmental Impact Statement (EIS) to address the NEPA deficiency and it is anticipated to be completed in the fall of 2016.

Section 39 of the Mineral Leasing Act, as amended, provides for suspension of a Federal oil and gas lease either (1) as a matter of right where, through some act, omission, or delay by a Federal agency, beneficial enjoyment of a lease has been precluded, such as where delays imposed upon the lessee due to administrative actions have the effect of denying the lessee timely access to the Lease, or (2) as a matter of discretion, in the interest of conservation. See 30 U.S.C. § 209; 43 C.F.R. § 3103.4-4. Because no leasehold activities will be authorized until the completion of the EIS and will therefore deny you timely access to the Leases, the BLM has decided that granting a Suspension of Operations and Production for the Leases would be in the interest of conservation.

The Suspension of Operations and Production is effective June 1, 2015, the first day of the month in which the request was received. This suspension for the Leases will be in effect until the authorized officer determines that the suspension would no longer be in the interest of conservation and/or the EIS is complete and a Record of Decision has been signed regarding the status of the Leases.

Rental payments will be suspended during the period of the Suspension of Operations and Production. Caerus Oil and Gas, LLC may engage in casual use activities during the period of suspension. BLM will not authorize any ground-disturbing activities during the period of suspension.

In accordance with 43 C.F.R. 3165.3, any adversely affected party contesting this decision may request an administrative review of this decision, before the State Director, either with or without oral presentation. This request, including all supporting documentation, shall be submitted in writing within 20 business days of the date this decision was received, or considered to have been received, and shall be sent to: Colorado State Director, 2850 Youngfield Street, Lakewood, Colorado 80215-7076. The decision of the State Director may then be appealed to the Interior Board of Land Appeals in accordance with 43 C.F.R. 3165.4.

Please contact Steve Ficklin, Program Manager, at (970) 876-9006 with any questions.

Sincerely,



Karl Mendonca
Acting Field Office Manager

Cc. BLM Colorado State Office (CO-910)
Attn: Milada Krasilinec
2850 Youngfield Street
Lakewood, CO 80215

Office of Natural Resources Revenue
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