

STATE OF COLORADO

Bill Ritter, Jr., Governor
Martha E. Rudolph, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

March 22, 2010

Mr. David Neslin, Director COGCC
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: Colorado Department of Public Health and Environment (CDPHE) Consultation for Unioil proposed variance request to Rule 603.a.(2) Form 2A #40019515 in Weld County.

Dear Mr. Neslin:

This letter describes CDPHE's decision to recommend that the COGCC grant the request for a variance to COGCC Rule 603.a.(2) submitted by Unioil for well name Binder West, well numbered Multi-well pad, located in Section 10 Township 4N Range 67W. Rule 603.a.(2) establishes a minimum distance a well shall be located from a property line and states in part:

"A well shall be a minimum distance of one hundred fifty (150) feet from a surface property line..."

Facts learned during consultation include:

- Unioil is requesting approval to locate a well 118 feet from a surface property line in Weld County;
- Unioil has obtained a waiver from the offset surface owner as required in COGCC Rule 603.a.(2); and
- CDPHE has verified that there are no building units or public roads within 150 feet of this location.

In view of the foregoing, CDPHE believes that granting this variance will result in adequate protection of the public health, safety, welfare and environment. CDPHE reserves the right to consult on any future variance requests from rules this agency may consult on (pursuant to COGCC Rule 306) within this location. If you have questions regarding this recommendation or discussion would be helpful, please contact me at (303) 692-3662.

Sincerely,

Kent Kuster
Oil and Gas Consultation Coordinator
CDPHE

cc: Jeff Lawrence, Director CPD, CDPHE
Kate Fay, Energy Manager, CDPHE
Sarah Garrett, Petroleum Development
Bruce Barker, LGD, Weld County