

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

February 4, 2010

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

Re: Colorado Department of Public Health and Environment (CDPHE) Consultation for the Pioneer Natural Resources proposed variance request to Rule 603.a.(1) Form 2A #400011284

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.(1) submitted by Pioneer Natural Resources. This rule establishes setback for drilling and well servicing operations, stating that "at the time of initial drilling of the well, the wellhead shall be located a distance of one hundred and fifty (150) feet or one and one half (1-1/2) times the height of the derrick, whichever is greater, from a building unit, public road, major above utility or railroad."

Pioneer Natural Resources is requesting that the company be allowed to locate a drilling rig within 127 feet of a building unit. Pioneer Natural Resources as the owner of the building unit and the lot has stated that the building will be unoccupied during the drilling, completion and frac'ing operations. CDPHE further understands that no other building unit, public road or railroad is located within 150 feet of the proposed well 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
Andy Boden, Senior Landman, Pioneer Natural Resources