

Sarah Hawkins, U.S. Geological Survey, Central Energy Resources Program
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Denver, CO 80225
June 21, 2013

Matt Lepore
Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln St, Suite 801
Denver, CO 80203

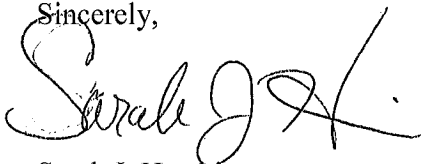
Dear Matt:

I work for the U.S. Geological Survey Energy Resources Program. We are tasked with estimating the technically recoverable oil and gas resources within the United States. In support of our ongoing assessment program, we are planning to acquire a research core in Eagle County, a few miles north of Wolcott off of County Road 4 (Milk Creek Rd). We are applying for a permit for this location through the Colorado Oil and Gas Conservation Commission (COGCC). Our proposed location is 127 feet from County Road 4 (Milk Creek Rd), which is less than the 150 foot setback for wells required by COGCC Rule 603.a.(1). As such, we are requesting a 502.b variance, which required a waiver from Eagle County.

The proposed location is in the NW/NW of Section 3, Township 4S, Range 83W. The latitude/longitude of the location is 39.739306, -106.684361. The official name is the USGS HM-1-13. Operations are planned for this summer, and are expected to last less than 20 days. The drilling takes place during daylight hours only, and continues through weekend days as they are needed. We are planning to core approximately 1500 continuous feet of rock, and then log the hole with electrical tools upon reaching the total depth. When logging is completed, we have submitted a plugging procedure to the COGCC that outlines our plans to plug the hole. We will reclaim the location immediately following plugging. No permanent structures or facilities will remain at the surface upon completion of reclamation.

The U.S. Geological Survey Research Drilling group will be drilling and acquiring the core. As stated previously, the variance request will address COGCC Rule 603.a.(1), which requires a 150 foot setback from county roads. This location is 127 feet from County Road 4, and is unable to be moved any further from the road due to a steep-sided drainage north of the location. I have enclosed a few figures illustrating the proposed location and distance from County Road 4. Additionally, I have enclosed email correspondence from Bob Narracci of Eagle County Government in which he states that Eagle County approves our variance request. Please let me know if you need anything further.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah J. Hawkins". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Sarah J. Hawkins
Geologist