

Atom Petroleum, LLC
3323 N. Midland Dr.
Suite 113
Midland, TX 79707

April 30, 2014

Mark Lepore
c/o Colorado Oil and Gas Conservation Commission
1120 Lincoln Street
Suite 801
Denver, CO 80203

RE: Rule 502.b Variance to Rule 804 Visual
Impact Mitigation Request Letter

To the COGCC Director

Atom Petroleum, LLC ("Atom"), Operator # 10434, is the Operator of the following two Wells effective April 1, 2014:

<u>Well Name:</u>	<u>API Number:</u>	<u>Legal Location:</u>
Doerfer #1-5	05-083-06653	SWSW Sec 9 T35N R13W
Doerfer #2	05-083-06263	SWSW Sec 9 T35N R13W

Atom is requesting a variance to Rule 804 – Visual Impact Mitigation, whereby the specific requirement of the rule is as follows:

804. VISUAL IMPACT MITIGATION

Production facilities, regardless of construction date, which are observable from any public highway shall be painted with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to but slightly darker than the surrounding landscape.

The Production Tanks are located on the lands of Rancher Pete and Yvonne Doerfer, down one of their ranch roads. The ranch road is accessed off County Road 41 South of Mancos Colorado. Atom viewed the Production Tanks, which are currently painted black, and traveled South on County Road 41 approximately 1 ¼ miles to discern whether these Production Tanks are observable. Atom determined that the Production Tanks were only observable for approximately 2/10 of a mile.

The purpose given for having the Production Tanks painted black by the previous Operator was to utilize the solar heat from the Sun during the daylight hours thereby heating the Oil in the Production Tanks, which has a paraffin component in the Oil, and enhancing the removal of said Oil by Western Refinery. This process saves energy and installation of motors and equipment within the Tank Battery to heat the Oil in the Tank.

Atom further determined that there are four (4) dwelling that exist along this section of County Road 41, and two of these dwellings belong to the Rancher Mr. Doerfer, of which only one is occupied, who has no objections to the Production Tanks being painted black, since these Production Tanks have been installed since 1979 in his front yard. Mr. Doerfer has been and will in the near future continue to be the pumper of these two Wells. Atom, also, visited with the most Southerly dwelling and inquired whether these Production Tanks were observable and a Mitigation issue for their dwelling, to which, they were not aware of any Production Tanks.

Atom is in the process of gaining waivers from the Surface Owner, Mineral Owner and Pumper, Mr. Pete Doerfer which will support his indifference on the color of the Production Tanks. Should additional Wells be Drilled, Competed or re-Entered, Atom will support, abide and comply with Rule 804 on any and all future Well subsequent to this request which will require a Production Tank Battery.

Sincerely;

A handwritten signature in black ink, appearing to read 'Tom Stover', with a long horizontal flourish extending to the right.

Tom Stover

Oil and Gas Property Manager

Atom Petroleum, LLC ("Atom") submitted Form 10 to Teri Ikenoyue on 4/15/14 to change the Operator from Beeman Oil and Gas LLC (Operator # 7125) to Atom (Operator #10434) effective April 1, 2014. Subsequently, Atom hand delivered, on 4-18-14, to Deborah Lutz, Bonds to cover the Wells of Doerfer #1-5 (API 05-083-06653) and Doerfer #2 (API 05-083-06263), to which, Deborah Lutz, emailed on April 22, 2014 notifying Atom of the Bond coverage on these two Wells.

Doerfer #1-5 and Doerfer #2 produce and are commingled in a common Tank Battery. Atom was made aware by Beeman Oil and Gas that an inspection was made by the Colorado Oil and Gas Conservation Commission ("COGCC") and Beeman Oil and Gas was requested to paint the Production Tanks in compliance with Rule 804 – Visual Impact Mitigation. In a discussion with Mr. Robert Beeman, Mr. Beeman shared that the Production Tanks are painted black to allow the direct sunlight to heat the Production to keep the paraffin embedded in the Dakota Oil to not set up during the daylight hours and thereby allowing the pumper to be able to cycle the Dakota Oil between the Production Tanks for the ability to sell the Dakota Oil to Western Refining.

Atom is requesting a variance from Rule 804 Visual Impact Mitigation for the following reasons:

1. The Rule states: **"Production facilities which are observable from any public highway..."**
Atom has included an area Map of the location of the Production Tanks. The Production Tanks are located on the lands of Rancher Pete and Yvonne Doerfer, down one of their ranch roads. The ranch road is accessed off County Road 41 South of Mancos Colorado. Atom viewed the Production Tanks and traveled South on County Road 41 approximately 1 ¼ miles to discern whether these Production Tanks are observable, determined to be the starting point. Please view the attached eighteen (18) PIC's taken every 1/10 of a mile from that starting point, going in a Northern direction, to determine whether these Production Tanks are observable. Atom determined that the Production Tanks were not observable until the 1 and 2/10 mile marker from the starting point. Atom further determined that the Production Tanks were only observable for only 2/10 of a mile. Atom determined that there were four (4) dwellings that existed along this section of County Road 41, and two of these dwellings belong to the Rancher Mr. Doerfer, of which only one is occupied, and Atom visited with the most Southerly dwelling and inquired whether these Production Tanks were observable and a Mitigation issue for this dwelling, to which, they were not aware of any Production Tanks. Atom would be willing to gain notarized statements from these dwellings for documentation to the COGCC as to whether the Production Tanks are a Mitigation issue.
2. The Rule further states: **"...shall be painted with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to but slightly darker than the surrounding landscape."** Atom is not adverse to painting the Production Tanks per Rule 804, however, unless the COGCC has a registered complaint from the dwellers along the County Road 41, Atom would like to set aside the issue of painting the Production Tanks until it has had adequate time to work on the Wells to determine whether the Doerfer #1-5 or the Doerfer #2 will be worthy of Production, determine a more efficient manner of handling the paraffin Dakota Oil and discern how it will efficiently gather, measure and collect the Oil from these Wells.

Atom request this variance be granted until such time that either additional Wells are drilled and producing which will require additional Production Tanks on the lands which will more likely become a Visual Impact Mitigation issue.