STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY Department of Natural Resources

1313 Sherman St., Room 215 Denver, Colorado 80203 Phone: (303) 866-3567 FAX: (303) 832-8106



John W. Hickenlooper Governor

Mike King Executive Director

Loretta Piñeda Director

August 7, 2012

Mr. Jeff Stevenson Shell Exploration & Production Company 3737 Bellaire Blvd. Houston, TX 77025

Re: Shell Exploration & Production Company, Notice of Intent (NOI) P-2012-013, Mahogany Research Project – Private Land Well Pad Discharges to Ground Water, Approval

Dear Mr. Stevenson,

The Division of Reclamation, Mining and Safety has completed the review of the above referenced Notice of Intent application. It appears that all issues have been addressed and the application meets the requirements of the Act and Rules. Therefore, staff is pleased to inform Shell Frontier Oil & Gas Exploration and Production that the Mahogany Research Project - Private Land Well Pad Discharges to Groundwater, File No. P-2012-013, is approved.

No surface disturbance or reclamation liability is associated with this NOI therefore no additional reclamation bonding is required. This NOI is to only allow for the discharge of groundwater to already existing infiltration pits.

If you need additional information, please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, telephone no. (970) 241-2042.

Sincerely,

Travis Marshall

Environmental Protection Specialist

ec: Russ Means, DRMS