



Kerr-McGee Oil & Gas Onshore LP

A wholly owned subsidiary of Anadarko Petroleum Corporation

1099 18th Street
Denver, CO 80202
720-929-6000 (main)

May 27, 2010

Colorado Oil and Gas Conservation Commission
Attn: Mr. David Neslin
1120 Lincoln Street, Suite 801
Denver, CO 80202

Re: Request for Approval of 502.b.Variance
Encore 21-12 Well
Township 5 North, Range 68 West, 6th P.M.
Section 12: (directional)
Surface location: **520' FNL, 2410' FWL (NENW)**
Bottom Hole location: **1300' FNL, 2600' FEL (NWNE)**
Spacing Unit: **T5N-R68W; Sec. 12: W/2NE/4, E/2NW/4**
Larimer County, Colorado

Dear Sir:

Kerr-McGee Oil & Gas Onshore LP ("KMG") proposes to directionally drill the captioned oil and gas well (the "Subject Well") from the above described surface location to the above described bottom hole location. Due to our geologic interpretation, KMG plans to bottom hole the subject well at a Rule 318A.a exception location outside a GWA window.

In order to create a wellbore spacing unit, Kerr McGee must obtain consent from all mineral owners within the proposed unit. According to our record check, there are five (5) mineral owner(s) within the spacing unit. KMG mailed notices (which included requests for waiver of Rule 318A.a. and consent to the spacing unit) to all mineral owners by certified mail under cover dated April 29, 2010. At least 20 days have expired since the notices were delivered.

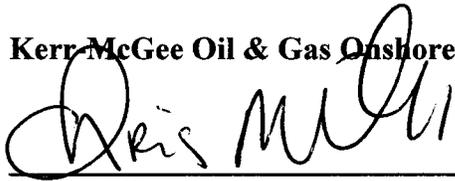
Attached are copies of the signed notices of the three (3) mineral owners who have waived Rule 318A.a. and consented to the proposed wellbore spacing unit. As of this date one (2) mineral owners have not responded. No mineral owner has made a protest to the proposed well location or its wellbore spacing unit.

This is to respectfully request that the Director approve this Variance Request under Rule 502.b. and authorize the exception location for the well and the proposed wellbore spacing unit as set forth above.

Should you have any questions, please contact our office. Thank you in advance for your consideration and cooperation with us in this regard.

Respectfully,

Kerr-McGee Oil & Gas Onshore LP

A handwritten signature in black ink, appearing to read "Chris Miller", written over a horizontal line.

Chris Miller
(Consulting Landman)
720-929-6629

encl.



Kerr-McGee Oil & Gas Onshore LP
1099 18th Street
Denver, CO 80202
303-929-6000 • Fax 720-9297629

April 27, 2010

Mineral Interest Owners

Re: Request for Exception to Rule 318A.h
Encore 21-12 Well
Township 5 North, Range 68 West, 6th P.M.
Section 12: (directional)
Surface location: **520' FNL, 2410 FWL (NENW)**
Bottom Hole location **1300' FNL, 2600 FEL' (NWNE)**
Weld County, Colorado

Dear Mineral Interest Owner:

Kerr-McGee Oil & Gas Onshore LP plans to drill the captioned oil and gas well from the above described surface location.

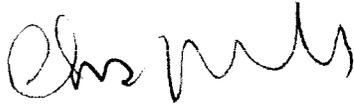
Rule 318A of the Colorado Oil and Gas Commission's Rules and Regulations requires the well be drilled in a square with sides four hundred (400) feet in length, the center of which is the center of any quarter/quarter or a square with sides eight hundred (800) feet in length, the center of which is the center of any quarter section.

This is to request that you as a mineral owner kindly waive this requirement (under Colorado Oil and Gas Commission's Rules and Regulations Rule 318A.h) below by indicating your approval of the new well being drilled at the location referenced above. The leasehold and your royalty interest thereunder will be pooled into a 160 acre unit (**T5N-R68W; Section 12: W/2NE/4 and E/2NW/4**) for Codell-Niobrara production and a 160 acre unit (**T5N-R68W; Section 12: W/2NE/4 and E/2NW/4**) J Sand production from this well. You will receive your proportionate share of the royalty payments on a proportionate basis thereunder. All other mineral interest owners under this pooled unit will be provided with a waiver request. You have 20 days from receipt of this notice to object in writing to Kerr-McGee Oil & Gas Onshore LP to the well location, proposed spacing unit, or additional producing formation. *If you elect to waive Rule 318A.h and approve the above described location, please sign and return the attached waiver to me in the enclosed envelope.*

I've enclosed, for your keeping, a plat showing the surface location from which the well will be drilled, the bottom hole location to which the well will be drilled and the 160 acre spacing unit from which you as a royalty owner would receive your proportionate share of the royalty.

Should you have any questions, please contact me at 720.929.6629 Thank you in advance for your consideration and cooperation with us in this regard.

Sincerely,

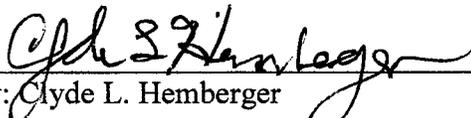


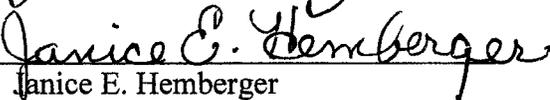
Chris Miller
(Consulting Landman)

CM
Encl.

In accordance with Rule 318A.h, I/we waive Rule 318A and approve the above described location for the **Encore 21-12** well.

Clyde L. Hemberger
Janice E. Hemberger
2490 North County Road 3
Loveland, CO 80538

X 
By: Clyde L. Hemberger

X 
Janice E. Hemberger



Kerr-McGee Oil & Gas Onshore LP
1099 18th Street
Denver, CO 80202
303-929-6000 • Fax 720-9297629

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Weld County, Colorado

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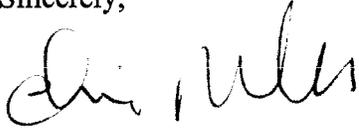
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Sincerely,



Chris Miller
(Consulting Landman)

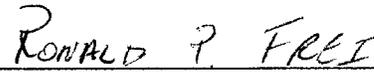
CM
Encl.

In accordance with Rule 318A.h, I/we waive Rule 318A and approve the above described location for the **Encore 21-12** well.

Ronald P. Frei
1203 Lincoln Avenue
Loveland, CO 80537

X 
By: _____

Its: _____



Print name here



Kerr-McGee Oil & Gas Onshore LP
1099 18th Street
Denver, CO 80202
303-929-6000 • Fax 720-9297629

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Chris Miller
(Consulting Landman)

CM
Encl.

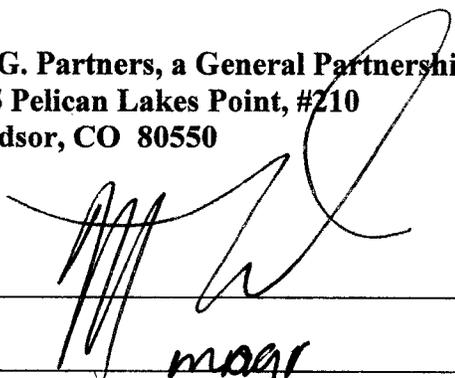
In accordance with Rule 318A.h, I/we waive Rule 318A and approve the above described location for the **Encore 21-12** well.

L.P.G. Partners, a General Partnership
1625 Pelican Lakes Point, #210
Windsor, CO 80550

X

By:

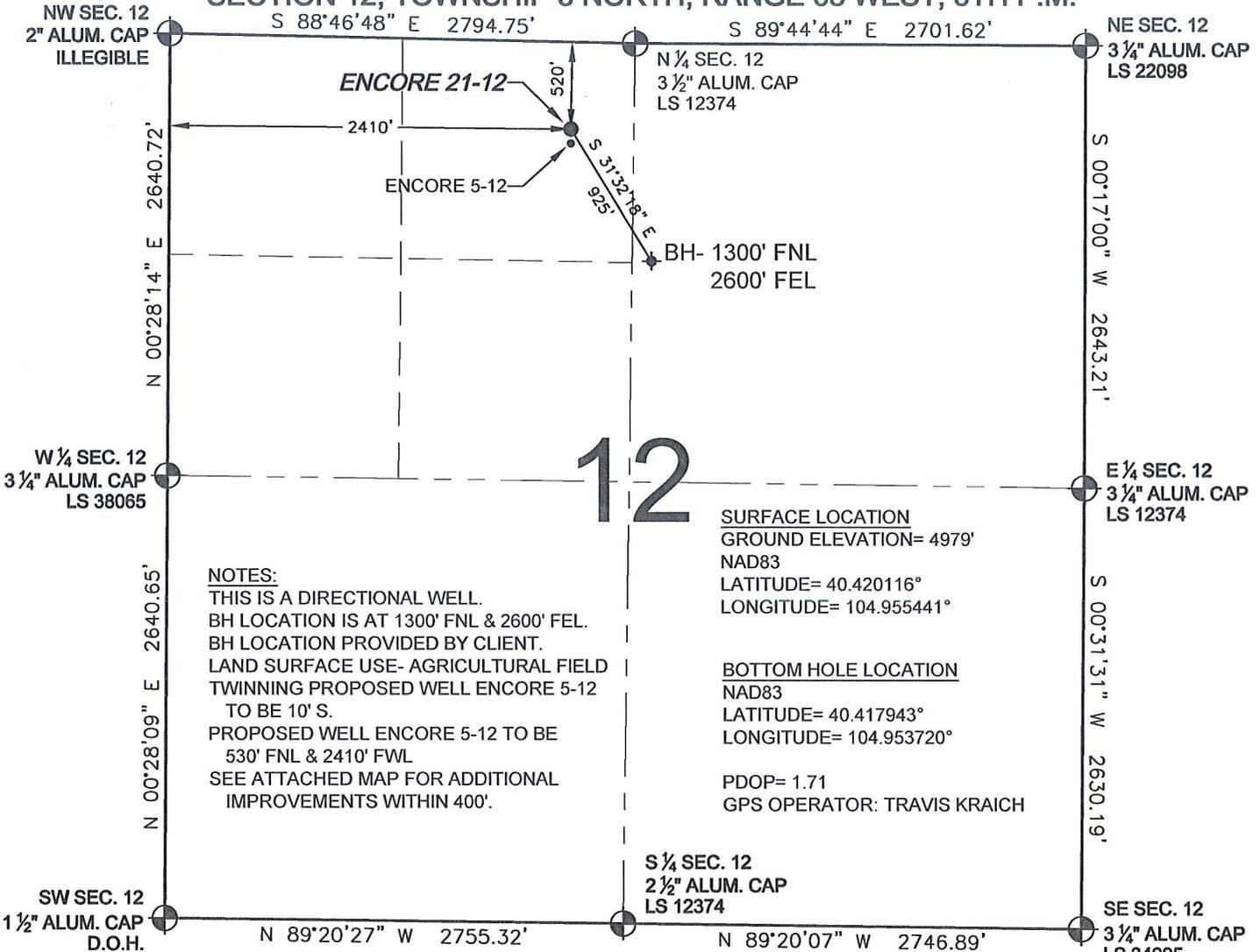
Its:


Martin Lind

Print name here

WELL LOCATION CERTIFICATE: ENCORE 21-12

SECTION 12, TOWNSHIP 5 NORTH, RANGE 68 WEST, 6TH P.M.



NOTES:
 THIS IS A DIRECTIONAL WELL.
 BH LOCATION IS AT 1300' FNL & 2600' FEL.
 BH LOCATION PROVIDED BY CLIENT.
 LAND SURFACE USE- AGRICULTURAL FIELD
 TWINNING PROPOSED WELL ENCORE 5-12
 TO BE 10' S.
 PROPOSED WELL ENCORE 5-12 TO BE
 530' FNL & 2410' FWL
 SEE ATTACHED MAP FOR ADDITIONAL
 IMPROVEMENTS WITHIN 400'.

SURFACE LOCATION
 GROUND ELEVATION= 4979'
 NAD83
 LATITUDE= 40.420116°
 LONGITUDE= 104.955441°

BOTTOM HOLE LOCATION
 NAD83
 LATITUDE= 40.417943°
 LONGITUDE= 104.953720°

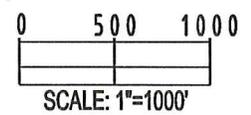
PDOP= 1.71
 GPS OPERATOR: TRAVIS KRAICH

S ¼ SEC. 12
 2 ½" ALUM. CAP
 LS 12374

WELL ENCORE 21-12 TO BE LOCATED 520' FNL AND 2410' FWL, SECTION 12, T5N, R68W OF THE 6th P.M.

LEGEND

- ⊕ = EXISTING MONUMENT ⊕ = BOTTOM HOLE BH = BOTTOM HOLE
- = PROPOSED WELL ◆ = EXISTING WELL



- NOTES:**
- THIS SURVEY WAS DONE BY GPS METHODS AND CONFORMS TO THE MINIMUM STANDARDS SET BY THE C.O.G.C.C., RULE NO. 215
 - ELEVATIONS SHOWN AT THE WELL HEAD, AS WELL AS HORIZONTAL CONTROL, ARE BASED ON GPS-RTK VALUES DERIVED FROM DOING 2-HOUR STATIC GPS SESSIONS AND REDUCTIONS USING O.P.U.S. SOLUTIONS.
 VERTICAL = NAVD88; HORIZONTAL = NAD83/92
 - THE BEARINGS SHOWN HEREON ARE BASED ON GPS OBSERVATIONS BETWEEN THE MONUMENTS SHOWN HEREON AS FOUND ON THE FIELD DATE BELOW.
 - DISTANCES SHOWN ARE AT GROUND LEVEL, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED AT A PERPENDICULAR TO SECTION LINES.

I, JERRY F. HARCEK JR., A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO **KERR-MCGEE OIL & GAS ONSHORE LP**, THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WERE DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL **ENCORE 21-12**. THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

JERRY F. HARCEK JR., PLS 34997
 COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
 FOR AND ON BEHALF OF P.F.S., LLC



PREPARED BY: PFS Petroleum Field Services, LLC 1801 W. 13th Ave. Denver, CO 80204	FIELD DATE: 02-10-10	WELL NAME: ENCORE 21-12
	DRAWING DATE: 02-11-10	SURFACE LOCATION: LARIMER COUNTY, COLORADO
	BY: SMF	NE 1/4 NW 1/4, SEC. 12, T5N, R68W

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THIS SAID DATE OF THIS CERTIFICATION SHOWN HEREON.