



September 2, 2010

Department of Natural Resources
Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln St., Suite 801
Denver, CO 80203

Re: **20 Day Certification Letter - 318A-e**
CANNON 37-3
Township 2 North, Range 65 West, Section 3: SW/4SE/4
Unit Spacing: 02N-65W-3 S/2SE/4
02N-65W-10 N/2NE/4
Weld County, Colorado

Ladies/Gentlemen:

Kerr-McGee Oil and Gas Onshore LP ("KMG") hereby certifies to the Director that a twenty (20) day notice has been given by certified mail to all owners in the proposed wellbore spacing unit. We have not received any objections to such well location, proposed spacing unit, or additional producing formation. KMG hereby requests the Director to approve the boundary well.

If you have any questions or issues regarding this permit, please contact Cheryl Light at (720) 929-6461.

Very truly yours,

Kerr-McGee Oil and Gas Onshore LP

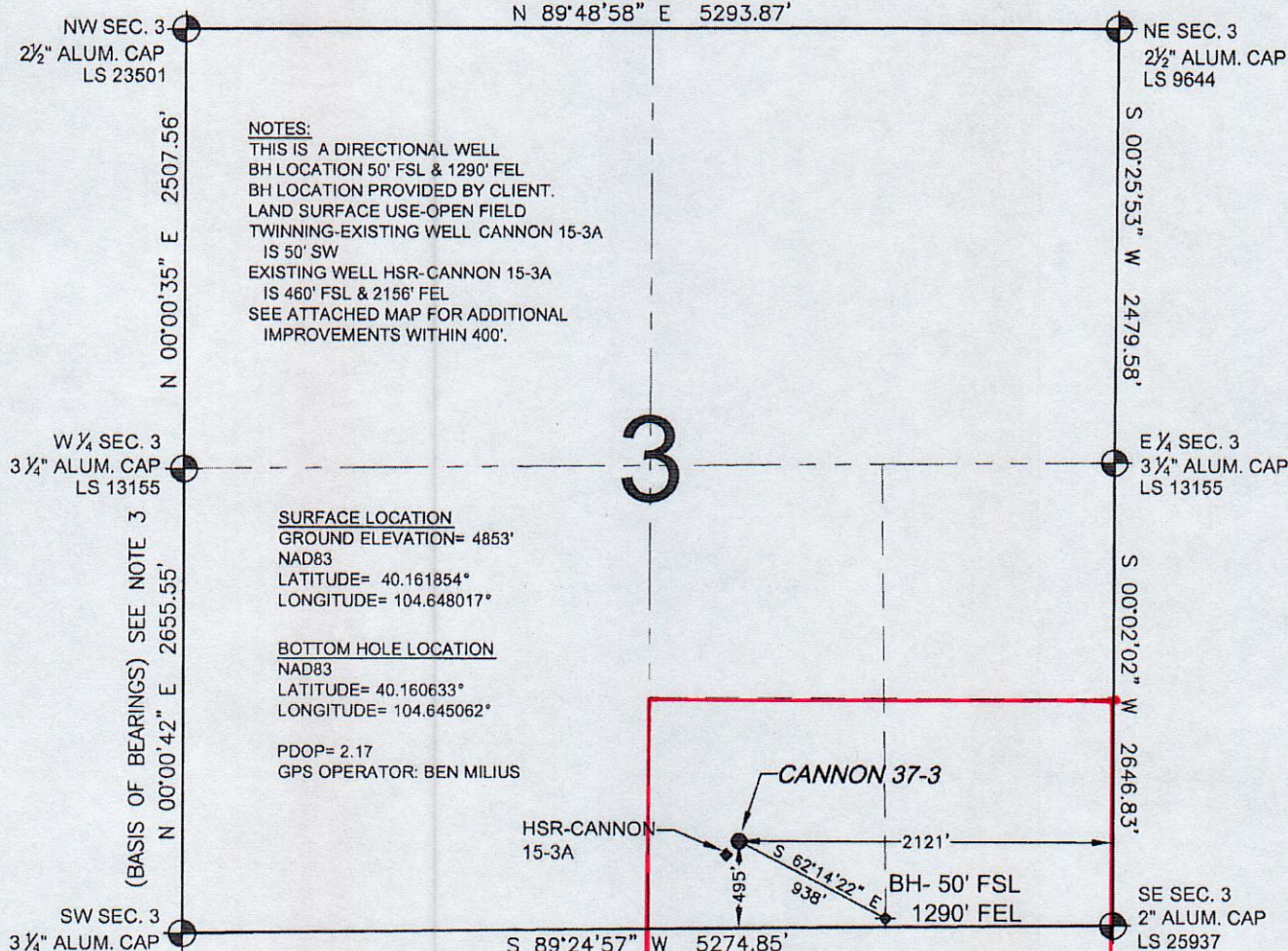
A handwritten signature in blue ink, appearing to read "Rebecca Heim".

Rebecca Heim
Regulatory Analyst II

Enclosure

WELL LOCATION CERTIFICATE: CANNON 37-3

SECTION 3, TOWNSHIP 2 NORTH, RANGE 65 WEST, 6TH P.M.

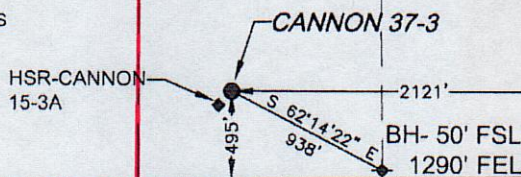


NOTES:
THIS IS A DIRECTIONAL WELL
BH LOCATION 50' FSL & 1290' FEL
BH LOCATION PROVIDED BY CLIENT.
LAND SURFACE USE-OPEN FIELD
TWINNING-EXISTING WELL CANNON 15-3A
IS 50' SW
EXISTING WELL HSR-CANNON 15-3A
IS 460' FSL & 2156' FEL
SEE ATTACHED MAP FOR ADDITIONAL
IMPROVEMENTS WITHIN 400'.

SURFACE LOCATION
GROUND ELEVATION= 4853'
NAD83
LATITUDE= 40.161854°
LONGITUDE= 104.648017°

BOTTOM HOLE LOCATION
NAD83
LATITUDE= 40.160633°
LONGITUDE= 104.645062°

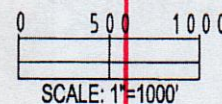
PDOP= 2.17
GPS OPERATOR: BEN MILIUS



WELL **CANNON 37-3** TO BE LOCATED 495' FSL AND 2121' FEL, SECTION 3, T2N, R65W OF THE 6th P.M.

LEGEND

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

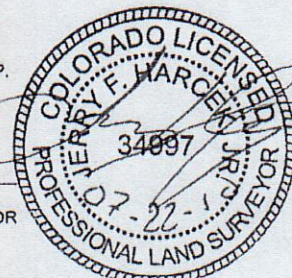


NOTES:

- 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 **CANNON 37-3**. 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

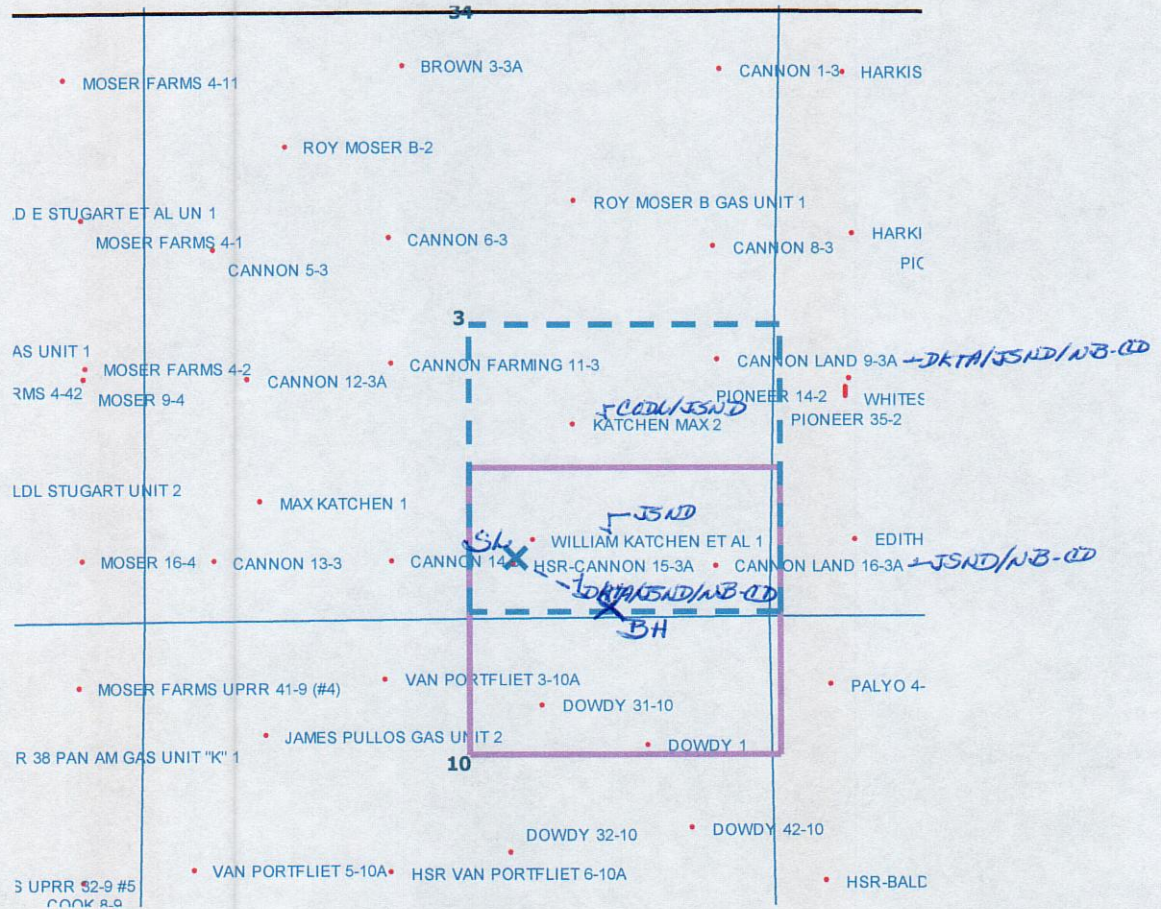


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|--|--|---------------------------|
| PREPARED BY: PFS Petroleum Field Services, LLC 1801 W. 13th Ave. Denver, CO 80204 | FIELD DATE: 06-30-10 | WELL NAME: CANNON 37-3 |
| DRAWING DATE: 07-21-10 | SURFACE LOCATION: WELD COUNTY, COLORADO | |
| BY: TJN | SW 1/4 SE 1/4, SEC. 3, T2N, R65W | |

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.

CANNON 37-3

SWSE Sec. 3 T2N-R65W



LEGEND



Proposed 160 acre Spacing Unit (Solid line).



Bottom Hole Located SE/4SE/4, Sec. 3-T2N-R65W (Dashed line).

This 1/4 Section has less than 8 bottom hole wells producing from the Codell, Niobrara & J Sand Formations.