



December 16, 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**  
PALYO 21-11  
Township 2 North, Range 65 West, Section 11: NE/4NW/4  
Unit Spacing: 02N-65W-11 W/2NE/4; E/2NW/4  
Weld County, Colorado

Ladies/Gentlemen:

Kerr McGee Oil and Gas Onshore LP ("KMG") hereby certify to the Director that KMG owns one-hundred percent (100%) of the mineral rights in the proposed spacing unit. Therefore, KMG respectfully 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,

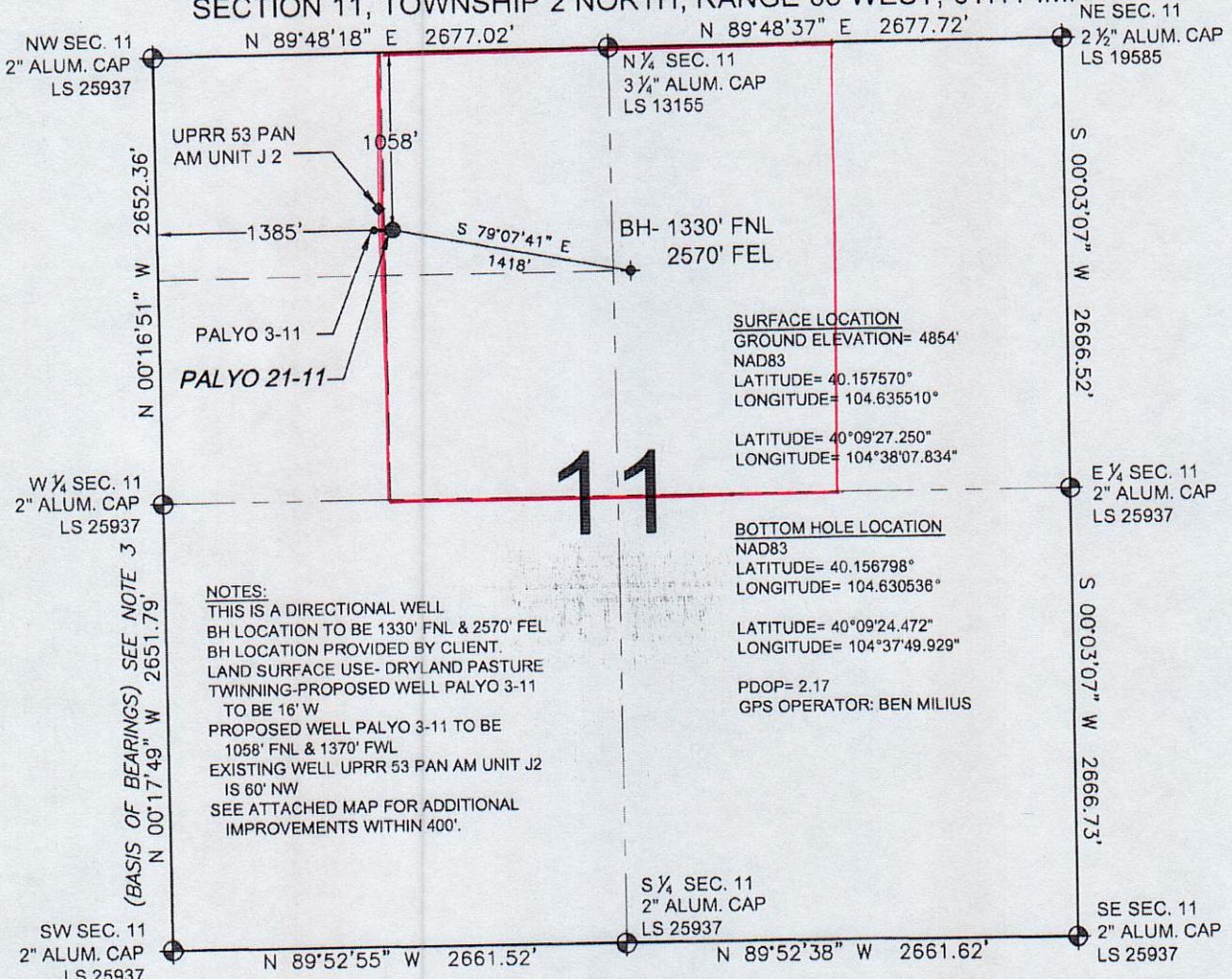
**Kerr-McGee Oil and Gas Onshore LP**

**Rebecca Heim**  
Regulatory Analyst II

Enclosure

# WELL LOCATION CERTIFICATE: PALYO 21-11

SECTION 11, TOWNSHIP 2 NORTH, RANGE 65 WEST, 6TH P.M.



**NOTES:**  
THIS IS A DIRECTIONAL WELL  
BH LOCATION TO BE 1330' FNL & 2570' FEL  
BH LOCATION PROVIDED BY CLIENT.  
LAND SURFACE USE- DRYLAND PASTURE  
TWINNING-PROPOSED WELL PALYO 3-11  
TO BE 16' W  
PROPOSED WELL PALYO 3-11 TO BE  
1058' FNL & 1370' FWL  
EXISTING WELL UPRR 53 PAN AM UNIT J2  
IS 60' NW  
SEE ATTACHED MAP FOR ADDITIONAL  
IMPROVEMENTS WITHIN 400'.

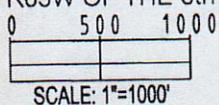
**SURFACE LOCATION**  
GROUND ELEVATION= 4854'  
NAD83  
LATITUDE= 40.157570°  
LONGITUDE= 104.635510°  
  
LATITUDE= 40°09'27.250"  
LONGITUDE= 104°38'07.834"

**BOTTOM HOLE LOCATION**  
NAD83  
LATITUDE= 40.156798°  
LONGITUDE= 104.630536°  
  
LATITUDE= 40°09'24.472"  
LONGITUDE= 104°37'49.929"  
  
PDOP= 2.17  
GPS OPERATOR: BEN MILIUS

WELL **PALYO 21-11** TO BE LOCATED 1058' FNL AND 1385' FWL, SECTION 11, T2N, R65W OF THE 6th P.M.

**LEGEND**

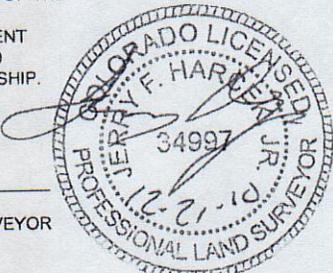
- ⊕ = EXISTING MONUMENT
- ⊙ = PROPOSED WELL
- ⬢ = BOTTOM HOLE
- ⬢ = EXISTING WELL
- BH = BOTTOM HOLE



- 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 **PALYO 21-11**. 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.

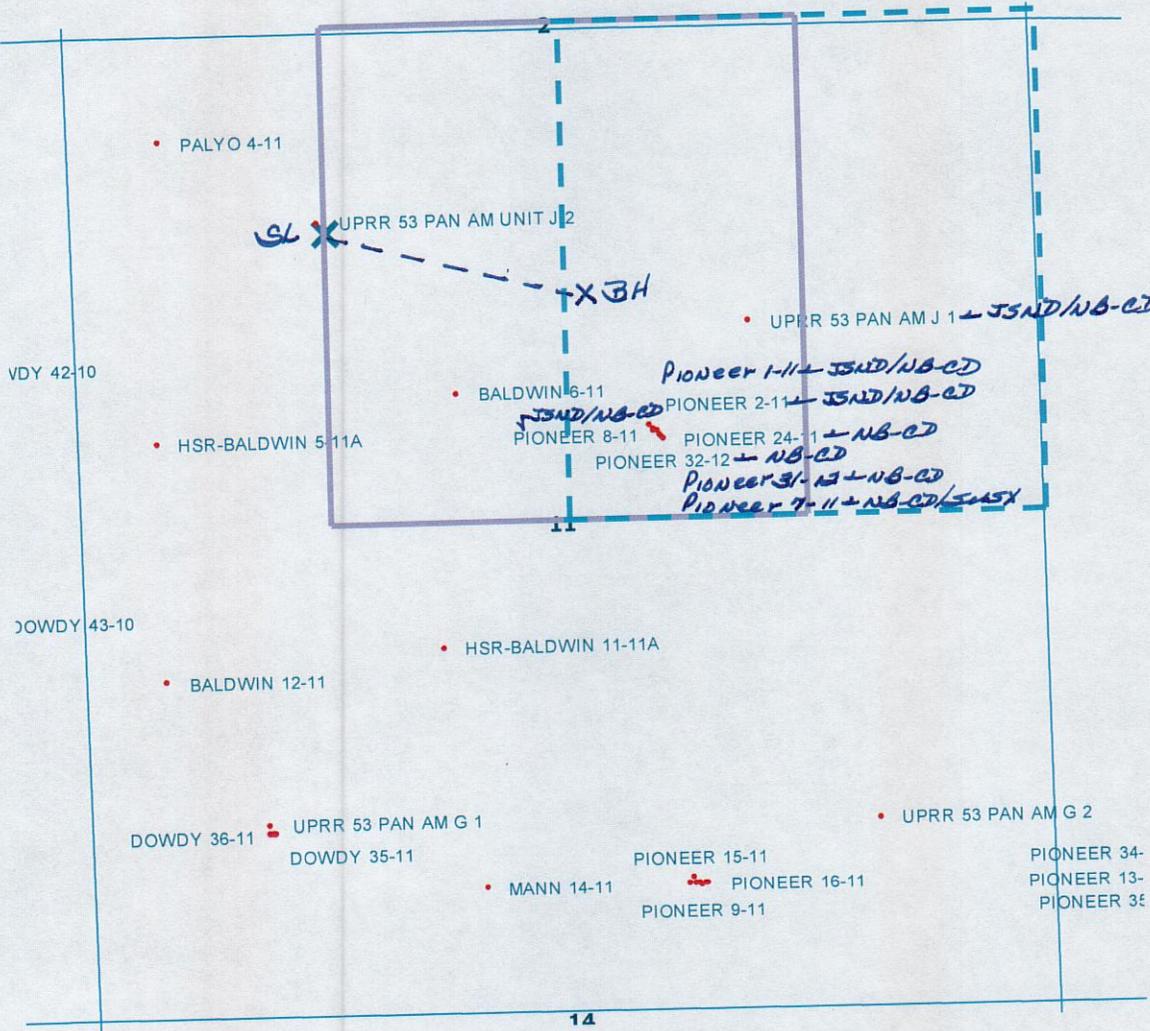
JERRY F. HARCEK JR., PLS 34997  
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR  
FOR AND ON BEHALF OF P.F.S., LLC



PREPARED BY:  Petroleum Field Services, LLC 1801 W. 13th Ave. Denver, CO 80204	FIELD DATE: 07-29-10	WELL NAME: PALYO 21-11
	DRAWING DATE: 12-21-10	SURFACE LOCATION: WELD COUNTY, COLORADO
	BY: SMF	NE 1/4 NW 1/4, SEC. 11, 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.

# PALYO 21-11 NENW Sec. 11 T2N-R65W



## LEGEND



Proposed 160 acre Spacing Unit (Solid line).



Bottom Hole Located NW/4NE/4, Sec. 11-T2N-R65W (Dashed line).

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