



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 28-11  
Township 2 North, Range 65 West, Section 11: NE/4NW/4  
Unit Spacing: 02N-65W-11 NE/4NW/4; NW/4NE/4  
03N-65W-02 SE/4SW/4; SW/4SE/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 that reads "Rebecca Heim".

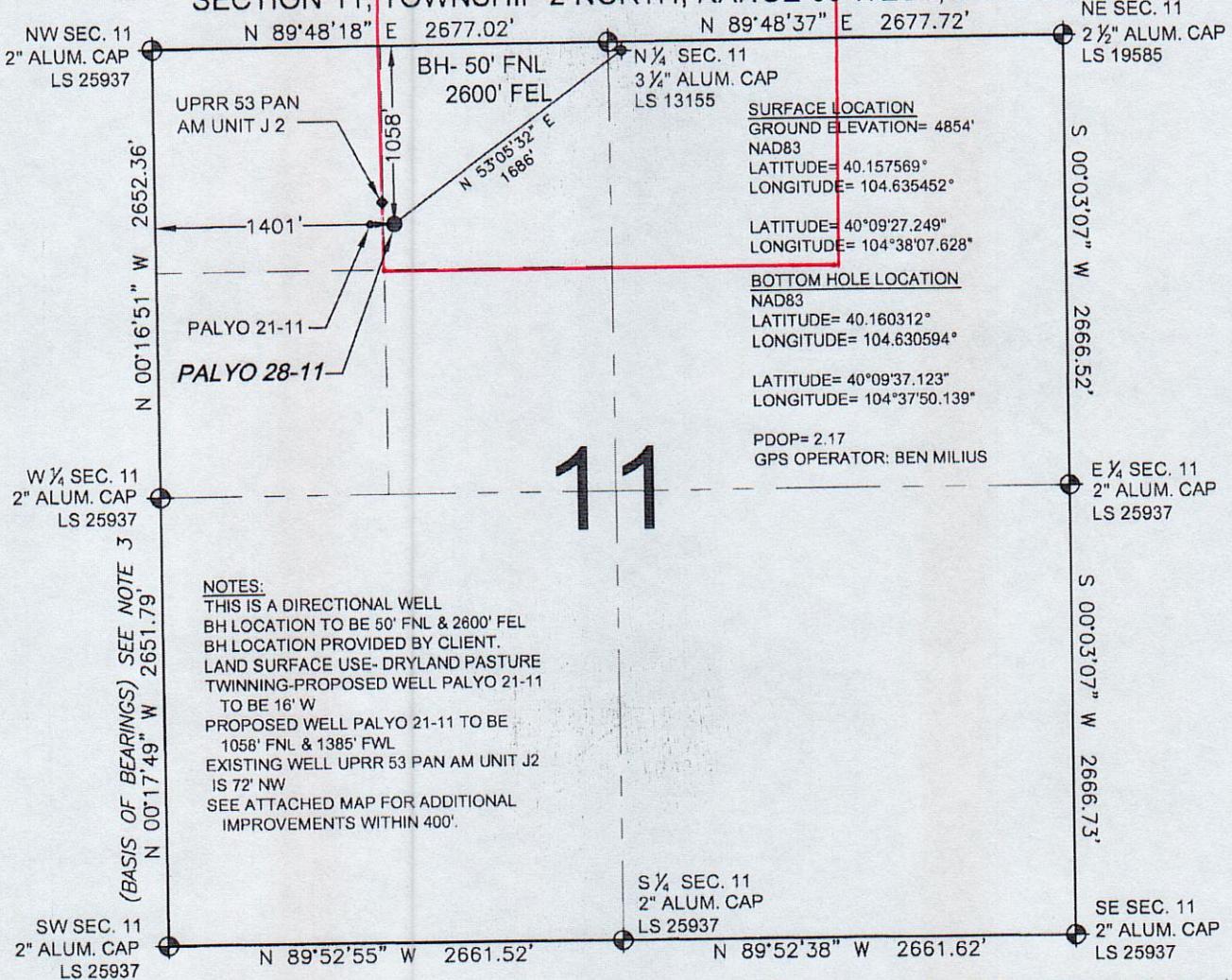
**Rebecca Heim**  
**Regulatory Analyst II**

Enclosure

318A Proposed Spacing  
Unit Plan

# WELL LOCATION CERTIFICATE: PALYO 28-11

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



**NOTES:**  
 THIS IS A DIRECTIONAL WELL  
 BH LOCATION TO BE 50' FNL & 2600' FEL  
 BH LOCATION PROVIDED BY CLIENT.  
 LAND SURFACE USE- DRYLAND PASTURE  
 TWINNING-PROPOSED WELL PALYO 21-11  
 TO BE 16' W  
 PROPOSED WELL PALYO 21-11 TO BE  
 1058' FNL & 1385' FWL  
 EXISTING WELL UPRR 53 PAN AM UNIT J2  
 IS 72' NW  
 SEE ATTACHED MAP FOR ADDITIONAL  
 IMPROVEMENTS WITHIN 400'.

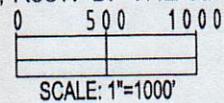
**SURFACE LOCATION**  
 GROUND ELEVATION= 4854'  
 NAD83  
 LATITUDE= 40.157569°  
 LONGITUDE= 104.635452°  
  
 LATITUDE= 40°09'27.249"  
 LONGITUDE= 104°38'07.628"  
  
**BOTTOM HOLE LOCATION**  
 NAD83  
 LATITUDE= 40.160312°  
 LONGITUDE= 104.630594°  
  
 LATITUDE= 40°09'37.123"  
 LONGITUDE= 104°37'50.139"  
  
 PDOP= 2.17  
 GPS OPERATOR: BEN MILIUS

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WELL **PALYO 28-11** TO BE LOCATED 1058' FNL AND 1401' FWL, SECTION 11, T2N, R65W OF THE 6th P.M.

**LEGEND**

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



**NOTES:**

1. THIS SURVEY WAS DONE BY GPS METHODS AND CONFORMS TO THE MINIMUM STANDARDS SET BY THE C.O.G.C.C., RULE NO. 215
2. 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
3. THE BEARINGS SHOWN HEREON ARE BASED ON GPS OBSERVATIONS BETWEEN THE MONUMENTS SHOWN HEREON AS FOUND ON THE FIELD DATE BELOW.
4. 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 28-11**. 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:  PFS Petroleum Field Services, LLC 1801 W. 136th Ave. Denver, CO 80234	FIELD DATE: 07-29-10	WELL NAME: PALYO 28-11
	DRAWING DATE: 11-21-10	SURFACE LOCATION: WELD COUNTY, COLORADO NE 1/4 NW 1/4, SEC. 11, T2N, R65W
BY: SMF		

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.

