



May 17, 2012

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

Re: Request for Exception to Rule 318A-a & 318A-c  
CANNON 16N-E3HZ, CANNON 37C-3HZ, CANNON 37N-E3HZ  
Township 2 North, Range 65 West  
Section 03: NE/4NE/4  
Weld County, Colorado

Ladies/Gentlemen:

Kerr-McGee Oil & Gas Onshore LP ("KMG") respectfully requests the Director approve an exception to Rule 318A.a to allow the above-named wells to be drilled at the above referenced location. Rule 318A.a of the Colorado Oil and Gas Commission's Rules and Regulations requires wells to be drilled/completed in a square with sides four hundred (400) feet in length, the center of which is the center of any quarter/quarter section or in the center of any quarter section with the four sides being (800) feet in length. The above-named wells are being permitted is an exception location at the request of the surface owner.

Under the Revised Rule 318A.c of the Colorado Oil and Gas Commission's Rules and Regulations, it requires any new twinning well to be located within 50 feet of an exiting well. The above-named wells are more than 50 feet from the nearest oil and gas well.

KMG has obtained written permission from the surface owner for both of these waivers. Should you have any questions, please contact our office. Thank you for your consideration.

Very truly yours,

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

A handwritten signature in cursive script that reads 'Rebecca Heim'.

Rebecca Heim  
Regulatory Analyst II