



May 22, 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
NICHOLS 3C-5HZ, NICHOLS 3N-5HZ, NICHOLS 29N-5HZ
Township 2 North, Range 65 West
Section 8: SE/4NW/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, appearing to read 'Rebecca Heim'.

Rebecca Heim
Regulatory Analyst II