



Kerr-McGee Oil & Gas Onshore LP

1099 18th Street, Suite 1800
Denver, CO 80202-1918
P.O. Box 173779
Denver, CO 80217-3779
720-929-6000

March 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
PARAGON 15C-6HZ, PARAGON 15N-6HZ, PARAGON 36C-6HZ
PARAGON 36N-6HZ, PARAGON 37N-6HZ
PARAGON 16C-6HZ, PARAGON 16N-6HZ,
PARAGON 37C-6HZ, PARAGON 38N-6HZ
Township 1N North, Range 65 West
Section 6: NE/2
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, reading 'Rebecca Heim'.

Rebecca Heim
Regulatory Analyst II