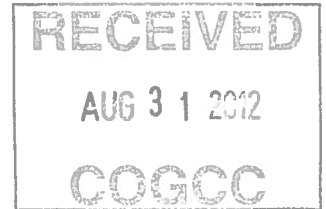




Kerr-McGee Oil & Gas Onshore LP
1099 18th Street, Suite 1800
Denver, Colorado 80202
720-929-6000 Fax 720-929-7000

August 29, 2012

Mr. Robert Chesson
Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203



**RE: 318A Water Well Sampling 318A.e. (4)
Cannon 16N-E3HZ, Location ID 305664
Section 3, Township 2N, Range 65W
API No. 05-123-35794**

35790 -
35792 -

Dear Mr. Chesson:

As per *COGCC Rule 318A.e.(4)*, baseline water well sample testing is required prior to drilling the first interior infill well or boundary well within a governmental section. COGCC stamped the drilling permit for the subject well, requiring Kerr-McGee Oil & Gas Onshore LP (Kerr-McGee) to conduct water sample baseline testing in Section 3, Township 2N, and Range 65W.

Water well sampling for Section 3, Township 2N, and Range 65W has been completed. Based on these findings, Kerr-McGee is requesting a determination of NOT REQUIRED for additional water well sampling in Section 3, Township 2N, and Range 65W because Rule 318A.e.(4) sampling requirements have been satisfied. If you agree, please sign and date the bottom of this letter and return it to me. Please contact me at 720-929-6726 if you have any questions regarding this information.

Very truly yours,

Kerr-McGee Oil & Gas Onshore LP

Paul D. Schneider, P.G.
Senior Staff EHS Representative

COGCC Approved:  Title: EPS Date: 9/4/12