

KERR-MCGEE OIL AND GAS ONSHORE LP

635 N. 7TH AVENUE, BRIGHTON, CO 80601

November 6th, 2012

Paragon Farms LLC
10220 CR 1
Longmont, CO 80504

Re: Request for Exception to Rule 318A-a
Request for Exception to Rule 318A-c
PARAGON 40C-31HZ, PARAGON 40N-31HZ, PARAGON 9C-31HZ,
PARAGON 9N-31HZ, PARAGON 24C-31HZ, PARAGON 24N-31HZ,
PARAGON 10C-31HZ, PARAGON 10N-31HZ, PARAGON 25C-31HZ,
PARAGON 25N-31HZ, PARAGON 11C-31HZ
Township 1 North, Range 65 West
Section 6: S/2SE/4
Weld County, Colorado

To Whom It May Concern:

Kerr-McGee Oil and Gas Onshore LP plans to drill the listed oil and gas wells from the above described surface locations.

Rule 318A of the Colorado Oil and Gas Commission's Rules and Regulations requires the well be drilled in a square with sides four hundred (400) feet in length, the center of which is the center of any quarter/quarter, or a square with sides eight hundred (800) feet in length, the center of which is the center of any quarter. Rule 318A of the Colorado Oil and Gas Commission's Rules and Regulations also requires any new twinned well be located 50' or less from an existing oil and gas well. We will drill the wells at the above described location, but we will need this waiver as this location is more than 50' from the existing well and falls outside the legal drilling window.

Please waive both of the above referenced requirements showing your approval by signing below. Should you have any questions, please contact our office. Thank you for your consideration.

Very truly yours,
KERR-MCGEE OIL AND GAS ONSHORE LP


Justin Shoulders
Landman

I/we waive the above requirement and approve the above described location.

Paragon Farms LLC

By: Gary G. Peschel

By: 

Name: GARY G. PESCHEL

Name: MARI M. PESCHEL

Title: Mgr.

Title: Mgr