



Kerr-McGee Oil & Gas Onshore LP
1099 18th Street
Denver, CO 80202
303-929-6000 • Fax 720-9297570

March 15th, 2010

Mineral Interest Owners

Re: Request for Exception to Rule 318A.h.
CARMA 21-36 Well
Township 3 North, Range 68 West, 6th P.M.
Section 36: SENW (directional)
Surface location: 1509 FNL AND 1454 FWL
Bottom Hole location 1330 FNL AND 2580 FEL
Weld County, Colorado

Dear Mineral Interest Owner:

Kerr-McGee Oil & Gas Onshore LP plans to drill the captioned oil and gas well.

Rule 318A of the Colorado Oil and Gas Commission's Rules and Regulations requires this well to be 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 section.

The surface location of the captioned well is within the 800 foot square prescribed by Rule 318A, however the bottom hole location of the captioned well, as indicated on the attached plats, is not within the areas provided by Rule 318A.

This letter is to request that you as a mineral owner kindly waive this requirement (under Colorado Oil and Gas Commission's Rules and Regulations Rule 318.c.) below by indicating your approval of the new well being drilled at the location referenced above. The leasehold and your royalty interest thereunder will be pooled into a 160 acre unit (T3N-R68W Sec 36: W2NE, E2NW, Weld County, CO) for Codell-Niobrara and J Sand production from this well. You will receive your proportionate share of the royalty payments on a proportionate basis thereunder. All other mineral interest owners under this pooled unit will be provided with a waiver request. You have 20 days from receipt of this notice to object in writing to Kerr-McGee Oil & Gas Onshore LP to the well location, proposed spacing unit, or additional producing formation. *If you elect to waive Rule 318A.h. and approve the above described location, please sign and return the attached waiver to me in the enclosed envelope.*

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CARMA 21-36 Well

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I've enclosed, for your keeping, two plats showing the surface location from which the well will be drilled, the bottom hole location to which the well will be drilled and the 160 acre spacing unit from which you as a royalty owner will receive your proportionate share of the royalty. The first is a survey plat showing precise footages and latitude and longitude. The second is an informal plat of the area showing the position of the proposed well in relationship to other wells.

Should you have any questions, please contact me at 720-929-6529 or by email at jay.errebo@anadarko.com. Thank you in advance for your consideration and cooperation with us in this regard.

Sincerely,

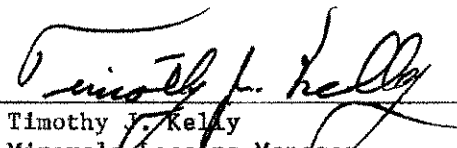


J. P. Errebo
Staff Landman

DV
Encl.

In accordance with Rule 318A.h, I/we waive Rule 318A and approve the above described location for the **CARMA 21-36** well.

Mineral Owner

X 

Timothy J. Kelly
Minerals Leasing Manager
State Board of Land Commissioners

(Print name here)