

KERR-MCGEE OIL AND GAS ONSHORE LP

635 N. 7TH AVENUE, BRIGHTON, CO 80601

10/5/12

Melbon Ranch Inc.

3173 52nd Ave,
Greeley, CO 80634

Re: **Request for Exception to Rule 318A-a**
Request for Exception to Rule 318A-c
MELBON 12N-8HZ, MELBON 12C-8HZ, MELBON 19N-W8HZ, MELBON 19C-8HZ,
MELBON 19N-E8HZ, MELBON 23N-8HZ and MELBON 23C-8HZ
Township 2 North, Range 65 West, Section 17
NW/4
Weld County, Colorado

Dear Melbon Ranch:

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



Travis J Book
Landman

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

Melbon Ranch Inc.

By: Fred W. Sarchet

Registered Agent: Fred W. Sarchet

Date: 8-15-2012

Melbon Ranch Inc.

By: Bill Sarchet

Registered Agent: Bill Sarchet

Date: Aug 15, 2012