



October 17, 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
UNDERHILL 15S-8HZ; UNDERHILL 16S-8HZ; UNDERHILL 28N-17HZ;
UNDERHILL 2C-17HZ; UNDERHILL 2N-17HZ; UNDERHILL 1C-17HZ;
UNDERHILL 1N-17HZ; UNDERHILL 26C-17HZ; UNDERHILL 27C-17HZ;
UNDERHILL 27N-17HZ
Township 1 North, Range 67 West
Section 17: S/2SE/4
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 existing 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 blue ink, appearing to read 'Lauren Christiansen', written over a horizontal line.

Lauren Christiansen
Regulatory Analyst I