



Kerr-McGee Oil & Gas Onshore LP

A subsidiary of Anadarko Petroleum Corporation

1099 18th Street
Denver, CO 80202
720-929-6000

July 31, 2013

Department of Natural Resources
Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln St., Suite 801
Denver, CO 80203

Re: Operator Request Letter to Rule 318A.m.
SATER 40N-5HZ
Township 2 North, Range 67 West
Section 8
Weld County, Colorado

Ladies/Gentlemen:

Kerr-McGee Oil & Gas Onshore LP (KMG) is making application for a drilling permit for the above captioned well.

As currently planned, the wellbore(s) of the following well(s) which are operated by KMG and Encana Oil and Gas Inc. will lie within 150 feet of the horizontal lateral of the captioned well:

| | | | |
|----|----------------|--------------|---------------------------------|
| 1. | HSR-SATER 1-8A | 05-123-20101 | Kerr-McGee Oil & Gas Onshore LP |
| 2. | SATER 8-8 | 05-123-31751 | Kerr-McGee Oil & Gas Onshore LP |
| 3. | TOWNSEND 43-5 | 05-123-20514 | Encana Oil and Gas Inc. |
| 4. | TOWNSEND 44-5 | 05-123-20215 | Encana Oil and Gas Inc. |

Prior to drilling operations, Operator will perform an anti-collision review of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision review may include MWD or gyro surveys and surface locations of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision review results indicate that the risk of collision is sufficiently low as defined by the anti-collision plan, with separation factors greater than 1.5, or if the risk of collision has been mitigated through other means including shutting in wells, plugging wells, increased drilling fluid in the event of lost returns or as is appropriate for the specific situation. In the event of an increased risk of collision, that risk will be mitigated to prevent harm to people, the environment or property. For the proposed well, upon conclusion of

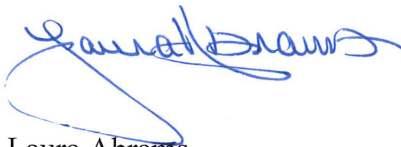
drilling operations, an as-constructed directional survey will be submitted to COGCC with the Form 5.

Rule 318A.m of the Colorado Oil and Gas Commission's Rules and Regulations does not allow horizontal wells to be drilled within 150' of other wells unless this requirement is waived by the Operator of the encroached upon well(s). KMG is the operator of the proposed well and two encroached upon well(s) so no waiver is required. Signed written waiver(s) of the outside operated encroached upon well(s) are attached to the APD.

As operator of the above referenced well(s) lying within 150 feet of the wellbore of the above captioned well, KMG respectfully requests the Director to accept this Operator Request Letter to allow the above referenced well to be drilled within 150' of the well(s) listed above that are operated by KMG.

Sincerely,

Kerr-McGee Oil & Gas Onshore LP

A handwritten signature in blue ink, appearing to read 'Laura Abrams', with a large, stylized flourish underneath.

Laura Abrams
Regulatory Analyst II



KERR-MCGEE OIL & GAS ONSHORE LP
1099 18TH STREET, SUITE 1800
DENVER, CO 80202-1918
P.O. Box 173779
DENVER, CO 80217-3779
720-929-6000

July 30, 2013

Certified Mail

Encana Oil & Gas Inc.
370 17th Street, Suite 1700
Denver, CO

Re: SATER 40N-5HZ
Township 2 North, Range 67 West, 6th P.M.
Section 8
Weld County, Colorado

Dear Sir/Madam:

Kerr-McGee Oil & Gas Onshore LP is applying for a permit to drill the captioned horizontal well. Pursuant to Rule 318A.m, the COGCC requires that operators proposing horizontal wells obtain waivers from operators of wells within 150 feet of the proposed horizontal wellbore.

As currently planned, the wellbores of the following well(s) which are operated by Encana Oil & Gas lie within 150 feet of the horizontal lateral of the captioned well:

- | | |
|------------------|--------------|
| 1) TOWNSEND 43-5 | 05-123-20514 |
| 2) TOWNSEND 44-5 | 05-123-20215 |

If Encana Oil & Gas is in agreement to waive Rule 318A.m., please sign in the space provided below and return one original copy to the undersigned.

KERR-MCGEE OIL & GAS ONSHORE LP
A wholly owned subsidiary of Anadarko Petroleum Corporation

Sincerely,

A handwritten signature in blue ink, appearing to read 'Laura Abrams', written over a blue circular stamp.

Laura Abrams
Regulatory Analyst II

Enclosure: Survey plat

SATER 40N-5HZ

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As operator of the above referenced well(s) lying within 150 feet of the wellbore of the above captioned well, Encana Oil & Gas hereby waives the one hundred and fifty foot (150') minimum intrawell distance as specified in COGCC Rule 318A.m.

Accepted and agreed to this 31 day of July, 2013.

Encana Oil & Gas Inc.



By: ERIC T. GREAGER

Title: GROUP LEAD, ASSET DEV.