



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.
HIGHWAY 160 37N-2HZ
Township 3 North, Range 66 West
Section 13
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 Bayswater E&P LLC and KMG will lie within 150 feet of the horizontal lateral of the captioned well:

1.	Vawter Gas Unit 2	05-123-10875	Bayswater E&P LLC
2.	Vawter 31-2	05-123-33606	Bayswater E&P LLC
3.	Highway 160 24-2	05-123-31687	Kerr McGee Oil & Gas Onshore LP

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 respectfully requests waiver to this rule for the above listed wells. Signed written waiver(s) of the encroached upon well(s) are attached to the APD for the wells operated by Bayswater.

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 Bayswater E&P LLC and KMG.

Sincerely,

Kerr-McGee Oil & Gas Onshore LP



Ashley Cocciolone
Regulatory Supervisor



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

7/31/2013

Bayswater E&P LLC
730 17th St, Suite 600
Denver, CO 80202

Re: HIGHWAY 160 37N-2HZ
Township 1 North, Range 66 West, 6th P.M.
Section 2
Weld County, Colorado

Ladies/Gentlemen:

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 Bayswater E&P LLC lie within 150 feet of the horizontal lateral of the captioned well:

- | | | |
|----|-------------------|--------------|
| 1) | Vawter Gas Unit 2 | 05-123-10875 |
| 2) | Vawter 31-2 | 05-123-33606 |

If Bayswater E&P LLC 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,

Ashley Cocciolone
Regulatory Supervisor

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

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

By: Pamela B. Kinzery

Title: Land Manager