



Kerr-McGee Oil & Gas Onshore LP

A subsidiary of Anadarko Petroleum Corporation

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

December 27, 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
HOUSTON 12C-8HZ
Township 3 North, Range 67 West
Section 8: NESE
Weld County, Colorado

Ladies/Gentlemen:

Ken-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) will lie within 150 feet of the horizontal lateral of the captioned well:

- | | | | |
|----|--------------|-----------------|-----------------------------------|
| 1. | 05-123-19310 | HSR-PALMER 12-8 | Kerr-McGee Oil and Gas Onshore LP |
| 2. | 05-123-19309 | HSR-PALMER 11-8 | Kerr-McGee Oil and 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 is the Operator of the encroached-upon well(s).

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.

Very truly yours,

Kerr-McGee Oil & Gas Onshore LP

A handwritten signature in blue ink that reads "R Powers". The signature is written in a cursive, flowing style.

Ronett Powers
Regulatory Analyst II