



# Kerr-McGee Oil & Gas Onshore LP

A subsidiary of Anadarko Petroleum Corporation

1099 18<sup>th</sup> Street  
Denver, CO 80202  
720-929-6000

March 20, 2014

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  
BENSON FARMS 12N-23HZ  
Township 3 North, Range 68 West  
Section 24: NW  $\frac{1}{4}$  SW  $\frac{1}{4}$   
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) listed in Section 1 will lie within 150 feet of the horizontal lateral of the captioned well.

## SECTION 1:

|                 |              |                |
|-----------------|--------------|----------------|
| 1. 05-123-19934 | 23-33 BENSON | PDC ENERGY INC |
| 2. 05-123-19861 | 23-43        | PDC ENERGY 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 bottom hole 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 the lateral of a horizontal well to be drilled within 150 feet of other wells unless this requirement is waived by the Operator of the encroached-upon well(s). PDC ENERGY INC is the Operator of the encroached-upon well(s). A signed waiver is attached to this letter.

KMG respectfully requests the Director to accept this Operator Request Letter to allow the lateral of the above referenced well to be drilled within 150 feet of the well(s) listed in Section 1 above.

Very truly yours,

**Kerr-McGee Oil & Gas Onshore LP**



Craig Richardson  
Regulatory Analyst II



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

March 13, 2014

Josh B. Wagner  
PDC Energy Inc.  
1775 Sherman Street  
Denver, CO 80203

Re: Benson Farms 12N-23HZ  
Section 24, Township 3 North, Range 68 West, 6<sup>th</sup> PM  
Weld County, Colorado

Mr. Wagner:

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 PDC Energy Inc. lie within 150 feet of the horizontal lateral of the captioned well:

- 1) 23-33 Benson (API No. 05-123-19934)
- 2) 23-43 Benson (API No. 05-123-19933)

If PDC Energy Inc. 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,

  
\_\_\_\_\_  
Craig Richardson  
Regulatory Analyst

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

Accepted and agreed to this 3 day of MARCH, 2012.

  
\_\_\_\_\_

DAVID K. DILLON ENGINEER  
By:  
Title: