



August 12, 2014

Kerr McGee Oil & Gas Onshore LP
P.O Box 173779
Denver, Colorado 80217-3779

RE: Rule 318A.m Minimum Intrawell Distance Exception
Rancho Water Valley #12
SHL: 587' FNL, 267' FEL, NENE Sec. 4-T5N-R67W,
Top of Producing Zone Location: 628' FNL, 460' FEL
BHL: 628' FNL, 460' FWL

Ladies and Gentlemen,

Extraction Oil and Gas, LLC (Extraction) is applying to the Colorado Oil and Gas Conversation Commission (COGCC) to drill the above referenced well at the described surface and bottom hole locations. Per COGCC Rule 318A.m, no horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore unless waived in writing by the operator of the encroached upon well. As currently planned, the horizontal wellbore lateral of the above well will lie within 150 feet of the wellbore of the captioned wells:

Pavistma # 4-22, API #: 05-123-29996, Operated by Kerr McGee Oil and Gas Onshore, LP: PR

Per COGCC Rules Extraction is required to get the offset well operator's approval in writing and a waiver of said Rule 318A.m. The well is planned as above to maximize mineral recovery. Also enclosed is a Well Location Plat that shows the planned wellbore.

Should you find this acceptable please indicate so by signing the below section and returning the signed letter either via email to sonia.spencer@iptenergyservices.com or by fax. Please contact the undersigned at 720-420-5800 with any questions.

Sincerely,

Sonia Spencer
Project Management Permitting
Integrated Petroleum Technologies

I, Michelle L Burnham, officer, agent, or employee of Kerr McGee Oil & Gas Onshore LP, operator of the affected well, with full power to execute the following, do hereby approve of the Extraction Oil and Gas, LLC Rancho Water Valley #12 well as listed above in Section 4, T5N-R67W and grant a waiver COGCC Rule 318A.m granting that this well may drilled as planned.

Signed Michelle L Burnham this 19 day of Aug, 2014