



January 29, 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.
USA FED 02N-36HZ
Township 3N North, Range 66 West
Section 36: SW/4SE/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) will lie within 150 feet of the horizontal lateral of the captioned well(s):

1. 05-123-14432 HSR-Federal 15-36 Black Diamond Minerals LLC

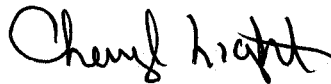
Prior to drilling operations, Operator will perform an anti-collision review of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision review may include MWD or gyro surveys and surface locations of the offset wells with included error 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). Signed written waiver(s) of the encroached upon well(s) are attached to the APD.

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 cursive script, appearing to read "Cheryl Light".

Cheryl Light
Senior Regulatory Analyst



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

January 9, 2013

Certified Mail

Black Diamond Minerals LLC
1600 Stout Street, Suite 1710
Denver, CO 80202

Re: USA FED 02N-36HZ
Township 3 North, Range 66 West, 6th P.M.
Section 36
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 Operator Name lie within 150 feet of the horizontal lateral of the captioned well:

- 1) HSR-FEDERAL 15-36

If Operator Name 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,

Lauren Kucera
Regulatory Analyst

A handwritten signature in blue ink that reads 'Lauren Kucera'.

Enclosure: Survey plat

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

Accepted and agreed to this 28th day of January, 2012¹³.

Black Diamond Minerals LLC

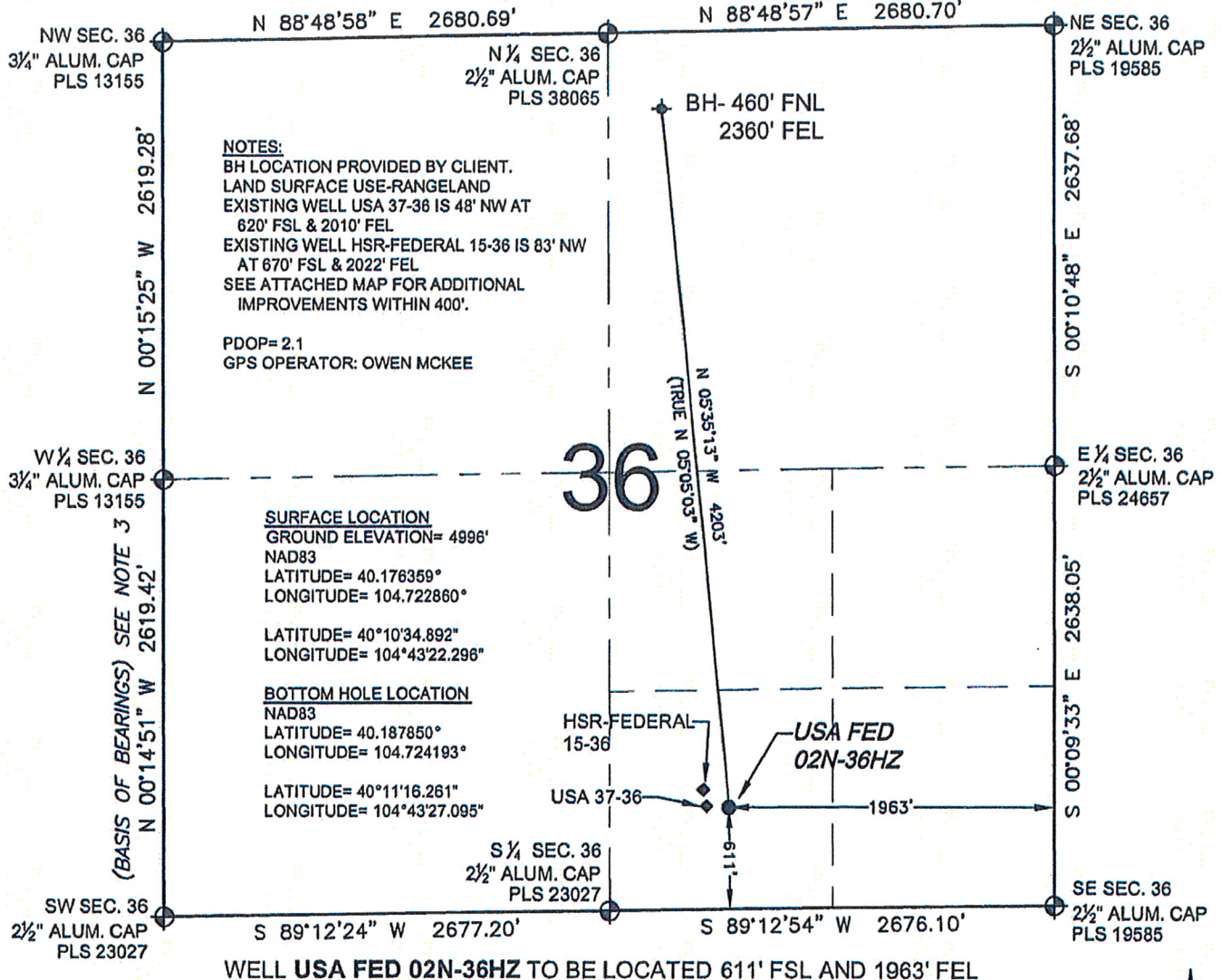
Scott D Hall

By: Scott D. Hall

Title: CEO

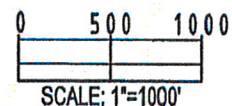
WELL LOCATION CERTIFICATE: USA FED 02N-36HZ

SECTION 36, TOWNSHIP 3 NORTH, RANGE 66 WEST, 6TH P.M.



LEGEND

- ⊕ = EXISTING MONUMENT ⊕ = BOTTOM HOLE BH = BOTTOM HOLE
● = PROPOSED WELL ⊕ = EXISTING WELL

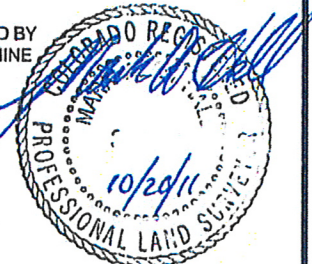


NOTES:

1. THIS FIELD SURVEY CONFORMS TO THE MINIMUM STANDARDS SET BY THE C.O.G.C.C., RULE NO. 215
2. HORIZONTAL POSITIONS AND ORTHOMETRIC ELEVATIONS SHOWN AT THE WELL HEAD, ARE BASED ON GPS-RTK POSITIONS DERIVED FROM MINIMUM 2-HOUR STATIC OBSERVATIONS CORRECTED BY THE NATIONAL GEODETIC SURVEY ONLINE POSITIONING USER SERVICE, O.P.U.S. DATUM: HORIZONTAL = NAD83/2007, VERTICAL = NAVD88
3. THE BASIS OF BEARINGS ARE STATE PLANE COORDINATE SYSTEM GRID BEARINGS SHOWN HEREON BETWEEN THE DESCRIBED THE MONUMENTS SHOWN HEREON.
4. GRID DISTANCES ARE SHOWN, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED PERPENDICULAR TO SECTION LINES.

I, MARK A. HALL, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO KERR-MCGEE OIL & GAS ONSHORE LP, THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WERE DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL. THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

MARK A. HALL, PLS 36073
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR
FOR AND ON BEHALF OF P.F.S., LLC



PREPARED BY:



FIELD DATE:
09-28-11

DRAWING DATE:
10-17-11

BY:
SMF

SURFACE LOCATION:

SW 1/4 SE 1/4,
SEC. 36, T3N, R66W, 6TH P.M.
WELD COUNTY, COLORADO

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THIS SAID DATE OF THIS CERTIFICATION SHOWN HEREON.