

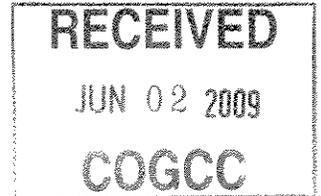


EnCana Oil & Gas (USA) Inc.

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June 2, 2009



Mr. David Neslin, Director
State of Colorado
Oil & Gas Conservation Commission
1120 Lincoln St. Suite 801
Denver, CO 80203

RE: Request for Rule 502 (b) Variance to Spacing Orders 479-15 and 510-13

Dear Mr. Neslin:

On behalf of EnCana Oil & Gas (USA) Inc, I would like to request a Rule 502.b. variance to Spacing Order Numbers 479-15 and 510-13 to allow for a pilot program of six (6) horizontal wells. These orders state 'that no more than four (4) Williams Fork Formation wells shall be allowed to be drilled downhole per governmental quarter quarter section'. The pilot program proposes drilling three (3) horizontal wells heading north into Section 20, T5S-R95W, and drilling three (3) horizontal wells heading south into Section 29, T5S-R95W. Currently, EnCana has one (1) quarter quarter in Section 20, T5S-R95W and three (3) quarter quarters in Section 29, T5S-R95W where we would exceed four (4) wells with the approval of the horizontal well pilot program. The current make up of these quarter quarters is as follows:

Section 20, T5S-R95W, SESW: four (4) permitted wells

Section 29, T5S-R95W, SENW: two (2) producing wells and one (1) permitted well

Section 29, T5S-R95W, NESW: one (1) producing well and three (3) permitted wells

Section 29, T5S-R95W, SESW: one (1) producing well and three (3) permitted wells

EnCana owns both the surface and minerals on our N. Parachute property in Garfield County where the horizontal pilot program would occur. The fee property for this pad is located in Section 29, T5S-R95W. The six (6) wells in EnCana's proposed horizontal pilot program have approved APD's as vertical wells. EnCana has submitted sundry notices to change the wellbores from vertical to horizontal. The wells were originally permitted with the following names: N. Parachute EF06A-26 C29 595, N. Parachute

EF06B-20 C29 595, N. Parachute EF06C-20 C29 595, N. Parachute EF11A-20 C29 595, N. Parachute EF11B-20 C29 595 and N. Parachute EF11D-20 C29 595.

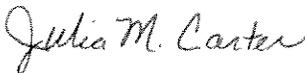
The new horizontal pilot wells are the N. Parachute EFH320-8N C29 595, N. Parachute EFH320-10N C29 595, N. Parachute EFH329-10S C29 595, N. Parachute EFH320-1N C29 595, N. Parachute EFH329-1S C29 595 and N. Parachute EFH329-6S C29 595.

In order to improve recovery efficiency, EnCana is proposing to drill six (6) horizontal pilot wells utilizing proven technology in the established Williams Fork reservoir. Initial wells will target three (3) distinct horizons to determine the viability of applying such technology in a fluvial reservoir. Present day and historical stress orientations result in predominately east-west fracture orientations. In order to maximize the amount of reservoir contacted, EnCana intends to drill in a north/south direction. The information gained will aid us in determining the optimal economic density, both laterally and vertically throughout the section, as well as effective wellbore orientations in this area.

Should EnCana's horizontal pilot program be successful we would be happy to report about our findings to the commission prior to expanding the program.

Please feel free to contact me with any questions at 720.876.5240.

Sincerely,



Julia M. Carter
EnCana Oil & Gas (USA) Inc.

Based on the information provided, this request for Rule 502 (b) variance to spacing orders 479-15 and 510-13 is hereby approved.

David Neslin
Director, COGCC

Date