



February 22, 2011

J Dearmin LLC
Attn: James Dearmin
10343 Federal Blvd Unit J515
Westminster, Colorado, 80260

Re: Notice of Operations –William Peltier Wells
Township 1 North, Range 68 West
Section 20: NE/4 Surface Location: NE/4NE/4
William Peltier 1A-20H and
31-20; 32-20, 41-20, 42-20, 8-4-20, 4-4-20 & 6-4-20 (8 wells)
Section 20: NW/4 Surface Location: SW/4NW/4
William Peltier 11-20; 22-20, 2-4-20, 0-2-20, 2-0-20, 4-2-20 (6 wells)
Weld County, Colorado

Dear Mr. Dearmin:

In accordance with the requirements of Rules 305.e.(1).A. and 305.e.(1).B. of the Colorado Oil and Gas Conservation Commission (“COGCC”), this letter serves as advanced notice by Encana Oil & Gas (USA) Inc. (“Encana”) of its intention to conduct drilling operations on the captioned surface locations. Encana’s operations are estimated to begin in the 3rd quarter of 2011 pending receipt of required permits, approval of title and drilling rig availability.

Without your waiver for our previous out of window location which was stated in February 2010 we were not able to permit the 8 proposed wells. Therefore, we are now proposing to stake the wells in the NE/4NE/4 drilling window. Enclosed for your review is an informational copy of COGCC’s notification, consultation and reclamation rules regarding oil and gas operations. We will be contacting you within the next several days to schedule a consultation to discuss the revised location of the well sites, access roads, production facilities and other related matters (please see the enclosed aerial plat), however the well locations may be staked prior to a consultation.

The COGCC regulations provide that the surface owner may designate a representative for surface consultation. Enclosed is an owner response form and we ask that you indicate your preference with regard to the consultation requirement and return the form in the self-addressed stamped envelope provided for your convenience.

As the surface owner, it is your responsibility to notify any affected tenant farmer, lessee or other party that may own or have an interest in any crops or surface improvements that could be affected by these proposed operations.

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, Colorado USA 80202
t 303.623.2300
www.encana.com

Should you have concerns regarding the surface location or if you have questions about this notice, you may reach the undersigned at (720) 876.3440 or (303) 242.9449.

Very truly yours,

ENCANA OIL & GAS (USA) INC.

A handwritten signature in blue ink that reads "Sheila Frazier". The signature is written in a cursive style.

Sheila A. Frazier, CPL
Land Negotiator

Enc. Aerial Plat N/2
Aerial Plat with facilities

Cc: Johnny Gaz