



March 2, 2011

Lupton Sunrise LLP
8791 Circle Drive
Westminster, CO 80031
Attn: John Vandemoer

RE: Waiver of Rule 318.A.a.(1)
McConahay 1A-34H
Surface Location – 766' FNL, 274' FEL
Township 2 North, Range 66 West
Section 34: NE/4
Weld County, Colorado

Dear Mr. Vandemoer:

Encana Oil & Gas (USA) Inc. ("Encana") staked the McConahay well at a surface location 766 feet from the north line and 274 feet from the east line in Section 34, Township 2 North, Range 66 West (see attached survey plat). This well is being drilled under the rules and regulations of the Colorado Oil and Gas Conservation Commission's ("COGCC") Rule 318A known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. This rule states that all boundary infill wells be drilled from the same surface location as previously designated in Rule 318A.a.(1) which reads:

"In the Great Wattenberg Area ("GWA"), operator may utilize the following described surface drilling locations ("GWA windows") to drill, twin, deepen, or recomplete a well ("GWA well") and to commingle any or all of the Cretaceous Age formations.

- (1) A square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section ("400' window");...

The McConahay 1A-34H well was staked at a location 411' southeast of the defined 400' window. As this location was staked with your consent and approval, Encana respectfully requests your consent to an exception location for the McConahay 1A-34H well by waiver of the COGCC Rule 318A.a.(1).

If this meets with your approval, please sign and date this letter and return it to the undersigned.

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

Thank you for your time and consideration in this matter. If you have any questions or comments, please call Dave Bale at 303-885-6569 or Cynthia Owens at 720-876-3696.

Sincerely,

ENCANA OIL & GAS (USA) INC.



Cynthia Owens
Land Negotiator

Enclosures

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE MCCONAHAY 1A-34H WELL THE APPROVES THE SURFACE LOCATION OF 766 FEET FROM THE NORTH LINE AND 274 FEET FROM THE EAST LINE OF SECTION 34, TOWNSHIP 2 NORTH, RANGE 66 WEST, WELD COUNTY, COLORADO.

Lupton Sunrise LLP

Signed:



Title:

LUPTON SUNRISE LLP, MANAGER

encana.

Received Time Mar. 7. 7:57AM



March 2, 2011

Lupton Sunrise LLP
8791 Circle Drive
Westminster, CO 80031
Attn: John Vandemoer

Re: Waiver of Rule 318A.c.(1)
McConahay 1A-34H
Surface Location – 766' FNL and 274' FEL
Township 2 North, Range 66 West
Section 34: NE¼
Weld County, Colorado

Mr. Vandemoer:

EnCana Oil & Gas (USA) Inc. ("EnCana") staked the McConahay 1A-34H well at a surface location 766 feet from the north line and 274 feet from the east line of Section 34, Township 2 North, Range 66 West (see attached survey plat). This well is being drilled under the rules and regulations of the Colorado Oil and Gas Conservation Commission's (COGCC") Rule 318A, known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. Rule 318A.c.(2) states:

"When the operator is requesting a surface well location greater than fifty (50) feet from a well (unless safety or mechanical considerations of the well to be twinned or topographical or surface constraints justify a location greater than fifty (50) feet), the operator shall provide a consent to the exception signed by the surface owner on which the well is proposed to be located in order for the Director to approve the well location administratively."

The McConahay 1A-34H was staked 411' southeast of the existing McConahay 41-34 well located in the drilling window. As this location was staked with your consent and approval, EnCana respectfully requests your consent to an exception location for the McConahay 1A-34H by waiver of the COGCC Rule 318A.c.(1).

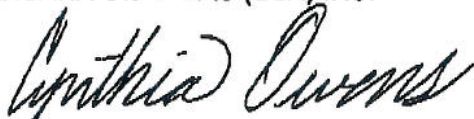
If this meets with your approval, please sign and date the letter, and return it to the undersigned.

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

Thank you for your time and consideration in this matter. If you have any questions or comments, please contact me at 720-876-3696.

Very truly yours,

ENCANA OIL & GAS (USA) INC.



Cynthia Owens
Land Negotiator

McConahay 1A-34H
Surface Location - 766' FNL and 274' FEL
Township 2 North, Range 66 West
Section 34: NE $\frac{1}{4}$
Weld County, Colorado

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318Ac.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE MCCONAHAY 1A-34H WELL AND APPROVES THE SURFACE LOCATION OF 766 FEET FROM THE NORTH LINE AND 274 FEET FROM THE EAST LINE OF SECTION 34, TOWNSHIP 2 NORTH, RANGE 66 WEST, WELD COUNTY, COLORADO.


Lupton Sunrise LLP

encana.

Received Time Mar. 7. 7:57AM