



EnCana Oil & Gas (USA) Inc.

EnCana Oil & Gas (USA) Inc  
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**RECEIVED**

MAY 21 2009

**COGCC**

April 22, 2009

Cannon Land Company  
3575 Cherry Creek Drive North  
Denver, CO 80209  
Attn: Mr. Brown Cannon

Re Waiver of Rule 318A.a.(1) and 318A c.(2)  
Ione 8-0-8 Well  
Township 2 North, Range 66 West, 6<sup>th</sup> P M  
Section 8 NE1/4NE1/4  
Weld County, Colorado

EnCana Oil & Gas (USA) Inc ("EnCana") staked the Ione 8-0-8 well at a surface location 150 feet from the north line and 150 feet from the east line of Section 8, 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 a (1) requires a well location to be within a square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section. This well is located outside of a legal drilling window as defined by Rule 318A a.(1).

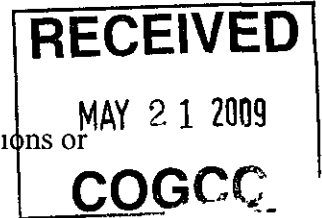
In addition, Rule 318A c (2) states

"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 Ione 8-0-8 well is staked at a location 905 feet northeast of the existing Ione #5 well and outside of a legal drilling window. As this location was staked with your consent and approval, EnCana respectfully requests your consent to an exception location for the Ione 8-0-8 by waiver of the COGCC Rule 318A a.(1) and Rule 318A c (2).

If this meets with your approval, please sign and date both originals of the letter, keeping one for your files and returning one to the undersigned.

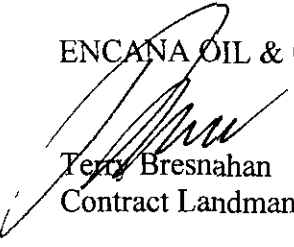
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Thank you for your time and consideration in this matter. If you have any questions or comments, please contact me at (303) 886-4043.

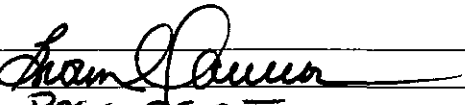
Very truly yours,

ENCANA OIL & GAS (USA) INC

  
Terry Bresnahan  
Contract Landman

THE UNDERSIGNED SURFACE OWNERS HEREBY WAIVE RULE 318A a (1) AND  
RULE 318A c (2) AS IT APPLIES TO THE SURFACE LOCATION OF THE IONE 8-0-8  
WELL AND APPROVES THE SURFACE LOCATION OF 150 FEET FROM THE NORTH  
LINE AND 150 FEET FROM THE EAST LINE OF SECTION 8, TOWNSHIP 2 NORTH,  
RANGE 66 WEST, 6<sup>th</sup> P M, WELD COUNTY, COLORADO

CANNON LAND COMPANY

By:   
Its: PRESIDENT