

July 19, 2011

Kawakami Farms, LLLP
c/o David and Lois Reitz
10692 County Road 28
Fort Lupton, Colorado 80621

RE: Waiver of Rule 318A.a.(1)
Kawakami 4-0-35
Surface Location – 1933' FEL, 413' FNL
Section 35, T3N, R67W
Weld County, Colorado

Dear Mr. and Mrs. Reitz:

Encana Oil & Gas (USA) Inc. ("Encana") staked the Kawakami 4-0-35 well at a surface location 1933 feet from the east line and 413 feet from the north line of Section 35, Township 3 North, Range 67 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 locations as previously designated in Rule 318A.a.(1) which reads:

"In the Greater Wattenberg Area ("GWA"), operators may utilize the following described surface drilling locations (GWA windows") to drill, twin, deepen, or recompleat 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 Kawakami 4-0-35 well was staked at a location 47' north 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 Kawakami 4-0-35 Well by waiver of the COGCC Rule 318A.a (1).

David C. Reitz- Manager
Lois K. Reitz- General Partner
Rule 318A.a.(1) waiver
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If this meets with your approval, please sign and date both originals of this letter, keeping one for your files and returning one to the undersigned.

Thank you for your time and consideration in this matter. If you have any questions or comments, please call me at (720) 369-0432.

Very truly yours,

ENCANA OIL & GAS (USA) INC.



Bob Bresnahan
Land Negotiator

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE KAWAKAMI 4-0-35 WELL AND APPROVES THE SURFACE LOCATION OF 413 FEET FROM THE NORTH LINE AND 1933 FEET FROM THE EAST LINE OF SECTION 35, TOWNSHIP 3 NORTH, RANGE 67 WEST, WELD COUNTY, COLORADO.

KAWAKAMI FARMS, LLLP

by 
DAVID C. REITZ- MANAGER *Agent for Service*

by  G.P.
LOIS K. REITZ- GENERAL PARTNER

Encl.