



October 31, 2011

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

Re: Waiver of Rule 318A(1).c.(1)
Ione 4A-10H
Surface Location – 468' FSL, 725' FEL
Township 2 North, Range 66 West
Section 10: SE
Weld County, Colorado

Dear Mr. Cannon:

Encana Oil & Gas (USA) Inc. ("Encana") staked the Ione 4A-10H well at a surface location 468 feet from the south line and 725 feet from the east line of Section 10, 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(1), known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule (Except the City and County of Broomfield). Rule 318A(1).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 4A-10H well was staked at a location 80' southeast of the existing 44-10 well located in the same drilling window. As this location was staked with your consent and approval, Encana respectfully requests your consent to an exception location for the Ione 4A-10H well by waiver of the COGCC Rule 318A(1).c.(1).

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 720-876-3696.

Very truly yours,

Encana Oil & Gas (USA) Inc.



Cynthia Owens
Land Negotiator

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A(1)c.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE IONE 4A-10H WELL AND APPROVES THE SURFACE LOCATION OF 468 FEET FROM THE SOUTH LINE AND 725 FEET FROM THE EAST LINE OF SECTION 10, TOWNSHIP 2 NORTH, RANGE 66 WEST, WELD COUNTY, COLORADO.

CANNON LAND COMPANY



Brown Cannon, President