



March 1, 2012

Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

RE: Request for Exigent Approval per Rule 303.1.(1) and 303.1.(2)  
Melbon Ranch 3B-17H: SWSW-Sec.17-T2N-R65W, Weld County, Colorado  
API #: TBD  
Form 2 Doc #: 400256084  
Location ID#: TBD - MELBON RANCH 62N65W / SWSW HZ PAD  
Form 2A Doc #: 400256085

To Whom It May Concern:

Encana Oil & Gas (USA) Inc. ("Encana") respectfully requests the Director to expedite the approval of the subject location due to exigent circumstances as documented in section 303.1.(1) and 303.1.(2).

Encana received approval of the Melbon Ranch 3A-17H Form 2 on November 6, 2011. Originally, this well was grouped with 4 directional wells on a pad in the NWSW of Section 17 T2N-R65W and has a proposed lateral trajectory running west to east. In addition, the Melbon Ranch 4A-17H (API # 05-123-34624) was grouped with 5 directional wells in the NESE of Section 17 T2N-R65W having a lateral trajectory of east to west. Encana plans to replace the Melbon Ranch 4A-17H location with the Melbon Ranch 3B-17H well. Since the original approval, it has been determined that Encana would like both of the proposed lateral trajectories running west to east. Encana is unable to adjust the drilling schedule at this time to allow additional time for the Melbon Ranch 3A-17H and 3B-17H APD's to be approved.

It is Encana's intent to drill the Melbon Ranch 3A-17H and Melbon Ranch 3B-17H back to back with an approximate spud date of March 15, 2012. Encana currently has a rig in this same section drilling directional wells on 3 separate pads. The purpose for the current placement of the Melbon Ranch horizontal wells on our drilling schedule is that we would like to coordinate drilling and completion efforts with the other 3 directional pads currently being drilled in the section. By coordinating our operations both on the surface and subsurface, Encana believes it will mitigate any potential risk or conflict associated with drilling and stimulating the horizontal and directional wells back to back.

Furthermore, it is Encana's preference as well as the surface owners' preference that all the wells currently proposed on this property are drilled simultaneously. Consolidating our operations to one given time period will limit our impact to the surface owners' current and future operations on the lands. Drilling and completion operations will commence successively, reducing truck traffic as well as future surface disturbance on the property.

**Encana Oil & Gas (USA) Inc.**

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Inability to move to the subject Melbon Ranch pad as proposed will result in excessive drilling rig standby charges. Encana does not currently have another horizontal pad that is ready to be drilled for this rig. Exigent approval of the Melbon Ranch horizontal wells would allow Encana time to obtain all necessary permits for the next set of wells and avoid exorbitant rig standby charges.

Signed waivers of Rule 305.c from both the surface owner and local government designee (Weld County) are attached. Thank you for your consideration in this matter.

Very truly yours,  
ENCANA OIL & GAS (USA) INC.

A handwritten signature in black ink, appearing to read "Jennifer Lind". The signature is fluid and cursive, with a large initial "J" and "L".

Jennifer Lind  
Regulatory Analyst



February 28, 2012

Melbon Ranch Inc.  
8627 WCR 41  
Fort Lupton, CO 80621

Re: Waiver of Surface Owner Rights  
Melbon Ranch 3B-17H: SWSW Sec 17-T2N-R65W, Weld County, CO  
API #: TBD  
Form 2 Doc #: 400256084  
Location ID#: TBD – MELBON RANCH 62N65W / SWSW HZ PAD  
Form 2A Doc #: 400256085

To Whom It May Concern:

I am the surface owner of the above captioned lands. I acknowledge that I have been consulted as to the proposed well site for the Melbon Ranch 3A-17H well, which is 1310' FSL' and 210' FWL, on said lands.

*WDS*

I further acknowledge that I have entered into a Surface Use Agreement with Encana Oil & Gas (USA) Inc., Operator of the proposed well, under which terms Encana will conduct drilling operations on said lands.

Because Encana's use and occupancy of the surface of said lands are provided for and agreed to under terms of the aforementioned Surface Use Agreement, I agree to waive surface owner's rights, with regard to all Notices, Comment Periods, Consultations and Appeal of a Decision of Approval, specifically as they relate to the Application for Permit-to-Drill, provided for under Colorado Oil & Gas Conservation Commission Rules 305 and 306. It is understood that this waiver is intended solely to expedite the Application for Permit-to-Drill process, thus enabling Encana to commence drilling operations as soon as possible, and shall in no way act as a waiver of any terms provided for in the referenced Surface Use Agreement.

This Agreement and Waiver is executed this 28 day of February, 2012, to be effective the date first above written.

Melbon Ranch Inc.

By: William D. Sarchet  
William D. Sarchet, President and Manager

Encana Oil & Gas (USA) Inc.  
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February 28, 2012

Weld County Department of Public Works  
Attn: David Bauer  
P.O. Box 758  
Greeley, CO 80632

Re: Waiver by Local Government Designee  
Melbon Ranch 3B-17H: SWSW Sec 17-T2N-R65W, Weld County, CO  
API #: TBD  
Form 2 Doc #: 400256084  
Location ID#: TBD – MELBON RANCH 62N65W / SWSW HZ PAD  
Form 2A Doc #: 400256085

To Whom It May Concern:

I am the Local Government Designee of the above captioned lands. I acknowledge that I have been consulted as to the proposed well site for the Melbon Ranch 3B-17H well, which is 1310' FSL' and 210' FWL, on said lands.

I agree to waive the following rights, as Local Government Designee, with regard to any 20 and 30 Day Notices, Comment Periods, Consultations and Appeal of a Decision of Approval, specifically as they relate to the Application for Permit-to-Drill, provided for under Colorado Oil & Gas Conservation Commission Rules 305 and 306. It is understood that this waiver includes the waiver of my right to request notification of the Colorado Department of Public Health and Environment.

This Agreement and Waiver is executed this 28<sup>th</sup> day of February, 2012, to be effective the date first above written.

By:   
David Bauer, Local Government Designee

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