



EnCana Oil & Gas (USA) Inc.

March 8, 2010

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Denver, CO 80202

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www.encana.com

Cannon Land Company
3575 Cherry Creek North Drive
2nd Floor
Denver, CO 80209

Re: Waiver of Rule 318A.a.(1)
lone 8-2-8
Township 2 North, Range 66 West
Section 8: NE/4NE/4
Weld County, Colorado

EnCana Oil & Gas (USA) Inc. ("EnCana") staked the lone 8-2-8 well at a surface location 160 feet from the North line and 170 feet from the East line of Section 8, Township 2 North, Range 66 West (see attached survey plats). 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).

The lone 8-2-8 well was staked 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 lone 8-2-8 well by waiver of the COGCC Rule 318A.a.(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.

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

WAVIER OF RULE 318A.a.(1)

THE UNDERSIGNED SURFACE OWNERS HEREBY WAIVE RULE 318A.a.(1)
AS IT APPLIES TO THE SURFACE LOCATION OF THE IONE 8-2-8 WELL
AND APPROVES THE SURFACE LOCATION OF 160 FEET FROM THE
NORTH LINE AND 170 FEET FROM THE EAST LINE OF SECTION 8,
TOWNSHIP 2 NORTH, RANGE 66 WEST, WELD COUNTY, COLORADO.

CANNON LAND COMPANY

By:


Brown W. Cannon, President