



**Encana Oil & Gas (USA) Inc.** tel: 720-876-3070  
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April 27, 2012

Mr. Thom Kerr, Acting Director  
Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

RE: Exception Location Request to Rules 318.a  
Encana Oil & Gas (USA), Inc.  
Powell DHS3C-23 H23 4101  
SENE of Section 23, T4S, R101W  
Rio Blanco County

Dear Mr. Kerr:

Pursuant to COGCC Rule 318A.a., Encana Oil & Gas (USA) Inc. ("Encana") hereby requests administrative approval for an exception location as requested in COGCC Rule 318.a which sets forth that a well to be drilled two thousand five hundred (2,500) feet or greater shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply.

Encana's proposed Mancos well is less than 1200 feet from the Trail Canyon- L. Brady 23-3 API #05-103-07763 and Lowell Brady 23-3A API-05-103-07642 operated by Maralex Resources, Inc. A signed waiver from Maralex has been obtained. Encana chose this location for geologic reasons.

If you have any questions or need additional information, please contact me at (720) 876-3070.

Sincerely,

A handwritten signature in blue ink, appearing to read "Heather Mitchell".

Heather Mitchell  
Regulatory Analyst

Attachment