



April 25, 2012

Randy Yeager
5845 County Road 51
Keenesburg, CO 80643

RE: Waiver of Rule 318A.a.(1)
Flanigan 1B-6H
Surface Location: 230' FNL, 2,021' FEL
Township 1 North, Range 64 West
Section 6: NW1/4NE 1/4
Weld County, Colorado

Dear Mr. Yeager:

Encana Oil & Gas (USA) Inc. ("Encana") staked the Flanigan 1B-6H well at a surface location 230 feet from the north line and 2,021 feet from the east line of Section 6, Township 1 North, Range 64 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 recomplate 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 Flanigan 1B-6H well was staked at a location 223' 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 Flanigan 1B-6H Well by waiver of the COGCC Rule 318A.a (1).

Encana Oil & Gas (USA) Inc.
3601 Stagecoach Road
Longmont, Colorado USA 80504
Cell: 303-656-9260
Ryan.Bevans@encana.com
www.encana.com

Randy Yeager
Rule 318A.a.(1) waiver
April 25, 2012
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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 (303) 774-3986.

Respectfully,

ENCANA OIL & GAS (USA) INC.



Ryan Bevens
Field Land Negotiator

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE FLANIGAN 1B-6H WELL AND APPROVES THE SURFACE LOCATION OF 230 FEET FROM THE NORTH LINE AND 2,021 FEET FROM THE EAST LINE OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 64 WEST, WELD COUNTY, COLORADO.

RANDALL R. YEAGER

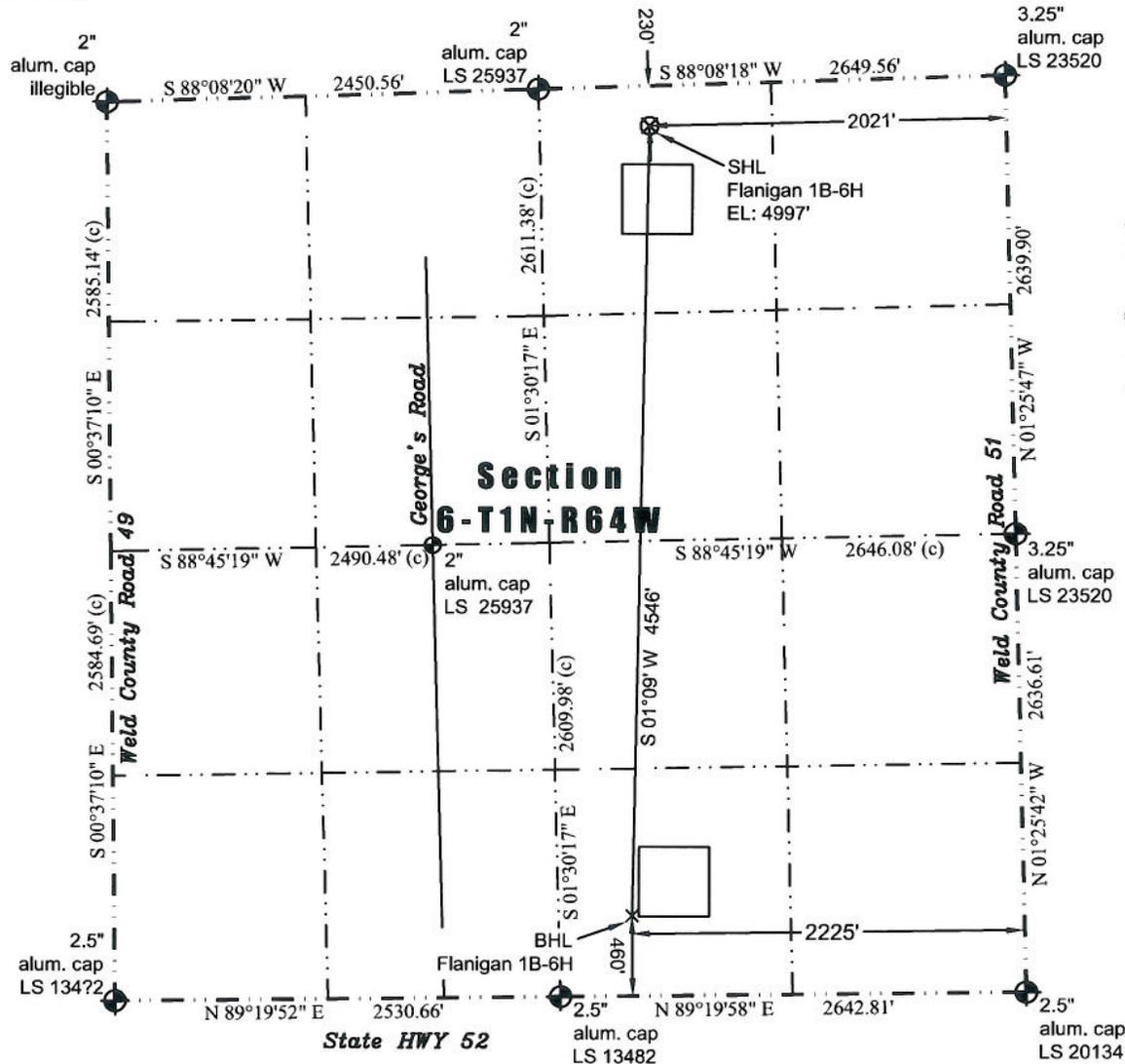
by  _____
Randall R. Yeager

Encl.

JR Land Surveying, LLC
 8114 Northstar Drive
 Windsor, Colorado 80528
 P. 970-576-4641

WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY



Scale 1" = 1000'
 0 1000
 approximate scale

LEGEND
 — found survey monument
 - - - calculated dimension
 (c)

In accordance with a request from Jay Knutson of EnCana Oil & Gas (USA) Inc., JR Land Surveying, LLC has determined the location of the **Flanigan 1B-6H** well site to be SHL: 230' FNL and 2021' FEL, (BHL: 460' FSL and 2225' FEL), as measured at ninety (90) degrees from the section lines of Sections 6, Township 1 North, Range 64 West of the 6th Principal Meridian, Weld County Colorado.

Surface Hole Data:
 Latitude: N 40.08697° (BHL: 40.07450°)
 Longitude: W 104.59166° (BHL: 104.59215°)
 PDOP: 2.0

Nearest:
 Building: 1,289' southwest Above Ground Utility: 1,050' northwest
 Public Road: 1,448' southwest Railroad: 5,811' northwest
 Property Line: 230' north Well Window: SHL is 223' outside
 Existing Well: Flanigan #1, 1,278' southeast

- Notes:**
- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinates using RTK GPS observations taken 4/3/12 by operator John Rice.
 - 2) Conversion factor to ground (1.000273635).
 - 3) Elevations based on NAVD 88 GPS heights and Geoid 2003 corrections.
 - 4) The surface use is a cultivated field.

I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 4/3/2012 for and on behalf of EnCana Oil & Gas (USA) Inc. That it is not a Land Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

38219
 4-3-2012
 PROFESSIONAL SURVEYOR

John Robert McGehee LS#38219
 Well: Flanigan 1B-6H W.L.C.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification shown hereon.



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"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 Flanigan 1B-6H was staked at a location 1,278' northwest of the existing Flanigan #1 well. As this location was staked with your consent and approval, Encana respectfully requests your consent to an exception location for the Flanigan 1B-6H by waiver of the COGCC Rule 318A.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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Respectfully,

ENCANA OIL & GAS (USA) INC.



Ryan Bevans
Field Land Negotiator

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RANDALL R. YEAGER

By: 
Randall R. Yeager

Encl.