

August 20, 2012

Norton A. Billings
Sara A. Billings
1945 Spruce Avenue
Longmont, CO 80501



RE: Waiver of Rule 318A(I).a.(1)

Well Name and Surface Location

Billings 0-2-18: 253' From North Line and 385' From West Line
Billings 12-18: 253' From North Line and 395' From West Line
Billings 11-18: 253' From North Line and 405' From West Line
Billings ~~22~~²¹-18: 253' From North Line and 415' From West Line
Billings 2-18: 254' From North Line and 425' From West Line
Billings 2-0-18: 254' From North Line and 435' From West Line
Billings ~~21~~²²-18: 254' From North Line and 445' From West Line
Section 18, T 3 N, R 68 W, of the 6th P.M.
Weld County, Colorado

Dear Norton and Sara Billings:

Encana Oil & Gas (USA) Inc. ("Encana") staked the above mentioned wells at surface locations as identified above (see attached Well Location Certificate). These wells are being drilled under the rules and regulations of the Colorado Oil and Gas Conservation Commission's ("COGCC") Rule 318A(I) known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule (Except the City and County of Broomfield). This rule states that all boundary infill wells be drilled from the same surface locations as previously designated in Rule 318A(I).a.(1) which reads:

"The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6th P.M. In the GWA, operators may utilize the following described surface drilling locations ("GWA windows") to drill, twin, deepen, or recomplete a well ("GWA well") and to commingle any or all of the Cretaceous Age formations from the base of the Dakota Formation to the surface:

- (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 wells were staked at locations north of the defined 400' window. As these locations were staked with your consent and approval, Encana respectfully requests your consent to exception locations for the Billings 0-2-18, Billings 12-18, Billings 11-18, Billings 22-18, Billings 2-18, Billings 2-0-18, and Billings 21-18 wells by waiver of the COGCC Rule 318A(I).a (1).

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 the undersigned at (720) 369-0432.

Respectfully,

Encana Oil & Gas (USA) Inc.

A handwritten signature in black ink, appearing to read "Bob Bresnahan".

Bob Bresnahan
Field Land Negotiator
Encana Oil & Gas (USA) Inc.

Encana Oil & Gas (USA) Inc.

3601 Stagecoach Road
Longmont, Colorado USA 80504

Cell: 720-369-0432

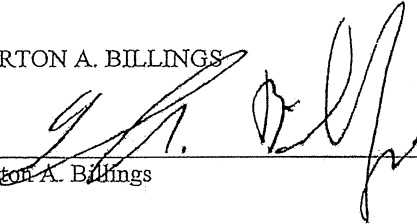
Bob.Bresnahan@encana.com
www.encana.com

Norton A. Billings
Sara A. Billings
Billings 0-2-18
Billings 12-18
Billings 11-18
Billings 22-18
Billings 2-18
Billings 2-0-18
Billings 21-18
August 20, 2012
Page 2 of 2

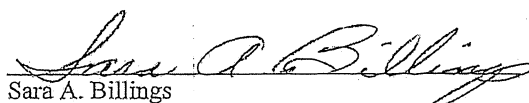
THE UNDERSIGNED SURFACE OWNERS HEREBY WAIVES RULE 318A(I).a.(1) AS IT APPLIES TO THE SURFACE LOCATIONS OF THE WELLS IDENTIFIED BELOW AND APPROVES THE SURFACE LOCATIONS AS INDICATED FROM SECTION 18, TOWNSHIP 3 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO.

<u>WELL NAME</u>	<u>SURFACE LOCATION</u>
BILLINGS 0-2-18:	253' FROM NORTH LINE AND 385' FROM WEST LINE
BILLINGS 12-18:	253' FROM NORTH LINE AND 395' FROM WEST LINE
BILLINGS 11-18:	253' FROM NORTH LINE AND 405' FROM WEST LINE
BILLINGS 22-18:	253' FROM NORTH LINE AND 415' FROM WEST LINE
BILLINGS 2-18:	254' FROM NORTH LINE AND 425' FROM WEST LINE
BILLINGS 2-0-18:	254' FROM NORTH LINE AND 435' FROM WEST LINE
BILLINGS 21-18:	254' FROM NORTH LINE AND 445' FROM WEST LINE

NORTON A. BILLINGS


Norton A. Billings

SARA A. BILLINGS


Sara A. Billings

Encl.