



December 4, 2012

Colorado State Board of Land Commissioners
1127 Sherman Avenue, Ste. 300
Denver, Colorado 80203-2206
Attn: Timothy J. Kelly

RE: Waiver of Rule 318A(I).a.(2)
State 1-16
Surface Location 1553 FNL, 465 FEL
Section 16, T3N, R68W
Weld County, Colorado

To Whom It May Concern:

Encana Oil & Gas (USA) Inc. ("Encana") staked the State 1-16 well at a surface location 1553 feet from the north line and 465 feet from the east line of Section 16, Township 3 North, Range 68 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(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.(2) 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:

- (2) A square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section ("800 window").

The State 1-16 well was staked at a location east of the defined 800' window. As this location was staked with your consent and approval, Encana respectfully requests your consent to an exception location for the State 1-16 Well by waiver of the COGCC Rule 318A(I).a (2).

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, Colorado USA 80202
t 303.623.2300
www.encana.com

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State 1-16
Rule 318A(I).a.(2) waiver
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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 the undersigned at 720.876.3639 .

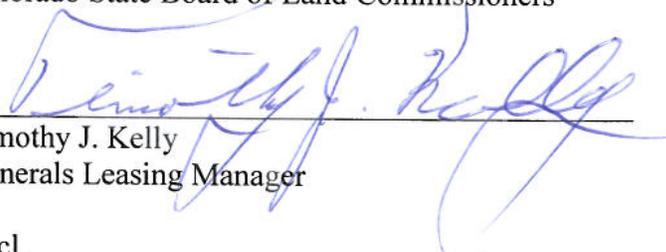
Very truly yours,



Jack Croom
Land Negotiator
Encana Oil & Gas (USA) Inc.

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A(I).a.(2) AS IT APPLIES TO THE SURFACE LOCATION OF THE STATE 1-16 WELL AND APPROVES THE SURFACE LOCATION OF 1553 FEET FROM THE NORTH LINE AND 465 FEET FROM THE EAST LINE OF SECTION 16, TOWNSHIP 3 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO.

Colorado State Board of Land Commissioners

by 
Timothy J. Kelly
Minerals Leasing Manager

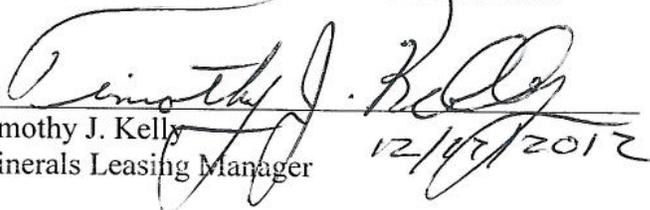


Encl.

Survey Plat

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A(I).a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE STATE 1B-16H WELL AND APPROVES THE SURFACE LOCATION OF 1563 FEET FROM THE NORTH LINE AND 465 FEET FROM THE EAST LINE, STATE 1C-16H WELL AND APPROVES THE SURFACE LOCATION OF 1573 FEET FROM THE NORTH LINE AND 465 FEET FROM THE EAST LINE, STATE 1D-16H WELL AND APPROVES THE SURFACE LOCATION OF 1583 FEET FROM THE NORTH LINE AND 465 FEET FROM THE EAST LINE, STATE 1E-16H WELL AND APPROVES THE SURFACE LOCATION OF 1593 FEET FROM THE NORTH LINE AND 465 FEET FROM THE EAST LINE, STATE 1F-16H WELL AND APPROVES THE SURFACE LOCATION OF 1603 FEET FROM THE NORTH LINE AND 465 FEET FROM THE EAST LINE, STATE 1G-16H WELL AND APPROVES THE SURFACE LOCATION OF 1613 FROM THE NORTH LINE AND 466 FEET FROM THE EAST LINE, STATE 1H-16H WELL AND APPROVES THE SURFACE LOCATION OF 1623 FEET FROM THE NORTH LINE AND 466 FEET FROM THE EAST LINE OF SECTION 16, TOWNSHIP 3 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO.

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by 
Timothy J. Kelly
Minerals Leasing Manager

12/07/2012

Encl.

Survey plats



ENCANA

EnCana Oil & Gas (USA) Inc.