

January 7, 2013

Qualls Investment Company
C/O Mark Quall
2031 County Road 28
Longmont, Colorado 80501



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

Well Name and Surface Location

Qualls 3A-28H: 822' From South Line and 261' From West Line
Qualls 3B-28H: 812' From South Line and 261' From West Line
Qualls 3C-28H: 802' From South Line and 261' From West Line
Qualls 3D-28H: 792' From South Line and 261' From West Line
Qualls 3E-28H: 782' From South Line and 261' From West Line
Qualls 3F-28H: 772' From South Line and 261' From West Line
Qualls 3G-28H: 762' From South Line and 261' From West Line
Section 28, T 3 N, R 68 W, of the 6th P.M.
Weld County, Colorado

Dear Mr. Quall:

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 west 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 Qualls 3A-28H, Qualls 3B-28H, Qualls 3C-28H, Qualls 3D-28H, Qualls 3E-28H, Qualls 3F-28H, and Qualls 3G-28H 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 (303) 774-3982.

Respectfully,

Encana Oil & Gas (USA) Inc.

A handwritten signature in blue ink that reads "Bob Bresnahan".

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

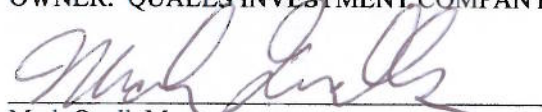
Encana Oil & Gas (USA) Inc.
3601 Stagecoach Road
Longmont, Colorado USA 80504
Cell: 720-369-0432
Bob.Bresnahan@encana.com
www.encana.com

Qualls Investment Company
c/o Mr. Mark Quall
Qualls 3A-28H
Qualls 3B-28H
Qualls 3C-28H
Qualls 3D-28H
Qualls 3E-28H
Qualls 3F-28H
Qualls 3G-28H
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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 28, TOWNSHIP 3 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO.

<u>WELL NAME</u>	<u>SURFACE LOCATION</u>
QUALLS 3A-28H:	822' FROM SOUTH LINE AND 261' FROM WEST LINE
QUALLS 3B-28H:	812' FROM SOUTH LINE AND 261' FROM WEST LINE
QUALLS 3C-28H:	802' FROM SOUTH LINE AND 261' FROM WEST LINE
QUALLS 3D-28H:	792' FROM SOUTH LINE AND 261' FROM WEST LINE
QUALLS 3E-28H:	782' FROM SOUTH LINE AND 261' FROM WEST LINE
QUALLS 3F-28H:	772' FROM SOUTH LINE AND 261' FROM WEST LINE
QUALLS 3G-28H:	762' FROM SOUTH LINE AND 261' FROM WEST LINE

OWNER: QUALLS INVESTMENT COMPANY


Mark Quall, Manager

Encl.