



January 17, 2013

Mary Alice Billings, individually and as Co-Trustee
of the Mary Alice Billings Trust
Donna Woolley as Trustee of the Woolley Family Trust
c/o Mr. Jon Lee
Frederick Development Company, Inc.
2500 Arapahoe Ave., Suite 220
Boulder, Colorado 80302

RE: Waiver of Rule 318A(I).a.(1)
Billings 1B-34H
Surface Location – 236' FNL & 1600' FEL
Section 34, T2N, R68W
Weld County, Colorado

Dear Mr. Lee:

Encana Oil & Gas (USA) Inc. ("Encana") staked the Billings 1B-34H well at a surface location 236 feet from the north line and 1,600 feet from the east line of Section 34, Township 2 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.(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 Billings 1B-34H well was staked at a location northeast 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 Billings 1B-34H well by waiver of the COGCC Rule 318A(I).a.(1).

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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Rule 318A(I).a.(1) waiver
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Page 2 of 2

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 720-376-3871.

Respectfully,

Encana Oil & Gas (USA) Inc.



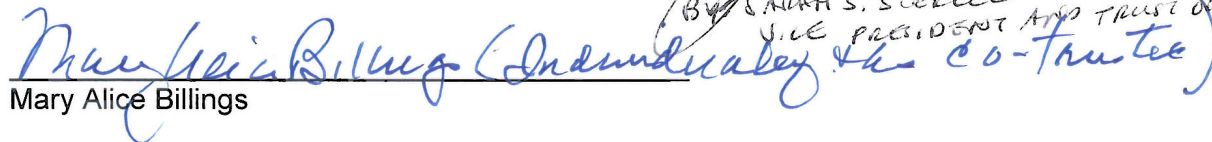
Jordan J. Mattson
Land Negotiator

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A(I).a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE BILLINGS 1B-34H WELL AND APPROVES THE SURFACE LOCATION OF 236 FEET FROM THE NORTH LINE AND 1600 FEET FROM THE EAST LINE OF SECTION 34, TOWNSHIP 2 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO.

MARY ALICE BILLINGS,
INDIVIDUALLY AND AS CO-TRUSTEE
OF THE MARY ALICE BILLINGS TRUST

MARY ALICE BILLINGS TRUST
GUARANTY BANK AND TRUST CO, CO-TRUSTEE

BY SARAH S. SIEGEL
VICE PRESIDENT AND TRUST OFFICER



Mary Alice Billings

DONNA WOOLLEY AS TRUSTEE
OF THE WOOLLEY FAMILY TRUST



Donna Woolley

Encl.



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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 Billings 1B-34H well was staked at a location 517' northeast of the existing Woolley #2 well. As this location was staked with your consent and approval, Encana respectfully requests your consent to an exception location for the Billings 1B-34H well by waiver of the COGCC Rule 318A(I).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.

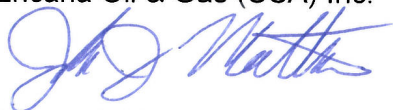
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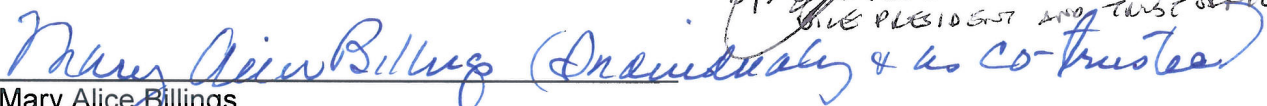
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