



November 26, 2012

Mr. Daniel B. Sheldon  
17469 County Road 14  
Fort Lupton, CO 80621

RE: Waiver of Rule 318A.c.(2) for the following Wells:  
Marcus State 3A-36H, Surface Location 317' FSL, 1314' FWL  
Marcus State 3B-36H, Surface Location 317' FSL, 1324' FWL  
Marcus State 3C-36H, Surface Location 317' FSL, 1334' FWL  
Marcus State 3D-36H, Surface Location 317' FSL, 1344' FWL  
Marcus State 3E-36H, Surface Location 317' FSL, 1354' FWL  
Marcus State 3F-36H, Surface Location 317' FSL, 1364' FWL  
Section 36, T2N, R66W  
Weld County, Colorado

Dear Mr. Sheldon:

Encana Oil & Gas (USA) Inc. ("Encana") staked the above mentioned wells at surface locations as indicated above from the north and east lines of Section 36, Township 2 North, Range 66 West (see attached Well Location Certificates). These wells are 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.c.(2) which reads:

"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."

These wells were staked at locations between 708' and 756' southwest of the existing Marcus State 24-36 well. As these locations were staked with your consent and approval, Encana respectfully requests your consent to an exception location for the above mentioned wells by waiver of the COGCC Rule 318A.c.(2).

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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) 656-9260.

Thank you,

ENCANA OIL & GAS (USA) INC.

A handwritten signature in black ink that reads "Ryan Bevens". The signature is written in a cursive, flowing style.

Ryan Bevens  
Contract Field Land Negotiator

Daniel B. Sheldon

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THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.c.(2) AS IT APPLIES TO THE SURFACE LOCATION OF THE FOLLOWING WELLS AND APPROVES THE SURFACE LOCATIONS AS INDICATED BELOW FROM SECTION 36, TOWNSHIP 2 NORTH, RANGE 66 WEST, WELD COUNTY, COLORADO:

Marcus State 3A-36H, Surface Location 317' FSL, 1314' FWL  
Marcus State 3B-36H, Surface Location 317' FSL, 1324' FWL  
Marcus State 3C-36H, Surface Location 317' FSL, 1334' FWL  
Marcus State 3D-36H, Surface Location 317' FSL, 1344' FWL  
Marcus State 3E-36H, Surface Location 317' FSL, 1354' FWL  
Marcus State 3F-36H, Surface Location 317' FSL, 1364' FWL

DANIEL B. SHELDON

By \_\_\_\_\_  
Daniel B. Sheldon

Encl.