

May 14, 2014

Marion A. and Cynthia A. Newnam  
25844 County Road 16  
Keenesburg, CO 80643

RE: Waiver of Rule 318A.a.(1), (2),  
Newnam well 2A-32H-C264 through Newnam well 2L-32H-C264  
Surface Location, 307.6' South of North Section line and 1560.9 East of the West  
Section line.  
Section 32, T2N, R64W of the 6<sup>th</sup> P.M.  
Weld County, Colorado

Dear Marion and Cynthia:

Encana Oil & Gas (USA) Inc. ("Encana") staked the Newnam wells at a surface location 307.6' feet from the North Section line and 1560.9' feet from the West line of Section 32, Township 2 North, Range 64 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 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.a.(1), (2) which reads:

"The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Range : 61 West to 69 West, 6<sup>th</sup> 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");
- (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 Newnam wells were staked at a location north west 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 Newnam 2A-32H-C264 through 2L-32H-C264 Wells by waiver of the COGCC Rule 318A.a.(1), (2),


Marion and Cynthia Newnam  
Newnam well 2A-32H-C264 through Newnam well 2L-32H-C264.  
Rule 318A.a.(1), (2) waiver  
May 14, 2014  
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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 303-774-3999.


Sincerely,

Encana Oil & Gas (USA) Inc.

  
\_\_\_\_\_  
Barney Hammond  
Field Land Negotiator

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.a.(1), (2) AS IT APPLIES TO THE SURFACE LOCATION OF THE NEWNAM WELLS AND APPROVES THE SURFACE LOCATION OF 307.6 FEET FROM THE NORTH SECTION LINE AND 1560.0 FEET FROM THE WEST LINE OF SECTION 32, TOWNSHIP 2 NORTH, RANGE 64 WEST, WELD COUNTY, COLORADO.

SURFACE OWNER:

  
by \_\_\_\_\_  
Marion A. Newnam  
Cynthia A. Newnam