

July 15, 2014

Kiyota Properties, LLC
11964 WCR 21 1/2
Fort Lupton, CO 80621

RE: Waiver of Rule 318A.a.(1), (2)
Kiyota 4A-35H-O367 through Kiyota 4L-35H-O367
Surface Location – Section 35, T3N, R67W, Weld County, Colorado

Well Name	FSL		FEL
Kiyota 4A-35H-O367	450'	&	1559'
Kiyota 4B-35H-O367	450'	&	1549'
Kiyota 4C-35H-O367	450'	&	1539'
Kiyota 4D-35H-O367	450'	&	1529'
Kiyota 4E-35H-O367	450'	&	1519'
Kiyota 4F-35H-O367	450'	&	1509'
Kiyota 4G-35H-O367	451'	&	1499'
Kiyota 4H-35H-O367	451'	&	1489'
Kiyota 4I-35H-O367	451'	&	1479'
Kiyota 4J-35H-O367	451'	&	1469'
Kiyota 4K-35H-O367	451'	&	1459'
Kiyota 4L-35H-O367	451'	&	1449'

All footages from section lines of Section 35

Dear Mrs. Kiyota,

Encana Oil & Gas (USA) Inc. ("Encana") staked the above wells at a surface location 450 to 451 feet from the South line and 1449 to 1559 feet from the East line of Section 35, Township 3 North, Range 67 West (see attached survey plat). 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.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 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:

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");

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 above referenced wells were staked at locations 232 feet to 341 feet East South East of the defined 400' window. As these locations were staked with your consent and approval, Encana respectfully requests your consent to an exception location for the Kiyota 4A-35H-O367 through Kiyota 4L-35H-O367 wells by waiver of the COGCC Rule 318A.a.(1), (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 (303)774-3999.

Sincerely,

Encana Oil & Gas (USA) Inc.


Barney Hammond
Field Land Negotiator

Kiyota Properties, LLC

July 15, 2014

Waiver of Rule 318A(I).c.(1)

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.A.(1), (2) AS IT APPLIES TO THE SURFACE LOCATION OF THE WELLS KİYOTA 4A-35H-O367 THROUGH KİYOTA 4L-35H-O367 AND APPROVES THE SURFACE LOCATION OF 450 TO 451 FEET FROM THE SOUTH LINE AND 1449 TO 1559 FEET FROM THE EAST LINE OF SECTION 35, TOWNSHIP 3 NORTH, RANGE 67 WEST, WELD COUNTY, COLORADO.

SURFACE OWNER,

Well Name	FSL		FEL
Kiyota 4A -35H-O367	450'	&	1559'
Kiyota 4B -35H-O367	450'	&	1549'
Kiyota 4C -35H-O367	450'	&	1539'
Kiyota 4D -35H-O367	450'	&	1529'
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Kiyota 4I -35H-O367	451'	&	1479'
Kiyota 4J -35H-O367	451'	&	1469'
Kiyota 4K -35H-O367	451'	&	1459'
Kiyota 4L -35H-O367	451'	&	1449'

All footages from section lines of Section 35

By 
Daisy Kiyota

Encl.