



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7210
www.co.blm.gov



In Reply Refer To:
3180 (CO-922)
Expanded Liberty Unit
COC69926X

AUG 24 2015

Encana Oil & Gas (USA) Inc.
Attn: Judy Tatham
370 17th Street, Suite 1700
Denver, CO 80202

Dear Ms. Tatham:

Encana Oil & Gas (USA) Inc. (Encana) is the operator of the Expanded Liberty Unit (ELU) in Rio Blanco and Garfield Counties, Colorado. Encana's letter dated June 29, 2015, requested an extension of the ELU term under section 20 of the ELU agreement. The Bureau of Land Management (BLM), Colorado State Office (CSO), approved the ELU expansion on May 5, 2009, therefore the original termination date was to be May 5, 2014.

Section 20 of the ELU agreement states:

"This agreement shall become effective upon approval by the AO and shall automatically terminate 5 years from said effective date unless: (a) Upon application by the Unit Operator such date of expiration is extended by the AO, or..."

Encana has pursued development in the area, but has run into unavoidable delays due to no surface occupancy stipulations for nesting eagles and other issues. Therefore, the ELU is granted a 2-year extension and the ELU agreement will now terminate on May 5, 2016, unless a positive unit paying well determination is made for a well inside the ELU. If the ELU 8908A-6 H06 396 well is not producing in unit paying quantities, then Encana has until December 27, 2015, to commence drilling its next well.

If you have any questions regarding this matter, please contact Peter Cowan, Petroleum Engineer, at (303) 239-3939.

Sincerely,

Suzanne Mehlhoff
Chief, Branch of Fluid Minerals
Division of Energy, Lands, and Minerals

Bcc: (sent by email)

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