

January 29th, 2016

Jerry Fazzi
11231 County Road 231
Silt, CO
81652

Re: Final Reclamation Agreement
Fazzi 26-11C (K26E) (A.P.I. 05-045-09211)
T.7S. R.92W., 6th P.M.
Section 26: NESW
Garfield County, Colorado

Dear Mr. Fazzi:

Encana Oil & Gas (USA) Inc. (Encana) is the operator of the Fazzi 26-11C (K26E). The well has been plugged and a Subsequent Form 6 has been filed with the Colorado Oil and Gas Conservation Commission (COGCC). All associated production facilities and any trash or debris connected to the previous oil and gas operations have been removed from the well site.

In accordance with the requirements of COGCC Rules 306.a. and 306.f an on-site review of the planned reclamation of the well site was conducted on October 8th, 2014. Reclamation of the well site and the access road has been completed per your specifications. The well site area, shown on Exhibit A, has been left un-reclaimed to allow you use of the flat, graveled area for your livestock feeding and calving operations, as well as for a storage area in support of those operations. As noted in the Surface Use Agreement, effective August 14th, 2003, between yourself and Encana, this was the pre-existing use of the location prior to the construction of the well site. The pad area has been graveled to stabilize the surface and prevent soil from leaving the site. There is no active stormwater erosion on the site. Slopes have been moderated and permanent diversion ditches installed to prevent future erosion. Noxious weeds have been controlled on the well site. The well site area has been fenced, per your direction, in a manner that facilitates your agricultural operations. Access to the well site is off of Garfield County Road 331. The access provides necessary access to your livestock handling, feeding and calving operations and is being retained for those purposes.

A waiver of the following COGCC 1000 Series rules is requested:

1004.a As applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003. Compaction of the site has not been alleviated and the well site and access road have not been recontoured or revegetated. The site was graveled, compacted, re-graded to manage stormwater runoff and left un-vegetated to create a stable surface for your continued use of the well site for your livestock operations.

1004.d Final reclamation of all disturbed areas shall be considered complete when all activities disturbing the ground have been completed, and all disturbed areas have been either built upon, compacted, covered, paved, or otherwise stabilized in such a way as to minimize erosion, or a uniform vegetative cover has been established that reflects pre-disturbance or reference area forbs, shrubs, and grasses with total percent plant cover of at least eighty percent (80%) of pre-disturbance or reference area levels, excluding noxious weeds, or equivalent permanent, physical erosion reduction methods have been employed. Re-seeding alone is not sufficient. The site has been graveled and compacted and thus stabilized, with slopes stabilized and stormwater flows permanently


managed to prevent erosion of the slopes and resulting soil loss. You, as the Surface Owner, wish to waive any requirement for eighty percent (80%) pre-disturbance vegetative cover as the site is permanently stabilized and the un-vegetated, graveled surface is needed for the land use.

You, as the Surface Owner, agree that Encana has fulfilled the requirements set forth by the COGCC for the abandonment of the wells, including reclamation required under COGCC Rules 1001 through 1004, that you have waived the reclamation of the well site and certify that you are the owner of the surface of the Lands. You understand and agree that Encana shall have no further responsibility or liability for the reclamation of this site. You acknowledge that you are accepting responsibility for any future reclamation of the unreclaimed portion of the land and, to the extent applicable, for protection of topsoil on the unreclaimed portion of the land. You acknowledge that Encana has complied with your direction regarding final reclamation of the well and associated well site. You also acknowledge that Encana has provided you with a copy of COGCC Rules 1001 through 1004. Your acceptance and acknowledgement of the foregoing does not release Encana from its responsibilities for the plugging of the well or closure of any pits in compliance with COGCC regulations, nor do you by signing accept any responsibility or future liability for the same.

If this letter correctly reflects your agreement, please sign and date this letter and return one copy 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 970-285-2816.

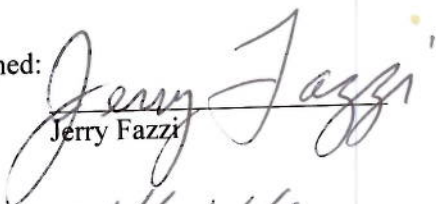
Sincerely,
Encana Oil & Gas (USA) Inc.,
by its authorized agent,
Encana Services Company Ltd.


Zane Lay – Surface Land Negotiator

I ACKNOWLEDGE AND AGREE as set forth above.

SURFACE OWNER

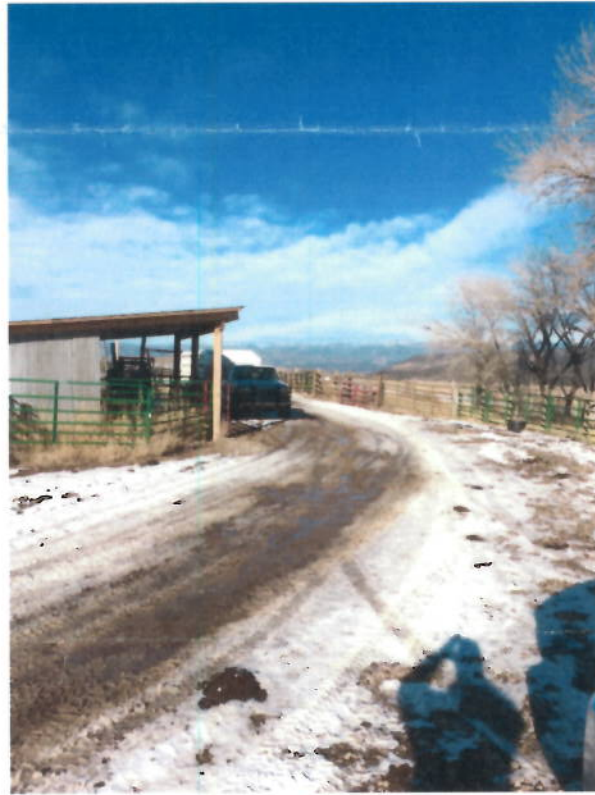
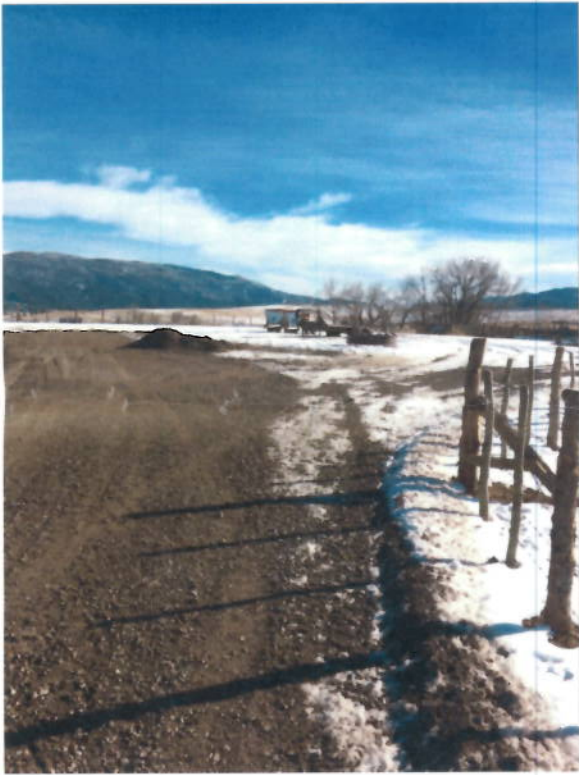
Signed:


Jerry Fazzi

Date: 2/16/14, 2015

Exhibit A





COGCC Landowner Reclamation Variances and Waivers Guidance Document - Operator Analysis

Location Data

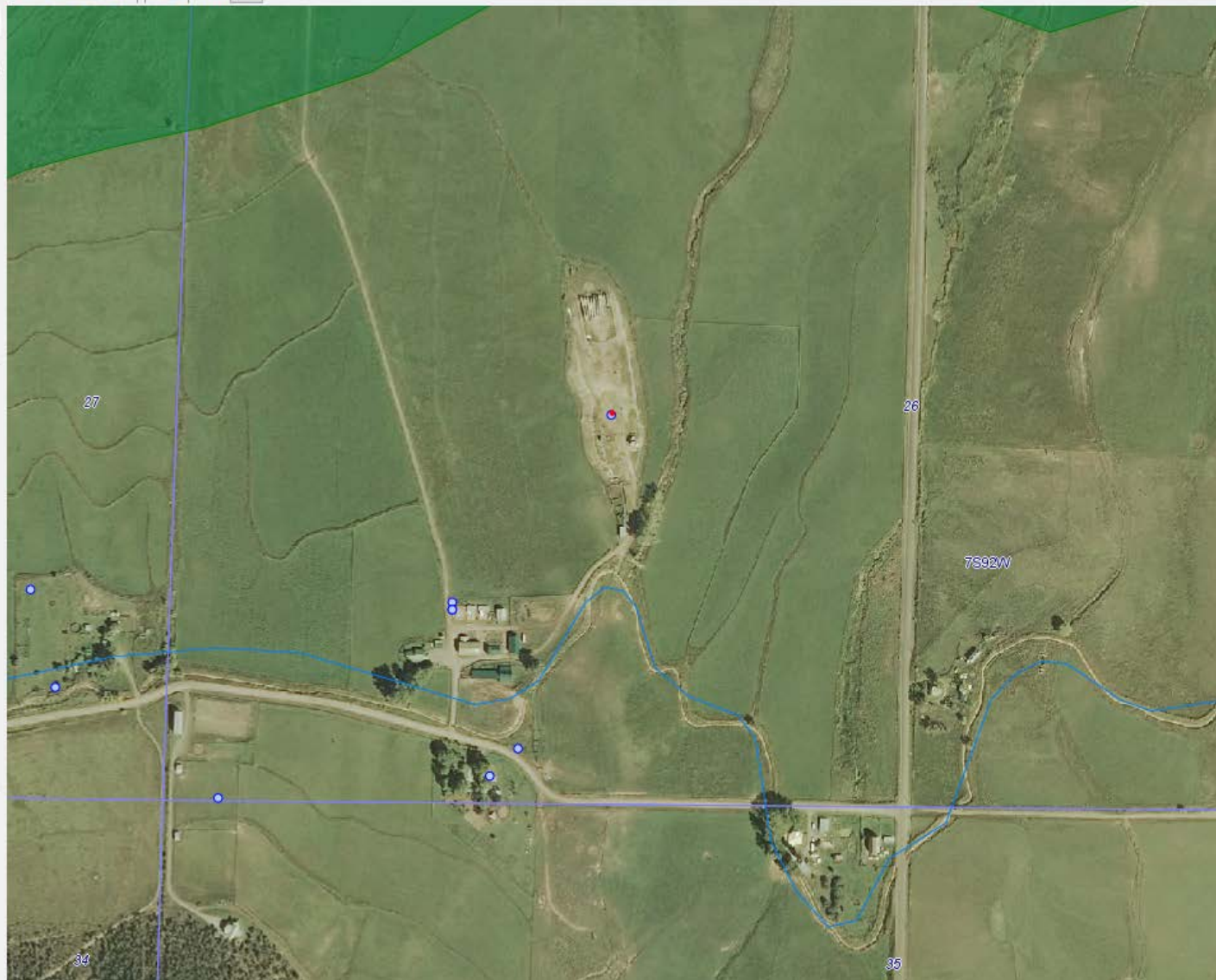
Location Name:	Fazzi 26-11C (K26E)
API:	05-045-09211
Legal:	T.7S. R.92W., 6th P.M. - Section 26: NESW
Waiver/Variance Request:	Final Reclamation
Landowner:	Jerry Fazzi

Guidance Document Criteria

All Wells on Location Plugged and Abandoned (Y/N)	Yes
Form 6 Subsequent Submitted (Y/N)	Yes
O&G Equipment Removed (Y/N)	Yes
Trash and Debris Removed (Y/N)	Yes
Noxious Weeds Controlled (Y/N)	Yes
Consultation with Landowner (Y/N)	Yes
Existing State of Reclamation:	The well site area has been left un-reclaimed to allow the landowner use of the flat, graveled area for livestock feeding and calving operations, as well as for a storage area in support of those operations. As noted in the Surface Use Agreement, effective August 14th, 2003, between the landowner and Encana, this was the pre-existing use of the location prior to the construction of the well site. The well site area has been fenced, per the landowner, in a manner that facilitates the agricultural operations. Access to the well site is off of Garfield County Road 331. The access provides necessary access to your livestock handling, feeding and calving operations and is being retained for those purposes.
Stormwater Management Controls/Stabilization:	The pad area has been graveled to stabilize the surface and prevent soil from leaving the site. There is no active stormwater erosion on the site. Slopes have been moderated and permanent diversion ditches installed to prevent future erosion.
Topsoil Conservation:	Topsoil present at the time of construction was redistributed around the location.
Nature of Location: Urban/Rural	Rural
Proximity to Surface Water:	The Porter Irrigation Ditch is located approximately 300 feet south west of the location. An unnamed irregarion ditch runs along to the east of location. The location is graded and stabilized to prevent any runoff from reaching either surface water.
Wildlife Areas:	This location does not fall within a CPW RSO or SWH area.
317B Area (Y/N):	This location does not fall within a 317B Area
Sensitive Area Classification:	This location does not fall within a classified sensitive area.
Comparative benefits of re-contouring and reseeding vs. reseeding only	The Landowner has requested that the location be left as a flat, graveled area for livestock feeding and calving operations, as well as for a storage area in support of those operations. Access to the well site is off of Garfield County Road 331. The access provides necessary access to your livestock handling, feeding and calving operations and is being retained for those purposes.
Conclusion:	Encana's analysis, in accordance with COGCC guidance, would indicate that the granting of this variance request would not endanger public health, safety, and welfare, or significantly impact the environment or wildlife resources.

Layers

- ☒ PWS Protection
 - ☒ 317B
 - ☒ Brighton 1-189
- ☐ O&G Fields
- ☐ Seismic Permits
- ☒ Water/Gas Sampling Data
 - ☐ Sites w/Lab Data
 - ☐ Sample Sites
- ☒ Roads & RRs
 - ☒ Highways
 - ☐ Local Roads
 - ☐ Railroad
 - ☐ Major Roads
- ☒ Water Resources
 - ☒ DWR_Wells
 - ☒ Dsgntd GW Mgmt
 - ☒ Dsgntd Basin
 - ☒ REG42 Aquifers
 - ☒ Planned Reservoirs
 - ☒ Lakes
 - ☒ Rivers-Streams
- ☒ Floodplains
 - ☐ FEMA 100-
Year Effective
(July 2015)
 - ☐ FEMA 100-
Year
Preliminary
(July 2015)
- ☒ SecTwpRng
- ☒ Wildlife CPW
 - ☐ Energy Liaisons
 - ☐ CPW Districts
 - ☐ State Wildlife Area
 - ☐ WMPs
 - ☐ Black Bear
 - ☒ CPW_RSO
 - ☒ CPW_SWH
- ☐ RSO Detail
 - ☐ B eagle Nest





March 24, 2016

Director Lepore
Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

RE: Rule 502.b. Variance

Dear Director Lepore,

Encana Oil & Gas (USA), Inc. (Encana) is formally requesting a Rule 502.b. variance for the Fazzi 26-11C (K26E). A variance is being requested to accommodate the wishes of the surface owner to utilize the well pad and access road for agricultural operations. This was the pre-existing use of the location prior to the construction of the well site. The well has been plugged and a Subsequent Form 6 has been filed. All associated production facilities and trash and debris has been removed. Encana and the surface owner conducted an onsite inspection at the time of final reclamation and the surface owner has signed a Final Reclamation Agreement.

The pad area has been graveled to stabilize the surface and prevent soil from leaving the site. There is no active stormwater erosion on site and noxious weeds have been controlled. The well site has been fenced as the surface owner requested. The access road has also been stabilized for continued use to support agricultural operations. Encana conducted an Operators Analysis and determined that public health, safety, welfare and the environment will not be harmed if the variance is approved.

All supporting documentation has been attached to the submitted Form 4 Sundry Notice (Doc# 401014932).

If you have any questions or need additional information please contact me at 970-285-2656 or at jason.eckman@encana.com.

Sincerely,

A handwritten signature in blue ink that reads "Jason Eckman". The signature is fluid and cursive, with the first name "Jason" and last name "Eckman" clearly legible.

Jason Eckman
Senior Regulatory Analyst

Encana Services Company Ltd.

Republic Plaza 370 – 17th Street Suite 1700 Denver CO 80202 303.623.2300 encana.com

Encana Services Company Ltd. provides operational, corporate, administrative and advisory services to Encana Corporation and its subsidiaries.