



April 7, 2011

Cannon Land Company
Attn: Brown Cannon
3575 Cherry Creek North Dr.
Denver, CO 80209

Re: Waiver of Rule 318A.c.(1)
Ione 3A-2H
Surface Location – 2177' FSL and 470' FWL
Township 2 North, Range 66 West
Section 2: SW¼
Weld County, Colorado

Mr. Cannon:

EnCana Oil & Gas (USA) Inc. ("EnCana") staked the Ione 3A-2H well at a surface location 2177 feet from the south line and 470 feet from the west line of Section 2, Township 2 North, Range 66 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. Rule 318A.c.(2) states:

"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."

The Ione 3A-2H was staked 400' northwest of the existing Ione 13-2B well located in the drilling window. As this location was staked with your consent and approval, EnCana respectfully requests your consent to an exception location for the Ione 3A-2H by waiver of the COGCC Rule 318A.c.(1).

If this meets with your approval, please sign and date the letter, and return it to the undersigned.

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, Colorado USA 80202
t 303.623.2300
www.encana.com

Thank you for your time and consideration in this matter. If you have any questions or comments, please contact me at 720-876-3696.

Very truly yours,

ENCANA OIL & GAS (USA) INC.



Cynthia Owens
Land Negotiator

Ione 3A-2H
Surface Location – 2177' FSL and 470' FWL
Township 2 North, Range 66 West
Section 2: SW¼
Weld County, Colorado

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318Ac.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE IONE 3A-2H WELL AND APPROVES THE SURFACE LOCATION OF 2177 FEET FROM THE SOUTH LINE AND 470 FEET FROM THE WEST LINE OF SECTION 2, TOWNSHIP 2 NORTH, RANGE 66 WEST, WELD COUNTY, COLORADO.

CANNON LAND COMPANY


Brown Cannon, Manager

OWNER RESPONSE LETTER
(Rule 306 Consultation Requirement)

lone 3A-2H

Township 2 North, Range 66 West

Section 2: NW/4SW/4

Weld County, Colorado

To be Completed by the Surface Owner:

The surface owner and/or assigned representative, desires an on-site consultation with an Encana Representative with respect to the proposed drilling of the referenced well.

Yes

No

Signed: _____

W. Cannon

Print Name: _____

Brown W. Cannon

Phone: _____

303 898 5708

Signed and dated this _____ day of _____, 20____.

13 April

2011.

Designated Representative or Agent (optional)

Name: _____

George Breckler

Address: _____

Phone: _____

303 888 8091