



December 12, 2011

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

Re: Waiver of Rule 318A(I).c.(1)
Ione 4B-10H
Surface Location – 300' FSL, 1791' FEL
Township 2 North, Range 66 West
Section 10: SE
Weld County, Colorado

Dear Mr. Cannon:

Encana Oil & Gas (USA) Inc. ("Encana") staked the Ione 4B-10H well at a surface location 300 feet from the south line and 1791 feet from the east line of Section 10, 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(I), known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule (Except the City and County of Broomfield). Rule 318A(I).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 4B-10H well was staked at a location 431' southeast of the existing 34-10 well located in the same drilling window. As this location was staked with your consent and approval, Encana respectfully requests your consent to an exception location for the Ione 4B-10H well by waiver of the COGCC Rule 318A(I).c.(1).

If this meets with your approval, please sign and date both originals of the letter, keeping one for your files and returning one to the undersigned.

Encana Oil & Gas (USA) Inc.

Republic Plaza
370 – 17 Street, Suite 1700
Denver, Colorado
United States 80202

t 303.623.2300

f 303.623.2400


www.encana.com

December 12, 2011
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Thank you for your time and consideration in this matter. If you have any questions or comments, please contact me at 720-876-3128.

Very truly yours,

Encana Oil & Gas (USA) Inc.


Spencer Booth
Land Negotiator

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A(1)c.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE IONE 4B-10H WELL AND APPROVES THE SURFACE LOCATION OF 300 FEET FROM THE SOUTH LINE AND 1791 FEET FROM THE EAST LINE OF SECTION 10, TOWNSHIP 2 NORTH, RANGE 66 WEST, WELD COUNTY, COLORADO.

CANNON LAND COMPANY


Brown Cannon, President



December 12, 2011

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

RE: Waiver of Rule 318A.a.(1)
Ione 4B-10H
Surface Location – 300' FSL, 1791' FEL
Section 10, T2N, R66W
Weld County, Colorado

Dear Mr. Cannon:

Encana Oil & Gas (USA) Inc. ("Encana") staked the Ione 4B-10H well at a surface location 300 feet from the south line and 1791 feet from the east line of Section 10, 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. This rule states that all boundary infill wells be drilled from the same surface locations as previously designated in Rule 318A.a.(1) which reads:

"In the Greater Wattenberg Area ("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.

- (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"); ...

The Ione 4B-10H well was staked at a location 159' southeast 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 Ione 4B-10H well by waiver of the COGCC Rule 318A.a (1).

Encana Oil & Gas (USA) Inc.

370 17th Street, Suite 1700
Denver, Colorado USA 80202

t 303.623.2300

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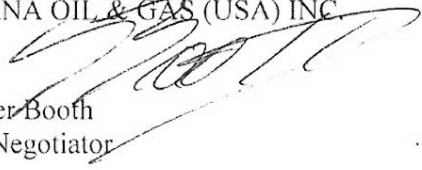
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If this meets with your approval, please sign and date both originals of this letter, keeping one for your files and returning one to the undersigned.

Thank you for your time and consideration in this matter. If you have any questions or comments, please call me at (720) 876-3128.

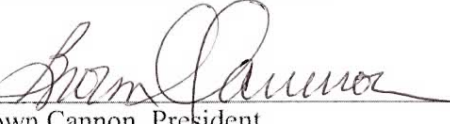
Very truly yours,

ENCANA OIL & GAS (USA) INC.


Spencer Booth
Land Negotiator

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE IONE 4B-10H WELL AND APPROVES THE SURFACE LOCATION OF 300 FEET FROM THE SOUTH LINE AND 1791 FEET FROM THE EAST LINE OF SECTION 10, TOWNSHIP 2 NORTH, RANGE 66 WEST, WELD COUNTY, COLORADO.

CANNON LAND COMPANY

By 
Brown Cannon, President