



March 19, 2012

Guadalupe & Rose Chavez  
20857 WCR 12  
Hudson, CO 80642

Re: Waiver of Rule 318A.c.(1)  
Chavez 4A-4H  
Surface Location - 236' FSL, 1,540' FEL  
Township 1 North, Range 65 West  
Section 4: SW1/4SE1/4  
Weld County, Colorado

Dear Mr. and Mrs. Chavez:

Encana Oil & Gas (USA) Inc. ("Encana") staked the Chavez 4A-4H well at a surface location 236 feet from the south line and 1,540 feet from the east line of Section 4, Township 1 North, Range 65 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 Chavez 4A-4H was staked at a location 654' southeast of the existing Chapin 34-4 well. As this location was staked with your consent and approval, Encana respectfully requests your consent to an exception location for the Chavez 4A-4H by waiver of the COGCC Rule 318A.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.  
3601 Stagecoach Road  
Longmont, Colorado USA 80504  
Cell: 303-656-9260  
Ryan.Bevans@encana.com  
www.encana.com

Thank you for your time and consideration in this matter. If you have any questions or comments, please contact me at (303) 774-3986.

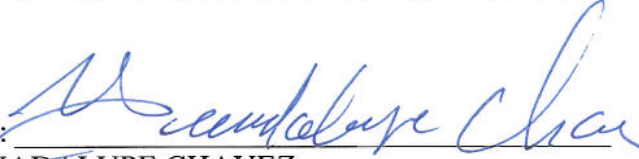
Respectfully,

ENCANA OIL & GAS (USA) INC.

Ryan Bevans  
Field Land Negotiator

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318Ac.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE CHAVEZ 4A-4H WELL AND APPROVES THE SURFACE LOCATION OF 236 FEET FROM THE SOUTH LINE AND 1,540 FEET FROM THE EAST LINE OF SECTION 4, TOWNSHIP 1 NORTH, RANGE 65 WEST, WELD COUNTY, COLORADO.

GUADALUPE CHAVEZ and ROSE CHAVEZ

By:   
GUADALUPE CHAVEZ

By:   
ROSE CHAVEZ



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"In the Greater Wattenberg Area ("GWA"), operators may utilize the following described surface drilling locations (GWA windows") to drill, twin, deepen, or recompleat 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 Chavez 4A-4H well was staked at a location 330' 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 Chavez 4A-4H Well by waiver of the COGCC Rule 318A.a (1).

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Guadalupe Chavez  
Rule 318A.a.(1) waiver  
March 19, 2012  
Page 2 of 2

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Respectfully,

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GUADALUPE CHAVEZ and ROSE CHAVEZ.

by   
GUADALUPE CHAVEZ

by   
ROSE CHAVEZ

Encl.