



March 19, 2012

Guadalupe and Rose Chavez
20857 WCR 12
Hudson, CO 80642

RE: Waiver of Rule 318A.a.(1)
Chavez 4B-4H
Surface Location 236' FSL, 1,513' 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 4B-4H well at a surface location 236 feet from the south line and 1,513 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. 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 Chavez 4B-4H well was staked at a location 350' 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 4B-4H Well by waiver of the COGCC Rule 318A.a (1).

Encana Oil & Gas (USA) Inc.
3601 Stagecoach Road
Longmont, Colorado USA 80504
Cell: 303-656-9260
Ryan.Bevans@encana.com
www.encana.com

Guadalupe Chavez
Rule 318A.a.(1) waiver
March 19, 2012
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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 (303) 774-3986.

Respectfully,

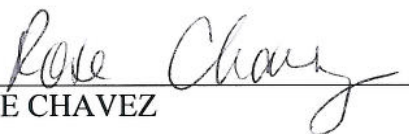
ENCANA OIL & GAS (USA) INC.

Ryan Bevans
Field Land Negotiator

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE CHAVEZ 4B-4H WELL AND APPROVES THE SURFACE LOCATION OF 236 FEET FROM THE SOUTH LINE AND 1,513 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

Encl.



March 19, 2012

Guadalupe & Rose Chavez
20857 WCR 12
Hudson, CO 80642

Re: Waiver of Rule 318A.c.(1)
Chavez 4B-4H
Surface Location - 236' FSL, 1513' 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 4B-4H well at a surface location 236 feet from the south line and 1513 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 4B-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 4B-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
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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 (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 1513 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