



December 5, 2012

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

**RE: Exception Location Request Rule 318A(I).a.(1), and 318A(I).a.(1)**

Ione 1A-10H: 767' FNL, 1372' FEL (SHL)

Dear Director:

Please let this letter serve as a request for administrative approval of exception locations for the captioned oil and gas wells.

Encana Oil & Gas (USA) Inc. ("Encana") proposes to drill the above referenced well at a surface location outside a legal drilling window as defined by Rule 318A(I).a.(1), and at a surface location further than 50' from an existing well as defined by Rule 318A(I).c(1). Signed waivers of rules 318A(I).a.(1) and 318A(I).c(1) by the surface owner are enclosed.

Thank you for your assistance in this matter.

If you have any questions or comments, please contact me at 720-876-3761.

Sincerely,

Encana Oil & Gas (USA) Inc.

A handwritten signature in blue ink that reads "Miracle Pfister".

Miracle Pfister  
Regulatory Analyst

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](http://www.encana.com)

October 30, 2012

Cannon Land Company  
Brown W. Cannon, President  
3575 Cherry Creek N. Dr.  
Denver, CO 80209

RE: Waiver of Rule 318A.c.(2) for the following Wells:  
Ione 1A-10H, Surface Location 767' FNL, 1372' FEL  
Ione 1B-10H, Surface Location 767' FNL, 1362' FEL  
Ione 1C-10H, Surface Location 766' FNL, 1352' FEL  
Ione 1D-10H, Surface Location 768' FNL, 1342' FEL  
Ione 1E-10H, Surface Location 768' FNL, 1332' FEL  
Ione 1F-10H, Surface Location 768' FNL, 1322' FEL  
Ione 1G-10H, Surface Location 768' FNL, 1312' FEL  
Section 10, T2N, R66W  
Weld County, Colorado

Dear Mr. Cannon:

Encana Oil & Gas (USA) Inc. ("Encana") staked the above mentioned wells at surface locations as indicated above from the north and east lines of Section 10, Township 2 North, Range 66 West (see attached Well Location Certificates). These wells are 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.c.(2) which reads:

"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."

These wells were staked at locations between 399' and 450' northwest of the existing Ione #2 well. As these locations were staked with your consent and approval, Encana respectfully requests your consent to an exception location for the above mentioned wells by waiver of the COGCC Rule 318A.c.(2).

The Encana logo consists of the word "encana" in a blue, lowercase, sans-serif font. Below the text is a stylized blue and green arc that curves upwards and then downwards, resembling a horizon or a wave.

Cannon Land Company

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Section 10, T2N, R66W  
Weld County, Colorado

October 30, 2012

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) 656-9260.

Thank you,

ENCANA OIL & GAS (USA) INC.

A handwritten signature in black ink, appearing to read "Ryan Bevens".

Ryan Bevens  
Contract Field Land Negotiator

Cannon Land Company


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Section 10, T2N, R66W  
Weld County, Colorado

October 30, 2011

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE FOLLOWING IONE WELLS NOTED BELOW AND APPROVES THE SURFACE LOCATIONS AS INDICATED BELOW FROM SECTION 10, TOWNSHIP 2 NORTH, RANGE 66 WEST, WELD COUNTY, COLORADO:

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CANNON LAND COMPANY

By   
Brown W. Cannon, President

Encl.



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Cannon Land Company  
Brown W. Cannon, President  
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Denver, CO 80209

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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 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"); ...

These wells were staked at locations 153 north of the defined 400' window. As these locations were staked with your consent and approval, Encana respectfully requests your consent to an exception location for the above mentioned wells by waiver of the COGCC Rule 318A.a.(1).

Page 1 of 3

Encana Oil & Gas (USA) Inc.  
3601 Stagecoach Road North  
Longmont, Colorado 80504  
mobile 303.656.9260  
office 303.774.3986  
ryan.bevans@encana.com  
www.encana.com

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Cannon Land Company

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Ryan Bevens  
Contract Field Land Negotiator

encana



Cannon Land Company

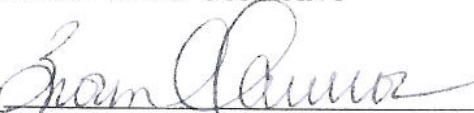
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