



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).

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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Weld County, Colorado

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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) 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

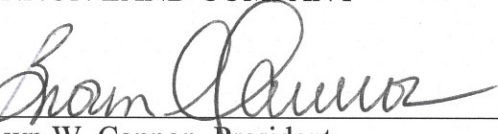
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Section 10, T2N, R66W
Weld County, Colorado

October 30, 2011

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.c.(2) 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:

Ione 1A-10H, Surface Location 767' FNL, 1372' FEL
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CANNON LAND COMPANY

By 
Brown W. Cannon, President

Encl.



October 30, 2012

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Brown W. Cannon, President
3575 Cherry Creek N. Dr.
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 recompleate 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).



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Thank you,

ENCANA OIL & GAS (USA) INC.

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Ryan Bevens
Contract Field Land Negotiator

Cannon Land Company

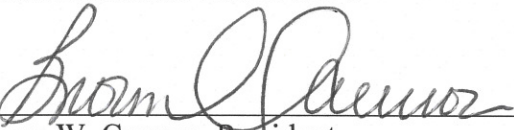
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