

November 27, 2012

encana

J O Farms LLC
c/o Donald L. Johnson
11355 North 75th Street
Longmont, Colorado 80503

RE: Waiver of Rule 318A(I).a.(1)
JO Farms 0-4-17
Surface Location – 1684' From North Line and 260' From West Line
Section 17, T 3N, R 68W
Weld County, Colorado

Dear Mr. Johnson:

Encana Oil & Gas (USA) Inc. ("Encana") staked the JO Farms 0-4-17 well at a surface location 1684 feet from the north line and 260 feet from the west line of Section 17, Township 3 North, Range 68 West (see attached Well Location Certificate). 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). This rule states that all boundary infill wells be drilled from the same surface locations as previously designated in Rule 318A(I).a.(1) which reads:

"The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6th P.M. In the GWA, operators may utilize the following described surface drilling locations ("GWA windows") to drill, twin, deepen, or recompleting a well ("GWA well") and to commingle any or all of the Cretaceous Age formations from the base of the Dakota Formation to the surface:

- (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 JO Farms 0-4-17 well was staked at a location northwest 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 JO Farms 0-4-17 Well by waiver of the COGCC Rule 318A(I).a (1).

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 the undersigned at (720) 369-0432.

Respectfully,

Encana Oil & Gas (USA) Inc.



Bob Bresnahan
Field Land Negotiator
Encana Oil & Gas (USA) Inc.

Encana Oil & Gas (USA) Inc.

3601 Stagecoach Road
Longmont, Colorado USA 80504

Cell: 720-369-0432

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JO Farms 0-4-17
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THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A(I).a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE JO FARMS 0-4-17 WELL AND APPROVES THE SURFACE LOCATION OF 1684 FEET FROM THE NORTH LINE AND 260 FEET FROM THE WEST LINE OF SECTION 17, TOWNSHIP 3 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO.

J O FARMS LLC

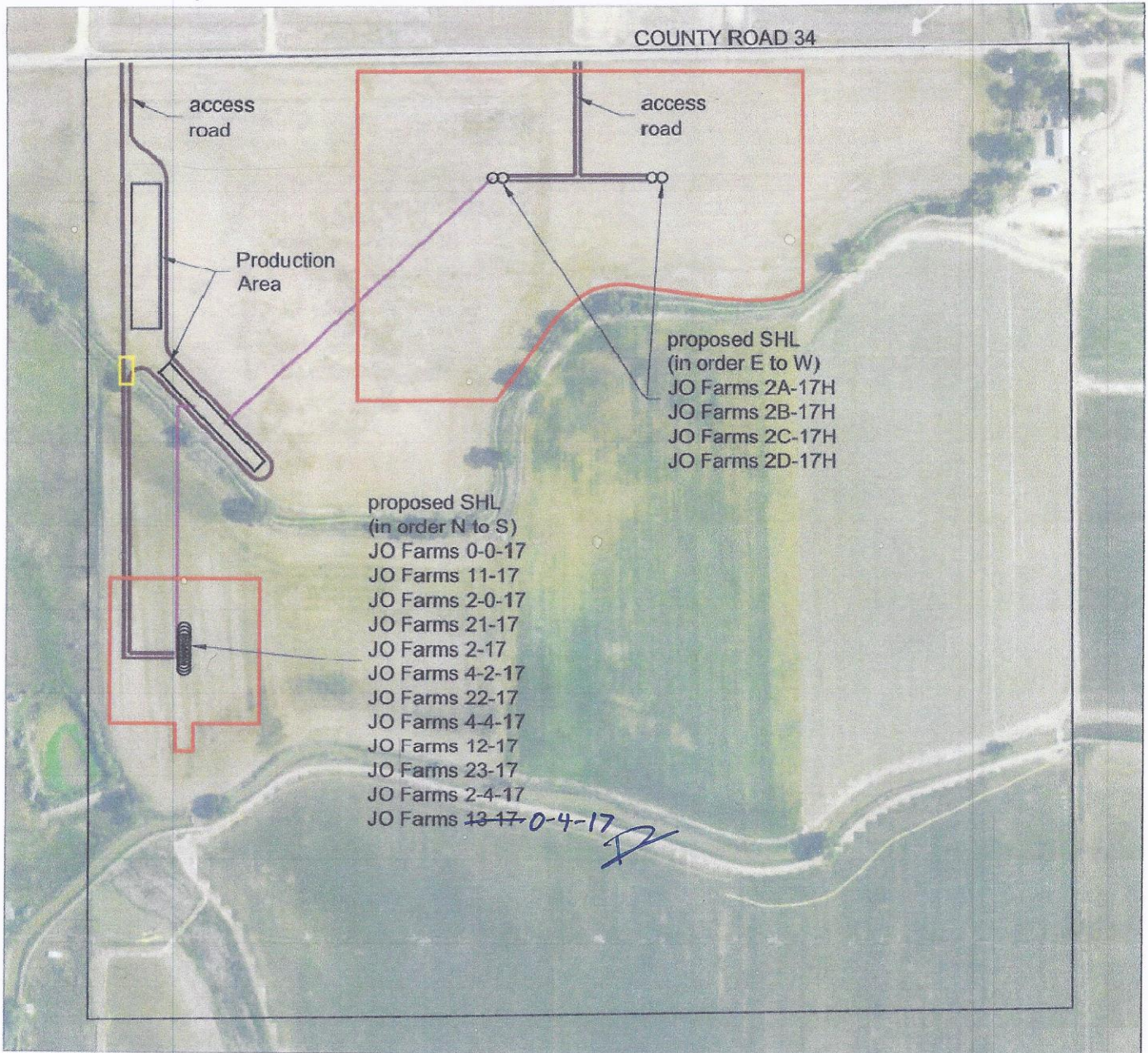








Donald L. Johnson
Managing Member

Encl.

EXHIBIT "A"

Attached to that certain Surface Damage and Release Agreement dated the 23rd day of April, 2012
by and between JO Farms LLC ("Owner") and Encana Oil & Gas (USA) Inc. ("Encana").



-  Wellsite
-  Wellsite
-  Production Area
-  flowlines
-  access road
-  bridge



TOWNSHIP 3 NORTH, RANGE 68 WEST
SECTION 17: NW¼
WELD COUNTY, COLORADO

SCALE: 1" = 400'