



February 12, 2013

Mary Alice Billings, individually and as Co-Trustee
of the Mary Alice Billings Trust
Donna Woolley as Trustee of the Woolley Family Trust
c/o Mr. Jon Lee
Frederick Development Company, Inc.
2500 Arapahoe Ave., Suite 220
Boulder, Colorado 80302

RE: Waiver of Rule 603.a.(2)
Billings: 1A-34H, 1B-34H, 1C-34H, 1D-34H, 1E-34H, & 1F-34H ("Billings Wells")
Township 2 North, Range 68 West
Section 34
Weld County, Colorado

Dear Surface Owner:

Encana Oil & Gas (USA) Inc. ("Encana") has staked the Billings Wells at the surface locations cited below:

- Billings 1A-34H – 236' FNL & 1610' FEL, Section 34, 2N-68W
- Billings 1B-34H – 236' FNL & 1600' FEL, Section 34, 2N-68W
- Billings 1C-34H – 236' FNL & 1590' FEL, Section 34, 2N-68W
- Billings 1D-34H – 236' FNL & 1580' FEL, Section 34, 2N-68W
- Billings 1E-34H – 236' FNL & 1570' FEL, Section 34, 2N-68W
- Billings 1F-34H – 236' FNL & 1560' FEL, Section 34, 2N-68W

(see enclosed survey plats)

The Billings Wells are being drilled under the rules and regulations of the Colorado Oil and Gas Conservation Commission's ("COGCC") Rule 603.a. Statewide Setbacks. This rule states:

- (2) A well shall be a minimum distance of one hundred fifty (150) feet from a surface property line. An exception may be granted by the Director if it is not feasible for the operator to meet this minimum distance requirement and a waiver is obtained from the offset surface owner(s). An exception request letter stating the reasons for the exception shall be submitted to the Director and accompanied by a signed waiver(s) from the offset surface owner(s). Such waiver shall be written and filed in the county clerk and recorder's office and with the Director.

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The Billings Wells have been staked at the following distances from your property line. Encana respectfully requests your consent to an exception location for this well by waiver of the COGCC Rule 603.a (2).

- Billings 1A-34H – 8' from property line
- Billings 1B-34H – 18' from property line
- Billings 1C-34H – 28' from property line
- Billings 1D-34H – 38' from property line
- Billings 1E-34H – 48' from property line
- Billings 1F-34H – 58' from property line

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 contact the undersigned at 720-876-3871.

Sincerely,

Encana Oil & Gas (USA) Inc.

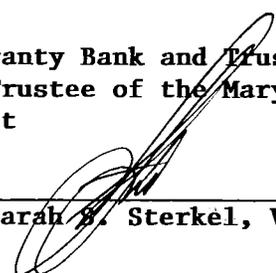


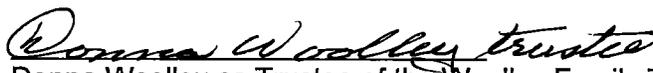
Jordan J. Mattson
Land Negotiator

THE UNDERSIGNED SURFACE OWNERS HEREBY WAIVE RULE 603.a.(2) AS IT APPLIES TO THE SURFACE LOCATIONS OF THE BILLINGS WELLS AND APPROVES THE SURFACE LOCATIONS REFERENCED ON PAGE 1.


Mary Alice Billings, individually and as
Co-Trustee of the Mary Alice Billings Trust

Guaranty Bank and Trust Company
Co-Trustee of the Mary Alice Billings
Trust

By: 
Sarah S. Sterkel, Vice. Pres. & T.O.


Donna Woolley as Trustee of the Woolley Family Trust


Jon Lee
Frederick Development Company, Inc.