

February 27, 2013

NRC-CO-1, LLC
755 E. Mulberry Avenue
6th Floor
San Antonio, TX 78212

RE: Waiver of Rule 318A(I).a.(2)
State 3A-16H, State 3B-16H, State 3C-16H, State 3D-16H, State 3E-16H, State 3F,
State 3G-16H, State 3H-16H
Surface Location – 1360' FSL, 258' FWL; 1350' FSL, 258' FWL; 1340' FSL, 258'
FWL; 1330' FSL, 257' FWL; 1320' FSL, 257' FWL; 1310' FSL, 257' FWL; 1300' FSL,
257' FWL; 1290' FSL, 257' FWL respectively
Section 16, T3N, R68W
Weld County, Colorado

Dear Mr. Schlagel:

Encana Oil & Gas (USA) Inc. ("Encana") staked the State 3A-16H well at a surface location 1360' FSL, 258' FWL, the State 3B-16H well at a surface location 1350' FSL, 258' FWL, the State 3C-16H well at a surface location 1340' FSL, 258' FWL, the State 3D-16H well at a surface location 1330' FSL, 257' FWL, the State 3E-16H well at a surface location 1320' FSL, 257' FWL, the State 3F-16H well at a surface location 1310' FSL, 257' FWL, the State 3G-16H well at a surface location 1300' FSL, 257' FWL, The State 3H-16H well at a surface location 1290' FSL, 257' FWL, all in Section 16, Township 3 North, Range 68 West (see attached survey plat), Weld County, Colorado. These wells are 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.(2) 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 recompleat 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:

(2) A square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section ("800 window").

The State 3A-16H, State 3B-16H, State 3C-16H, State 3D-16H, State 3E-16H, State 3F-16H, State 3G-16H, State 3H-16H wells were staked at a location West of the defined 800' window. As this location was staked with your consent and approval, Encana respectfully requests your

NRC-CO-1, LLC

State 3A-16H, State 3B-16H, State 3C-16H, State 3D-16H, State 3E-16H, State 3F-16H, State 3G-16H, State 3H-16H wells

Rule 318A(I).a(2) waiver

February 27, 2013

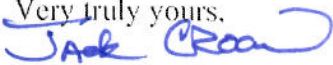
Page 2 of 2

consent to an exception location for the State 3A-16H, State 3B-16H, State 3C-16H, State 3D-16H, State 3E-16H, State 3F-16H, State 3G-16H, State 3H-16H wells by waiver of the COGCC Rule 318A(I).a (2).

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 210-821-6523.

Very truly yours,



Encana Oil & Gas (USA) Inc.

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A(I).a.(2) AS IT APPLIES TO THE SURFACE LOCATION OF THE STATE 3A-16H WELL AND APPROVES THE SURFACE LOCATION OF 1360' FEET FROM THE SOUTH LINE AND 258 FEET FROM THE WEST LINE OF SECTION 16, THE STATE 3B-16H WELL AND APPROVES THE SURFACE LOCATION OF 1350 FEET FROM THE SOUTH LINE AND 258 FEET FROM THE WEST LINE OF SECTION 16, THE STATE 3C-16H WELL AND APPROVES THE SURFACE LOCATION OF 1340 FEET FROM THE SOUTH LINE AND 258 FEET FROM THE WEST LINE OF SECTION 16, THE STATE 3D-16H WELL AND APPROVES THE SURFACE LOCATION OF 1330 FEET FROM THE SOUTH LINE AND 257 FEET FROM THE WEST LINE OF SECTION 16, THE STATE 3E-16H WELL AND APPROVES THE SURFACE LOCATON OF 1320 FEET FROM THE SOUTH LINE AND 257 FEET FROM THE WEST LINE OF SECTION 16, THE STATE 3F-16H WELL AND APPROVES THE SURFACE LOCATION OF 1310 FEET FROM THE SOUTH LINE AND 257 FEET FROM THE WEST LINE OF SECTION 16, THE STATE 3G-16H WELL AND APPROVES THE SURFACE LOCATION OF 1300 FEET FROM THE SOUTH LINE AND 257 FEET FROM THE WEST LINE OF SECTION 16, THE STATE 3H-16H WELL AND APPROVES THE SURFACE LOCATION OF 1290 FEET FROM THE SOUTH LINE AND 257 FEET FROM THE WEST LINE OF SECTION 16 ALL IN TOWNSHIP 3 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO.

NRC-CO-1, LLC

by 

Dave Schlagel

Title President of NRC Group, LLC

THE SOLE MEMBER OF NRC-CO-1, LLC

Encl.