



February 27, 2013

Colorado Oil & Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, CO 80203

RE: State 3H-16H
Township 3 North, Range 68 West, 6th P.M.
Section 16: 1290' FSL, 257' FWL (Surface Location)
Section 16: 25' FSL, 460' FEL (Bottom Hole Location)
Weld County, Colorado

To Whom It May Concern:

Encana Oil & Gas (USA) Inc. ("Encana") is planning to drill the captioned boundary well in accordance with the provisions of COGCC Rule 318A.e.

Encana's proposed wellbore spacing unit consists of S2S2 Sec. 16, N2N2 Sec. 21 T3N, R68W, creating a 320 -acre wellbore spacing unit for the proposed formation(s).

Encana is not the only owner within the proposed spacing unit, and as such provided notice to the remaining owner(s) within said proposed spacing unit as required under COGCC Rule 318A.e(6). The required thirty (30) day notice period has elapsed absent the receipt by Encana of an objection to said proposal by the owner(s) within the proposed spacing unit for this well.

Enclosed is a copy of the map illustrating the proposed wellbore spacing unit to assist you in your review and approval of Encana's proposed APD for the captioned well.

Thank you for your time and attention to this matter. Encana respectfully requests that the COGCC review the enclosed information and approve the Application for Permit to Drill the captioned well.

Sincerely,

A handwritten signature in black ink that reads "Erin Hochstetler".

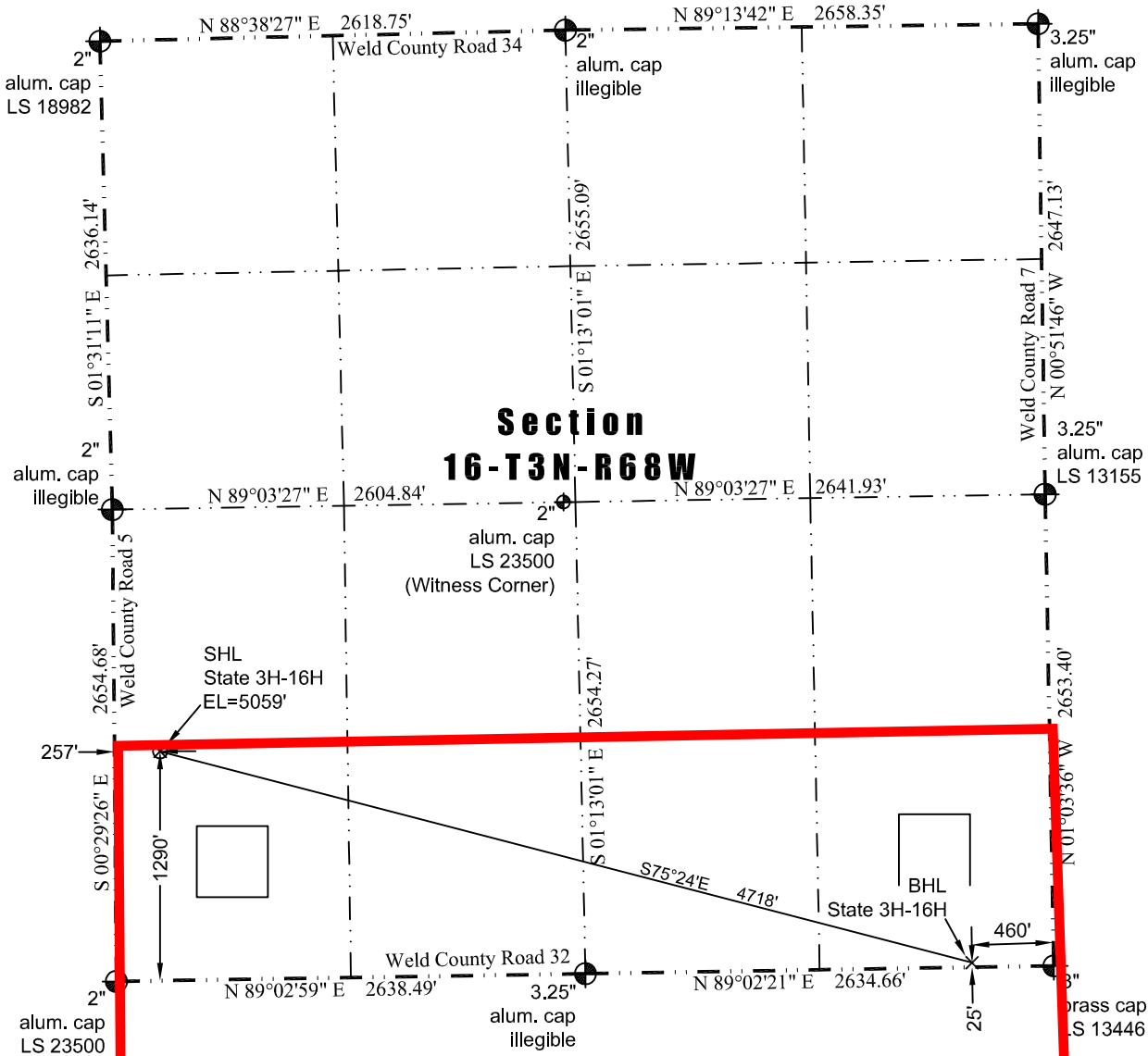
Erin Hochstetler
Permitting Technician

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 8114 Northstar Drive
 Windsor, Colorado 80528
 P. 970-576-4641

WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY



LEGEND
 — found survey monument
 — calculated dimension
 (c)

In accordance with a request from Jay Knutson of EnCana Oil & Gas (USA) Inc., JR Land Surveying, LLC has determined the location of the **State 3H-16H** well site to be SHL: 1290' FSL and 257' FWL, (BHL: 25' FSL and 460' FEL), as measured at ninety (90) degrees from the section lines of Sections 16, Township 3 North, Range 68 West of the 6th Principal Meridian, Weld County Colorado.

Proposed Surface Hole Data:

Latitude: N 40.22207° (BHL: 40.21873°)
 Longitude: W 105.01640° (BHL: 105.00007°)
 PDOP: 1.7

Nearest:

- | | |
|--|----------------------------------|
| Building: 825' northwest | Above Ground Utility: 230' west |
| Public Road: 245' west | Railroad: 2,884' southeast |
| Property Line: 257' west | Well Window: SHL is 468' outside |
| Existing Well: Runyan #1, 1,496' southwest | |

I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 12/8/2012 for and on behalf of EnCana Oil & Gas (USA) Inc. That it is not a Land Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

38219
 12-8-2012
 John Robert McGehee LS#38219
 Well: State 3H-16H WLC

Notes:

- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinate. using RTK GPS observations taken 12/7/12 by operator John Rice.
- 2) Conversion factor to ground (1.000285153).
- 3) Elevations based on NAVD 88 GPS heights and Geoid 2003 corrections.
- 4) See Location Drawing for visible improvements within 400 feet of Pad Site.
- 5) The surface use is a cultivated field.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification shown hereon.