

January 21, 2013

Peppler Farms, LLC
c/o Kent Peppler – Manager
4493 County Road 36
Platteville, Colorado 80651



RE: Waiver of Rule 318A(I).a.(1)

Well Name and Surface Location

Peppler Farms 1A-4H: 1581' From North Line and 262' From East Line
Peppler Farms 1B-4H: 1591' From North Line and 262' From East Line
Peppler Farms 1C-4H: 1601' From North Line and 262' From East Line
Peppler Farms 1D-4H: 1611' From North Line and 263' From East Line
Peppler Farms 1E-4H: 1621' From North Line and 263' From East Line
Peppler Farms 1F-4H: 1631' From North Line and 263' From East Line
Peppler Farms 1G-4H: 1641' From North Line and 263' From East Line
Peppler Farms 1H-4H: 1651' From North Line and 263' From East Line
Section 4, T 3 N, R 68 W, of the 6th P.M.
Weld County, Colorado

Dear Mr. Peppler:

Encana Oil & Gas (USA) Inc. ("Encana") staked the above mentioned wells at surface locations as identified above (see attached Well Location Certificate). 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.(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 recomplete 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 wells were staked at locations northeast of the defined 400' window. As these locations were staked with your consent and approval, Encana respectfully requests your consent to exception locations for the Peppler Farms 1A-4H, Peppler Farms 1B-4H, Peppler Farms 1C-4H, Peppler Farms 1D-4H, Peppler Farms 1E-4H, Peppler Farms 1F-4H, Peppler Farms 1G-4H, and Peppler Farms 1H-4H wells 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 (303) 774-3982.

Respectfully,
Encana Oil & Gas (USA) Inc.


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

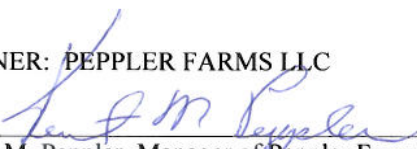
Encana Oil & Gas (USA) Inc.
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Peppler Farms, LLC
Kent Peppler
Peppler Farms 1A-4H
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Page 2 of 2

THE UNDERSIGNED SURFACE OWNERS HEREBY WAIVES RULE 318A(I).a.(1) AS IT APPLIES TO THE SURFACE LOCATIONS OF THE WELLS IDENTIFIED BELOW AND APPROVES THE SURFACE LOCATIONS AS INDICATED FROM SECTION 4, TOWNSHIP 3 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO.

<u>WELL NAME</u>	<u>SURFACE LOCATION</u>
PEPPLER FARMS 1A-4H:	1581' FROM NORTH LINE AND 262' FROM EAST LINE
PEPPLER FARMS 1B-4H:	1591' FROM NORTH LINE AND 262' FROM EAST LINE
PEPPLER FARMS 1C-4H:	1601' FROM NORTH LINE AND 262' FROM EAST LINE
PEPPLER FARMS 1D-4H:	1611' FROM NORTH LINE AND 263' FROM EAST LINE
PEPPLER FARMS 1E-4H:	1621' FROM NORTH LINE AND 263' FROM EAST LINE
PEPPLER FARMS 1F-4H:	1631' FROM NORTH LINE AND 263' FROM EAST LINE
PEPPLER FARMS 1G-4H:	1641' FROM NORTH LINE AND 263' FROM EAST LINE
PEPPLER FARMS 1H-4H:	1651' FROM NORTH LINE AND 263' FROM EAST LINE

OWNER: PEPPLER FARMS LLC



Kent M. Peppler, Manager of Peppler Farms, LLC

Encl.