



July 24, 2013

Tagawa Greenhouses, Inc.  
Attn: Kenneth K. Tagawa  
17999 Weld County Road 4  
Brighton, CO 80601

RE: Waiver of Rule 318A.c.(2) for the following Wells:  
Lochbuie 2H-31H, Surface Location 350' FNL, 1176' FWL  
Section 31, T1N, R65W  
Weld County, Colorado

Dear Mr. Tagawa:

Encana Oil & Gas (USA) Inc. ("Encana") staked the above mentioned well at surface locations as indicated above from the north and west lines of Section 31, Township 1 North, Range 65 West (see attached Well Location Certificates). These wells are being drilled under the rules and regulations of the Colorado Oil and Gas Conservation Commission's ("COGCC") Rule 318A known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. This rule states that all boundary infill wells be drilled from the same surface locations as previously designated in Rule 318A.c.(2) which reads:

"When the operator is requesting a surface well location greater than fifty (50) feet from a well (unless safety or mechanical considerations of the well to be twinned or topographical or surface constraints justify a location greater than fifty (50) feet), the operator shall provide a consent to the exception signed by the surface owner on which the well is proposed to be located in order for the Director to approve the well location administratively."

This well was staked at location 768' northwest of the existing Lochbuie 21-31 well. As this location was staked with your consent and approval, Encana respectfully requests your consent to an exception location for the above mentioned wells by waiver of the COGCC Rule 318A.c.(2).

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Weld County, Colorado

July 24, 2013

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 me at (303) 656-9260.

Thank you,

ENCANA OIL & GAS (USA) INC.

A handwritten signature in black ink that reads "Ryan Bevens". The signature is written in a cursive, flowing style.

Ryan Bevens  
Contract Field Land Negotiator

Tagawa Greenhouses, Inc.

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Lochbuie 2H-31H, Surface Location 350' FNL, 1176' FWL  
Section 31, T1N, R65W  
Weld County, Colorado

July 24, 2013

THE UNDERSIGNED SURFACE OWNER HEREBY WAIVES RULE 318A.c.(2) AS IT APPLIES TO THE SURFACE LOCATION OF THE FOLLOWING WELL AND APPROVES THE SURFACE LOCATION AS INDICATED BELOW FROM SECTION 31, TOWNSHIP 1 NORTH, RANGE 65 WEST, WELD COUNTY, COLORADO:

Lochbuie 2A-31H, Surface Location 350' FNL, 1176' FWL

TAGAWA GREENHOUSES, INC.

By \_\_\_\_\_  
Kenneth K. Tagawa, President

Encl.



July 24, 2013

Tagawa Greenhouses, Inc.  
Attn: Kenneth K. Tagawa  
17999 Weld County Road 4  
Brighton, CO 80601

RE: Waiver of Rule 318A.a.(1) for the following Wells:  
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Section 31, T1N, R65W  
Weld County, Colorado

Dear Mr. Tagawa:

Encana Oil & Gas (USA) Inc. ("EnCana") staked the above mentioned well at surface locations as indicated above from the north and west lines of Section 31, Township 1 North, Range 65 West (see attached Well Location Certificates). These wells are being drilled under the rules and regulations of the Colorado Oil and Gas Conservation Commission's ("COGCC") Rule 318A known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. This rule states that all boundary infill wells be drilled from the same surface locations as previously designated in Rule 318A.a.(1) which reads:

"In the Greater Wattenberg Area ("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.

(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"); ...

This well was staked at locations 336' outside 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 above mentioned wells by waiver of the COGCC Rule 318A.a.(1).

Tagawa Greenhouses, Inc.

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Lochbuie 2H-31H, Surface Location 350' FNL, 1176' FWL

TAGAWA GREENHOUSES, INC.

By \_\_\_\_\_  
Kenneth K. Tagawa, President

Encl.