



Kerr-McGee Oil & Gas Onshore LP

A subsidiary of Anadarko Petroleum Corporation

1099 18th Street
Denver, CO 80202
720-929-6000

VIA EMAIL

Encana Oil & Gas (USA) Inc.
ATTN: Constance D. Heath
370 17th Street, Suite 1700
Denver, CO 80202

**RE: Request for Waiver – Waiver of minimum intrawell distance, Rule 318A.m.
Kerr-McGee Oil & Gas Onshore LP
Bidding 36C-35HZ Horizontal Well
SWSE of Section 35, Township 2 North, Range 66 West, 6th P.M. (BHL)
Weld County, Colorado**

To Whom It May Concern,

Please be advised that Kerr-McGee Oil & Gas Onshore LP (“Kerr-McGee”) is requesting a Rule 318A.m. waiver for the Bidding 36C-35HZ Well (the “Kerr-McGee Well”). The Kerr-McGee Well is a horizontal well which Kerr-McGee has drilled on the above-referenced lands and intends to complete for production from the Codell Formation with a surface location 350’ FSL and 1,979’ FEL in the SWSE of Section 26, Township 2 North, Range 66 West, 6th P.M., and bottom hole location 27’ FSL and 2,338’ FEL in the SESW of Section 35, Township 2 North, Range 66 West, 6th P.M. Kerr-McGee is seeking waiver of the Rule 318A.m. 150’ intrawell distance for the Kerr-McGee Well due to encroachment by the Kerr-McGee Well to a point approximately 4’ from Encana Oil & Gas (USA) Inc.’s (“Encana”) Rodman Bruntz 2E-26H Well (the “Encana Well”), a horizontal well drilled from a surface location 572’ FNL and 2,077’ FWL in the NENW of Section 26, Township 2 North, Range 66 West, 6th P.M., with the bottom hole location at 587’ FSL and 2,485’ FWL in the SENW of Section 35, Township 2 North, Range 66 West, 6th P.M., yet to be completed in the Niobrara Formation. Please see attached Exhibit A for an approximated illustration depicting a two-dimensional view of the wellbores at issue.

The Kerr-McGee Well vertically encroached upon the lateral portion of the Encana Well as it positioned the Kerr-McGee Well for entry into the Codell Formation. Encana hereby agrees that it shall not perforate and complete the Encana Well at any point which is less than 50’ north or south of the vertical portion of the Kerr-McGee Well (described as “Non-Completed Interval” on attached Exhibit B). Kerr-McGee and Encana will enter into a separate indemnification agreement to address rights and remedies which may result from this encroachment.

The purpose of this letter is to obtain Encana’s waiver in writing as operator of the encroached upon well (the Encana Well) as provided for by Rule 318A.m. Time is of the essence in this matter and it is requested that you sign and return this letter/waiver as soon as possible, but no later than Tuesday, May 20, 2014.

If you have any questions regarding this matter, please contact Michael Sollee, Regulatory Supervisor for Kerr-McGee, at 720-929-6057 [phone] or Michael.Sollee@Anadarko.com [email]. Thank you in advance for your cooperation.

Sincerely,
Kerr-McGee Oil & Gas Onshore LP

By: Michael Sollee
Name: Michael Sollee
Title: Regulatory Affairs Supervisor

Encana Oil & Gas (USA) Inc., as operator of the encroached upon Encana Well described above, waives any Rule 318A.m. objection to the Kerr-McGee Well.

Encana Oil & Gas (USA) Inc., acting by
and through its authorized agent,
Encana Services Company Ltd.

By: Constance D. Heath *CH*
Constance D. Heath
Director, Land Negotiation, Western Operations

Date: 5/21/14

VERIFICATION

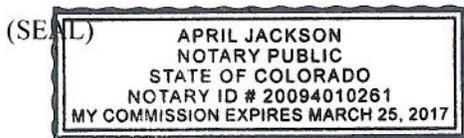
STATE OF COLORADO)
)
COUNTY OF DENVER)

Before me, a Notary Public, in and for the County and State aforesaid, does hereby certify that Constance D. Heath whose name is subscribed to the foregoing instrument as Director, Land Negotiation, Western Operations for Encana Services Company Ltd., authorized agent for Encana Oil & Gas (USA) Inc., a Delaware corporation appeared before me this day in person and acknowledged that he/she executed said instrument as his/her free and voluntary act and deed for Encana Oil & Gas (USA) Inc. for the uses and purposes therein set forth.

Give under my hand and Seal this 21st day of May, 2014.

My Commission Expires: 3/25/17

April Jackson
Notary Public



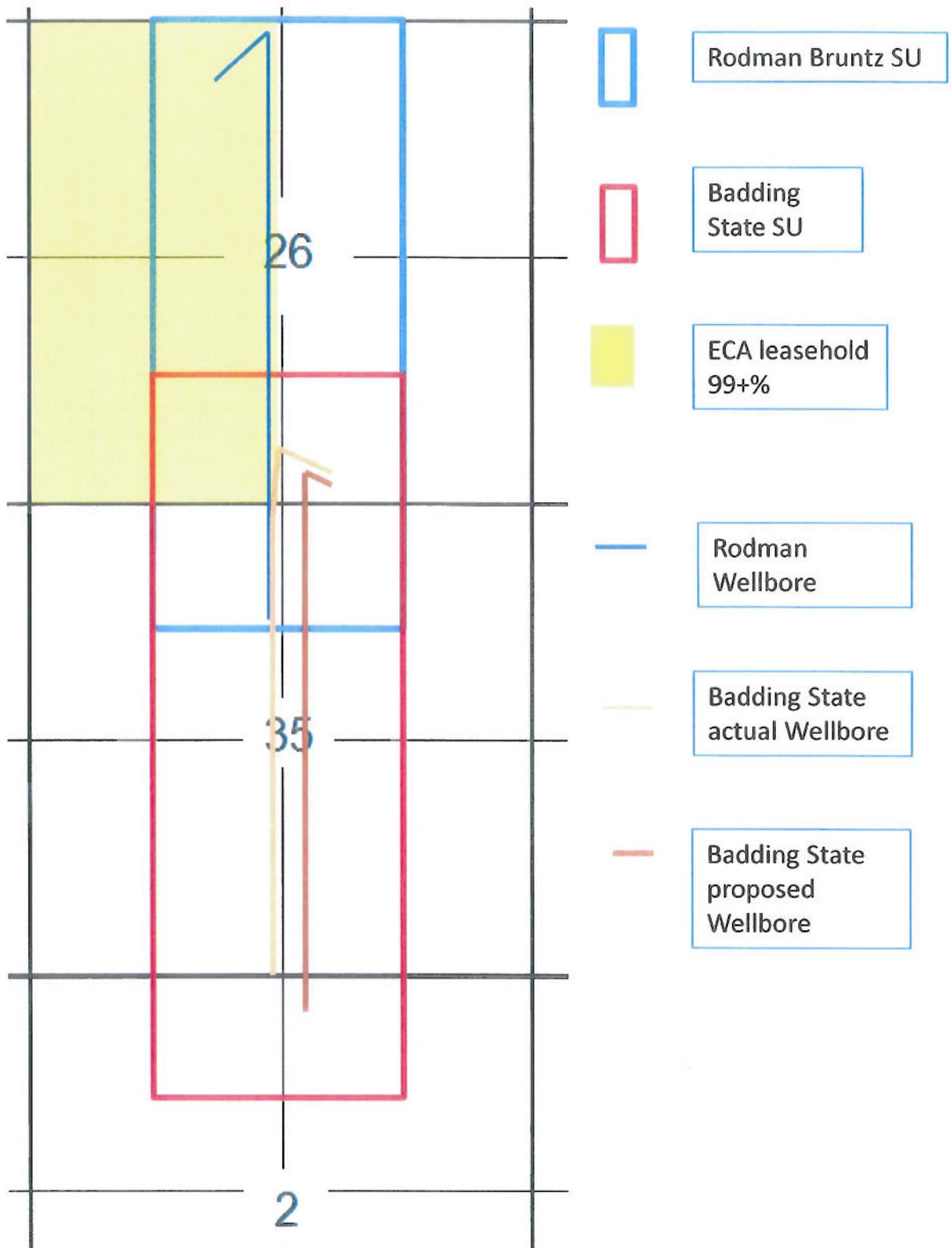


Exhibit A

Exhibit B

