



June 11, 2014

Sent via overnight delivery

Kerr-McGee Oil & Gas Onshore, LP  
Attn: Kelby Petry  
1099 18th Street  
Denver, CO 80202

RE: **Notice of Intent to Propose Rule 318A.e(6), Horizontal Well**  
Sprague 3AA-9H-N267  
Township 2 North, Range 67 West, 6<sup>th</sup> PM  
Section 9: SE/4SW/4 (surface location)  
Weld County, CO

Dear Sir/Madam:

Encana Oil & Gas (USA) Inc. ("Encana") proposes to drill, complete and operate the well described above as the Sprague 3AA-9H-N267 horizontal well with a designated horizontal wellbore spacing unit pursuant to Rule 318A.a.(4).D of the Colorado Oil and Gas Conservation Commission ("COGCC") Rules and Regulations. Encana hereby gives Notice of said horizontal well and horizontal wellbore spacing unit pursuant to COGCC Rule 318A.e.(6).

Information for this well is as follows:

1. Surface Location:

The well will be drilled from a surface location in the SE/4SW/4 of Section 9, T2N-R67W, located 521' FSL & 1677' FWL.

2. Target Formation:

The well will be drilled horizontally into and produce from the Niobrara formation. The wellbore lateral will enter the Target Formation at 460' FSL and 168' FWL of Section 9, T2N-R67W.

3. Bottomhole Location:

The bottomhole or terminus of the wellbore lateral will be at 439' FSL and 121' FWL of Section 4, T2N-R67W.

4. Horizontal Wellbore Spacing Unit:

The wellbore spacing unit will be comprised of Section 4: SW/4SW/4, Section 5: SE/4SE/4, Section 8: E/2E/2, Section 9: W/2W/2.

5. Anticipated Spud Date: 4th Quarter 2014.

A survey plat with a depiction of the horizontal wellbore spacing unit is attached hereto.

**Encana Oil & Gas (USA) Inc.**

Republic Plaza 370 17<sup>th</sup> Street Suite 1700 Denver CO 80202 USA 303.623.2300 [encana.com](http://encana.com)



Our preliminary title search indicates that you may own a working interest in the horizontal wellbore spacing unit. Pursuant to Rule 318A.e.(6), you have thirty (30) days from your receipt of this Notice to object, in writing, to the proposed horizontal well or horizontal wellbore spacing unit. Should you have no objection, please sign in the space provided below and return a copy to Encana at your earliest convenience.

In order to ensure complete title examination and identify all relevant title issues, please provide Encana any title documentation, including title opinions and pay decks, relating to the proposed wellbore spacing unit.

A well proposal, including an AFE and Joint Operating Agreement, will be forthcoming under separate cover. If you have any questions or concerns regarding this notice, please contact the undersigned at 720-876-3575.

Sincerely,

ENCANA OIL & GAS (USA) INC., acting by and through its authorized agent,  
Encana Services Company Ltd.

A handwritten signature in blue ink, appearing to read "Damian Westerman", is written over a horizontal line.

Damian Westerman  
Senior Land Negotiator

Enclosures: Survey Plat, Spacing Unit Diagram



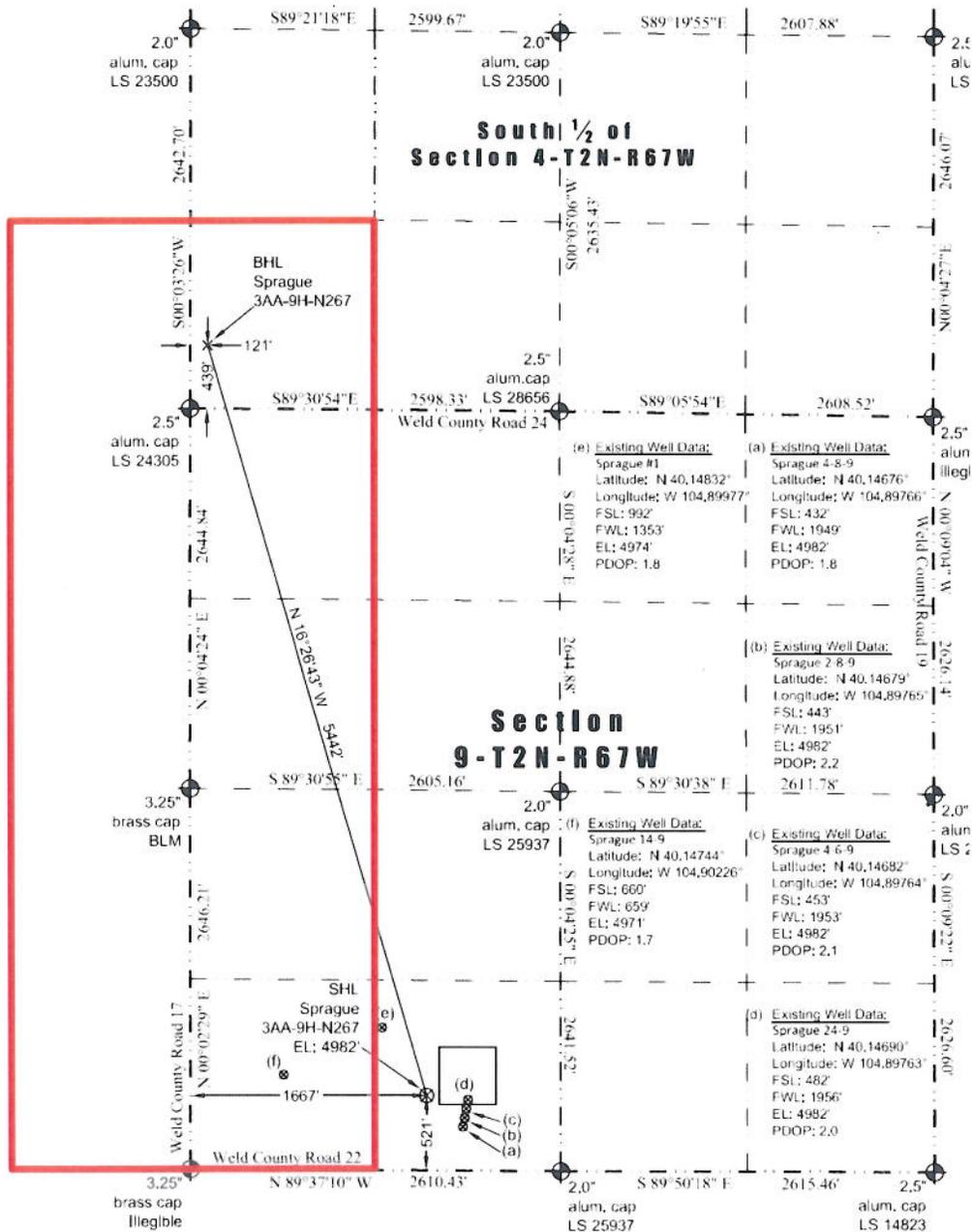
### Sprague 3AA-9H-N267 Spacing Unit

Red Outline = Proposed 400 acre Niobrara spacing unit

T2N R67W, 6<sup>th</sup> P.M., Section 4: SW/4SW/4, Section 5: SE/4SE/4, Section 8: E/2E/2, Section 9: W/2W/2  
Weld County, Colorado

Surface Hole Location: T2N R67W, 6<sup>th</sup> P.M., Section 9: SE/4SW/4 521' FSL and 1667' FWL

Bottom Hole Location: T2N R67W, 6<sup>th</sup> P.M., Section 4: SE/4SW/4 439' FSL and 439' FWL





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The undersigned hereby waives the thirty (30) day written notice requirement as specified in Rule 318a.e.(6).

**Kerr-McGee Oil & Gas Onshore, LP**

**By** \_\_\_\_\_

**Date:** \_\_\_\_\_