

September 2, 2014

CDG Morgan Hill, LLC
Attn: Jon Lee
2500 Arapahoe Avenue, Suite 220
Boulder, Colorado 80302

Mary Alice Billings and
The Mary Alice Billings Trust
2246 Riverside Drive
Lyons, CO 80540

Woolley Family Trust
PO Box 223
Allenspark, CO 80510

RE: **Waiver of Rule 318A.a.(1) for the following Wells:**

Morgan Hills 1A-7H-A168, Surface Location 368' FNL, 399' FEL
Morgan Hills 1B-7H-A168, Surface Location 368' FNL, 389' FEL
Morgan Hills 1C-7H-A168, Surface Location 368' FNL, 379' FEL
Morgan Hills 1D-7H-A168, Surface Location 368' FNL, 369' FEL
Morgan Hills 1E-7H-A168, Surface Location 368' FNL, 359' FEL
Morgan Hills 1F-7H-A168, Surface Location 368' FNL, 349' FEL
Morgan Hills 1G-7H-A168, Surface Location 368' FNL, 339' FEL
Morgan Hills 1H-7H-A168, Surface Location 368' FNL, 329' FEL
Morgan Hills 1I-7H-A168, Surface Location 368' FNL, 319' FEL
Section 7, T1N, R68W
Weld County, Colorado

Ladies and Gentlemen:

Encana Services Company, Ltd. ("Encana") staked the above mentioned wells at surface locations as indicated above from the north and east lines of Section 7, Township 1 North, Range 68 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 recompleat 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"); ...

Encana Services Company, Ltd.
370 17th Street, Suite 1700
Denver, CO 80202
mobile 303.656.9260
office 720.876.5811
ryan.bevans@encana.com
www.encana.com



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These wells were staked at locations between 114' and 169' outside of the defined 400' window. As these locations were 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).

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 (720) 876-5811.

Thank you,

ENCANA OIL & GAS (USA) INC.

Ryan Bevens
Land Negotiator

Enc.

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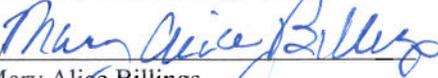
THE UNDERSIGNED SURFACE OWNER(S) HEREBY WAIVES RULE 318A.a.(1) AS IT APPLIES TO THE SURFACE LOCATION OF THE FOLLOWING WELLS AND APPROVES THE SURFACE LOCATIONS AS INDICATED BELOW FROM SECTION 7, TOWNSHIP 1 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO:

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CDG Morgan Hill, LLC ~~Inc.~~

By 
Jon Lee, Jon LLC

Mary Alice Billings and
The Mary Alice Billings Trust

By 
Mary Alice Billings
and Mary Alice Billings Co-Trustee
Guaranty Bank and Trust Co. Trustee

By: 
Sarah S. Stebbel
VP, TO

Woolley Family Trust

By 

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