



MAY -4 07

COGCC

April 27, 2007

County of Boulder
Attn: Matt Adeletti
P.O. Box 471
Boulder, CO 80305



RE: Request for Waiver - Bailey 8-8-1
Township 1 North, Range 69 West
Section 1: SE/4SE/4
Boulder County, CO

Dear Mr. Adeletti:

Pursuant to our discussion, EnCana Oil & Gas (USA) Inc. ("EnCana") intends to drill the referenced well which surface hole is outside of a legal drilling window as prescribed by the Colorado Oil and Gas Conservation Commission ("COGCC"). In order to obtain the permit from the COGCC, your acceptance to the following is required:

The undersigned surface owner of the above captioned well hereby waives any location requirements as defined by the Greater Wattenberg Rule 318A as it pertains only to surface location for the drilling of the Bailey 8-8-1 well located in the SE/4SE/4 of Section 1, Township 1 North, Range 69 West, Boulder County, Colorado. Specifically, this waiver is required because the existing well (Bailey 1A well) that EnCana is proposing to drill next to was drilled prior to the enactment of the Greater Wattenberg Area Special Well Location Rule (a/k/a Rule 318A) which states that a well shall be drilled within a square with sides four hundred (400) feet in length, the center of which is the center of any quarter/quarter section; or, a square with sides eight hundred (800) feet in length, the center of which is the center of any quarter section. However, neither the existing well (Bailey 1A well), nor the newly proposed well (Bailey 8-8-1 well) is in a currently approved location. Thus, in order to drill the well from the location requested by Boulder County, EnCana needs this waiver to present to the COGCC. County as landowner does not waive any other requirements of Rule 318A of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission except for the surface location of the wellsite as depicted on the attached map.

Please indicate your acceptance of the foregoing by signing both originals of this letter and returning one (1) to my attention in the enclosed envelope.

Sincerely,

Peter Scott
Consulting Landman

AGREED TO AND ACCEPTED THIS 27th DAY OF April, 2007.

BY: Ronald K Stewart

Printed Name: Ronald K. Stewart
Title: Director, Boulder County Parks and Open Space Department