

August 22, 2012

Norton A. Billings
Sara A. Billings
1945 Spruce Avenue
Longmont, CO 80501



RE: Waiver of Rule 318A(I).a.(2)

Well Name and Surface Location

Billings 3A-18H: 1619' From South Line and 762' From West Line
Billings 3B-18H: 1609' From South Line and 762' From West Line
Billings 3C-18H: 1599' From South Line and 762' From West Line
Billings 3D-18H: 1589' From South Line and 762' From West Line
Billings 3E-18H: 1579' From South Line and 762' From West Line
Billings 3F-18H: 1569' From South Line and 762' From West Line
Billings 3G-18H: 1559' From South Line and 762' From West Line
Billings 3H-18H: 1549' From South Line and 762' From West Line
Section 18, T 3 N, R 68 W, of the 6th P.M.
Weld County, Colorado

Dear Norton and Sara Billings:

Encana Oil & Gas (USA) Inc. ("Encana") staked the above mentioned wells at surface locations as identified above (see attached Well Location Certificate). These wells are being drilled under the rules and regulations of the Colorado Oil and Gas Conservation Commission's ("COGCC") Rule 318A(I) known as the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule (Except the City and County of Broomfield). This rule states that all boundary infill wells be drilled from the same surface locations as previously designated in Rule 318A(I).a.(2) which reads:

"The Greater Wattenberg Area ("GWA") is defined to include those lands from and including Townships 2 South to 7 North and Ranges 61 West to 69 West, 6th P.M. In the GWA, operators may utilize the following described surface drilling locations ("GWA windows") to drill, twin, deepen, or recompleting a well ("GWA well") and to commingle any or all of the Cretaceous Age formations from the base of the Dakota Formation to the surface:

- (2) A square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section ("800 window").

The wells were staked at locations west/northwest of the defined 800' window. As these locations were staked with your consent and approval, Encana respectfully requests your consent to exception locations for the Billings 3A-18H, Billings 3B-18H, Billings 3C-18H, Billings 3D-18H, Billings 3E-18H, Billings 3F-18H, Billings 3G-18H and Billings 3H-18H wells by waiver of the COGCC Rule 318A(I).a.(2).

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 the undersigned at (720) 369-0432.

Respectfully,

Encana Oil & Gas (USA) Inc.

A handwritten signature in blue ink, appearing to read "Bob Bresnahan".

Bob Bresnahan
Contract Field Land Negotiator
Encana Oil & Gas (USA) Inc.

Encana Oil & Gas (USA) Inc.

3601 Stagecoach Road
Longmont, Colorado USA 80504

Cell: 720-369-0432

Bob.Bresnahan@encana.com
www.encana.com

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Billings 3A-18H
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Billings 3G-18H
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THE UNDERSIGNED SURFACE OWNERS HEREBY WAIVES RULE 318A(I).a.(2) AS IT APPLIES TO THE SURFACE LOCATIONS OF THE WELLS IDENTIFIED BELOW AND APPROVES THE SURFACE LOCATIONS AS INDICATED FROM SECTION 18, TOWNSHIP 3 NORTH, RANGE 68 WEST, WELD COUNTY, COLORADO.

<u>WELL NAME</u>	<u>SURFACE LOCATION</u>
BILLINGS 3A-18H:	1619' FROM SOUTH LINE AND 762' FROM WEST LINE
BILLINGS 3B-18H:	1609' FROM SOUTH LINE AND 762' FROM WEST LINE
BILLINGS 3C-18H:	1599' FROM SOUTH LINE AND 762' FROM WEST LINE
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NORTON A. BILLINGS


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SARA A. BILLINGS


Sara A. Billings

Encl.