

RIGHT OF WAY BRIEF**

****Non-Payment Type (If payment required, please forward to South Rockies Land Administration)**

Date of Agreement	01/17/2006	County	Mesa
	Five R Ventures	State	Colorado
Lessee	EnCana Oil & Gas (USA) Inc		

TYPE OF AGREEMENT	
Road ROW <hr/>	Surface <hr/> Site (Well) Pad SWD Site Compressor Site Other (describe below) <hr/>
Pipeline ROW <hr/>	Describe Pipeline or Gathering System (if available) <hr/> Other Type ROW (describe below) <hr/>
	Surface Facility Grant <hr/> Surface Damage Agreement MASTER SUA <hr/>
X	

ROW DESCRIPTION		
Twp / Rng	Section	Legal Description (Qtr/Qtr, or Footage)
T8S, R96W	14	NW/4NW/4

WELL NAME	_____
WELL PAD	Section/Township/Range
	LOCATION (Qtr/Qtr, or Footage)

REMARKS		
Leases Affected	EnCana #	LESSOR
Other Remarks		

Brief Prepared By	Cathy Smith	Excallbur Setup By	A. H. He
		Excallbur Lease #	39457.000
Date	10/23/2006	Date	10/30/06

MASTER SURFACE USE AGREEMENT

17th This Master Surface Use Agreement (this "Agreement") is made and entered into this day of January, 2006, by and between Five R Ventures, LTD, whose address is 455 - 35 Road, Palisade, CO 81526 (individually and collectively as "Owner") and ENCANA OIL & GAS (USA) INC 370 17th Street, Suite 1700, Denver, CO 80202 ("OPERATOR")

Whereas, this Agreement is intended to cover Operator's operations on the lands identified Mesa County, Colorado, (Property)

TOWNSHIP 8 SOUTH, RANGE 96 WEST, 6TH P M
Section 14 NW/4NW/4

Whereas, Owner and Operator wish to memorialize their agreement concerning surface use and the payment for damages to the Property in connection with the drilling, construction, completion, recompletion, reworking, re-entry, production, maintenance and operation of the well(s), access roads and pipelines(s), tank batteries and other facilities on the Property by Operator, its affiliates, successor or assigns

Therefore, for and in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Operator agree as follows

- 1 Consultation Prior to commencing operations on the Property, Operator agrees to consult with Owner regarding locations for all well pads, roads and pipelines
- 2 Well Compensation Prior to the commencement of drilling operations for each Well, Operator shall pay Owner \$6,000 per well. Such payment shall constitute payment in full by Operator and its affiliates for all normal damages, including, but not limited to, damages to growing crops, associated with the drilling, construction, completion, recompletion, reworking, re-entry, production, operation and maintenance of the Well(s)
- 3 Access Roads Easement Owner does hereby grant, bargain, convey and confirm unto Operator, a non-exclusive easement and right-of-way, as limited herein, to construct, maintain, and remove one or more access roads for ingress and egress across the Property for the purpose of drilling, completing, recompleting, reworking, producing or operating one or more wells and associated facilities on the Property or leasehold owned by Operator on lands adjacent to the Property and associated facilities. The easement and right-of-way granted herein shall be a width of forty-five feet (45'), with an eighteen foot (18') travel surface. Prior to commencement of the construction, improvement or use of any access road on the Property for oil and gas operations, Operator shall compensate Owner for each such access road at the rate of \$1.25 per linear foot of road use. When requested by Owner, Operator shall fence both sides of the access road(s) with a four strand barb wire fence. Furthermore, when requested by Owner, Operator shall install a privacy fence along one side of the access road not to exceed 150 feet in length and 6 feet in height at a site mutually agreed upon. Furthermore, when requested by Owner, Operator shall use magnesium chloride on the Access Road(s) for dust control. Operator shall not be required to apply magnesium chloride to any access road more than three times per year.
- 4 Pipeline Easement Owner does hereby grant, bargain, convey and confirm unto Operator a non-exclusive easement and right-of-way for ingress and egress across the Property to lay, construct, maintain, operate, repair, replace, and remove pipelines, together with all necessary valves, connections, and fittings for the transportation of oil, gas, and produced water, and to erect, maintain and remove cathodic protection equipment on, over, under, through and across a strip of land forty-five feet (45') in width. The Right-of-Way shall revert to thirty (30') feet in width after initial construction. All pipelines shall be buried at least 48 inches below the surface of the ground. Prior to commencement of construction of any buried gas or water pipelines on the Property, Operator shall compensate Owner at a rate of \$1.50 per linear foot of pipeline easement which may contain more than one pipeline regardless of the number of pipelines in the easement. Operator agrees the pipeline(s) will follow the access road(s) unless prior written consent concerning an alternate route is obtained from the Owner.

Recorder's Note: Poor Legibility Due
To Highlighter Used On Document

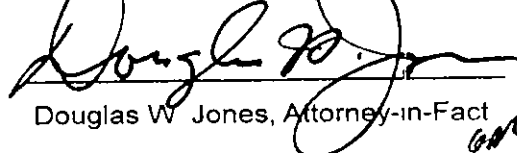
EnCana Oil & Gas, Inc
Land Department *
2717 County Rd 215, Suite 100
Parachute, CO 81635

Joe
463

- 5 Power Lines Prior to commencement of construction of any Electric Power Line of the Property, Operator shall compensate Surface owner at the rate of \$10 00 per linear rod of electric power line
- 6 Property Damage If by reason of Operator's operations, there is damage to personal property located on the Property or there is damage to the surface of the Property caused by the negligence of Operator or an unreasonable use of the surface of the Property by Operator that is not associated with reasonable and normal drilling, completion, recompletion, reworking, re-entry, production, maintenance and operation of the well(s), such as damage to structures, fences, culverts and cement ditches, such damage shall be repaired or replaced by Operator or Operator shall promptly pay Owner for such damage
- 7 Release Except as provided in paragraph numbered 6 above for cases of unreasonable surface use and/or negligence by Operator, Owner, for itself and its successors and assigns, does hereby, in consideration of the compensation received hereunder, release, relinquish and discharge Operator, its affiliates, successors and assigns from all claims, demands, damages and causes of action that Owner may have by reason of the drilling of the well(s), construction and maintenance of the access road(s), and construction and maintenance of the pipeline(s) including but not limited to all other damage or injury to the Property caused by the drilling, completion, recompletion, reworking, re-entry, production, operation and maintenance of the well(s), and Owner accepts the compensation received hereunder as full compensation therefor
- 8 Compliance with regulations Owner hereby agrees that by its payment of the damage amounts set forth above, Operator has fully complied with the applicable governmental regulations and statutes, if any, relating to the settlement of the damages contemplated herein
- 10 Memorandum Owner and Operator will jointly execute a Memorandum of this Agreement for the purpose of placing third parties on notice of this Agreement
- 11 Governing Law This Agreement shall be construed in accordance and subject to the laws of State of Colorado and subject to the jurisdiction of the Colorado Courts
- 12 Entire Agreement This instrument sets forth the entire agreement between the parties, and no representation or statement, verbal or written, has been made modifying, adding to, or changing the terms of this agreement This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, representatives, successors, agents, and assigns
- 13 Prohibited Items No firearms, pets, alcohol, illegal drugs, or hunting or any other recreation use shall be allowed on the property at any time from the operator

IN WITNESS WHEREOF, the parties have set their hands on the day and year first written above

ENCANA OIL & GAS (USA) INC.


Douglas W. Jones, Attorney-in-Fact
GM
JMB

Five R. Ventures, LTD


Michael M. Rice, General Manager

ACKNOWLEDGEMENTS

STATE OF COLORADO

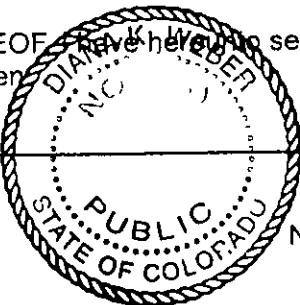
§

CITY AND COUNTY OF DENVER

On this 20th day of March, 2006, before me personally appeared Douglas W Jones, known to me to be the Attorney-in-Fact of ENCANA Oil & Gas (USA) Inc and he acknowledged that he executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written

My Commission Expires _____



6/23/09

Notary Public

Diane K Weber

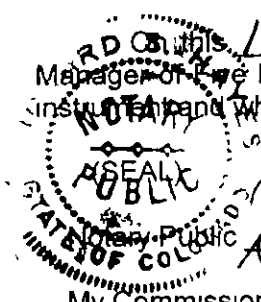
My Commission Expires 06/23/2009

STATE OF COLORADO

)
) §
)

COUNTY OF MESA

On this 17th day of January, 2006, before me personally appeared Michael M Rice, Manager of Fire R Ventures, LTD, known to me to be the person who executed the foregoing instrument and who acknowledged to me that he executed the same



Richard S. Howe

My Commission Expires _____

6-19-08