

MEMORANDUM OF SURFACE DAMAGE AND RELEASE AGREEMENT

Pursuant to the terms of that certain unrecorded Surface Damage and Release Agreement dated effective the 21st day of September, 2010 between the undersigned, and subject to the conditions set forth therein, Encana Oil & Gas (USA) Inc. ("Encana") with an address at 370 17th Street, Suite 1700, Denver, Colorado 80202, and Charla Rae Jillson Richardson ("Owner") with an address at 8120 2877 County Road 18, Longmont, Colorado 80504, agreed to the location of one or more oil and gas wells and payment for damages to the surface of Land connected with the access to and the drilling, construction, completion, recompletion, reworking, re-entry, production, maintenance and operations of the Wells and associated pipelines, tank batteries and other facilities or property of Encana associated with the wells and located on the following Land:


Township 2 North, Range 68 West, 6th P.M.
Section 22: SE/4SW/4
Weld County, Colorado

This Memorandum of Surface Damage and Release Agreement is executed by Owner and Encana and placed of record in Weld County, Colorado for the purpose of placing all persons on notice of the existence of the Agreement.

In witness whereof this instrument is executed effective the 21st day of September, 2010.

ENCANA OIL & GAS (USA) INC.

By: 

Ricardo D. Gallegos, Attorney-in-Fact 

OWNER: Charla Rae Jillson Richardson


Charla Rae Jillson Richardson

ACKNOWLEDGMENTS

STATE OF COLORADO)
)ss
CITY AND COUNTY OF DENVER)

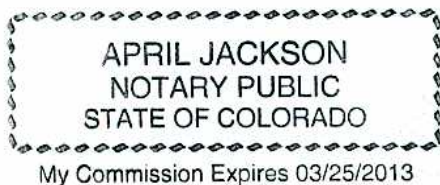
On this 27th day of September 2010, before me personally appeared Ricardo D. Gallegos who executed the within and foregoing instrument as Attorney-in-Fact of Encana Oil & Gas (USA) Inc. on behalf of the corporation, and acknowledged the instrument to be the free and voluntary act and deed of the corporation 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 _____

Notary Public: April Jackson

(SEAL)



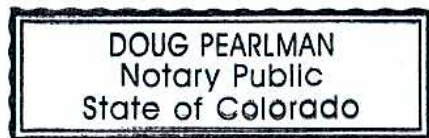
STATE OF COLORADO)
)ss
COUNTY OF WELD)

On this 21st day of September, 2010, before me personally appeared Charla Rae Jillson Richardson, known to me to be the person who executed the within and foregoing instrument, and acknowledged that he/she executed said instrument as his/her free and voluntary act and deed 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: June 30th, 2013

(SEAL)



Notary Public: Doug Pearlman
Doug Pearlman
Address: 2004 Vine Street, Denver, CO 80205

SURFACE DAMAGE AND RELEASE AGREEMENT

This Surface Damage and Release Agreement (this "Agreement") is made and entered into this 21st day of September, 2010 by and between Charla Rae Jillson Richardson ("Owner") with an address at 2877 County Road 18, Longmont, Colorado 80504 and Encana Oil & Gas (USA) Inc. ("Encana") with an address at 370 17th Street, Suite 1700, Denver, Colorado 80202.

Whereas, Encana has the right to one or more oil and gas wells (the "Wells") on the lands described below:

Township 2 North, Range 68 West, 6th P.M.
Section 22: SE/4SW/4
Weld County, Colorado

Whereas, Owner is the owner of the following lands (the "Lands"):

Township 2 North, Range 68 West, 6th P.M.
Section 22: PT of the SW/4,
more particularly described as
S/2SW/4, containing 74 acres more or less.
Weld County, Colorado

Whereas, Owner and Encana wish to memorialize their agreement concerning the payment for damages to the surface of the Lands in connection with the access to and the drilling, construction, completion, recompletion, reworking, re-entry, production, maintenance and operation of the Wells and all pipelines, tank batteries and other facilities or property of Encana or its affiliates associated with the Wells and located on the Lands.

Therefore, for and in consideration of the covenants and agreements contained herein, and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Encana agree as follows:

1. Prior to the commencement of drilling operations for the Wells, Encana shall pay Owner the sum of Three Thousand Five Hundred and no/100 dollars, (\$3,500.00) ("Damage Amount"). Such payment shall constitute payment in full by Encana and its affiliates for all normal damages, including but not limited to damages to growing crops, associated with the access to and the drilling, construction, completion, recompletion, reworking, re-entry, production, operation and maintenance of the Wells. Normal damages include, but are not limited to, reasonable and customary ingress, egress, rights-of-way, construction of all access roads, preparation and use of the drillsite area, preparation and use of reserve pits, and construction, installation and maintenance of production equipment and facilities such as flowlines, gas pipelines, separators, tank batteries and other equipment or facilities necessary or convenient for the production, transportation and sale of oil and/or gas therefrom. The Wells, flowline, access road and facilities are generally depicted on Exhibit A attached hereto and made a part hereof.

2. If by reason of Encana's operations, there is damage to personal property located on the Lands or there is damage to the surface of the Lands caused by the negligence of Encana or an unreasonable use of the surface of the Lands by Encana that is not associated with reasonable and normal drilling, completion, recompletion, reworking, re-entry, production, maintenance and operation of the Wells, such as damage to structures, fences, culverts and cement ditches, such damage shall be repaired or replaced by Encana or Encana shall promptly pay Owner for such damage.
3. Owner warrants that he is the owner of the entire interest in the surface of the Lands and that no one who is not a party to this Agreement is entitled to payment for normal damage to the surface of the Lands for which payment has been made pursuant to paragraph numbered 1 above.
4. Except as provided in paragraph numbered 2 above for cases of unreasonable surface use and/or negligence by Encana, Owner, for itself and its successors and assigns, does hereby, in consideration of the Damage Amount, release, relinquish and discharge Encana, 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 Wells and all other damage or injury to the Lands caused by the drilling, completion, recompletion, reworking, re-entry, production, operation and maintenance of the Wells, and Owner accepts the Damage Amount as full compensation therefore.
5. Owner expressly acknowledges that this Agreement satisfies the obligations and requirements of Encana pursuant to Colorado Oil and Gas Conservation Commission rules and regulations and Colorado statutes to consult in good faith with Owner regarding proposed oil and gas operations on the Land. Owner expressly acknowledges that this Agreement shall be deemed to be specifically applicable to, and to satisfy fully, the obligation of Encana to accommodate the Owner's use of the surface of the Land, existing and future, and Owner waives any statutory or common law claims to the contrary including, but not limited to, any claims pursuant to C.R.S. 34-60-127. Owner also acknowledges that Encana has fully complied with all other applicable governmental regulations and statutes, if any, relating to the settlement of the damages contemplated herein.
6. Owner acknowledges that Encana's representative has met with and consulted with Owner (or Owner's representative) as to the location of the wellsite, access road, flowline, tank battery and other associated production facilities and that this Agreement incorporates the results of such meeting(s) and consultation(s).
7. In conducting operations on the Lands, Encana shall:
 - A. Limit the size of the wellsite to approximately 400 feet by 400 feet during any drilling, completion, recompletion or workover operations, and the wellsite shall be no more than ¼ acre in size during other periods. The area required for the tank battery location associated with the Wells shall be limited to approximately one-half acre in size upon completion of construction. The access road shall be limited to approximately 30 feet in width during drilling, completion,

recompletion and workover operations. The permanent access roads to the wellhead and tank battery location shall be limited to 15 feet in width.

B. Separate the top soil at the time of excavation of pits so that the top soil and subsurface soil may be placed back in proper order as nearly as possible.

C. Reclaim the wellsite as nearly as practicable to its original condition and, if the location is in pasture, reseed the location with native grasses. Weather permitting, reclamation operations shall be completed within three months following drilling and subsequent related operations, unless Encana and Owner mutually agree to postponement because of crop or other considerations.


D. Use its best efforts to keep the Well and battery sites free of weeds and debris.

8. Owner waives the minimum thirty day written notice requirement described in the Notice Letter provided by Encana to Owner.
9. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties, and may be executed in counterparts.

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

ENCANA OIL & GAS (USA) INC.

By: 

Ricardo D. Gallegos
Attorney-in-Fact 

OWNER: Charla Rae Jillson Richardson

By: 

Charla Rae Jillson Richardson

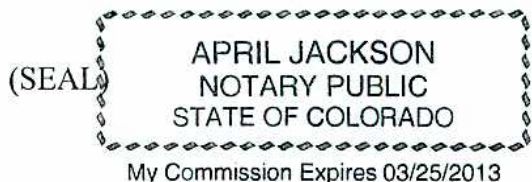
ACKNOWLEDGMENTS

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

On this 27th day of September, 2010, before me personally appeared Ricardo D. Gallegos who executed the within and foregoing instrument as Attorney-in-Fact of Encana Oil & Gas (USA) Inc. on behalf of the corporation, and acknowledged the instrument to be the free and voluntary act and deed of the 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: _____

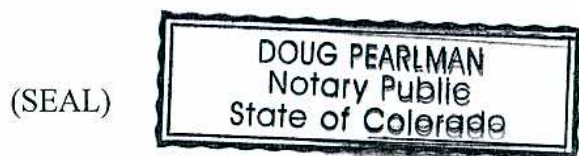


Notary Public: *April Jackson*

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

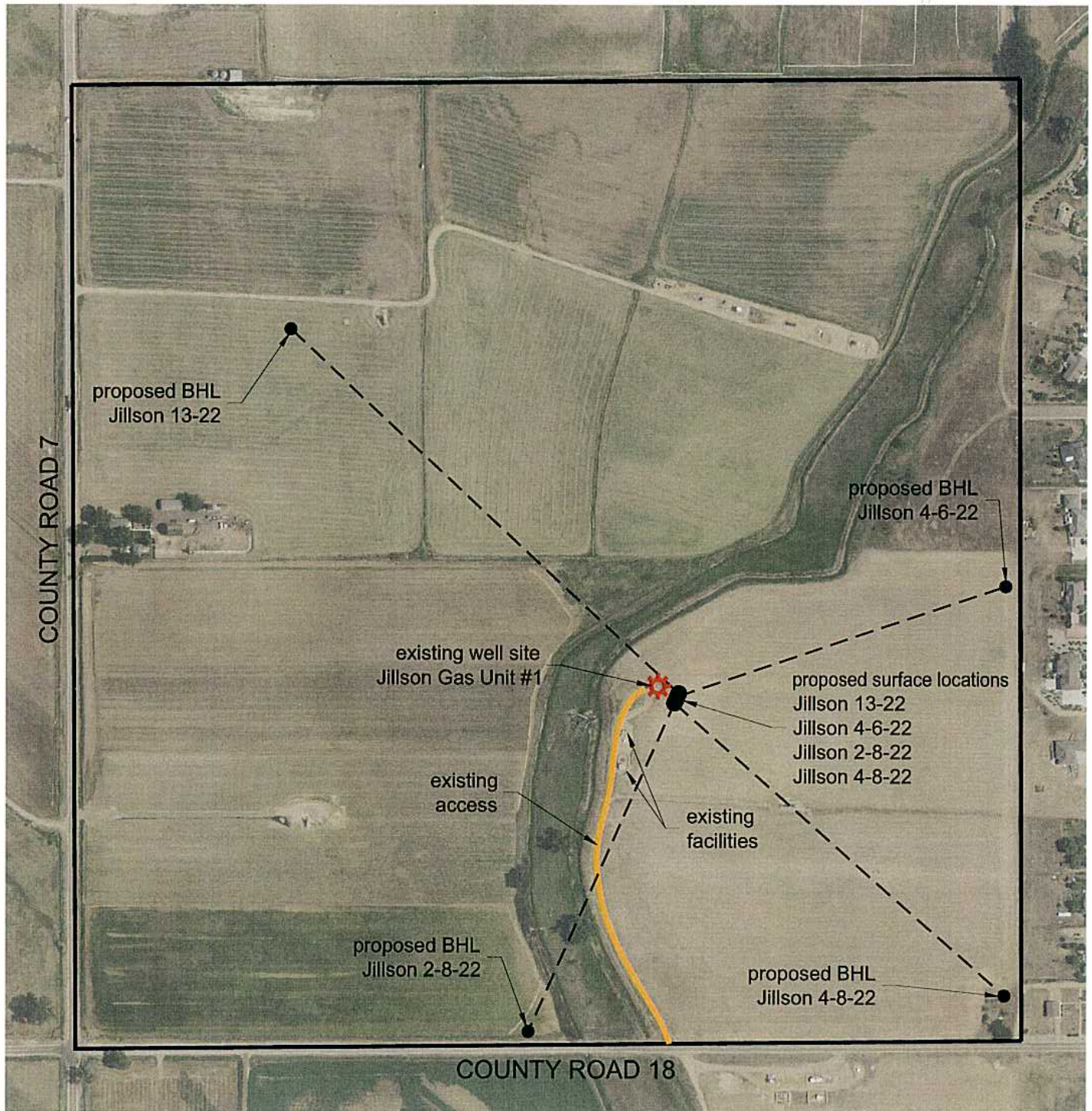
The foregoing instrument was acknowledged by Charla Rae Jillson Richardson, before me on this 21st day of September, 2010.

My Commission Expires: 06/30/2013



Doug Pearlman
Notary Public: Doug Pearlman
Address: 2004 Vine Street, Denver, CO 80205

EXHIBIT A



TOWNSHIP 2 NORTH, RANGE 68 WEST
SECTION 22: SW $\frac{1}{4}$

WELD COUNTY, COLORADO

SCALE: 1" = 400'

September 21, 2010