



EnCana Oil & Gas (USA) Inc.

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November 25, 2002

Via Facsimile 970.858.7521 and Certified Mail

Mr. Jaime Adkins
State of Colorado
Oil & Gas Conservation Commission
PO Box 98
Loma, Colorado 81524

Re: Notice of Alleged Violation, November 18, 2002

Dear Mr. Adkins:

This letter is in response to the NOAV issued to EnCana Oil & Gas (USA) Inc. on November 18, 2002. The NOAV cited an alleged violation on November 17, 2002 of the Access and Transportation Plan, AOC dated October 4, 2002. Two trucks, one from TD Production Inc. and the other from Basin Western Company, were observed using the Grass Mesa Hill Access Road on November 17, 2002. The NOAV required EnCana to provide an explanation of the incident and of what will be done in the future to prevent another occurrence.

After investigation of the incident, EnCana learned that the driver of the TD Production truck was a Grass Mesa resident who said that he thought he was permitted to use the road. The TD Production truck was leading the Basin Western truck up the road. Prior to November 15, EnCana had told the driver for TD Production that he was not permitted to use the road for heavy truck access after November 15 under any circumstances and that EnCana would not tolerate any use of the access road. EnCana also had shown the foreman for Basin Western which road Basin Western was to use.

In keeping with its policy regarding violation of the Access and Transportation Plan, EnCana will no longer permit either driver to perform any work for his employer under contract to EnCana. EnCana also informed both TD Production and Basin Western that they will no longer perform work on Grass Mesa for EnCana. Since November 20, EnCana has also posted a large sign on the access road prohibiting all truck traffic. To ensure compliance with the Access and Transportation Plan, EnCana met with all of its contractors on November 22 and again stated that no one was permitted to use the road for heavy truck access and that EnCana would not tolerate any use of the road.

EnCana has taken immediate steps to ensure compliance with the Access and Transportation Plan. If you have any questions or require additional information, please contact me on (303) 389-5085.

Sincerely,

Chris R. Williams by domb

Chris R. Williams
EH&S Coordinator, Southern Rockies

cc: David Grisso
Eric Marsh
Joel Fox
Diane Blieszner
Brian Macke

