Appendix A

WATER CUSTODY TRANSFER AGREEMENT

This WATER CUSTODY TRANSFER AGREEMENT is made effective May 17, 2012, ("Effective Date"), by and between Axia Energy ("Axia") and Encana Oil and Gas (USA), Inc. ("Encana"), sometimes referred to collectively as "Parties" or singularly as "Party" or "Supplier/Shipper" or "Receiver".

RECITALS

A. The Parties entered into this Water Custody Transfer Agreement made effective May 17, 2012, pursuant to which the Parties set forth the terms and conditions for possible transfers of water from either company's operations in the Piceance Basin of Colorado. Actual transfers of water shall be also subject to the specific terms and conditions of Records of Transfer. This Water Custody Transfer Agreement together with executed Records of Transfer, if any, shall be referred to as the "Water Transfer Agreement" or "Agreement".

B. The water subject to the transfer under this Water Transfer Agreement consists primarily of produced water from non-tributary, non-coalbed methane wells and flowback water from the Parties respective completion operations (collectively "Production/Flowback Water").

C. Transfer of Production/Flowback Water between the Parties is expected to significantly reduce water disposal volumes, wastes, haul distances, and truck traffic and monetary costs, in addition to being consistent with State of Colorado regulatory agencies' objectives of resource conservation, waste minimization and recycling and re-use of water.

D. The Parties desire to include this Water Custody Transfer Agreement as an Appendix to the Production Water Reuse and Waste Minimization Plan to give notice of the existence of the Water Transfer Agreement and the legal responsibility for Production/Flowback Water transferred between the Parties.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, Axia and Encana agree as follows:

Term. The Water Transfer Agreement shall be in effect for all time periods and volumes of Production/Flowback Water transferred between the Parties until terminated by either Party by providing written notice to the other Party at least thirty (30) days prior to the effective date of the termination. The terminating Party is also responsible for notifying the COGCC in writing of the termination of the Water Transfer Agreement between the Parties.

Custody Transfer. It is agreed that the transferring company ("Supplier/Shipper") shall maintain all legal and regulatory responsibility, custody and control for any Production/Flowback Water that is transferred under this Agreement until such time as it is Delivered to the receiving company ("Receiver") or its designee at which point the Receiver will assume all legal and regulatory responsibility, custody and control for the Production/Flowback Water. For purposes of this Agreement, "Delivered" or "Delivery" shall mean the instant the water leaves the water truck(s) or water pipeline(s) at the mutually agreed upon Transfer Location of the Transferee. The Party having legal custody of the Production/Flowback Water, as described in this Paragraph, shall be the Party with primary responsibility for any spills or releases of Production/Flowback Water, including notifications and clean-up, if and as applicable.

Quality. Supplier/Shipper shall verify that the quality of its Production/Flowback Water is suitable for the intended use by the Receiver and shall maintain laboratory analytical results for the water samples that are representative of the Production/Flowback Water quality.

Record Keeping and Reporting. The Supplier/Shipper shall be the primary Party to maintain records of its Production/Flowback Water and all transfers of Production/Flowback Water between the Parties in accordance with applicable laws and promulgated regulations. The Supplier/Shipper shall provide copies of its Record of Transfer within 30 days of completing the transfer. The Supplier/Shipper shall be responsible for preparing and submitting an Annual Report to the COGCC which summarizes its respective Production/Flowback Water transfers for the previous calendar year. The Annual Report will include a spreadsheet that summarizes the

information contained in the Record(s) of Transfer. The annual report for the previous calendar year will be submitted to the COGCC by February 15 of the following year.

Usage. The Supplier/Shipper warrants and represents that it has the right to use and consume all of the Production/Flowback Water to be delivered to the Receiver and that such Production/Flowback Water will come from non-coalbed methane wells determined to be "non-tributary" in accordance with applicable laws and regulations. In addition, the Supplier/Shipper warrants and represents that it has complied with all water permitting and related other legal requirements concerning its Production/Flowback Water, including but not limited to any requirements from the Colorado State Engineer's office.

Compliance. Each Party shall comply with all applicable laws and promulgated regulations of governmental entities having jurisdiction over the Production/Flowback Water, the Transfer Location, or the transfer process including without limitation: a) maintaining an approved plan for the management of its Production/Flowback Water and its reuse; b) timely notifying and reporting reportable spills or releases of Production/Flowback Water; c) maintaining laboratory analytical results of representative samples of its Production/Flowback Water and waste generator/transfer records; d) conducting and maintaining records of environmental, health, and safety training of personnel and procedures, and e) submitting electronically an annual report to the COGCC summarizing water transfers for the previous calendar year by February 15 of the following year. Each Party shall also comply with all written environmental, health and safety policies and procedures provided to it by the other Party pertaining to the Transfer Location or the transfer process.

Relationship of the Parties. Neither Party is the partner, agent, or legal representative of the other, and there is no fiduciary relationship between them.

No Third Party Beneficiary Rights. This Water Transfer Agreement shall be construed to benefit the Parties and their respective successors and assigns only, and shall not be construed to create third party beneficiary rights.

Entire Agreement; Successors and Assigns. This Water Transfer Agreement contains the entire understanding of the Parties and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof. This Water Transfer Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Water Transfer Agreement effective as of the date first above written.

By_____
Jeff Villalobos
Group Lead, Completions
SRBU – North Piceance
Encana Oil and Gas (USA), Inc.

By_____
Adam Sayers
Executive Vice President
Axia Energy, LLC

Exhibit A
to
Memorandum of
Master Production Water Custody Transfer Agreement
Between Axia Energy, LLC ("Axia")
and Encana Oil and Gas (USA) Inc. ("Encana")

RECORD OF PRODUCTION WATER TRANSFER

Proposed Transfer/Transport Date(s): Pickup Time:
Actual Transfer/Transport Date(s): Delivery Time:

SUPPLIER/SHIPPER	RECEIVER
Company:	Company:
Representative: Printed Name: Signature:	Representative: Printed Name: Signature:
Phone:	Phone:
Source Location Name/ID:	Transfer Location Name/ID:

Point of Custody Transfer: At the Transfer Location unless otherwise specified below or by attachment(s).

Volume Transferred: Proposed Volume _____ bbls

Actual Volume _____ bbls

Name & Contact Information of Trucking/Transfer Company:

Water Transfer and Volume Records: Attach haul tickets or other volume documentation. The Shipper is responsible for maintaining laboratory analytical results for a representative sample of the Production Water being transferred.

Record Retention: Upon completion of transfer, ensure that both Shipper and Receiver receive a completed copy of this finalized form together with such volume and other records as necessary to meet COGCC recordkeeping requirements.

Record Retention Period: 5 years from Actual Transfer/Transport Date unless otherwise specified below or by attachment(s).

Special Instructions: None unless otherwise specified below or by attachment(s).