

## **Exhibit B**

### **SURFACE DAMAGE AND RELEASE AGREEMENT**

This Surface Damage and Release Agreement (“Agreement”) is made and entered into this \_\_\_ day of February 2012, by and between Airport Land Partners Limited, whose address is 312 Aspen Airport Business Center, Suite A, Aspen Colorado 81611 (“Owner”) and Encana Oil & Gas (USA) Inc., whose address is 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202 (“Encana”).

Whereas, Owner and Encana are parties to that certain Letter Agreement Regarding Restricted Lands and Encana Operations dated February 9, 2012 (the “Letter Agreement), wherein among other things ALP agreed to the location of certain of Encana’s facilities for oil and gas operations; and

Whereas, Encana desires to expand the J24 Wellpad and drill one or more oil and/or gas wells from such Wellpad located on the surface of the lands described below, in Garfield County, Colorado:

TOWNSHIP 6 SOUTH, RANGE 93 WEST, 6<sup>TH</sup> P.M.  
J24 Wellpad located in Section 24: NWSE, SWNE

Whereas, Encana desires to construct the I23NW Wellpad and drill one or more oil and/or gas wells from such Wellpad located on the surface of the lands described below, in Garfield County, Colorado:

TOWNSHIP 6 SOUTH, RANGE 93 WEST, 6<sup>TH</sup> P.M.  
I23NW Wellpad located in Section 23: NESE, SENE

The J24 Wellpad and the I23NW Wellpad are each referred to herein as a “Wellpad” or together as the “Wellpads,” and the wells drilled from the Wellpads are referred to herein as the “Wells”;

Whereas, the location on the lands of the Wellpads are generally shown on Exhibits A-1 and A-2, and the land areas underlying the Wellpads are hereinafter referred to as “the Lands”; and

Whereas, Owner and Encana wish to enter into an agreement concerning the use of the surface of the Lands and concerning damages to the surface of the Lands in connection with 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 associated with the Wells and located on the Lands.

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 Encana agree as follows:

1. Owner agrees that Encana may use the surface of the Lands for the construction of the Wellpads and for 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 associated with the Wells and located on the Lands.
2. The Payment referred to in this Agreement as the "Damage Payment" has paid in full in accordance with the terms of the Letter Agreement.
3. Owner acknowledges that Encana may at any time re-enter a Wellpad to conduct drilling and completion operations in accordance with Colorado Oil and Gas Conservation Commission regulations.
4. The location of the Wellpads is generally shown on Exhibits A-1 and A-2 attached hereto and made a part hereof. Exhibits A-1 and A-2 are not intended to show the final location of the Wellpads and other facilities as actually constructed. The names given to the Wellpads in this Agreement are subject to change.
5. Owner agrees that the Damage Payment shall constitute payment in full by Encana for all normal damages associated with the drilling, construction, completion, recompletion, reworking, re-entry, production, operation and maintenance of the Wells. Normal damages include, but are not limited to, damages to growing crops, reasonable and customary ingress, egress, rights-of-way, construction of all access roads, preparation and use of the drill site area/well pad, preparation and use of reserve pits, and construction, installation and maintenance of production equipment and facilities such as flow lines, 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.
6. 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 its contractors, or if Encana should unreasonably use the surface of the Lands in such a manner so as to damage structures, fences, culverts and cement ditches, such damage shall be repaired by Encana or Encana shall promptly pay Owner for such damage.
7. Owner warrants that it is the owner of the surface of the Lands and that no one who is not a party to this Agreement is entitled to payment for damages to the surface of the Lands as provided for herein.
8. Encana agrees to reclaim the Lands in accordance with Colorado Oil and Gas Conservation Commission rules and regulations.
9. Except as provided in paragraph 6 above, Owner, for itself and its successors and assigns, in consideration of the Damage Payment, does hereby release, relinquish and discharge Encana, its affiliates, successors and assigns, from all claims, demands, damages and causes of action that Owner may have as a result of damages or injury to the Lands caused by the drilling, completion, recompletion, reworking, re-entry, production, operation and maintenance of the

Wells and associated facilities and Owner accepts the Damage Payment as full and complete compensation therefor.

10. Owner hereby agrees that by making the Damage Payment provided for herein, Encana has, with such Payment, fully complied with the applicable governmental regulations and statutes, if any, relating to the settlement of the damages.
11. If either Encana or Owner defaults under this Agreement, the defaulting party shall be notified in writing of the facts relied upon as constituting a breach hereof, and the defaulting party shall, within sixty (60) days after receipt of such notice, commence compliance with the obligations imposed by this Agreement. In the event the defaulting party does not commence compliance with the obligations imposed by this Agreement within said sixty (60) day period, the non-defaulting party shall have the right to take such action as will cure the default and shall have the right to invoice the defaulting party for reasonable costs incurred in curing the default.
12. Owner expressly acknowledges that this Agreement satisfies the obligations and requirements of Encana pursuant to Colorado Oil and Gas Conservation Commission rules and regulations 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 Lands, existing and future, and Owner waives any statutory or common law claims to the contrary including, but not limited to, any claims pursuant to Colorado Revised Statutes § 34-60-127. Owner hereby agrees to waive all thirty (30) day notices as required by the COGCC for issuing APDs or as may be required under consultation provisions of COGCC Rule 305 or 306.
13. This Agreement or any section hereof shall not be construed against any party due to the fact that this Agreement or any section hereof was drafted by said party.
14. This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Agreement.
15. Any disputes between the parties arising out of or in connection with this Agreement shall be fully and finally settled by arbitration, before one arbitrator, in accordance with the most current CPR Institute for Dispute Resolution rules. Such arbitration shall be conducted in Denver, Colorado. Each party shall pay its own costs and attorneys fees.
16. In no event shall either party be liable to the other under this Agreement, for, and each party releases the other from and against, any indirect, special, incidental, punitive, exemplary or consequential damages, including, but not limited to, damages for loss of revenue and profits, loss of business or business interruptions, loss of use of assets, facilities or land, related to the performance under this Agreement (collectively, "Losses"), WHETHER OR NOT SUCH LOSSES ARE THE RESULT IN WHOLE OR IN PART FROM THE SOLE, CONCURRENT, OR COMPARATIVE NEGLIGENCE OF ANY PERSON OR PARTY, OR

ANY BREACH OF STATUTORY DUTY, STRICT LIABILITY OR ANY OTHER THEORY OF LEGAL LIABILITY.

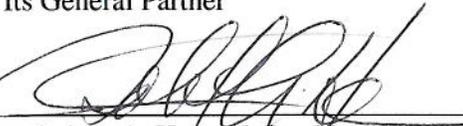
17. This Agreement shall be binding upon and shall inure to the benefit of Owner and Encana and to their respective successors, agents, and assigns.

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

**AIRPORT LAND PARTNERS LIMITED**

**ENCANA OIL & GAS (USA) INC.**

By: Airport Business Park Corporation,  
Its General Partner

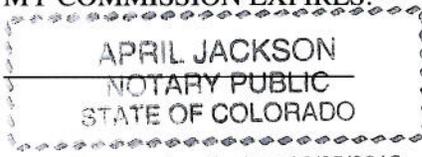
By:   
Robert A. Howard, President

By:   
Ricardo D. Gallegos  
Attorney-in-Fact

ACKNOWLEDGEMENTS

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

This instrument was acknowledged before me on this 14<sup>th</sup> day of February 2012, by Ricardo D. Gallegos as Attorney in Fact of Encana Oil & Gas (USA) Inc., on behalf of said corporation.

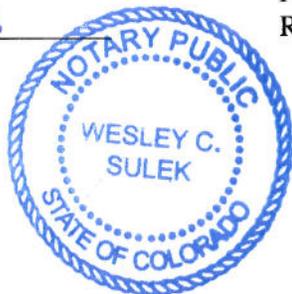
MY COMMISSION EXPIRES:  
  
APRIL JACKSON  
NOTARY PUBLIC  
STATE OF COLORADO  
My Commission Expires 03/25/2013

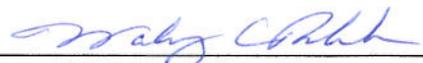
  
Notary Public in and for said State and County  
Residing at: 7101 Halamath St., Denver, CO 80221

STATE OF COLORADO )  
) ss:  
COUNTY OF Pitkin )

This instrument was acknowledged before me on this 10<sup>th</sup> day of February 2012, by Robert A. Howard as President of Airport Business Park Corporation, General Partner of Airport Land Partners Limited.

MY COMMISSION EXPIRES:  
11/12/2013



  
Notary Public in and for said State and County  
Residing at: 129 Mining Stack Pkwy, Aspen, CO 81611