



732

COMPATIBLE DEVELOPMENT AND SURFACE USE AGREEMENT

This Compatible Development And Surface Use Agreement ("Agreement") is made and entered into this 25<sup>th</sup> day of September 2006, by and among The Town of Firestone and the Firestone Finance Authority (hereinafter referred to individually as "Town" and "FFA" and collectively referred to as "Owner") with an address of 151 Grant Avenue, P.O. Box 100, Firestone, Colorado, 80520-0100, Foundation Energy Management, LLC, ("FEM") with an address of 5220 Spring Valley Road, Suite 212, Dallas, Texas, 75254 and EnCana Oil & Gas (USA) Inc. ("EnCana") with an address of 370 17th Street, Suite 1700, Denver, Colorado 80202. FEM and EnCana may be individually or collectively referred to as "Operator". Operator and Owner may be referred to as a "Party" or collectively as the "Parties".

RECITALS

- A. The FFA owns and the Town leases the surface of that tract of land located in the N/2 Section 18, Township 2 North, Range 67 West, Weld County, Colorado as more particularly described on Exhibit A and depicted on Exhibit D attached hereto (the "Described Premises"), and Owner intends to develop the Described Premises.
- B. EnCana operates the Oil and Gas Lease more particularly described on attached Exhibit B covering all or parts of the Described Premises. EnCana operates the Kugel 11-18, Kugel 12-18, Kugel 21-18, Kugel 22-18, Kugel 31-18, Kugel 41-18, Kugel 42-18, Kugel 1-18, Kugel 2-18, Miller 12-17, Wandell 24-7 and Wandell 34-7 Wells ("Existing Wells"), FEM operates the Kugel V 18-3, Kugel V 18-4, Kugel V 18-5 and Kugel 18-5 ("Existing Wells"), EnCana has been issued an Approved Permit to Drill the Wandell 14-7 Well, from the Described Premises, and EnCana and FEM have the continued right to conduct operations and to drill development wells ("Future Wells") on the Described Premises. Existing Wells and Future Wells may be referred to as the "Wells". The Wells along with associated operational and production facilities and access thereto are depicted on Exhibit C attached hereto.
- C. Current Colorado Oil & Gas Conservation Commission ("Commission") rules and regulations allow the owner of the oil and gas rights under the Described Premises to drill, twin, deepen or recomplete a well for production from any of the Cretaceous Age formations from drilling locations comprised of a square with sides four hundred feet (400') in length, the center of which is the center of any quarter/quarter section, and a square with sides eight hundred feet (800') in length, the center of which is the center of any quarter section ("Drilling Location Windows") as more particularly depicted on Exhibit D. Owner and Operator recognize that Operator has the right to a reasonable use the surface of the Described Premises for oil and gas operations.
- D. This Agreement provides for and is limited to the compatible development of the surface estate and the oil and gas estate for the Described Premises and is not intended to circumvent any federal, state or local governmental process.

NOW THEREFORE, in consideration of the covenants and mutual promises set forth in this Agreement, the Parties agree as follows:

- 1. Oil and Gas Operations Areas.
  - a. Operator agrees to limit all its current and future oil and gas operations conducted on the Described Premises to the locations depicted on Exhibit D and identified as "Oil and Gas Operations Area". The Oil and Gas Operations Areas may be used for drilling, completion, and maintenance of wells and equipment, production operations, workovers, well recompletions and deepenings, fracturing, twinning, the drilling of replacement wells and the location of associated oil and gas production and facilities and for drilling oil and gas wells that produce from and drain the Described Premises as well as



lands which are pooled or communitized with the Described Premises and/or are directionally or horizontally drilled to bottomhole locations outside the Described Premises. The Oil and Gas Operations Areas shall be limited in size and configuration as depicted on Exhibit D. All of Operator's surface operations described above, including but not limited to drilling, shall be limited to the Oil and Gas Operations Areas and shall not occur within those portions of the Drilling Location Windows located outside of an Oil and Gas Operations Area or within any other portion of the Described Premises.

b. Operator agrees to locate, build, repair and maintain wells, tanks, separators, dehydrators, compressors and all other associated oil and gas drilling and production equipment and facilities within the Oil and Gas Operations Areas and within no other portion of the Described Premises. Operator reserves the right to expand facilities within the Oil and Gas Operations Area as needed to accommodate its Wells.

c. Owner will not plat any surface property line within the Oil and Gas Operations Area and no temporary or permanent building, structure, or other improvement will be constructed or installed by Owner within the Oil and Gas Operations Area. The foregoing shall not apply to the platted and approved property lines for Lot 1 of the Firestone Central Park First Filing Minor Subdivision ("Lot 1") insofar only as Lot 1 overlaps the Oil and Gas Operations Area as depicted on Exhibit D. The Oil and Gas Operations Area will be for the exclusive use of oil and gas drilling and production operations.

d. Owner agrees to provide a fifty foot (50') no build zone for occupied or habitable structures around each Oil and Gas Operations Area as depicted on Exhibit D.

e. Operator specifically agrees, and this Agreement shall be construed to provide, that no portion of Lot 1 is subject to or encumbered by any no build zone or any Oil and Gas Operations Area, insofar only as Lot 1 overlaps the Oil and Gas Operations Area as depicted on Exhibit D.

f. Upon Operator's plugging, capping and abandonment of all wells within each of the Oil and Gas Operations Areas, each of the Oil and Gas Operations Areas shall become permanent setback areas for future mineral extraction.

## 2. Access to the Oil and Gas Operations Areas.

a. Access to the Oil and Gas Operations Areas will remain along the routes depicted on Exhibit C. Should Owner construct public streets as depicted on Exhibit D, each entry off those public streets into an Oil and Gas Operations Area shall include a forty foot (40') curb cut.

b. Owner may request a relocation of access provided, however, that all costs and expenses of such relocations will be borne by Owner and approved by Operator in advance of construction, which approval shall not be unreasonably withheld. Operator will be assured of uninterrupted access to all the Oil and Gas Operations Areas and no such access may be closed to Operator until an acceptable replacement access route is available for use. If requested, Operator will provide a disclaimer stating its abandonment of the current access routes as depicted on Exhibit C in favor of the improved access routes as depicted on Exhibit D. Operator by this agreement, does not waive, relinquish or abandon any of its rights of access to the Described Premises.

c. Upon abandonment of the current access routes depicted on Exhibit C, Operator agrees to reclaim, at its cost, the access routes not scheduled for improvement by Owner. If the access route is not improved, Operator will not perform any reclamation.

d. Owner will keep the portions of access roads jointly used by both Owner and its occupants and Operator in good condition and repair, provided, however, if Operator causes damage to a portion of a road that is jointly used by both Operator and Owner or its occupants and which is constructed to the specifications in section 2.e.(1), Operator agrees to promptly repair any damage that is a direct result of its use of the road. Operator shall be responsible for access road maintenance from the curb cut to and into the Oil and Gas Operations Areas.



- e. No party will unreasonably interfere with the use by the other of an access road.
- f. Construction and Width of Access Roads.

(1) Access roads or portions of access roads that are jointly used by Operator and Owner will be thirty (30') feet in width, except for Park Avenue, which will be constructed in accordance with the cross-section set forth on Exhibit E, and Owner will construct or improve all paved or improved joint access roads so as to withstand the weight of oilfield equipment. Specifically, Owner will construct the roads so that they can be used to withstand the weight of 110,000 pounds and 28,000 pounds per axle.

(2) Access roads or portions of access roads that are used exclusively by Operator will be thirty (30) feet in width and Operator will install and maintain them in accordance with the Commission standards that apply to oil and gas operations. Operator shall install and maintain a gravel surface for the fifty feet (50') of each access adjacent to the public street to help reduce the tracking of mud onto the public street.

3. Pipelines, Flowlines and Pipeline Easements.

a. Owner acknowledges and understands that Operator has the right to continue to use the flowlines, pipelines and pipeline easements that it is currently utilizing to service the Existing Wells as depicted on Exhibit C and to construct, repair, maintain and replace such flowlines and pipelines.

b. Locations of existing and future flowlines, pipelines and easements may be changed at the request of Owner provided that the change does not unreasonably interfere with oil and gas operations, and relocation costs will be paid 75.0% by Owner and 25.0% by Operator for each of their respective flowlines. In the event that Owner requests the relocation of an existing pipeline or flowline, Operator will provide Owner with a written estimate of the relocation costs. Owner must approve the estimate and remit to Operator either the amount of the estimate or other amount agreed to in writing by Operator prior to Operator's commencement of the relocation work. Operator will schedule the work with the Owner at the time a written estimate is presented to the Owner, and will commence work within sixty (60) days of Owner's approval of the cost estimate. After completion of the work, Operator will provide to Owner an itemized statement showing the actual cost of the work. If the actual cost of the work is less than the estimate, Operator will pay the difference to Owner. If the actual cost of the work is greater than the estimate, Owner will pay 75% of the difference to Operator within thirty (30) days of receipt of the itemized statement, and Operator will pay 25% of the difference. Operator will designate the contractor to complete the work.

c. All current and future Pipeline easements will be fifty (50) feet in width during original construction activities and thirty (30) feet in width for all other operations, maintenance and transportation activities. Flowline easements will be will be fifty (50) feet in width during original construction activities and thirty (30) feet in width for all operations. All Pipelines and Flowlines will be installed at approximate depths of forty eight (48) inches below the surface of the ground.

d. Owner will have the right to cross pipeline easements at approximately right angles, and Owner will also have the right to install and maintain access to such easements for utility lines, including those for water, gas, sewer, electric, telephone, cable, television and fiber optic and other pipelines that travel within the pipeline easements provided for herein, provided however; i) any new underground facilities which travel within a pipeline easement identified herein will be located a distance horizontally of at least ten (10) feet from parallel existing pipelines; ii) any new underground facilities will have at least twenty- four (24) inches of vertical clearance between such new facility and a pipeline provided for herein; and iii) any overhead power lines will be at least twenty (20) feet above the ground. Owner will pay Operator 75% of all costs and expenses incurred by Operator to encase its pipelines and flowlines to the extent that such pipelines and flowlines intersect and underlie any street or any other road either in advance of or at the time that Owner commences construction of any street and/or such other road, at the place where the Operator pipelines and flowlines intersect with any street or such other road.



e. Owner will grant the flowline and pipeline easements in a recordable document to Operator at the time of agreement to relocate pipelines or Final Development Platting. Upon receipt of a recordable grant by Owner of new flowline and pipeline easements which are acceptable to Operator, and upon completion of any or all flowline and pipeline relocation, Operator and its affiliates will release its existing flowline and pipeline easements. Under no circumstances will Owner prohibit Operator from flowing gas through its flowlines and pipelines at any time.

f. Owner will maintain a minimum ground cover of 48 inches and not more than 72 inches over pipelines and flowlines in the conduct of its operations and its construction activities on the Described Premises. Operator agrees that the current ground cover over existing pipelines and flowlines is acceptable, and that the minimum cover required above need not be installed over pipelines or flowlines until Owner undertakes development or construction over such pipelines or flowlines.

4. Surface Construction Activities.

a. Shut-In Production Payments. Operator may, in its discretion, for safety purposes, shut in any pipeline or flowline over which Owner's heavy earth-moving equipment is to be operated. Further, Owner may request or Operator may elect, in its discretion, to shut in one or more of its wells during Owner's construction activity on the surface of the Described Premises. Owner will notify Operator at least twenty (20) days before Owner intends to commence construction activities where it will utilize heavy equipment or other equipment that may cause damage to the Operator's flowlines or pipelines. During the period of shut-in of any well, pipeline or flowline (either at the request of Owner or at the discretion of Operator herein provided), Owner will pay Operator for each shut-in the following amounts:

<u>Shut-In Duration</u>	<u>Fee per Well per Day</u>
5 days or less	None
6 – 29 days	
30 days or more	

Owner will also pay Operator any costs to rework the well in order to place the well in production status after the shut-in and costs to replace pipelines and flowlines that are damaged by the surface construction activities of Owner.

b. Electrical Equipment. Owner will pay Operator all costs that Operator incurs to change electrical equipment at an Oil and Gas Operations Area where Operator is required to make the change because of the impending or actual surface development of the Described Premises, excluding Operator's development of its own surface facilities.

5. Plats. Owner will identify the Oil and Gas Operations Areas and all access and flowline and pipeline easements on its plats and in all applications for development that it files. The plats will include restrictions that no property lines, buildings, structures, or other improvements will be located, constructed or installed within the Oil and Gas Operations Areas as depicted on Exhibit D, except that the foregoing shall not apply to the platted and approved property lines for Lot 1, insofar only as Lot 1 overlaps the Oil and Gas Operations Area. Any road lying within 150 feet of an existing or proposed wellbore and dedicated to the Town of Firestone will be so dedicated subject to Operator's right of closure during operations, and that right shall be subject to the Town's standard ordinances regarding the procedure for closing streets. Operator will have full, continuous and unimpeded access to its operations areas and access roads at all times. Owner will record the subdivision plat in the Office of the Clerk and Recorder of Weld County and provide written evidence of recording to Operator.

6. Waiver of Surface Damage Payments. Owner hereby waives all surface damage payments pursuant to any present or future Commission rule or regulation or local regulation, state statute, common law or prior agreement for each and every well and related wellsite that is drilled within an Oil and Gas Operations Area and for each production facility and access and pipeline and flowline easement that is



established in accordance with this Agreement. Operator or its lessees or assignees may provide a copy of this Agreement to the Commission or to any local jurisdiction, person or entity or any court of law as evidence of this waiver.

7. Waiver of Setbacks and Other Requirements. Owner understands and acknowledges that the Commission has rules and regulations that apply to the distance between a wellhead and public roads, production facilities, building units and surface property lines, among other things. Owner hereby waives all setback requirements in Commission Rule 603, or any successor rule or amendment to the Commission setback rules, and to any other state or local setback requirements, or other requirements or regulations, that are or become inconsistent with this Agreement or that would prohibit or interfere with the rights of Operator or its lessees and assignees to explore for and produce oil and gas in accordance with this Agreement. Notwithstanding anything in this Agreement to the contrary, Operator agrees that any new wellhead location shall be not less than 350 feet from the library to be built on Lot 1. Owner understands, and will notify parties who purchase all or portions of the Described Premises from Owner or to whom Owner makes an assignment of Described Premises, that Operator may cite the waiver in this section 7 in order to obtain a location requirement exception or variance under Commission rules or from a local jurisdiction. Owner's obligation to notify such parties shall be deemed satisfied upon providing a copy of the Agreement to such party.

8. Governmental Proceedings.

a. Owner Will Not Object. Owner agrees that it will not object in any forum to the use by Operator of the surface of the Described Premises consistent with this Agreement and hereby waives any such right to object. Owner further agrees that it will provide such other written approvals and waivers which are reasonably requested by Operator and consistent with this Agreement, including, but not limited to, all approvals and waivers to drill a well or to conduct oil and gas operations on the Described Premises that are needed because of any law or regulation, including any local ordinance and regulations of the Commission, and including, for example, waivers to state and local setback requirements and to any setback requirements from a surface property line or for an exception location. Operator acknowledges that the granting of special review use and other zoning approvals are subject to the quasi-judicial and/or legislative discretion of the Town of Firestone Board of Trustees, and nothing herein is intended or shall be construed as binding such Board's exercise of its legislative and/or quasi-judicial authority. Owner agrees to expeditiously process Operator's request for special use permits and other zoning approvals.

b. Operator Will Not Object. Operator agrees that it will not object in any forum to a request by Owner to annex, zone, rezone, plat or replat all or any portion of the Described Premises to the extent such request is consistent with this Agreement.

9. Notices of Hearings. Unless Operator agrees in writing to waive or reduce the period for notice, Owner will provide Operator with written notice not less than thirty (30) days before each hearing for consideration of a plat application or other land use application for the Described Premises or portions of the Described Premises that is to be held before the County or the Town of Firestone.

10. Notice to Builders and/or other Developers. Owner will furnish all builders and developers which build in or on all or any portion of the Described Premises and each person or entity who proposes to enter into a contract to build or develop any portion which is adjacent to or any part of which is within 350 feet from an Oil and Gas Operations Area or a pipeline easement with a plat that shows the locations of the Oil and Gas Operations Areas, access routes, and pipeline easements. In addition, Owner will provide written notice to all such builders and/or developers that includes the following:

a. there may be ongoing oil and gas operations and production on the surface of the Described Premises within the Oil and Gas Operations Areas, pipeline easements and access routes;

b. there are likely to be wells drilled and oil and gas production facilities constructed and installed within the Oil and Gas Operations Areas and flowlines and pipelines constructed and maintained



on the Described Premises;

c. heavy equipment will be used by Operator from time to time for oil and gas drilling and production operations and such operations may be conducted on a 24-hour basis; and

d. Owner, builders and/or developers of all or any portion of the Described Premises will be subject to and burdened by all of the covenants and waivers made by Owner in this Agreement, including, but not limited to those covenants and waivers; i) prohibiting the location of any building, structure, or other improvement within the Oil and Gas Operations Areas; ii) waiving objections to the drilling of wells, the construction of facilities, and the conduct of oil and gas operations on the Described Premises consistent with this Agreement; and iii) waiving objections to the setback requirements under the rules of the Commission or any local jurisdiction.

e. Owner's notice obligations under this section 10 shall be deemed satisfied upon providing a copy of the Agreement to each General Contracting Builder and/or Developer.

11. Notice of Oil and Gas Operations. Operator will provide Owner with notice of drilling operations and subsequent well operations in accordance with Commission rules and regulations.

12. Notice of Construction Activities by Owner. Owner will provide Operator with thirty (30) days written notice prior to commencement of any dirt work, grading or other surface construction activities they will be conducting on the Described Premises. If requested by Operator, Owner will meet with Operator representatives at the Described Premises to locate existing flowlines, gathering lines or pipelines and to coordinate proposed surface construction activities with current and prospective oil and gas operations.

13. Impact Mitigation.

a. Operator Mitigation. Operator agrees that it will install and maintain at its sole cost and expense such fences, gates and locks around the wells and production facilities as are required by the Commission. Owner may upgrade fences, gates and locks at its expense and with the consent of Operator, such consent not to be unreasonably withheld, provided that such fences, gates and locks comply with Commission and local regulations. Upon commencement of development by Owner, Operator agrees to erect chain link fencing with tan lathing around its equipment.

b. Owner Mitigation. Owner will bear all costs and expense to install such noise and visual impact mitigation measures it desires or the Town of Firestone or other local jurisdiction requires at or around the Oil and Gas Operations Areas which are in excess of or in addition to those measures which are required by Commission regulations for areas which are not high density; provided, however, Operator will have reasonable discretion to refuse to allow impact mitigation measures interfere with, or prevent, safe oil and gas operations.

14. Authority to Execute Agreement. Each party represents that it has the full right and authority to enter into this Agreement with respect to the surface rights or oil and gas interests or oil and gas leasehold interests that it owns in the Described Premises, as applicable.

15. No Waiver of Rights. Operator does not waive the rights it has pursuant to its oil and gas interests to explore for, drill and produce the oil and gas underlying the Described Premises or for ingress and egress to the Oil and Gas Operations Areas, except as specifically provided in this Agreement.

16. Successors and Assigns. This Agreement and all of the covenants in it will be binding upon the successors and assigns of the parties and the benefits of this Agreement will inure to their successors and assigns. This Agreement and all of the covenants in it will be covenants running with the land.

17. Recording. Operator will record this Agreement with the Clerk and Recorder of Weld County and provide evidence to Owner of the recording.

18. Governing Law. The validity, interpretation and performance of this Agreement will be governed and construed in accordance with the laws of the State of Colorado without reference to its conflicts of



laws provisions.

19. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part will be inoperative, null and void insofar as it conflicts with such laws; however, the remainder of this Agreement will be in full force and effect. In the event that any part of this Agreement would otherwise be unenforceable or in conflict with applicable laws due to the term or period for which such part is in effect, the term or period for which such part of this Agreement will be in effect will be limited to the longest period allowable which does not cause such part to be unenforceable or in conflict with applicable laws.

20. Notices. Any notice or other communication required or permitted under this Agreement will be given in writing either by; i) personal delivery; ii) expedited delivery service with proof of delivery; iii) United States mail, postage prepaid, and registered or certified mail with return receipt requested; or iv) prepaid telecopy or fax, the receipt of which will be acknowledged, addressed as follows:

Owner: Town of Firestone and  
Firestone Finance Authority  
151 Grant Avenue  
P.O. Box 100  
Firestone, Colorado 80520-0100

EnCana: EnCana Oil & Gas (USA) Inc.  
Attention: DJ Land Department  
370 17th Street, Suite 1700  
Denver, Colorado 80202

FEM: Foundation Energy Management, LLC  
5220 Spring Valley Road, Suite 212  
Dallas, Texas 75254

Notices will be effective upon receipt and either party may change its address by notice to the other party.

21. Incorporation of Exhibits. Exhibits A , B, C, D and E are incorporated into this Agreement by this reference.

22. Entire Agreement. This Agreement sets forth the entire understanding between the parties and supersedes any previous communication, representation or agreement, whether oral or written. No change of any of the terms or conditions herein will be valid or binding on any party unless in writing and signed by an authorized representative of both parties.

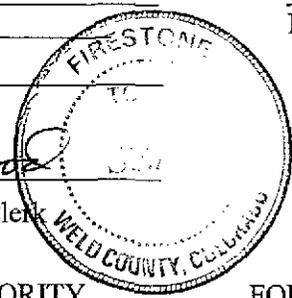
23. Counterpart Executions. This Agreement may be executed in counterparts, each of which will be deemed an original.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by a duly authorized representative effective as of the date and year first above written.

TOWN OF FIRESTONE  
By: [Signature]  
Its: Mayor

ENCANA OIL & GAS (USA) INC.  
By: [Signature]  
Byron R. Gale, Attorney-in-Fact

ATTEST:  
By: [Signature]  
Judy Hegwood, Town Clerk



FIRESTONE FINANCE AUTHORITY  
By: [Signature]  
Its: President

FOUNDATION ENERGY MANAGEMENT, LLC  
By: \_\_\_\_\_  
Its: \_\_\_\_\_



laws provisions.

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Owner: Town of Firestone and  
Firestone Finance Authority  
151 Grant Avenue  
P.O. Box 100  
Firestone, Colorado 80520-0100

EnCana: EnCana Oil & Gas (USA) Inc.  
Attention: DJ Land Department  
370 17th Street, Suite 1700  
Denver, Colorado 80202

FEM: Foundation Energy Management, LLC  
5220 Spring Valley Road, Suite 212  
Dallas, Texas 75254

Notices will be effective upon receipt and either party may change its address by notice to the other party.

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23. Counterpart Executions. This Agreement may be executed in counterparts, each of which will be deemed an original.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by a duly authorized representative effective as of the date and year first above written.

TOWN OF FIRESTONE

ENCANA OIL & GAS (USA) INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Byron R. Gale, Attorney-in-Fact

ATTEST:

By: \_\_\_\_\_

Judy Hegwood, Town Clerk

FIRESTONE FINANCE AUTHORITY

FOUNDATION ENERGY MANAGEMENT, LLC

By: \_\_\_\_\_

By: Joel F. [Signature]

Its: \_\_\_\_\_

Its: Vice President

**ACKNOWLEDGEMENTS**

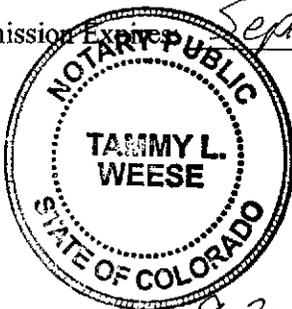
STATE OF COLORADO )  
 ) ss.  
COUNTY OF WELD )

On this 25<sup>th</sup> day of September 2006, before me personally appeared Michael Simone known to me to be Mayor, and that he/she executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Town of Firestone, 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: September 20, 2009

SEAL



Tammy L. Weese  
Notary Public

My Commission Expires 9-20-09

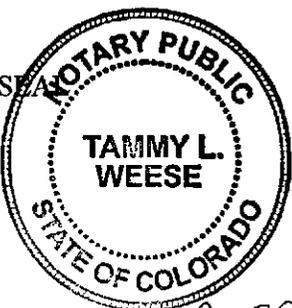
STATE OF COLORADO )  
 ) ss.  
COUNTY OF WELD )

On this 25<sup>th</sup> day of September 2006, before me personally appeared Jason Jones known to me to be President, FFA, and that he/she executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Firestone Finance Auth., 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.

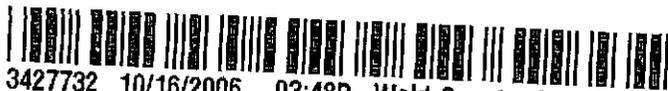
My Commission Expires: September 20, 2009

SEAL



Tammy L. Weese  
Notary Public

My Commission Expires 9-20-09



3427732 10/16/2006 03:48P Weld County, CO  
10 of 16 R 81.00 D 0.00 Steve Moreno Clerk & Recorder

STATE OF COLORADO )  
~~TEXAS~~ )  
 )ss.  
COUNTY OF DENVER )

On this 29 day of September 2006, before me personally appeared JOEL P. SAUER, known to me to be Vice President of Foundation Energy Management, LLC, and stated that he executed the within and foregoing instrument and acknowledged it 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: 8/2/2008

SEAL



My Commission Expires 08/02/2008

Lindsey Miller  
Notary Public

STATE OF COLORADO )  
 )ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_ 2006, before me personally appeared Byron R. Gale, known to me to be an Attorney-in-Fact of EnCana Oil & Gas (USA) Inc., and stated that he executed the within and foregoing instrument and acknowledged it 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: \_\_\_\_\_

SEAL

\_\_\_\_\_  
Notary Public



3427732 10/16/2006 03:48P Weld County, CO  
11 of 16 R 81.00 D 0.00 Steve Moreno Clerk & Recorder

STATE OF TEXAS )  
)ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_ 2006, before me personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ of Foundation Energy Management, LLC, and stated that he executed the within and foregoing instrument and acknowledged it 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: \_\_\_\_\_

SEAL

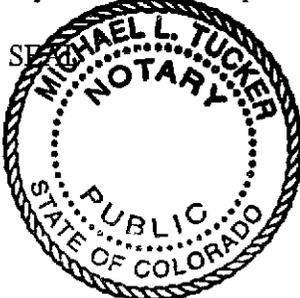
\_\_\_\_\_  
Notary Public

STATE OF COLORADO )  
)ss.  
COUNTY OF Denver )

On this 28<sup>th</sup> day of September 2006, before me personally appeared Byron R. Gale, known to me to be an Attorney-in-Fact of EnCana Oil & Gas (USA) Inc., and stated that he executed the within and foregoing instrument and acknowledged it 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: \_\_\_\_\_  
My Commission Expires 09/25/2007  
1815 California, Suite 702  
Denver, Colorado 80202



Michael L. Tucker  
Notary Public



EXHIBIT A

Legal Description - Central Park

THE NORTH ONE-HALF OF SECTION 18, TOWNSHIP 2 NORTH, RANGE 67 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO, EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND AS CONVEYED BY INSTRUMENTS RECORDED MAY 17, 1909 IN BOOK 305, PAGE 15; MAY 3, 2000 AS RECEPTION NO. 2765844; AND RIGHT OF WAY ALONG WELD COUNTY ROAD 15 PER DOLLAGHAN ANNEXATION TO THE TOWN OF FIRESTONE RECORDED AT RECEPTION NO. 2520155 AND 2520156, BOOK 1577, PAGES 26 AND 27, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 18, T2N, R67W OF THE SIXTH P.M., AND CONSIDERING THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18 TO BEAR S00°53'21"E WITH ALL OTHER BEARINGS RELATIVE THERETO;

THENCE ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER N89°15'53"W, 30.01 FEET TO THE NORTHEAST CORNER OF A QUIT CLAIM DEED RECORDED AT RECEPTION NO. 2765844 IN THE OFFICE OF THE WELD COUNTY CLERK AND RECORDER;

THENCE ALONG THE EASTERLY BOUNDARY OF SAID QUIT CLAIM, S00°53'21"E, 50.02 FEET (PREVIOUSLY RECORDED AS S00°53'19"E) 50.02 FEET TO THE SOUTHEAST CORNER OF SAID QUIT CLAIM, SAID POINT BEING ON THE WESTERLY RIGHT OF WAY OF WELD COUNTY ROAD 15, AND SAID POINT ALSO BEING THE POINT OF BEGINNING;

THENCE ALONG THE WESTERLY RIGHT OF WAY OF WELD COUNTY ROAD 15 AS DESCRIBED IN SAID DOLLAGHAN ANNEXATIONS NOS. 1 AND 2 TO THE TOWN OF FIRESTONE, S00°53'21"E, 2590.25 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18;

THENCE ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18, N89°06'39"W, 2618.37 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 18;

THENCE ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 18, N89°07'55"W, 2105.37 FEET TO THE EASTERLY LINE OF SAID PARCEL OF LAND CONVEYED TO THE UNION PACIFIC RAILROAD COMPANY AS RECORDED IN THE OFFICE OF THE WELD COUNTY CLERK AND RECORDER IN BOOK 305 AT PAGE 15, ALSO BEING THE EASTERLY LINE OF THAT PARCEL OF LAND CONVEYED TO THE TOWN OF FIRESTONE AS RECORDED IN THE OFFICE OF THE WELD COUNTY CLERK AND RECORDER UNDER RECEPTION NO. 2538622 IN BOOK 1596;

THENCE ALONG SAID EASTERLY LINE N00°16'49"E, 2568.35 FEET TO THE SOUTHWEST CORNER OF SAID QUIT CLAIM DEED RECORDED AT RECEPTION NO. 2765844;

THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID QUIT CLAIM THE FOLLOWING TWO (2) COURSES:

1) S89°30'49"E, 2079.21 FEET, (PREVIOUSLY RECORDED AS S89°30'43"E, 2079.10 FEET);  
2) S89°15'53"E, 2591.50 FEET, (PREVIOUSLY RECORDED AS S89°15'55"E, 2591.57 FEET)  
TO THE SOUTHEAST CORNER OF SAID QUIT CLAIM, SAID POINT ALSO BEING ON THE WESTERLY RIGHT OF WAY OF WELD COUNTY ROAD 15 AND THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 278.32 ACRES MORE OR LESS (12,123,514 SQUARE FEET).

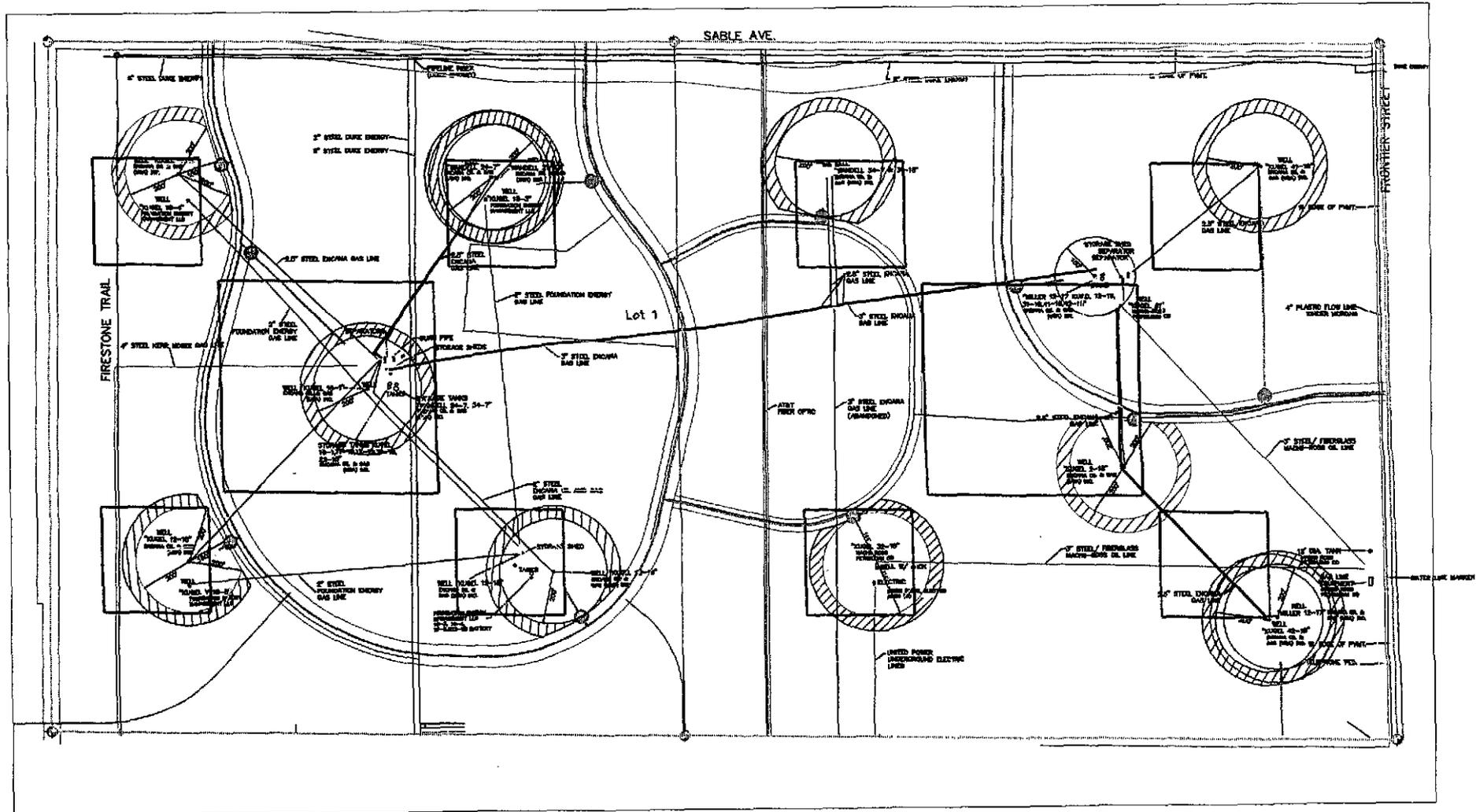
# EXHIBIT B

LEASE NO.	LESSOR	LESSEE	LEASE DATED	RECORDING ENTRY	LEGAL DESCRIPTION
16065.000	COLE KUGEL ET UX	T M S COMPANY	01/16/1970	1552240	T2N, R67W SEC 18: N/2

3427732 10/16/2006 03:48P Weld County, CO  
13 of 16 R 81.00 D 0.00 Steve Moreno Clerk & Recorder



# Exhibit D

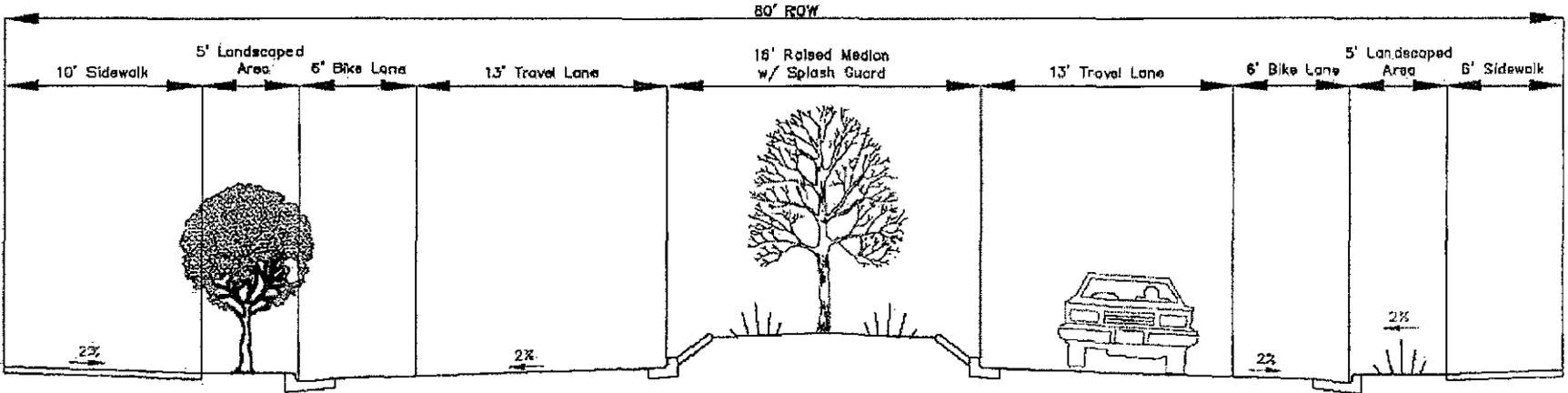


- Described Premises
- ⊙ Oil & Gas Operations Area
- ⊖ No Build Zone
- Drilling Location Windows
- Access
- Curb Cut Access

3427732 10/16/2006 03:48P Weld County, CO  
16 of 16 R 81.00 D 0.00 Steve Moreno Clerk & Recorder

INSIDE EDGE OF  
PARKWAY

OUTSIDE EDGE OF  
PARKWAY



PARKWAY CROSS SECTION

Exhibit E

