

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RIGHT-OF-WAY GRANT/TEMPORARY USE PERMIT

WELL PAD
MAN CAMP

Colorado River Valley
Field Office

Serial Number:
COC75120
COC75120T
COC75120-01

1. By this instrument, BLM grants right-of-way **COC75120** for well pad WF H15 596, right-of-way **COC75120-01** for a "Man Camp" to be located within the well pad area. Pursuant to Title V of the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2776; 43 U.S.C. 1761) (a), The Secretary, with respect to the public lands (*including public lands, as defined in section 103(e) of this Act, which are reserved from entry pursuant to section 24 of the Federal Power Act (16 U.S.C. 818)*) [P.L. 102-486, 1992] is authorized to grant, issue, or renew rights-or-way over, upon, under, or through such lands. (Ref: DOI-BLM-CO-N040-2011-0110-EA, November 2011.)

This instrument also authorizes **COC75120T** (TUP) as a short-duration grant for construction purposes only, under Title V of FLPMA, as described above.

2. Nature of Interest:

- a. By this instrument, the holder:

ENCANA OIL AND GAS (USA) INC.
370 Seventeenth Street, Suite 1700
Denver, Colorado 80202

receives a right to operate, maintain, and terminate a well pad (WF H15 596) for the purpose of drilling and development of up to 60 new oil and gas wells (four Federal wells and 56 Fee wells), located along the West Fork Parachute Creek. The pad will be constructed on BLM managed lands surrounded by Encana's North Parachute Ranch and a man camp would be constructed on the south end of the well pad during drilling. This pad will be positioned on Encana's Federal Oil and Gas Lease COC70018, located on public land described as follows:

6TH PRINCIPAL MERIDIAN, GARFIELD COUNTY, COLORADO
Township 5 South, Range 96 West, Section 15, SE¼NE¼;

- b. The WF H15 596 pad would measure approximately 350 feet at the widest point near the pad center and approximately 940 feet in length, with an additional approximate 175 feet of length at the south end to accommodate topsoil storage. The entire pad footprint contains approximately 9.5 acres of disturbance. However, only approximately 6.3 acres, more or less, would be on BLM-managed land. The permanent right-of-way disturbance will be approximately 3.4 acres, more or less, over the 30 year term of the grant. (NOTE: This is a site rental.)

The area of the "man camp" at the southernmost end of the well pad is included in the COC75120 Well Pad Grant.

Temporary Construction Authorization COC75120T for the Well Pad is approximately 2.9 acres, more or less. (*Per CO-N040-2011-0110-EA.*) This temporary authorization for construction purposes only shall expire 4 years from the date of execution of this grant. (**April 2016**).

- c. This instrument shall terminate on **December 31, 2041**, no more than 30 years from its effective date, unless prior thereto, it is relinquished, abandoned, terminated or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
 - d. This instrument may be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the Authorized Officer deems necessary to protect the public interest.
 - e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration or termination of the grant.
3. Rental: For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the Authorized Officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the Authorized Officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.
4. Terms and Conditions:
- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations part 2880.
 - b. Upon grant termination, the holder shall submit to the Authorized Officer, a plan of abandonment describing in detail how the improvements shall be abandoned or removed from the Federal lands described in this right-of-way grant. The plan of abandonment shall be approved by the Authorized Officer prior to implementation.
 - * Upon grant termination by the Authorized Officer, all improvements shall be removed from the public lands within 180 days, or otherwise disposed of as provided in paragraph (4)(d) or as directed by the Authorized Officer.
 - c. Each grant issued for a term of 20 years or more shall, at a minimum, be reviewed by the Authorized Officer at the end of the 20th year and at regular intervals thereafter not to exceed 10 years. Provided, however, that a right-of-way or permit granted herein may be reviewed at any time deemed necessary by the Authorized Officer.
 - d. The stipulations, plans, maps, or designs set forth in the Attachments A (Maps/Plats) and B (Stipulations) attached hereto, are incorporated into and made part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
 - e. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
 - f. The holder shall perform all operations in a workmanlike manner so as to ensure protection of the environment and the health and safety of the public.

IN WITNESS WHEREOF, the undersigned agrees to the terms and conditions of this right-of-way grant or permit.

Heather H. Bell
Signature of Holder

Regulatory Analyst
Title

5.7.12
Date

Ally C. Carter
Signature of Authorized Officer

Supervisory Natural Resource Specialist
Title

5/11/12
Effective Date of Grant

EXHIBIT A(1)
COC75120 Well Pad
COC75120-01 Man Camp

Encana Oil & Gas (USA) Inc.

03/2012

Township 5 South, Range 96 West, Section 15, SE 1/4 NE 1/4;

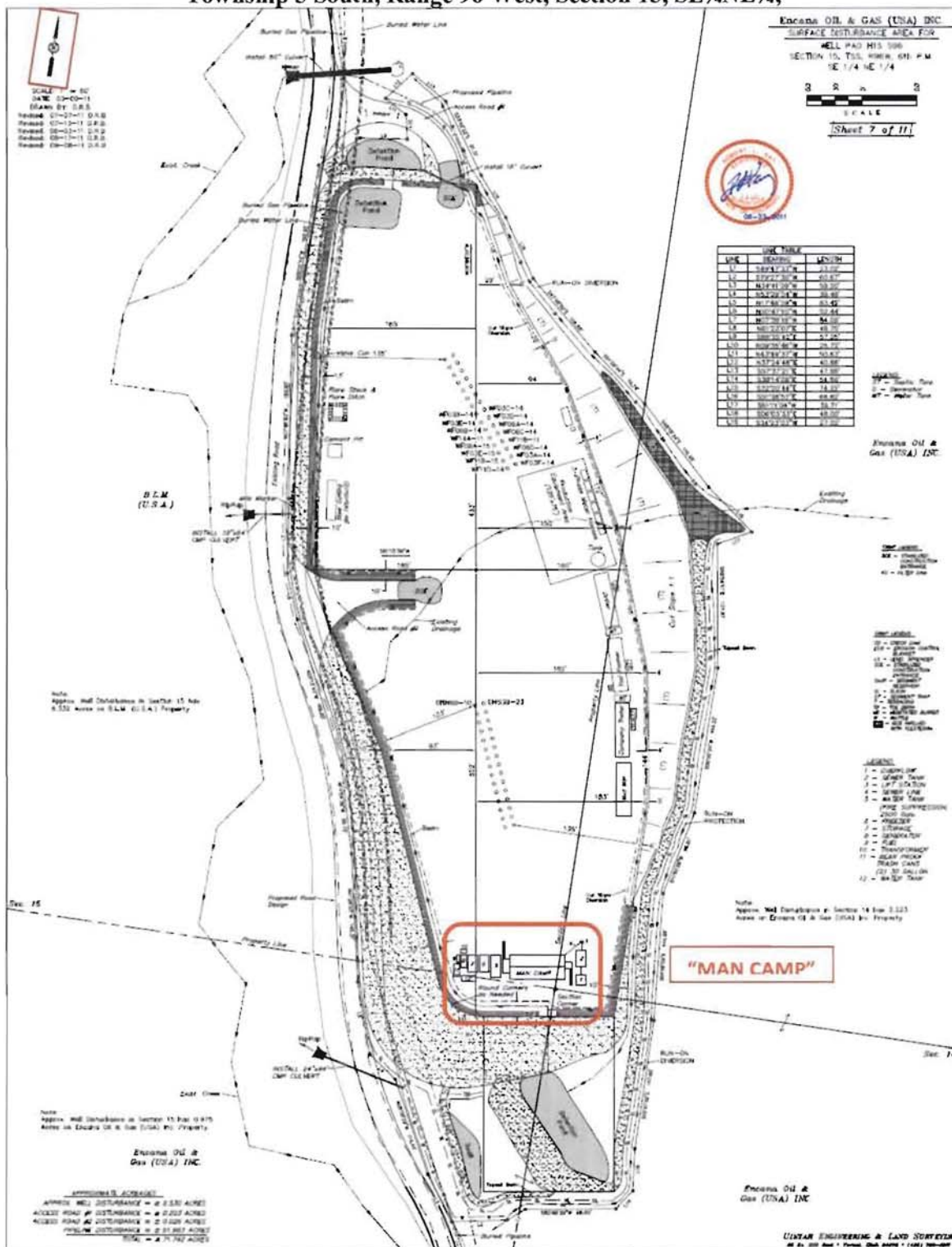


EXHIBIT A(3)
COC75120 Well Pad
COC75120-01 Man Camp

Encana Oil & Gas (USA) Inc.

03/2012

