

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

Glenwood Spgs Energy Ofc

Serial Number(s)

COC 71879

1. Right-of-way for the COC 71879 RD-11 well pad location and access road is hereby granted pursuant to Title V of the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2776; 43 U.S.C. 1761). (Reference CO140-2006-045EA Rulison GAP)

2. Nature of Interest:

a. By this instrument, the holder:

**EnCana Oil & Gas (USA) Inc.
Attn: Miracle Pfister, Lands
370 17th Street, Suite 1700
Denver, Colorado 80202**

receives a right to construct, operate, maintain, and terminate a well pad (RD-11-7-94) with a 30 foot long access road in the following location:

6th Principal Meridian
Garfield County, Colorado

Township 7 South, Range 94 West, Sec 11, NW $\frac{1}{4}$ NW $\frac{1}{4}$;

- b. The permanent right-of-way area granted herein, including the 30 foot access road contains 4.08 acres, more or less, of surface disturbance. This includes the 2.7 acre well pad.
- c. This instrument shall terminate 30 years from the date of the original right-of-way grant (December 31, 2037), 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 prior 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 a 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.

EXHIBIT A(1) MAP **EnCana Rulison Well Pad RD-11** **COC 71879**

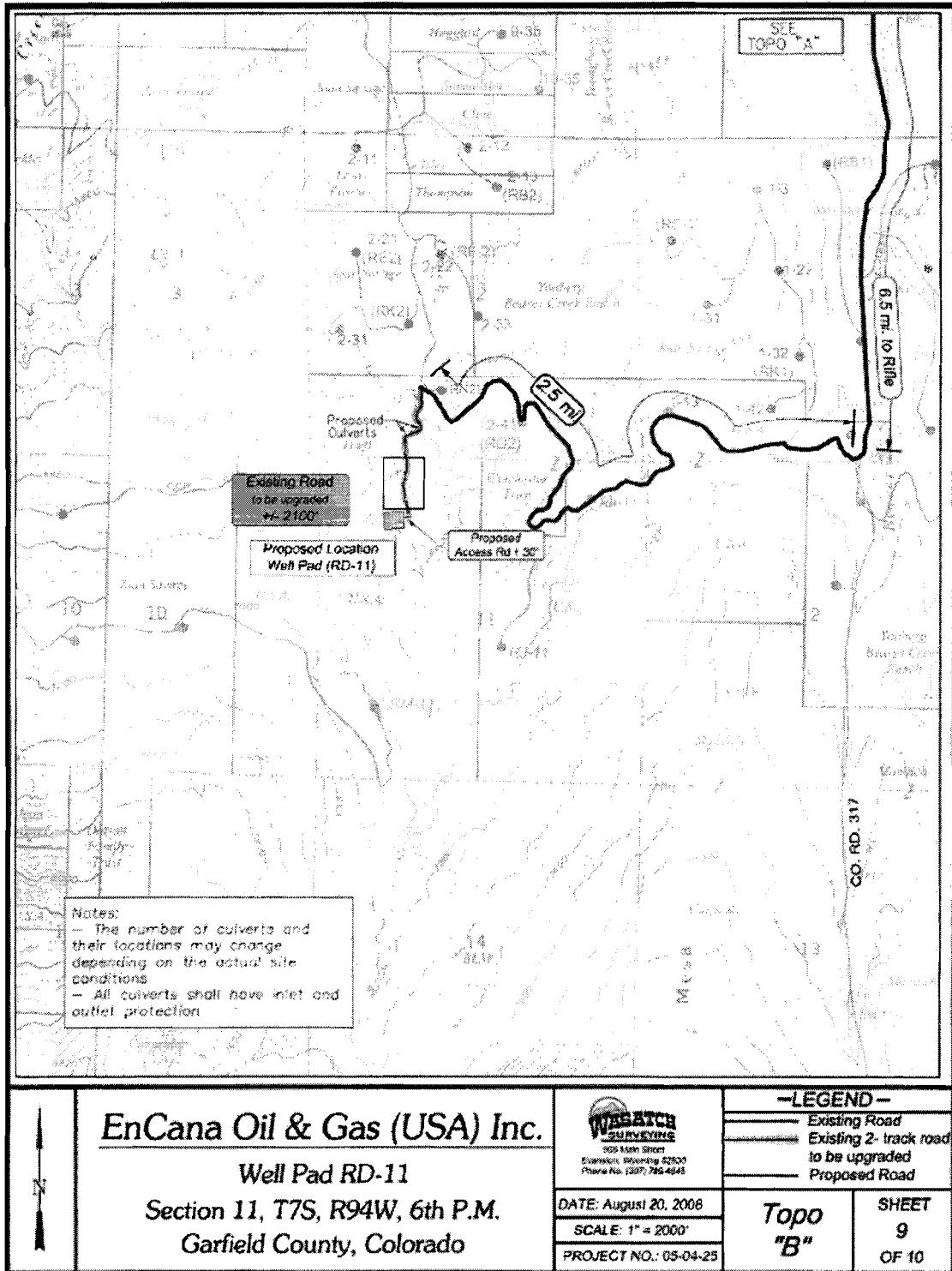


EXHIBIT A(2) DIAGRAM

EnCana Rulison Well Pad RD-11

COC 71879

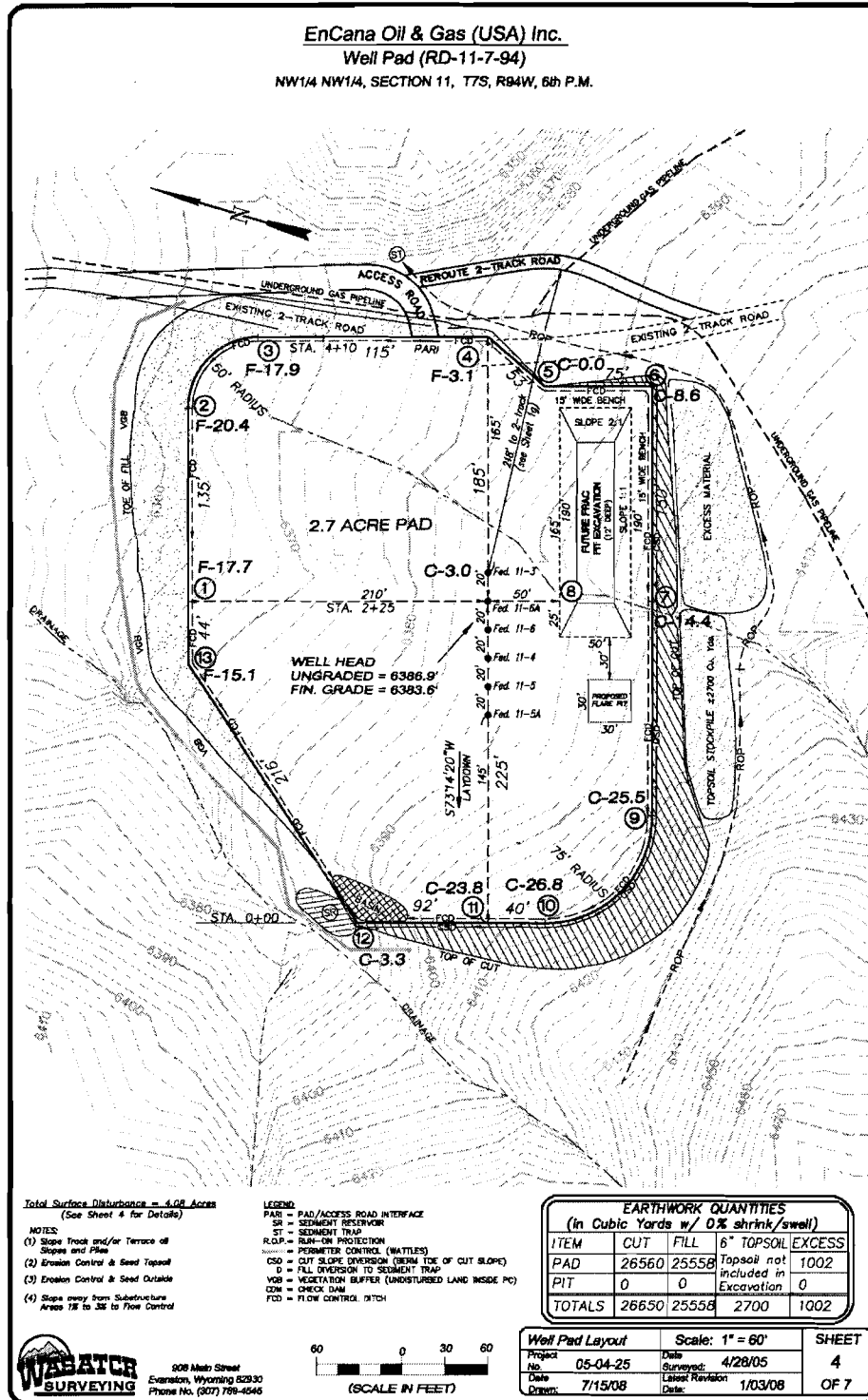


EXHIBIT A(3) Oil & Gas Plat

TOWNSHIP 7 SOUTH RANGE 94 WEST
6th Principal Meridian, Colorado
Section 11, NWNW

EnCana Rulison Well Pad RD 11

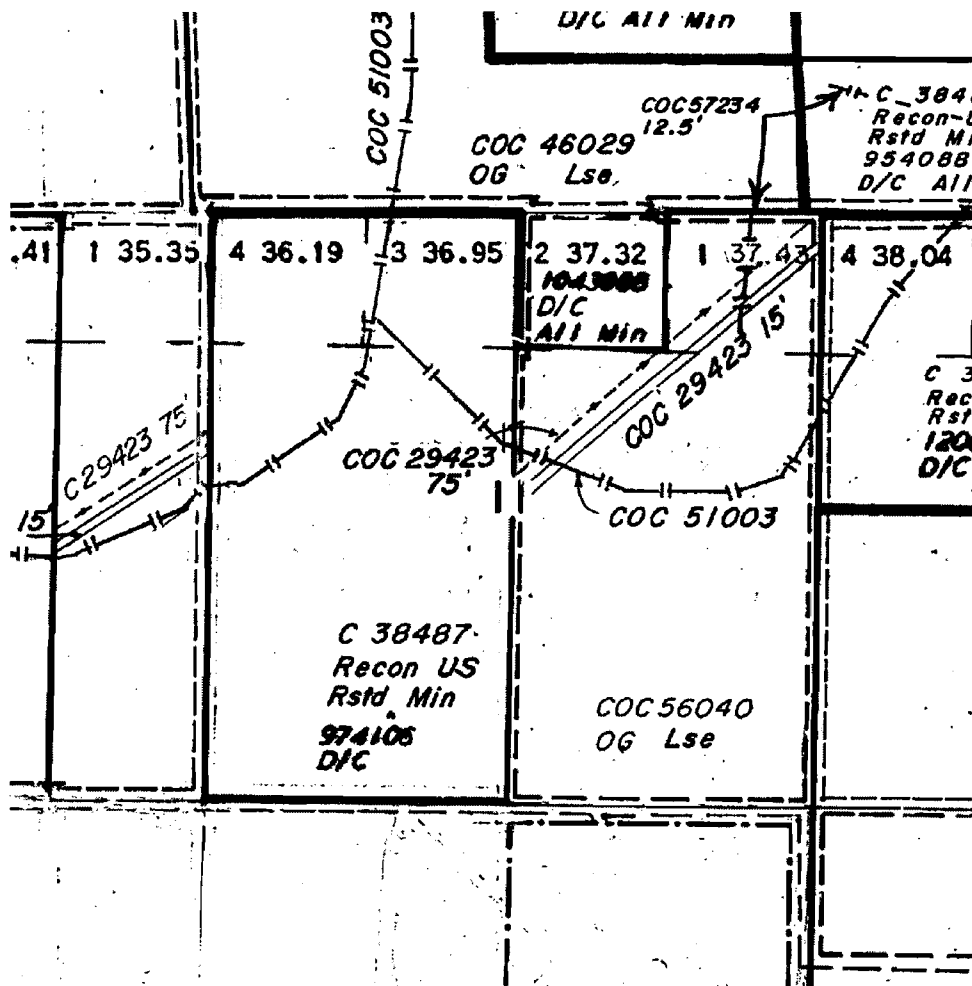


EXHIBIT B

EnCana O&G (USA) Inc Rulison GAP (EA #CO140-2006-145)

COC 71879 Well Pad RD-11-7-94

Site-Specific Surface Use Conditions of Approval

1. Standard Conditions of Approval outlined in Appendix D of the Rulison GAP will apply and remain in full force and effect A completed document of the Rulison GAP may be found at the following web site:

http://www.blm.gov/co/st/en/fo/gsf/GSFO_MasterPlansOfDevelopment.html

2. The 60 day Condition of Approval for Big Game Habitat identified in Appendix D1 in the GSRA Oil & Gas Final SEIS (approved March 24, 1999) will be invoked. This COA states: "To protect crucial big game winter range on leases without timing restrictions, construction and drilling activities are prohibited from January 1 through March 1." The rationale for invoking this COA is based on field review and the updated Colorado Division of Wildlife Big Game Winter Habitat mapping which clearly identifies the well location and access road within these crucial winter ranges.

3. Operator will apply for BLM right-of-way to occupy the federal surface RD11 pad for all surface disturbing activities serving that well including, road improvements, pipeline connection, pad construction and facility locations.

4. The draw that runs to the pad north from the Canyon Gas Resource pipeline has a bed and bank between 2 and 3 feet in width and would likely be classified as a Water of the US by the USACOE. This draw will be rerouted using a rocklined ditch using BMP storm water measures around the SE edge of RD11 pad to avoid runoff impacts to the pad surface and/or fill slopes. If necessary, operator will install minimum 24" diameter culvert to feed the rocklined ditch drainage under the existing road at SE pad corner.

5. Construct the RD11 pad per attached specifications and Well Pad Layout (dated 7/15/08) drawn by Wasatch Surveying. Windrow topsoil along north and south edges of pad.

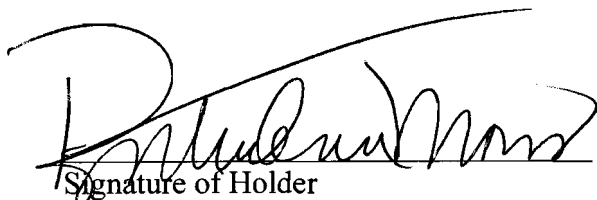
6. By expanding the pad along its eastern edge, the existing pad access road will be rerouted 300 feet east of edge of pad so that realigned road passes to east of existing Energy Transfer (ETC) pipeline riser. Operator coordination with ETC will be required regarding this riser, and measures will be taken based on that coordination, to safely protect the pipeline riser from truck traffic and pad operations. Rerouted road will be constructed to allow passage of motor vehicles to east and south of pad back onto the existing road alignment.

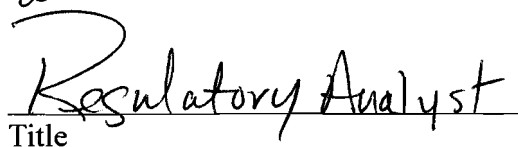
7. Boulders excavated during pad or road construction shall be placed around the ETC pipeline riser and across the ETC corridor to inhibit use of motorized vehicles along the reclaimed ETC pipeline.

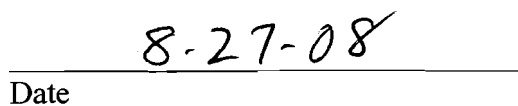
8. As a general rule, unless otherwise approved by BLM Authorized Officer, the production pack(s) and

storage tanks(s) will not be set more than 100feet from the nearest wellhead to satisfy COGCC regulation.

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


Signature of Holder


Title


Date

Signature of Authorized Officer

Supervisory Natural Resource Specialist
Title

Effective Date of Grant