

**MEMORANDUM OF
SURFACE DAMAGE AND RELEASE AGREEMENT**

WHEREAS on the 20 day of January 2005, **Daybreak Realty, Inc.**, ("Owner") entered into a Surface Damage and Release Agreement with **EnCANA OIL & GAS (USA) INC.**, ("Operator"), covering lands described on Exhibit "A" attached hereto.

Said agreement provides for, among other things, the right to enter upon and use the Owner's property for the purpose of conducting oil and gas operations thereon. Said agreement sets forth payment of specific amounts to cover damages resulting from the construction, use and maintenance of the lands. Said agreement, with all of its terms, conditions, covenants and other provisions, is referred to and incorporated into this Memorandum for all purposes.

NOW THEREFORE this Memorandum is placed of record for the purpose of giving notice of the Surface Damage and Release Agreement.

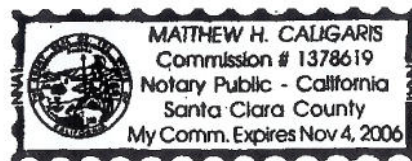
Owner:
Daybreak Realty, LLC


By: Bob Cushman

Operator:
EnCANA OIL & GAS (USA) INC.


By: Joel S. Fox, Attorney-In-Fact

State of California)
County of Santa Clara) §
County of Garfield)



On this twentieth day of January, 2005, before me personally appeared Bob Graham, of Daybreak Realty, LLC, known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that he ~~(they)~~ executed the same.

(SEAL)

My commission expires: Nov. 4, 2006

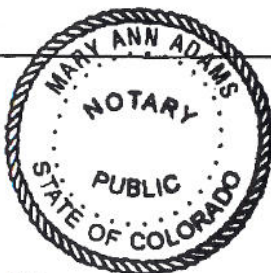
Matthew H. Caligaris
Notary Public

State of Colorado)
City & County of Denver) §

On this 4th day of March, 2005, before me personally appeared, Joel S. Fox, Attorney-In-Fact for EnCANA OIL & GAS (USA) INC., known to me to be the person described in and who executed the foregoing instrument, and who acknowledged to me that he executed the same.

(SEAL)

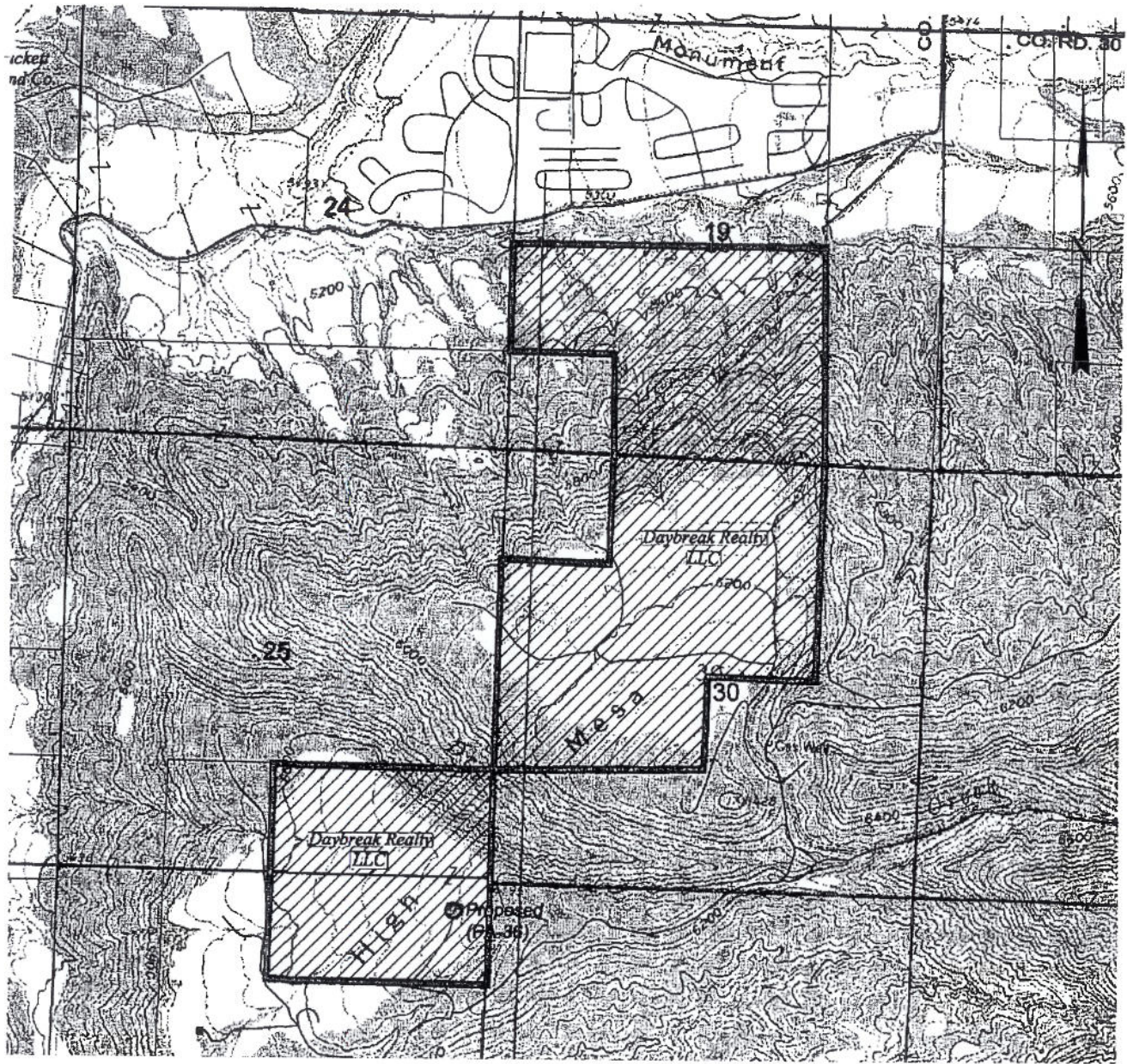
My commission expires: _____



My Commission Expires 7/19/2008

Mary Ann Adams
Notary Public

EXHIBIT "A"



DAYBREAK REALTY LLC

Scale 1" = 2000'

N2NE4 of Section 36, the S2SE4 of Section 25 Township 7 South,

of Section 30 Township 7 South, Range 95 West of the 6th P. M. in
Garfield County, Colorado.