

MASTER SURFACE USE AGREEMENT

This Master Surface Use Agreement (this "Agreement") is made and entered into this 20th day of December 2004, by and between Jerry L. Satterfield, Mary O. Satterfield, Gerald O. Lindauer and Zoe E. Lindauer whose address is 2144 County Road 306, Parachute, Colorado 81635 (individually and collectively as "Owner") and ENCANA OIL & GAS (USA) INC. 950 17th Street, Denver, CO 80202 ("OPERATOR").

Whereas, this Agreement is intended to cover Operator's operations on the lands identified on Exhibit "A" located in Garfield and Mesa Counties, Colorado, (Property).

Whereas, Owner and Operator wish to memorialize their agreement concerning surface use and the payment for damages to the Property in connection with the drilling, construction, completion, recompletion, reworking, re-entry, production, maintenance and operation of the well(s), access roads and pipelines(s), tank batteries and other facilities on the Property by Operator, its affiliates, successor or assigns.

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 Operator agree as follows:

1. Consultation. Prior to commencing operations on the Property, Operator agrees to consult with Owner regarding locations for all well pads, roads and pipelines.
2. Well Compensation. Prior to the commencement of drilling operations for each Well, Operator shall pay Owner 25,000 per well. Such payment shall constitute payment in full by Operator and its affiliates for all normal damages, including, but not limited to, damages to growing crops, associated with the drilling, construction, completion, recompletion, reworking, re-entry, production, operation and maintenance of the Well(s).
3. Access Roads Easement. Owner does hereby grant, bargain, convey and confirm unto Operator, a non-exclusive easement and right-of-way, as limited herein, to construct, maintain, and remove one or more access roads for ingress and egress across the Property for the purpose of drilling, completing, recompleting, reworking, producing or operating one or more wells and associated facilities on the Property or leasehold owned by Operator on lands adjacent to the Property and associated facilities. The easement and right-of-way granted herein shall be a width of forty-five feet (45'), with an eighteen foot (18') travel surface. Prior to commencement of the construction, improvement or use of any access road on the Property for oil and gas operations, Operator shall compensate Owner for each such access road at the rate of 125 per linear foot of road use. When requested by Owner, Operator shall fence both sides of the access road(s) with a four strand barb wire fence. Furthermore, when requested by Owner, Operator shall install a privacy fence along one side of the access road not to exceed 150 feet in length and 6 feet in height at a site mutually agreed upon. Furthermore, when requested by Owner, Operator shall use magnesium chloride on the Access Road(s) for dust control. Operator shall not be required to apply magnesium chloride to any access road more than three times per year.
4. Pipeline Easement. Owner does hereby grant, bargain, convey and confirm unto Operator a non-exclusive easement and right-of-way for ingress and egress across the Property to lay, construct, maintain, operate, repair, replace, and remove pipelines, together with all necessary valves, connections, and fittings for the transportation of oil, gas, and produced water, and to erect, maintain and remove cathodic protection equipment on, over, under, through and across a strip of land forty-five feet (45') in width. The Right-of-Way shall revert to thirty (30') feet in width after initial construction. All pipelines shall be buried at least 48 inches below the surface of the ground. Prior to commencement of construction of any buried gas or water pipelines on the Property, Operator shall compensate Owner at a rate of 100 per linear foot of pipeline easement which may contain more than one pipeline regardless of the number of pipelines in the easement. Operator agrees the pipeline(s) will follow the access road(s) unless prior written consent concerning an alternate route is obtained from the Owner.
5. Power Lines. Prior to commencement of construction of any Electric Power Line of the Property, Operator shall compensate Surface owner at the rate of 100 per linear rod of electric power line.

6. Property Damage. If by reason of Operator's operations, there is damage to personal property located on the Property or there is damage to the surface of the Property caused by the negligence of Operator or an unreasonable use of the surface of the Property by Operator that is not associated with reasonable and normal drilling, completion, recompletion, reworking, re-entry, production, maintenance and operation of the well(s), such as damage to structures, fences, culverts and cement ditches, such damage shall be repaired or replaced by Operator or Operator shall promptly pay Owner for such damage.
7. Appointment of Agent. The undersigned owners do hereby appoint Jerry L. Satterfield as agent for Owner with full authority to receive notices, consult and to deal generally with Operator and with power to bind the co-owners' interest in the Property within the scope of the operations described in this agreement. Owner shall provide Operator written notice of a change of agent, and no such change shall be effective until such notice is received by Operator.
8. Release. Except as provided in paragraph numbered 6 above for cases of unreasonable surface use and/or negligence by Operator, Owner, for itself and its successors and assigns, does hereby, in consideration of the compensation received hereunder, release, relinquish and discharge Operator, its affiliates, successors and assigns from all claims, demands, damages and causes of action that Owner may have by reason of the drilling of the well(s), construction and maintenance of the access road(s), and construction and maintenance of the pipeline(s) including but not limited to all other damage or injury to the Property caused by the drilling, completion, recompletion, reworking, re-entry, production, operation and maintenance of the well(s), and Owner accepts the compensation received hereunder as full compensation therefor.
9. Compliance with regulations. Owner hereby agrees that by its payment of the damage amounts set forth above, Operator has fully complied with the applicable governmental regulations and statutes, if any, relating to the settlement of the damages contemplated herein.
10. Improvements. Operator agrees to purchase and install 2 cattle guards (one at Jerry Satterfield's driveway and the 2nd at Jeff Satterfield's driveway) prior to any operations on the Property.
11. Additional Obligations. Operator agrees to commence drilling operations for a well with a bottom hole located at one of the following locations within one year from the date of this agreement:

Location A: NE¼NW¼ of Section 10, Township 8 South, Range 96 West, 6th P.M.
Location B: SW¼SE¼ of Section 3, Township 8 South, Range 96 West, 6th P.M.

In addition, Operator agrees to commence drilling operations for a second well located at the remaining undrilled bottom hole location identified above within two years from the date of this Agreement. Operator may, at its discretion, drill a substitute location for Location A as long as the bottom hole location is on the Property. If Operator fails to timely drill the wells as provided in this paragraph, this agreement shall terminate unless Operator pays each individual Owner a rental fee of [REDACTED] for a combined total of [REDACTED] for use of the access road(s) described in paragraph #3 above. Rental payments, if required pursuant to this paragraph, shall be due on each anniversary date of the date of this Agreement and shall continue to be paid until Operator has commenced to drill two wells as provided in this paragraph.

12. Memorandum. Owner and Operator will jointly execute a Memorandum of this Agreement for the purpose of placing third parties on notice of this Agreement.
13. Governing Law. This Agreement shall be construed in accordance and subject to the laws of State of Colorado and subject to the jurisdiction of the Colorado Courts.
14. Entire Agreement. This instrument sets forth the entire agreement between the parties, and no representation or statement, verbal or written, has been made modifying, adding to, or changing the terms of this agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, representatives, successors, agents, and assigns.

15. Prohibited Items. No firearms, pets, alcohol, illegal drugs, or hunting or any other recreation use shall be allowed on the property at any time from the operator.

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

ENCANA OIL & GAS (USA) INC.

By: Joel S. Fox 1/12/05
Joel S. Fox, Attorney-in-Fact

OWNER

Jerry L. Satterfield
Jerry L. Satterfield

Mary O. Satterfield
Mary O. Satterfield

Gerald O. Lindauer
Gerald O. Lindauer

Zoe E. Lindauer
Zoe E. Lindauer

ACKNOWLEDGEMENTS

STATE OF COLORADO

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CITY AND COUNTY OF DENVER

On this 12th day of January, 2005, before me personally appeared Joel S. Fox, known to me to be the Attorney-in-Fact of ENCANA Oil & Gas (USA) Inc. and he acknowledged that he executed the within and foregoing instrument, and acknowledged the said instrument 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: 9-8-08



Notary Public: Felicia Harrison

STATE OF COLORADO
COUNTY OF GARFIELD

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The foregoing instrument was acknowledged before me this 20th day of December 2004 by Jerry L. Satterfield, an individual.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

My Commission Expires: June 28, 2008

Notary Public: Dennis D. Hansen

STATE OF COLORADO
COUNTY OF GARFIELD

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The foregoing instrument was acknowledged before me this 20th day of December 2004 by Mary O. Satterfield, an individual.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

My Commission Expires: June 28, 2008

Notary Public: Dennis D. Hansen

STATE OF COLORADO
COUNTY OF GARFIELD

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The foregoing instrument was acknowledged before me this 20th day of December 2004 by Gerald O. Lindauer, an individual.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

My Commission Expires: June 28, 2008

Notary Public: Dennis D. Hansen

STATE OF COLORADO
COUNTY OF GARFIELD

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The foregoing instrument was acknowledged before me this 20th day of December 2004 by Zoe E. Lindauer, an individual.

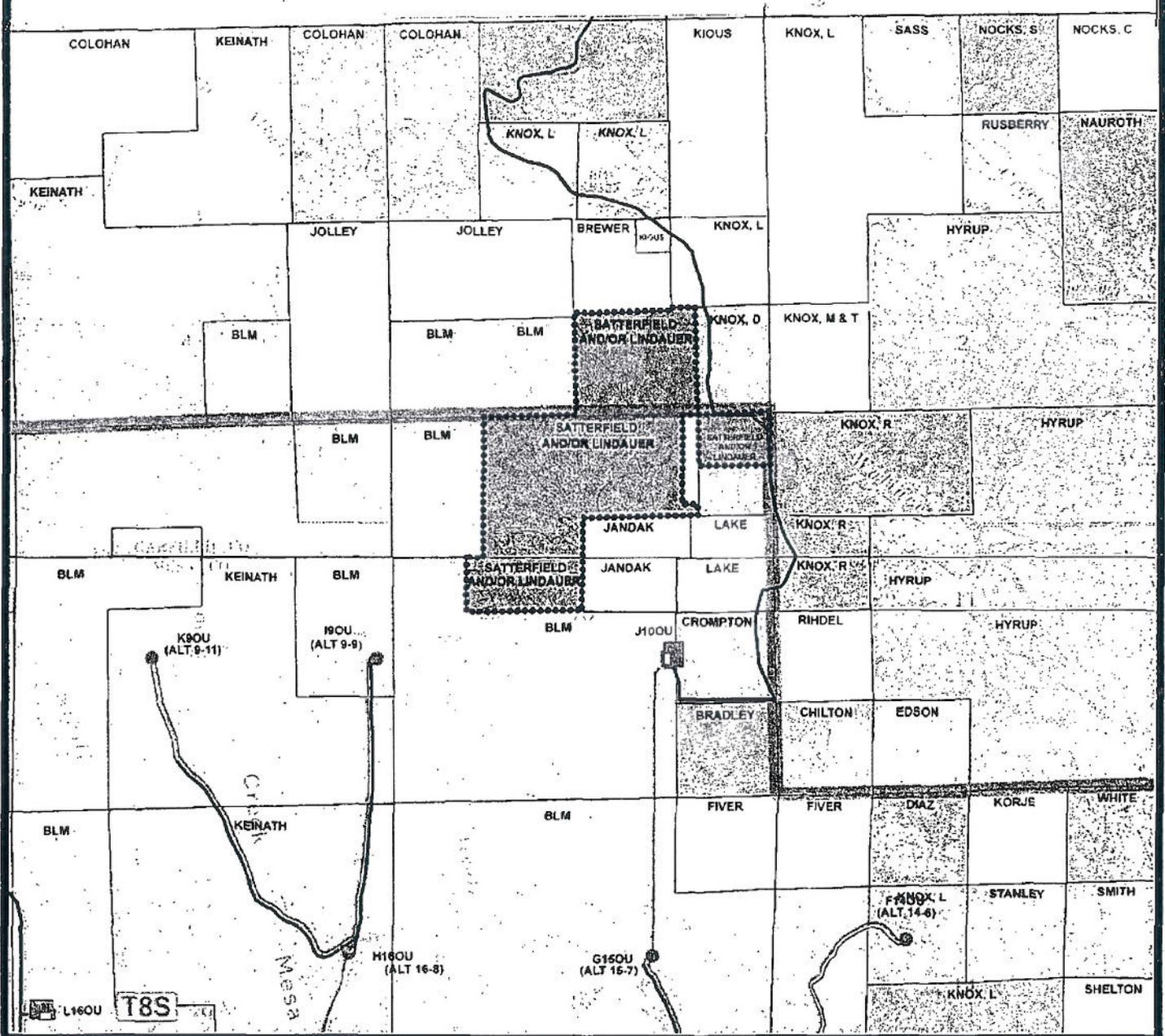
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

My Commission Expires: June 28, 2008

Notary Public: Dennis D. Hansen

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EXHIBIT "A"



EnCana Oil & Gas Inc.

Orchard Unit

Detail of Satterfield and/or Lindauer Property

Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

Legend

- Existing Roads
- Proposed Road
- Proposed Pipeline
- Existing Pipeline
- Proposed Well Pad
- Existing Well Pad
- Satterfield and/or Lindauer Property