

MEMORANDUM OF SURFACE DAMAGE AND RELEASE AGREEMENT

Pursuant to the terms of that certain unrecorded Surface Damage and Release Agreement dated effective the 19th day of July, 2011 between the undersigned, and subject to the conditions set forth therein, Encana Oil & Gas (USA) Inc. ("Encana") with an address at 370 17th Street, Suite 1700, Denver, Colorado 80202, and Kawakami Farms, LLLP (Owner) with an address at 10692 County Road 28, Fort Lupton, Colorado 80621 agreed to the location of a Well and payment for damages to the surface of Land connected with the access to and the drilling, construction, completion, recompletion, reworking, re-entry, production, maintenance and operations of a Well and associated pipelines, tank batteries and other facilities or property of Encana associated with the well and located on the following Land:

Township 3 North, Range 67 West, 6th P.M.
Section 35: NE1/4.
Weld County, Colorado


The Well named Kawakami 4-0-35 will be drilled from the Kawakami 31-35 padsite.

This Memorandum of Surface Damage and Release Agreement is executed by Owner and Encana and placed of record in Weld County, Colorado for the purpose of placing all persons on notice of the existence of the Agreement.

In witness whereof this instrument is executed effective the 19th day of July 2011.

ENCANA OIL & GAS (USA) INC.

By: 

Ricardo D. Gallegos, Attorney-in-Fact 

OWNER: Kawakami Farms, LLLP


David C. Reitz, Manager


Lois K. Reitz, General Partner

ACKNOWLEDGMENTS

STATE OF COLORADO)
)ss
CITY AND COUNTY OF DENVER)

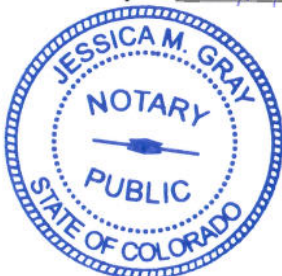
On this 1 day of Aug 2011, before me personally appeared Ricardo D. Gallegos who executed the within and foregoing instrument as Attorney-in-Fact of Encana Oil & Gas (USA) Inc. on behalf of the corporation, and acknowledged the instrument to be the free and voluntary act and deed of the corporation for 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 2/16/2015

Notary Public: Jessica M. Gray

(SEAL)



STATE OF COLORADO)
)ss
COUNTY OF Weld)

On this 17th day of July, 2011, before me personally appeared David C. Reitz, Manager, and Lois K. Reitz, General Partner of Kawakami Farms, LLLP known to me to be the persons who executed the within and foregoing instrument, and acknowledged that they executed said instrument as their free and voluntary act and deed 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: 3/15/2014

(SEAL)



Robert J. Bresnahan

Notary Public: Robert J. Bresnahan
Address: 3543 Dexter Street Denver, CO 80207