

MEMORANDUM OF MASTER SURFACE DAMAGE AGREEMENT

Pursuant to the terms of that certain unrecorded Master Surface Damage Agreement dated effective the 26th day of January 2005 and the Amendment to Master Surface Damage Agreement dated effective the 2 day of October, 2007 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 Cannon Land Company ("Owner") with an address at 3575 Cherry Creek North Drive, 2nd Floor, Denver, CO 80209, agreed to the 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 wells and associated pipelines, tank batteries and other facilities or property of EnCana associated with the wells and located on the following Lands:

Township 2 North, Range 66 West, 6th P.M.
Section 2: All
Section 4: S/2
Section 8: NE/4
Section 9: N/2
Section 10: N/2NW/4, E/2
Section 17: N/2
Section 19: The north 40 rods of the W/2NE/4

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 2 day of October 2007.

ENCANA OIL & GAS (USA) INC.

By: David G. Hill

David G. Hill, Attorney-in-Fact

CANNON LAND COMPANY

Erin Spence

ACKNOWLEDGMENTS

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

On this 2 day of October, 2007, before me personally appeared David G. Hill 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 12-19-09



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

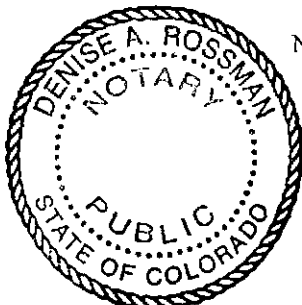
Notary Public: Sharon Lewis
address: 444 17th St #702
Denver CO 80202

On this 11 day of October, 2007, before me personally appeared Brown W. Cannon known to me to be the person who executed the within and foregoing instrument, and acknowledged that he/she executed said instrument as his/her 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: 10/24/07

(SEAL)



My Commission Expires 10/24/2007

Notary Public: Denise A. Rossman
Denise A. Rossman

AMENDMENT to MASTER SURFACE DAMAGE AGREEMENT

This Amendment to Master Surface Damage Agreement ("Amendment to Master SDA") dated effective this 2 day of October, 2007 is made by and between Cannon Land Company, whose address is 3575 Cherry Creek North Drive, 2nd Floor, Denver, CO 80209, ("Cannon"), and EnCana Oil & Gas (USA) Inc., 370 17th Street, Suite 1700, Denver, CO 80202, ("EnCana"), as parties to that certain Master Surface Damage Agreement dated January 26, 2005 ("Master SDA").

Whereas Cannon and EnCana entered into the Master SDA to govern future drilling operations upon the LANDS, as described in the Master SDA; and

Whereas Cannon and EnCana desire to amend the LANDS to include additional lands.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, Cannon and EnCana agree that LANDS as defined in the Master SDA shall be amended to include:

Township 2 North, Range 66 West, 6th P.M.
Section 17: N/2
(Cannon 22-17)
Weld County, Colorado

This Amendment to Master SDA may be executed in counterpart and shall be binding upon the parties, their successors, representatives, and assigns.

Cannon Land Company

BY: 

ITS: President

EnCana Oil & Gas (USA) Inc.

BY: 

David G. Hill, Attorney in Fact

ACKNOWLEDGMENTS

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

On this 2 day of October 2007, before me personally appeared David G. Hill 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 12-19-09

(SEAL)

Notary Public: [Signature]

address 441 17th St #702
Denver CO 80202

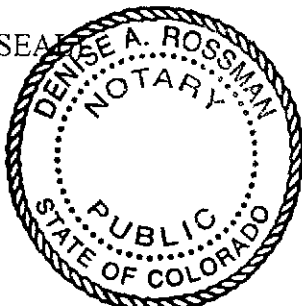
STATE OF COLORADO)
)ss
CITY AND COUNTY OF DENVER)

On this 11th day of October 2007, before me personally appeared Brown W. Cannon who executed the within and foregoing instrument as President of Cannon Land Company, 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: 10/24/07

(SEAL)



My Commission Expires 10/24/2007

Notary Public: [Signature]

Denise A. Rossman