

## MEMORANDUM OF SURFACE DAMAGE AND RELEASE AGREEMENT

This Memorandum of Surface Damage and Release Agreement is executed by and between Ben E. Nichols and Lois M. Nichols, individually and as trustees of the Ben E. Nichols Living Trust, dated March 2, 2000, and as trustees of the Lois M. Nichols Living Trust, dated March 2, 2000, whose address is 55759 Highway 130 Colbran, CO 81624-9505 ("Surface Owner") and EnCana Oil & Gas (USA) Inc., 370 17th, Suite 1700, Denver, Colorado 80202 ("EnCana") and placed of record in Mesa County, Colorado for the purpose of placing all persons on notice of the existence of that certain unrecorded Surface Damage and Release Agreement between Surface Owner and EnCana dated the 11<sup>th</sup> day of January, 2008 (the "Agreement").

The Agreement provides for the use of the surface of the land described below by EnCana in connection with certain oil and gas operations and for the compensation to Surface Owner for all damages to the surface of the land associated with the drilling, construction, testing, completion, recompletion, reworking, re-entry, production, maintenance and operation of the well(s) and all pipelines, tank batteries, and other facilities or property of EnCana or its affiliates associated with the well(s) located on the PL-31i wellsite to be located in:

Township 9 South, Range 95 West, 6<sup>th</sup> P.M.  
Section 31: SE/4  
Mesa County, Colorado


A true and complete copy of the Agreement is available from EnCana to any person owning an interest in the above described land.

Ben E. Nichols



Ben E. Nichols, Individually and as Trustee of the Ben E. Nichols Living Trust, dated March 2, 2000, and as Trustee of the Lois M. Nichols Living Trust, dated March 2, 2000

Lois M. Nichols



Lois M. Nichols, Individually and as Trustee of the Ben E. Nichols Living Trust, dated March 2, 2000, and as Trustee of the Lois M. Nichols Living Trust, dated March 2, 2000

EnCana Oil & Gas (USA) Inc.

By: \_\_\_\_\_  
Ricardo D. Gallegos  
Attorney-in-Fact

ACKNOWLEDGEMENTS

State of Colorado )

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County of: Mesa )

On this 11<sup>th</sup> day of January, 2008, before me personally appeared Ben E. Nichols, known to be the person described in and who executed the foregoing instrument, and who acknowledged to me that he executed the same.



SEAL

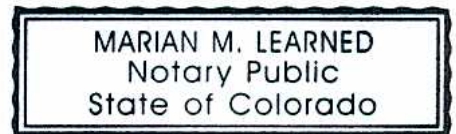
My commission expires: 10/01/11 Notary Public

State of Colorado )

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County of: Mesa )

On this 11<sup>th</sup> day of January, 2008, before me personally appeared Lois M. Nichols, known to be the person described in and who executed the foregoing instrument, and who acknowledged to me that she executed the same.



SEAL

My commission expires: 10/01/11 Notary Public

State of Colorado )

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City and County of: Denver )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008, before me personally appeared Ricardo D. Gallegos, known 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: \_\_\_\_\_ Notary Public