SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is entered into by Plaintiffs Raymond and Sally Miller, Barclay Farms, L.L.C., Joan Elaine Brehon, Janette Foote, Niles Miller, U.S. Bank, N.A., as trustee for the T.E. McClintock Trust, U.S. Bank, N.A., as trustee for the Edwin Miller Trust, and White River Royalties, LLC , on behalf of themselves and each member of the Class defined herein, and Defendant EnCana Oil & Gas (USA) Inc., a Delaware corporation with its principal place of business at 370 17th Street, Suite 1700, Denver, Colorado 80202.

DEFINITIONS

A. "Agreement" is defined as this Settlement Agreement.

B. "Approval Event" is defined as the date of the occurrence of the last of the three events set forth in paragraph 7 of this Agreement.

C. "Class" is defined as the class certified by the Court in its Order dated May 30, 2006, defined by the Court to include:

> All persons and entities to whom EnCana and its predecessors by merger have paid royalties or overriding royalties (collectively, "Royalties") on natural gas produced from wells located in Colorado ("EnCana wells"), according to the business records maintained by EnCana, pursuant to leases or overriding royalty agreements that do not expressly authorize the deduction of costs incurred to market such gas after it is severed from the wellhead (collectively, "Royalty Agreements"). The defined Class excludes (1) persons or entities who have reached settlement agreements with EnCana relating to Colorado natural gas royalty underpayment claims with respect to the production affected by such settlements; (2) persons and entities who are working interest owners in an EnCana well on whose behalf EnCana has paid royalties for gas production; (3) Indian tribes; (4) the United States of America; (5) the State of Colorado; (6) U.S. AgBank, FCB, f/k/a Farm Credit Bank of Wichita; (7) Anadarko Petroleum Corporation, as successor-in-interest to Union Pacific Resources Company; and (8) EnCana, EnCana's affiliates, EnCana's predecessors-in-interest, and their respective employees, officers and directors.

D. "Class Counsel" is defined as George A. Barton and Charles Carpenter.

E. "Class Members" is defined as each member of the Class, including Plaintiffs, as set forth in Exhibit A to this Agreement, and excludes the persons and entities who elected to opt out of the Class in response to the Notice of Certification of Class Action, as set forth in Exhibit A-1 to this Agreement.

F. "Class Members' Additional Released Parties" is defined to have the meaning set forth in paragraph 9(a) of this Agreement.

G. "Civil Action" is defined as the case captioned *Miller, et al. v. EnCana Oil & Gas (USA) Inc.*, No. 05 CV 2753, pending in the District Court for the City and County of Denver, Colorado (the "Civil Action").

H. "Court" is defined as the Denver District Court in the Civil Action.

I. "EnCana" is defined as EnCana Oil & Gas (USA) Inc., its predecessors in interest, officers, and directors, affiliates and subsidiaries.

J. "EnCana's Additional Released Parties" is defined to have the meaning set forth in paragraph 9(b) of this Agreement.

K. "Escrow Account" is defined as the account established under the Escrow Agreement, as set forth in paragraph 5 of this Agreement.

L. "Escrow Agreement" is defined as the agreement establishing the Escrow Account, as set forth in paragraph 5 of this Agreement, and in the form attached as Exhibit G to this Agreement.

M. "Final Judgment" is defined as the Final Judgment and Order of Dismissal with Prejudice, in the form attached as Exhibit D to this Agreement, to be entered in the Civil Action.

N. "Natural Gas " is defined as natural gas and associated liquid hydrocarbons, including natural gas liquids and condensate separated or extracted therefrom. Natural Gas does not include oil as defined in C.R.S. § 34-60-103(6).

O. "Order" is defined as the Court's class certification order dated May 30, 2006.

P. "Other Working Interest Owners" is defined as working interest owners for whom EnCana sells or markets Natural Gas and on whose behalf EnCana distributes royalties and/or overriding royalties.

Q. "Parties" is defined as Plaintiffs, Class Members and EnCana, each of whom individually may be referred to as a "Party."

R. "Plaintiffs" is defined as Plaintiffs Raymond and Sally Miller, Barclay Farms, L.L.C., Joan Elaine Brehon, Janette Foote, Niles Miller, U.S. Bank, N.A., as trustee for the T.E. McClintock Trust, U.S. Bank, N.A., as trustee for the Edwin Miller Trust, and White River Royalties, LLC, collectively.

S. "Preliminary Allocation Schedule" is defined as the schedule to be prepared and submitted to the Court by Class Counsel identifying each Class Member's share of the Settlement Funds based upon an allocation methodology prepared by Class Counsel and their accounting experts.

T. "Royalty Agreements" is defined as all instruments, including but not limited to oil and gas leases, assignments of leases that convey or reserve overriding royalty interests therein and other documents conveying or reserving royalty or overriding royalty interests, under which any Class Member receives or has received royalty payments, and therefore is subject to this Agreement (to the extent of the Class Members' interest). A list of the current oil and gas leases owned by EnCana is attached as Exhibit B to this Agreement.

U. "Settled Claims" is defined as all of the claims, causes of action, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever, whether known or unknown, whether foreseen or unforeseen, in law or in equity, that relate to the calculation, payment and reporting of royalties to the Class Members for Natural Gas produced, sold or taken in-kind by EnCana, including royalties and/or overriding royalties distributed by EnCana on behalf of Other Working Interest Owners for whom EnCana sells or markets Natural Gas pursuant to the Leases, with respect to production through December 31, 2008, which are, or could have been, the subject of the Civil Action, except for claims limited to mathematical or calculation errors in determining volumes, price, value or decimal interest arising on or after December 31, 2007.

V. "Settlement Funds" is defined as the $40,000,000 which EnCana shall deposit into the Escrow Account pursuant to the Escrow Agreement.

RECITALS

A. EnCana is a lessee and producer of Natural Gas produced from wells subject to the Royalty Agreements. The Class Members generally are or previously have been lessors, royalty owners and/or overriding royalty owners under one or more of the Royalty Agreements.

B. Plaintiffs filed the Civil Action on April 13, 2005 and alleged that EnCana breached the Royalty Agreements by failing to accurately calculate and pay royalties and/or overriding royalties by deducting post-wellhead expenses in a manner inconsistent with the Colorado Supreme Court's decision in *Rogers v. Westerman Farm Co.*, 29 P.3d 887 (Colo. 2001). Among other things, Plaintiffs alleged that EnCana breached the Royalty Agreements by (1) deducting certain charges for costs it should not have deducted, including (a) fees for gathering or transporting Natural Gas and delivering it to a commercial market and (b) fuel charges paid by delivering a portion of the Natural Gas to the owner of a pipeline or other facilities for use as fuel; (2) selling Natural Gas before it is made marketable for reduced prices; and (3) retaining a percentage of proceeds received for sales of Natural Gas produced from the EnCana wells. Plaintiffs also asserted that EnCana should not have deducted any costs incurred between the wellhead and the tailgate of a processing plant to make the gas marketable.

C. EnCana denied the material allegations of the complaint and asserted numerous affirmative defenses. In particular, EnCana contended that the Natural Gas was and is marketable at the wellhead and at other points prior to the tailgate of a processing plant, and that the costs deducted in paying royalty were proper under the *Rogers* case and the Leases. EnCana further contended that it marketed the Natural Gas at points away from the wells to obtain a better price for itself and its royalty owners and to enhance the value of the Natural Gas.

D. On May 30, 2006, following substantial discovery and a two-day hearing, the Court entered the Order certifying the Class in the Civil Action.

E. On May 30, 2006, the Court also appointed Plaintiffs as class representatives for the Class and appointed Plaintiffs' counsel as Class Counsel.

F. After the Court certified the Class, Plaintiffs and EnCana worked together to determine the potential class members under the Class as defined by the Court. Among other things, they identified leases and overriding royalty instruments expressly allowing deduction of costs, the persons or entities with interests in those leases or instruments, and the persons and entities excluded from the Class under the Court's Order.

G. After the Court's Order, Class Counsel also engaged in further investigation of the merits of the claims and quantification of potential damages asserted by the Class. In November 2007, the Parties participated in a mediation before Judge Richard W. Dana of the Judicial Arbiter Group.

H. On December 13, 2007, Class Counsel mailed a Notice of Certification of Class Action Against Defendant EnCana Oil & Gas (USA) Inc. to each of the potential members of the Class advising them of the nature of the case and their right to be excluded from the Class by filing opt-out forms with Class Counsel on or before January 30, 2008. On February 12, 2008, Class Counsel filed a report with the Court showing that 144 of the approximately 5,682 potential members of the Class elected to opt out.

I. In connection with the Civil Action, Class Counsel, Plaintiffs as class representatives, and EnCana have engaged in arm's-length negotiations to resolve this dispute without the need for further litigation. As part of the negotiation process, Class Counsel has requested -- and EnCana has provided -- electronic data and other information, and Class Counsel has otherwise investigated claims asserted in the Civil Action with the assistance of accounting and other experts. Plaintiffs as class representatives and Class Counsel have concluded that it would be in the best interests of the Class Members to enter into this Agreement in order to avoid the uncertainties of litigation, particularly complex litigation such as this, and to assure to the Class Members a benefit that is fair and reasonable. Similarly, EnCana has concluded that, despite its belief that it is not liable for the claims asserted and has good defenses thereto, it will enter into this Agreement in order to avoid the time, expense, and uncertainty of protracted litigation.

J. Accordingly, Plaintiffs as class representatives and EnCana have agreed, subject to approval by the Court in the Civil Action, to: (1) fully and finally compromise and settle the Settled Claims; (2) agree upon a methodology for calculation and payment of royalty on production beginning January 1, 2009; and (3) dismiss with prejudice the Civil Action in all respects.

AGREEMENT

In consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged,

Plaintiffs, on behalf of themselves and as class representatives of the Class Members, and EnCana hereby contract, covenant and agree that the Settled Claims be fully resolved, compromised and dismissed on the merits and with prejudice, subject to the approval of the Court, on the following terms and conditions:

1. Class Members and Opt-Outs. A list of the Class Members is attached as Exhibit A. Persons and entities who opted out of the Class in response to the Notice of Class Certification sent December 13, 2007, are listed in Exhibit A-1. Those persons and entities are not Class Members under this Agreement. A list of the wells currently subject to the Royalty Agreements is attached as Exhibit C. All wells drilled on the lands covered by the Royalty Agreements after execution of this Agreement will be subject to this Agreement (to the extent of a Class Member's interest).

2. Best Efforts to Garner Settlement's Approval. The Parties and their respective counsel agree to recommend that the Court approve this Agreement and further agree to undertake their best efforts, including all steps and efforts contemplated by this Agreement and any other steps and efforts that may be necessary or appropriate, by order of the Court or otherwise, to carry out the terms of this Agreement.

3. Motion for Preliminary Approval. Within ten business days of the date hereof, the Parties shall submit to the Court a joint motion for preliminary approval of the settlement, which shall include a request to stay all proceedings in the Civil Action until the Court has approved this Agreement and entered the Final Judgment and Order of Dismissal with Prejudice, in the form attached as Exhibit D. The terms of the Final Judgment are incorporated by reference as if fully set forth herein. Plaintiffs as class representatives shall request that the Court hold a hearing on the motion for preliminary approval as soon as practical. Prior to the hearing for final approval of this Agreement, Class Counsel will prepare and submit to the Court the Preliminary Allocation Schedule.

4. Notice of Class Settlement. After the Court's preliminary approval of this Agreement, Class Counsel shall provide notice to the Class Members in the manner approved by the Court, which notice may include, but shall not be limited to, mailing the notice in the form attached as Exhibit E by first-class mail, postage prepaid, to Class Members, and by publishing notice in the form attached as Exhibit F (or other appropriate information approved by the Court) in three consecutive Sunday editions of *The Denver Post.* Class Counsel shall bear the cost of providing notice as described by this paragraph, and such costs shall be deducted from the Settlement Funds in accordance with paragraph 10 of the Final Judgment.

5. Payment of Settlement Funds. As consideration for this Agreement, EnCana is paying the Settlement Funds to resolve all royalty claims on Natural Gas production through December 31, 2008, and is agreeing to pay royalty to Class Members on Natural Gas production on and after January 1, 2009 in the manner described in Paragraph 10 below. For the cash consideration, the Parties agree to proceed as follows with respect to the payment of Settlement Funds by EnCana:

(a) By May 1, 2008, or within 10 days of the Court's preliminary approval of this Agreement (whichever is later), EnCana shall deposit $40,000,000 – the Settlement Funds –

into the Escrow Account established under the Escrow Agreement generally conforming to the form attached as Exhibit G. Upon depositing the Settlement Funds into the Escrow Account, EnCana shall have no further payment obligations to the Class Members or Class Counsel under this Agreement.

(b) No amount of Settlement Funds shall be released from the Escrow Account until after the Approval Event (as set forth in paragraph 7 below), except that the escrow agent identified in the Escrow Agreement shall wire transfer the Settlement Funds (and any interest attributable thereto) to EnCana, in accordance with the directions set forth in the Escrow Agreement, if one of the following events occurs:

(i) either Plaintiffs as class representatives or EnCana voids this Agreement as provided for herein (including by withholding consent to any modification of this Agreement or Final Judgment imposed, or made a condition to approval, by any court);

(ii) this Agreement is not approved by the Court (including any appellate court); or

(iii) the conditions set forth in paragraph 7(a) and (b) below are not satisfied by December 31, 2008, provided that EnCana may waive the condition set forth in this subparagraph, at its sole option, by written notice to Class Counsel to be sent no later than December 15, 2008.

6. Order and Final Judgment. If the Court approves this Settlement Agreement, then the Parties jointly shall seek entry of the Final Judgment.

7. Conditions Precedent to Agreement's Effect. This Agreement shall become final, binding and effective upon the Approval Event, which is the date on which the last of the following three events occurs, and not before then:

(a) This Agreement (without modification or with modifications accepted pursuant to paragraph 8) is approved in all respects by the Court as required by Rule 23 of the Colorado Rules of Civil Procedure;

(b) The Final Judgment is entered by the Court, thereby dismissing with prejudice all claims as between Class Members and EnCana and instituting the revised royalty calculation method set forth in paragraph 10; and

(c) The time for appeal or to seek permission to appeal from the Court's Final Judgment has expired or, if appealed, the Final Judgment has been affirmed in its entirety and without modification (or, if modified, with modifications accepted pursuant to paragraph 8 below) by the court of last resort to which such appeal has been taken and such affirmance is no longer subject to further appeal or review.

8. Modifications. Any modification to this Agreement or its exhibits, whether modified by the Parties or any court, must be approved in writing signed by the Parties or their authorized representatives in order to be binding.

9. Mutual Releases, Covenants and Warranties.

(a) Release by EnCana. Upon the occurrence of the Approval Event and release of the Settlement Funds from the Escrow Account pursuant to Paragraph 7(b) of the Final Judgment, EnCana, for itself and its agents, officers, directors, parents, subsidiaries, affiliates, predecessors in interest, successors and assigns, fully and forever releases and discharges the Class Members, and each of them, as well as their respective heirs, agents, officers, directors, parents, subsidiaries, affiliates, partners, members, predecessors in interest, successors and assigns ("Class Members' Additional Released Parties"), from any and all Settled Claims, except for rights and obligations created by this Agreement.

(b) Release by Class Members. Upon the occurrence of the Approval Event and release of the Settlement Funds from the Escrow Account pursuant to Paragraph 7(b) of the Final Judgment, Plaintiffs and Class Members, and each of them, for themselves and their respective heirs, agents, officers, directors, parents, subsidiaries, affiliates, partners, members, predecessors in interest, successors and assigns, fully and forever release and discharge EnCana, and its agents, officers, directors, parents, subsidiaries, affiliates, predecessors in interest, successors and assigns ("EnCana's Additional Released Parties"), as well as the Other Working Interest Owners, from any and all Settled Claims, except for the rights and obligations created by this Agreement.

(c) Covenant Not to Sue. EnCana and the Class Members, for themselves and their officers, directors, agents, joint venturers, partners, members, parents, subsidiaries, affiliates, heirs, predecessors in interest, successors and assigns, covenant and agree that they will not commence, participate in, prosecute or cause to be commenced or prosecuted against the other Party or any of Class Members' Additional Released Parties, EnCana's Additional Released Parties, or Other Working Interest Owners, any action or other proceeding based upon any of the Settled Claims released by the Parties pursuant to this Agreement.

(d) No Release of Non-Parties. Nothing herein shall operate or be construed to release any claims the Parties may have against any person or entity who is not a Party hereto, a Class Members' Additional Released Party, an EnCana's Additional Released Party, or an Other Working Interest Owner, as those terms are defined above.

(e) Release Not Affected by Different or Additional Facts. EnCana represents that the royalty accounting data disclosed to Class Counsel was provided in good faith and that such data was generated from EnCana's accounting records. However, the Class Members acknowledge that discovery was not completed in the Civil Action and that they may hereafter discover facts different from or in addition to those which they now know to be or believe to be true with respect to the Settled Claims. The Parties represent and warrant that the release contained herein shall be and remain effective in all respects, notwithstanding such different or additional facts or the discovery thereof.

(f) Indemnification. Each Party agrees to indemnify, defend and hold the other harmless from and against any and all actions, causes of action, claims and demands, including but not limited to litigation expenses, costs and reasonable attorney fees, that the released Party may sustain by reason of any breach of the releases, covenants not to sue, or

warranties set forth in this paragraph 9 or in the Final Judgment. In this respect, such releases, covenants and warranties may be pleaded as a defense or by way of counterclaim, third-party complaint or cross-claim. The covenants not to sue will be specifically enforceable and the Parties agree that any breach thereof will cause irreparable harm justifying injunctive relief.

10. Agreement on Future Royalty Method. For production of Natural Gas occurring from the Royalty Agreements during 2008, EnCana will continue to pay royalty using the same methodology it used in December 2007, except that EnCana will correct a mistake in its royalty accounting for some of the fields (fields previously owned by Tom Brown Inc.) to deduct transportation costs incurred for mainline pipelines. For production of Natural Gas occurring from the Royalty Agreements on and after January 1, 2009 and continuing for the respective lives of the Royalty Agreements, EnCana (and its successors) shall calculate and pay Class Members (and their successors) royalties as set forth below, less the Class Members' royalty share of all production, severance, ad valorem, conservation and any other applicable taxes:

(a) For Natural Gas processed at the Fort Lupton or Dragon Trail Plants, EnCana will pay royalty in accordance with the method set forth in Exhibit H to this Agreement, *i.e.*, based on the application of weighted average sales prices actually received by EnCana from non-affiliated third-party purchasers of residue gas and natural gas liquids at the tailgate of EnCana's Ft. Lupton or Dragon Trail Plants, to volumes measured and calculated in accordance with Exhibit H ("Exhibit H Royalty Volumes"), based upon the following definitions and assumptions:

(i) EnCana shall be entitled to a volumetric deduction equal to 3% of the total MCF volume produced under the Leases (the "Volumetric Deduction"), as determined at the first meter after the wellhead of each well located on the Leases where both volume is measured and BTU content is sampled (the "Measurement Point").

(ii) The input stream for the Ft. Lupton Plant and Dragon Trail Plant will be analyzed periodically, and the most recent such gas analysis will be used to determine the MCF/MMBTU conversion factor and theoretical liquids content in calculating the Exhibit H Royalty Volumes.

(iii) Conversion factors for calculating MMBTU per liquid gallon of product are those shown in the current industry standard bulletin published by the Gas Processors Association.

(iv) EnCana shall also be entitled to deduct from the values calculated in Step 6 of Exhibit H the sum of 27.06 cents per MCF (the "Price Deduction") of the gross volumes at the Measurement Point. This 27.06 cents per MCF deduction shall be subject to an escalator of 2% per annum, such escalator to be effective January 1, 2010.

(b) For Natural Gas transported to the Meeker Plant (including Bullfork/Eureka, Clough Rulison, Divide Creek, Jolley (Mesa), Log (Mesa), Mamm Creek/Rifle, Mamm Creek/North Parachute, Mamm Creek/Orchard, Mallard, and South Parachute), EnCana will pay royalty based on (i) 98.5% of the wellhead MMBTU measured at or near the wellhead before the unit compressor times (ii) the weighted average sales price of the residue gas netted

back to the delivery point into the first long distance pipeline after the plant outlet (*i.e.*, after deduction of transportation costs, including fuel, on the long distance pipeline), less only the actual fees paid by EnCana to the owner of the Piceance Creek Pipeline (not including any fuel charges) for gas delivered to the Meeker Plant through the Piceance Creek Pipeline or any successor or replacement pipeline for the Piceance Creek Pipeline. If Natural Gas from any other fields currently covered by a different subparagraph of Paragraph 10 is subsequently transported to the Meeker Plant, the royalty methodology described in this subparagraph will apply to that Natural Gas.

(c) For Natural Gas produced from Andy's Mesa (including Slick Rock deliveries), Lisbon (to the extent the wells are in Colorado), Plateau Creek, Bonanza South Canyon, and Mesa City to RMNGC Farm Taps, EnCana will pay royalty based on (i) 100% of the MMBTU measured at or near the wellhead times (ii) the weighted average sales of the gas netted back to the delivery point into the first long distance pipeline connected to the field (i.e., after deduction of transportation costs, including fuel, on the long distance pipelines). For Natural Gas produced from Hamilton Creek and West Rulison/Carbonera, EnCana will pay royalty using this same methodology, except that the volume will be based on 100% of the MMBTU measured at the central delivery point in the field. The parties agree that TransColorado, Northwest Pipeline, and Rocky Mountain Natural Gas Pipeline, or any successor or replacement pipeline for those pipelines, qualify as long distance pipelines. In addition, deductible transportation costs include costs incurred on any other pipelines downstream from those pipelines, on which the gas is transported prior to sale. EnCana will not deduct gathering or treating charges (including fuel) by Bargath, Williams or Canyon.

(d) For Natural Gas produced from Roan Cliffs, Buzzard Creek, Calf Canyon/Gasaway, Foundation Creek, Lower Horse Draw D-18, Sagebrush/Coral Creek, and Trail Ridge, EnCana will pay royalty based on (i) 100% of MMBTU measured at or near the wellhead times (ii) the weighted average sales price of the gas netted back to the delivery point into the first long distance pipeline connected to the field (i.e., after deduction of transportation costs, including fuel, on the long distance pipelines). The parties agree that the transportation deduction will only include charges for transportation (including fuel) on Northwest Pipeline, Questar Pipeline, CIG, PSCO, and Rocky Mountain Natural Gas or any successor or replacement pipelines for those pipelines (and pipelines downstream from those pipelines, on which the gas is transported prior to sale), and EnCana will not deduct gathering charges or treating charges (including fuel) by Bargath, Williams or Canyon.

(e) For Natural Gas produced from White River Dome, EnCana will pay royalty based on (i) the receipt volume of residue gas at the tailgate of the processing plant in or near the field (currently operated by SouthTex Treating) times (ii) the weighted average sales price of the gas netted back to the delivery point into the first long distance pipeline after the plant outlet (i.e., after deduction of transportation costs, including fuel, on the long distance pipelines), less (iii) 40% of the costs paid for processing and treating to White River Electric, SouthTex Treating, and PSCO (or their successors). EnCana will also pay royalty on the condensate and natural gas liquids recovered from the Natural Gas produced based on the weighted average sales price for those liquids netted back to the tailgate of the plant (EnCana will be entitled to deduct all reasonable fractionation and transportation costs incurred downstream of the plant).

(f) For Natural Gas reported in the EnCana accounting system as DJ Basin, Non Op, Non Op Kerr-McGee, and Other Weld County, EnCana will pay royalty based on the proceeds it receives, plus one-half of the deductions for gathering and processing made by the operator or purchaser from prices paid by third party purchasers in the calculation of the proceeds paid to EnCana. To the extent EnCana's proceeds reflect deductions for transportation (including fuel) on mainline pipelines, such deductions will be allowed in the calculation of royalty.

(g) In calculating its royalty payments to Class Members for all of the above areas, EnCana will use the sales price it receives from sale of the natural gas to third parties and deduct charges (including volumetric charges) incurred to transport the gas on mainline pipelines downstream from the processing plant. If other mainline pipelines are subsequently built or extended to serve the production areas described in paragraphs 10(a) through (f), EnCana will be entitled to deduct the charges (including volumetric charges) incurred to transport the gas on those pipelines to the extent such charges replace charges that would have been deductible under the prior marketing arrangement. Deductions for costs incurred prior to mainline pipelines will be limited as described above in paragraphs 10(a) through (f).

(h) The revised method of calculating royalties set forth in this paragraph 10 does not affect the provisions of the Leases, if any, relating to EnCana's free use of natural gas or liquids or any other provision of the Leases, except to the extent necessary to conform the royalty payments due Class Members to the valuation methods set forth in paragraphs 10(a) through (g).

(i) This Agreement, including but not limited to the provisions of paragraph 10, shall run with the land and shall be binding upon and inure to the benefit of EnCana and the Class Members and their respective agents, officers, directors, joint venturers, partners, members, heirs, personal representatives, successors and assigns, with respect to both the current interests owned by EnCana and Class Members and any additional interest that either EnCana or Class Members acquire under the Royalty Agreements. This Agreement shall apply to the undivided interest owned by EnCana in each Royalty Agreement or any interest subsequently acquired by EnCana or a Class Member under each Royalty Agreement. This Agreement shall not be construed to amend any lease in which both EnCana and any Class Member did not own an interest on or before March 1, 2008. This Agreement will not be interpreted or construed as preventing or limiting EnCana's ability, at its sole discretion and without notice to the Class Members, to enter into new gathering, transportation, processing, or marketing arrangement relating to the Royalty Agreements. Nothing in this Agreement shall operate or be construed as a cross-conveyance or pooling of the Royalty Agreements which in any manner affects the right of any separate Class Member to deal with their separate property interests in the Royalty Agreements as their sole and separate property without regard to the rights or interests of any other separate Class Member.

(j) This paragraph 10 expressly describes the allocation of post-wellhead expenses between EnCana and the Class Members. This Agreement does not supersede or nullify any applicable division order, pooling agreement or unitization agreement in existence on the date of this Agreement, except to the extent that the terms of such instruments directly conflict with this Agreement, in which case the terms of this Agreement shall prevail.

(k) In addition to royalties and/or overriding royalties calculated and paid by EnCana in satisfaction of its own royalty obligations under the Royalty Agreements, the method for calculating and paying royalties as set forth in this Agreement, including but not limited to the method set forth in this paragraph 10, also shall apply to EnCana's calculation and payment of the royalties and/or overriding royalties that it distributes on behalf of Other Working Interest Owners with working interests in the Royalty Agreements.

(l) In the event of a dispute over EnCana's payment of royalty under this paragraph 10, such dispute will be resolved in an arbitration administered by the Judicial Arbiter Group ("JAG"), with the Honorable Richard W. Dana as Arbitrator. The arbitration will be conducted in accordance with the rules (but not under the administrative auspices) of the American Arbitration Association then in effect. If Judge Dana is unable to serve as Arbitrator, the Arbitrator will be designated by JAG from among its panel of Arbitrators. If JAG no longer exists, the Parties will attempt to agree on an arbitrator, and if unable to do so, arbitration will be conducted under the rules of the American Arbitration Association then existing.

11. Authority and Capacity to Execute. Each person signing this Agreement on behalf of a Party represents and warrants that such signatory has the full and complete power, authority and capacity to execute and deliver this Agreement and any documents to be executed pursuant hereto, that all formalities necessary to authorize execution of this Agreement so as to bind the principal, limited liability company, trust, partnership or corporation have been undertaken, and that upon the occurrence of the Approval Event, this Agreement will constitute the valid and legally binding obligation of each such Party hereto, enforceable by and against that Party in accordance with its terms.

12. Successors and Assigns. This Agreement is binding upon and will inure to the benefit of each of the Parties hereto and their respective agents, officers, directors, employees, heirs, devisees, legal representatives, attorneys, successors and assigns.

13. Representations. Each Party expressly undertakes and assumes the risk that this Agreement was made on the basis of mistakes, mutual or unilateral. The Parties expressly acknowledge that they have had the opportunity to consult additional professionals of their choice, including lawyers, accountants, economists, petroleum engineers, geologists, and others regarding any and all damages, losses, costs, expenses, liabilities, claims and the consequences thereof, of whatsoever kind and nature, which they may have incurred or which they may or will incur, whether suspected or unsuspected, known or unknown, foreseen or unforeseen. The Parties are aware that they or their attorneys may hereafter discover facts different from or in addition to the facts which they or their attorneys now know or believe to be true with respect to the subject matter of this Agreement. The Parties expressly understand and agree that the signing of this Agreement will be forever binding on them and that no rescission, modification or release of any Party from the terms of this Agreement will be made because of any mistakes in this Agreement.

Each Party further acknowledges that, except for the specific representations, covenants and warranties set forth herein, it has relied solely on its own attorneys, accountants, experts, and consultants in deciding to enter into this Agreement, and no Party has made any representation, promise or agreement of any kind to do or refrain from doing any act or thing or pay any money

or other consideration not expressly set forth herein. Given the absence of any reliance by one Party upon any representation by the other Party other than as specifically set forth herein, whether written or oral, expressed or implied, the Parties agree that hereafter the rights and obligations of the Parties with respect to the subject matter of this Agreement will be exclusively as set forth in this Agreement and the Final Judgment. The terms of this Agreement shall govern and control over any conflicting provisions or terms contained in any prior agreements among the Parties.

14. Construction. The language of all parts of this Agreement and its exhibits will in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any Party. This Agreement and its exhibits are the product of the negotiation of the Parties. For convenience, this Agreement has been drafted initially in substantial part by legal counsel for certain of the Parties, but by agreement of the Parties, this Agreement shall be deemed to have been drafted by all Parties jointly, and any ambiguity herein shall not be construed for or against any Party by virtue of the identity of the any drafter, initial or otherwise.

15. Disputed Claims. It is understood that this Agreement constitutes a compromise of highly disputed claims, and that neither (a) the consideration provided for herein, nor (b) the entry into this Agreement or stipulation to the Final Judgment, nor (c) any recital contained herein, will be construed, interpreted, or admissible as an admission of liability by or on behalf of any Party hereto, all such liability being expressly denied, regardless of whether this Agreement becomes final. In the event that this Agreement does not become final, then this Agreement shall be of no force or effect and this Agreement and any and all negotiations, documents and discussions associated with it shall be without prejudice to the rights of any Party, shall not be deemed or construed to be an admission or evidence of any liability or wrongdoing by EnCana or of the truth of any of the claims or allegations contained in the complaint or any other pleading, and evidence thereof shall not be discoverable or used directly or indirectly, in any way, whether in the Civil Action or in any other action or proceeding. EnCana expressly reserves all of its rights and defenses if this Agreement does not become final.

16. Survival of Covenants and Representations. All covenants, warranties and representations contained in this Agreement are contractual in nature, are not mere recitals, and will survive the execution of this Agreement.

17. Miscellaneous.

(a) Governing Law. This Agreement is and will be governed by the laws of the State of Colorado.

(b) Severability. In the event that a court of competent jurisdiction enters a final judgment or decision holding invalid any nonmaterial provision of this Agreement, the remainder of this Agreement will be fully enforceable.

(c) Counterparts. This Agreement may be executed by facsimile signatures and in counterparts, all of which will have full force and effect between the Parties, subject to all conditions precedent and subsequent set forth herein.