



EnCana Corporation

EnCana on 9th
150 9th Avenue SW
PO Box 2850
Calgary AB Canada T2P 2S5

tel: (403) 645-2000

www.encana.com

Date: June 30, 2010
EnCana File: M063767, M080669

Orleans Energy Ltd.
1200, 500 - 4th Avenue S.W.
Calgary, Alberta
T2P 2V6
Attention: Land Dept.

Dear Sir or Madam:

Re: **Notice of Default**
 Natural Gas Lease dated December 1st, 2002 (the "Lease")
 Natural Gas Lease dated January 15, 2006 (the "Lease")
 Section 27 TWP 041 RGE 23 W5M (the "Lands")
 Well: 100/03-27-041-02W5/02
 Well: 100/13-27-041-02W5/02
 Well: 100/14-27-041-02W5/00

This letter is to confirm that the default set out in our Notice dated May 11, 2010 has been remedied by the receipt of the required royalties plus interest within the prescribed time period.

If you have any inquiries, please contact Sheila Quigley at 403-645-2415.

Yours truly,

ENCANA CORPORATION

A handwritten signature in dark ink, appearing to read "Alan Baker", is written over a horizontal line.

Alan Baker
Team Lead, Clearwater Finance
Canadian Division
(403)645-5488

C.C. Encana – Garth Buchholz
 Lease Files – M063767, M080669

1063767

Buckingham, Tracy L.

From: LeMere, Craig
Sent: Monday, June 28, 2010 9:41 AM
To: Buckingham, Tracy L.
Subject: RE: Notice of Defaults Sec 27-041-02W5 dated May 11 ,2010

Good Morning Tracy

I have forwarded these files to Sheila for a remedy letter.

Craig

From: Buckingham, Tracy L.
Sent: Friday, June 25, 2010 7:39 AM
To: LeMere, Craig
Subject: FW: Notice of Defaults Sec 27-041-02W5 dated May 11 ,2010

Hey Craig,

Has this been remedied or are we still waiting? Thanks

From: Lynne LaPointe [mailto:LLaPointe@orleansenergy.com]
Sent: Wednesday, June 16, 2010 11:49 AM
To: LeMere, Craig
Cc: Buckingham, Tracy L.; Renee Koblin
Subject: RE: Notice of Defaults Sec 27-041-02W5 dated May 11 ,2010

Okay, I will have our PA look into this today.

Thanks,
Lynne

From: LeMere, Craig [mailto:Craig.LeMere@EnCana.com]
Sent: Wednesday, June 16, 2010 11:41 AM
To: Lynne LaPointe
Cc: Buckingham, Tracy L.
Subject: RE: Notice of Defaults Sec 27-041-02W5 dated May 11 ,2010

Good Morning Lynne

I have reviewed your cheque for 88,756.24 and it appears in line with the defaults except for the following:

It appears your adjustments on the 102/06-27-041-02W5/00 still do not meet AECO price requirements. Please review and make further amendments.

Thank you

Craig

2010-06-28

From: Lynne LaPointe [mailto:LLaPointe@orleansenergy.com]
Sent: Thursday, June 10, 2010 2:19 PM
To: LeMere, Craig
Subject: RE: Notice of Defaults Sec 27-041-02W5 dated May 11 ,2010
Importance: High

Hi Craig,

A cheque is on it's way over today for \$88,756.24, (\$82,511.67 in royalties and \$6,244.57 in interest). However, on June 9, Margrit Owen sent another royalty issue notice via email, with additional production months listed, over and above what was on the default notices. We have addressed the months on the default notices, and some of the months on this additional email date June 9, but not all of them. We did not own this property until June 2006, so we are trying to track down the information from 2003 & 2004 & 2005 as per Margrit's email.

Also, we addressed the default notices with the above cheque, not the additional well listed in Margrit email for issue #108221. We will have this next week after splits.

If there are any concerns, please contact me immediately.

Regards,
Lynne La Pointe
Accounting Manager

From: LeMere, Craig [mailto:Craig.LeMere@EnCana.com]
Sent: Monday, June 07, 2010 11:38 AM
To: Lynne LaPointe
Subject: Notice of Defaults Sec 27-041-02W5 dated May 11 ,2010
Importance: High

Good Morning

This is a reminder that the above subject default is set to expire this Thursday June 10 , 2010. The only correspondence to date that I have had is with verifying AECO prices with Calvin House. Your immediate attention is required in order to rectify situation.

Thank you

Craig

This email communication and any files transmitted with it may contain confidential and or proprietary information and is provided for the use of the intended recipient only. Any review, retransmission or dissemination of this information by anyone other than the intended recipient is prohibited. If you receive this email in error, please contact the sender and delete this communication and any copies immediately. Thank you.

<http://www.encana.com>



Date: May 11, 2010
EnCana File: M063767, M080669

EnCana Corporation

EnCana on 9th
150 9th Avenue SW
PO Box 2850
Calgary AB Canada T2P 2S5

tel: (403) 645-2000

www.encana.com

Orleans Energy Ltd.
1200, 500 - 4th Avenue S.W.
Calgary, Alberta
T2P 2V6
Attention: Land Dept.

Delivered by Courier

Dear Sir or Madam:

Re: **Notice of Default**
 Natural Gas Lease dated December 1st, 2002 (the "Lease")
 Natural Gas Lease dated January 15, 2006 (the "Lease")
 Section 27 TWP 041 RGE 28 W5M (the "Lands")
 Wells: See attached

Encana Corporation hereby serves formal Notice of Default (the "Notice") under Clause 18 of the Leases that you are in breach or non-observance or non-performance of Clause 5 for insufficient payment of royalties (see attached). Pursuant to clause 18 of the Leases, EnCana hereby notifies you to remedy such default.

Pursuant to Clause 18 of the Leases, you fail to remedy the foregoing default within a period of 30 days from the receipt hereof by paying all outstanding royalty payments including interest as set out in Clause 32 of the Leases, and in addition to any other rights or remedies that Encana may have, the Leases shall thereupon terminate without further notice. In the event the Leases terminate as aforesaid, Encana shall, in addition to any other remedy which may be available to it, require that all caveats filed against our mineral titles be removed.

Please remit your documentation and payment on a timely basis thereby allowing time for Encana to review before the 30 days expiry. If Encana disagrees with your conclusions you run the risk of losing your lease, per Clause 18, the default must be remedied within 30 days. Also, if you do not include the interest payment as per Clause 32 of the lease, the default is not remedied and the lease can still be terminated.

If you have any inquiries, please contact Craig Lemere at 403-645-2352 or Frankie Li at 403-645-4059.

Yours truly,

ENCANA CORPORATION

Allan Baker
Team Lead, Clearwater Finance
Canadian Division
(403)645-5488

C.C. Encana – Garth Buchholz
Lease Files – M063767, M080669

Date: May 11, 2010
EnCana File: M063767, M080669

Re: Notice of Default
Natural Gas Lease dated December 1st, 2002 (the "Lease")
Natural Gas Lease dated January 15, 2006 (the "Lease")
Section 27 TWP 041 RGE 23 W5M (the "Lands")

All the wells listed below have large gas shrinkage between production and sales after allowing for gas byproducts. Please provide documentation as to why there is such a large discrepancy up until 200905 or pay royalties on difference.

Also please see below for other problems on wells listed.

100/03-27-041-02W5/02

1. Your gas price is lower then the AECO/NIT Monthly Index Gas price for the following months, please remit the difference.

200807	200906
200808	200907
200809	200908
200812	200911
200901	200912
200902	
200903	
200904	

100/13-27-041-02W5/02

2. Your gas price is lower then the AECO/NIT Monthly Index Gas price for the following months, please remit the difference.

200511	200807
200601	200808
200602	200809
200605	200911
200609	
200701	
200707	

100/14-27-041-02W5/00

3. Your gas price is lower then the AECO/NIT Monthly Index Gas price for the following months, please remit the difference.

200807	200904
200808	200906
200809	200907
200812	200908
200901	200911
200902	
200903	

Please forward payments and documentation related to this Notice to the following address/contact

Sheila Quigley
EnCana Corporation
125 - 9th Avenue S.E.
Room 2453
Calgary AB Canada
T2G 0P6



Date: May 11, 2010
EnCana File: M063767, M080669

EnCana Corporation

EnCana on 9th
150 9th Avenue SW
PO Box 2850
Calgary AB Canada T2P 2S5
tel: (403) 645-2000
www.encana.com

Orleans Energy Ltd.
1200, 500 - 4th Avenue S.W.
Calgary, Alberta
T2P 2V6
Attention: Land Dept.

Delivered by Courier

Dear Sir or Madam:

Re: **Notice of Default**
Natural Gas Lease dated December 1st, 2002 (the "Lease")
Natural Gas Lease dated January 15, 2006 (the "Lease")
Section 27 TWP 041 RGE 23 W5M (the "Lands")
Wells: See attached

Encana Corporation hereby serves formal Notice of Default (the "Notice") under Clause 18 of the Leases that you are in breach or non-observance or non-performance of Clause 5 for insufficient payment of royalties (see attached). Pursuant to clause 18 of the Leases, EnCana hereby notifies you to remedy such default.

Pursuant to Clause 18 of the Leases, you fail to remedy the foregoing default within a period of 30 days from the receipt hereof by paying all outstanding royalty payments including interest as set out in Clause 32 of the Leases, and in addition to any other rights or remedies that Encana may have, the Leases shall thereupon terminate without further notice. In the event the Leases terminate as aforesaid, Encana shall, in addition to any other remedy which may be available to it, require that all caveats filed against our mineral titles be removed.

Please remit your documentation and payment on a timely basis thereby allowing time for Encana to review before the 30 days expiry. If Encana disagrees with your conclusions you run the risk of losing your lease, per Clause 18, the default must be remedied within 30 days. Also, if you do not include the interest payment as per Clause 32 of the lease, the default is not remedied and the lease can still be terminated.

If you have any inquiries, please contact Craig Lemere at 403-645-2352 or Frankie Li at 403-645-4059.

Yours truly,

ENCANA CORPORATION

Allan Baker
Team Lead, Clearwater Finance
Canadian Division
(403)645-5488

C.C. Encana – Garth Buchholz
Lease Files – M063767, M080669

Date: May 11, 2010
EnCana File: M063767, M080669

Re: **Notice of Default**
 Natural Gas Lease dated December 1st, 2002 (the "Lease")
 Natural Gas Lease dated January 15, 2006 (the "Lease")
 Section 27 TWP 041 RGE 23 W5M (the "Lands")

All the wells listed below have large gas shrinkage between production and sales after allowing for gas byproducts. Please provide documentation as to why there is such a large discrepancy up until 200905 or pay royalties on difference.

Also please see below for other problems on wells listed.

100/03-27-041-02W5/02

1. Your gas price is lower then the AECO/NIT Monthly Index Gas price for the following months, please remit the difference.

200807	200906
200808	200907
200809	200908
200812	200911
200901	200912
200902	
200903	
200904	

100/13-27-041-02W5/02

2. Your gas price is lower then the AECO/NIT Monthly Index Gas price for the following months, please remit the difference.

200511	200807
200601	200808
200602	200809
200605	200911
200609	
200701	
200707	

100/14-27-041-02W5/00

3. Your gas price is lower then the AECO/NIT Monthly Index Gas price for the following months, please remit the difference.

200807	200904
200808	200906
200809	200907
200812	200908
200901	200911
200902	
200903	

Please forward payments and documentation related to this Notice to the following address/contact

Sheila Quigley
EnCana Corporation
125 - 9th Avenue S.E.
Room 2453
Calgary AB Canada
T2G 0P6