



Morpheus Energy
Corporation

December 17, 2003

EnCana Corporation
150 – 9th Avenue S.W.
Calgary, Alberta
T2P 3H9

Attention: Marg Harty

Re: Continuation Request
Section 27-41-2 W5M
Gilby Area, Alberta

Please refer to previous correspondence dated November 27, 2003.

Attached for your file is a copy of the completion report for the well Morpheus et al Gilby 13-27-41-2 W5M. A copy was sent on a daily basis to the contact on EnCana's data requirement sheet.

The well will be tied-in and on production prior to the end of January barring any unforeseen surface access issues.

As a result of this well, Section 27-41-2 W5M is now producing or capable of producing from two zones. The Ellerslie produces from 3-27 and the Glauconitic will be producing from 13-27 as discussed above.

As a suggestion for administrative purposes, it may be advantageous to continue the natural gas lease as to the Mannville formation.

Please provide formal notification of the continuation.

Should you have any questions regarding this situation please contact the undersigned at 538-0042.

Yours truly,
Morpheus Energy Corporation

D.K. (Ken) Truscott
President & C.E.O.

Harty, Marg

From: Braun, Lindsey
Sent: Monday, December 15, 2003 11:40 AM
To: Harty, Marg
Subject: RE: 00/13-27-41-2-W5

Yes I have received the completion program and completion reports 1 - 8. If you need this on the system I can get it on today.

-----Original Message-----

From: Harty, Marg
Sent: Monday, December 15, 2003 10:52 AM
To: Braun, Lindsey
Subject: 00/13-27-41-2-W5

Lindsey, could you please let me know if you have received daily completions report on the above well.
Thanks

Marg Harty
Land Administrator
EnCana Corporation
Phone: 645-2232 / Fax: 290-7355

Harty, Marg

From: Oakes, Sandra
Sent: Tuesday, December 09, 2003 7:42 AM
To: Harty, Marg
Cc: Braun, Lindsey
Subject: RE: One More Well 00/13-27-41-02-W5 Morpheus et al Gilby

Marg: This well Drilled - SPUD 03-11-12 RR 03-11-19 DEPTH: 1954m We have received all drilling info except for the Well Drilling Completion Data Submission (WR2)
Please request from Morpheus

Lindsey: Please advise Marg if you have been receiving the **daily completions** on this well

-----Original Message-----

From: Harty, Marg
Sent: Monday, December 08, 2003 10:43 AM
To: Oakes, Sandra
Subject: One More Well

Could you please tell me if you have the completion reports for 13-27-41-2-W5. The company said they were going to provide them and I was wondering if you have received them yet or not. Thanks

Marg Harty
Land Administrator
EnCana Corporation
Phone: 645-2232 / Fax: 290-7355



Morpheus Energy
Corporation

November 27, 2003

AB56-1320

AB86-30572

EnCana Corporation
150 – 9th Avenue S.W.
Calgary, Alberta
T2P 3H9

Attention: Marg Harty

Re: Continuation Request
Section 27-41-2 W5M
Gilby Area, Alberta

Subsequent to our recent conversations and e-mail communications, EnCana indicated that only the Ellerslie formation would be continued beyond the December 1, 2003 primary term expiry. Since that correspondence, Morpheus Energy Corporation has drilled and cased a well located in Lsd. 13-27-41-2 W5M and is currently completing the well as a Glauconitic natural gas well. The completion reports will be provided to EnCana as per the well information requirement form previously provided to Morpheus.

Subsequent to the completion, the well will be tied into the Morpheus compression facility located at 3-27-41-2 W5M.

The completion, including testing, is expected to continue until approximately December 15, 2003 and the well is expected to be on production in Q1 2004.

The lease rental for the 2003-2004 year was submitted under separate cover earlier in November 2003.

We will correspond after the completion with the specific zonal continuation.

Should you have any questions regarding this situation please contact the undersigned at 538-0042.

Yours truly,
Morpheus Energy Corporation


D.K. (Ken) Truscott
President & C.E.O.

Harty, Marg

From: Urbat, Rick
Sent: Friday, October 24, 2003 2:55 PM
To: Harty, Marg
Subject: RE: 27-041-02-W5M

The continued formation would be the Ellerslie Member.

-----Original Message-----

From: Harty, Marg
Sent: Friday, October 24, 2003 2:23 PM
To: Urbat, Rick
Subject: RE: 27-041-02-W5M

Rick, just one more question before this is laid to rest. Could you please tell me the formation names that coincide with these intervals because I need to update Landman so need to know the names of the formations as well as the intervals. Thanks for your time with this.

Marg Harty

Land Administrator
EnCana Corporation
Phone: 645-2232 / Fax: 290-7355

-----Original Message-----

From: Urbat, Rick
Sent: Wednesday, October 22, 2003 3:44 PM
To: Harty, Marg
Subject: RE: 27-041-02-W5M

Marg,

We would be continuing to the base of the Mannville Group identified as 1934.5 m MD (1933m TVD) in the well 100/3-27-41-2w5. If EnCana ever does a shallow rights reversion on this well the interval that would be held (assuming no additional completions) would be 1904.5m to 1934.5m MD (1903.0m to 1933.0 m TVD).
Rick.

-----Original Message-----

From: Harty, Marg
Sent: Wednesday, October 22, 2003 11:03 AM
To: Urbat, Rick
Subject: 27-041-02-W5M

Rick,

I sent you a copy of a letter I received from Morpheus Energy Corporation dated October 15, 2003 to confirm the continuation of the well in 3-27-41-2-W5. You confirmed by phone on Monday that there was natural gas production from the Basal Mannville formation.

I was speaking to Ken Truscott at Morpheus and he would like the interval stated on the continuation letter saying what exactly we are continuing. He said that with the new Parkland lease there is going to be a lot of misinterpretation if we don't note the intervals that are continuing and if at some time another company (or EnCana) is going to be drilling another formation in the same area.

Could you please give this some thought and confirm the formation intervals that we are going to continue pursuant to this well.

Marg Harty

Land Administrator

EnCana Corporation

Phone: 645-2232 / Fax: 290-7355

Harty, Marg

From: Harty, Marg
Sent: Friday, October 17, 2003 9:25 AM
To: 'ken@morpheus-energy.com'
Subject: Continuation Request - 27-41-2-W5M

Good morning Ken,

I am in receipt of the letter dated October 15, 2003 sent to Andrew Humphreys. I have sent a copy of your letter and the well data we have in house to the geologist. The expiry date of the lease is Nov. 30th, 2003 and we will send you a letter continuing the lease when we have reviewed the data.

If you have any questions regarding this matter, please call me.

Marg Harty
Land Administrator
EnCana Corporation
Phone: 645-2232 / Fax: 290-7355

Forwarded letter to Rick Mrbat today's date .

Oct. 20/03.
Rick Mrbat confirmed gas production from Basal Marnville.
Continue gas lease.

Humphreys, Andrew

From: Humphreys, Andrew
Sent: Thursday, October 16, 2003 11:52
To: 'Ken Truscott'
Cc: Harty, Marg
Subject: RE: Gilby

Hi Ken,

I've forwarded your original couriered letter to Marg Harty our administrator. I'll have her look after it and I'll request that she pay some consideration to your request.

Regards,
Andrew

-----Original Message-----

From: Ken Truscott [mailto:ken@morpheus-energy.com]
Sent: Wednesday, October 15, 2003 3:49 PM
To: Humphreys, Andrew
Subject: Gilby

Andrew, I couriered to you today the attached letter. Curious to see how your continuation process works.
Please put on the fast track if you can.

Thanks.

Ken Truscott
Morpheus Energy Corporation
403-538-0042
403-538-0044 Fax



Morpheus Energy
Corporation

October 15, 2003

EnCana Corporation
150 – 9th Avenue S.W.
Calgary, Alberta
T2P 3H9

Attention: Andrew Humphreys

Re: Continuation Request
Section 27-41-2 W5M
Gilby Area, Alberta

As you are aware, Morpheus Energy Corporation has drilled the well located at 3-27-41-2 W5M and it is producing natural gas from the Basal Mannville. Morpheus is waiting on the EUB for the pool designation and name.

Morpheus in accordance with the EnCana Natural Gas Lease requests continuation of the lease as to the Basal Mannville which is defined as the interval from 1870 meters to 1934 meters in the well Morpheus et al Gilby 3-27-41-2 W5M. Please note this interval is taken from the measured depth logs as the well was drilled directionally.

Should you have any questions regarding this offer please contact the undersigned at 538-0042.

Yours truly,
Morpheus Energy Corporation


D.K. (Ken) Truscott
President & C.E.O.



Morpheus Energy
Corporation

October 15, 2003

EnCana Corporation
150 – 9th Avenue S.W.
Calgary, Alberta
T2P 3H9

Attention: Andrew Humphreys

Re: Continuation Request
Section 27-41-2 W5M
Gilby Area, Alberta

AB56-1320
AB86-30572

As you are aware, Morpheus Energy Corporation has drilled the well located at 3-27-41-2 W5M and it is producing natural gas from the Basal Mannville. Morpheus is waiting on the EUB for the pool designation and name.

Morpheus in accordance with the EnCana Natural Gas Lease requests continuation of the lease as to the Basal Mannville which is defined as the interval from 1870 meters to 1934 meters in the well Morpheus et al Gilby 3-27-41-2 W5M. Please note this interval is taken from the measured depth logs as the well was drilled directionally.

Should you have any questions regarding this offer please contact the undersigned at 538-0042.

Yours truly,

Morpheus Energy Corporation

D.K. (Ken) Truscott
President & C.E.O.



September 11, 2003
Files: AB56-1320
ABFO-4303

EnCana Corporation
EnCana Corp. Ltd.
3000 42nd Street, Suite 500
PO Box 3950
Calgary AB Canada T2P 1S7 tel: 403-225-2111
e-mail: calgary@encana.com

Morpheus Energy Corporation
900, 736 - 6th Avenue SW
Calgary AB T2P 3T7

Attention: Ken Truscott

Subject: Amending Agreement
Natural Gas Lease dated December 1, 2002
Twp. 41, Rge. 2 W5M: 27

EnCana Corporation (EnCana) is prepared to amend the rights of the captioned EnCana lease to include all formations down to the base of the Ellerslie formation.

APPENDIX I, "Said Lands", Rights:" shall be amended by deleting therefrom the following:

" "From base Edmonton Sands formation to base Jurassic formation"

and substituting therefore the following:

"From base Edmonton Sands formation to base Ellerslie"

All other terms and conditions of the lease are hereby ratified and confirmed in all respects.

Should you require any further information, please contact the undersigned at 645-2232.

Yours sincerely,

ENCANA CORPORATION

Marg Harty
Marg Harty
Land Administrator
West Parkland Region, OSNA

/mlh
cc: A. Humphreys

Harty, Marg

From: Humphreys, Andrew
Sent: Thursday, September 11, 2003 11:20 AM
To: Harty, Marg
Subject: Ise amendment letters - ab56001320/ab86030572

Hi Marg,

Can you please make up Ise. amendment letters for these two leases (they are for Morpheus Energy Corporation and they will be just like the ones you did earlier this week for Real). The only thing you need to change is Appendix i to show "from base Edmonton Sands to base Ellerslie".

Let me know when you are ready to send them out because I will add my confirmation of earning letter and we can send them out together.

Thanks,
Andrew

Encana Corporation
2900, 421 7th Avenue SW
Calgary, AB
T2P 2S5

DATE: March 3, 2003

To: Morpheus Energy Corporation

Attn: Ken Truscott

EnCana Files: AB56-01,320; AB86-30,572;
ABFO-4303

ENCLOSURES

Lease/License _____
Transfer Form _____
Assignment & Novation _____ copies
Notice of Assignment _____
copies of Registered pages _____
Other _____

ACTION REQUIRED

Execute and return
 Execute and forward
 For your file
 For your handling
 Comments
 Register

COMMENTS

Ken,
Twp 41 Rge 2 W5M: 27

-Here are the leases executed by EnCana. Please execute both copies under corporate seal (or a signed affidavit) and print name and title below. Please send us the Lessor copy.

-Earning letter will follow once we have all well information and our geologist has a chance to review.

Regards,

Andrew

Andrew
645-5194

From: Andrew Humphreys
Land Consultant

Telephone: (403) 645-5194

Encana Corporation
2900, 421 7th Avenue SW
Calgary, AB
T2P 2S5

DATE: March 3, 2003

To: Morpheus Energy Corporation

Attn: Ken Truscott

EnCana Files: AB56-01,320; AB86-30,572;
ABFO-4303

ENCLOSURES

Lease/License x
Transfer Form _____
Assignment & Novation _____ copies
Notice of Assignment _____
copies of Registered pages _____
Other _____

ACTION REQUIRED

x Execute and return
_____ Execute and forward
_____ For your file
_____ For your handling
_____ Comments
_____ Register

COMMENTS

Ken,
Twp 41 Rge 2 W5M: 27

-Here are the leases executed by EnCana. Please execute both copies under corporate seal (or a signed affidavit) and print name and title below. Please send us the Lessor copy.

-Earning letter will follow once we have all well information and our geologist has a chance to review.

Regards,

Andrew
645-5194

From: Andrew Humphreys
Land Consultant

Telephone: (403) 645-5194



Morpheus Energy
Corporation

Suite 900, 736 - 6th Avenue S.W.
Calgary, Alberta T2P 3T7

NATIONAL BANK OF CANADA
401 - 8TH AVENUE S.W.
CALGARY, ALBERTA T2P 1E4

CONTROL
NUMBER
CHEQUE
NUMBER

001179

000193

DATE ► DEC 24/2002

AMOUNT

PAY EXACTLY: *****8,500** DOLLARS AND 00 CENTS | *****8,500.00

P
AY TO
ORDER
OF

ENCANA CORPORATION
ENCANA ON 7TH
2900, 421 - 7TH AVE SW
PO BOX 2850
CALGARY AB CAN T2P 2S5

MORPHEUS ENERGY CORPORATION

PER Vance

PER D. Smith

1001179 1140510061 08 21 2002

Received Dec 24/02