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### Road Easement

This easement is entered into between Pennaco Energy, Inc. ("Grantor"), whose address is 3601 Southern Drive, Gillette, WY 82718 and Verlin Dannar and Karen J. Dannar ("Grantee"), whose address is Post Office Box 350, Sheridan, Wyoming 82801.

Grantor grants to Grantee a nonexclusive easement over the existing road that is currently in place over the following described lands:

Township 58 North, Range 82 West, 6<sup>th</sup> P.M.

Section 20: S/2NW/4, SW/4

Section 29: W/2, W/2E/2; E/2SE/4

Section 32: N/2

A plat showing the location of the road is attached as Exhibit A. The road extends from County Road 122 in Section 20 in Township 58 North, Range 82 West, 6<sup>th</sup> P.M. southerly to Section 32 in Township 58 North, Range 82 West, 6<sup>th</sup> P.M.

This easement is to benefit property owned by Grantee and located in Township 58 North, Range 82 West and more fully described in the Warranty Deed recorded in Sheridan County on February 12, 2002; Book 431; Page 120; Number 400090.

This easement is subject to the following terms and conditions.

1. The access road may be used by Grantee, its successors and assigns for ingress and egress across the property solely for the purpose of accessing Grantee's lands described above. Grantee is not granted any rights to utilize Grantor's property outside of the 50 foot road right of way.
2. Grantee will not use the road during conditions which would result in a vehicle making ruts of 3" deep or more.
3. Grantee may not fence the easement area.
4. Grantee shall not exceed a speed of 20 miles per hour while driving on the road.
5. Grantee will not block the access road and will not store or park any property on the easement.
6. Grantee will not allow any debris to be discarded on the easement, and Grantee will clean up litter and debris along the easement for which Grantee or Grantee's invitees are responsible.
7. Grantee will be responsible for all damages caused by Grantee its successors or assigns.

This easement is nonexclusive and shall not preclude Grantor from using the easement area or the road or from granting the right to other persons and parties to use the easement area or the road.

To the maximum extent permitted by law, Grantee shall indemnify, defend, and hold harmless Grantor and Grantor's agents, employees and representatives from any and all claims, demands, or causes of action arising out of the use of the easement area by Grantee, its successors and assigns or arising out of the granting of this easement. To the maximum extent permitted by law, Grantee releases Grantor, its employees, agents, and representatives from any and all liability for damages arising out of Grantee's use of the easement area.

Grantee, its successors and assigns shall not be permitted to be in possession of illegal drugs or a loaded firearm while crossing the easement. Grantee, its successors and assigns shall not be permitted to carry firearms or weapons across the easement at all unless they are inside the cab of a fully enclosed vehicle. No dogs will be permitted outside of Grantee's vehicle at any time while crossing the easement and no hunting, camping, open fires or open alcohol containers shall be permitted on the easement.

If Grantee violates the terms of this Easement, Grantee shall pay all costs and expenses, including attorney fees, incurred by Grantor in enforcing this Easement.

This easement shall be appurtenant to and run with the lands of Grantee described above.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

GRANTOR

By: \_\_\_\_\_ Attorney in Fact

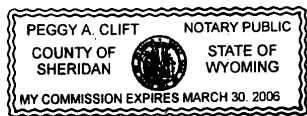
By: PABLO VELASQUEZ

Title: OPERATIONS MANAGER

STATE OF WYOMING )  
COUNTY OF SHERIDAN ) ss.

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of December, 2005 by Pablo Velasquez.

WITNESS my hand and official seal.



Peggy A. Clift  
Notary Public  
03/30/2006  
My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_, the \_\_\_\_\_ of Pennaco Energy, Inc.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
My Commission Expires:

## EXHIBIT "A"

Section 29, T 58 N R 83W

