

## MEMORANDUM

This MEMORANDUM is made this 10<sup>th</sup> day of September, 2009, by Pennaco Energy, Inc., 3601 Southern Drive, Gillette, Wyoming 82718.

Pennaco Energy, Inc. has entered into a TRANSFER OF RESERVOIR AGREEMENT (Agreement) described as follows:

SEE EXHIBIT "A" and "B" ATTACHED HERETO AND MADE A PART HEREOF

In the Agreements, the Landowners have granted certain rights to Pennaco Energy, Inc. The specific rights are more fully described in the actual TRANSFER OF RESERVOIR AGREEMENT. Pennaco Energy, Inc., is executing the Memorandum for the purpose of placing the same of record, to give constructive notice of all the terms of the Agreements in lieu of recording the Agreements in their entirety.

IN WITNESS WHEREOF, this Memorandum is executed as of the day, month and year first hereinabove written.

Pennaco Energy, Inc.

By:

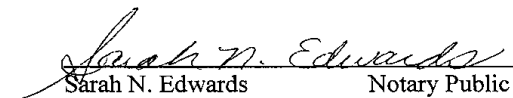


Richard G. Henderson  
Attorney in Fact

## ACKNOWLEDGMENT

STATE OF WYOMING        }  
                                     }  
COUNTY OF CAMPBELL    }

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of September, 2009, by Richard G. Henderson, Attorney In fact of Pennaco Energy, Inc., on behalf of the corporation.

  
Sarah N. Edwards                      Notary Public

My Commission Expires: March 4, 2013



**EXHIBIT "A"**

TRANSFER OF RESERVOIR AGREEMENT dated August 18, 2009 between Verlin and Karen Dannar, whose mailing address is PO Box 350, Sheridan, WY 82801 and Pennaco Energy Inc. of 3601 Southern Drive, Gillette, Wyoming 82718 concerning the **R5-9 Reservoir** under permit **P15866S** and located as follows:

**Township 57 North Range 82 West**

Section 9 - NWNW

**EXHIBIT "B"**

TRANSFER OF RESERVOIR AGREEMENT dated August 18, 2009 between Verlin and Karen Dannar, whose mailing address is PO Box 350, Sheridan, WY 82801 and Pennaco Energy Inc. of 3601 Southern Drive, Gillette, Wyoming 82718 concerning the **R16-31 Reservoir** under permit **P15995S** and located as follows:

**Township 58 North Range 82 West**

Section 32 - SWSW