

524

POWDER RIVER ENERGY CORPORATION
SUNDANCE, WYOMING
Right Of Way Easement

KNOW ALL MEN BY THESE PRESENTS:

That (I) (We) the undersigned: Pennaco Energy Inc.
3601 Southern Dr., Gillette WY 82716

for a good and valuable consideration, the receipt whereof is hereby acknowledged, do hereby grant unto Powder River Energy Corporation, a Wyoming cooperative corporation utility (hereinafter called the Cooperative) whose corporate headquarters post office address is P.O. Box 930, Sundance, Wyoming and to its successors and assigns an easement 30 feet in width along with the right to enter upon the hereinafter described lands and to construct thereon, operate, change framing and voltage and maintain electric lines and associated facilities and equipment and to cut and trim trees and shrubbery that may interfere with or threaten to endanger the operations and maintenance of said lines, facilities and equipment, including the right of ingress and egress to and from said lands, to wit:

T58N, R82W, 6th P.M., Sheridan County, Wyoming

SECTION 19: SE 1/4 NE 1/4

SECTION 20: SW 1/4 NW 1/4, SE 1/4 NW 1/4, NW 1/4 SE 1/4

as shown on the attached map marked "Exhibit A" incorporated into this document by this reference.

The above description is for an overhead power line "Right-of-Way", 30 feet in width, being 15 feet on either side of the described centerline, including but not limited to any and all meter poles, anchors and guy structures that are affixed to the power line and located by necessity outside of the herein described 30 foot right-of-way easement.

The undersigned agrees that all poles, wire and other facilities and equipment installed at the Cooperative's expense on the above said described lands shall be and remain the property of the cooperative, removable at the option of the cooperative upon the termination of services to, or through said lands.

The undersigned warrants it/they are the owner(s) of the above described land and have proper authority to execute this easement on behalf of Grantor.

IN WITNESS WHEREOF, the undersigned have executed and endorsed this Right of Way Easement this

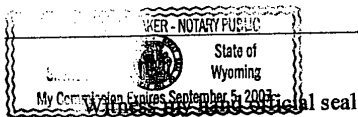
25th day of May, 2006

Pablo Velasquez
Pablo Velasquez

State of Wyoming) ss
County of SHERIDAN

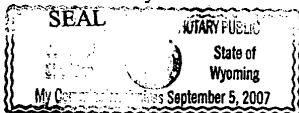
The foregoing instrument was acknowledged before me this 25th day of MAY, 2006

by Pablo Velasquez for Pennaco Energy Inc.



Carol M. Wisenbaker
Notary Public

My commission expires: 9-5-07



Ray Jairo 7-11-06
Acknowledged by: Powder River Energy Corp. Date
Right of Way Agent or Project Supervisor

Initialed for Identification _____

Exhibit "A"

Pennaco Energy Inc.

T58N,R82W, 6th P.M., Sheridan County, Wyoming

Section 19: SE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 20: SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Bearings and distances are approximate, based on GPS gathered data and projected in NAD 83 WYO East Central, U.S. Foot.

Commencing at the East $\frac{1}{4}$ corner of Section 19, thence S.00°35'E., for a distance of 1,303 feet, to point of beginning #1 on the North line of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 19. Thence S.36°42'E., a distance of 19 feet; thence S.67°13'E., a distance of 1,831 feet; thence S.59°26'E., a distance of 1,024 feet, to point of ending #1 on the East line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 20. Thence commencing again from the South $\frac{1}{4}$ corner of Section 20, thence N.11°08'E., for a distance of 1,770 feet, to point of beginning #2 on the property line in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 20. Thence S.08°05'E., a distance of 227 feet, to point of ending #2 and the end of said easement at a point in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 20.

The above description is for a power line "Right-of-Way", extending a total distance of 3,101 feet more or less.

