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PIPELINE EASEMENT

This easement is entered into between Burgess Land Co. LLC, a Wyoming limited liability company ("Grantor"), whose address is PO Box 80, Wynona WY 82845 and Fidelity Exploration & Production Company ("Grantee"), whose address is 1700 Lincoln Street, Suite 2800, Denver CO 80203.

Grantor grants to Grantee an easement to survey, design, construct, install, inspect, operate, maintain, repair and replace up to two (2) underground pipelines including all necessary fixtures, neither pipeline is to exceed sixteen (16) inches in diameter over and across the following described real property situate in Sheridan County, Wyoming:

Township 56 North, Range 82 West
Section 3: N2NW4

Township 57 North, Range 82 West
Section 34: W2W2, SE4SW4

The route of this easement is shown on the attached plat. Grantor does hereby grant, bargain, sell and convey unto Grantee, its successors and assigns, a temporary construction permit of 75 feet reverting to a permanent easement 40 feet in width, being 20 feet left, and 20 feet right of the center line shown on the attached plat. Grantee will cause the centerline of the easement to be surveyed and will provide the legal description of the centerline to Grantor within six (6) months from the date of installation of the first or both pipelines. The legal description created by the surveyor shall be attached to and become a part of this agreement; provided, however, the location of the centerline shall not vary materially from that shown on the attached plat without the prior written consent of Grantor.

This easement is subject to the following terms and conditions:

1. Duration. Grantee shall not commence construction activities prior to November 1st, 2007. This easement shall be in effect for so long as Grantee deems necessary to support its coal bed natural gas project; provided, however, if Grantee ceases to use the pipeline(s) to transport water and/or natural gas for a period of two consecutive years, then this easement shall terminate, and Grantee shall have no further rights hereunder, and Grantee shall file a release of this easement in the Office of the County Clerk of Sheridan County, Wyoming. Should Grantee install two (2) buried pipelines, this easement shall remain in effect until Grantee deems abandonment necessary or if Grantee ceases to use both pipelines for a period of two consecutive years. Upon termination of this easement, Grantee shall render the pipeline(s) environmentally safe and fit for abandonment in place.
2. Weed Control and Reclamation. Grantee will keep the easement area free from weeds. As soon as reasonably practicable, and in any event within six (6) months after the disturbance, weather permitting, Grantee will rehabilitate, reseed and restore to its original condition, as near as reasonably possible, all areas disturbed by Grantee. Topsoil will be kept separate from subsoil wherever there is any disturbance, and topsoil will be spread back over the subsoil. Grantee will be responsible for seeding (with seed of Grantor's choice), fertilizing, and weed control to establish a sustainable growing ground cover. If sinking or settling of the pipeline trench occurs, Grantee will promptly correct such sinking or settling. Grantee will control erosion on the easement area. The obligation to rehabilitate, reseed and restore shall apply each time the easement area is disturbed by Grantee's operations. In all rehabilitation and restoration, Grantee will be responsible for reseeding all disturbed areas until a growing ground cover is established to the reasonable satisfaction of Grantor. Any boulders and coarse gravel not on the surface of the easement at the time of this agreement shall be removed by Grantee from the surface.
3. Operations on the Easement. Grantee will conduct its operations on the easement area in such a way as to minimize damage to the surface consistent with safe operations on the easement area by Grantor. Grantee may not fence the easement area. Grantee shall take all necessary precautions to prevent Grantor's livestock from being injured by such open trench or ditch. Livestock killed or injured as a result of Grantee's activities, will be paid for at replacement cost or market value, whichever is higher. Grantee will restore any fences on or adjacent to the easement area damaged by Grantee's operations. Grantee will provide portable toilets for all persons conducting Grantee's operations on the easement area and require their use by such person.
4. Debris. Grantee will not allow any debris to be discarded on the easement, and grantee will be responsible to clean up debris along the easement for which Grantee or Grantee's invitees are responsible.
5. Buried Lines. The pipeline(s) shall be buried at least 48 inches between the surface of the ground and the top of the pipe. No above ground facilities shall be placed on the easement area without Grantor's prior written consent.

6. Nonexclusive Use. This easement is nonexclusive and shall not preclude Grantor from using the easement area or from granting the right to other persons and parties to use the easement area or the access road provided that such use will not unreasonably interfere with Grantee's use of the easement area. This easement is also subject to a Surface and Damage Agreement entered into with Pennaco Energy, Inc. dated September 18, 2003, and Grantee shall not unreasonably interfere with Pennaco's rights under that agreement.

7. No Warranty. Grantor does not warrant title to the property, and this easement is granted subject to all existing rights.

8. Indemnification and Release. Grantee will be responsible for all damages caused by Grantee or Grantee's invitees. To the maximum extent permitted by law, Grantee shall indemnify, defend and hold harmless Grantor and Grantor's officers, employee, directors, and shareholders from any and all claims, demands or causes of action arising out of the use of the easement area by Grantee or Grantee's invitees or out of the granting of this easement. To the maximum permitted by law, Grantee releases Grantor, its employees and agents from any and all liability for damages arising out of Grantee's use of the easement area.

To the maximum extent permitted by law, Grantor will indemnify, defend and hold Grantee, and if applicable, Grantee's officers, directors, employees, agents, successors and assigns harmless from any and all claims, liabilities, demands, suits, losses, damages and costs (including, without limitation, any attorney fees) which may arise out of or be related to Grantor's use of the easement area (including, without limitation, any claims that Grantor's operations are either illegal, unauthorized, or constitute an improper interference with any parties' rights, or have damaged the lands or operations of adjacent landowners.)

9. Prohibited Activities. None of Grantee's employees, authorized agents, invitees, or any other person under the direction or control of Grantee shall be permitted to carry firearms or any weapon while on the easement area. No hunting, camping, or open fires shall be permitted on the easement. No dogs will be permitted on the easement at any time. No explosives shall be used on the easement. Grantee will notify all of its contractors, agents, employees, and invitees that no dogs, firearms weapons, hunting, camping, or open fires are permitted on the easement.

10. Compensation. Grantee shall pay to Grantor \$25.00 per lineal rod of easement x 527 rods upon execution of this Easement. Should Grantee re-enter the easement to install a second pipeline, Grantee shall pay to Grantor \$25.00 per lineal rod of easement x 527 rods for the second pipeline prior to construction. In the event the first and second pipelines are installed in the same easement at the same time, then Grantee shall pay to Grantor \$25.00 per lineal rod of easement x 527 rods.

11. Binding Effect. This agreement is binding upon the successors and assigns of the parties.

Dated this 12 day of Oct., 2007.

Burgess Land Company, LLC

Sheila Burgess
Manager

Fidelity/Exploration & Production Company

By: Naqul Kauschke

Area Land Manager
Title

STATE OF WYOMING)
) §
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 12th day of Oct. 2007, by
Sheridan Burgess as Manager of Burgess Land Company, LLC.

WITNESS my hand and official seal.

Nolan T. Olson
Notary Public
June 3, 2008
My commission expires

STATE OF WYOMING)
) §
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 12th day of OCTOBER 2007, by
WAYNE RANSBOTTOM as AREA LAND MANAGER.

WITNESS my hand and official seal.



Lori L. Badgett
Notary Public
11-13-2007
My commission expires

