

POWDER RIVER ENERGY CORPORATION
SUNDANCE, WYOMING
Right Of Way Easement

KNOW ALL MEN BY THESE PRESENTS:

That (I) (We) the undersigned: AC Ranch Inc.

With an address of: 516 Wyarno Rd., Sheridan Wy. 82801

for a good and valuable consideration, the receipt whereof is hereby acknowledged, do hereby grant unto Powder River Energy Corporation, a cooperative corporation (hereinafter called the Cooperative) whose corporate headquarters post office address is 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:

T56N, R83W, 6th P.M., Sheridan County, Wyoming

SECTION 16: SW1/4 NW1/4, SE1/4 NW1/4
as shown on the attached map marked "Exhibit A".

The undersigned agree that all poles, wire and other facilities and equipment installed at the Cooperative's expense on 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 covenant that they are the owners of the above described land and that said lands are free and clear of encumbrances and liens of whatsoever character except those held by the following described persons:

Hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of the State of Wyoming.

IN WITNESS WHEREOF, the undersigned have set their hands this 1st day of Dec, 2004

John D. Koltiska
John Koltiska

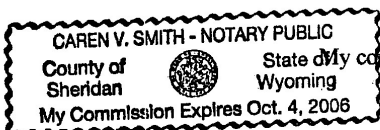
State of Wyo)
County of Sheridan)ss

The foregoing instrument was acknowledged before me this 1st day of Dec, 2004

by John D. Koltiska

Witness my hand official seal

Caren V. Smith
Notary Public



My commission expires: 10/04/06

Exhibit "A"

AC Ranch Inc.

T56N,R83W, 6th P.M., Sheridan County, Wyoming

Section 16: SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$

Beginning at a point in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 16, from which the West $\frac{1}{4}$ corner of Section 16, T.56N., R.83W., 6th P.M., Sheridan County, Wyoming, bears approximately S.34°W., for an approximate distance of 1,368 feet. Thence along the centerline of an easement, the bearings and distances of which are approximate. S.29°E., a distance of 376 feet; thence N.55°E., a distance of 589 feet, thence S.07°E. a distance of 153 feet, to the end of said easement in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 16.

The above description is for a three-phase 24.9/14.4kV overhead power line "Right-of-Way", 30' in width, being 15' on either side of centerline also allowing for any guying, anchoring, and metering, extending an approximate total distance of 1,118 feet.

