

**MEMORANDUM OF  
SURFACE USE AGREEMENT**

Notice is hereby given that **The Hutton Ranch, a Wyoming limited partnership**, ("Owner"), whose address is P.O. Box 4007, Sheridan, WY 82801 ("Owner") and **NANCE PETROLEUM CORPORATION**, 550 North 31<sup>st</sup> Street, Suite 500, Billings, Montana 59101 ("Operator"), have entered into a Surface Use Agreement dated the 16th day of June, 2006, affecting the following described real property in Sheridan County, Wyoming, to wit:

Township 57 North, Range 80 West, 6th P.M.

Section 17: SE4

Township 57 North, Range 81 West, 6th P.M.

Section 17: SE4, E2SW4, SW4SW4

Section 21: NW4, E2SW4, SE4

Section 24: Lot 6, S2SW4

Section 25: Lots 1, 3

Section 26: Lot 1

(hereinafter the "Property").

A complete copy of the Surface Use Agreement is maintained by the parties at the addresses above. Any person desiring to deal with the Property may contact those parties for information as to the terms of the Surface Use Agreement.

Dated this 22nd day of June, 2006.

**Owner:**  
**The Hutton Ranch**

By: Malcolm B. Hutton  
Malcolm B. Hutton, Partner

**Operator:**  
**NANCE PETROLEUM CORPORATION**

By: RJ  
Title: Ronald B. Santi, Vice President, Land  
OK

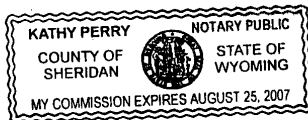
## ACKNOWLEDGMENTS

STATE OF WYOMING }  
COUNTY OF SHERIDAN } ss.

On this 7th day of July, 2006, before me personally appeared **Malcolm B. Hutton**,  
**Partner, The Hutton Ranch, a Wyoming limited partnership**, known to me to be the person described  
in and who executed the foregoing instrument, and acknowledged to me that he executed the same.

MY COMMISSION EXPIRES:

8-25-07



Kathy Perry  
Notary Public  
Residing at: Sheridan County

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STATE OF MONTANA }  
COUNTY OF YELLOWSTONE } ss.

The foregoing Memorandum of Surface Use Agreement was acknowledged before me this 22nd day  
of June, 2006, by Ronald B. Santi, Vice President, Land, of Nance Petroleum Corporation.

WITNESS my hand and official seal.

MY COMMISSION EXPIRES:

6-27-2007

Notary Public for the State of Montana  
Print Name: Tim J. Keating  
Residing at: Billings, MT

