

MEMORANDUM OF ROAD EASEMENT

Pennaco Energy, Inc., ("Operator"), located at 3601 Southern Drive, Gillette, WY 82718, and S R Cattle Company, ("Surface Owner"), whose address is c/o Charles P. Kane, 1317 Stonegate Drive, Sheridan, WY 82801 (collectively, the "Parties"), have entered into a Road Easement dated September 26, 2005, pertaining to the following lands:

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

Section 7: S2NW4; SW4

and which is more particularly described on the plats attached hereto as Exhibit A. In the Road Easement, Surface Owner has granted Operator a non-exclusive right of access over an existing access road and a spur road in order for Operator to conduct oil and gas operations, subject to certain conditions. A fully-executed copy of the Road Easement is in the possession of Operator at its office address set out above.

OPERATOR: Pennaco Energy, Inc.

By: Susan P. Casale

Its: Attorney-in-Fact

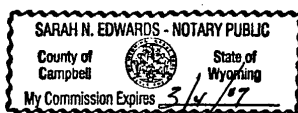
STATE OF WYOMING)
) ss
COUNTY OF CAMPBELL)

GAR

This instrument was acknowledged before me on this 31st day of July, 2006, by Susan Casale, as attorney-in-fact on behalf of Pennaco Energy, Inc.

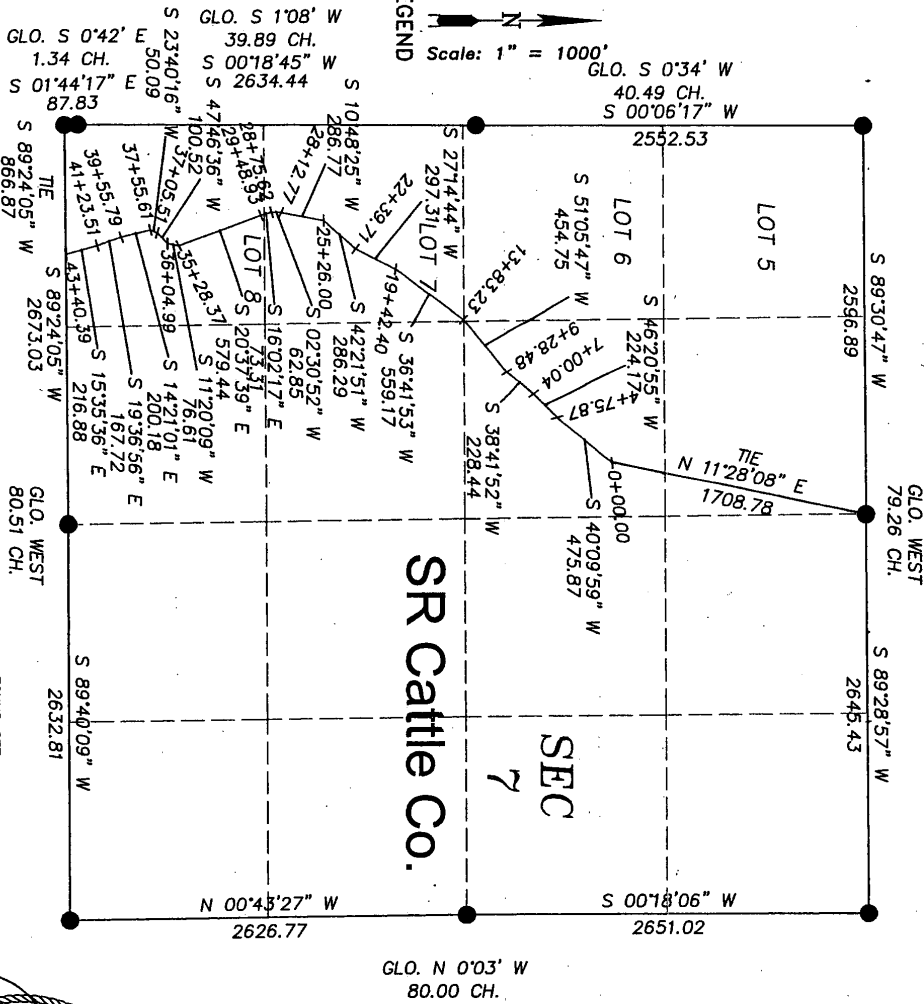
Sarah N. Edwards
Notary Public, State of Wyoming

Printed Name: Sarah N. Edwards
My commission expires: 3/4/09



548567 MEMORANDUM
BOOK 477 PAGE 0106
RECORDED 08/04/2006 AT 08:05 AM
AUDREY KOLTISKA, SHERIDAN COUNTY CLERK

LEGEND
Scale: 1" = 1000'



Total distance along $C = 4340.4$
Total rods along $C = 263.1$
Total area along $C = 5.0$ ACRES \pm
Apparent recorded ownership: SR Cattle Co.

SECTION 7
T57N-R81W
6th P.M., WYOMING

FOUND SET
MONUMENT

SR Cattle Co.
SEC 7

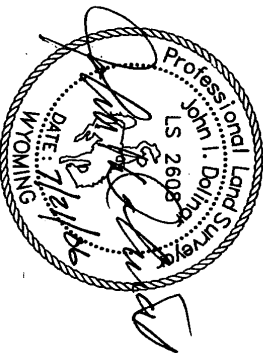
RIGHT-OF WAY DESCRIPTION ATTACHED

GLO. N 0°03' W
80.00 CH.

STATE OF WYOMING
COUNTY OF SWEETWATER } SS

SURVEYOR'S CERTIFICATE

I, JOHN I. DOLNAR, state that I am by occupation a registered land surveyor employed by Pennaco Energy Inc., to make the survey of this right of way as shown on this map, and that the survey of said works was made by personnel under my direction, and that such survey is accurately represented on this map.



MAP
TO ACCOMPANY APPLICATION
FOR RIGHT-OF-WAY OF
ACCESS ROUTE THROUGH SECTION 7 SR CATTLE
RIGHT-OF-WAY No. 1-57
FROM Sta. 0+00
TO Sta. 43+40.39

applicant:
Pennaco Energy, Inc.
3601 Southern Drive
Gilllette, WY 82718

