

**SURFACE FACILITY GRANT
(COMPRESSOR STATION)**

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency is hereby acknowledged this 20th day of January, 2001, that the undersigned, **PILCH RANCH, LLC**, a Wyoming limited liability company, hereby referred to as "GRANTOR", and whose members consist exclusively of: Anna Pilch, individually and as Trustee of the Anna Pilch Trust Dated 7/23/ 1985; Edward S. Pilch; Joe A. Pilch; and Marilyn Pilch Wolter, hereby grants, assigns and conveys unto **BEAR PAW ENERGY, LLC**, 1625 Broadway, Suite 2300, Denver, Colorado 80202, hereinafter referred to as "GRANTEE", its successors and assigns, a surface facility grant located upon a tract of land in SHERIDAN County, WYOMING, to-wit:

A three (3) acre tract of land, more or less, and being located in the NESE of Section 5, Township 57 North-Range 83 West, and as more particularly described on the attached Exhibit "A", which is incorporated by reference herein.

GRANTEE shall have the right to install, maintain, inspect, replace, erect, operate and remove compressor stations and other equipment and appurtenances as may be necessary for the operation of such facility over, through, upon, under and across the above referenced lands from existing roads with the full right of ingress and egress to and from said premises.

IT IS MUTUALLY UNDERSTOOD AND AGREED BETWEEN TH PARTIES AS FOLLOWS:


1. GRANTEE agrees to comply with all applicable state and local regulations.
2. GRANTEE agrees to take reasonable effort to limit employee business invitee access to the facility and roadway access to the facility.
3. GRANTEE agrees to indemnify and hold GRANTOR harmless for any damages caused by GRANTEE's operations on the premises.
4. Upon request by GRANTOR, the surface facility grant herein granted shall terminate and all rights thereunder revert to GRANTOR when the surface facilities located thereon have not been used by GRANTEE for a period of 2 (two) consecutive year(s), except when non-use is caused by acts or circumstances beyond the control of GRANTEE.
5. Upon termination of this grant, GRANTEE shall remove all structures placed upon the premises and restore the surface to a condition, as nearly as possible, as existed prior to the GRANTEE'S disturbances thereto.
6. GRANTEE shall adequately fence the facility in a manner to protect the GRANTOR'S livestock.
7. GRANTEE shall maintain the facility free of weeds and litter.
8. GRANTEE shall pay all damages from its operation, including, without imitation, damages or injuries to livestock, persons, personal property and real property.

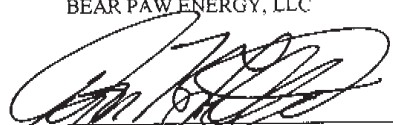
This agreement shall be binding upon the parties hereto, their heirs, successors and assigns and may be executed in any number of counterparts, each of which will be deemed an original for all purposes.

IN WITNESS WHEREOF, GRANTOR AND GRANTEE have executed this agreement the date first written above.

GRANTOR:
PILCH RANCH, LLC

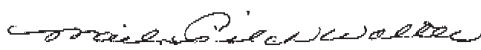
GRANTEE:
BEAR PAW ENERGY, LLC

X 
BY: Anna Pilch, Individually and as
Trustee of the Anna Pilch Agreement of Trust,
dated July 23, 1985, Member of Pilch Ranch, LLC


BY: Don H. Littleton, agent


BY: Edward S. Pilch, Member


BY: Joe A. Pilch, Member

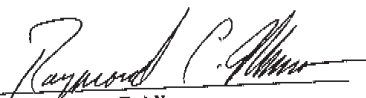

BY: Marilyn Pilch Wolter, Member

ACKNOWLEDGEMENT

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 20th day of January, 2001, by Anna Pilch, Individually and as Trustee of the Anna Pilch Agreement of Trust, dated July 23, 1985, member of Pilch Ranch, LLC.

Witness my hand and official seal.

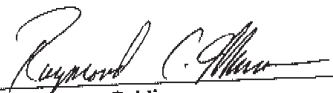

Notary Public

My commission expires: 10-31-2001

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 20th day of January, 2001, by Edward S. Pilch, member of Pilch Ranch, LLC.

Witness my hand and official seal.

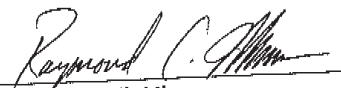

Notary Public

My commission expires: 10-31-2001

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 20th day of January, 2001, by Joe A. Pilch, member of Pilch Ranch, LLC.

Witness my hand and official seal.



Notary Public

My commission expires: 10-31-2001

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 20th day of January, 2001, by Marilyn Pilch Wolter, member of Pilch Ranch, LLC.

Witness my hand and official seal.


Notary Public

My commission expires: 10-31-2001

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 20 day of January, 2001, by Don H. Littleton, as agent for Bear Paw Energy LLC.

Witness my hand and official seal.


Notary Public

My commission expires: 10-31-2001

Exhibit "A"

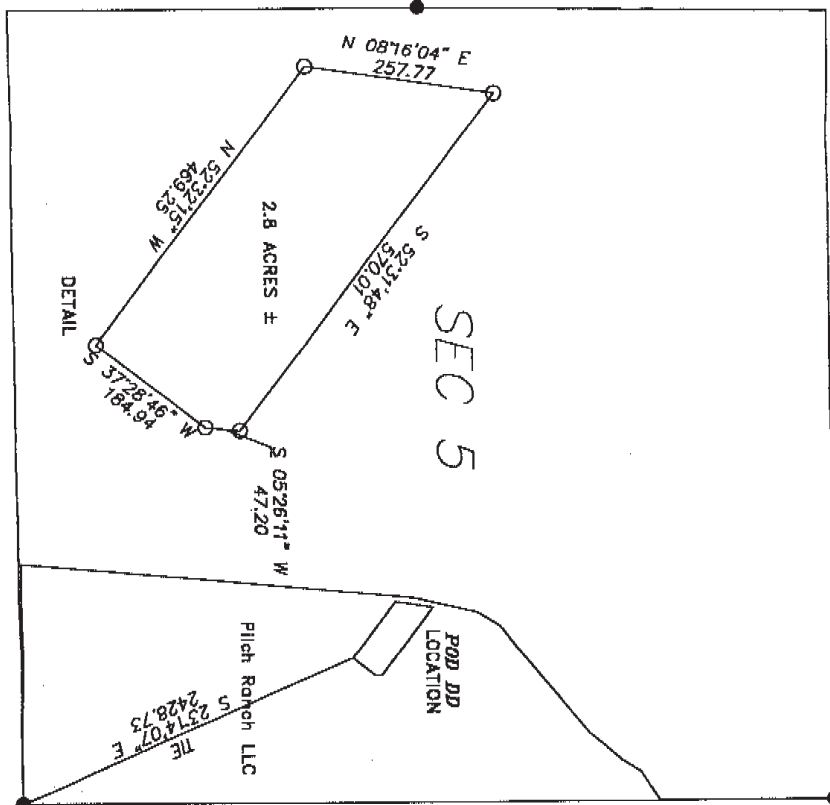
to

Surface Facility Grant dated January 20, 2001

between

Pilch Ranch, LLC and Bear Paw Energy, LLC

Scale 1" = 1000'



- Found monument set by others
- Boundary corner set with rebar and 1 1/4" Aluminum Cap

Apparant recorded ownership : Pilch Ranch LLC

SECTIONS 5
T57N-R83W
6th P.M., WYOMING

POD DD
LOCATION

Pilch Ranch LLC

S 25°14'02" E
2428.73

STATE OF WYOMING
COUNTY OF NATRONA } SS

SURVEYOR'S CERTIFICATE

I, MAYNARD JOHNSON, state that I am by occupation a registered land surveyor employed by Bear Paw Energy Inc., to make the survey of this right of way as shown on this map, and that the survey of said work was made by me and/or personnel under my direct supervision, and that such survey is, to the best of my knowledge and belief, accurately represented on this map.



POD "DD" AREA BOUNDARY
SE 1/4 SECTIONS 5, T 57 N, R 83 W

Bear Paw Energy, LLC.
856 Coffeen Avenue
Sheridan, WY 82801

~SEAL~

Date: 7/02/2001

By: TLW

Job no: 200019

Prepared by William H. Smith & Assoc. P.C., Surveying Consultants, Green River, Wyoming

LEGAL DESCRIPTION
POD "DD" BOUNDARY

A parcel of land being a part of the Southeast 1/4 of Section 5 T57N, R83W, 6th Principal Meridian, Sheridan County, Wyoming, and being more particularly described as follows:

Beginning at the Southeast corner of Pod DD, being the point of beginning, from which the Southwest corner of Section 5 T57N, R83W, bears S25°14'02"E a distance of 2428.73 feet;

thence: N82°31'48"E, 257.77 feet, to a point;

thence: S82°31'48"E, 570.01 feet, to a point;

thence: S05°26'11"W, 47.20 feet, to a point;

thence: S57°28'46"W, 184.94 feet, to the point of beginning.

Said parcel contains 2.8 acres more or less.

Basis of bearings taken from Grid azimuths using GPS observations. Based on NAD 1983 State Plane Coordinates, Wyoming East Central Zone.