

## PIPELINE EASEMENT

STATE OF WYOMING  
COUNTY OF SHERIDAN

RECORDED JUNE 1, 2001 BK 424 PG 95 NO 377264 AUDREY KOLTISKA, COUNTY CLERK

For and in consideration of Ten and more (\$10.00) in hand, paid, and sufficiency of which is hereby acknowledged, the undersigned (hereinafter called GRANTOR, whether one or more), does hereby grant, bargain, sell, convey and warrant to BIGHORN GAS GATHERING, L.L.C., 1437 S. Boulder, Suite 1250, Tulsa, OK 74119, its successors and assigns (hereinafter called GRANTEE), a right-of-way and easement ("here in the "Easement") along a route, the location of which has been agreed to by the parties (the location of the initial pipeline, as constructed, to evidence such agreed route), to construct, maintain, survey, operate, repair, alter, replace and remove one or more pipelines and appurtenant facilities which include above and below ground valves, cathodic protection equipment and markers (collectively the "pipeline(s)"), across, under and upon the lands of GRANTOR in the County of Sheridan, State of Wyoming, to wit:

Township 55 North Range 76 West  
Section 32: S1/2

Notwithstanding anything to the contrary herein this Pipeline Easement is further subject to an Addendum page of even date.

The Easement shall be more specifically identified as a strip of land more fully described on a pipeline location and dimensional survey map, which shall be attached hereto as Exhibit "A" and by this reference made a part hereof. The Exhibit "A" may be supplemented by Grantee filing an actual "as-built" survey map, but in no event shall the location of the pipeline materially change from the location shown on the attached Exhibit "A" without the written consent of the Grantor. Any and all mineral rights and surface uses are retained by the Grantors in the Easement location.

Subject to the terms of the Addendum, the GRANTEE shall have all of the rights and benefits necessary or convenient for the full enjoyment or use of the rights herein granted, including, but without limiting the same to the free right of ingress and egress over and across said lands to and from said Easement, the right to use all roads over and across said lands, and the right from time to time to cut all trees and under growth and remove other obstructions that may injure, endanger or interfere with the use of said pipeline.

GRANTOR shall not place any obstruction across, under or upon the surface of the right-of-way which could interfere with the construction or the normal operation and maintenance of the pipeline. GRANTOR shall not build or construct, nor permit to be built or constructed, any building or other improvement over or across the right-of-way, nor change the contour thereof, without the prior written consent of GRANTEE. The Easement shall be seventy-five feet (75') in width during initial construction and after initial construction, the Easement shall revert to fifty feet (50') in width, being twenty-five feet (25.0') on each side of the centerline and in addition, the right to use additional work space along the right-of-way area at the crossing of roads, railroads, streams, terraces and uneven terrain. Notwithstanding the foregoing dimensional limitations, for additional working space during construction and removal of the pipeline, Grantee shall compensate Grantor at the rate(s) and under the conditions stated in the addendum for any damage outside the construction or permanent Easement, as the case may be, as a direct result of the Grantee's activities, excluding any agreed upon temporary use areas. Any such additional space shall constitute the construction boundaries of the Easement. The GRANTEE shall have the right to assign this Pipeline Easement in whole or in part.

GRANTOR acknowledges receipt of payment, and hereby irrevocably waives any additional claims to compensation, for surface damages occasioned by construction of the initial pipeline along the agreed route. GRANTOR agrees that upon construction of any additional pipelines along the agreed route (or for removal of any such pipelines) GRANTOR shall be compensated at a rate not in excess of that paid by GRANTEE hereunder for construction of the initial pipeline. GRANTEE agrees to bury all pipe below normal plow depth. GRANTEE shall pay for any physical damage to growing crops, timber, fences, or other structural improvements located outside the above-described Easement which are caused by the construction, maintenance, operation, repairing, alteration, replacement or removal of said pipeline(s) and appurtenant facilities.

PIPELINE EASEMENT  
PAGE 2

Furthermore, GRANTEE shall compensate GRANTOR for damages, which may be occasioned upon said right-of-way during the maintenance of said pipeline after construction is completed. The said GRANTOR has a right to fully use and enjoy said premises except as same may be necessary for the purposes herein granted to said GRANTEE.

GRANTOR represents and warrants that he is the owner of the lands described above subject only to outstanding mortgages and rights-of-way, if any, now of record in said county; and in the event of default by Grantor, Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on the Exhibit "A" lands and thereupon be subrogated to such lien and rights incident thereto.

Unless otherwise contained on the Addendum attached hereto, it is agreed that this grant covers all the agreements between the parties and that no representation or statements, verbal or written, have been made modifying, adding to, or changing the terms of this Pipeline Easement. This Pipeline Easement may be modified or amended only by a writing signed by each of the parties hereto, or their successors or assigns. All provisions of this Pipeline Easement, including the benefits and burdens, are appurtenant to and run with the land. The right-of-way burdens the property of the GRANTOR on which the right-of-way is located and is binding upon and inures to the benefit of the successors and assigns of each of the parties hereto. This Pipeline Easement is not intended to and does not constitute a dedication for public use. GRANTEE may record this Pipeline Easement at any time after it is executed by GRANTOR.

NEITHER GRANTOR NOR GRANTEE SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES IN TORT OR IN CONTRACT, OR UNDER ANY LEGAL THEORY, AND ALL SUCH DAMAGES ARE HEREBY EXCLUDED FROM THIS PIPELINE EASEMENT AND WAIVED BY THE PARTIES.

This Pipeline Easement shall be governed by Wyoming law. All notices required or permitted hereunder shall be given by overnight courier delivery, certified mail (return receipt requested), or hand delivery, directed as follows:

To the GRANTEE:  
Bighorn Gas Gathering, L.L.C.  
1437 S. Boulder, Suite 1250  
Tulsa, OK 74119

To the GRANTORS: Don C. and Betty Ann Malli H&W  
P.O. Box 166  
Arvada, WY. 82831

Either party, by notice given as provided above, may change the address to which future notices should be sent.

This Easement grant may be executed in multiple counterparts, each of which shall constitute an original and together which shall constitute one and the same document.

IN TESTIMONY WHEREOF, the GRANTOR (S) herein have executed this conveyance this

2 day of June, 2000.

GRANTOR/LANDOWNER'S SIGNATURE(S)

  
Don C. Malli

  
Betty Ann Malli

STATE OF WYOMING )  
COUNTY OF SHERIDAN ) ss

The foregoing instrument was acknowledged before me this 2 day of JUNE, 2000 by  
DON C. + BETTY ANN MALLI

Witness my hand and official seal.

 Notary Public

My commission expires: MAR. 10, 2004

TENANT'S CONSENT

The undersigned tenant and/or holders of a surface lease on the above described lands hereby grants his consent and approval to the above described easement, and the full use and exercise thereof, subject to the condition that any and all damages sustained to his crops and other property on said premises, as a result of the exercise of said rights under said consent, shall be paid to him.

Date of Recording of Lease: \_\_\_\_\_  
at Book \_\_\_\_\_ Page \_\_\_\_\_

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

SS# or EIN # \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2000 by \_\_\_\_\_

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires. \_\_\_\_\_

LIEN HOLDER'S CONSENT

(if a mortgage or lien exists against Grantor's lands on which the right-of-way is located):

The undersigned lien holder or mortgagee on the lands of the Grantor described on Exhibit A hereto hereby grant his (or its) consent and approval to the grant of the right-of-way, and the full use and exercise thereof, and further agrees to subordinate such mortgage or lien, and interests therein, to the right-of-way and Grantee's rights created hereby.

Date of Recording of Lien: \_\_\_\_\_  
at Book \_\_\_\_\_ Page \_\_\_\_\_

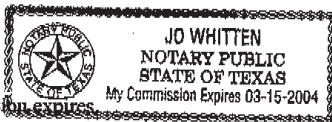
EXECUTED this 6 day of JUNE, 2000

SS# or EIN # 452-761585

STATE OF Texas )  
COUNTY OF Torn Green ) ss.

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of June, 2000 by ,

Witness my hand and official seal.



My commission expires \_\_\_\_\_

Jo Whitten  
Notary Public

## ADDENDUM

Attached hereto and made a part of that certain Pipeline Easement dated 6/20/00, 2000, by and between Don C. and Betty Ann Malli, H&W, Bighorn Gas Gathering, L.L.C., as Grantee.

### Additional clauses to Pipeline Easement

- 1) Purpose and Use of Easement. This Easement shall be for the sole purpose of Grantee constructing, maintaining, surveying, operating, repairing, altering, replacing and removing one natural gas pipeline of up to Twenty inch (20") diameter below plow depth and certain appurtenant facilities, including above and below ground valves, cathodic protection equipment, markers, meters and related facilities, and pigging equipment. Grantee agrees to pay Grantor a one-time payment of Five Hundred Dollars (\$500.00) as additional consideration for each above ground check station or pigging equipment station located on the easement. There shall be no above ground structures other than valves, meters, markers, ground check stations, and/or pigging equipment stations without obtaining another easement or surface lease. Subject to regulatory and safety considerations, Grantee shall use best efforts to not place above ground appurtenances on crop or hay lands.
  
- 2) Description of Easement. The easement shall be under and across a strip of land owned by Grantor and located in Campbell County, Wyoming. During initial construction, Grantee shall be entitled to additional workspace adjoining the temporary easement, but Grantee agrees to pay Grantor Two Hundred Fifty (\$250.00) per acre for the use and/or damage of the lands outside the temporary easement. Notwithstanding the foregoing, additional workspace outside the temporary easement shall be compensated based on the county average for the yield and value of growing crops or hayfields. Grantee shall obtain no real property interest in the additional workspace.
  
- 3) Non-Exclusive Easement. Grantor expressly reserves the right to use and enjoy the land covered by the easement for any purposes whatsoever, except insofar as said use and enjoyment interferes with the rights granted to Grantee herein. Grantor specifically reserves (1) all of its present interest in and to all oil, gas, and other minerals in, on, or under the easement, (2) the right to grant additional easements or rights-of-way which do not interfere with the Easement and subject to Grantees reasonable approval. (3) The right to extend roads or passageways, and/or (4) the right to construct or locate upon or across the easement fences, signs, and other such items and materials (except permanent buildings, permanent structures, or reservoirs). The easement is granted subject to all encumbrances and other matters of record in Campbell County, visible by inspection, and/or revealed by a correct survey.
  
- 4) Ingress and Egress. Ingress and Egress from the easement shall be restricted to County Roads, existing roads, and/or new roads unless Grantor agrees in writing to another route. Grantee shall use its best efforts to access the easement by County Roads or existing roads. If the easement is not accessible by a County Road or existing road, Grantee may construct a new road across Grantor's land. The location of the new road shall be mutually agreed upon by Grantee and Grantor, and Grantee shall compensate Grantor at a rate of Ten Dollars (\$10.00) per lineal rod for such new road.

During initial construction of the pipeline, Grantee shall maintain the roads on Grantor's land (except County Roads) utilized for access to the easement. After completion of the construction activities on Grantor's land, Grantee shall repair and restore all such roads to as near their pre-construction condition as reasonably practicable. Thereafter, Grantee shall be responsible for repairing and restoring all such roads damaged by Grantee's use of such roads.

5) Grantee Obligations.

- A) Restoration of Land and Improvements. Grantee shall restore, repair, and reclaim all Grantor's lands disturbed or affected directly by Grantee's constructing, maintaining, surveying, operating, repairing, altering, replacing, and/or removing the pipeline (hereinafter collectively referred to as "Grantee's Activities"). Said restoration, repair, and reclamation shall be to as near as reasonably possible, the same condition as it was prior to Grantee's Activities. However, Grantee shall not be required to replace trees located within the easement which it could not reasonably avoid cutting.

Grantee shall monitor and promptly correct any erosion caused directly by Grantee's Activities. Following construction grantee shall reseed all of Grantor's disturbed and/or damaged lands as a direct result of Grantee's Activities with a seed mixture of Grantor's choice. Grantee shall be responsible for providing any necessary ground cover until the vegetation is established and performing any subsequent reseeding efforts required to restore the land. Grantee shall monitor and keep the easement and all Grantor's lands and/or damaged land directly disturbed by Grantee's Activities free from, noxious weeds, trash and debris.

Each time Grantor's land is disturbed and/or damaged directly by Grantee's Activities, Grantee shall have a duty to restore and reclaim the land, including the removal of any noxious weeds and performance of subsequent reseeding efforts until the land is in substantially the same condition as it was prior to Grantee's Activities. Grantee shall promptly restore, replace, and repair all damage to any fences, structures, water lines, or any other improvements of Grantor located on any of Grantor's lands, which are directly damaged by Grantee's Activities. All restoration, repair, reclamation, reseeding, and removal of noxious weeds shall be done as soon as reasonably practical and at the sole expense of Grantee.

- B) Livestock. Grantee shall compensate Grantor at the then fair market value for all loss of livestock caused directly by Grantee's activities. Grantee shall be responsible for all costs associated with the herding and recapturing livestock that may escape through damaged fences or opened gates due directly to the Grantee's Activities. Any livestock herding, recapturing or sorting required, as a direct result of Grantee's Activities shall be compensated at the rate of One Hundred Dollars (\$100.00) per person, per hour for up to a maximum of Two Thousand Dollars (\$2,000.00) per incident. If any pastures historically used for livestock are made substantially unusable or interfered with because of Grantee's Activities such that Grantor's livestock cannot access adequate food and/or water then Grantee shall either adjust its operations to enable livestock access to adequate food and/or water within the pasture or fairly and reasonably compensate Grantor to temporarily relocate Grantor's livestock to the nearest adequate pasture.

- C) Damages. Any consideration initially paid to Grantor by Grantee in connection with the execution of this easement is solely for the grant of the Easement and for damages (including losses for growing crops, hayfields, pastures, rangeland, fences, livestock, timber, irrigation equipment and other improvements) caused to Grantor's lands within the temporary and permanent easements and in connection with the initial construction of the pipeline. Grantor shall be entitled to compensation for damages that occur subsequent to initial construction with respect to growing crops, hayfields, pastures or rangeland, fences, livestock, timber, irrigation installation, and to the improvements on Grantor's lands which are subject to the easement and are caused directly by Grantee's Activities.

Grantee agrees to pay any and all damages promptly as they may accrue. Grantor and Grantee shall negotiate in good faith with respect to damages



after initial construction for use of Grantors lands outside of the permanent Easement.

- D) Compliance with Laws. Grantee agrees to comply at all times and at its sole cost with all applicable federal, state and local laws, rules, regulations, and safety standards in connection with Grantee's Activities and its use and enjoyment of the Easement.
- 6) Indemnification. The Grantee agrees to indemnify, defend and hold harmless Grantor from and against any claims, actions, demands or suits for damage or injury to persons or property based on or attributed to the activities of the Grantee or its agents, employees, contractors or subcontractors on the subject property.
- 7) Abandonment. Abandonment or non-use of pipeline by Grantee for a period of two (2) consecutive years will result in rights Granted herein to revert back to Grantor.
- 8) Grantor Responsibility. Grantor assumes no responsibility to Grantee or its agents, employees, contractors or subcontractors for any type of injuries or damages incurred while working, crossing, inspecting or any other time while on Grantor's land.
- 9) No Public Benefit or Dedication Intended. This easement is not intended and shall not be construed as conferring any benefit on the general public or to any party other than Grantor and Grantee and their respective successors and assigns. The parties do not hereby dedicate or offer for dedication to the public any real property or improvements whatsoever.
- 10) Term of Easement. The initial term (herein called "Initial Term") of this Easement shall be for a period of Fifteen (15) years from the date the Easement is executed and delivered by Grantor. Grantee (or its assigns) shall have the exclusive option, to be exercised in Grantee's (or its assigns) sole discretion, to extend this Easement for three (3) consecutive renewal terms (each herein a "Renewal Term") of Fifteen (15) years each. Grantee shall compensate Grantor (or its assigns) as follows: (A) Fifteen dollars (\$15.00) per lineal rod covered by the Easement for the first Renewal Term; (B) Twelve dollars (\$12.00) per lineal rod covered by the Easement for the second Renewal Term; and (C) Eight dollars (\$8.00) per lineal rod covered by the Easement for the third Renewal Term. Grantee shall exercise its option(s) not later than the expiration on the Initial Term or any Renewal Term as applicable, by: (i) delivering to Grantor (or its successors) notice of the exercise of such option, and (ii) tendering to Grantor (or its successors) for any Renewal Term the sum above stated per lineal rod for each rod covered by this Easement. For purposes of delivering notice or tendering payment hereunder, such notice shall be sufficient if delivered to Grantor (or its successors in title) at the address reflected on the rolls of the county assessor where the premises are located.
- 11) Environmental Clause. Grantee agrees to indemnify and holds Grantor harmless from any environmental contamination caused by the installation, operation or removal of pipeline facilities. The operator agrees to maintain in force a comprehensive general liability insurance policy with a liability coverage of at least Five Million and no/100 Dollars per occurrence, at all times

**SIGNED FOR IDENTIFICATION:**

Don C. Malli and Betty Ann Malli, H & W

Don C. Malli

Betty Ann Malli

SECTION 32, T55N, R 76W, SECTIONS 5, 6 & 7, T 54N, R76W & SECTION 2, T54N, R77W, 6TH R.M.

