

MEMORANDUM OF GAS PIPELINE RIGHT OF WAY AGREEMENT

Notice is hereby given that the undersigned, **DAVID T. CLARENDON**, of Box 13, Banner, WY 82832, (hereinafter referred to as "Grantor"), for and in consideration of Ten dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, has entered into a Gas Pipeline Right of Way Agreement, and does grant and convey unto **BITTER CREEK PIPELINES, L.L.C.**, of 1625 Broadway, Suite 1800, Denver, Colorado 80202 (hereinafter referred to as "Grantee"), its successors, assigns, lessees, licensees and agents a non-exclusive right of way for the purpose of locating and surveying a pipeline route, and for constructing, entrenching, operating, maintaining, repairing, altering, replacing and removing a pipeline and appurtenant facilities, including without limitation above and below ground valves, meters, pigging equipment, wireleads, cathodic protection equipment and markers, but excluding any communication, power, or fiber optic lines or cables of any sort, in, over, across, under and upon the following lands in Sheridan County, Wyoming:

Township 55 North, Range 83 West, 6th P.M.

Section 1: Lot 4, SW4NW4, SW4

Section 2: Lots 1, 2, S2NE4, SE4

The easement and right of way shall be more specifically identified as a strip of land specifically 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 with the 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.

The easement granted shall be seventy-five (75) feet in width during the period of initial construction and reclamation. After construction has been completed the easement shall revert to thirty-five (35) feet in width.

Grantee shall have the right of ingress and egress to and from the above- described easement in accordance with the Gas Pipeline Right of Way Agreement entered into between the parties of even date herewith. Grantee shall be responsible for all damage caused to Grantor arising from Grantee's exercise of the rights herein granted to the extent provided in the Gas Pipeline Right of Way Agreement. Subject to the Gas Pipeline Right of Way Agreement, the Grantor reserves the right to occupy, use and cultivate said easement for all purposes and to grant such rights to others. The rights, conditions and provisions of the easement shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

Abandonment or non-use of this pipeline by Grantee, or its assigns or successors, for a period of two consecutive years shall automatically result in all rights granted by this easement to Grantee to immediately terminate and revert back to Grantor.

The easement grant, including the benefits and burdens, is appurtenant to and runs with the land. This easement burdens the lands of Grantor on which the easement is located. This Memorandum of Gas Pipeline Right of Way Agreement is subject to a Gas Pipeline Right of Way Agreement of even date herewith, which is to run with this Memorandum of Gas Pipeline Right of Way Agreement, which Gas Pipeline Right of Way Agreement is incorporated herein by Reference. A copy of said Gas Pipeline Right of Way Agreement is in the possession of the parties and should be consulted for specifics.

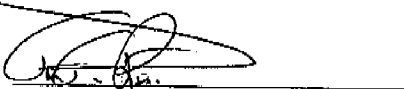
If there are any inconsistencies or conflicts between the terms of this Memorandum of Gas Pipeline Right of Way Agreement and the Gas Pipeline Right of Way Agreement, then the terms of the Gas Pipeline Right of Way Agreement shall control and govern.

DATED this 8 day of Aug., 2000.

GRANTOR


David T. Clarendon

GRANTEE

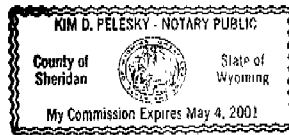

Tim J. Keating, Agent
Bitter Creek Pipelines, L.L.C.

ACKNOWLEDGMENT

STATE OF WYOMING

COUNTY OF SHERIDAN

} ss.
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On this 8th day of August, 2000, before me personally appeared David T. Clarendon, 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:

May 4, 2001

Kim D. Pelesky
Notary Public

Residing at: Sheridan Wyo

ACKNOWLEDGMENT

STATE OF WYOMING

COUNTY OF SHERIDAN

} ss.
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On this 8th day of August, 2000, before me personally appeared Tim J. Keating, Agent, Bitter Creek Pipelines, L.L.C., 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:

May 4, 2001

Kim D. Pelesky
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