

PIPELINE EASEMENT BY OWNER

RECORDED SEPTEMBER 29, 2003 BK 447 PG 170 NO 455455 AUDREY KOLTISKA, COUNTY CLERK

THIS INDENTURE, made this 4th day of JUNE, A.D., 2003, between BITTER CREEK PIPELINES, LLC, 1250 West Century Avenue, Bismarck, North Dakota 58501, hereinafter called "COMPANY," its successors and assigns, and the following names persons, herein, whether singular or plural, called "OWNER," namely:

Pilch Ranch, LLC.

~~681 Lower Prairie Dog Road (PO Box 6567)~~

Sheridan, WY 82801

WITNESSETH, that for valuable considerations received, OWNER does hereby grant, bargain, sell and convey unto COMPANY, its successors and assigns, an easement 30 feet in width, being 15 feet left, and 15 feet right of the center line as laid out and/or surveyed, or as finally installed on the hereinafter described lands, together with the right to construct, operate, maintain, repair, increase the capacity of, remove, and replace a gas pipeline or lines including necessary surface facilities as itemized through, over, under and across the following described real estate, situated in the County of Sheridan, State of Wyoming namely:

T58N R83W SE / SW of section 33

Route follows Sheridan county road 1231 on east side until about mid point of the quarter - quarter section where road will be bored.

See attached map showing approximate location of proposed lines (2).

Construction activity for the installation of the line covered under this easement will require a temporary construction easement up to 75 feet in width depending on the terrain. At the completion of construction, easement will revert to 30 feet as specified. Compensation for this easement will be \$25 per lineal rod of pipeline as installed. Any use of additional OWNER's surface for construction in excess of the 75 foot planned construction easement will be compensated \$10 for each additional square rod of surface damaged outside the proposed construction easement. Construction activity will not include any use of OWNER's property for parking of office or temporary living quarters by COMPANY. No major maintenance work on construction equipment utilized during construction of the pipeline will be performed on OWNER's property other than that necessary to allow a piece of equipment to be moved off OWNER's property for work.

An additional pipeline is anticipated to be laid under this grant should production warrant. The route for this proposed line parallels the planned line. An initial payment of 15% of the anticipated total is being made toward the easement for this proposed line to hold the final per rod consideration equal to the consideration paid for this grant, calculated on a lineal rod basis, should this pipeline be constructed. All other terms will remain the same for this proposed additional pipeline. The proposed route for this additional line is shown on the map.

OWNER, its successors and assigns, may cross right-of-way and construct such facilities as water lines, roads, fences, and other improvements which will not unreasonably interfere with COMPANY's rights granted herein. OWNER, its successors and assigns, agrees not to build, create or construct or permit to be built, created, or constructed, any obstruction, building, engineering works or other structures upon, over, or under the strip of land herein described or that would interfere with COMPANY'S rights hereunder.

OWNER, its successors and assigns, hereby grants to COMPANY, its successors and assigns, the right at all reasonable times to enter upon said premises for the purpose of laying, constructing, maintaining, operating, replacing, increasing the capacity of, repairing or removing said gas pipeline or lines and for the purpose of doing all necessary work in connection therewith. For other than emergency work, COMPANY will notify OWNER of the planned work prior to work beginning.

COMPANY hereby agrees that it will pay any and all damages that may result to crops, fences, buildings and improvements on said premises caused by constructing, maintaining, repairing, replacing, increasing the capacity of, operating or removing said pipeline or lines. All surface damage caused by construction activities will be reclaimed and sown with an owner approved seed mix as soon as practical after construction is complete, period not to exceed one year after construction and reclamation work is completed without OWNER's agreement. Reclamation will include picking rocks exceeding 4" from the area disturbed during construction. COMPANY will use existing roads where possible. Where additional roads need to be constructed for access, OWNER will have the right of approval as to placement and construction methods for roads.

If the OWNER so chooses, OWNER may sow the construction surface damaged areas on their property after COMPANY completes reclamation and be reimbursed at the rate of \$250 per acre one time for this work. The OWNER assumes responsibility for getting vegetation growth back on all easement areas if this option is chosen. Seed will be provided by the COMPANY one time under this option and payment will be made to the OWNER by a separate check after first seeding is complete. Acreage that will be paid upon will be determined by the post construction survey conducted by COMPANY.

Any damages, if not mutually agreed upon, may be determined by three disinterested persons, one to be selected by COMPANY and one by OWNER; these two shall select a third person. The award of these three persons shall be final and conclusive.

IN WITNESS WHEREOF, OWNER has executed these presents as of the day and year first above written.

Joe A. Pilch
JOE A. PILCH

Edward S. Pilch
EDWARD S. PILCH

Marklyn Pilch Wolter
MARKLYN PILCH WOLTER

STATE OF Wyoming)COUNTY OF Sheridan) : SS

On this 4th day of JUNE, 2003, before me personally appeared JOE A. PILCH, EDWARD S. PILCH, MARKLYN PILCH WOLTER, CO-OWNERS FOR PILCH RANCH, LLC

known to me to be the same person 6 described in and who executed the above and foregoing instrument and acknowledged to me that they executed the same, (known to me to be the co-owners and partners respectively of the corporation that is described in and that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.)

(THIS SPACE FOR RECORDING DATA ONLY)

B. Scott Adams

Notary Public, Sheridan County,State of WYOMINGMy commission Expires: APRIL 24, 2006

W.O. _____ Tract No. _____ L.R.R.No. _____