

Initialed For Identification _____

POWDER RIVER ENERGY CORPORATION
 SUNDANCE, WYOMING
 Right Of Way Easement

KNOW ALL MEN BY THESE PRESENTS:

That (I) (We) the undersigned: Ileene Watkins and Dana Demesy

With an address of: 306 McMillen Trail, Little Rock, AR 72207

for a good and valuable consideration, the receipt whereof is hereby acknowledged, do hereby grant unto Powder River Energy Corporation, a cooperative corporation (hereinafter called the Cooperative) whose corporate headquarters post office address is Sundance, Wyoming and to its successors and assigns an easement 30 feet in width along with the right to enter upon the hereinafter described lands and to construct thereon, operate, change framing and voltage and maintain electric lines and associated facilities and equipment and to cut and trim trees and shrubbery that may interfere with or threaten to endanger the operations and maintenance of said lines, facilities and equipment, including the right of ingress and egress to and from said lands, to wit:

T56N, R82W, 6th P.M., Sheridan County, Wyoming

Section 25: SW1/4SW1/4, Section 26: S1/2SE1/4, Section 35: NE1/4NE1/4, Section 36: NW1/4NW1/4

as shown on the attached map marked "Exhibit A".

The undersigned agree that all poles, wire and other facilities and equipment installed at the Cooperative's expense on said described lands shall be and remain the property of the cooperative, removable at the option of the cooperative upon the termination of services to, or through said lands.

The undersigned covenant that they are the owners of the above described land and that said lands are free and clear of encumbrances and liens of whatsoever character except those held by the following described persons:

Hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of the State of Wyoming.

IN WITNESS WHEREOF, the undersigned have set their hands this 4 day of April, 2006

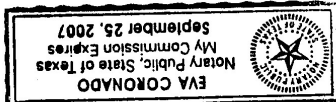
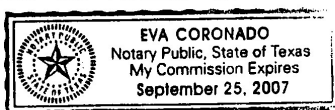
Ileene Watkins
 Ileene Watkins

Dana Demesy
 Dana Demesy

State of Texas
 County of Dallas)ss

The foregoing instrument was acknowledged before me
 this 4th day of April, 2006

by _____



Witness my hand official seal Eva Coronado
 Notary Public
 My commission expires: September 25, 2007

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Watkins-Demesy Easement

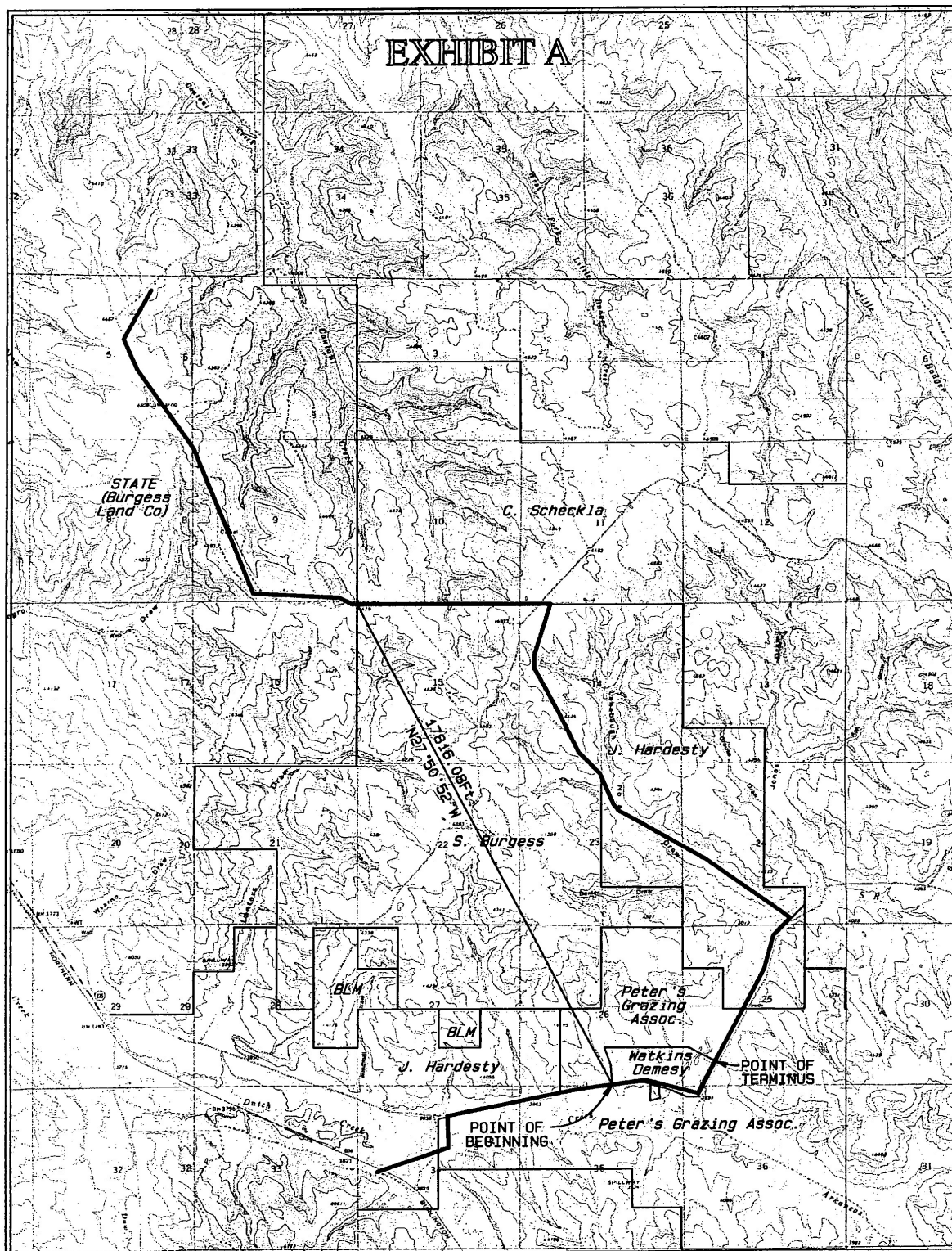
T56N, R82W, 6th P.M., Sheridan County, Wyoming

Section 25: SW1/4SW1/4, Section 26: S1/2SE1/4, Section 35: NE1/4NE1/4, Section 36: NW1/4NW1/4

Beginning at a point from which the NW corner of Section 15, T56N, R82W North 27°50'52" West, a distance of 17816.08 feet (POINT OF BEGINNING); thence along the centerline of an easement, the bearings and distances of which are approximate, North 82°13'47" East, a distance of 1069.75 feet; thence South 75°53'58" East, a distance of 1786.67 feet; thence North 27°27'37" East, a distance of 1194.38 feet to the POINT OF TERMINUS.

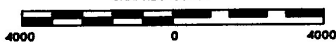
The above description is for a three-phase 24.9/14.4kV overhead power line "Right-of-Way", 30' in width, being 15' on either side of centerline extending an approximate total distance of 4050.79 feet, including but not limited to any and all meter poles, anchors and guy structures that are affixed to the powerline and located by necessity outside of the herein described 30 foot right-of-way corridor.

EXHIBIT A



Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

GRAPHIC SCALE



Basis of Bearings: ASTRONOMIC
(using Static/RTK GPS methods)



LEGEND

□ POWER DROP

POWER LINE BASEMENT PLAN

WATKINS - DEMESY

SEC 5, 8, 9, 10, 11, 14, 23, 24, 25, 26, 34, 35, 36
T56N, R82W, 6TH PM

NORTH PARK ENGINEERING &
CONSULTING, INC.

P.O. BOX 306
WALDEN, CO 80480
(970) 723-3725

DRAWING FILE: RUCKI TIE LINE

DATE: 3/2/06

MEAS'D BY: R. MILLER
DRAWN BY: R. MILLER
CHECKED BY: R. SCHUETZ

NO 51353

SCALE: 1" = 4000'