

**PIT and/or RESERVOIR AGREEMENT**

**THIS AGREEMENT** is made and entered into on this 22<sup>nd</sup> day of November, 1999, by and between John C. Dewey as Attorney-in-Fact for Clifford N. Dewey, a single man, (Owner), of 586 Big Goose Road, Sheridan, Wyoming 82901, and J. M. Huber Corporation (Producer) of 1050 17<sup>th</sup> Street, Suite 1850, Denver, Colorado 80265

Producer has drilled numerous Coalbed Methane wells and plans to drill several more over the next several months on Owners land. In producing the Coalbed Methane gas, water will also be produced. As a method of disposing of this water, producer has discussed with Owner storing the water in Discharge Pits and/or Reservoirs.

Said Pits and/or Reservoirs will be no more than twenty (20) acre-feet, the dimensions of which shall be altered to fit the terrain. Pits and/or Reservoirs will be fenced to keep livestock out. Owner hereby grants permission to enter upon the following described lands for the purpose of constructing and maintaining Pits and/or Reservoirs. The location of said Pits and/or Reservoirs shall be mutually agreed upon by Owner and Producer, it's successors and/or assigns. Owners hereby agree that permission shall not be unreasonably withheld. This agreement covers the following below described lands located in Sheridan County, Wyoming, to wit:

TOWNSHIP 57 NORTH, RANGE 83 WEST, 6<sup>TH</sup> P. M.  
Section 4: All that portion of Lot 4 lying west of Beatty Gulch County Road  
Section 5: All those parts of Lots 1, 2, S1/2NE1/4, SE1/4 lying west of Beatty Gulch County Road

TOWNSHIP 58 NORTH, RANGE 83 WEST, 6<sup>TH</sup> P. M.  
Section 27: A tract of land in the N1/2 described as follows: Beginning at a point located S 48°46'54" W, 1758.23 feet from the Northeast corner of said Section 27; Thence S 00°07'37" W, 1026.48 feet; Thence S 90°00'00" W, 2017.94 feet to a point on the Easterly right-of-way line of the Beatty Gulch Road; Thence along said Easterly right-of-way line N 17°08'41" E, 503.22 feet; Thence continuing along said right of way N 21°12'30" E, 294.88 feet; Thence continuing along said right-of-way N 05°30'42" E, 51.42 feet; Thence leaving said right of way N 81°52'18" E, 1548.23; Thence N 89°50'45" E, 277.58 feet to the point of beginning.

As compensation for the location of a Pit and/or Reservoir on Owner's land, Producer will pay Five Hundred Dollars (\$500.00) initially and the same amount annually on each anniversary of this agreement for each Pit and/or Reservoir constructed for as long as Pits and/or Reservoirs are being used. Immediately upon cessation of the use of the Pits and/or Reservoirs and as soon as the Pits and/or Reservoirs are dry enough, Producers agree to fill and seed the pit and/or reservoir area unless requested not to do so by Owner.

Producer will pay all permit fees and complete all paperwork, but Owner agrees to aid and assist in obtaining any permit if their signature is necessary as landowner. Producer agrees that it is solely responsible for compliance with the laws, rules, and regulations, either state or federal, which govern or pertain in any way with the construction and maintenance of the Pits and/or Reservoirs.

To the maximum extent permitted by law, Producer will indemnify, defend and hold Owner, and if applicable, Owner's employees, agents, successors and assigns, harmless from any and all claims, liabilities, demands, suits, losses, damages and costs associated with the building and maintaining of the Pits and/or Reservoirs.

The terms and provisions of this Agreement shall run with the land and be binding on the heirs, successors, and assigns of Owner and Producer. This agreement shall terminate after the last Pit and/or Reservoir on Owner's property has successfully been reclaimed to Owner's reasonable satisfaction.

Owner: **John C. Dewey as Attorney-in-Fact for Clifford N. Dewey**

Producer: **J. M. Huber**

*John Dewey a.i.f.*

*Scott Zimmerman*  
Scott Zimmerman, Manager - CBM BO

State of Wyoming )  
                          )ss.  
County of Sheridan )

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of November 1999, by John C. Dewey as Attorney-in-Fact for Clifford N. Dewey, a single man, (Owner), of 586 Big Goose Road, Sheridan, Wyoming 82901,  
Witness my hand and official seal.

*Raymond C. Allison*  
Notary Public  
P.O. Box 1712  
Pinedale, WY 82941

My commission expires: 10-31-2001



