

PIPELINE EASEMENT

This Easement, made this 15th day of April, 2003 between Ronald E. Mischke and Renetta M. Mischke, tenants by the entireties, 10 Timm Place, Sheridan, Wyoming 82801 (Owners), and Bitter Creek Pipelines, LLC, 250 West Century Avenue, Bismarck, North Dakota 58501 (Company), its successors and assigns.

Owners do hereby grant, bargain, sell and convey unto Company, its successors and assigns, a temporary nonexclusive easement 50' in width, being 25' left and 25' right of the centerline as set forth on Exhibit "1" for construction purposes, and a permanent nonexclusive easement 30' in width, being 15' left and 15' right of the centerline as set forth on Exhibit "1", for up to two trenches together with the right to construct, operate, maintain, repair, remove and replace up to 2 pipelines in each trench, including necessary pipes, poles and fixtures, through and over, or under the easement across the centerline described on Exhibit "1" in the following described lands:

Township 58 North, Range 82 West, 6th P.M.
Section 24

Owners, their successors and assigns, agree not to build, create or permit to be built, created or constructed, any obstruction, building, engineering works or other structures upon, over, or under the easement hereby granted or permit any activity that would interfere with the pipeline or pipelines or companies rights under this easement.

Owners, their successors and assigns, hereby grant to Company, its successors and assigns, the right at all reasonable times, to enter upon the right of way for the purpose of laying, constructing, maintaining, operating, replacing, repairing or removing the pipeline or pipelines for the purpose of doing all necessary work in connection therewith. Company agrees to pay Owners or any tenant, as their interests may appear, for damages to crops, pasture, timber, fences and other improvements on said premises which may arise from exercise of the rights herein granted, provided Company shall not be liable for damages for future clearing of the right of way easement in exercise of the rights herein granted. Specifically included in the damages, which Company shall pay, are damages for future disturbances of the surface resulting from repair or maintenance activities and damages to crops or livestock from Company's activities. Owners acknowledge that they have been compensated for damages to crops, pasture, and timber, for the initial construction and installation of the pipeline or pipelines. Company understands that its presence on Owners' lands will impact Owners' agricultural operations, that Company will be among Owners' livestock and that Owners have a right to know when Company is present on Owners' land so that if unintended damage occurs to the land, improvements or to Owners' crops or livestock, Owners will know whether Company has been present when such damage occurred or not. Company shall notify Owners prior to entry upon Owners' land for any installation, inspections, maintenance or repair activities.

Company shall indemnify, defend and hold harmless Owners from any and all claims, demands, causes of action, or liability for damages, loss or injuries that arise out of Company's operations on the land. Owners shall indemnify, defend and hold harmless Company from any and all claims, demands, causes of action, or liability for damages, loss or injuries that arise out

of Owners' operations on the land. The parties agree that in no event shall either be liable for special, exemplary, punitive or other similar damages to the other except in the case of willful or intentional wrongdoing.

The pipeline or pipelines shall be buried to a depth of not less than 60". Company hereby agrees that it will restore the land to its original condition as is reasonably practicable including recompacting and restoring the contours of the land as they existed prior to the disturbance by the Company as is reasonably practicable, reseed lands disturbed on the easements to the best available standard reasonably practicable, using a seed mixture specified by Owners or their successors and will pay for damages to fences, buildings, and improvements caused by constructing, maintaining, repairing, replacing or increasing the capacity of, operating or removing pipeline or pipelines constructed on the easement granted. If weeds appear in the restored area, Company will provide for the eradication by spraying or other appropriate means. Company is aware that Owners had the land laser leveled so that it could be properly flood irrigated. Company agrees that it will replace the topsoil to its original thickness and will not mix subsoil with the topsoil. Company also agrees that it will restore as is reasonably practicable, the surface to the same contours that it was before the pipeline or pipelines were installed so that it can again be flood irrigated. This obligation to restore shall be a continuing obligation for so long as Company, its successors or assigns, are operating the pipeline or pipelines and engaging in repair and maintenance operations. If Company fails to use the pipelines for a period in excess of 24 consecutive months, the pipelines shall be deemed abandoned and Company shall promptly take all actions necessary or desirable to clean up, mitigate the effects of use, and render the pipelines environmentally safe and fit for abandonment in place. All such clean up and mitigation shall be performed in compliance with all federal, state and local laws and regulations. In the event the amount of damages cannot be agreed upon, the amount of damages shall be determined by three disinterested persons, one selected by the company, one selected by the Owners and a third selected by these two. The award of damages by the three-person panel shall be final.

Any compressor, which is used in connection with such pipeline, whether on Owners' land or on other land within one (1) mile of Owners' land shall be fitted with hospital grade mufflers

OWNERS

Ronald E. Mischke

Ronald E. Mischke

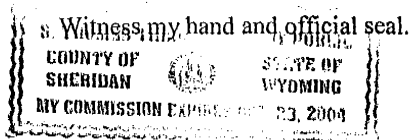
Renetta M. Mischke

Renetta M. Mischke

ACKNOWLEDGEMENT

STATE OF WYOMING)
) ss
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 15th day of April, 2003, by Ronald E. and Renetta M. Mischke, as tenants by the entireties.





Notary Public

My Commission Expires:

EXHIBIT 1

Thence S66°43'7"E, 60.20 feet,

Thence S56°48'14"E, 164.02 feet,

Thence S61°56'58"E, 210.73 feet,

Thence S65°57'39"E, 19.18 feet to the point of beginning;

Thence S65°57'39"E, 176.74 feet,

Thence S65°30'31"E, 250.39 feet,

Thence S52°20'50"E, 191.83 feet,

Thence S27°57'44"E, 214.54 feet,

Thence S28°43'37"E, 70.52 feet to the centerline of railroad track