BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF POWDER RIVER ENERGY CORPORATION FOR AUTHORITY TO IMPLEMENT A GENERAL RATE INCREASE OF $11,506,749 PER ANNUM AND REVISE TARIFFS	)))))	DOCKET NO. 10014-168-CR-16 (Record No. 14314)

AFFIDAVIT, OATH AND VERIFICATION

STATE OF WYOMING)
) SS
COUNTY OF CROOK)

I, Michael E. Easley, being of lawful age and being first duly sworn, hereby state:

1. I am the Chief Executive Officer of Powder River Energy Corporation ("PRECorp"), a party in this matter pursuant to its Application for Authority for a General Rate Increase filed on January 27, 2016.

2. Filed with the Wyoming Public Service Commission in the above-captioned proceeding and made a part hereof for all purposes are my rebuttal testimony and exhibits, which have been prepared in written form for introduction into evidence in Docket No. 10014-168-CR-16. I have, by all necessary action, been duly authorized to file this testimony and make this Oath and Verification.

3. I hereby verify that all statements and information contained within the rebuttal testimony and its attachments are true and complete to the best of my knowledge.

Michael E. Easley

Michael E. Easley
Chief Executive Officer
Powder River Energy Corporation
221 Main Street
Sundance, WY 82729

The foregoing was acknowledged before me by Michael E. Easley on this 8th day of July 2016. Witness my hand and official seal. My commission expires: JAN. 11, 2018.

Betty A. Stein

Notary Public

SEAL

BEFORE THE

WYOMING PUBLIC SERVICE COMMISSION

REBUTTAL TESTIMONY

OF

MICHAEL E. EASLEY

POWDER RIVER ENERGY CORPORATION

Docket No. 10014-168-CR-16

Q. Please state your name and address.

A. My name is Michael E. Easley and my business address is Powder River Energy Corporation, P.O. Box 930, Sundance, WY 82729.

Q. What is your present occupation?

A. I am employed as Chief Executive Officer of Powder River Energy Corporation ("PRECorp" or "the Cooperative").

Q. As Chief Executive Officer of PRECorp have any of your duties, educational background, or qualifications changed since filing your direct testimony?

A. No.

Q. Can you summarize the purpose of your rebuttal testimony?

A. If Carbon Creek's proposals were adopted, PRECorp would suffer significant financial problems in the next few years, especially if sales continue to decline as precipitously as they have been. I will address these issues by providing an update on PRECorp's current operating environment including discussion on PRECorp's declining sales in 2016 and the similarities between PRECorp's declining sales and the declines in Wyoming's overall economy. I will also discuss the need for the Commission to support PRECorp's and the OCA's position on our requested revenue requirements. I will point out why Carbon Creek's suggestion that PRECorp use funds from the CBM Retirement Fund and CBM Risk Management Fund to lower their rates is inappropriate and not in the public interest.

Q Please describe the declining sales in 2016.

A. Since filing the application in this case on January 27, 2016, PRECorp has continued to experience a month after month decline in sales. Through the end of April, PRECorp sales are just over 18.37% lower than this time last year. Ms. Kolb discusses the decline in sales for the last few years in more detail in her Rebuttal Testimony.

Q. What is the largest driver of declining sales at PRECorp?

A. Compared to last year, PRECorp is seeing a 22.5% decline in sales to the Coal Mine Class through the end of May. The coal mining industry continues to have difficult times. Peabody Energy has joined the ranks of Arch Coal and Alpha Natural in Chapter 11 Bankruptcy. This means that 14.2% of PRECorp's revenues are now from companies in Chapter 11.

Q. What impacts are you seeing at the State level due to the loss of coal production?

A. The State of Wyoming has historically relied on over $1 billion in revenues from the coal industry and the significant reduction in coal production is impacting the State budget. These are not good times for northeastern Wyoming or Wyoming at-large. We are seeing only the beginning of the ripple effect as these difficulties work their way through the Wyoming and regional economy. Additionally, Wyoming's funding shortfall is reducing economic activity and jobs as the State recalibrates spending to reduced levels of revenue.

Q. Has PRECorp been taking any steps in 2016 to reduce expenses?

A. In May 2016, PRECorp announced a series of reductions in wages and benefits targeted at realizing $1 million in savings. This included reducing both retirement and medical benefits and offering a voluntary separation program. PRECorp's current headcount for full-time positions is at 135 and we will not be adding any additional positions, nor will we be backfilling positions until we have a better idea of our circumstances. We are also looking at our processes, practices, and standards to determine if we can reduce our operating expense without sacrificing safety, reliability, or customer service.

Q. Why does PRECorp need to be engaged in reducing expenses in light of the requested $11.5 million increase in revenue?

A. The driver for the $11.5 million revenue requirement is PRECorp's target RUS OTIER of 1.5. The 1.5 RUS OTIER level and the projected sales in the test year provided some room for lower than estimated sales and still allow PRECorp to meet its minimum RUS OTIER of 1.1. Our actual year to date sales and projected sales through the end of year are much lower than we anticipated when we filed our application in this case. I do not believe our requested revenues will be sufficient to meet our target RUS OTIER without reducing expenses. Further, due to the precipitous decline in sales, even with the Commission's approval of the full $11.5 million PRECorp requested in this filing, our ability to meet the minimum RUS OTIER is in question for 2017 and at a significant risk for 2018 and beyond.

Q. Isn't this the same situation PRECorp experienced after the last rate case; and, if so, why are things different now?

A. After the last rate case, PRECorp had funds in its Revenue Deferral Plan that were available to rehabilitate a failing RUS OTIER. PRECorp was also able to use the benefit of a one-time accounting entry addressing the timing for recognition of unbilled revenue to bring additional revenue into the current year to bolster revenues for that year and meet the RUS OTIER for 2014. PRECorp was able to retain a Basin Bill Credit (Bill Credit) in 2015 to increase revenues to meet its RUS OTIER and to allow for an addition to the Revenue Deferral Plan. In 2016, PRECorp will likely need to deplete or almost deplete the funds from the Revenue Deferral Plan ("the Plan") and reduce expenses to meet 2016 RUS OTIER requirements.

Q. How does PRECorp use the Revenue Deferral Plan?

A. The Plan has been a financial tool used by PRECorp to manage risks and opportunities related to unforeseen financial events, and to create rate stability and/or lower rates.

Q. Can you elaborate on how the Plan has worked to create rate stability or lower rates?

A. The Board has either transferred revenues into the Plan to mitigate a future adverse financial event or relied upon deferred revenues to mitigate a current year adverse financial event. For example, in 2014, there was a one-time accounting entry to manage the recognition of unbilled revenue that allowed revenue to be placed into the Revenue Deferral Plan and avoid an operating shortfall. This shortfall was the result of larger than expected sales decline and a reduction in revenues requested in the last rate case. Had we not done this, it would have resulted in a failed RUS OTIER for 2015. Additionally, a 2015 Bill Credit from Basin was flowed to margin and deferred for use in 2016, thus providing an opportunity to preserve the RUS OTIER in 2016. Joanne Kolb discusses this in more detail in her rebuttal testimony.

Q. What are the prospects for using one of these strategies to support the RUS OTIER in 2017?

A. In 2017, there will most likely be little, if any, funds remaining in the Revenue Deferral Plan and there are no opportunities for one-time accounting entries. I do not anticipate receiving any Bill Credits in 2017.

Q. What other impacts is PRECorp seeing related to these declining sales?

A. We have heard from our power supplier, Basin Electric Power Cooperative (Basin) that they are implementing a mid-year rate increase effective as early as August 2016 with the goal of raising an additional $70 million in revenues from its members before the end of the year and resulting in an increase to our 2016 power costs by $6 million.

Q. What are PRECorp's plans related to this increase in wholesale power costs?

A. PRECorp plans to file for an adjustment to our COPA to be effective on September 1, 2016 to deal with this mid-year increase, and that filing will be outside of this application. While a mid-year rate increase could normally flow through our year-end COPA adjustment, we plan to file a COPA adjustment to better align revenues with expenses.

Q. Are there other regulatory proceedings that would involve increased revenues in PRECorp's immediate future?

A. While preliminary numbers show that PRECorp is at risk of failing its RUS OTIER requirement in 2017 due to declining sales, we are diligently pursuing alternatives other than back-to-back rate cases. Further, our inability to develop a reasonable test year, the inability to outpace regulatory timelines, the unprecedented and precipitous decline in sales, and the increasing cost and complexity of a general rate case only exacerbate the situation.

Q. Generally, what are your thoughts about the OCA's position on PRECorp's requested Revenue Requirements?

A. The OCA has done a credible job in looking at PRECorp's Application from a public interest perspective.

Q. Carbon Creek takes the position that PRECorp does not need an OTIER of 1.5 and could instead reduce expenses to allow for a lower OTIER. Do you agree?

A. I disagree with the position taken by Kevin Higgins to reduce the RUS OTIER to an unreasonably low target. I also disagree with the use of the two funds previously designated for CBM Retirement and CBM Risk Management to reduce CBM class revenue requirements. Their use for these purposes is contrary to their intended purpose and commitments for use made by PRECorp to the Commission and other CBM customers.

Q. Can you elaborate?

A. Yes. Starting with the OTIER, Mr. Higgins suggests reducing the RUS OTIER at a time when declining sales put PRECorp at risk of losing the ability to borrow from its primary and lowest cost lender. This is discussed in more detail by Ms. Kolb in her Rebuttal Testimony.

Q. Why do you disagree with the idea of using the CBM Retirement Fund and the CBM Risk Management Fund to offset the possible rate increase to Carbon Creek?

A. When the CBM boom started in early 2000 it was anticipated to be both capital intensive and of short duration. PRECorp was concerned with managing the risks of stranded investment due to the CBM boom. The Coal Bed Methane Cost of Retirement Fund was created as part of a rate filing on March 14, 2001 (Docket No 10014-CR-01-53). This rate filing included a line extension policy through which PRECorp collected a 3 mil surcharge from CBM members to pay for future retirement expenses associated with CBM distribution plant built to serve the CBM industry. Implementation of the CBM Retirement Fund was realized through a settlement between PRECorp, OCA, Pennaco, and the Petroleum Association of Wyoming and approved by the WPSC. This settlement resulted in a surcharge that enabled PRECorp to forego collecting up front the costs to retire CBM distribution plant. Due to the boom nature of the CBM industry, the CBM class has been a high-risk customer class with an uncertain life span because of limited historical experience with the class, uncertain production timeframes, growing environmental issues around water production, and the commodity risk. The discussions leading to the settlement agreement included designating that the funds <u>only</u> be used for retirement of CBM distribution plant and, upon completion of retirement, remaining balances plus interest will be returned to the contributors on the prorated share of their contribution to the fund. This settlement agreement is included as EXHIBIT ME-R1 and was part of a filing creating the first CBM Line Extension Tariff.

Q. That explains the CBM Retirement Fund. What is the purpose of the CBM Risk Management Fund?

A. The purpose of the Risk Management Fund (RMF) is to provide a source of funds to cover the cost of future stranded investment for CBM related plant. If any funds remain after all stranded CBM are accounted for those amounts are refunded to the CBM members of record in the year of allocation. Stated another way, the monies in the RMF cannot be used for other purposes, as any amounts remaining after the intended purpose is met must be refunded to the members who would have received them; those funds belong to specific CBM class members and cannot be used to benefit other CBM class members. The fund was created using a Bill Credit from Basin that was derived from subsidiary revenues not related to wholesale power cost. Each CBM member's share of the fund has been tracked since it was created. Once the PRECorp Board deems the risk of stranded investment related to CBM facilities has passed, the remaining funds will then be returned to the original members contributing to the fund based upon their pro-rata share of the original Bill Credit plus any interest accrued.

Q. Are there any other reasons that these two funds should not be used in the manner that Kevin Higgins proposes?

A. Yes. The decline the CBM industry is experiencing is the very reason these funds were established. PRECorp is experiencing costs to retire CBM distribution plant and will be drawing down the CBM Retirement Fund to pay for these costs. There is an expectation to use the CBM Risk Management fund to pay down costs related to investment in CBM plant and thereby reduce the risks related to stranded investment should the CBM decline continue before all the assets are paid for. The development of these two funds, along with the implementation of many other innovative risk management strategies to manage risks related to the boom and bust nature of the CBM industry are not the reasons the CBM industry has been in decline. To utilize these funds in a manner for which they are not intended at the very time the conditions and risks for which they were established are occurring would not be in the public interest. Additionally, it would be contrary to the agreements and commitments made by PRECorp to the CBM members who contributed the funds.

Q. Does PRECorp disagree with Carbon Creek about the importance of retiring Capital Credits?

A. Yes. The retirement of Capital Credits to the Cooperative membership is an essential component of the Cooperative business model. Cooperative Boards and management use the retirement of Capital Credits to manage member equity as well as to let members know the value of being Cooperative members.

Q. Does PRECorp retiring capital credits have any impact on the target RUS OTIER requirements in this Application?

A. The retirement of Capital Credits does not impact the target RUS OTIER. David Hedrick's Rebuttal Testimony explains this in more detail.

Q. Please summarize PRECorp's rebuttal position.

A. We are actively engaged in looking for ways to increase non-member revenue and decrease costs while at the same time seeking a reasonable revenue requirement that provides some ability to maintain a required financial ratio in the event of continued declining sales. Joanne Kolb's rebuttal testimony describes the need for a 1.5 RUS OTIER level to allow for declining sales. It does not serve the public interest to require a drawdown of the CBM Retirement Fund and the CBM Risk Management Fund to reduce the CBM class revenue requirements and the rates for Carbon Creek, and such a use would be contrary to the agreements with the CBM customers who contributed to those funds. PRECorp's capital credit retirements are an essential part of the cooperative business model. Even if capital credit retirements were something the PSC wished to regulate the level of capital credit retirements has no impact on the requested RUS OTIER and the resulting revenue requirements and should not be a factor in determining RUS OTIER or the requested revenue requirement. David Hedrick's rebuttal testimony further describes the relationship between OTIER and capital credit retirements. Furthermore, as explained by David Hedrick, PRECorp has recommended a revised rate design based on the revised cost of service study that corrects the allocation of depreciation expense for the CBM customers. The rate design presented and described in Mr. Hedrick's Rebuttal Testimony continues PRECorp's movement towards cost of service while at the same time reflecting the fact that 'rate making' is more than mathematical results. The RUS OTIER of 1.5 and the commensurate $11.5M revenue requirement, and the proposed rate design are appropriate for PRECorp at this time. PRECorp would much prefer a lower RUS OTIER if we were somehow able to reduce the risk of missing the RUS OTIER due to decreasing sales; however, PRECorp is focused on the need to maintain our required minimum RUS OTIER through the requested revenue requirement and proposed rate design.

Q. Does this conclude your testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF POWDER RIVER ENERGY CORPORATION FOR AUTHORITY TO ADJUST RATES, AMEND RULES AND REGULATIONS, AND IMPLEMENT NEW TARIFFS	))))))	DOCKET NO. 10014-CR-01-53 (RECORD NO. 6482)

STIPULATION AND AGREEMENT

This matter is before the Public Service Commission of Wyoming (Commission) upon the application of Powder River Energy Corporation (PRECorp) for authorization to adjust rates, amend rules and regulations and implement new tariffs. Parties of record in the above-captioned matter include PRECorp, Pennaco Energy, Petroleum Association of Wyoming (PAW) and the Consumer Advocate Staff of the Public Service Commission of Wyoming (CAS). PRECorp, Pennaco Energy, PAW and the CAS (collectively the Parties) desire to settle certain issues raised in these proceedings relating to proposed revisions to PRECorp's filed tariffs, rules and regulations, new tariff for coal bed methane customers and to stipulate to a resolution of such issues.

NOW THEREFORE, the Parties hereby stipulate and agree, subject to and with the approval of the Public Service Commission of Wyoming, to the following:

1. Reduction in revenues proposed by PRECorp in this proceeding, and approved by the Commission on an interim basis effective April 1, 2001 is fair and reasonable and should be made permanent in this final phase of the proceeding.

2. The cost of service study supplied by PRECorp with its filing in this matter is supported by the company's data for the test year. PRECorp agrees to file a new cost of service study in the year 2002 and assuming PRECorp files this cost of service study within a reasonable time frame for the Commission, interested parties and the CAS to

EXHIBIT
MEE-07

perform appropriate review of the application and the data supporting the cost of service filing, reasonable efforts will be made by the Parties to allow PRECorp to place rates resulting from this cost of service filing into effect on or before January 1, 2003.

3. The company's proposed rate design as summarized in WY PSC Tariff No. 2 Third Revision is reasonable and should be adopted for purposes of this proceeding. However, the CAS still has concerns regarding the cost of power adjustment mechanism and the pass through of bill credits received by PRECorp from its wholesale power supplier.

4. The proposed revisions to PRECorp's rules and regulations of service, including the company's revisions regarding elimination of membership fees, refund of membership fees upon withdrawal or termination by a member, addition of a new type of service for three phase small, commercial and large power customers, adjustments to returned check service charges, billing adjustment changes where meter errors occur, changes to the unoccupied premises and idle services regulation, changes to the electric service regulations for rural farm and ranch services, changes to the definitions in the harmonic distortion limitation section of PRECorp's electric service regulations and other aspects of PRECorp's harmonic distortion regulations, changes to PRECorp's standard line extension policy and PRECorp's proposed coal bed methane line extension policy as amended to reflect a 3 mil per kWh surcharge to fund future retirement of coal bed methane facilities are all just and reasonable and should be permanently approved and implemented.

5. The Parties agree a 3 mill ($0.003) per kWh surcharge shall be applied to all coal bed methane usage (and not just new coal bed methane customers). The Parties agree the 3 mill per kWh surcharge is a best guess reasonable estimate at this time of the likely charges necessary for PRECorp to retire plant installed to serve coal bed methane

customers. The 3 mill per kWh surcharge may be subject to change as information regarding the retirement fund balance, interest earned, receipts for the previous year and expenditures applied against the fund becomes available.

6. PRECorp shall amend Sheet No. 35-R (Coal Bed Methane Line Extension Policy) to reflect the 3 mill per kWh surcharge to adequately fund retirement costs associated with the plant installed to serve all coal bed methane customers.

7. PRECorp agrees to file no later than April 1st of each year beginning April 1, 2002 until the Commission determines further reporting is no longer required, a report with the Commission and representatives of the coal bed methane industry identifying the coal bed methane retirement fund balance, interest earned, receipts for the previous year and expenditures applied against the fund.

8. Interest earned on the coal bed methane retirement fund will be applied to the fund and the fund receipts and expenditures will be accounted for separately on PRECorp's books and records. This information shall be included in the annual report referred to hereinabove to be filed with the Commission and representatives of the coal bed methane industry.

9. PRECorp shall make a cost of service informational filing during the year 2006 based upon 2005 data which filing shall be informational in nature unless PRECorp changes the filing from an informational filing to a rate filing. The cost of service informational filing to be made in the year 2006 shall include supporting data and include data on class cost of service, revenues recovered and impact on rates by the coal bed methane class.

10. PRECorp shall make a cost of service informational filing in the year 2010 based upon 2009 data. This filing will be informational in nature unless PRECorp chooses to make a rate filing in lieu of an informational filing. The cost of service informational filing to be filed in the year 2010 shall include underlying data and cost of service information as well as information regarding the impact upon rates by the coal bed methane customer class and revenues received from the coal bed methane customer.

11. With its cost of service study to be filed in the year 2002 (see no. 2 hereinabove) PRECorp shall provide weather normalization adjustments for PRECorp's residential class.

12. The interim approvals by this Commission of the proposed rate decreases associated with PRECorp's filing and the actual cost of power adjustment mechanism itself should become permanent.

13. The effective date for PRECorp's new coal bed methane tariffs shall be December 10, 2001. PRECorp's CBM line extension policy approved by the Commission on April 30, 2001 which became effective May 10, 2001 shall be modified (Section 5(a)(i) Sheet 35-R) to reflect the 3 mill retirement charge shall be applicable to all CBM customers and shall be effective December 10, 2001. ~~as modified when approved by the Commission~~. AMR

14. Insofar as the Billing Adjustments (BA) rate schedule is concerned, PRECorp shall modify Tariff Sheet No. 35 to clarify the wording to reflect only additional fuel charges may be passed on or credited and shall also provide example calculations for fuel adjustments much in the same manner as PRECorp provided on Sheet No. 33-R of the CBM line extension policy. The example calculations shall be provided prior to the implementation of fuel charge adjustments for CBM customers.

15. PRECorp's line extension policy previously approved on an interim basis shall be considered permanent from and after the interim approval date. The cost of power adjustment mechanism previously approved on an interim basis and reflected in Sheets No. 33, 34 and 35 of the revised tariffs as filed is in the best interests of the Parties and PRECorp's customers and should be implemented on a permanent basis.

BACKGROUND

16. PRECorp filed its application and supporting testimony and exhibits requesting authorization to adjust rates, amend rules and regulations and implement new tariffs.

17. By order issued in Docket No. 10014-CR-01-53 on April 3, 2001, the Commission determined the public interest required an expedited hearing on the proposed revisions to PRECorp's line extension tariff. By Interim Order issued April 3, 2001 the Commission approved on an interim basis PRECorp's proposed rate decreases associated with its filing effective April 1, 2001 and also approved effective April 1, 2001 PRECorp's proposed cost of power adjustment mechanism.

18. The CAS, Pennaco Energy and PAW filed notices and motions to intervene in these proceedings pursuant to Wyoming Statute §37-2-110(b) and Sections 103, 111 and 113 of the Procedural Rules of Special Regulations of the Public Service Commission of Wyoming.

19. PRECorp, Pennaco Energy, PAW and the CAS met by telephone conference on Friday, October 19, 2001 to explore and negotiate possible compromises among the Parties on all issues. An agreement in principle was reached on the issues with the exception of the Consumer Advocate Staff's concerns about PRECorp's treatment of Basin Electric bill credits and the level of discretion sought by PRECorp regarding the pass on of power costs.

SETTLEMENT OF ISSUES

20. The Parties agree PRECorp's proposed revisions to its coal bed methane line extension policy to make it applicable to all coal bed methane customers, PRECorp's filed tariff revisions and PRECorp's proposed revisions to its rules and regulations should be approved. In addition, the Parties agree the cost of power adjustment mechanism proposed by PRECorp as amended should also be approved and implemented so as to allow PRECorp to pass on changes in its cost of wholesale power with regulatory ease subject to the Consumer Advocate Staff's concerns regarding PRECorp's treatment of Basin Electric bill credits and PRECorp's discretion regarding the pass on of power costs. This agreement as referenced herein is not intended to resolve any other issues pending in the captioned docket including PRECorp's treatment of Basin Electric bill credits and the level of discretion sought by PRECorp regarding the pass on of power costs.

EFFECTIVE DATE

21. The parties request the proposed rate decreases approved on an interim basis effective April 1, 2001 be made permanent effective as of the date of the Commission's order. The Parties also request the proposed cost of power adjustment mechanism approved on an interim basis effective April 1, 2001 as amended be effective as of the date of the Commission's order in this docket. The Parties request PRECorp's new coal bed methane tariffs be effective December 10, 2001 and the CBM line extension policy approved by the Commission on April 30, 2001 which became effective May 10, 2001 (as proposed to be modified) be effective December 10, 2001. ~~and applicable for all CBM customers when, approved by the Commission~~.

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AMR

OTHER MATTERS

22. The execution of this Stipulation and Agreement should not be deemed to constitute an acknowledgment of any party hereto of the validity or invalidity of any particular theory or principle for ratemaking and its execution shall not be construed to constitute the basis of estoppel or waiver by any party. Furthermore, no party hereafter shall be deemed to be bound by any position asserted by any other party, and no finding of fact or conclusion of law other than those stated herein shall be deemed to be implicit in this Stipulation and Agreement.

23. The entry by the Commission of an Order approving this Stipulation and Agreement should not be deemed to work any estoppel upon the Parties or the Commission, or otherwise establish, or create any limitation on or precedent of the Public Service Commission of Wyoming.

24. This Stipulation and Agreement shall not become effective and shall be of no force and effect until the issue of a final Commission Order which accepts and approves this Stipulation and Agreement as to all of its terms and conditions. If this Stipulation and Agreement is not approved in its entirety or, if approved with conditions which are not acceptable to any party, any party shall at its option have the right to withdraw from this Stipulation and Agreement and shall be entitled to file testimony and cross-examine the witnesses and in general to put on an entire case with all claims and rights preserved.

25. The parties hereto state that reaching agreement as set forth herein by means of a negotiated settlement rather than through a formal adversarial process is in the public interest and that the compromises and settlements set forth in this Stipulation and Agreement are in the public interest.

26. This Stipulation and Agreement may be executed in one or more counterparts and each counterpart shall have the same force and effect as an original document and as if all the Parties had signed the same document. Any signature page of this Stipulation and Agreement may be detached from any counterpart of this Stipulation and Agreement without impairing the legal effect of any signatures thereon, and may be attached to one or more signature page(s).

IN WITNESS WHEREOF, the Parties hereto have executed this Stipulation and Agreement as of the 6th day of November, 2001.

Mark L. Hughes
MARK L. HUGHES, on behalf of
Powder River Energy Corporation

Dale W. Cottam, for
THOMAS A. NICHOLAS, on behalf of
Petroleum Association of Wyoming
on behalf of its Members

Anthony Reyes
ANTHONY M. REYES, on behalf of
Consumer Advocate Services