

ACKNOWLEDGMENT AND WAIVER

This agreement made this 30 day of JANUARY 2012

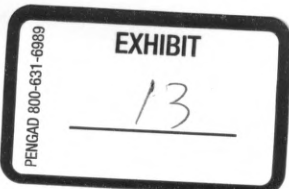
WHEREAS, Basin Electric Power Cooperative and Mountrail-Williams Electric Cooperative are co-developing an overhead 115/345kV transmission line project to be located in Williams County, North Dakota;

WHEREAS, the North Dakota Energy Conversion and Transmission Facility Siting Act provides that areas within five hundred feet of an inhabited rural residence must be designated avoidance areas and further provides that this requirement may be waived by the owner of the inhabited rural residence in writing;

WHEREAS, Western Company of Texas, Inc. wishes to grant a Waiver to Basin Electric Power Cooperative and Mountrail-Williams Electric Cooperative to allow them to place the transmission line within 500 feet of an occupied rural residence.

The following is acknowledged:

1. I, ERIC MATTON am the Executive Vice President & CFO of Western Company of Texas, Inc.
2. Western Company of Texas, Inc. is the owner of real property located in the NE Quarter (NE1/4) of Section 22, Township 154N, Range 102W in Williams County, North Dakota.
3. Western Company of Texas, Inc. acknowledges that N.D.C.C. § 49-22-05.1 provides that, "Except for transmission lines in existence before July 1, 1983, areas within five hundred feet of an inhabited rural residence must be designated avoidance areas."
4. Western Company of Texas, Inc. further acknowledges that this avoidance area requirement may be waived by the owner of the inhabited rural residence in writing.
5. Select Energy Services has purchased the stock of Western Company of Texas, Inc. and Western Company of Texas, Inc. plans to lease the above described land to Select Energy Services. At this time, there are no inhabited rural residences on the above described property but Western Company of Texas, Inc. is currently developing the land for housing for Select Energy workers and their families.
6. Western Company of Texas, Inc. agrees to Basin Electric Power Cooperative/Mountrail-Williams Electric Cooperative locating an overhead 115/345kV transmission line within five hundred feet of an inhabited rural residence in the area of land described above.



Name: ERIC MATTSUN

Title: EXECUTIVE VP + CFO

Date: 1 / 30 / 12