

Return Recorded Original
to Grantee at:

Tenneco Oil Company
10000 Ming Avenue
P. O. Box 9380
Bakersfield, California 93311

FIRST AMENDMENT TO
ASSIGNMENT AND CONVEYANCE
(Tenneco West, Inc. to Tenneco Oil Company)

This First Amendment to Assignment and Conveyance ("First Amendment") is made and entered into effective as of June 30, 1988 by and between Tenneco West, Inc., a Delaware corporation (formerly known as Kern County Land Company and herein referred to as "Grantor"), whose mailing address is 10000 Ming Avenue, P. O. Box 9380, Bakersfield, California 93311, and Tenneco Oil Company, a Delaware corporation (herein referred to as "Grantee"), whose mailing address is 1010 Milam, Houston, Texas 77002.

RECITALS

By Assignment and Conveyance from Grantor to Grantee executed and acknowledged on November 16, 1988, a copy of which, with a complete set of exhibits attached thereto, is recorded in the Official Records of Kern County, California at Book 6183, page 1167 (the "Assignment"), Grantor conveyed certain properties to Grantee.

Grantor and Grantee desire to clarify and amend the Assignment as set forth in this First Amendment.

NOW, THEREFORE, for Ten Dollars (\$10.00), and other good, valuable and sufficient consideration received by Grantor, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

State of Oregon
County of Klamath

89 FEB 3 PM 12 32

1. Any capitalized terms used in this First Amendment but not defined herein shall have the meaning ascribed to such terms in the Assignment.
2. The phrase "in each case" in line 8 of paragraph (a) on page 2 of the Assignment was intended to and does modify each of the series of interests previously listed in such paragraph (a) of the Assignment, including the phrase "All fee interests" in line 1 of such paragraph (a).
3. The following paragraphs are hereby inserted on page 5 immediately above the paragraph that begins "TO HAVE AND TO HOLD":

"SUBJECT to the obligation of Grantee and its successors and assigns to compensate Grantor and its successors and assigns for any and all damages caused to improvements and growing crops upon the Real Property by the exercise of the rights herein granted.

SUBJECT ALSO to such rights of use and enjoyment of the surface of any Real Property located in Kern County, California as are set forth in the deeds from Grantor to (i) the Department of Water Resources, State of California, for the purpose of water storage and wildlife habitat enhancement (Exhibit E hereto); (ii) McFarland Energy Inc., a Delaware corporation (Exhibit F hereto); (iii) the West Kern Water District (Exhibit G hereto); and (iv) Fred Andrew (Exhibit H hereto)."

Exhibits E-H referenced above are attached to and hereby made a part of this First Amendment.

4. The undersigned Grantee joins in this First Amendment for the purpose of acknowledging and agreeing that the clarifications of and amendments to the Assignment that are contained in this First Amendment, and any exhibits attached to this First Amendment, shall be and are hereby deemed to be a

part of the Assignment, as fully as if same had been included as a part of the Assignment as originally drafted.

EXECUTED as of the date set forth above, but effective as of June 30, 1988.

GRANTOR

TENNECO WEST, INC.

ATTEST:

By: [Signature]
Name: David B. Stanton
Title: Asst. Secretary

By: [Signature]
Name: MELVIN JANS
Title: SENIOR VICE PRESIDENT

GRANTEE

TENNECO OIL COMPANY

ATTEST:

By: [Signature]
Name: JAMES GAUGHAN
Title: ASSISTANT SECRETARY

By: [Signature]
Name: R. E. WINCKLER
Title: VICE PRESIDENT

STATE OF _____)

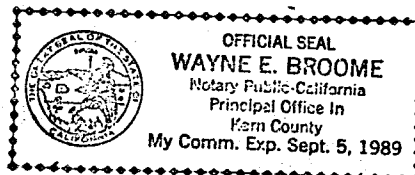
COUNTY OF _____)

STATE OF CALIFORNIA)
COUNTY OF KERN) ss.

On January 12, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared Melvin Jans and David B. Stanton, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as Senior Vice President and Assistant Secretary, on behalf of TENNECO WEST, INC., the corporation therein named, and acknowledged to me that such corporation executed it pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

[Signature]
Signature



(CALIFORNIA)

On _____, 1988, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the _____, and _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the _____ of the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(OREGON)

This instrument was acknowledged before me on ____ day of _____, 1988, by _____ as _____ of Tenneco West, Inc.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the City of _____, County of _____ and State of _____, this ____ day of _____, 1988.

Notary Public in and for the State of _____

Printed Name of Notary Public _____

Residing at: _____

My commission expires: _____

STATE OF Texas)
COUNTY OF Harris)

BE IT REMEMBERED, that I, Marilyn Nolan, a Notary Public duly qualified, commissioned, sworn and acting in and for the State of Texas, hereby certify that, on this 11th day of January, ~~1988~~ 1989, there appeared before me R. E. Winckler as Vice President of Tenneco Oil Company, a Delaware corporation, whose address is 1010 Milam Street, Houston, Texas 77002.

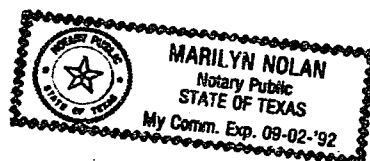
(CALIFORNIA)

On January 11, 1989, ~~1988~~ before me, the undersigned, a Notary Public in and for said state, personally appeared R. E. Winckler, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Vice President, and J. D. Gaughan, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Asst. Secretary of the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(OREGON)

This instrument was acknowledged before me on January 11, 1989 by R. E. Winckler as Vice President of Tenneco Oil Company.

IN WITNESS WHEREOF, I have hereunto set my hand and
 official seal in the City of Houston, County of
Harris and State of Texas, this 11th day of
January, ~~1988~~ 1989



Marilyn Nolan
 Notary Public in and for the
 State of Texas

Marilyn Nolan
 Printed Name of Notary Public

Residing at:
3601 Allen Parkway #922
Houston, Texas 77019

My commission expires: 9/2/92

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES
RECORDING AGENCY

EXHIBIT E

2190
FS

RECORDINGS REQUESTED BY
TIGER TITLE INSURANCE CO.

WHEN RECORDED MAIL TO
DEPARTMENT OF WATER RESOURCES

P.O. Box 600
Sacramento, California 95833

025340

BOOK 6158 PAGE 1098

1988 AUG 31 A 8:00

RECORDED BY GALE S. THOMAS
RECEIVED BY CLERK-RECORDER

OTS .00
FREE REC .00

RECEIVED 1001 101 71

SPACE ABOVE THIS LINE FOR RECORDER'S USE

OP
MD
LN
RF
NA

GRANT DEED
(CORPORATION)

Project KERN WATER BANK

Parcel No. KWB-2

TERRACE WEST, INC.

a corporation organized and existing under and by virtue of the laws of the State of Delaware
does hereby GRANT to the STATE OF CALIFORNIA all that real property in the
County of Kern, State of California, described as identified in
records of the Department of Water Resources as:
DWR Parcel No.

KWB-2
described as follows:

Area
19.963 acres

Estate
Fee

(In the event of any discrepancy between the above identification and the real property described herein, the real property described will control.)

DWR 547 (Rev. 4/83)
JUL 15 1988

Page 1

RECORDED 1988 10 10 10 10 10 10

KMD-2 consists of the following DWR Parcels and Units:

6158 and 1099

KRCV-1	UNIT A	4.334 acres	
	UNIT B	2.556 acres	
	UNIT C	2.281 acres	
KRCV-3	UNIT A	706 acres	
	UNIT B	3,420 acres	
KRCV-5		65 acres	
KRCV-7	UNIT A	157 acres	
	UNIT B	583 acres	
KRCV-9	UNIT A	6 acres	
KRCV-11	UNIT A	1.67 ⁶ acres	OK
KRCV-13	UNIT A	21 ⁵ acres	OK
	UNIT B	25 acres	OK
KRCV-15	UNIT A	1.37 ⁷ acres	OK
KRCV-17	UNIT A	800 acres	
KRCV-19	UNIT A	812	
	UNIT B	1,497 acres	
		7 acres	
KRCV-30	UNIT A	160 acres	
	UNIT B	6 acres	

TOTAL AREA DESCRIBED .

19,883 acres

JUL 15 1968

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All that certain real property situate in the unincorporated area of the County of Kern, State of California:

KRGV-1

UNIT A:

Consisting of Units A1 through A9 described as follows:

Unit A1:

Section 12, Township 30 South, Range 24 East, Mount Diablo Meridian, according to the Official Plat thereof, and containing an area of 640 acres, more or less.

Unit A2:

Section 13, Township 30 South, Range 24 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING the Southwest quarter of the Southwest quarter of said Section, and containing an area, after said exception, of 602 acres, more or less.

Unit A3:

The Northeast quarter, the Northeast quarter of the Southeast quarter, and the East half of the Northwest quarter of Section 24, Township 30 South, Range 24 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion of said Section 24 described in deed to the State of California, recorded January 23, 1933, Book 458, Page 481, Official Records of said County.

Containing an area, after said exception, of 255 acres, more or less.

Unit A4:

These portions of the South half of Sections 5 and 6, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 370 acres, more or less.

Unit A5:

Section 7, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, and containing an area of 653 acres, more or less.

Unit A6:

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County.

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JUL 15 1968

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EXCEPTING THEREFROM that portion described as Cross Valley Canal in the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5621, Page 1531, Official Records of said County.

Containing an area, after said exception, of 566 acres, more or less.

Unit A7:

That portion of Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northwesterly of the Northwesterly property line of the lands of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5621, Page 1531, Official Records of said County.

Containing an area of 323 acres, more or less.

Unit A8:

Section 18, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 650 acres, more or less.

Unit A9:

That portion of Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northwesterly of the Northwesterly property line of the lands of Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5621, Page 1531, Official Records of said County.

Containing an area of 295 acres, more or less.

Total area contained in said UNIT A1 through A9 is 4334 acres, more or less.

UNIT B:

Consisting of Units B1 through B9 described as follows:

Unit B1:

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 in FINAL ORDER OF

P. 6158 P. 1102

CONDEMNATION, SUPERIOR COURT OF KERN COUNTY. Case Number 126302; a certified copy thereof recorded December 1, 1981, Book 5421, Page 1531. Official Records of said County.

Containing an area, after said exception, of 85 acres, more or less.

Unit B2:

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County, containing an area of 154 acres, more or less.

Unit B3:

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 591 acres, more or less.

Unit B4:

That portion of Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southeasterly of the Southeasterly property line of the lands of Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 281 acres, more or less.

Unit B5:

That portion of Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southeasterly of the Southeasterly property line of the lands of Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 331 acres, more or less.

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Unit B4:
 Section 20, Township 30 South, Range 25 East, Mount Diablo Meridian,
 according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northwest of the
 Southeasterly property line of the lands of the Kern County Water Agency, a
 political subdivision of the State of California, described as Cross Valley
 Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case
 Number 126302; a certified copy thereof was recorded December 1, 1981, Book
 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 642 acres, more or less.

Unit B7:
 The North half of Section 21, Township 30 South, Range 25 East, Mount
 Diablo Meridian, according to the Official Plat thereof, containing an area of
 320 acres, more or less.

Unit B8:
 That portion of the Northeast quarter of Section 22, Township 30
 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat
 thereof, lying Southwest of the Southwest property line of State
 Highway Number 5, as described in deed to the State of California, recorded
 March 24, 1967, Book 4037, Page 193, Official Records of said County.

Containing an area of 138 acres, more or less.

Unit B9:
 That portion of the Northwest quarter of Section 23, Township 30
 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat
 thereof, lying Southwest of the Southwest property line of State
 Highway Number 5, as described in deed to the State of California, recorded
 March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion described in deed to West Kern Water
 District, recorded August 22, 1983, Book 6155, Page 1405.
 Official Records of said County.

Containing an area of 14 acres, more or less.

Total area contained in UNITS B1 through B9 is 1556 acres, more or less.

UNIT C:
 Consisting of Units C1 through C6 described as follows:

Unit C1:
 The Northwest quarter of Section 26, Township 30 South, Range 25
 East, Mount Diablo Meridian, according to the Official Plat thereof.

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EXCEPTING the East half of the East half of said Northwest quarter, containing an area, after said exception, of 120 acres, more or less.

Unit C2:

Section 27, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 636 acres, more or less.

Unit C3:

The Northeast quarter of Section 28, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 160 acres, more or less.

Unit C4:

Section 34, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 639 acres, more or less.

Unit C5:

Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 639 acres, more or less.

Unit C6:

That portion of the South half of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 26, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion described in deed to East Kern Water District, recorded August 22, 1968, Book 6155, Page 1405, Official Records of said County.

Containing an area, after said exception, of 85 acres, more or less.

Total area contained in said UNITS C1 through C6 is 2281 acres, more or less.

AUG 12 1968

KRGV-3

UNIT A:

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Consisting of Units A1 through A7 described as follows:

Unit A1:

The South half of Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Southerly of the Northerly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 55 acres, more or less.

Unit A2:

Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM Parcel 1 as shown on Amended Parcel Map No. 1450, filed February 6, 1974, in the Office of the County Recorder of Kern County, State of California.

ALSO EXCEPTING THEREFROM the Northwest quarter of said Section 4.

ALSO EXCEPTING THEREFROM that portion lying Southeasterly of the Northwest property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 252 acres, more or less.

Unit A3:

That portion of the South half of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM the Southeast quarter of the Southeast quarter of said Section 5.

Containing an area, after said exceptions, of 212 acres, more or less.

JUL 15 1988

Unit A4:

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Handwritten: 10/27
~~Amended to 10/27~~ - to the Southeast quarter of the
 Southeast quarter of Section 5, Township 30 South, Range 23 East, Mount Diablo
 Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM all oil, gas, and other minerals contained within
 the property hereinabove described.

Containing an area, after said exception, of 40 acres, more or less.

Unit A5:

That portion of the Southeast quarter of Section 6, Township 30 South,
 Range 23 East, Mount Diablo Meridian, according to the Official Plat thereof,
 lying Northeasterly of the Northeasterly property line of the California
 State Highway Number 5, as described in deed to the State of California,
 recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 2 acres, more or less.

Unit A6:

That portion of Section 8, Township 30 South, Range 23 East, Mount
 Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of
 the Northeasterly property line of the California State Highway Number 5, as
 described in deed to the State of California, recorded March 24, 1967, Book
 4037, Page 193, Official Records.

Containing an area of 70 acres, more or less.

Unit A7:

That portion of Section 9, Township 30 South, Range 23 East, Mount
 Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of
 the Northeasterly property line of the California State Highway Number 5, as
 described in deed to the State of California, recorded March 24, 1967, Book
 4037, Page 193, Official Records.

EXCEPTING THEREFROM those portions lying Southeasterly of the
 Northeasterly property line of the land of the Kern County Water Agency, a
 political subdivision of the State of California, described as Cross Valley
 Canal and Cross Valley Canal Pumping Plant Number 1 in FINAL ORDER OF
 CONFIRMATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified
 copy thereof was recorded December 1, 1981, Book 3421, Page 1531, Official
 Records.

Containing an area, after said exception, of 75 acres, more or less.

The total area contained within Unit A1 through A7, after said
 exceptions, is 706 acres, more or less.

JUL 15 1983

UNIT 8:

Consisting of Units B1 through B10, described as follows:

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Unit B1:

Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northerly of the Southerly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as the Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1331, Official Records.

Containing an area, after said exception, of 245 acres, more or less.

Unit B2:

Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northwesternly of the Southeasterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as the Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1331, Official Records.

Containing an area, after said exception, of 59 acres, more or less.

Unit B3:

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeastly of the Northeastly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM those portions lying Northwesternly of the Southeasterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1331, Official Records.

Containing an area, after said exception, of 430 acres, more or less.

Unit B4:

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Section 10, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

Unit B5:

Section 11, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

Unit B6:

Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the North 355 feet of the West 415 feet being more particularly described in deed to Pacific Gas and Electric Company, recorded May 4, 1962, Book 3522, Page 349, Official Records of said Kern County.

Containing an area, after said exception, of 634 acres, more or less.

Unit B7:

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeastly of the Northeastly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 451 acres, more or less.

Unit B8:

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeastly of the Northeastly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 32 acres, more or less.

Unit B9:

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeastly of the Northeastly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 11 acres, more or less.

Unit B10:

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That portion of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM that portion lying Southerly of the Northerly property line of Parcel 2, as described in the deed to the City of Ekersfield, recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exception, of 282 acres, more or less.

The total area contained within UNITS B1 through B10, after said exceptions, is 3420 acres, more or less.

KRCU-5

UNIT A:

That portion of the South half of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the California State Highway Number 5, described as Parcel 2, in the deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM that portion described as Parcel 1 in said deed to the State of California.

ALSO EXCEPTING THEREFROM that portion described in deed to the City of Ekersfield, a Municipal Corporation, recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exceptions, of 65 acres, more or less.

KRCU-7

UNIT A:

That portion of the West half and the Southeast quarter of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly and Southwesterly of the Southwesterly boundary of State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 157 acres, more or less.

JUN 15 1988

UNIT B:

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That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary of State Highway Number 3, described in deed to the State of California, recorded March 26, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM the West half of the Southwest quarter of the Southwest quarter of said Section 36.

Containing an area, after said exception, of 383 acres, more or less.

The total area contained in UNIT A and UNIT B is 740 acres, more or less.

KRGV-9

UNIT A:

That portion of the Northwest quarter of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary line of the State Highway Number 3, described in deed to the State of California, recorded March 26, 1967, Book 4037, Page 193, Official Records of Kern County.

Containing an area, after said exception, of 6 acres, more or less.

KRGV-11

UNIT A:

Consisting of Units A1 through A6, described as follows:

Unit A1:

Section 28, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the Northwest quarter, the Northwest quarter of the Southwest quarter, the Northwest quarter of the Northeast quarter of the Southwest quarter, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 420 acres, more or less.

Unit A2:

That portion of the North half of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the State Highway Number 3, described in deed to the State of California, recorded March 16, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM the Northeast quarter of the Northwest quarter of the Northwest quarter, the Northeast quarter of the Northwest quarter, the Northeast quarter of the Southeast quarter of the Northwest quarter, the

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 Northwest quarter of the Northeast quarter, the Northeast quarter of the
 Northeast quarter and the North half of the South half of the Northeast
 quarter of said Section.

Containing an area, after said exception, of 134 acres, more or less.

Unit A3:

Section 32, Township 30 South, Range 26 East, Mount Diablo
 Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the North half of the South half of the Northwest
 quarter, the Southwest quarter of the Northwest quarter of the Northeast
 quarter, the North half of the Northwest quarter, the Northwest quarter of the
 Northeast quarter of the Northeast quarter, and the North half of the
 Northwest quarter of the Northeast quarter of said Section.

Containing an area, after said exception, of 480 acres, more or less.

Unit A4:

Section 33, Township 30 South, Range 26 East, Mount Diablo
 Meridian, according to the Official Plat thereof.

Containing an area of 641 acres, more or less.

The total area contained in Units A1 through A4 is 1673 acres, more or
 less.

KROU-13

UNIT A:

That portion of Section 25, Township 30 South, Range 23 East, Mount
 Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of
 the Northeasterly property line of the State Highway Number 5, described in
 deed to the State of California, recorded March 24, 1967, Book 4037, Page 193,
 Official Records of Kern County.

EXCEPTING THEREFROM the Northeast quarter, the Northeast quarter of
 the Southeast quarter, the Northeast quarter of the Northwest quarter of the
 Southeast quarter, and the Northeast quarter of the Southeast quarter of the
 Southeast quarter of said Section.

Containing an area, after said exceptions, of 214 acres, more or less.

UNIT B:

That portion of Section 36, Township 30 South, Range 23 East, Mount
 Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of
 the Northeasterly property line of the State Highway Number 5, described in
 deed to the State of California, recorded March 24, 1967, Book 4037, Page 193,
 Official Records.

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Containing an area of 23 acres, more or less.

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The total area contained in UNIT A and UNIT B, after said exception, is 239 acres, more or less.

REGV-15

UNIT A:

Consisting of Units A1 through A4, described as follows:

Unit A1:

That portion of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Southerly property line of the lands of the City of Bakersfield, as described in deed, recorded December 30, 1976, Book 4999, Page 436, Official Records of Kern County.

EXCEPTING THEREFROM that portion of said Section 24 granted to the State of California for freeway purposes by deed, recorded March 24, 1967, Book 4037, Page 193, of said Official Records, were particularly described therein.

ALSO EXCEPTING THEREFROM the Southeast quarter of the Southeast quarter, and the Southeast quarter of the Southwest quarter of the Southeast quarter of said Section.

Containing an area, after said exceptions, of 328 acres, more or less.

Unit A2:

All that portion of Section 17, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Kern River Canal right of way, as said canal is described in Grant Deed, recorded December 30, 1976, Book 4999, Page 431, Official Records of said Kern County.

Containing an area of 168 acres, more or less.

Unit A3:

All that portion of Section 19, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Kern River Canal right of way, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPTING THEREFROM the South half of the South half of the South half, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 421 acres, more or less.

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Unit A4:

BOOK 6158 PAGE 1113

All that portion of Section 20, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Kern River Canal right of way as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPTING THEREFROM the South half of the Southeast quarter, the Southeast quarter of the Northwest quarter of the Southeast quarter, the South half of the Northeast quarter of the Southeast quarter, the South half of the South half of the Southwest quarter, the North half of the Southeast quarter of the Southwest quarter, and the Northeast quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 460 acres, more or less.

The total area contained in UNITS A1 through A4 is 1377 acres, more or less.

REC-17

UNIT A:

Consisting of Units A1 through A3 described as follows:

Unit A1:

All of Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the South half of the Southeast quarter of said Section 13.

ALSO EXCEPTING THEREFROM the South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of said Section 13, containing an area, after said exceptions, of 340 acres, more or less.

Unit A2:

The Northwest quarter of the Northwest quarter and the West half of the West half of the Northeast quarter of the Northwest quarter of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 50 acres, more or less.

Unit A3:

The North half of Section 18, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the Easterly 1700 feet of the South half of the South half of the Northwest quarter, the South half of the South half of the

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 northeast quarter, the Easterly 900 feet of the Northeast quarter of the
 Northeast quarter, and the Easterly 900 feet of the North half of the Southeast
 quarter of the Northeast quarter of said Section 18, containing an area, after
 said exception, of 222 acres, more or less.

The total area contained in said UNITS A1 through A3 is 812 acres,
 more or less.

KRCW-19

UNIT A:

Consisting of Units A1 through A3 described as follows:

Unit A1:

The South half of Section 1, Township 30 South, Range 25 East, Mount
 Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northerly of the Southerly
 property line of the land conveyed to the Kern County Water Agency, a political
 subdivision of the State of California, described as Cross Valley Canal in
 FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302;
 a certified copy thereof was recorded December 1, 1981, Book 5621, Page 1531.
 Official Records of said County.

Containing an area, after said exception, of 299 acres, more or less.

Unit A2:

All of Section 12, Township 30 South, Range 25 East, Mount Diablo
 Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the South half of the Southwest quarter of said
 Section, containing an area, after said exception, of 561 acres, more or less.

Unit A3:

That portion of Section 7, Township 30 East, Range 26 East, Mount
 Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of
 the Southwesterly property line of the Southern Pacific Railroad Asphalt
 Branch, as granted to Southern Pacific Railroad Company, a corporation, by
 deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, Records of said
 County.

Containing an area, after said exception, of 637 acres, more or less.

UNIT B:

That portion of the South half of Section 1, Township 30 South, Range
 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying

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 northerly of the northerly property line of the lands conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 7 acres, more or less.

Total area contained within UNIT A and UNIT B is 1504 acres, more or less.

KRCW-30

UNIT A:

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of the Southern Pacific Railroad Asphalt Branch, as granted to the Southern Pacific Railroad Company, a corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPTION THEREFROM that portion lying Northerly of the Southerly property line of the lands conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 160 acres, more or less.

UNIT B:

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of the Southern Pacific Railroad Asphalt Branch, as granted to the Southern Pacific Railroad Company, a corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPTION THEREFROM that portion lying Southerly of the Northerly property line of the lands conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 6 acres, more or less.

The total area contained within UNIT A and UNIT B is 166 acres, more or less.

Bearings and distances used in the above description are based on the California Coordinate System, Zone V, 1927.



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EXCEPTING AND RESERVING to Grantor, its successors and assigns, forever, provided, however, that:

- a. While reserving the rights set forth below, Grantor recognizes that: (i) the property conveyed is to be used for extraction and recharge of potable water and to restore portions of the real property to its natural state; and (ii) that Grantee will be installing ponds, canals, and other similar facilities on the property conveyed, and, accordingly, Grantor shall not unduly interfere with the anticipated operations of Grantee.
 - b. Grantor, or its successors and assigns, upon being provided proof thereof, shall compensate Grantee, or its successors and assigns, for any and all actual damage to structures upon said real property and for any increased operating costs incurred by Grantee, its successors and assigns, as the result of such damage which is caused by the exercise of the rights excepted and reserved herein;
 - c. Grantor, its successors and assigns, shall exercise the rights herein reserved in a manner which will protect its facilities from damage by Grantee's water spreading operations on said real property;
 - d. Grantor, its successors and assigns, shall conduct all operations under this reservation in accordance with either (i) then applicable Federal, State, and/or local regulations, or (ii) current applicable Federal, State, and/or local regulations, whichever shall be more stringent, at the time of such operations; and
 - e. Grantee shall have the right, at any and all reasonable times, to inspect Grantor's operations or work in progress.
1. All oil, gas, and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from said real property; all salt water (water containing over 10,000 p.p.m. T.D.S.) which is in, under, or may be produced from said real property.
 2. The exclusive right, by whatever methods now or hereafter known, as Grantor, or its successors or assigns, may deem advisable, at all times and without charge, to prospect for, investigate for, explore for, drill for, produce, mine, extract, remove, and reduce to possession and ownership, all such minerals and salt water (water containing over 10,000 p.p.m. T.D.S.) (excluding, however, sand and gravel) which are upon, in, under, or may be produced from said real property, the exclusive right to drill into and through said real property to explore for and thereafter produce and extract minerals which may be produced from adjacent real property; the right to lay, construct, erect, and place upon and in said real property and use, maintain, and operate thereon and thereafter remove all buildings, tanks, pressure plants, and other machinery, fixtures, and equipment, pipelines, telephone lines, electric power lines, roads, powerhouses, or other structures and facilities as Grantor, or its successors and assigns, may deem advisable for the exercise and enjoyment of the rights herein excepted and reserved. In

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- exercising its rights hereunder. Grantor shall take all reasonable precautions to avoid contamination of, or damage to, any fresh water aquifer;
3. The exclusive right at all times and without charge to treat, process, (but not refine) store upon, and remove from said real property such minerals and salt water;
 4. The exclusive right, at all times and without charge, to produce and extract such minerals by repressuring the subsurface sands and strata with fluids or gases or by such other method or methods as Grantor, or its successors or assigns, may deem advisable, and to inject and store and thereafter remove such fluids and gases, whether or not indigenous to said real property;
 5. The exclusive right, at all times and without charge, to utilize for the benefit of Grantor and third parties the surface of said real property for the construction, maintenance, operation, use, repair, replacement, or removal of oil, gas, and water pipelines, telephones, telegraph, and power lines, and other structures over and across said real property, the aforementioned pipelines, telephones, telegraph and power lines being necessary, incidental to, or convenient in exploring for, producing and extracting the minerals underlying the lands in the vicinity of said real property. In acting under this reservation, Grantor shall utilize its best efforts to provide maps of existing pipelines and roads and shall advise Grantee of the location of any new pipelines or roads known to it;
 6. The right, at all times and without charge, to investigate for, explore for, drill for, produce, remove, and reduce to possession and ownership, up to 50,000 barrels per day of fresh water (containing less than 10,000 p.p.m. T.D.S.) from aquifers underlying said real property deemed necessary by Grantor, or its successors or assigns, to use in prospecting, exploring, drilling, mining, producing, extracting and removing (including, but not limited to, use in unit operations, water flooding, thermal extraction of minerals, or other secondary recovery methods now or hereafter known), or other operations in connection with the full enjoyment and exercise of the rights herein excepted and reserved, provided, however, that all such water may be used only upon the land subject to this reservation;
 7. The right, at all times and without charge, to exercise all rights herein excepted and reserved and any and all rights upon said real property as Grantor, its successors or assigns, deem necessary, incidental to, or convenient, whether alone or jointly with adjacent lands to the extent it is reasonable to do so, in exploring for, producing, and extracting the minerals and salt water herein excepted and reserved; and
 8. The right, at all times and without charge, of access to said minerals, fresh water, and salt water, and of ingress and egress to and from, over and across said real property for all purposes deemed necessary by Grantor, its successors and assigns, in the exercise of the rights excepted and reserved herein.

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9. Grantor in exercising its reserved rights hereunder and grantee in the exercising of its fee interest in the subject property shall each notify the other as early as possible, but not later than 15 working days, prior to the commencement of any such exercise of its rights in the property, of the location and nature of such exercise, and, where appropriate, provide copies of plans and specifications for such work.

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Together with all of the Grantor's right, title and interest in and to all water and water rights whether surface or subsurface, or of any other kind, including all appurtenant water and water rights, and all water and water rights in any way incident to the real property herein described, or used thereon or in connection therewith, and all other appurtenant rights and easements pertaining to said real property.

In WITNESS WHEREOF, said corporation has caused its corporate name to be hereunto subscribed and its corporate seal to be affixed hereto, this _____ day of _____, 19__.



TENNECO WEST, INC.

By William E. Brown VICE PRESIDENT President
By Philip J. P. [unclear] SECRETARY Secretary

(CORPORATE SEAL)

STATE OF CALIFORNIA

COUNTY OF Kern } ss.

On July 28, 1988

and for said State, personally appeared MELVIN JANS

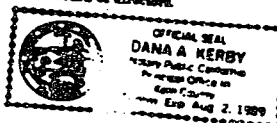
_____ personally known to me or proved to me on the basis of

satisfactory evidence to be the person who executed the within instrument as the Sec. Vice President, and Wayne E. Brown

personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Assistant Secretary Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

Witness my hand and official seal.

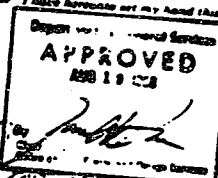
Signature Dana A. Kerby (Seal)



(CERTIFICATE OF ACCEPTANCE, GOVERNMENT CODE, SECTION 27231)

This is To Certify, That the State of California, grantee herein, acting by and through the Department of Water Resources, hereby accepts for public purposes the real property, or interest therein, described in the within deed and consents to the recordation thereof.

In WITNESS WHEREOF, I have hereunto set my hand this _____ 1st day of _____ AUGUST, 19__



By [Signature] Director of Water Resources Director, Water Resources
Attorney in Fact

EXHIBIT F

BOOK 6159 PAGE 0003

026059

1988 SEP 01

2212

RECORDING REQUESTED BY
TICOR TITLE INSURANCE CO.
ESCROW NO. 605921-MM

AND THESE CHECKS SHALL BE
and mail tax statements to:

MC FARLAND ENERGY, INC.
ATTN: LAWRENCE M. HIRST
P.O. BOX 3608
SANTA FE SPRINGS, CA. 90670

6	OR
1	ND
4	RF
NA	

Tax
Statement
Attached

MS 5.00
SP 1.00
ST. FE 4.00
TAXEE 11.00

1988 SEP 01 11:55

SPACE ABOVE THIS LINE FOR RECORDER'S USE
GRANT DEED

TENNECO WEST, INC., a Delaware corporation, hereinafter called "Grantor", hereby grants to
McFARLAND ENERGY, INC., a Delaware Corporation, hereinafter called "Grantee", all that
real property situated in Kern County, California, described in Exhibit A attached hereto
and made a part hereof and subject to the reservations and conditions contained therein.

EXCEPTING THEREFROM that portion of said real property conveyed to Southern California Gas
Company, a California corporation in Grant Deed recorded July 28, 1980 in the Office of
the Kern County Recorder in Book 5301 of Official Records, at page 1695.

SUBJECT to the lien of general and special county taxes and other governmental charges and
assessments, if any.

SUBJECT ALSO to the rights of the lessee under any existing oil and gas lease, and to all
existing easements, servitudes and rights of way for public roads and highways, pipelines,
telephone and electric power lines and other purposes, if any, affecting in any way or
pertaining to said real property.

SUBJECT ALSO to the contract of settlement of water rights between Henry Miller and others
and James W. Haggin and others dated July 28, 1888 and recorded in the Office of the
County Recorder of said Kern County in Book 2 of Agreements at page 40, and all amendments
thereof and supplements thereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed this 31st day of August, 1988.

THIS GRANT DEED IS BEING
RECORDED TO CORRECT
THE EXCEPTION AND
RESERVATION TO SELLER
BY THE ADDITION OF THE
UNDERLINED STATEMENT.



TENNECO WEST, INC.

By [Signature] Senior Vice President

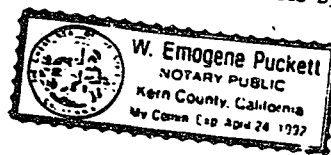
and by [Signature] Assistant Secretary

STATE OF CALIFORNIA) ss.
COUNTY OF KERN)

On August 31, 1988, before me, the undersigned, a Notary Public in and for said State,
personally appeared MELVIN JANS and WAYNE E. BROOME,
X personally known to me; or
proved to me on the basis of satisfactory evidence

to be the persons who executed the within instrument as Senior Vice President and Assis-
tant Secretary, on behalf of TENNECO WEST, INC., the corporation therein named, and
acknowledged to me that such corporation executed it pursuant to its by-laws or a resolu-
tion of its board of directors.

WITNESS my hand and official seal.
Signature [Signature]



EXCEPTING AND RESERVING to Grantor, its successors and assigns, forever,

1. All oil, gas, and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from said real property; all salt water (water containing over 10,000 p.p.m. T.D.S.) which is in, under, or may be produced from said real property.
2. The exclusive right, by whatever methods now or hereafter known, as Grantor, or its successors or assigns, may deem advisable, at all times and without charge, to prospect for, investigate for, explore for, drill for, produce, mine, extract, remove, and reduce to possession and ownership, all such minerals and salt water (water containing over 10,000 p.p.m. T.D.S.) (excluding, however, sand and gravel) which are upon, in, under, or may be produced from said real property, the exclusive right to drill into and through said real property, the for and thereafter produce and extract minerals which may be produced from adjacent real property; the right to lay, construct, erect, and place upon and in said real property and use, maintain, and operate thereon and thereafter remove all buildings, tanks, pressure plants, and other machinery, fixtures, and equipment, pipelines, telephone lines, electric power lines, roads, powerhouses, or other structures and facilities as Grantor, or its successors and assigns, may deem advisable for the exercise and enjoyment of the rights herein excepted and reserved. In exercising its rights hereunder, Grantor shall take all reasonable precautions to avoid contamination of, or damage to, any fresh water aquifer;
3. The exclusive right at all times and without charge to treat, process, (but not refine) store upon, and remove from said real property such minerals and salt water;
4. The exclusive right, at all times and without charge, to produce and extract such minerals by repressuring the subsurface sands and strata with fluids or gases or by such other method or methods as Grantor, or its successors or assigns, may deem advisable, and to inject and store and thereafter remove such fluids and gases, whether or not injurious to said real property;

BOOK 6159 PAGE 0005

5. The exclusive right, at all times and without charge, to utilize for the benefit of Grantor and third parties the surface of said real property for the construction, maintenance, operation, use, repair, replacement, or removal of oil, gas, and water pipelines, telephone, telegraph, and power lines, and other structures over and across said real property, the aforementioned pipelines, telephone, telegraph and power lines being necessary, incidental to, or convenient in exploring for, producing and extracting the minerals underlying the lands in the vicinity of said real property. In acting under this reservation, Grantor shall utilize its best efforts to provide maps of existing pipelines and roads and shall advise Grantee of the location of any new pipelines or roads known to it;
6. The right, at all times and without charge, to investigate for, explore for, drill for, produce, remove, and reduce to possession and ownership, up to 50,000 barrels per day of fresh water (containing less than 10,000 p.p.m. T.D.S.) from aquifers underlying said real property deemed necessary by Grantor, or its successors or assigns, to use in prospecting, exploring, drilling, mining, producing, extracting and removing (including, but not limited to, use in unit operations, water flooding, thermal extraction of minerals, or other secondary recovery methods now or hereafter known), or other operations in connection with the full enjoyment and exercise of the rights herein excepted and reserved, provided, however, that all such water may be used only upon the land subject to this reservation;
7. The right, at all times and without charge, to exercise all rights herein excepted and reserved and any and all rights upon said real property as Grantor, its successors or assigns, deem necessary, incidental to, or convenient, whether alone or jointly with adjacent lands to the extent it is reasonable to do so, in exploring for, producing, and extracting the minerals and salt water herein excepted and reserved; and
8. The right, at all times and without charge, of access to said minerals, fresh water, and salt water, and of ingress and egress to and from, over and across said real property for all purposes deemed necessary by Grantor, its successors and assigns, in the exercise of the rights excepted and reserved herein.

PROVIDED, HOWEVER, THAT THE EXCEPTIONS AND RESERVATIONS MADE HEREIN ARE INTENDED TO BE SUBJECT TO THE EFFECT OF THAT CERTAIN GRANT DEED, BY GRANTOR TO GRANTEE'S PREDECESSOR IN INTEREST, DATED JULY 22, 1980, RECORDED IN THE OFFICE OF THE KERN COUNTY RECORDER IN BOOK 5301 OF OFFICIAL RECORDS AT PAGE 1695.

BOOK 6159 PAGE 0006

Those certain lands in Kern County, State of California described as follows:

Section 24, Township 30S, Range 25E, MDBM

SE/4 SE/4, SE/4 SW/4 SE/4, containing 50.0 acres, more or less.

Section 25, Township 30S, Range 25E, MDBM

NE/4, NE/4 SE/4, NE/4 NW/4 SE/4, NE/4 SE/4 SE/4 containing 220.0 acres, more or less.

Section 19, Township 30S, Range 26E, MDBM

S/2 S/2 S/2, NW/4 SW/4 SW/4, containing 93.3 acres, more or less.

Section 20, Township 30S, Range 26E, MDBM

S/2 SE/4, SE/4 NW/4 SE/4, S/2 NE/4 SE/4, S/2 S/2 SW/4, N/2 SE/4 SW/4, NE/4 SW/4 SW/4, containing 180.0 acres, more or less.

Section 28, Township 30S, Range 26E, MDBM

NW/4, NW/4 SW/4, NW/4 NE/4 SW/4, NW/4 SW/4 SW/4, containing 220.0 acres, more or less.

Section 29, Township 30S, Range 26E, MDBM

NW/4, NE/4, SE/4, containing 480.0 acres, more or less.

Section 30, Township 30S, Range 26E, MDBM

IN TOTAL CONTAINING 657.20 acres more or less.

Section 31, Township 30S, Range 26E, MDBM

NE/4 NW/4 NW/4, NE/4 NW/4, NE/4 SE/4 NW/4, NW/4 NE/4, NE/4 NE/4, N/2 S/2 NE/4, containing 180.94 acres, more or less.

Section 32, Township 30S, Range 26E, MDBM

N/2 S/2 NW/4, SW/4 NW/4 NE/4, N/2 NW/4, NW/4 NE/4 NE/4, N/2 NW/4 NE/4, containing 160.0 acres, more or less.

EXHIBIT A

EXHIBIT G

6155 1405

021794

1988 AUG 22 P 1:30

RECORDING REQUESTED BY:

Stewart Title
081144570

AFTER RECORDING MAIL TO:
MAIL TAX STATEMENTS TO:

1.30 WEST KERN WATER DISTRICT
Post Office Box 101
Taft, CA 93260

GRANT DEED

The undersigned Grantor declares:

Documentary Transfer Tax is: \$ None
Computed on Full Value

TENNECO WEST, INC., a Delaware corporation, hereinafter called "Grantor", hereby grants to WEST KERN WATER DISTRICT, a County Water District duly organized and existing under and by virtue of the laws of the State of California, the real property described in Exhibit A attached hereto and made a part hereof and subject to the reservations and conditions contained therein.

SUBJECT to the lien of general and special county taxes and other governmental charges and assessments, if any.

SUBJECT ALSO to the contract of settlement of water rights between Henry Miller and others and James S. Maggin and others dated July 28, 1980 and recorded in the Office of the County Recorder of Kern County in Book 2 of Agreements at Page 40 and all amendments thereto and supplements thereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed this 19th day of AUGUST, 1988.

TENNECO WEST, INC.

By: [Signature]
Senior Vice President

By: [Signature]
Sec. Secretary

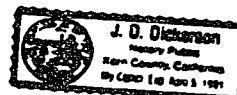
STATE OF CALIFORNIA,
COUNTY OF RICH

6155 - 1405

On August 19, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared MELVIN JANS and DAVID B. STANTON, personally known to me, or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument as Senior Vice President and Secretary, on behalf of TENNECO WEST, INC., the corporation therein named, and acknowledged to me that such corporation executed it pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

J. D. Dickerson
Notary Public in and for said
County and State



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant Deed dated August 19, 1988 from TENNECO WEST, INC., a Delaware corporation, to WEST KERN WATER DISTRICT, a County water district, is hereby accepted by resolution of the Board of Directors on August 16, 1988, and the Grantee consents to recordation thereof.

DATED: August 16, 1988

WEST KERN WATER DISTRICT

By: *[Signature]*

6155 1407

THE SUDOLE:

Parcel 1:

South 1/2 of Section 21 and the NW 1/4 of Section 26, T10S, R12E, N.D.S. 6N.

Parcel 2:

South 1/2 of Section 22, T10S, R12E, N.D.S. 6N.

Parcel 3:

That portion of the west 1/2 of Section 23, T10S, R12E, N.D.S., more particularly described as follows: Commencing at the southwest corner of said Section 23 as shown on Kern County Surveyor's Filed Map 7-1 Book 7, Page 64, and using the bearing N 89° 43' 14" W as shown thereon for the south line of the SW 1/4 of said Section 23; thence N 0° 47' 25" E along the west line of said Section 23 184.0 feet to the POINT OF BEGINNING; thence continuing N 0° 47' 25" E along said west line 2484.6 feet; thence leaving said line N 56° 08' 00" E 389.0 feet; thence N 62° 34' 15" E 656.6 feet, more or less, to the southeasterly line of Interstate Highway 5; thence S 43° 41' 00" E along said line 2131.8 feet; thence leaving said line S 63° 22' 30" W 329.6 feet; thence S 43° 41' 00" W 422.6 feet; thence S 49° 33' 00" W 486.1 feet; thence S 56° 55' 30" W 723.6 feet; thence S 49° 30' 00" W 523.3 feet, more or less, to the POINT OF BEGINNING; except any portion thereof lying within the lands of the State of California for Interstate Highway 5 described in Deed as recorded March 24, 1967 at Book 6877, Page 153, Official Records of Kern County, California (contains 96.34 acres, more or less).

EXCEPTING AND RESERVING FROM SAID PARCELS 1, 2 AND 3 to Grantor, its successors and assigns forever: All oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals"), whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and non-metallic, solid, liquid or gaseous), which are upon, in, under or may be produced from said real property; all salt water (meaning water having a TDS of 10,000 parts per million or greater) which is in, under or may be produced from said real property; the exclusive right, by whatever methods now or hereafter known, as Grantor or its successors or assigns may deem advisable, to prospect for, investigate for, explore for, drill for, produce, mine, extract, remove and remove to possession and ownership, all such minerals and salt water which are upon, in, under or may be produced from said real property; the exclusive right to drill into and through said real property to explore for and thereafter

EXHIBIT A

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produce and extract minerals which may be produced from said real property provided, however, that Company shall not produce such minerals or salt waters from the surface or upper 1000' thereof; the right to lay, construct, erect and place upon and in said real property, and use, maintain and operate thereon and thereafter remove, all buildings, tanks, pressure plants and other machinery, fixtures and equipment, pipelines, telephone lines, electric power lines, roads, power houses and other structures and facilities as Grantor or its successors or assigns may deem advisable, for the exercise and enjoyment of the rights herein excepted and reserved (provided, however, neither Grantor nor its successors or assigns may utilize in excess of 20 acres from Parcels 1, 2 and 3 collectively for this purpose and, provided further, the location of any such structures, facilities and the like shall be as mutually agreed upon between Grantor and Grantee, or their respective successors and assigns); the exclusive right to treat, process (but not refine), store upon and remove from said real property such minerals and salt waters; the exclusive right to produce and extract such minerals by reprocessing the subsurface lands and strata with fluids or gases or by such other method or methods as Grantor or its successors or assigns may deem advisable, and to inject in and store and thereafter remove such fluids and gases, whether or not indigenous to said real property; the right to exercise all rights herein excepted and reserved whether alone or co-jointly with neighboring lands, in exploring for, producing and extracting the minerals and salt water herein excepted and reserved; and the right of access to said minerals and salt water and ingress and egress to and from, over and across said real property (such ingress and egress to be, however, along a route designated for that purpose by Grantor in writing), for Grantor or its successors or assigns in the exercise of the rights excepted and reserved herein; provided, however, that Grantor, or its successors or assigns, upon being provided proof thereof, shall compensate Grantee or its successors or assigns for any and all diminution in value of, and actual damage to improvements and growing crops upon, said Real Property which is caused by the exercise of the rights excepted and reserved herein; and provided, further, that Grantor or its successors or assigns shall exercise the rights herein reserved in a manner which will prevent, at Grantor's expense, its facilities from damage by Grantee's water spreading or other operations on said real property or any part thereof; and also

EXCEPTING AND RESERVING to Grantor, its successors and assigns forever, the unrestricted right of access for ingress to, egress from and to cross over said Real Property for any and all purposes deemed advisable by Grantor or its successors or assigns; provided, however, that Grantor, or its successors or assigns, shall exercise such reserved rights over existing trails and former roadways in a manner which will not unreasonably interfere with Grantee's use of said real property and its improvements thereon and, upon being provided proof thereof, shall compensate Grantee or its successors or assigns for any and all diminution in value of, and actual damage to improvements upon, said Real Property which is caused by the exercise of the rights excepted and reserved herein.

All of said Parcels 1, 2 and 3 being SUBJECT TO easements, covenants, conditions and restrictions of record and the following identified

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unrecorded interests: (1) unrecorded oil & gas lease in favor of Richfield Oil Corporation referred to in document dated 3/19/38; (2) pole line agreement in favor of P. G. & E. disclosed by letter agreement recorded 10/77/76; (3) pipeline license in favor of Kern Oil Company disclosed by Memorandum recorded 10/1/85; (4) agricultural lease with Chocomaan Interprises disclosed by document recorded 7/7/83; (5) agricultural lease with Vidaurreta disclosed by financing statement recorded 12/21/83; (6) agricultural lease with H.S.S.T. Farms disclosed by financing statement recorded 1/25/87; (7) indenture dated 2/9/39 between Kern County Land Company, a California corporation, and Valley Natural Gas Company, a California corporation; (8) license dated 10/15/77 between Kern County Land Company, a California corporation, and San Joaquin Light & Power Corporation, a California corporation; (9) indenture dated 3/7/78 between Kern County Land Company and Standard Oil Company, a California corporation; (10) pipeline license agreement dated 6/13/47 between Kern County Land Company and Richfield Oil Corporation, a Delaware corporation; (11) letter agreement dated 10/9/33 between Kern County Land Company and P.G.&E. for pole line to supply power to Kern County Land Company and tenants; (12) letter agreement dated 12/13/54 between Kern County Land Company and P.G.&E. for pole line to supply power to Kern County Land Company and tenants; (13) pipeline license agreement dated 1/7/84 between T.V. and Union Oil Company of California; (14) pipeline license agreement dated 11/25/45 between Kern County Land Company and Southern California Gas Company, a California corporation; (15) document dated 6/11/66 between Kern County Land Company and Santa Vista Water Storage District for canal purposes; (16) letter agreement dated 3/17/77 between Torrance West, Inc. and P.G.&E. for pole line to supply power to Company; (17) letter agreement dated 11/9/76 between Torrance West, Inc. & P.G.&E. for pole line to supply power to Company; (18) letter agreement dated 7/14/76 between Kern County Land Company and P.G.&E. for pole line to supply power to Company; (19) letter agreement dated 4/19/68 between Kern County Land Company and P.G.&E. for pole line to supply power to Company; (20) letter agreement dated 4/19/68 between Kern County Land Company and P.G.&E. for pole line to supply power to Company; (21) Memorandum License Agreement (pole line) dated 4/13/77 between Torrance West, Inc. and P.G.&E.; (22) Memorandum License Agreement (pole line) dated 6/13/77 between Torrance West, Inc. and P.G.&E.; letter agreement dated 1/13/76 between Torrance West, Inc. and P.G.&E. for pole line to supply power to Company.

PIPELINE AGREEMENTS:

Pipeline Agreement 1:

A permanent and exclusive easement in Sections 21, 22, 29 and 32, Township 10 South, Range 25 East, N.E. 1/4, and in Section 1, Township 11 South, Range 25 East, N.E. 1/4, in the unincorporated area of the County of Kern, more particularly described as a strip of land forty (40) feet in width lying thirty (30) feet westerly and ten (10) feet easterly of the following described line:

6155 1410

Beginning at the northeast corner of said Section 3; thence South 55° 00' 32" West, 1809.76 feet to the True Point of Beginning; thence North 4° 25' 20" East, 109.28 feet; thence North 5° 19' 40" East, 744.13 feet to the beginning of a curve concave to the southeast, having a radius of 655 feet and a full central angle of 34° 15' 00"; thence on and along said curve to a central angle of 17° 00' 40", an arc distance of 190.82 feet, more or less, to a point on the north line of said Section 3, distant thereon North 89° 43' 30" West, 1465.97 feet from the northeast corner of said Section 3; thence continuing along said curve, an arc distance of 199.52 feet to the end of said curve and the beginning of a curve concave to the southwest having a radius of 1797.17 feet and a central angle of 16° 28' 20"; thence on and along said curve an arc distance of 316.60 feet; thence North 45° 23' 40" West, 389.57 feet; thence North 54° 13' 25" West, 742.50 feet; thence North 55° 04' 20" West, 594.08 feet; thence North 54° 43' 15" West, 936.80 feet; thence North 57° 43' 15" West, 177.50 feet; thence North 59° 50' 04" East, 234.67 feet to the beginning of a curve concave to the northeast having a radius of 160 feet and a central angle of 182° 00' 00"; thence on and along said curve an arc distance of 178.03 feet; thence North 45° 39' 02" East, 371.16 feet; thence North 41° 50' 23" East, 236.35 feet; thence North 42° 48' 50" East, 1108.66 feet, more or less, to a point of the north line of said Section 12, distant thereon North 89° 32' 13" West, 1868.54 feet from the northeast corner of said Section 12; thence continuing North 42° 40' 50" East, 2735.56 feet; thence North 0° 31' 49" East, 2211.32 feet from the southeast corner of said Section 29; thence continuing North 42° 40' 50" East, 1333.72 feet to the beginning of a curve concave to the northeast, having a radius of 1430 feet and a central angle of 41° 57' 30"; thence on and along said curve an arc distance of 1847.14 feet; thence North 0° 53' 30" East, 121.77 feet; thence North 0° 20' 50" East, 972.43 feet, more or less, to a point on the north line of said Section 22, distant thereon North 89° 16' 19" East, 1268.27 feet from the northeast corner of said Section 29 thence continuing North 0° 22' 50" West, 2103.26 feet to a point, said point being North 11° 02' 15" East, 2432.39 feet from the southwest corner of said Section 21.

EXCEPTING the easement for pipeline purposes which crosses the California Aqueduct granted by the State of California acting through the Director of Water Resources to West Kern County Water District as described and recorded November 23, 1978 in Book 1157, Page 2469 in the Official Records of Kern County, California.

Special Statement 3:

A permanent and exclusive easement in Section 3, Township 11 South, Range 23 East, N.E.S.M., more particularly described as a strip of land twenty (20) feet in width lying northeasterly of and contiguous to the following described line:

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Thereby, for reference at the W. 1/4 corner of said east, n. said W. 1/4 corner being at coordinates Y=443 320.32 feet and X=1 605 123.45 feet; thence (1), along the west line of said section, S.0°12'11"W., 116.15 feet; thence (2), N.46°00'33"E., 231.55 feet; thence (3), N.72°47'23"E., 313.21 feet; thence (4), N.47°05'36"E., 407.47 feet; thence (5), N.62°36'36"E., 353.20 feet; thence (6), along a line parallel with and 220 feet northwesterly, measured at right angles, from the centerline of the Department of Public Works survey from 1.0 mile west of Elk Hills Road to 0.1 mile west of the California Aqueduct, road 06-065-119, N.56°49'32"E., 430.00 feet; thence (7), N.62°33'50"E., 452.77 feet; thence (8), N.48°42'39"E., 787.09 feet to the TRUE POINT OF BEGINNING of the line to be described; THENCE (9), continuing along last said bearing, N.48°42'39"E., 70.00 feet to a point 280.00 feet left of Engineer's Station 737+50 in said centerline; thence (10), N.61°04'35"E., 732.00 feet to a point 260.53 feet left of Engineer's Station 740+64.13 in said centerline.

The sidelines of said strip of land shall be prolonged or shortened so as to begin in a line perpendicular to the above described Course (9) at its southerly terminus and end in a line which bears N.0°26'17"W., through the above described Course (10) at its northerly terminus (containing 0.419 of an acre, more or less).

All distances are ground distances and all bearings and coordinates used in the above description are on the California Coordinate System, Zone 5. Multiply ground distances by 0.9999344 to obtain grid distances.

Pipeline Easement, 3c

A permanent and exclusive easement in Section 5, Township 11 South, Range 25 East, N.D.B.M., in the unincorporated area of the County of Kern, State of California, and more particularly described as a strip of land sixteen (16) feet in width lying eight (8) feet on either side of the following centerline: BEGINNING at a point on the westerly line of Section 5, Township 11 South, Range 25 East, N.D.B.M., at a point thence distant five hundred sixty-six (566) feet southerly from the northwest corner of said Section 5; running thence across the NE 1/4 of said Section 5, South 84°37'0" East 2533.8 feet more or less to an intersection with the northerly and southerly half section line of said Section 5 and to a point on said half section line distant thence 655 feet southerly from the northerly line of said Section 5.

Said Pipeline Easements are SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. District shall have the right to use of said permanent easement for ingress to and egress from the District facilities at any time without prior notice, together with the right and license to use and make additions to such private roadways, lanes and rights of way, on the lands adjacent thereto, existing at any time, as

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PAGE 3

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shall be convenient and necessary for exercise of the rights herein set forth; PROVIDED, HOWEVER, nothing contained herein shall prevent or limit the right to close such easements, lanes or rights of way by the owner thereof by termination and/or abandonment nor shall District acquire any right to demand the continuance of any such roads, lanes or rights of way. In this connection District may, at any time, install and/or use gates in any fences which are now or may hereafter be constructed on said easement or on said adjoining lands for the purpose of exercising the rights herein mentioned. Any gates which are installed by the District shall be locked with District's locks and also, if the owners of the adjacent lands so desire, may be locked with said landowner's locks in such manner that either can lock or unlock the gates. Any gates which are installed and locked by the owner of the adjacent lands and used by the District may be locked also by the District's locks so that either can lock or unlock the gates.

2. District shall have the right to do all things necessary and proper to maintain three feet of earth cover over underground facilities installed within the "Permanent Easement" by District; PROVIDED, HOWEVER, there shall be no land leveling operations within the permanent easement to the extent that the ground surface elevation shall be changed more than one foot upwards or downwards from the "as built" ground elevation, without prior written approval of District, which permission shall not be unreasonably withheld; and, in addition to any other legal remedies for violations, District shall have the right to do all things necessary and proper to maintain no more than five feet nor less than three feet of earth cover over District's facilities at the expense of the one who is responsible for said violation.
3. This easement is subject to all existing structures, forming, canals, irrigation ditches, laterals, pipelines, roads, lanes, highways, railroads, electrical transmission facilities and telegraph and telephone lines and to all future uses which do not directly or indirectly interfere with or endanger the exercise of the rights of the District, including but not limited to the right to use the lands subject to said easement for agricultural or purposes and for private roadway, farming, ditches, laterals, or pipelines; PROVIDED, HOWEVER, District shall have the right to clear and keep clear said poem, over easement from enclosures, buildings and structures of all kinds or facilities of a permanent nature interfering with the use of said easement and shall have the permanent right of exclusive use and possession within the permanent easement within a distance of one foot of the outside surface of District facilities.

6155-1414

perform such work in compliance with all applicable laws, ordinances, rules and regulations and in a manner which does not endanger the public health, welfare and safety. Upon such relocation, this document shall be amended to reflect the new location of any relocated equipment.

3. Grantee shall pay all taxes and assessments levied against its easements granted hereunder. Grantee will cooperate with Grantor in causing Grantee's easements and facilities to be separately assessed. Grantor will cooperate with Grantee in causing Grantee's easements and facilities to be included within Grantee's boundaries by examination.
4. Grantee shall use all easements at its sole risk. Grantee shall indemnify Grantor for damage to Grantor and/or to third parties resulting from claims, demands, costs, losses, damages, and liabilities, including costs of defense pertaining thereto, resulting from the negligence of Grantee (its officers, agents, employees, successors and assigns) in its use of the easements described herein. Grantor shall indemnify Grantor for damage to Grantor and/or to third parties resulting from claims, demands, costs, losses, damages, and liabilities, including costs of defense pertaining thereto, resulting from the negligence of Grantor (its officers, agents, employees, successors and assigns) in its use of the easements described herein.

and the unlimited and unrestricted rights of access to said minerals, salt water, brines and geothermal resources and of ingress and egress to and from, over and across said real property for all purposes deemed advisable by Grantor or its successors or assigns in the exercise of the rights excepted and reserved herein; provided, however, that Grantor, or its successors and assigns, upon being provided proof thereof, shall compensate Grantee or its successors and assigns for any and all actual damage to improvements and growing crops upon said real property which is caused by the exercise of the rights excepted and reserved herein.

SUBJECT to the lien of general and special county taxes and other governmental charges and assessments, if any.

SUBJECT ALSO to the rights of the lessee under any existing oil and gas lease, and to all existing easements, servitudes and rights of way for public roads and highways, pipelines, telephone and electric power lines and other purposes, if any, affecting in any way or pertaining to said real property.

SUBJECT ALSO to the contract of settlement of water rights between Henry Miller and others and James S. Maggins and others dated July 28, 1888 and recorded in the Office of the County Recorder of said Kern County in Book 2 of Agreements at page 40, and all amendments thereof and supplements thereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed this 23rd day of August, 1968.



TERNECO WEST, INC.

By W. Emogene Puckett Senior Vice President
and by Wayne E. Brooke Assistant Secretary

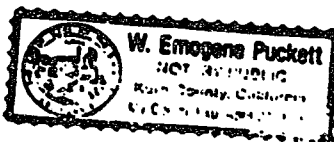
STATE OF CALIFORNIA)
COUNTY OF KERN) ss.

On August 23, 1968, before me, the undersigned, a Notary Public in and for said State, personally appeared MELVIN JANS and WAYNE E. BROOKE,

X personally known to me; or
I proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument as Senior Vice President and Assistant Secretary, on behalf of TERNECO WEST, INC., the corporation therein named, and acknowledged to me that such corporation executed it pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

W. Emogene Puckett
Signature



RECORDED AND INDEXED
AUG 27 1968
KERN COUNTY CLERK

BOOK 6159 PAGE 2085

2228

I HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE
NOTARY SEAL OF W. EUGENE FOLETT
TO THE WITHIN DOCUMENT, WHILE NOT BEING PHOTOGRAPHICALLY
REPRODUCIBLE, CAN BE READ. I FURTHER CERTIFY THAT THE
SAID NOTARY COMMISSION EXPIRES ON APRIL 24, 1992
THE NOTARY BOARD AND COMMISSION IS FILED IN KERN
COUNTY.

PLACE OF EXECUTION KERN COUNTY, CALIFORNIA
DATE JANUARY 23, 1968

W. EUGENE FOLETT
NOTARY FOR:

TIC82 TITLE INSURANCE COMPANY OF CALIFORNIA

Three certain lands in Township 11 North, Range 22 West, S. 2. N., Kern County, California, described as follows:

Parcel 1:

The West Half of the West Half of the Southwest Quarter (W/2 of W/2 of SW/4); and that portion of the Northwest Quarter (NW/4) of Section 3, lying southerly of the southerly boundary of that parcel of land conveyed to the State of California by Grant Deed recorded December 13, 1930, in the Office of the County Recorder of said Kern County in Book 4225 of Official Records at Page 199.

Parcel 2:

The Southwest Quarter (SW/4); and that portion of the Northeast Quarter (NE/4), of Section 4, lying southerly of the southerly boundary of that parcel of land conveyed to the State of California by Grant Deed recorded December 13, 1930, in the Office of the County Recorder of said Kern County in Book 4225 of Official Records at Page 199. Except that portion ceded to Tennessee Oil Company, a Delaware corporation, in deed recorded August 30, 1977 in Book 3031 page 2139 Official Records.

The easterly 1.120 feet of the Southeast Quarter (SE/4) of Section 5.

Parcel 4:

That portion of the Northeast Quarter of the Northeast Quarter (NE/4 of NE/4) of Section 8, lying northerly of the centerline of Maricopa Highway, as said centerline is described in that certain Grant Deed to the State of California recorded November 20, 1930, in the Office of the County Recorder of said Kern County, in Book 384 of Official Records at Page 332.

Parcel 5:

That portion of Section 9 lying northerly of the centerline of Maricopa Highway, as said centerline is described in that certain Grant Deed to the State of California recorded November 20, 1930, in the Office of the County Recorder of said Kern County, in Book 384 of Official Records at Page 332.

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reserved herein; provided, however, that unless the consent of the surface owner is first obtained, grantor, its successors and assigns, shall not enter upon the surface or in or through the upper five hundred (500) feet of the subsurface of that portion of the premises described as the Northwest Quarter of the Northwest Quarter (NW/4 of NW/4) of Section 12, lying northerly of the centerline of California State Highway 57 in the exercise of the rights excepted and reserved herein.

SUBJECT to the lien of general and special county taxes and other governmental charges and assessments, if any.

SUBJECT ALSO to the rights of the lessees under any existing oil and gas lease, and to all existing easements, servitudes and rights of way for public roads and highways, pipelines, telephone and electric power lines and other purposes, if any, affecting in any way or pertaining to said real property.

SUBJECT ALSO to the contract of settlement of water rights between Henry Miller and others and James B. Haggin and others dated July 28, 1888 and recorded in the Office of the County Recorder of said Kern County in Book 2 of Agreements at page 40, and all amendments thereof and supplements thereto.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed this 13rd day of August, 1988.

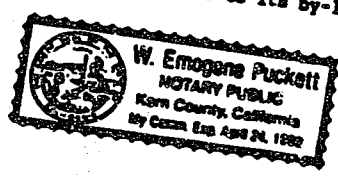


TENNECO WEST, INC.
By Melvin Jans Senior Vice President
and by Wayne E. Broome Assistant Secretary

STATE OF CALIFORNIA)
COUNTY OF KERN) ss.
)

On August 23, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared MELVIN JANS and WAYNE E. BROOME,
X personally known to me; or
proved to me on the basis of satisfactory evidence
to be the persons who executed the within instrument as Senior Vice President and Assistant Secretary, on behalf of TENNECO WEST, INC., the corporation therein named, and acknowledged to me that such corporation executed it pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.
W. Emogene Puckett
Signature



W6159na 2051

That certain real property in the County of Kern, State of California, described as follows:

Parcel 1: All of Section 1, Township 11 North, Range 21 West, San Bernardino Meridian, according to the official plat of said land filed in the District Land Office - June 14, 1867.

Parcel 2: All of the Northwest Quarter (NW/4), and that portion of the Northeast Quarter (NE/4) of Section 12, Township 11 North, Range 21 West, San Bernardino Meridian, according to the map approved by the Surveyor General - February 3, 1863, described as follows:

Beginning at a point on the north line of said Section 12, Six and seven-thence five hundredths (6.75) chains west from the northeast corner of said Section; thence West along the north line of said Section, thirty-three and twenty-five hundredths (33.25) chains more or less to the northwest corner of said Northeast Quarter of Section 12; thence at a right angle South along the west line of said Northeast Quarter, forty (40) chains more or less to the center of said Section; thence at a right angle East along the south line of said Northeast Quarter, thirty-three and twenty-five hundredths (33.25) chains more or less to a point six and seventy-five hundredths (6.75) chains West from the East line of said Section 12; thence at a right angle North forty (40) chains more or less to the Point of Beginning.

EXCEPTING THEREFROM any portion thereof lying South of the centerline of California State Highway NO. 57 as conveyed to the State of California by deed recorded November 23, 1930, recorded in book 384, page 332 of Official Records, described as follows:

Beginning at a point in the west line of Section 11, Township 11 North, Range 21 West, San Bernardino Meridian, South 60 degrees 23 minutes 36.55.00 feet from the north quarter corner of said Section 11; thence North 89 degrees 34 minutes 30 seconds East 2,651 feet to a point in the north and south quarter section line of said Section 11, South 00 degrees 11 minutes West 1,490.2 feet from the north quarter corner of said Section 11; thence North 89 degrees 34 minutes 30 seconds East 7,414 feet to a point 445.5 feet west of the east line of Section 12 of said township and range;

ALSO EXCEPTING THEREFROM that portion thereof included within the east 27 acres of the Northeast Quarter of said Section 12.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Atlantic Richfield Co. the 3rd day
of Feb. A.D., 19 89 at 12:32 o'clock P.M., and duly recorded in Vol. M89
of Deeds on Page 2184
FEE \$248.00 Evelyn Biehn County Clerk
By Pauline Mulvaney

Grant Deed

EXHIBIT A

2
4800