

PIPELINE EASEMENT

The STATE OF OREGON, by and through its Division of State Lands, GRANTOR, for and in consideration of Two hundred and fifty dollars (\$250), the receipt of which is hereby acknowledged, hereby grants to PGT-PG&E, GRANTEE, an easement and right to construct, maintain, operate and replace a pipeline in, over, and across the State-owned submerged and submersible land of the Lost River, in Klamath County, Oregon, described as follows:

A centerline description of a proposed pipeline route across the Lost River in Section 17, Township 39 South, Range 11 East, W.M., in Klamath County, Oregon, lying 30 feet Northerly of, when measured at right angles, from an existing 36" Pacific Gas Transmission Company pipeline. Said proposed pipeline lying within a 100 foot wide existing right-of-way, being 40 feet South of the North right-of-way line and 60 feet North of the South right-of-way line. Said pipeline route being more particularly described as follows:

COMMENCING at the found Southwest Corner of said Section 17, (Oregon South Zone State Plane Coordinates, Y = 188,788.91, X = 1,743,437.51, NAD 27);

Thence North 38°18'36" East, a distance of 1,596.6 feet to the **POINT OF BEGINNING** of said centerline description. Said point being located at High Water Mark on the Northerly side of the Lost River, also being 30 feet, more or less, in a Northeasterly direction, from said existing pipeline;

Thence South 33°25'16" East, Northeasterly of and parallel to said existing pipeline, a distance of 203.6 feet to the **POINT OF TERMINUS** of said centerline description. Said point being located at High Water Mark on the Southerly side of Lost River, also being 30 feet, more or less, in a Northeasterly direction from said existing pipeline.

The centerline herein described being 203.6 feet in length.

TO HAVE AND TO HOLD the same unto GRANTEE perpetuity, subject to the following conditions:

1. Construction in navigable waters shall conform to standards and specifications set by the U. S. Army Corps of Engineers or the U.S. Coast Guard for this project.
2. The bed and banks of the waterway shall be restored to a condition acceptable to the GRANTOR as soon as construction or maintenance is completed.
3. Any blasting which may be necessary in the construction of the pipeline shall be performed according to the laws of the State.
4. GRANTOR reserves the right to lease or otherwise utilize the State-owned lands within the granted area hereinabove described in a manner and for uses that will not be incompatible with the primary use for which this easement is granted.

Return: PGT-PG&E (Land Dept.)
P.O. Box 5606
Bend, Or. 97708

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5. GRANTOR shall have the right to stop operation of the pipeline for noncompliance with the conditions of this easement or any lawful requirement by a regulatory agency of this State.

6. GRANTEE agrees to defend and hold GRANTOR harmless from any and all claims suffered or alleged to be suffered on the premises. Further, GRANTEE shall be responsible for the payment of any fines or penalties charged against the premises as a result of GRANTEE's action in not complying with laws or regulations affecting the premises.

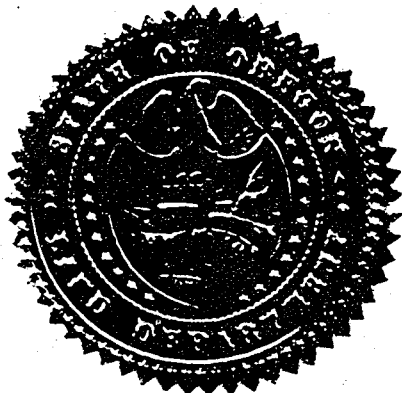
7. If the facility for which this easement is granted is not used for a period of five (5) consecutive years, this easement may be terminated by written notice from GRANTOR to GRANTEE at its last known address. Upon termination, GRANTEE will have six months to remove the surface appurtenances from the State-owned lands and remove or abandon the pipeline in place.

8. Nothing in this document may be construed as permission, except during construction or maintenance periods, to GRANTEE to interfere with navigation or reduce the public's rights to the free and unimpeded use of the navigable waters of the State of Oregon within the boundaries of this easement; provided, however, that to the extent necessary to facilitate construction and maintenance of these facilities, GRANTEE may so interfere, but shall keep such interference to an absolute minimum.

9. GRANTEE shall pay all assessments that may be legally charged on public lands which are levied against the property subject to this easement, whether or not such assessments have been levied against the leasehold or STATE by the assessing agency.

This easement does not convey an estate in fee simple of the lands used for a right-of-way. This grant is for an easement only, and title remains in the State of Oregon.

WITNESS the seal of the Division of State Lands affixed this 11th day of December, 1991.



STATE OF OREGON, acting by and through its
Division of State Lands

Stephen J. Purchase
Stephen J. Purchase, Assistant Director

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of PGT-PG&E the 4th day
of Feb. A.D., 19 93 at 2:04 o'clock P.M., and duly recorded in Vol. M93,
of Deeds on Page 2595.

FEE \$15.00

Evelyn Biehn, County Clerk

By Doreen M. [Signature]