

RIGHT OF WAY AGREEMENT

JAMES R. HOWLAND, as trustee of the James R. Howland Trust Dated February 23, 1994, hereinafter called first party, in consideration of value paid by PACIFIC GAS TRANSMISSION COMPANY, a California corporation, whose address is 213 W. Sisters Avenue, Redmond, OR 97756-0123, hereinafter called second party, the adequacy and receipt where of are hereby acknowledged, hereby grants to second party the right to excavate for, install, replace (of the initial or any other size), maintain, use and remove such pipeline or lines of any size as second party shall from time to time elect for conveying natural and artificial gas and other gaseous or liquid hydrocarbons and any products or by-products thereof, with necessary valves and other such appliances, and fittings, and devices for controlling electrolysis in connection with said pipelines, and such underground wires, cables, conduits, fiber optic lines and other electrical conductors, appliances, fixtures, and appurtenances as second party shall from time to time elect for communication purposes, together with adequate protection therefor, and also a right-of-way thirty-five feet in width within the herein described parcel(s) of land which is/are situated in the County of Klamath, State of Oregon, described as follows, to wit:

That portion of the Southeast Quarter of the Northeast Quarter of Section 23, Township 39 South, Range 9 East, Willamette Meridian, lying Northerly of the Northerly line of the Great Northern Railway Company's right of way.

It is agreed between the parties that as soon as second party has completed the installation of the initial pipeline the aforesaid parcel (s) shall be restricted to the following:

That portion of the said lands of first party above described lying between lines parallel to and situate fifteen (15) feet to the north and twenty (20) feet to the south (going in a general westerly direction through the State of Oregon) measured at right angles from the center line (or tangent thereof if a curve) of the initial pipe as actually laid by the second party across the said lands of first party, or adjacent thereto if the initial pipe is not actually laid on the said lands of the first party, such parallel line or lines being extended to the boundary lines of the said lands so as to enclose the right-of-way and easement.

Second party may further define the location of said strip by recording a "Notice of Location" referring to this instrument and setting forth a legal description of the location of said initial pipe or said strip, which description may be set forth by map attached to said Notice. A copy of said Notice shall be delivered to first party.

First party further grants to second party:

- (a) the right to use such portion of said lands adjacent to and along said strip as may be reasonably necessary in connection with the installation, repair and replacement of such pipeline or lines, or any other facilities;
- (b) the right of ingress to and egress from said strip over and across said lands by means of roads and lanes thereon, if such there be, otherwise by such practicable route or routes as shall occasion the least damage and inconvenience to first party;
- (c) the right from time to time to trim and to cut down and to clear away any and all trees and brush now or hereafter on said strip and to trim and to cut down and to clear away any trees on either side of said strip which now or hereafter in the opinion of second party may be a hazard to second party's facilities or may interfere with the exercise of second party's rights hereunder;
- (d) the right to install, maintain and use gates in all fences which now cross or shall hereafter cross said strip;
- (e) the right to mark the location of said strip by suitable markers set in the ground, provided that said markers shall be placed at fence lines or other locations which will not interfere with any reasonable use first party shall make of said strip.

Return to:

PGT
48 HAWTHORNE STREET
MEDFORD, OR 97504

Second party hereby covenants and agrees:

32646

(a) second party shall pay first party the reasonable amount of actual damages to crops, timber, livestock, fences, buildings, private roads, and other improvements caused by it or its agents or employees on said lands in the construction or reconstruction of the pipeline or lines or in the exercise of the right of ingress or egress;

(b) second party shall promptly backfill any trench made by it on said strip and second party shall restore the surface of the ground, so far as is practicable, to its condition prior to second party's trenching operations.

(c) second party shall indemnify first party against any loss or damage which shall be caused by any wrongful or negligent act or omission of second party or of its agents or employees in the course of their employment.

First party reserves the right to use said strip for purposes which will not interfere with second party's full enjoyment of the rights hereby granted, provided that first party shall not erect or construct any building or other structure, or drill or operate any well, or construct any reservoir or other obstruction on said strip, or diminish or substantially add to the ground cover over said pipelines or any other facilities.

The provisions herein granted shall inure to the benefit of and bind the heirs, successors, and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

IN WITNESS WHEREOF the parties have executed these presents this 12th day of September, 19 94

Executed in the presence of:

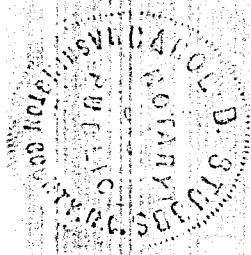
Carol D. Steth
Subscribing Witness
Nancy C. Steth
Washington County
Subscribing Witness

James R. Howland
James R. Howland, Trustee Trustee

North Carolina My commission expires 9-27-97
PACIFIC GAS TRANSMISSION COMPANY

By: W. G. Thomas SMC
W. G. Thomas, Land Manager

By: _____

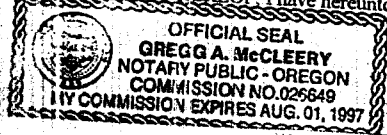


STATE OF OREGON

County of Jackson

On this 4th day of October, 1994 before me appeared W. G. Thomas, to me personally known, who being duly sworn, did say that he, the said W. G. Thomas is the Land Manager of Pacific Gas Transmission Company, the within named Corporation, and that the said instrument was signed in behalf of said Corporation by authority of its Board of Directors, and W. G. Thomas acknowledges said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

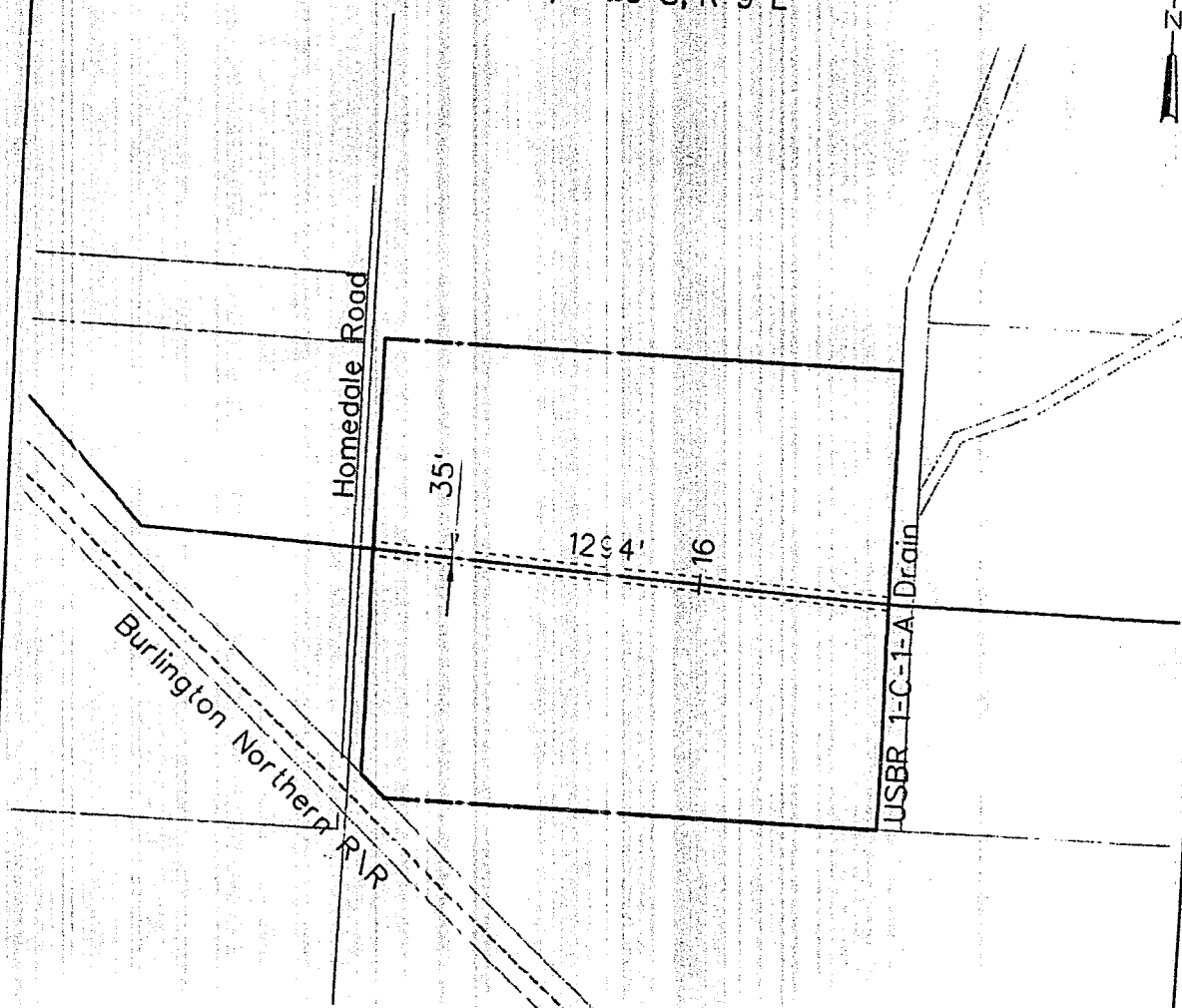


Gregg A. McCleery
GREGG A. MCCLEERY
NOTARY PUBLIC FOR OREGON
My Commission Expires: August 1, 1997

KLAMATH COUNTY, OREGON

SEC. 23, T-39-S, R-9-E

32647



2490

James R. & Shelton O. Howland
AFN: 390902300-01300

NO.	DATE	DESCRIPTION	W.O.	DR	CH.	APPROVALS
RECORD OF APPROVALS AND CHANGES						

W.O.	PIPELINE RIGHT-OF-WAY PACIFIC GAS TRANSMISSION COMPANY PORTLAND, OREGON	SUPERSEDES	
SUPV		SHEET	OF SHEETS
DSGN R. WILKE		DRAWING NUMBER	CHANGE
DWN L. McCALL			
CHKD			
SCALE 1" = 400'	M-2490		

STATE OF OREGON: COUNTY OF KLAMATH:

Filed for record at request of _____ of _____ A.D., 19 94 at 10:18 o'clock PM, and duly recorded in Vol. M94 on Page 32645

FEE \$20.00

By Evelyn Biehn County Clerk
Pauline M. Henderson