

ABOVE-GROUND UTILITY EASEMENTS

HANSON NATURAL RESOURCES COMPANY, a Delaware general partnership ("Grantor"), in consideration of the payment of \$500.00, the receipt of which is hereby acknowledged, does hereby, grant, sell and convey to **PACIFIC GAS TRANSMISSION COMPANY**, a California corporation ("Grantee"), the permanent, assignable, exclusive easements described herein for the installation of two surface-mounted meters and rectifiers and related equipment ("meters/rectifiers") to serve its gas transmission pipeline, together with the right of access to said easements for the purpose of installation, maintenance, repair and rebuilding of and essential services to the meters/rectifiers over and across lands of the Grantor; the first being in Section 36, Township 29 South, Range 7 East, and the second being in Section 25, Township 30 South, Range 7 East, W.M., Klamath County, Oregon, more particularly described as follows:

See Exhibit A attached hereto and made a part hereof.

Together with the right to use existing roads for access, ingress and egress upon, over, and across Grantor's lands to provide reasonable access to said property for installation, maintenance, repair, rebuilding and inspection of and essential services to the meters/rectifiers. Grantor, however, reserves the right to gate or otherwise control all traffic over Grantor's land (Grantee to be responsible for any keys issued to Grantee).

TERMS, CONDITIONS AND COVENANTS:

The rights herein shall be subject to the following special conditions:

1. The easements granted herein shall be for the right to enter upon the property to install, service, maintain, repair, rebuild, operate and inspect the meters/rectifiers and appurtenances, including but not limited to the right to install surface or subsurface mounted equipment or appurtenances, connection boxes, meter cabinets, vaults and temporary overhead service lines. Grantee shall have the further right, but shall not be obligated to erect and maintain a permanent fence around the meter/rectifier sites.
2. Grantee shall obtain and pay for all permits and licenses, if any, required for the installation of the meters/rectifiers and associated improvements, and shall give all notices, pay all fees and comply with all laws, ordinances, rules and regulations bearing upon the easements granted herein.
3. Grantee shall indemnify, save and hold harmless the Grantor and its officers, employees and agents, from every charge, lien, cost, claim, damage, expense or liability of any kind or nature including attorneys' fees, arising or growing out of the easements granted herein or the use and/or occupancy hereunder, or use and/or occupancy of same by any

Return: Pacific Gas Transmission
Attn: Michael Soulis
48 Hawthorne Street
Medford, OR 97504

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employee, contractor, guest or invitee of the Grantee, and/or any violation or non-compliance with the terms and conditions hereof.

4. Grantee shall pay Grantor the reasonable amount of actual damages to crops, timber, livestock, fences, buildings, private roads, and other improvements caused by it on said lands in the construction or reconstruction of Grantee's facilities or in the exercise of the right of ingress or egress.
5. In the event Grantee assigns its rights under this instrument, it or its Assignee shall notify Grantor in writing of such assignment within 30 days after the assignment is effective. Otherwise, such assignment shall be void. For purposes of this instrument, "Assignment" shall not include transfer of any part or all of the corporate shares of Grantee by sale, assignment, bequest, inheritance, operation of law or other disposition so as to result in a change in the present control of Grantee. Upon assignment, the Assignee shall accept and assume all of Grantee's rights and obligations hereunder and Grantee shall not be released from liability hereunder.
6. Grantee shall use special care not to cut or damage any young growth or merchantable timber growing outside the easement areas. No debris from the easement areas shall be deposited outside easement areas except as approved in writing by Grantor.
7. Grantee shall comply with all applicable laws, regulations, rules and orders relating to health, safety, noise, environmental protection, waste disposal, and water and air quality with respect to the use of the easements granted hereunder, and should Grantee or Grantee's employees, agents, contractors or invitees or any Third Party related to Grantee, cause or discharge, leak, spill, emit, or otherwise pollute the premises, Grantee shall be obligated to notify Grantor and to clean said premises to the satisfaction of any governmental body having jurisdiction thereover, and shall indemnify, hold harmless and defend Grantor against all liability, costs and expenses, fines, penalties, judgments, litigation costs and reasonable attorneys' fees incurred by Grantor as the result of such discharge, leakage, spillage, emission or pollution by Grantee, or Grantee's employees, agents, contractors or invitees or any Third Party related to Grantee. Grantor and Grantee shall share equally all costs, if any, of any cleanup or other remedial action arising out of any discharge, leakage, spillage, emission or pollution on the premises caused by a Third Party that is not related to Grantor or Grantee. For purposes of this paragraph, "Third Party related to Grantee" shall include, without limitation, persons seeking to cause harm, damage or injury to Grantee. Grantee does not assume any responsibility for any violation of or discharge, leakage, spillage, emission or pollution on the property which existed or occurred prior to Grantor's grant of the easements described herein to Grantee. Grantee shall not keep on or about the premises any substances now or hereafter designated as, or containing components now or hereafter designated as hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation, statute or ordinance, now in existence or as may be subsequently enacted or amended.

8. Grantor makes no warranty or guarantee of the stability, condition or trafficability of any portion of the easement areas including roadways and shall not be responsible for conditions or changes resulting from normal, careful operating methods on its adjoining timberlands. Grantee and its agents, contractors and employees will assume the risks of the conditions of all roads used hereunder.
9. Should Grantee or a successor abandon all or any portion of the easement areas for three (3) years, then the rights herein shall no longer apply to that portion or interest so abandoned, and all rights herein granted shall revert to Grantor without further action by Grantor, provided, however, that Grantee's obligations under paragraph 3 shall survive any such reversion.
10. Grantee shall not petition, permit or do anything which may cause or lead to the conversion of private roads or easements used pursuant to the easements granted herein to a public way.
11. Grantor shall continue to use the easement areas for commercial and log hauling purposes and agrees to use reasonable care to avoid damage to the utility system, but shall not be responsible for any damage resulting from normal operating methods and in no event shall Grantor be liable for incidental, consequential or special damages. Grantee shall not block or obstruct traffic on said road at any time without advance written notice and receipt of consent from Grantor as to timing and duration of such obstruction. Emergency repairs may be commenced as needed, but Grantor shall be advised as soon as practicable.
12. The Grantor's title to the Property is subject to the Deed of Tribal Property dated May 3, 1960 and Grantee takes subject thereto and to all matters of public record.

The terms, conditions and covenants herein shall extend to and be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Grantor, HANSON NATURAL RESOURCES COMPANY, has caused this instrument to be executed this 8TH day of AUGUST, 1994.

GRANTOR:

HANSON NATURAL RESOURCES COMPANY

By:
Its:

David E. Harris *p*
VP - CFO

GRANTEE:

PACIFIC GAS TRANSMISSION CO., INC.

By:
Its:

W. J. Thomas
LAND MANAGER

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Above-Ground Utility Easements document between Hanson Natural Resources Company and Pacific Gas Transmission Company.

Rectifier Site - 1
Chiloquin Camp Road - MP 535

A parcel of land situated in the East 1/2 of Section 36 T29S R07E WM, more particularly described as follows:

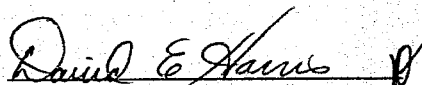
Commencing at a brass cap monument marking the SE corner of Section 31 T29S R08E WM, thence N64 27 05W 6058.41 feet to a point on the East R/W of Highway 97, thence S89 11 22W 300.09 feet to a point on the West R/W of Highway 97, thence S89 11 22W 30.00 feet to the "TRUE POINT OF BEGINNING" for this description, thence S00 37 01W 7.50 feet, thence S89 11 22W 15.00 feet, thence N00 37 01E 15.00 feet, thence N89 11 22E 15.00 feet, thence S00 37 01W 7.50 feet to the "TRUE POINT OF BEGINNING" and the end of this description.

Rectifier Site - 2
United States Forest Service Road 70 - MP 539

A parcel of land situated in the Southeast 1/4 of Section 25 T30S R07E WM, more particularly described as follows:

Commencing at a brass cap monument marking the SE corner of said Section 25, thence N23 01 50W 1188.38 feet to a point on the East R/W of Highway 97, thence N62 55 27W 300.14 feet to a point on the West R/W of Highway 97, thence N62 55 27W 21.54 feet to the "TRUE POINT OF BEGINNING" for this description, thence S27 04 33W 7.50 feet, thence N62 55 27W 15.00 feet, thence N27 04 33E 15.00 feet, thence S62 55 27E 15.00 feet, thence S27 04 33W 7.50 feet to the "TRUE POINT OF BEGINNING" and the end of this description.

SIGNED FOR IDENTIFICATION:


Hanson Natural Resources Company


Pacific Gas Transmission Company

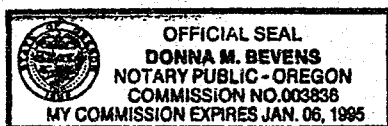
34791

STATE OF OREGON)
) ss.
 County of Multnomah)

Hanson Natural Resources Company
 Cavenham Forest Industries Division

This instrument was acknowledged before me on August 8, 1994, by Davis E. Harris, the DP - CTO of Hanson Natural Resources, a Delaware General partnership on behalf of the partnership, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose names is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacities, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

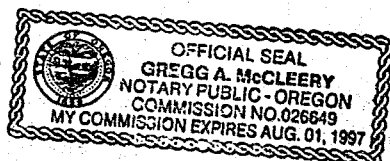


Donna M Bevins
 Notary Public in and for the
 State of Oregon
 My commission expires January 6, 1995

STATE OF OREGON)
) ss.
 County of Multnomah)

This instrument was acknowledged before me on AUG 12TH, 1994, by W. G. THOMAS, the LAND MANAGER of Pacific Gas Transmission Company, a California corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacities, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Gregg A McCleery
 Notary Public in and for the
 State of Oregon
 My commission expires 8-1-97

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Pacific Gas Transmission the 14th day of November A.D., 19 94 at 9:04 o'clock A. M., and duly recorded in Vol. M94 of Deeds on Page 34787.

FEE \$30.00

Evelyn Piehn
 By [Signature] County Clerk