

TCG98BSR

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: EASEMENT

NAME OF AGENCY OR CONTRACTOR: TRANSCOLORADO GAS TRANSMISSION
COMPANY

STREET ADDRESS/PARCEL NAME/SUBDIVISION/PROJECT: RIGHT-OF-WAY
AND EASEMENT FOR TRANSCOLORADO'S PROPOSED NATURAL GAS
TRANSMISSION PIPELINE ON CITY PROPERTY KNOWN AS THE BROKEN SPOKE
RANCH OPERATED BY CLIFFORD V. DAVIS AND JUDY L. DAVIS, MEMORANDUM
TO EASEMENT, COPY OF CHECK FROM QUESTAR PIPELINE

CITY DEPARTMENT: PUBLIC WORKS

YEAR: 1998

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

EASEMENT AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into the 21st day of May, 1998, by and between the City of Grand Junction, a Colorado home rule municipality, referred to as the "City," and TransColorado Gas Transmission Company, a general partnership existing under the laws of the state of Colorado, referred to as "TransColorado." The City and TransColorado may be referred to collectively as the "Parties" and singularly as a "Party."

RECITALS

A. The City is the owner of the certain real property in an area commonly known as the Grand Mesa Slopes in the County of Mesa, state of Colorado, hereinafter referred to as the "City Property." The Parties have agreed to not resolve questions such as the purpose of the City Property, in order to ease the process of negotiating this Agreement.

B. The City Property is a source of water for the Town of Palisade, a statutory municipality of the state of Colorado. The City and the Town of Palisade have entered into a joint resolution which requires that the City and Town of Palisade negotiate jointly with TransColorado on right-of-way issues for TransColorado's proposed natural gas transmission pipeline project (the "Project").

C. The City Property is presently leased to Clifford V. Davis and Judy L. Davis, doing business as Broken Spoke Ranch (the "Davises").

D. The Parties desire to provide for the conveyance of a non-exclusive easement and temporary use access ("right-of-way" or "easement") required for the Project pursuant to the terms and conditions stated in this Agreement.

NOW, THEREFORE, in consideration of the recitals above and the terms, covenants, conditions, restrictions, duties and obligations contained herein, the Parties agree as follows:

1. Grant. The City hereby conveys and grants, by quit claim, to TransColorado a right-of-way over, under and across the City Property, and TransColorado accepts such conveyance and grant subject to the terms of this Agreement. The right-of-way is described on Exhibit "A", which is attached to and by this reference forms a part of this Agreement.

2. Term. The initial term of this right-of-way grant shall be twenty-five (25) years from the date the facilities which are identified in paragraph 4.1 of this Agreement are placed in service.

3. Options to Extend Grant.

3.1 TransColorado shall be entitled to exercise successive extensions of this conveyance and grant, and the City hereby grants such right, for additional twenty-five (25) year periods ("later terms"). If the grant is extended for later term(s), each such later term(s)

shall be upon the same terms and conditions of this Agreement, except as provided in paragraph 5, below. In order to exercise TransColorado's option for each such later term(s), TransColorado shall give written notice to the City of TransColorado's desire and intention to exercise TransColorado's option to extend no sooner than one (1) year and not less than six (6) months prior to the expiration of the initial term. The City Council acknowledges the terms of the City Charter and intends, by this provision, to grant such rights of extension to TransColorado to the fullest extent possible and to not subject TransColorado to any rights of referendum or initiative.

4. TransColorado's Use and Occupancy of the Right-of-Way

4.1 TransColorado's use and occupancy of the Right-of-Way shall be limited to the sole purpose of laying, constructing, operating, inspecting, maintaining, repairing, replacing, substituting, relocating and removing a varying (22 to 24 inches I.D.) pipeline (with valves, meters, fittings, appliances, and related facilities)(the "facilities"), as approved by its certificate of public convenience and necessity issued on June 3, 1994, by the Federal Energy Regulatory Commission in Docket No. CP90-1777, as amended September 30, 1996, for the transportation of natural gas and associated liquids and gases and for no other use or purpose, over and through the right-of-way.

4.2 Prior to the start of construction within the right-of-way, the City, TransColorado and TransColorado's contractor and agents involved with construction and/or surface disturbing activities shall conduct a preconstruction conference to review the stipulations and provisions of and provide for compliance with this Agreement, and the Plan of Development which is identified in Section 19 of this Agreement, and referred to as the "POD."

4.3 TransColorado shall at all times maintain the facilities in good and safe condition and in a manner that complies with this Agreement and all applicable federal requirements. TransColorado shall provide notice to the City no less than 72 hours prior to the anticipated start of any surface disturbing activities within the right-of-way. No prior notice is required in an emergency.

4.4 TransColorado agrees to construct the Project in strict conformity with the POD. Any deviation, relocation, additional construction or use that is not in accord with the POD or this Agreement shall not be initiated without prior written approval of the City.

35,170.00 ✓ *Alisa*

5. Compensation. TransColorado agrees to compensate the City for its costs, subject to audit and not to exceed Thirty Five Thousand Dollars (~~\$50,000.00~~), to have a City inspector available during construction and reclamation when required by TransColorado. In addition, TransColorado agrees to pay for the right-of-way the lawful sum of Fifty Thousand Dollars (\$50,000.00). Such payment shall be made to the City's Finance Director prior to the start of construction. In addition, TransColorado shall pay fair market value for each of the later terms. If the parties are unable to agree on the fair market value, either party may initiate an action in a court of competent jurisdiction to determine fair market value.

6. General Indemnification.

6.1 TransColorado hereby releases, covenants not to bring suit and agrees to indemnify, defend and hold the City, its officers, employees, agents and assets harmless from any and all claims, costs, judgments, awards or liability, including reasonable attorneys' fees and costs (except those caused by the City's negligence or its willful or wanton acts) to any person or with regard to any property, including claims arising from injury or death, resulting from TransColorado's negligent or willful act or failure to act pursuant to this Agreement.

6.2 Inspection or acceptance by the City of work performed by TransColorado at the time of completion of construction shall not be grounds for avoidance of the indemnification provided in paragraph 6.1 of this Agreement. The indemnification obligations shall extend to claims which are not reduced to a suit and any claims which may be compromised by TransColorado prior to the culmination of any litigation or the institution of any litigation.

6.3 The provisions of this Section shall survive the expiration or termination of this Agreement.

7. Construction and Completion Bond. In connection with the Permit issued July 30, 1997, by the City, granting TransColorado access to the City Property for the purpose of preparing the POD and completing detailed engineering design, TransColorado deposited with the City's Finance Director the sum of One Hundred Thousand Dollars (\$100,000.00) to be placed by him in a fund to be designated the "Performance Fund," to correct any damage caused by or resulting from the acts or omissions of TransColorado, its agents and employees. The Parties agree that no such damage occurred, and that in accordance with the terms of paragraph 8(a) of the Permit, the City would have returned the deposit plus interest to TransColorado on July 30, 1998. Notwithstanding the permit requirement, the Parties agree to continue the Performance Fund to a date not less than three (3) years nor more than five (5) years following construction in the Right-of-Way to guarantee reclamation of the Right-of-Way in accordance with all applicable terms of the POD. The City may, after thirty (30) days following the mailing of written notice to TransColorado, provided TransColorado has not taken adequate steps to correct the deficiencies stated in the notice, make expenditures from the Performance Fund to complete such reclamation. Upon the release by the City of TransColorado's reclamation obligation, or five (5) years following the completion of the construction, whichever first occurs, any remaining monies shall be returned to TransColorado, plus any interest which has accrued on the monies in the Performance Fund at the rate earned on the City's investments of the City's other long-term monies.

8. Public Access. As a part of construction, TransColorado will use reasonable efforts to make the easement inaccessible to the general public.

9. Access Easement.

9.1 During the construction and restoration phases of the Project, TransColorado will be allowed to access the right-of-way with workers and equipment through the City Property by way of Whitewater Creek Road as depicted on Exhibit "B", which is attached and by this reference forms a part of this Agreement. TransColorado's use of Whitewater Creek road shall be subject to the following requirements:

(a) Prior to the start of construction TransColorado shall, at TransColorado's sole cost and expense, construct and install all improvements to Whitewater Creek Road which are necessary for TransColorado's projected average daily trips and to further accommodate the types and size of vehicle and equipment TransColorado will have upon the road;

(b) TransColorado shall employ reasonable dust suppression measures;

(c) All vehicles and equipment traveling upon Whitewater Creek Road shall not exceed a speed of fifteen (15) miles per hour;

(d) Upon the written request of the City, upon completion of the construction and again after the restoration phase of the Project, TransColorado shall restore Whitewater Creek Road and other roads used by TransColorado to a condition, as near as practicable to that which existed following the improvement of the road just prior to the start of construction.

(e) TransColorado agrees to comply with the additional requirements for the use of Whitewater Creek Road that are set forth in Exhibit "C", which is attached hereto and forms a part of this Agreement.

9.2 Following completion of the construction and restoration phases and during the operation and maintenance phase of the Project, ingress and egress to and from the right-of-way shall be limited and restricted to that required to inspect, maintain and repair the facilities installed on and in the right-of-way as required by the federal Pipeline Safety Act and TransColorado's operations requirements.

9.3 The City may access the City Property for its needs along, over and through the right-of-way; provided, however, prior to any excavation near the facilities, the City shall comply with the requirements of Colo. Rev. Stat. Ann. §9-1.5-103 *et seq.*

10. City's Development/Use of City Water. TransColorado agrees to bear the costs required to relocate or make accommodations for any City water conveyance systems which now exist, and as to City water conveyance systems which are built in the future, TransColorado shall pay the reasonable incremental additional costs to construct any such City systems or improvement as a result of the construction maintenance and/or repair of the Project.

11. Notice of Release. TransColorado shall promptly notify the City in the event of any release of any hazardous substance on the City Property.

12. Default. Should TransColorado: (a) default in the performance of this Agreement including the POD and any such default continue for a period of ninety (90) days after written notice thereof is given by the City to TransColorado; or (b) be declared bankrupt, insolvent, make an assignment for the benefit of creditors, or if a receiver is appointed; and (c) fail to timely cure such default, weather permitting, the City, at the City's option, may file an action to cancel and annul this Agreement and obtain an order from a court of competent jurisdiction to enter and take possession of the right-of-way. This Agreement shall terminate upon such occupation except paragraphs 6.1, 6.2 and 6.3. Nothing herein shall prejudice or be to the exclusion of any other rights or remedies which the City may have against TransColorado, including, but not limited to, the right of the City to obtain injunctive relief. If the City succeeds in any such effort, TransColorado shall pay the City's reasonable attorneys' fees.

13. Assignment. TransColorado shall not assign or sublease this Agreement or the right-of-way, or any right or privilege connected therewith, or allow any other person, except officers, employees, agents and contractors of TransColorado, to occupy the right-of-way or any part thereof without first obtaining the written consent of the City, which consent shall not be unreasonably withheld. In the event of an assignment, TransColorado shall not be released from its obligations and duties under this Agreement unless the assignee is fully able to perform TransColorado's obligations hereunder, *i.e.* by demonstration of financial responsibility, *e.g.* by net worth or insurance. Any consent by the City shall not be a consent to a subsequent assignment, sublease or occupation by any other party.

14. Termination/Abandonment of Right-of-Way.

(a) Prior to termination of the right-of-way or abandonment of the pipeline, or any portion thereof, TransColorado will contact the City to arrange for a pre-termination meeting and joint inspection of the right-of-way. This meeting and inspection will take place a minimum of thirty (30) days prior to termination. The meeting and inspection will be held so that an agreement on an acceptable termination and rehabilitation plan at TransColorado's sole cost and expense, can be reached. This plan will include TransColorado's obligation to include, but not be limited to, abandonment and/or removal of facilities, drainage structures and/or surface materials, recontouring, replacing of topsoil, seeding and monitoring. As used in this Section 14, the term "abandonment" means no use of the facilities for two (2) years.

(b) The Parties acknowledge and agree that the best management practices for abandoning and/or deactivating TransColorado's facilities may not be known until such time that the Project life-cycle is near its end, and that abandonment/deactivation will likely involve an altered scope, varied time line or additional stakeholders when compared to the issues of the Project installation and operation.

15. TransColorado Acceptance Subject to Existing Conditions.

15.1 TransColorado has inspected the right-of-way and accepts the same in its present condition and location. TransColorado agrees that the condition of the right-of-way is sufficient for the purposes of TransColorado. The City makes no warranties, promises or representations, express or implied, that the right-of-way is sufficient for the purposes of TransColorado. If the right-of-way is damaged due to fire, flood, or other casualty, or if the right-of-way is damaged or deteriorates to the extent where it is no longer functional for the purposes of TransColorado, the City shall have no obligation to repair the right-of-way nor to otherwise make the right-of-way usable or occupiable, since such damages shall be at TransColorado's own risk.

15.2 The City makes no representations or warranties regarding the presence or existence of any hazardous, toxic or regulated substances on, under or about the right-of-way, except to the extent that the City states that it has not deposited or caused to be deposited on, under or about the right-of-way any hazardous, toxic or regulated substances.

16. Notices. All notices to be given with respect to this Agreement shall be in writing delivered either by United States mail or Express mail, postage prepaid, or by facsimile transmission, personally by hand or courier service, as follows:

To the City: City of Grand Junction
 Attn: City Property Agent
 250 North 5th Street
 Grand Junction, Colorado 81501-2668
 Tel: (970) 244-1565
 Fax: (970) 256-4022

With copy to: City of Grand Junction
 Attn: City Utilities Manager
 250 North 5th Street
 Grand Junction, Colorado 81501-2668
 Tel: (970) 244-1564
 Fax: (970) 256-4022

With copy to: City of Grand Junction
 Attn: City Attorney
 250 North 5th Street
 Grand Junction, Colorado 81501-2668
 Tel: (970) 244-1505
 Fax: (970) 244-1456

To TransColorado: KN Energy, Inc.
Attn: Thomas E. Boita
819 21 ½ Road
Grand Junction, Colorado 81505
Tel: (970) 255-7522
Fax: (970) 255-7546

All notices shall be deemed given: (a) if sent by mail, when deposited in the mail; (b) if delivered by hand or courier service, when delivered; or (c) if transmitted by facsimile, when transmitted. The Parties may, by notice as provided above, designate a different address to which notice shall be given.

17. Enforcement, Partial Invalidity, Governing Law.

17.1 The invalidity of any portion of this Agreement shall not affect the validity of any other provision contained herein. In the event any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both Parties subsequent to the expungement of the invalid provisions.

17.2 This Agreement shall be governed by and construed in accordance with the laws of the state of Colorado.

18. Total Agreement; Applicable to Successors. This Agreement contains the entire agreement between the Parties and, except for automatic expiration or termination, cannot be changed or modified except by a written instrument subsequently executed by the Parties. This Agreement and the terms and conditions hereof apply to and are binding upon the successors and authorized assigns of both Parties.

19. Documents which govern the Project and the conduct of the Parties and which are incorporated in this Agreement by this reference, are:

1992 Final EIS
1992 ROD
1994 FERC Certificate
1998 Final Supplement to the EIS
1998 Palisade Water Permit
1998 Plan of Development
1998 Record of Decision

The foregoing documents, along with any documents referred to or incorporated, together constitute the POD.

IN WITNESS WHEREOF the Parties hereto have each executed and entered into this Easement Agreement as of the day and year first above written.



Attest:

Christine English
Acting City Clerk

The City of Grand Junction,
a Colorado home rule municipality

By *Mark Alchan*
City Manager

Attest:

Connie Holbrook
Connie Holbrook, Secretary

TransColorado Gas Transmission Company
a Colorado general partnership, by Questar
TransColorado, Inc., partner

By *G.W. DeBernardi*
G.W. DeBernardi, Vice President
Technical Support

Attachments:

- Exhibit "A": Legal Descriptions
- Exhibit "B": Whitewater Road
- Exhibit "C": Additional Conditions for use of Whitewater Road

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Exhibit "A"
to the
Easement Agreement
between
City of Grand Junction (the "City")
and
TransColorado Gas Transmission Company ("TransColorado")
(Legal Description)

TRACT "1"

A strip of land situated in Sections 19 and 30, of Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the East Quarter corner of Section 18, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

THENCE: S 18° 51' 05" W, a distance of 6882.23 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the North line of the South half of the Southeast Quarter of Section 19 and the Northerly line of City of Grand Junction lands;
THENCE: S 07° 03' 41" W, a distance of 88.20 feet;
THENCE: S 00° 11' 05" E, a distance of 265.05 feet;
THENCE: S 12° 22' 45" E, a distance of 561.03 feet;
THENCE: S 06° 29' 19" W, a distance of 124.67 feet;
THENCE: S 33° 38' 41" W, a distance of 316.76 feet;
THENCE: S 29° 55' 42" W, a distance of 1,091.00 feet;
THENCE: N 88° 48' 33" W, a distance of 528.20 feet;
THENCE: S 27° 30' 23" W, a distance of 709.53 feet;
THENCE: S 38° 42' 03" W, a distance 524.30 feet;

To a point on the West line of the Northwest Quarter of said Section 30 and on the Westerly line of City of Grand Junction lands, S 63° 54' 54" W, a distance of 4,259.69 feet from the Northeast corner of Section 30, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

The total length of the gas pipeline right-of-way, described as Tract 1, across City of Grand Junction lands, as described above is 4,208.74 feet or 255.08 rods or 0.80 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Northerly line and to terminate on the Westerly line of City of Grand Junction lands.

TRACT "2"

A strip of land situated in Section 30, of Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Southeast Section corner of said Section 30, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

THENCE: N 71° 03' 45" W, a distance of 3,945.26 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the West line of the East half of the Southwest Quarter of said Section 30, and the Westerly line of City of Grand Junction lands;

THENCE: S 15° 50' 10" E, a distance of 88.77 feet;

THENCE: S 26° 19' 17" E, a distance of 404.74 feet;

THENCE: S 13° 54' 05" E, a distance of 272.07 feet;

THENCE: S 22° 58' 53" W, a distance of 534.32 feet;

To a point on the South line of the East half of the Southwest Quarter of said Section 30 and on the Southerly line of City of Grand Junction lands, N 88° 48' 41" W, a distance of 3,672.07 feet from the Southeast Section corner of said Section 30, being a found standard brass GLO monument stamped 1907.

The total length of the gas pipeline right-of-way, described as Tract 2, across City of Grand Junction lands, as described above is 1,299.90 feet or 78.78 rods or 0.25 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Westerly line and to terminate on the Southerly line of City of Grand Junction lands.

All bearings and distances reported herein for Tracts 1 & 2 are referred to the Colorado State Plane Coordinate System, Colorado Central Zone. (North American 1983 Horizontal Datum) as determined by survey to the National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

AND

A strip of land situated in Section 31, of Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northeast Section corner of said Section 31, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

THENCE: S 68° 39' 17" W, a distance of 2,867.23 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the West line of the Northeast Quarter of Section 31, and the Westerly line of City of Grand Junction lands;

THENCE: S 58° 31' 47" E, a distance of 708.69 feet;

THENCE: S 50° 43' 16" W, a distance of 814.80 feet;

To a point on the West line of the Northeast Quarter of said Section 31 and on the Westerly line of City of Grand Junction lands, S 54° 26' 02" W, a distance of 3,317.20 feet from the Northeast corner of Section 31, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

The total length of the gas pipeline right-of-way across City of Grand Junction lands, as described above is 1,523.49 feet or 92.33 rods or 0.29 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Westerly line and to terminate on the Westerly line of City of Grand Junction lands.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System, Colorado Central Zone. (North American 1983 Horizontal Datum) as determined by survey to the National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

AND

STRIP 1

A strip of land situated in Section 1, of Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northwest corner of said Section 1, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found mound of stones.

THENCE: S 56° 02' 12" E, a distance of 2531.61 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the North line of the South half of the Northwest Quarter of said Section 1, and the Northerly line of City of Grand Junction lands;

THENCE: S 65° 15' 07" W, a distance of 1481.57 feet;

THENCE: S 78° 38' 02" W, a distance of 833.14 feet;

To a point on the West line of the South half of the Northwest Quarter of said Section 1 and on the Westerly line of City of Grand Junction lands, N 01° 37' 50" E, a distance of 459.60 feet from the West Quarter corner of said Section 1, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found mound of stones.

The total length of the gas pipeline right-of-way across City of Grand Junction lands, as described above is 2314.71 feet or 140.29 rods or 0.44 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Northerly line and to terminate on the Westerly line of City of Grand Junction lands.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System, Colorado Central Zone. (North American 1983 Horizontal Datum) as determined by survey to the National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

AND

STRIP 2

A strip of land situated in Section 2, of Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the East Quarter corner of said Section 2, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found mound of stones.

THENCE: N 88° 40' 05" W, a distance of 926.27 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the North line of the Northeast Quarter of the Southeast Quarter of said Section 2, and the Northerly line of City of Grand Junction lands;
THENCE: S 63° 12' 55" W, a distance of 300.47 feet;
THENCE: N 83° 41' 53" W, a distance of 120.31 feet;

To a point on the West line of the Northeast Quarter of the Southeast Quarter of said Section 2 and on the Westerly line of City of Grand Junction lands, S 85° 37' 07" W, a distance of 1317.68 feet from the East Quarter corner of said Section 2, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found mound of stones.

The total length of the gas pipeline right-of-way across City of Grand Junction lands, as described above is 420.78 feet or 25.50 rods or 0.08 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Northerly line and to terminate on the Westerly line of City of Grand Junction lands.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System, Colorado Central Zone. (North American 1983 Horizontal Datum) as determined by survey to the National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

AND

A strip of land situated in the SE¼ of the NW¼ of Section 4, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the West Quarter corner of said Section 4, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found rebar with yellow cap.

THENCE: N 80° 12' 32" E, a distance of 2,706.03 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the East line of the Southeast Quarter of the Northwest Quarter of said Section 4, and the Easterly line of City of Grand Junction lands;
THENCE: S 76° 33' 57" W, a distance of 82.54 feet;
THENCE: N 89° 37' 43" W, a distance of 417.58 feet;
THENCE: S 68° 43' 19" W, a distance of 488.32 feet;
THENCE: S 45° 40' 12" W, a distance of 416.91 feet;

To a point on the South line of the Northwest Quarter of said Section 4 and on the Southerly line of City of Grand Junction lands, S 88° 59' 4" E, a distance of 1,415.72 feet from the West Quarter corner of said Section 4, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found rebar with yellow cap.

The total length of the gas pipeline right-of-way across City of Grand Junction lands, as described above is 1,405.35 feet or 85.17 rods or 0.27 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Easterly line and to terminate on the Southerly line of City of Grand Junction lands.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System, Colorado Central Zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

The permanent easement herein granted shall be fifty foot (50.0') in width, being twenty-five feet (25.0') on each side of the centerline described above, and in addition, GRANTEE shall have the right to use i) an additional temporary work space during construction, maintenance, repair, replacement and removal of the facilities, which shall be an additional width of twenty-five feet (25.0') along the permanent easement, ii) as specifically described in the 1998 Plan of Development, the right to use an additional work space of one hundred feet by one hundred fifty feet (100.0' x 150.0') along the permanent easement at the crossing of roads, railroads, streams, terraces and uneven terrain, and iii) if the consent of the City is obtained in advance, which shall not be unreasonably withheld, additional temporary work space adjacent and along the permanent easement as may be reasonably necessary to safely construct the facilities in extended areas and distances of uneven terrain.

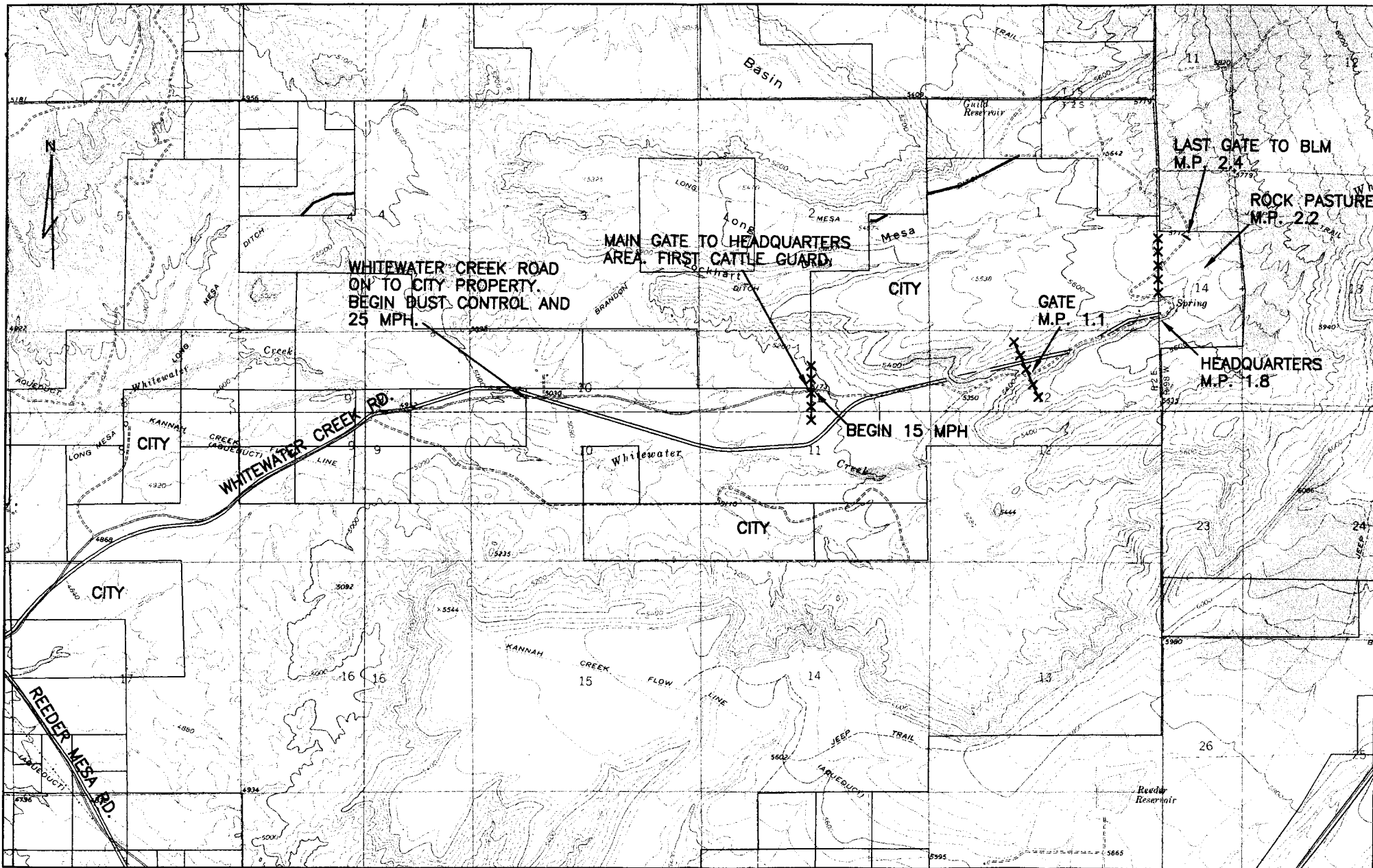


EXHIBIT B

Exhibit "C"
to the
Easement Agreement
between
City of Grand Junction (the "City")
and
TransColorado Gas Transmission Company ("TransColorado")

1. TransColorado shall install a new cattle guard at the main gate after the main part of the construction is complete, unless there is damage to the existing cattle guard, in which event, it will be replaced immediately.
2. TransColorado shall grade and maintain the road into the ranch, installing gravel turn-outs for passing lanes where required to permit two-way traffic on the road.
3. TransColorado shall install two new 18" by 20' culverts .7 miles in from the gate in the irrigation canal.
4. TransColorado shall remove the gate and 20' of fence at 1.1 miles in to allow wider loads to go through the fence, reinstalling the fence and a new gate after construction. TransColorado shall also gravel this area to permit passing in this area.
5. TransColorado will address a spring that has appeared in the road 1.8 miles in from the main gate. This portion of road will not hold up to heavy traffic and will have to be repaired before construction. It is contemplated that by installing a drain line, with at least 2" minus rock with drainage to the barrow ditch and installing additional road base, this seep can be efficiently drained to allow the road to be used by heavy traffic.
6. TransColorado shall install two new 18" by 20' culverts 2.0 miles in from the gate in the low area of the road just past the second house. This area is also boggy and will need additional road base installed for about 200'.
7. The gate at 2.2 miles in the fence to Rock Pasture is too narrow to allow trucks to pass. TransColorado will install a double gate.
8. The gate and culvert at 2.4 miles from the main gate is too narrow to allow trucks to pass. TransColorado will match up another gate with an existing one to make a double gate and install a new 30" by 20' flat bottom culvert to make a straight approach to the gate. During stringing operations, TransColorado will assign someone to open and close this gate. At all other times, it shall remain closed.
9. TransColorado will install signs limiting speed to 15 MPH through the ranch at the main gate and near the ranch house.

10. Dust will be suppressed, especially near the structures. In addition, dust control will be maintained in accordance with the POD by installing new gravel in the area next to the houses. Water, dust abatement or mag chloride will be used to suppress dust. The County has applied mag chloride to the County road for the first 3 miles of Whitewater Creek Road. TransColorado will extend its dust suppression measures application to the main gate, to hold down dust.

Memorandum
of
Easement Agreement

The City of Grand Junction (the "City") and TransColorado Gas Transmission Company ("TransColorado") have the 21st day of May, 1998, entered into an Easement Agreement for the following described property, to wit:

TRACT "1"

A strip of land situated in Sections 19 and 30, of Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the East Quarter corner of Section 18, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

THENCE: S 18°51'05" W, a distance of 6882.23 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the North line of the South half of the Southeast Quarter of Section 19 and the Northerly line of City of Grand Junction lands;
THENCE: S 07°03'41" W, a distance of 88.20 feet;
THENCE: S 00°11'05" E, a distance of 265.05 feet;
THENCE: S 12°22'45" E, a distance of 561.03 feet;
THENCE: S 06°29'19" W, a distance of 124.67 feet;
THENCE: S 33°38'41" W, a distance of 316.76 feet;
THENCE: S 29°55'42" W, a distance of 1,091.00 feet;
THENCE: N 88°48'33" W, a distance of 528.20 feet;
THENCE: S 27°30'23" W, a distance of 709.53 feet;
THENCE: S 38°42'03" W, a distance 524.30 feet;

To a point on the West line of the Northwest Quarter of said Section 30 and on the Westerly line of City of Grand Junction lands, S 63°54'54" W, a distance of 4,259.69 feet from the Northeast corner of Section 30, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

The total length of the gas pipeline right-of-way, described as Tract 1, across City of Grand Junction lands, as described above is 4,208.74 feet or 255.08 rods or 0.80 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Northerly line and to terminate on the Westerly line of City of Grand Junction lands.

TRACT "2"

A strip of land situated in Section 30, of Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Southeast Section corner of said Section 30, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

THENCE: N 71°03'45" W, a distance of 3,945.26 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the West line of the East half of the Southwest Quarter of said Section 30, and the Westerly line of City of Grand Junction lands;
THENCE: S 15°50'10" E, a distance of 88.77 feet;
THENCE: S 26°19'17" E, a distance of 404.74 feet;
THENCE: S 13°54'05" E, a distance of 272.07 feet;
THENCE: S 22°58'53" W, a distance of 534.32 feet;

To a point on the South line of the East half of the Southwest Quarter of said Section 30 and on the Southerly line of City of Grand Junction lands, N 88°48'41" W, a distance of 3,672.07 feet from the Southeast Section corner of said Section 30, being a found standard brass GLO monument stamped 1907.

The total length of the gas pipeline right-of-way, described as Tract 2, across City of Grand Junction lands, as described above is 1,299.90 feet or 78.78 rods or 0.25 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Westerly line and to terminate on the Southerly line of City of Grand Junction lands.

All bearings and distances reported herein for Tracts 1 & 2 are referred to the Colorado State Plane Coordinate System, Colorado Central Zone. (North American 1983 Horizontal Datum) as determined by survey to the National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

AND

A strip of land situated in Section 31, of Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northeast Section corner of said Section 31, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

THENCE: S 68°39'17" W, a distance of 2,867.23 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the West line of the Northeast Quarter of Section 31, and the Westerly line of City of Grand Junction lands;
THENCE: S 58°31'47" E, a distance of 708.69 feet;
THENCE: S 50°43'16" W, a distance of 814.80 feet;

To a point on the West line of the Northeast Quarter of said Section 31 and on the Westerly line of City of Grand Junction lands, S 54°26'02" W, a distance of 3,317.20 feet from the Northeast corner of Section 31, Township 11 South, Range 97 West, 6th Principal Meridian, Mesa County, Colorado, being a found standard brass GLO monument stamped 1907.

The total length of the gas pipeline right-of-way across City of Grand Junction lands, as described above is 1,523.49 feet or 92.33 rods or 0.29 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Westerly line and to terminate on the Westerly line of City of Grand Junction lands.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System, Colorado Central Zone. (North American 1983 Horizontal Datum) as determined by survey to the National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

AND

STRIP 1

A strip of land situated in Section 1, of Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the Northwest corner of said Section 1, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found mound of stones.

THENCE: S 56°02'12" E, a distance of 2531.61 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the North line of the South half of the Northwest Quarter of said Section 1, and the Northerly line of City of Grand Junction lands;

THENCE: S 65°15'07" W, a distance of 1481.57 feet;

THENCE: S 78°38'02" W, a distance of 833.14 feet;

To a point on the West line of the South half of the Northwest Quarter of said Section 1 and on the Westerly line of City of Grand Junction lands, N 01°37'50" E, a distance of 459.60 feet from the West Quarter corner of said Section 1, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found mound of stones.

The total length of the gas pipeline right-of-way across City of Grand Junction lands, as described above is 2314.71 feet or 140.29 rods or 0.44 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Northerly line and to terminate on the Westerly line of City of Grand Junction lands.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System, Colorado Central Zone. (North American 1983 Horizontal Datum) as determined by survey to the National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

AND

STRIP 2

A strip of land situated in Section 2, of Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the East Quarter corner of said Section 2, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found mound of stones.

THENCE: N 88°40'05" W, a distance of 926.27 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the North line of the Northeast Quarter of the Southeast Quarter of said Section 2, and the Northerly line of City of Grand Junction lands;

THENCE: S 63°12'55" W, a distance of 300.47 feet;

THENCE: N 83°41'53" W, a distance of 120.31 feet;

To a point on the West line of the Northeast Quarter of the Southeast Quarter of said Section 2 and on the Westerly line of City of Grand Junction lands, S 85°37'07" W, a distance of 1317.68 feet from the East Quarter corner of said Section 2, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found mound of stones.

The total length of the gas pipeline right-of-way across City of Grand Junction lands, as described above is 420.78 feet or 25.50 rods or 0.08 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Northerly line and to terminate on the Westerly line of City of Grand Junction lands.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System, Colorado Central Zone. (North American 1983 Horizontal Datum) as determined by survey to the National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

AND

A strip of land situated in the SE¼ of the NW¼ of Section 4, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, the centerline of said strip of land being described as follows:

COMMENCING at the West Quarter corner of said Section 4, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found rebar with yellow cap.

THENCE: N 80°12'32" E, a distance of 2,706.03 feet to a point on a gas pipeline right-of-way to serve as TransColorado Gas Transmission Company's mainline, being a point on the East line of the Southeast Quarter of the Northwest Quarter of said Section 4, and the Easterly line of City of Grand Junction lands;

THENCE: S 76°33'57" W, a distance of 82.54 feet;

THENCE: N 89°37'43" W, a distance of 417.58 feet;

THENCE: S 68°43'19" W, a distance of 488.32 feet;

THENCE: S 45°40'12" W, a distance of 416.91 feet;

To a point on the South line of the Northwest Quarter of said Section 4 and on the Southerly line of City of Grand Junction lands, S 88°59'41" E, a distance of 1,415.72 feet from the West Quarter corner of said Section 4, Township 2 South, Range 2 East, Ute Meridian, Mesa County, Colorado, being a found rebar with yellow cap.

The total length of the gas pipeline right-of-way across City of Grand Junction lands, as described above is 1,405.35 feet or 85.17 rods or 0.27 miles, more or less.

The above-described strip of land shall be shortened or extended to commence on the Easterly line and to terminate on the Southerly line of City of Grand Junction lands.

All bearings and distances reported herein are referred to the Colorado State Plane Coordinate System, Colorado Central Zone (North American 1983 Horizontal Datum) as determined by survey to National Geodetic Survey Control Stations. All GLO and BLM record bearings used for calculated intersections, if any, were rotated to Grid North reference.

The easement is fifty foot (50.0') in width, being twenty-five feet (25.0') on each side of the centerline described above, and in addition, GRANTEE shall have the right to use i) an additional temporary work space during construction, maintenance, repair, replacement and removal of the facilities, which shall be an additional width of twenty-five feet (25.0') along the permanent easement, ii) the right to use an additional work space of one hundred feet by one hundred fifty feet (100.0' x 150.0') along the permanent easement at the crossing of roads, railroads, streams, terraces and uneven terrain, and iii) additional temporary work space adjacent and along the permanent easement as may be reasonably necessary to safely construct the facilities in extended areas and distances of uneven terrain, all in accordance with the Easement Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Easement Agreement to be executed on the date first above written by their duly authorized representatives.

ATTEST:



CITY OF GRAND JUNCTION

Christine English
Stephanie Nye
City Clerk, Acting

By: David Varley
Mark K. Achen
City Manager, Acting

ATTEST:

TRANSCOLORADO GAS
TRANSMISSION COMPANY
By Questar TransColorado, Inc., partner

Connie C. Holbrook
Connie C. Holbrook
Secretary

By: G.W. DeBernardi
G.W. DeBernardi
Vice President Technical Support

STATE OF COLORADO)
) ss
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 21st day of May, 1998,
by ~~Mark Achen~~ ^{ACTIVE} as City Manager of the City of Grand Junction.
DAVID VARLEY

My Commission Expires:

2/6/2002

Christine English
Notary Public

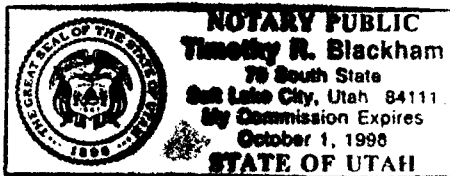
STATE OF Utah)
) ss
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 28th day of May, 1998,
by G.W. DeBernardi as Vice President of Questar TransColorado, Inc., a partner of
TransColorado Gas Transmission Company.

My Commission Expires:

10-1-98

Timothy R. Blackham
Notary Public



QUESTAR PIPELINE COMPANY

No. 083184

DATE: 04-JUN-98 CUST. ACCT. NO. VENDOR NAME CITY OF GRAND JUNCTI VENDOR NO. 3831

INVOICE NO.	INVOICE DATE	DESCRIPTION	DISCOUNT AMOUNT	NET AMOUNT
ROW MAY-98	15-MAY-98	RIGHT OF WAY FOR TRANSCOLORADO	0.00	50,000.00
		REVENUE ACCT # 301-62110-46501-30-135740		
PLEASE DETACH AND RETAIN THIS STATEMENT AS YOUR RECORD OF PAYMENT. <i>Thank You</i>			0.00	50,000.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER.



QUESTAR PIPELINE COMPANY

a Questar Company
SALT LAKE CITY, UTAH

Bankers Trust (Delaware)
Wilmington, Delaware
In Cooperation with
First Security Bank of Utah, N.A.

No. 083184

62-38
311 **F**

CHECK DATE	CHECK NUMBER	CHECK AMOUNT
04-JUN-98	83184	*****50,000.00

PAY FIFTY THOUSAND DOLLARS AND 00 CENTS*****
TO THE ORDER OF

CITY OF GRAND JUNCTION
GRAND JUNCTION, CO
ISSUED BY QUESTAR PIPELINE COMPANY
, AS AGENTS FOR
TRANSCOLORADO GAS TRANSMISSION
CO USING TRANSCOLORADO FUNDS

Authorized Signature

THE FACE AND BACK OF THIS DOCUMENT CONTAIN AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

⑈083184⑈ ⑆031100380⑆ 00574274⑈