

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RIGHT-OF-WAY GRANT AMENDMENT 1
SERIAL NUMBER NVN-084650

1. A **Right-of-Way** (ROW) amendment is hereby granted pursuant to Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185 *et seq.*) and the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 *et seq.*).

2. **Nature of Interest:**

a. By this instrument, the holder:

Ruby Pipeline, L.L.C.
Attn: Land Manager
Two North Nevada Avenue
Colorado Springs, Colorado 80903

Receives a right to construct, operate, maintain, and terminate a 42-inch-diameter natural gas pipeline on Federal lands in Humboldt County, Nevada.

Pipeline and Related Facilities

On Federal lands the permanent pipeline ROW amendment will be fifty (50) feet wide (including the ground occupied by the pipeline), approximately 4.18 miles long, and will encompass 26.4 acres as described in Exhibit A.

Included in this ROW amendment is

- 1) The authorization to construct, operate, maintain, and terminate the Summit Lake Route Variance. On federal lands, the amended ROW spans the mainline route from original milepost 519.8 to milepost 523.5.

See Exhibit A (Ruby Pipeline Summit Lake Route [REDACTED] Route Variance DNA)

- 2) Acceptance of the Ruby Pipeline Winter Construction Plan, November 2010 for inclusion in the Plan of Development (POD), originally accepted by the BLM as part of the ROD (see Decision Section, Item 14 in ROD, dated July 12, 2010).

See Exhibit B (Ruby Pipeline Winter Construction Plan)

Terms of the ROW

The term of the ROW amendment shall coincide with the term of the original right-of-way grant which is thirty (30) years with the right of renewal.

- a. This instrument shall terminate December 31, 2040 unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
- b. This instrument may be renewed. If renewed, the ROW shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
- c. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.

3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management, the Bureau of Reclamation, the Forest Service, and the Fish and Wildlife Service fair market value rental as determined by the Authorized Officer (AO) unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the AO, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

- a. The legal descriptions, stipulations, plans, maps, or designs set forth in Exhibit A (Ruby Pipeline Summit Lake [REDACTED] Route Variance DNA), and Exhibit B (Ruby Pipeline Winter Construction Plan), are attached hereto, and incorporated into and made a part of this ROW grant amendment as fully and effectively as if they were set forth herein in their entirety. The holder is also subject to all requirements set forth by the Federal Energy Regulatory Commission (FERC) in their Order Issuing Certificate (Docket No. CP0-09-54-000) dated April 5, 2010, found in Exhibit C as well as the Record of Decision for the Ruby Pipeline Project dated, July 12, 2010.
- b. This ROW grant amendment is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations, parts 2800 and 2880.
- c. Failure of the holder to comply with applicable law or any provision of this ROW grant shall constitute grounds for suspension or termination thereof.

- d. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public. Ninety (90) days prior to termination of the ROW, the holder shall contact the AO to arrange a joint inspection of the ROW. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage of structures or surface material, recontouring, topsoiling, or seeding. The AO must approve the plan in writing prior to the holder's commencement of any termination activities.
- e. Each grant issued for a term of 20 years or more shall, at a minimum, be reviewed by the AO at the end of the 20th year and at regular intervals thereafter not to exceed 10 years. Provided, however, a ROW or permit granted herein may be reviewed at any time deemed necessary by the AO.
- f. Upon grant termination, all improvements shall be removed from the Federal lands within 90 days, or otherwise disposed of as provided in paragraph (4)(d), or as directed by the AO.
- g. During the life of this Grant, the Holder shall comply with Section 28 of the Mineral Leasing Act of 1920, as amended, 30 U.S.C.185, and the regulations contained in Title 43 CFR, Part 2880, Rights-of-Way under the Mineral Leasing Act, and the terms and conditions contained herein and attached and made a part hereof.
- h. The use, occupancy or development of the federal lands or their resources which are not authorized by this Grant or in a way that is beyond the scope and terms and conditions of this Grant shall constitute a trespass subject to the applicable Federal laws and regulations.

5. Notice to Proceed

This ROW grant amendment does not authorize Ruby Pipeline, L.L.C., to commence construction of any project facilities for the Ruby Pipeline Project or proceed with other ground-disturbing activities in connection with the Ruby Pipeline Project on Federal lands. Ruby Pipeline, L.L.C., shall not commence construction of project facilities or proceed with any ground-disturbing activities related to the Ruby Pipeline Project on Federal lands until Ruby Pipeline, L.L.C.: (1) in accordance with 43 C.F.R. § 2807.10, receives a written notice to proceed from the BLM's AO authorizing Ruby Pipeline, L.L.C., to commence construction of project facilities or proceed with other ground-disturbing activities in connection with the Ruby Pipeline Project, and (2) complies with all pre-construction requirements included in the Federal Energy Regulatory Commission's (FERC) April 5, 2010, order certifying the Ruby Pipeline Project, 13 FERC ¶ 61,007, including written confirmation from FERC's Director, Office of Energy Projects, that Ruby Pipeline, LLC, has complied with Condition 44 of Appendix A to FERC's April 5, 2010 order certifying the Ruby Pipeline Project, 13 FERC ¶ 61,007.

IN WITNESS WHEREOF, the undersigned agrees to the terms, and conditions of this ROW grant amendment.

Ron Wenker
Ron Wenker, Authorized Officer and
Director
Bureau of Land Management
Nevada State Office

William H. Healy, Jr.
Name, Title William H. Healy, Jr.
Vice President
Ruby Pipeline, L.L.C., (Holder)

December 10, 2010
Signature Date

Dec 8, 2010
Signature Date

DEC 10 2010

Effective Date of Right-of Way Grant:

EXHIBITS

- EXHIBIT A: Ruby Pipeline Summit Lake TCP Route Variation DNA
- EXHIBIT B: Ruby Pipeline Winter Construction Plan
- EXHIBIT C: FERC Order Issuing Certificate (Docket No. CP0-09-54-000) dated April 5, 2010