Kern Water Bank Authority

Habitat Conservation Plan/

Natural Community Conservation Plan

2020 Compliance Report and 2021 Management Plan



May, 2021

White-tailed Kite (*Elanus leucurus*)





Contents

Executive Summary 1

1.0 Introduction 3

2.0 Minor Amendment to the KWB HCP/NCCP 7

3.0 Summary of 2020 Activities 9

3.1 Water Banking Operations and Maintenance Activities 9

3.2 Construction Activities 9

3.3 Security 10

3.4 Third Party Activities 10

4.0 Take, Mitigation Measures, and Avoidance and Minimization 13

5.0 Adaptive Management, Monitoring Programs and Studies 15

5.1 Adaptive Management and Vegetation Monitoring 15

5.1.1 Livestock Grazing 15

5.1.2 Mowing 17

5.1.3 Burning 17

5.1.4 Herbicide Use 17

5.1.5 Observation Monitoring Site Program 19

5.2 Ornithological Studies 19

5.2.1 Water Bird Surveys 19

5.2.2 Upland and Raptor Surveys 20

5.3 Sensitive Species Monitoring 22

5.4 Miscellaneous Studies 23

6.0 Conservation Bank Report 25

7.0 Management Plan 27

7.1 Water Bank Operations and Construction 27

7.2 Vegetation Management 27

7.3 Hunting Programs 27

8.0 Viability Fund Status and Financial Report 29

9.0 Certification 31

10.0 Contact Information and Distribution List 33

Figures

Figure 1. Kern Water Bank location 4

Figure 2. Rainfall in the 2019 – 2021 winter season 16

Figure 3. Areas grazed by cattle in 2020. 17

Figure 4. Areas mowed in 2020 18

Figure 5. Areas sprayed in 2020 18

Figure 6. Conservation bank easements 26

Figure 7. Rainfall in the 2020 – 2021 winter season 28

Tables

Table 1. Habitat Disturbance Summary in Acres 11

Table 2. Conservation Bank Transaction Summary 26

Table 3. Report Distribution List 33

Appendices

Appendix A – Minor Amendment to the HCP/NCCP

Appendix B – CRC Spill Clean-up Report

Appendix C– Exhibit H to Implementation Agreement - Minimization of Impacts Requirements

Appendix D – Vegetation Monitoring Program Observation Monitoring Sites and Livestock Grazing Summary for the Kern Water Bank

Appendix E – Waterbird, Raptor and Upland Bird Survey Report: October 2011 – May 2020

Appendix F – Annual Wildlife Monitoring Report for the Kern Water Bank

Appendix G – Endangered Species Recovery Program Reports

Appendix H – Conservation Easement Legal Description and Preliminary Title Report

Appendix I – 2019 Conservation Bank Transactions

Appendix J – Draft Conservation Easement

Appendix K – Financial Statements

Executive Summary

The Kern Water Bank (KWB) occupies approximately 20,600[1] acres in the southern San Joaquin Valley. It is operated under a Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP) which prescribes reporting and planning requirements, adaptive management methodologies, and avoidance and mitigation measures.

The KWB is well located to provide significant benefits to wildlife in the southern San Joaquin Valley. The water banking activities of the Kern Water Bank have re-established a thriving intermittent wetland habitat along the Pacific Flyway that is ideal for water birds, and the areas outside of the recharge basins provide excellent upland habitat for raptors, other migratory birds, terrestrial wildlife, and rare and endangered plants. Ornithological studies completed during the fall and winter of 2011, throughout 2017, and in 2019 indicate 89 different species of water birds were present with populations reaching 35,000 individuals. The studies conclude that: "Overall, in terms of bird abundance, species diversity, acreage, location and habitat diversity, [the KWB] is one of the most important freshwater wetlands in California, especially when compared to other privately managed wetlands." A study of the ecology of the recharge basins in 2017 indicates they provide a productive, healthy environment for aquatic wildlife.

Upland habitat has also been re-established on lands once farmed using the adaptive management methods prescribed in the HCP/NCCP. These lands support many special-status species, including Tipton kangaroo rats, burrowing owls, tricolored blackbirds, and San Joaquin woolly threads. Most recently, San Joaquin antelope squirrels have been sighted on the Conservation Bank sector. The careful implementation of adaptive management techniques has significantly improved upland habitat value – follow-up ornithological studies indicate that even when basins are dry, the KWB is an important area of upland habitat in terms of bird abundance, species diversity (130 species have been identified), and habitat diversity. Overall, the KWB has become a very important wildlife resource of regional significance.

[1] This includes approximately 655 acres in the Cheng and Nikkel parcels added to the property with a minor amendment to the KWB HCP/NCCP (see section 2.0).

This report documents water banking activities in 2020, provides a management plan for 2021, summarizes Conservation Bank transactions, and describes other HCP/NCCP compliance measures.



Great Horned Owl (*Bubo virginianus*)



1.0 Introduction

The Kern Water Bank (KWB) occupies approximately 20,600[2] acres in the southern San Joaquin Valley of California (Figure 1). The Water Bank is operated by the Kern Water Bank Authority (KWBA) under a Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP) executed on October 2, 1997. The HCP/NCCP provides for the overall management of Water Bank lands with the stated purpose of "accomplish[ing] both water conservation and environmental objectives. The primary water conservation objective is the storage of water in the aquifer during times of surplus for recovery during times of shortage. The primary environmental objective is to set aside large areas of the KWB for threatened, endangered, and sensitive species and to implement a program to protect and enhance the habitat." The keystone of the HCP/NCCP is balanced achievement of both goals, and issuance of "incidental take permits" by USFWS and "management authorizations" by CDFW applied to specific activities and use of the KWB.

Since the implementation of the HCP/NCCP, KWBA has complied with its' preservation, construction and operational, monitoring, adaptive management, and reporting requirements. The Implementation Agreement (IA) requires the submittal of an Annual Report of the previous year's activities and a Management Plan describing the coming year's activities. Specifically, the Annual Report is to provide the following information:[3]

1) Summary of all activities that have taken place on the Kern Water Bank in the previous year, including construction, operation and maintenance of water recharge and water extraction facilities,
2) Summary of all Take that has occurred within the previous year, including Take of Covered Species and Covered Habitat,
3) Summary of all mitigation measures implemented in the previous year,
4) Results of completed studies,
5) Status of ongoing activities,

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[2] This includes approximately 655 acres in the Cheng and Nikkel parcels added to the property with a minor amendment to the KWB HCP/NCCP (see section 2.0).
[3] Implementation Agreement, Section 3.3.4.

6) Results from the implementation of monitoring programs,
7) Results from the implementation of avoidance and minimization measures,
8) Report regarding the status of the Viability Fund,
9) Copy of KWBA's annual financial report, and
10) Certification by KWBA officer that the information in the report is "true, accurate and complete."

The Management Plan is to describe the operational activities contemplated for the KWB during the next year, including construction, maintenance and repair of the infrastructure, and a description of the adaptive management activities to be carried out.[4]

In addition to the reporting requirement in the IA, the Conservation Bank Agreement (CBA) requires the submittal of an annual report detailing Conservation Bank transactions.

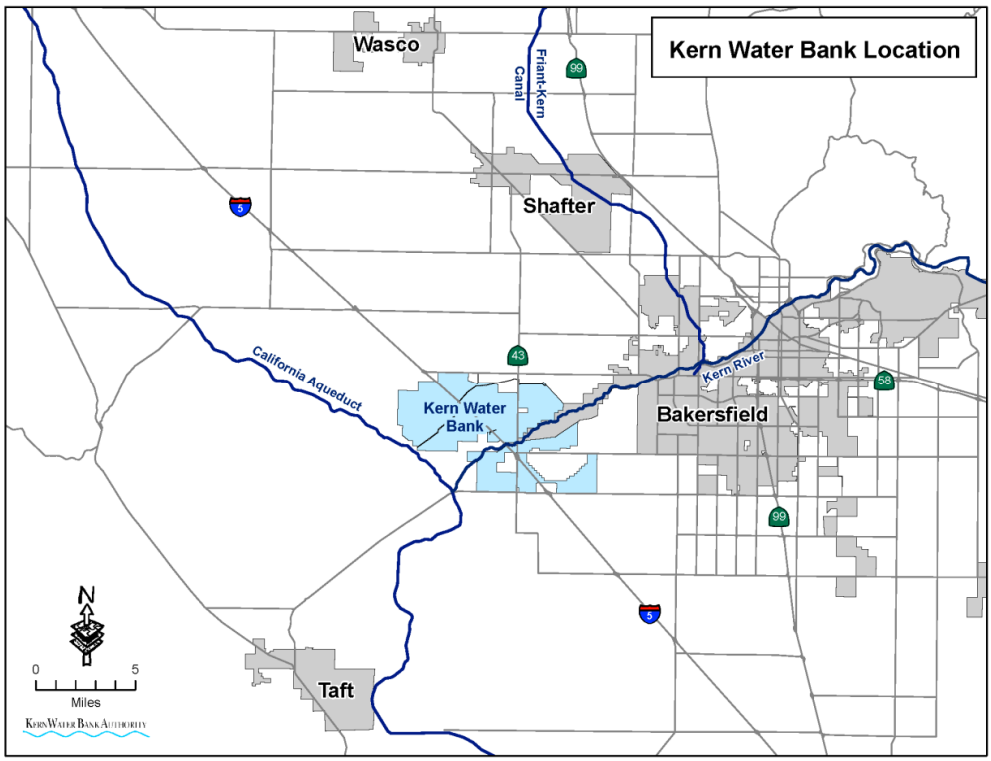


Figure 1. Kern Water Bank location.

[4] Implementation Agreement, Section 3.3.5.

This report is intended to meet the reporting requirements of the IA and CBA. It consists of nine sections:

- Section 1 is this introduction, which reviews the objectives of the HCP/NCCP and describes the basis for the report,
- Section 2 discusses a Minor Amendment to the HCP/NCCP,
- Section 3 includes a summary of activities completed in the 2020 reporting year (May 1, 2020 – April 30, 2021) and the status of ongoing activities,
- Section 4 provides a summary of take, a summary of mitigation measures implemented during the reporting year, and the results of avoidance and minimization measures,
- Section 5 discusses adaptive management and the results of monitoring programs and completed studies,
- Section 6 is the Conservation Bank Report for the calendar year 2020,
- Section 7 is the Management Plan,
- Section 8 discusses the Viability Fund and the annual financial report for the calendar year 2020, and
- Section 9 is the certification regarding the accuracy of the report.



American White Pelicans Feeding (*Pelecanus erythrorhynchos*)



Western Meadowlark (*Sturnella neglecta*)



Mourning Dove (*Zenaida macroura*)

2.0 Minor Amendment to the KWB HCP/NCCP

A minor amendment to the HCP/NCCP was fully executed on October 1, 2019. The amendment provided for the inclusion of additional property into the Permit Area (the Cheng and Nikkel parcels, approximately 655 acres), an increase in the Recharge Basin area, a modification of the Threatened/Endangered Species Viability Fund, and the construction of a bike path by the County of Kern on a portion of KWB lands. A copy of the amendment is included in Appendix A.



Sandhill Crane (*Antigone canadensis*)

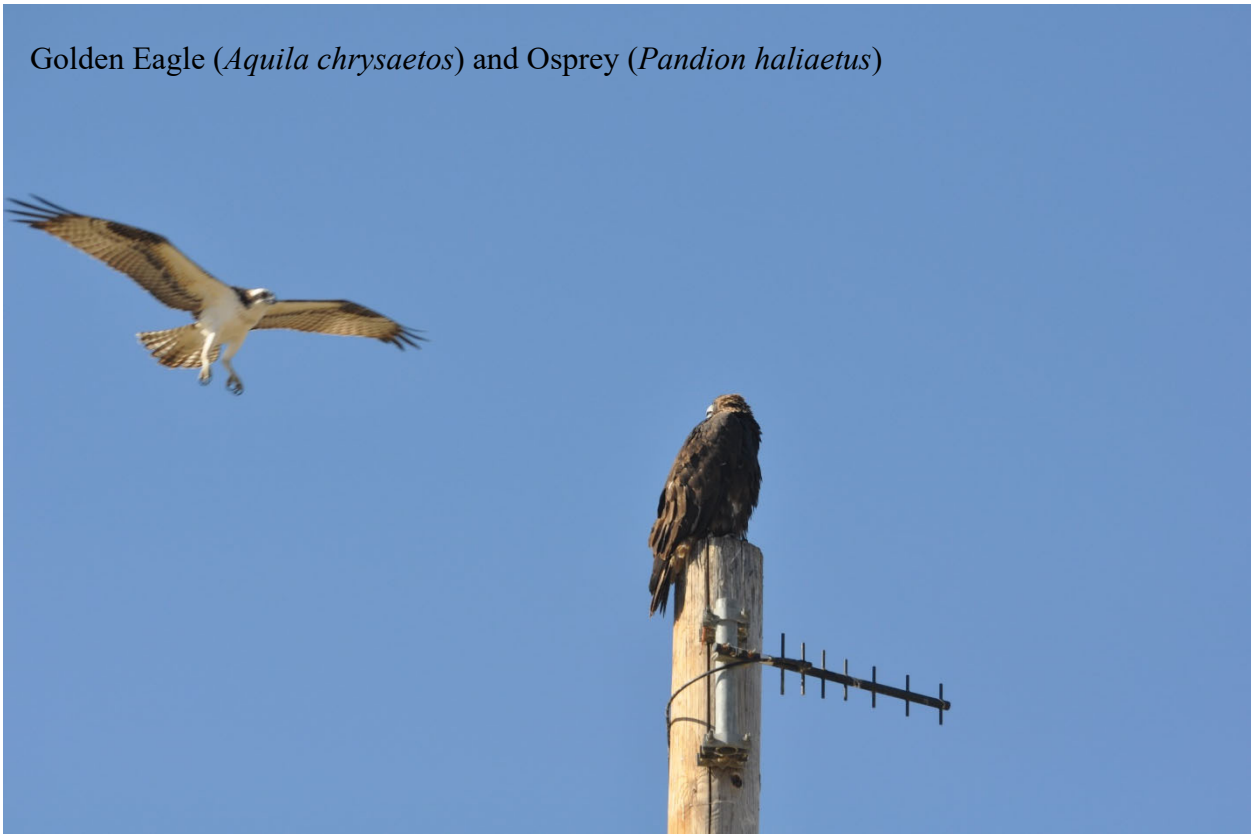


Pie-billed Grebe (*Podilymbus podiceps*)

Golden Eagle (*Aquila chrysaetos*)



Golden Eagle (*Aquila chrysaetos*) and Osprey (*Pandion haliaetus*)



3.0 Summary of 2020 Activities

Water bank operations in 2020 were focused primarily on recovery activities throughout much of the year. Construction included building recharge basins as provided for in the Minor Amendment, constructing pumping facilities on the Kern Water Bank Canal, replacing and rehabilitating wells, replacing failing recharge basin control structures, and graveling existing roads. Routine maintenance activities included clearing brush from fence lines and facilities. These activities are discussed below.

3.1 Water Banking Operations and Maintenance Activities

KWBA members recovered nearly 100,000 AF of water in 2020 in response to dry conditions in the winter of 2019/2020. Operations began in February and ended in August. Minor recharge operations also occurred in January, November and December 2020. Approximately 5,000 AF of water was stored. Maintenance activities focused on supporting these recovery and recharge operations, and included motor repairs on wells, clearing brush from well sites, recording well and recharge basin data, and routine delivery of pump oil to well sites. These activities were conducted on existing facilities and none resulted in new habitat disturbance.

3.2 Construction Activities

Construction activities in 2020 and early 2021 included:

- Replacement of six wells (30S/24E-13C1 with 13B1, 3025S/25E-9J1 with 9J2, 30S/25E-8P1 with 8P2, 30S/25E-3L1 with 4J5, 30S/25E-21G1 with 21C1, and 30S/25E-15C1 with 15H1),
- Rehabilitating five wells (30S/25E-6K1, 13J1, 14R1, 17M1, and 18D01),
- Recharge basin construction,
- Constructing pump facilities on the Kern Water Bank Canal
- Replacing recharge-basin control structures, and
- Graveling existing roads.

The replacement wells resulted in 1.5 acres of permanent disturbance and 4.0 acres of temporary disturbance. Approximately 1,000 acres of recharge basins were constructed. The other listed activities were all conducted on existing facilities on previously disturbed lands. A summary of all project disturbance is shown on Table 1. The 0.25 acres of temporary disturbance discussed in the 2018 report have reverted to habitat.

3.3 Security

Security patrols are conducted daily on KWB lands. The purpose of the patrols is to protect the property from trespassers, poachers, and thieves. Security issues included illegal dumping and trespassing. Illegal dump sites were cleaned up and trespassers were escorted out of the property.

3.4 Third Party Activities

Third party activities that occurred on the property in 2019 included:

- Ongoing oil recovery activities by Grayson Service, Inc., Crimson Resource Management Corporation, California Petroleum Group, Glendale Oil Company, and California Resources Corporation;
- Pipeline maintenance activities by SoCalGas;
- Bike Path construction by Kern County; and
- Minor pole-line maintenance activities conducted by PG&E.

One of the oil wells operated by Grayson Services, Inc. leaked crude oil in January 2020. KWBA staff reported the release to CDFW and USFWS and a CalOES report was filed (#20-0288). The leak and subsequent clean-up were inspected by CDFW-OSPR personnel, and a no further clean-up required report was issued. KWBA is not aware of any take associated with these activities.

A minor spill also occurred at a California Resources Corporation pipeline in December 2020. KWBA had South Valley Biology assess the spill area to identify any threats to sensitive resources. Most of the spill was onto existing roadway – a minor portion impacted a herbaceous area that contained five small mammal burrows. Clean-up in this area was by hand using shovels to avoid the burrows. A report describing the spill and clean-up is in Appendix B.

Table 1. Habitat Disturbance Summary in Acres.

Recharge Basins

	HCP/NCCP Estimated Disturbance	Actual Disturbance as of 12/31/20
Recharge Basins[1]	6,925	6,501

Permanently Disturbed Areas

	HCP/NCCP Estimated Disturbance	Actual Disturbance as of 12/31/20
Recovery Facilities	66	42
Conveyance Facilities	397	195
Kern River Reverse Flow	18	0
Roads	0	23
Total	481	260

Temporary Disturbed Areas

	HCP/NCCP Estimated Disturbance	Current Disturbance as of 12/31/20
Canal Construction	73	0
Well Replacement	0	4.0
Pipelines	218	0
Total	291	4.0

[1] Updated to includes the basins provided for in the minor amendment. Does not include 2,382 acres of basins in the farming area.

Tundra Swan (*Cygnus columbianus*)





4.0 Take, Mitigation Measures, and Avoidance and Minimization

The replacement wells resulted in 0.5 acres of permanent disturbance and 1.4 acres of temporary disturbance, and 1,000 acres of recharge basins were constructed, all in the Compatible Habitat Sector. No take of covered species occurred because of these activities. The amount of total project disturbance is listed in Table 1. The temporary disturbance areas are expected to revert to habitat in the near future. The permanent disturbance recorded for the replaced wells may also revert to habitat.

Mitigation measures for the minimization of impacts are prescribed in the IA[5]. They include: the use of a biological monitor, specific construction practices, practices for ongoing activities, notification requirements regarding listed animals, and special requirements for actions which might threaten fully protected species. All of the requirements are provided in Appendix C for reference.

The specific measures implemented in 2020 (and more fully described in Appendix C) for the activities described in Section 2.0 included:

- Use of a biological monitor prior to construction and maintenance activities that would disturb habitat,
- Oversight of construction and maintenance activities by KWBA personnel,
- Delineation of disturbance areas prior and during construction,
- Construction site review to ensure that no animals including kit foxes are trapped in pipes, culverts, or other like structures,
- Employee orientation in which endangered species concerns were explained,
- Equipment storage in non-habitat areas,
- Limiting traffic to existing roads and speeds of no more than 25 mph,
- Proper disposal of food-related trash and scraps,
- Prohibiting dogs (except for hunting) from the property, and
- Use of herbicides only in accordance with the Vegetation Management Plan.

[5] Implementation Agreement, Exhibit H, Minimization of Impacts Requirements.

Greater Roadrunner (*Geococcyx californianus*)





5.0 Adaptive Management, Monitoring Programs and Studies

The HCP/NCCP's Vegetation Management Plan (VMP) describes vegetation management and restoration practices for the long-term adaptive habitat management and enhancement of Kern Water Bank lands. The priorities of the adaptive management program are protection of sensitive habitat areas and control of exotic pest plants; the primary tools of the program are livestock grazing, mowing, and burning.

Section IV.B.1. of the HCP/NCCP requires rare plant surveys and monitoring of San Joaquin kit fox and Tipton kangaroo rat populations. The plant surveys are to be conducted at least every other year; the population monitoring is to be conducted annually. KWBA has also developed additional surveys and monitoring not required or described in the HCP/NCCP which includes an ongoing ornithological study and the development of an observation monitoring grid. These topics are discussed in more detail below.

5.1 Adaptive Management and Vegetation Monitoring

The primary tools available under the VMP, livestock grazing, mowing, and prescribed burning, are used to varying degrees in response to ever-changing conditions on KWB lands. Herbicide use for exotic pest plant control is also provided for in the VMP. South Valley Biology (SVB) oversees much of the adaptive management measures undertaken throughout the year on the KWB and also documents conditions at the Observation Monitoring Sites (see report in Appendix D).

5.1.1 Livestock Grazing

The primary goal of the grazing program is to minimize tumbleweeds and manage excessive growth. Tumbleweeds are an exotic pest which crowd out native species and create significant maintenance problems after windstorms. Cattle will graze on young palatable plants and in some cases trample older plants helping to minimize this problem.

Excessive growth of other plants can exacerbate mosquito problems and diminish habitat value for some species. Mosquitos prefer to breed in vegetation choked portions of basins rather than in open water. Heavy vegetation can also make it difficult to reach areas for abatement purposes. Grazing helps to minimize vegetation in basin bottoms before recharge events and along basin

margins during recharge events, thereby diminishing areas favorable to mosquito breeding and providing access for abatement.

Heavy vegetation can also diminish habitat value for many species. Long-term studies of carefully managed grazing programs have indicated reducing herbaceous cover to about 500 lbs per acre Residual Dry Matter (RDM) is beneficial to many native vertebrate species. This RDM value has been an informal goal of the grazing program on the KWB.

Precipitation in the winter of 2019-2020 exceeded average conditions (Figure 2), and approximately 17,000 acres were grazed at some time. Cattle numbers by area and month are shown with the graphs on Figure 3. The 2020 grazing program is discussed in detail in Appendix D.

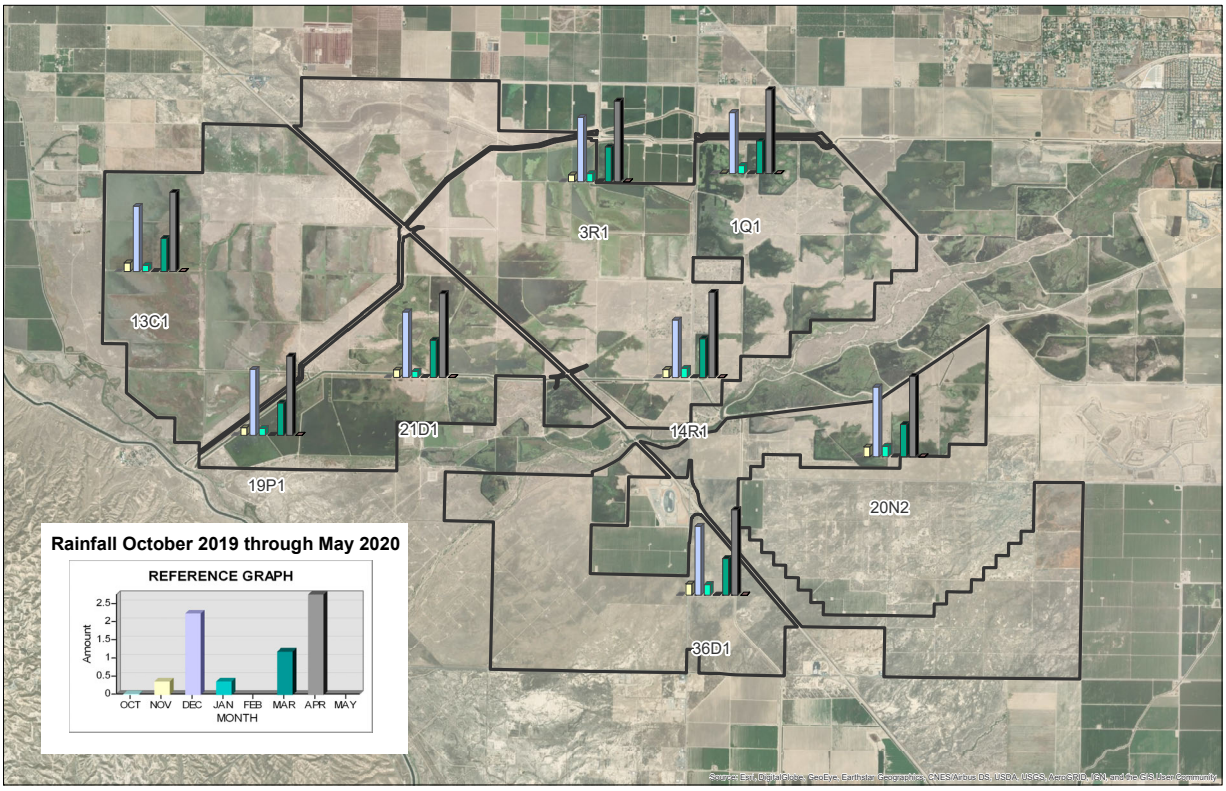


Figure 2. Rainfall in the 2019 – 2020 winter season.

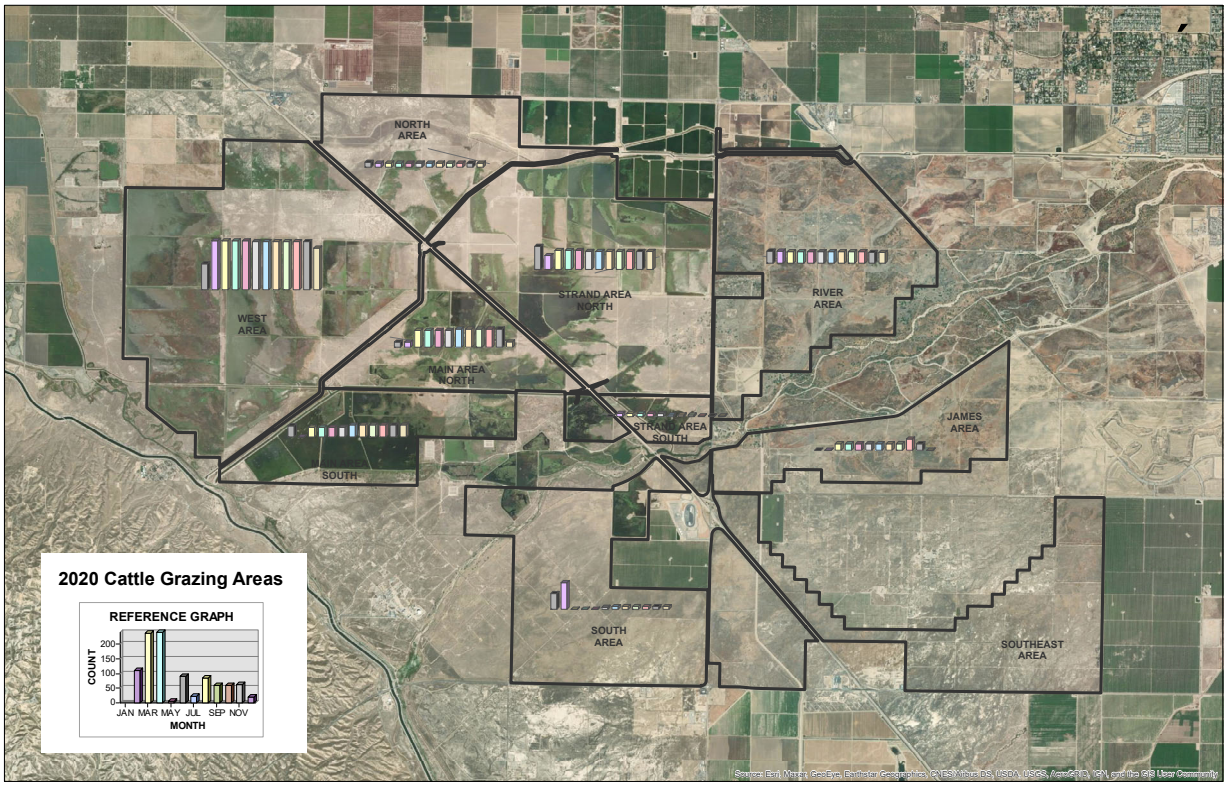


Figure 3. Areas grazed by cattle in 2020.

5.1.2 Mowing

Mowing was conducted primarily along existing roads and canals to manage plant encroachment and in areas covered by tumbleweed drifts or in basin bottoms choked with stands of dead cattails (Figure 3). The drifts of dead tumbleweeds prevent the germination of desirable native plants and can create significant maintenance issues when they blow into canals. The dead cattails can provide breeding sites for mosquitoes when basins are filled. Canal mowing was only used sparingly so that plant cover remained in place during nesting seasons and so that cover was available for animals using the canals as a water source. Approximately 1,700 acres, exclusive of areas along roads, were mowed in 2020.

5.1.3 Burning

No burning was conducted in 2020.

5.1.4 Herbicide Use

Herbicides (Diuron and Round-Up) were used to control weeds at well sites, along roads and fences, and at water control structures (Figure 4).

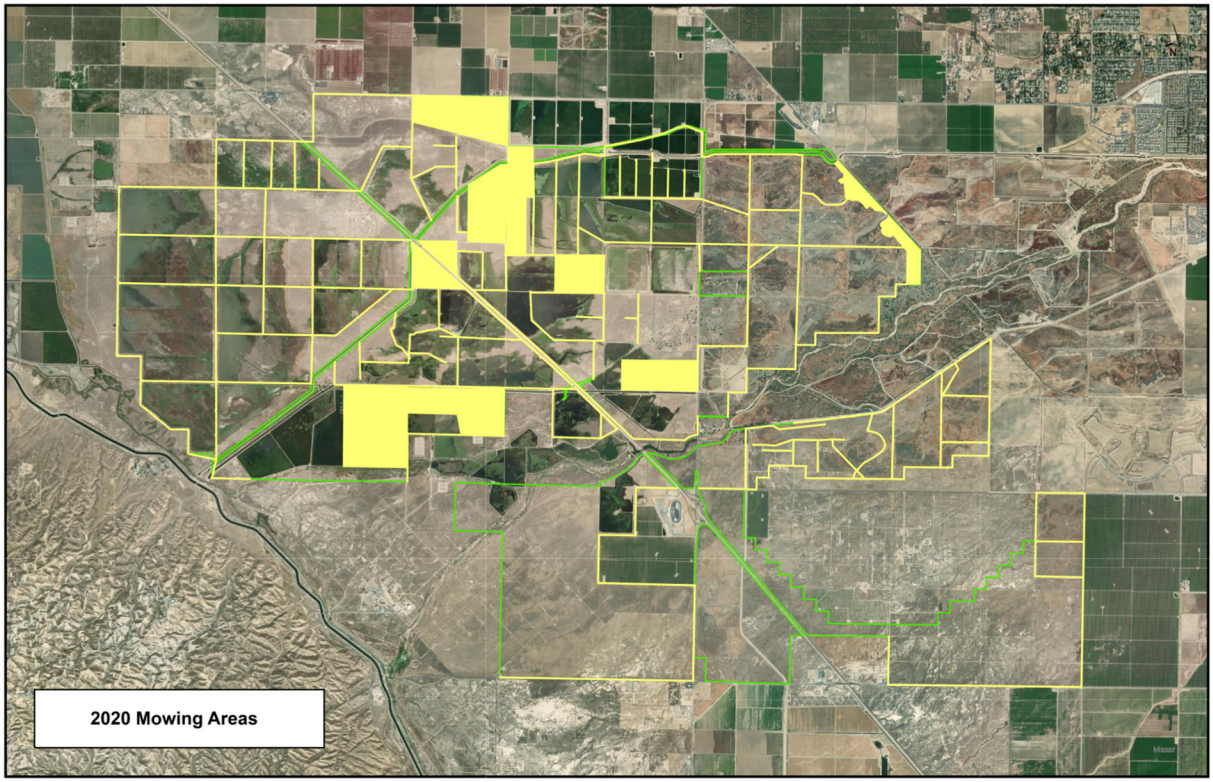


Figure 4. Areas mowed in 2019.

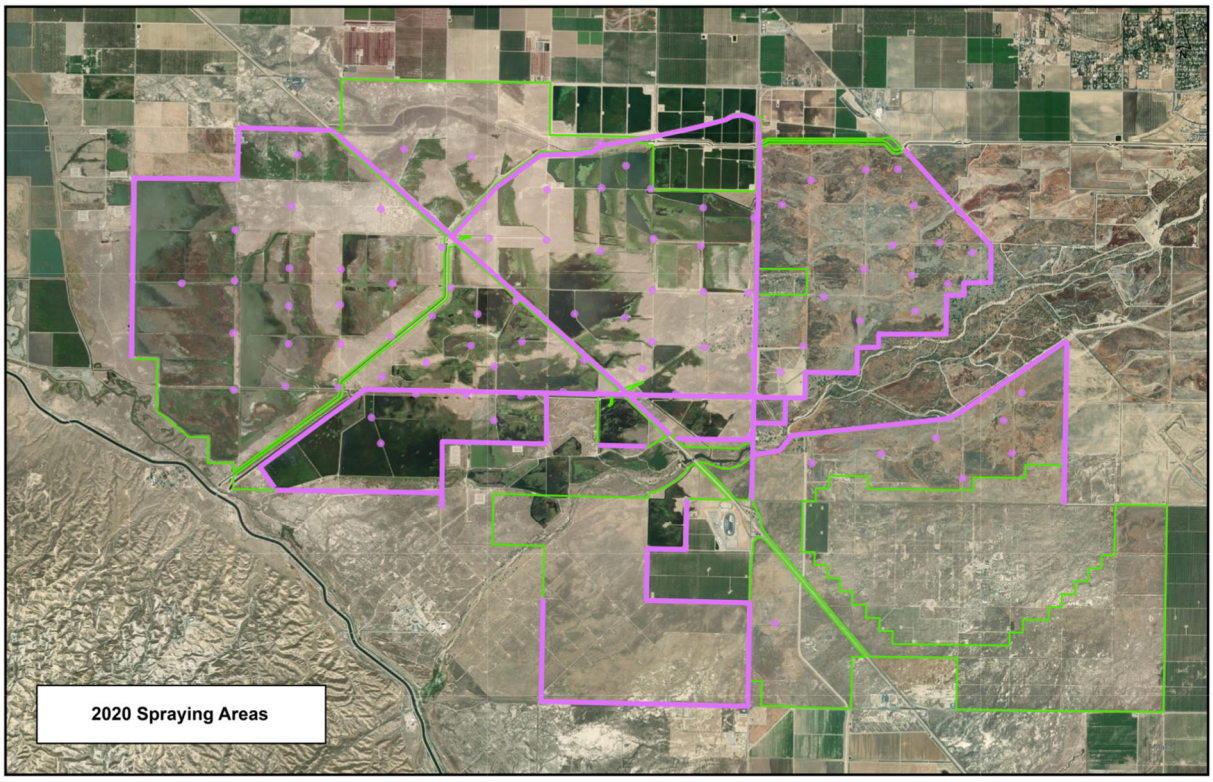


Figure 5. Areas sprayed in 2020.

5.1.5 Observation Monitoring Site Program

In 1999, KWBA conceived of and developed an observation monitoring program. This is a voluntary program not required by the HCP/NCCP. Eight sites, referred to as Observation Monitoring Sites (OMS) and representing different aspects of KWB habitat (e.g., canal, ditch, basin, uplands, conservation bank), were selected for surveys and the development of photographic records. Quarterly, staff and/or consultants have observed each site and collected data on weather conditions, general vegetation conditions, and any other pertinent information. Also, photographs were taken looking north, east, south, and west, to be compared with prior and future images to identify changes. KWBA will continue the quarterly OMS program, building a photographic record and informational database, which will help provide insight for adaptive management of different sectors of the KWB. The OMS report is provided in Appendix D.

5.2 Ornithological Studies

The Kern Water Bank Authority has commissioned ornithological surveys since 2011 to help document the benefits KWB lands provide to the region. This is another voluntary program not required by the HCP/NCCP. Surveys conducted during the wet winter and spring of 2011-2012 2016-2017, and 2018-2019 have documented substantial benefits to water birds provided by KWB recharge programs. These surveys also document significant benefits to upland birds and raptors in both wet and dry years. All told, these surveys have identified 219 species of birds on KWB lands.

5.2.1 Water Bird Surveys

Prior to the development of Kern County's water infrastructure, much of the area was intermittently flooded by the Kern River and other minor streams. This flooding supported extensive wetlands, marshes, and Kern and Buena Vista Lakes, all along the Pacific Flyway. Numerous canals and Isabella Dam were constructed during the 20th century to capture and regulate waters for beneficial uses. However, this redirection also resulted in a reduction in wetland and marsh habitats by as much as 90%.[6] The development of the Kern Water Bank (and

[6] Hundley, Norris, Jr., The Great Thirst, Californians and Water, A History, University of California Press, Berkley, CA.

other banking projects in Kern County) has re-established thousands of acres of intermittent wetlands in the region and provide much-needed habitat for migrating water birds.

Sterling Wildlife Biology has been contracted to complete bird surveys since October 2011 (see report in Appendix E). During that period, there have been three significant recharge events: December 2010 through January 2012, January 2017 through February 2018, and January 2019 through January 2020. Overall water bird numbers reached 35,000 for the 2011/2012 event, nearly 34,000 in December 2017, and nearly 12,000 water birds in the spring of 2019. Eighty-nine water bird species have been identified during these surveys, 10 of which are special-status species.

After the 2011/2012 survey, Sterling concluded that: "Overall, in terms of bird abundance, species diversity, acreage, location and habitat diversity, [the KWB] is one of the most important freshwater wetlands in California, especially when compared to other privately managed wetlands." For the 2017/2018 survey, he concluded that: "The watering of many recharge ponds from January 2017 to January 2018 had created exceptional conditions for most water birds. Forster's terns, Clark's and western grebes and several duck species had re-established breeding populations. A large white-faced ibis breeding colony of several hundred pairs also formed in M1 for spring 2017. Although peak population levels for some groups did not reach those of 2011-2012, there was still a sizeable population for all groups of water birds including some that exceeded the 2011-12 population peaks. As fish populations grew into late 2017, fish-eating birds, including herons, egrets, terns, gulls, grebes, double-crested cormorant and American white pelican numbers increased dramatically to take advantage of their fish prey. Ducks and American coots also boosted their populations in response to the increased aquatic vegetation and invertebrate prey. As ponds were drying in late winter and spring 2018, much mudflat was exposed creating ideal conditions for shorebird habitat. Shorebird numbers peaked at close to 8,000 by early spring." Sterling's full report is located in Appendix E.

5.2.2 Upland and Raptor Surveys

Further ornithological studies were initiated in August 2012 to document bird use of the project area absent recharge activities during the winter, spring migration and the start of the breeding seasons. Upland bird surveys were conducted on 9 fixed transects, whereas raptor surveys were

conducted by driving most water bank roads. A detailed report through May 2021 is provided in Appendix D. The results of the surveys can be summarized as follows:

- One hundred and thirty species of birds were identified during the upland surveys;
- Upland species richness did not vary significantly through time, but populations did;
- A comprehensive survey for raptors and loggerhead shrikes (Lanius ludovicianus) on the entire project area indicated the presence of high numbers of raptors including red-tailed hawks (Buteo jamaicensis) and loggerhead shrikes;
- Raptor and loggerhead shrike numbers declined significantly during drought conditions and increase dramatically during wet years;
- The surveys documented 16 species of raptors including: American kestrels, bald eagles, Cooper's hawks, ferruginous hawks, golden eagles, merlins, northern harriers, osprey, peregrine falcons, prairie falcons, red-shouldered hawks, red-tailed hawks, sharp-shinned hawks, Swainson's hawks, turkey vultures, and white-tailed kites;
- Twenty-five special-status bird species (not including the 10 waterbird species) have been identified during the raptor and upland bird surveys since the project began.

Several rare birds have also been identified during the surveys including: a black-throated sparrow, a clay-colored sparrow, eight Brewer's sparrows which were wintering, sage thrashers, a chesnut-collared longspur, an eastern phoebe, Cassin's kingbirds, a purple martin, Lucy's and Virginia's warblers, a little stint, a glossy sided ibis, a glaucous gull, a sandhill crane, and a neotropic cormorant.

Sterling states that: "The Kern Water Bank has exceptional habitats for birds and many rare birds will likely be found and documented in the future dependent upon survey efforts… The bird use of property managed by the Kern Water Bank Authority is clearly very high in accordance to the large acreages of upland habitats. Overall, in terms of bird abundance, species diversity, acreage, location and habitat diversity, it is an important area of upland habitat, especially when compared to surrounding agricultural lands."

5.3 Sensitive Species Monitoring

As discussed above, the HCP/NCCP requires rare plant surveys and the monitoring of San Joaquin kit fox and Tipton kangaroo rat populations. South Valley Biology Consulting LLC (SVB) was contracted to conduct these activities in 2019 (see report in Appendix F). Some key points from their report are presented below.

SVB utilized four methods to complete sensitive species monitoring:

- Nighttime spotlighting surveys to determine San Joaquin kit fox populations;
- Infrared motion camera stations to further determine San Joaquin kit fox populations;
- Small mammal trapping to determine Tipton kangaroo rat populations; and
- Site surveys for special-status plant species.

Two San Joaquin kit fox were identified during the spotlighting surveys. Other mammals that were identified during the surveys included: coyotes, American badgers, striped skunks, desert cottontails, black-tailed jackrabbits, and kangaroo rats. Raptors included barn owls, great-horned owls, northern harriers, and red-tailed hawks. Species identified with the infrared cameras included San Joaquin kit fox, black-tailed jackrabbit, desert cottontail, and striped skunk.

Small mammal trapping was conducted on two grids. One grid is located north of the Kern River in Sensitive Habitat (the "Strand" grid) and the other is located south of the Kern River in the Conservation Bank Area (the "Southeast" grid). Fourteen Tipton kangaroo rats were captured at the Southeast grid and one was captured at the Strand grid – both increases from the previous year. Other animals captured included Heermann's kangaroo rats, San Joaquin pocket mice and deer mice.

Importantly, San Joaquin antelope squirrels have also been observed in the conservation bank area for the first time in many years. Details of the sightings are provided in Appendix F.

Special-status plants identified on the KWB in 2019 included San Joaquin woolly threads (federally endangered), Hoover's wooly-star, recurved larkspur, Kern mallow, and oil neststraw.

Precipitation in the winter of 2019-2020 was favorable, resulting in vigorous growth of all species.

The SVB report provides a detailed discussion of factors that may have contributed to the changes seen in the populations of both wildlife and plants (Appendix F).

5.4 Miscellaneous Studies

The Endangered Species Recovery Program conducted camera surveys in 2017, 2019, and 2020 for San Joaquin Kit Foxes (SJKF) to determine if any that were sighted had mange. SJKF were identified in all of the surveys and none had mange. Other animals identified included coyotes, badgers, black-tailed jackrabbits, desert cottontails, striped skunks, roadrunners, common ravens, and great horned owls. The results of the surveys are presented in Appendix G.


American Badger (*Taxidea taxus*)



Coyote (*Canis latrans*)



Heermann's Kangaroo Rat (*Dipodomys heermanni*)

6.0 Conservation Bank Report

The Kern Water Bank Authority Conservation Bank was established concurrently with the HCP/NCCP by the Conservation Bank Agreement (CBA). The CBA provides for 3,267 Conservation Credits (Credits) representing one-acre each. These Credits are provided by the KWBA as mitigation for impacts to Covered Species in the Permit Area as authorized by USFWS and CDFW. The Agreement requires that KWBA file an Annual Report to the CDFW Agencies each year documenting:

- The number of Credits available, sold, used, eliminated, and suspended, both cumulatively and in the preceding year;
- The name and address of each party purchasing Credits and the number of Credits that were sold, optioned, or transferred in the preceding year;
- A map showing the portion of the KWB Conservation Bank for which KWBA has delivered a Conservation Easement to the Department, and the portion of the KWB Conservation Bank unencumbered by a Conservation Easement; and
- Copies of the annual reports submitted by the Included Parties.

Annual conservation credit transactions as required by the agreement are summarized in Table 2. In 2020, the credits for the Caltrans Bakersfield State Route 99 Rehabilitation Project were rescinded and transferred to the Caltrans State Route 46 Conv/Exwy Widening Project. KWBA also provided 4 conservation credits for one additional project for West Kern Water District. To date 1,471 of the 3,267 credits have been sold. The West Kern transaction provided $1,500 ($375 per credit) to the Endowment Fund held by CDFW.[7]

Figure 5 shows the portions of the Conservation Bank intended to be encumbered by Conservation Easements and the proposed Conservation Easement for 2020 transactions. Preliminary title reports for the proposed parcels are included in Appendix H. Pertinent correspondence related to Conservation Bank transactions, including the names and addresses of parties purchasing credits, is provided in Appendix I. A draft conservation easement is provided in Appendix J.

[7] Conservation Bank Agreement, Section 6.

Table 2. Conservation Bank Transaction Summary

Credit Certificate	Recipient	Project	Number of Credits
2019-01*	Caltrans	Bakersfield State Route 99 Rehabilitation Project	(9)
2020-01	Caltrans	State Route 46 Conv/Exwy Widening Project	9
2020-02	West Kern WD	Lateral 13 Freshwater Pipeline Replacement Project	4
		Total	4

* The credits for this project were transferred to 2020-01.

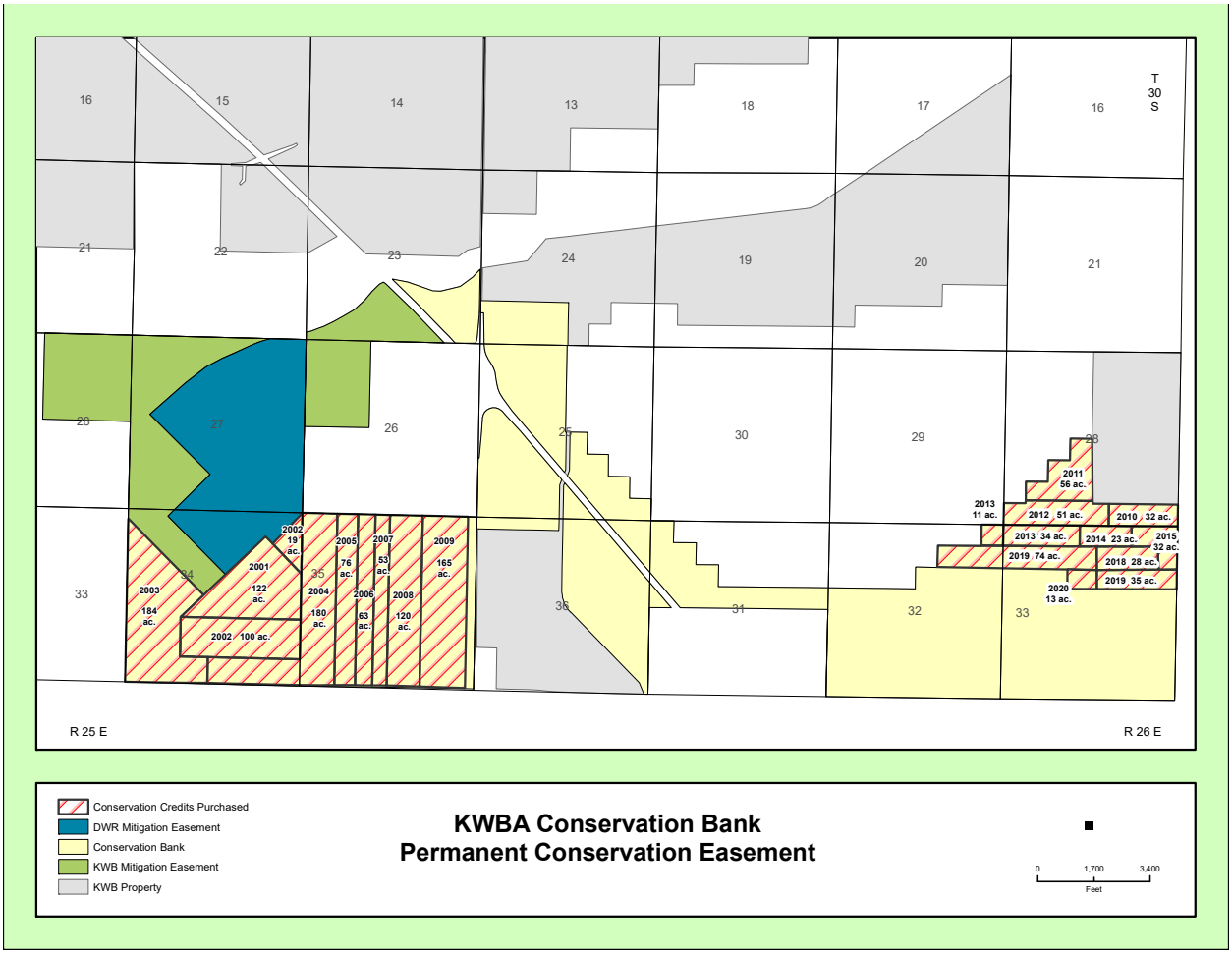


Figure 6. Proposed Conservation Bank Easements.

7.0 Management Plan

The Management Plan is to describe the operational activities contemplated for the Kern Water Bank during the next year, including construction, maintenance and repair of the infrastructure, and a description of the adaptive management activities to be carried out.[8]

7.1 Water Bank Operations and Construction

Precipitation levels in the 2020/2021 season have been very low and recovery operations are underway. These operations began January 25, 2021, and an estimated 56,000 acre-feet have been recovered through April 30. It is expected that recovery operations will continue through September. These recovery operations entail routine canal maintenance and well repairs as needed. These activities are conducted on existing facilities, and no new habitat disturbance occurred or is contemplated.

In addition to the activities associated with recovery operations, the following construction activities will continue:

- Replacement of recharge basin control structures and road crossings,
- Replacement, rehabilitation, and repair of wells, and
- Recharge basin maintenance.

In all cases, the appropriate Minimization of Impacts Requirements described in detail in Appendix C will be carried out.

7.2 Vegetation Management

KWBA expects to conduct limited grazing in portions of the KWB lands in 2021 in response to precipitation in the winter of 2020-2021 (Figure 6). Mowing, burning (when permissible), and herbicide applications will also be used where appropriate.

7.3 Hunting Programs

Very limited bird-hunting programs may be undertaken on KWB land.

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[8] Implementation Agreement, Section 3.3.5.

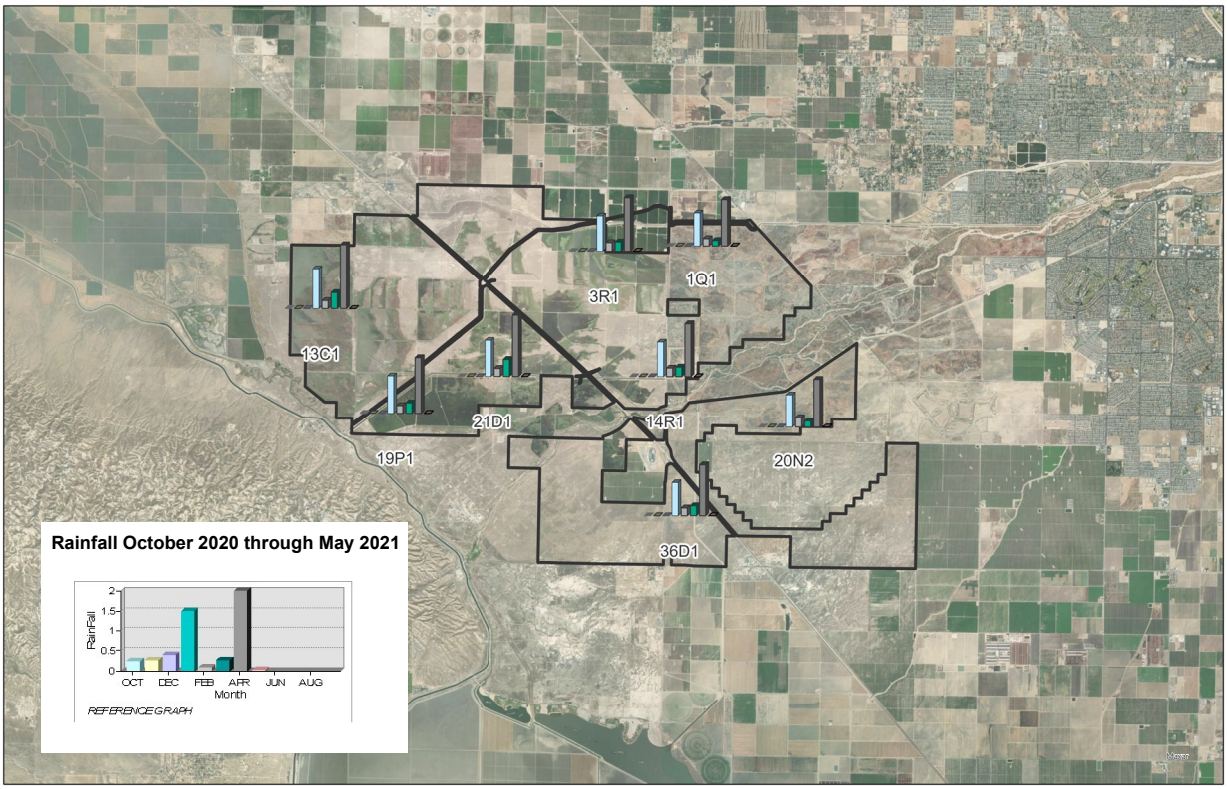


Figure 6. Rainfall for the 2020-2021 winter season.

8.0 Viability Fund Status and Financial Report

The KWBA Minor Amendment to the HCP/NCCP provided that the KWBA will provide funds to the Resource Agencies up to a total commitment of $75,000. No funds have been provided through December 31, 2019.

A copy of the "Kern Water Bank Authority Financial Statements - December 31, 2020 and 2019" is included in Appendix K. The independent accounting firms of Barbich Hooper, King, Dill & Hoffman and Brown Armstrong Accountancy Corporation prepared the financial statements and auditor's report, respectively. Total assets on December 31, 2020 were $85,296,160, current liabilities were $12,049,648, and long-term liabilities (debt) were $19,362,070.



American Coot (*Fulica americana*)



Clark's Grebes (*Aechmophorus clarkii*)



Western Grebes (*Aechmophorus occidentalis*)

9.0 Certification

Under penalty of law, I certify that, to the best of my knowledge, after appropriate inquiries of all relevant persons involved in the preparation of this report, the information submitted is true, accurate and complete.

Kern Water Bank Authority

By:

William D. Phillimore,
Chairman, Board of Directors

Date: July 13, 2021



Nesting Gadwalls (*Anas strepera*)

Cattle Egret (*Bubulcus ibis*)





10.0 Contact Information and Distribution List

The contact person for the KWBA is:

Jonathan Parker
Kern Water Bank Authority
1620 Mill Rock Way, Suite 500
Bakersfield, CA 93311
661-398-4900

Table 2. Report Distribution List

Binder	Download	Name	Address
1	1	Patricia Cole San Joaquin Branch Chief	USFWS 2800 Cottage Way #W2605 Sacramento CA 95825
0	1	Julie Vance Regional Manager	CDFW 1234 East Shaw Avenue Fresno, CA 93710
0	1	Justin Sloan	USFWS 1130 E. Shaw Ave, Suite 206 Fresno, CA 93710
1	1	Craig Bailey	CDFW 1234 East Shaw Avenue Fresno, CA 93710
0	1	Dave Hacker	CDFW 3196 S. Higuera St. Ste. A San Luis Obispo, CA 93401
0	1	Lori Bono	CDFW 1234 East Shaw Avenue Fresno, CA 93710
0	1	Steve Torigiani	Young Wooldridge 1800 - 30th Street, 4th Floor Bakersfield, CA 93301
0	1	Robert Thornton	Nossaman, Guthner, Knox, Elliott Lakeshore Towers #1800 18101 Van Karman Avenue Irvine, CA 92623-9772
0	1	Steve Jackson	Dudley Ridge Water District
0	1	David Beard	KCWA Improvement District 4
0	1	Jason Gianquinto	Semitropic Water Storage District
0	1	Dennis Atkinson	Tejon-Castac Water District
0	1	William Phillimore	Westside Mutual Water Co.
0	1	Kimberly Brown	Westside Mutual Water Co.
0	1	Rob Yraceburu	Westside Mutual Water Co.
0	1	Sheridan Nicholas	Wheeler-Ridge Maricopa Water Storage District
1	1	Jim Jones	South Valley Biology 6510 Montagna Drive Bakersfield, CA 93306

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Appendix A

Minor Amendment to the KWB HCP/NCCP



Flame Skimmer (*Libellula saturata*)

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KERN WATER BANK AUTHORITY

August 6, 2019

Charlton H. Bonham, Director
California Department of Fish and Wildlife
1416 Ninth Street, 12th Floor
Sacramento, CA 95814

RECEIVED
OCT 14 2019

Jennifer Norris, Ph.D
Field Supervisor
U.S. Fish and Wildlife Service
2800 Cottage Way, W2605
Sacramento, CA 95825

Re: Minor Amendment Number 3 to Kern Water Bank Habitat Conservation Plan/Natural Community Conservation Plan

Dear Director Bonham and Field Supervisor Norris:

This letter agreement ("Letter Agreement") evidences an agreement by and among the California Department of Fish and Wildlife ("Department"), United States Fish and Wildlife Service ("Service"), and the Kern Water Bank Authority ("Authority") (collectively referred to as the "Parties") to adopt a minor amendment ("Minor Amendment No. 3") to the above-referenced Habitat Conservation Plan/Natural Communities Conservation Plan dated October 2, 1997 ("KWB HCP/NCCP") as described below.

RECITALS

A. Effective July 16, 2019, the Department and the Authority agree that the January 17, 2002, ("Minor Amendment No. 2, 2002 Amendment") regarding 1) the Grant, aka Cheng Property and 2) the Powers Property referenced as the "Exchange Property" was never fully executed because it was not signed by the Service.

B. Effective June 23, 2004, the Department and the Service both approved and signed an amendment ("Minor Amendment No. 3, 2004 Amendment") to the KWB HCP/NCCP to increase the KWB Master Permit credit area according to the Revised Map 3 showing all of Kings County and a greater extent of the valley floor in both Tulare and Kern Counties.

C. Effective July 16, 2019, all Parties agree that Amendment 3 signed and executed by all Parties in 2004 to expand the Master Permit credit area is now effectively Amendment 2, 2002.

D. Effective July 16, 2019, all Parties agree that the Amendment signed by the Service in 2018, but not by the Department, was also never fully executed, making this Amendment 3, 2019.

E. Effective July 16, 2019, all Parties agree that the Authority entered into a California Wildlife Conservation Board Grant Agreement for Acquisition of Fee Interest, dated September

7, 2001, ("Grant Agreement") (attached hereto as Exhibit A) with the California Wildlife Conservation Board ("WCB") in which the Authority has acquired fee interest of approximately 495 acres of land in Kern County, California ("Grant Property") (legal description attached hereto as Exhibit B) for the purpose of wildlife habitat preservation, restoration and management, wildlife-oriented education and research, and for compatible public uses, all as may be consistent with wildlife habitat preservation. Up to five "withdrawal wells" and specified infrastructure may be installed on up to a limit of ten acres, however Recharge Basins are precluded on this property as it would be incompatible with wildlife habitat preservation for the species it is best suited, in this case upland sensitive and listed species.

F. The Authority has not reached the 481-acre limit on permanent disturbance for Facilities which the 635-acre Kern Water Bank Authority Mitigation Parcel ("KWBA Mitigation Parcel") was conveyed to compensate in the Grant of Conservation Easement - KWBA Mitigation Parcel, executed October 2, 1997 by KWBA and the California Department of Fish and Wildlife ("Department"), and agreed to by the Service ("Mitigation Parcel Grant"), attached hereto as Exhibit C, and with which the Authority desires to mitigate for limited water well construction.

G. The KWB HCP/NCCP Implementation Agreement states under Section 6.2 that Minor Amendments include, but are not limited to, the following:

(a) An increase in the size of the Recharge Basins and Other Water Banking Facilities Sector, so long as (1) the related diminution in acreage is taken from the Compatible Habitat Sector, Sensitive Habitat Sector, Farming Sector and/or Conservation Bank Land Sector; and (2) the increase in size does not exceed, in the aggregate with all previous increases, fifteen percent (15%) of the original size of the Recharge Basins and Other Water Banking Facilities Sector. A diminution of the Conservation Bank Land Sector shall require an amendment to the Conservation Bank Agreement to reflect the reduced number of Conservation Credits (as such term is defined in the Conservation Bank Agreement) available for use or sale by KWBA. Areas on which a Conservation Easement has been recorded pursuant to the Conservation Bank Agreement may not be reduced in size as a result of a Minor Amendment.

H. The KWB HCP/NCCP Implementation Agreement Section 6.2 on page 64 also authorizes the parties to approve "any proposed amendment which all Parties agree is a Minor Amendment". Therefore, provided all Parties, have determined and agree that Minor Amendment No. 3 described in this Agreement qualifies as a minor amendment as shown by signing this document, then it may be executed as a Minor Agreement under the Implementation Agreement.

I. The Authority acquired approximately 160 acres directly east of the Grant Property known as the "Nikkel Property". Because the northern 140 acres were used for agricultural lands, this area is suitable for Recharge Basins. Both Properties are shown on Exhibit D.

J. The Parties desire to amend the KWB HCP/NCCP mapping including Map 2, showing the boundaries of the Project Permit Area (Exhibit E) and Map 4, showing the land uses within the KWB (Exhibit F) to include the Grant Property and the Nikkel Property.

K. The County of Kern proposes to extend the Kern River Parkway Bike Path across a portion of Kern Water Bank lands including Conservation Bank lands and the KWB Mitigation Easement, but not across lands under Conservation Easement for already allocated Conservation Bank credits, shown on Exhibit G.

L. The Parties desire to amend the KWB HCP/NCCP to:

(1) include the Grant Property and the Nikkel Property in the Permit Area increasing the area from 19,900 acres to 20,555 acres;

(2) authorize the incidental take of Covered Species as a result of Permitted Uses in accordance with the applicable provisions of the HCP/NCCP, and this Minor Amendment No. 3;

(3) designate 495 acres of the Grant Property as Compatible Habitat;

(4) designate 140 acres of the Nikkel Property as Recharge Basin, and designate 20 acres of the Nikkel Property as Compatible Habitat;

(5) increase the cumulative total acreage of Recharge Basin within the boundaries of the Permit Area, as expanded by this Minor Amendment No. 3, from 5,900 acres to 6,925 acres (consisting of an addition of 885 acres within the original boundaries of the Permit Area plus 140 acres within the Nikkel Property);

(6) modify the Threatened/Endangered Species Viability Fund;

(7) authorize the take of Covered Species incidental to the construction, operation, maintenance and use of the Kern River Bikeway Path on KWB lands as described in this Letter Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

1. The KWB HCP/NCCP is hereby amended as follows:

(a) Section II.D ("CONSTRUCTION OF FACILITIES") of the KWB HCP is hereby amended to add at the end thereof the following:

> "Activities Within Wildlife Conservation Board Grant Property. KWBA may install and maintain up to 5 " withdrawal wells'" on the property ("Grant Property ") that is the subject of the Wildlife Conservation Board Grant Agreement dated September 7, 2001, between KWBA and the Wildlife Conservation Board, including any necessary pipelines, roadways and electrical connections to operate within the water bank system as designed by KWBA. Wells shall be designed and installed to minimize the disruption of existing habitat and under no circumstances shall the areas permanently disturbed for construction of wells, roads, pipelines and other improvements on the Grant Property exceed ten (10) acres. Recharge Basins shall be prohibited on this Property."

(b) All references in the HCP/NCCP to the total acreage of Compatible Habitat shall be changed from 5,592 acres to 5,222 acres with the addition of 495 acres from the Grant Property and 20 acres from the Nikkel Property and the reduction of 885 acres for

the added recharge within the original boundaries of the Permit Area. All references in the HCP/NCCP to acreage of Recharge Basins shall be changed from 5,900 acres to 6,925 acres.

(c) Map 2 of the KWB HCP/NCCP, showing the boundaries of the Project Permit Area and Map 4, showing the land uses within the KWB, are hereby amended to incorporate the Grant Property and the Nikkel Property. All references in the KWB HCP/NCCP to the Permit Area in the KWB HCP/NCCP are revised to include the Grant Property and the Nikkel Property. All references in the KWB HCP/NCCP to the total acreage in the Permit Area shall be changed from 19,900 acres to 20,555 acres. Map 2 of the KWB HCP/NCCP, is replaced with "Map 2 Permit Area Revised" attached hereto as Exhibit E.

(d) Map 4 of the KWB/NCCP, is replaced with "Map 4 – Land Use Plan Revised" attached hereto as Exhibit F.

(e) The incidental take authorizations provided pursuant to the KWB HCP/NCCP shall be deemed to include (i) the authority to conduct the Permitted Activities described in this Minor Amendment No. 3 subject to the applicable restrictions in the HCP/NCCP as amended by this Minor Amendment No. 3, and (ii) the construction, maintenance, operation and use of the Kern River Bikeway Path on KWB land shown on Exhibit G.

(f) The first paragraph of Section V.C.3 of the HCP/NCCP is amended to read as follows:

> **"3. Threatened/Endangered Species Viability Fund**
>
> The fund will be funded over time in the sum of $75,000. The KWBA will provide funds to the Resource Agencies up to a total commitment of $75,000. The KWBA will send periodic statements for this fund to the Resource Agencies."

(g) The first bullet point in the first paragraph of Section V.E.1.a. of the HCP/NCCP is amended to read as follows:

> "An increase in the size of the Recharge Basins and Other Water Banking Facilities Sector, so long as (1) the related diminution in acreage is taken from the Compatible Habitat Sector, Sensitive Habitat Sector, Farming Sector or Conservation Bank Land Sector; and (2) the increase in size does not exceed, in the aggregate with all previous increases, 15% of the original 6,381-acre size of the Recharge Basins and Other Water Banking Facilities Sector.
>
> A reduction in the size of the Recharge Basins and Other Water Banking Facilities Sector, so long as (1) the related increase is added to the Compatible Habitat Sector, Sensitive Habitat Sector

or Conservation Bank Land Sector; and (2) the decrease in size does not exceed, in the aggregate with all previous decreases, 15% of the original 6,381-acre size of the Recharge Basins and Other Water Banking Facilities Sector."

2. All terms of the KWB HCP/NCCP as amended, and all exhibits thereto, not expressly amended by this Letter Agreement shall remain in full force and effect.

3. Minor Amendment No. 3 to the KWB HCP/NCCP described herein shall take effect upon the execution of this Letter Agreement by all the Parties.

4. Unless otherwise specified herein, all capitalized terms in this Letter Agreement shall have the same meaning as provided in the KWB HCP/NCCP. This Letter Agreement may be executed in counterparts.

If the foregoing is acceptable to you, please execute this Letter Agreement in the space indicated below and return a copy to the undersigned.

Very truly yours,

William D. Phillimore, Chairman

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

By: _____ Date: 9/5/19

Charlton H. Bonham, Director

UNITED STATES FISH AND WILDLIFE SERVICE

By: _____ Date: 10/1/19

Jennifer Norris, Field Supervisor

cc:

Robert Thornton
Nossaman LLP
Lakeshore Towers, Suite 1800
18101 Van Karman Avenue
Irvine, CA 92623-9772

List of Exhibits

Exhibit A:	California Wildlife Conservation Board Grant Agreement for Acquisition of Fee Interest dated September 7, 2001.
Exhibit B:	495 Acre ("Grant Property") Legal Description
Exhibit C:	Grant of Kern Water Bank Conservation Easement-KWBA Mitigation Parcel dated October 2, 1997.
Exhibit D:	Map showing the Grant Property and the Nikkel Property
Exhibit E:	Map 2 Revised
Exhibit F:	Map 4 Revised
Exhibit G:	Map of Kern River Bikeway Path on KWB land

CALIFORNIA WILDLIFE CONSERVATION BOARD
GRANT AGREEMENT FOR ACQUISITION OF FEE INTEREST

Grantee's Full, Legal Name: KERN WATER BANK AUTHORITY

Grantee's Address: P. O. Box 80607
Bakersfield, California 93380-0067

Project Name: Kern Valley Floor Habitat Conservation Plan (VFHCP)

Grant Agreement Number: WC-1049WG

Notices to be delivered to:

For Grantee:	Project Manager Kern Water Bank Authority P O. Box 80607 Bakersfield, California 93380-0607
For Grantor:	Executive Director Wildlife Conservation Board 1807 13th Street, Suite 103 Sacramento, CA 95814-7117
With courtesy copy to	Director Department of Fish and Game 1416 Ninth Street Sacramento, CA 95814

Pursuant to Chapter 4, Division 2 (commencing with Section 1300) of the California Fish and Game Code, the Wildlife Conservation Board ("Grantor") hereby grants to **KERN WATER BANK AUTHORITY** (KWB) ("Grantee"), the sum of **SIX HUNDRED AND FIVE THOUSAND** Dollars ($605,000.00) ("Grant Funds"), on the following terms and conditions of this Grant Agreement for Acquisition of Fee Interest ("Agreement").

EXHIBIT A

TERMS AND CONDITIONS OF GRANT

1. PURPOSE OF GRANT

Grantor is making this Grant for the purpose of facilitating the Grantee's acquisition of 495± acres of land, more or less, located southwest of the City of Bakersfield, Kern County, California (the "Property"). The Property is more particularly described in **Exhibit A**, which is attached hereto and made a part hereof by this reference.

Grantee agrees that if the Grant Funds are received and it acquires the Property, such acquisition will be for the purposes of wildlife habitat preservation, restoration and management, wildlife-oriented education and research, and for compatible public uses, all as may be consistent with wildlife habitat preservation and the operation of the Kern Water Bank.

2. CONDITIONS OF GRANT

2.1.Conditions Precedent. As conditions precedent to Grantor's obligation to deposit the Grant Funds in escrow:

i. Grantee and Grantor understand and agree that Grant Funds will be used as purchase money only, which excludes escrow and title fees and any other fees and costs incurred to accomplish the transaction and the conveyance of the Property

ii. Grantee includes as **Exhibit B** hereof a true copy of such resolution or other formal action of Grantee's governing Board as will provide evidence that the signatory hereto has been duly authorized to execute this Agreement on behalf of Grantee; and

iii. Grantor shall have reviewed and approved all documents pertaining to Grantee's acquisition of the Property, including any appraisals, preliminary title reports, agreements for purchase and sale, escrow instructions and the instruments of conveyance. Such review and approval by Grantor shall be timely and shall not be unreasonably withheld.

2.2. Essential Conditions. Upon the last to occur of (1) receipt of the Grant Funds and (2) acquisition of the Property, Grantee agrees:

i. that it will use, operate, maintain and manage the Property consistent with the "PURPOSE OF GRANT" as stated in Article 1 hereof.

ii. that, subject to mutual agreement of Grantor and Grantee regarding text and design, it will post signs on the Property to indicate the participation of Grantor and Department of Fish and Game (DFG) in the purchase of the Property, provided however, that the sign shall display Grantor's logo, as shown on **Exhibit C**, which is attached hereto and made a part hereof by this reference

iii. that the Property (including any portion of it or any interest in it) may not be sold or exchanged without the written approval of the State of California, through the Executive Director of the Wildlife Conservation Board (WCB), or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained and all the Grant conditions must be passed on to any successor in interest.

iv. that the Property (including any portion of it or interest in it) may not be used as security for any debt without the written approval of the State of California, acting through the Executive Director of WCB, or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained.

v. that Grantee shall record, concurrently with close of escrow in the purchase of the Property, a Memorandum of Unrecorded Grant Agreement, incorporating by reference this Agreement and giving public notice that Grantee received funds under this Agreement in order to assist Grantee in acquiring the Property and that, in consideration for the receipt of the Grant Funds, Grantee has agreed to the terms of this Agreement. The Memorandum shall be in the form attached hereto as **Exhibit D**.

3. BREACH OF ESSENTIAL CONDITIONS

3.1. In the event of Grantee's breach of any of the Grant conditions in section 2.2, Grantor shall give written notice to Grantee, describing such breach. Notice shall be deemed given when deposited in the U.S. Post Office, postage prepaid, addressed to Grantee, or by personal delivery to Grantee's place of business.

3.2. If Grantee does not, within ninety (90) days of notice given, cure the breach described in Grantor's section 3.1 notice or, in the event the breach is not curable within said ninety (90) days, Grantee fails to commence such cure, then Grantee shall be in default ("Default") under this Agreement.

4. REMEDIES

In the event of a Default under this Agreement, Grantor shall be entitled to receive, at Grantor's election, one of the following as the remedy for Grantee's Default:

a. Reimbursement to Grantor of the entire sum granted to Grantee pursuant to this Agreement, together with interest compounded semi-annually starting from the date of this Agreement to and including the date of default, at a rate equivalent to that which is being earned at the time of default on deposits in the State of California's Pooled Money Investment Account.

b. Conveyance by Grantee of a conservation easement in favor of the State, or at the election of Grantor, in favor of a qualified non-profit organization, together with a sum to Grantor which, when combined with the fair market value of the conservation easement, equals the sum granted to Grantee pursuant to this Agreement, together with interest payable at a rate equivalent to that which is being earned at the time of default on deposits in the State of California's Pooled Money Investment Account. The conservation easement shall be for the purposes of wildlife habitat preservation, restoration and management, wildlife-oriented education and research, and for compatible public uses, all as may be consistent with wildlife habitat preservation. The value of the conservation easement shall be determined by a fair market appraisal, as approved by Grantor and the State Department of General Services, to the extent required by law.

5. ADDITIONAL TERMS

5.1. Disbursement Procedure. Grantor shall disburse the Grant Funds according to the following procedure. When Grantee is ready to complete acquisition of the Property, Grantee shall request the disbursement of the Grant Funds by sending a letter to the Executive Director of the Wildlife Conservation Board. The letter shall be signed by an authorized representative of Grantee and shall contain all of the following:

a. Name and address of Grantee;

b. Number of Grant Agreement;

c. Dollar amount of Disbursement;

d. Name, address and telephone number of the title company or escrow holder, and the escrow account number to which the Grant Funds will be disbursed; and

e. A statement by Grantee that all funds (exclusive of the Grant Funds to be provided under this Agreement) needed for completion of acquisition of the Property have been secured and have been or will be deposited to escrow at or about the same date as the requested Grant Funds. In making this statement, Grantee shall be entitled to reasonably rely on the representations of the transferor of the Property.

After approval of this Agreement by WCB, and upon receipt of the letter from Grantee requesting the disbursement of Grant Funds, Grantor will promptly and timely [estimated to be sixty (60) working days from the date the request is received] disburse Six Hundred and Five Thousand Dollars ($605,000) into the designated escrow account.

5.2. Liability. Grantee agrees to indemnify, hold harmless and defend Grantor, the State of California, its officers, agents, and employees against any and all claims, demands, damages, costs, expenses or liability based solely on Grantee's use or ownership of the Property.

5.3. Amendment. This Agreement may be modified only with the written approval of Grantor and Grantee. No oral understanding or agreement not incorporated in this Agreement shall be binding on either of the parties.

5.4. Expiration.

5.4.1. Unless it has been terminated earlier as provided in section 5.5.1. hereof, this Agreement shall expire on June 30, 2002, if Grantee has not, on or before such date, closed escrow for the acquisition of the Property.

5.4.2. After close of escrow for the acquisition of the Property, unless this Agreement has previously expired or been terminated, this Agreement shall remain

in full force and effect for the purpose of securing compliance with the "PURPOSE OF GRANT" provisions set forth above.

5.5. Termination.

5.5.1. Prior to the last to occur of (1) Grantor's deposit of the Grant Funds into escrow and (2) Grantee's close of escrow for acquisition of the Property, either party may terminate this Agreement for any reason or for no reason, by providing the other party with a minimum of fifteen (15) days' written notice of such termination.

5.5.2. Any time after the close of escrow for the acquisition of the Property, Grantee shall have the right to terminate the Agreement by:

i. providing written notice to Grantor of Grantee's election to terminate this Agreement; and

ii. reimbursing Grantor the entire sum granted to Grantee pursuant to this Agreement, together with interest payable at the rate equivalent to that which is being earned at the time of termination on deposits in the State of California's Pooled Money Investment Account, or at the election of Grantor, the granting of a conservation easement to the State, or at Grantor's election, to a qualified non-profit organization, together with a sum to Grantor which, when combined with the fair market value of the conservation easement, has a value equal to the entire sum granted to Grantee pursuant to this Agreement, together with interest compounded semi-annually, starting from the date of this Agreement to and including the date of termination, at a rate equivalent to that which is being earned on deposits in the State of California's Pooled Money Investment Account at the time of termination. The conservation easement must be for the purposes of wildlife habitat preservation, restoration and management, wildlife-oriented education and research, and for compatible public uses, all as may be consistent with wildlife habitat preservation. The fair market value of the conservation easement shall be determined by an appraisal, as approved by Grantor and the State Department of General Services, to the extent required by law.

5.5.3. In the event of any termination of this Agreement in accordance with its terms, neither party will have any right or remedies against the other party except as provided herein, and each party shall cooperate with the other party to execute such documents as may be necessary to clear title to the Property

5.6. Authorization. This Agreement shall be deemed executed and effective when signed by both authorized representatives of each party and then received in the respective offices of Grantor and Grantee. An authorized representative of Grantor and Grantee shall sign four originals of this Agreement. Grantor shall receive three completely executed originals and Grantee shall receive one completely executed original.

5.7. Designee. All references herein to "Grantee" are intended to refer to Grantee or its designee, successor or assignee as may be approved by Grantor to the extent such approval is required under this Agreement.

6. AUDIT

Grantee shall maintain complete and accurate records of its actual project costs and shall retain said records throughout the term of the Agreement and for a period of three (3) years after final disbursement. During such time, said records shall be made available to the State of California for audit purposes during normal business hours. Expenditures not documented, and expenditures not allowed under the Agreement or otherwise authorized by Grantor shall be borne by Grantee. The audit shall be confined to those matters connected with the Agreement, including but not limited to, the administration and overhead costs.

7 Kern Water Bank Authority - Wells

The Kern Water Bank Authority shall have the right to install and maintain up to 5 "withdrawal wells" on the above described property. Each well shall have necessary piping, roadways and electrical connections to operate within the water bank system as designed by KWB. KWB shall design and install such wells to minimize the disruption and or destruction of existing habitat and under no circumstances shall the permanent disturbance of the "well areas", roads and or pipeline corridors exceed a total of 10 (ten) acres.

The signature of the Executive Director certifies that at the Board meeting held on August 30, 2001, the Wildlife Conservation Board authorized the award of an acquisition grant to Grantee as provided herein.

This Agreement is made and entered into this 7 day of September, 2001, in the State of California, by and between the Wildlife Conservation Board

and Kern Water Bank Authority, each of which does hereby agree to the terms and conditions referenced on pages 1 through 12, along with Exhibits, of this Agreement.

STATE OF CALIFORNIA
WILDLIFE CONSERVATION BOARD

By: Al Wright
Al Wright

Title: Executive Director

Date: 9/12/01

KERN WATER BANK AUTHORITY

By:

Title: Chairman

Date: 8-28-01

KERN COUNTY VAL / FLOOR HABITAT CONSERV. ON PLAN (VFHCP)

CERTIFICATION:

I hereby certify that sufficient funds are available to award this Grant.

Roxanne Woodward 8/23/01

Fiscal Officer

Date

FUNDING/CERTIFICATION

Grantee: Kern Water Bank Authority

WCB Grant Agreement: WC-1049WG

WCB Grant Amount: $605,000.00

Fund Source: Special Deposit Fund

Appropriation Item: Chapter 121, Statutes of 1945, 3640-601-0942

Expenditure Code: 01-1000-811-61100 ($302,500.00)

Fund Source: United States Fish and Wildlife Service, Section 6 Funds
Assignment of portion of Cooperative Agreement 114208J198
($302,500.00)

EXHIBIT B

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Kern, Unincorporated Area, described as follows:

Parcel 1:

The Northwest Quarter of Fractional Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Except all interest conveyed to Tenneco Oil Company, a Delaware corporation, in Assignment and Conveyance thereof recorded November 18, 1988 in the office of the Kern County Recorder, in Book 6183 of Official Records, at Page 1167, which interest can be briefly summarized as all oil, gas and other liquid and gaseous hydrocarbons, and in addition thereto carbon dioxide, hydrogen, helium, nitrogen, methane, sulfur (in each case in either liquid or gaseous form) and any other liquid or gaseous substances, inert or otherwise, or any of them, and any minerals or other substances produced in association therewith ("hydrocarbons") in, on or under the premises, together with all rights, privileges, duties and responsibilities in any way related thereto. Grantee acknowledges that this reservation is fully set forth in the conveyance referred to above and that it takes title subject to that conveyance and not subject to this summary which is for convenience only. Said Assignment and Conveyance was clarified by First Amendment thereof recorded January 17, 1989 in Book 6200 of Official Records, at Page 1908

Also except all other minerals of whatever kind or character, all herein collectively called 'minerals' not conveyed to Tenneco Oil Company whether such minerals are now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word) which are in, under or may be produced from the premises, all salt water, brines and geothermal resources, in, under or may be produced from said real property; the exclusive right, by whatever methods now or hereafter know, as grantor or its successors or assigns may deem advisable, to prospect for, investigate for, explore for, drill for, produce, extract, remove and reduce to possession and ownership, all such minerals, salt water, brines and geothermal resources, which are in, under or may be produced from the premises; the exclusive right to drill into and through the premises to explore for and thereafter produce and extract minerals, salt water, brines and geothermal resources which may be produced from adjacent property; the right to lay, construct, erect and

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EXHIBIT B

place upon and in the premises, and use, maintain and operate thereon and thereafter remove, all machinery, fixtures, equipment, pipelines, telephone lines, electric power lines, roads, and other structures and facilities as grantor or its successors or assigns may deem advisable, for the exercise and enjoyment of the rights herein excepted and reserved; the exclusive right to treat, process, (but not refine), store upon and remove from the premises such minerals, salt water, brines and geothermal resources; the exclusive right to produce and extract such minerals by such method or methods as grantor or its successors or assigns may deem advisable; the right at all times, without charge, to investigate for, explore for, drill for, produce, remove and reduce to possession and ownership, those quantities of fresh water from aquifers underlying said real property deemed necessary by grantor or its successors or assigns to use in prospecting, exploring, drilling, producing, extracting and removing or other operations in connection with the full enjoyment and exercise of the rights herein excepted and reserved and any and all other rights upon said real property as grantor or its successors or assigns deems necessary, incidental to, or convenient, whether alone or cojointly with neighboring lands, in exploring for, producing and extracting the minerals, salt water, brines and geothermal resources herein excepted and reserved; and the unlimited and unrestricted rights of access to said minerals, salt water, brines and geothermal resources and of ingress and egress to and from, over and across said real property for all purposes deemed advisable by grantor or its successors or assigns in the exercise of the rights excepted and reserved herein; provided, however, that grantor, or its successors and assigns, upon being provided proof thereof, shall compensate grantee or its successors and assigns (a) for any and all actual damage to improvements and growing crops upon said real property which is causes by the exercise of the rights excepted and reserved herein, and (b) the reasonable value of the lands used for actual development and extraction of such mineral rights, as reserved by Kuang Shui Cheng and Yin Ray Cheng, husband and wife, as joint tenants, in deed recorded April 30, 1991 of Official Records.

Parcel 2:

The Northeast quarter of Section 5, Township 30 South, Range 28 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof

Except all interest conveyed to Tenneco Oil Company, a Delaware corporation, in Assignment and Conveyance thereof recorded November 18, 1988 in the office of the Kern County Recorder, in

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Book 6183 of Official Records, at Page 1167, which interest can be briefly summarized as all oil, gas and other liquid and gaseous hydrocarbons, and in addition thereto carbon dioxide, hydrogen, helium, nitrogen, methane, sulfur (in each case in either liquid or gaseous form) and any other liquid or gaseous substances, inert or otherwise, or any of them, and any minerals or other substances produced in association therewith ("hydrocarbons") in, on or under the premises, together with all rights, privileges, duties and responsibilities in any way related thereto. Grantee acknowledges that this reservation is fully set forth in the conveyance referred to above and that it takes title subject to that conveyance and not subject to this summary which is for convenience only. Said Assignment and Conveyance was clarified by First Amendment thereof recorded January 17, 1989 in Book 6200 of Official Records, at Page 1908.

Also except all other minerals of whatever kind or character, all herein collectively called "minerals" not conveyed to Tenneco Oil Company whether such minerals are now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word) which are in, under or may be produced from the premises; all salt water, brines and geothermal resources, in, under or may be produced from said real property; the exclusive right, by whatever methods now or hereafter know, as grantor or its successors or assigns may deem advisable, to prospect for, investigate for, explore for, drill for, produce, extract, remove and reduce to possession and ownership, all such minerals, salt water, brines and geothermal resources, which are in, under or may be produced from the premises, the exclusive right to drill into and through the premises to explore for and thereafter produce and extract minerals, salt water, brines and geothermal resources which may be produced from adjacent property; the right to lay, construct, erect and place upon and in the premises, and use, maintain and operate thereon and thereafter remove, all machinery, fixtures, equipment, pipelines, telephone lines, electric power lines, roads, and other structures and facilities as grantor or its successors or assigns may deem advisable, for the exercise and enjoyment of the rights herein excepted and reserved; the exclusive right to treat, process, (but not refine), store upon and remove from the premises such minerals, salt water, brines and geothermal resources; the exclusive right to produce and extract such minerals by such method or methods as grantor or its successors or assigns may deem advisable; the right at all times, without charge, to investigate for, explore for, drill for, produce, remove and reduce to possession and ownership, those quantities of fresh water from aquifers underlying said real property deemed necessary by grantor or its successors or assigns to use in prospecting, exploring, drilling, producing,

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extracting and removing or other operations in connection with the full enjoyment and exercise of the rights herein excepted and reserved and any and all other rights upon said real property as grantor or its successors or assigns deems necessary, incidental to, or convenient, whether alone or cojointly with neighboring lands, in exploring for, produting and extracting the minerals, salt water, brines and geothermal resources herein excepted and reserved; and the unlimited and unrestricted rights of access to said minerals, salt water, brines and geothermal resources and of ingress and egress to and from, over and across said real property for all purposes deemed advisable by grantor or its successors or assigns in the exercise of the rights excepted and reserved herein; provided, however, that grantor, or its successors and assigns, upon being provided proof thereof, shall compensate grantee or its successors and assigns (a) for any and all actual damage to improvements and growing crops upon said real property which is causes by the exercise of the rights excepted and reserved herein, and (b) the reasonable value of the lands used for actual development and extraction of such mineral rights, as reserved by Kuang Shui Cheng and Yin Ray Cheng, husband and wife, as joint tenants, in deed recorded April 30, 1991 of Official Records.

Parcel 3:

The Northwest quarter of Section 5, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof

Except all interest conveyed to Tenneco Oil Company, a Delaware corporation, in Assignment and Conveyance thereof recorded November 18, 1988 in the office of the Kern County Recorder, in Book 6183 of Official Records, at Page 1157, which interest can be briefly summarized as all oil, gas and other liquid and gaseous hydrocarbons, and in addition thereto carbon dioxide, hydrogen, helium, nitrogen, methane, sulfur (in each case in either liquid or gaseous form) and any other liquid or gaseous substances, inert or otherwise, or any of them, and any minerals or other substances produced in association therewith ("hydrocarbons") in, on or under the premises, together with all rights, privileges, duties and responsibilities in any way related thereto. Grantee acknowledges that this reservation is fully set forth in the conveyance referred to above and that it takes title subject to that conveyance and not subject to this summary which is for convenience only. Said Assignment and Conveyance was clarified by First Amendment thereof recorded January 17, 1989 in Book 6200 of Official Records, at Page 1908

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improvements and growing crops upon said real property which is causes by the exercise of the rights excepted and reserved herein, and (b) the reasonable value of the lands used for actual development and extraction of such mineral rights, as reserved by Kuang Shui Cheng and Yin Ray Cheng, husband and wife; as joint tenants, in deed recorded April 30, 1991 of Official Records.

End of Legal Description

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Recording Requested by
CHICAGO TITLE INSURANCE
Order No. 54110716-CW

James W. Fitch, Assessor-Recorder
Kern County Official Records

SR
5/23/2011
10:17 AM

Recorded at the request of
CG Chicago Title

DOC #: 000211066977

000211066977

Stat Types: 1	Pages: 24
FEES	78.00
TAXES	.00
OTHER	.00
PAID	78.00

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

General Counsel
California Department of Fish and Game
1416 Ninth Street
Sacramento, California 94814

The undersigned declares that this document is recorded for the benefit of the California Department of Fish and Game, an agency of the State of California, and is therefore exempt from the payment of the recording fee pursuant to Government Code Section 6103 and from the payment of the documentary transfer tax pursuant to Revenue and Taxation Code Section 11922.

By: _____
Authorized Representative for Agency

(Space above this line for Recorder's use only)

GRANT OF KERN WATER BANK CONSERVATION EASEMENT

(KWBA Mitigation Parcel)

THIS PERMANENT CONSERVATION EASEMENT ("Grant") is made this 2nd day of October, 1997 by and between the Kern Water Bank Authority, a joint powers authority ("Grantor"), the State of California, acting by and through its Department of Fish and Game, a subdivision of the California Resources Agency ("Grantee"), and the United States Fish and Wildlife Service ("FWS") with reference to the following facts:

RECITALS:

A. Grantor is the sole owner in fee simple of certain real property in the County of Kern, State of California, more particularly described in Exhibit A attached hereto and incorporated by this reference (the "Conservation Easement Property"). The Conservation Easement Property totals approximately 635 acres.

B. The Conservation Easement Property possesses open space and other habitat values which are important to the conservation of the certain sensitive species and also possesses attributes (collectively, "conservation values") of great importance to Grantee and the people of the State of California. Such conservation values provide habitat for threatened and endangered, and other sensitive species. The Conservation Easement Property is immediately adjacent to a certain approximately 530-acre parcel owned by Grantor, on which Grantor is concurrently conveying a conservation easement to Grantee (the "DWR Mitigation Parcel").

C. Grantor is a joint powers authority formed by certain public agencies and other entities in the County of Kern pursuant to California Government Code section 6500 et seq. for the purpose of operating a water bank project.

D. Under the California Endangered Species Act ("CESA") and other State law, Grantee has jurisdiction over the conservation, protection, restoration, enhancement and management of fish, wildlife, native plants, and habitat necessary for biologically sustainable populations of those species. Grantee is also the manager and trustee of fish and wildlife resources and their habitat pursuant to California Fish and Game Code section 1802.

E. FWS has jurisdiction over the conservation, protection, restoration, enhancement and management of fish, wildlife, native plants, and habitat to the extent set forth in the federal Endangered Species Act of 1973 ("FESA"), the Fish and Wildlife Coordination Act (16 U.S.C. section 661 et seq.), the Fish and Wildlife Act of 1956 (16 U.S.C. section 742a et seq.), and other federal laws.

F. Grantor intends to convey to Grantee and FWS the right to preserve, enhance and protect the conservation values of the Conservation Easement Property in perpetuity subject to the terms of this Grant.

G. Grantor has prepared and Grantee, along with the FWS, has approved a long-term habitat conservation plan ("Habitat Conservation Plan") dated the date hereof with regard to the Conservation Easement Property and other property. The Habitat Conservation Plan identifies uses of the Conservation Easement Property that are consistent with preserving the conservation values of the Conservation Easement Property. While the Habitat Conservation Plan is in effect (for an initial period of 75 years), Grantor shall have the right to use the Conservation Easement Property for the uses set forth in the Habitat Conservation Plan and accompanying Implementation Agreement. A memorandum of the Habitat Conservation Plan shall be recorded in the Official Records of Kern County prior to the recordation of this Grant.

H. Pursuant to the Implementation Agreement, Grantor is required to develop and have approved by Grantee and FWS a Permanent Management Plan for the Conservation Easement Property prior to the expiration of the Habitat Conservation Plan. After the Habitat Conservation Plan, related Implementation Agreement, and associated permits and authorizations have expired, the Conservation Easement Property shall be managed in accordance with this Grant and the Permanent Management Plan in perpetuity.

NOW, THEREFORE, in consideration of the above and mutual covenants, terms, conditions and restrictions contained herein, Grantor, Grantee and FWS agree as follows, and Grantor hereby grants and conveys to Grantee an easement in perpetuity over the Conservation Easement Property of the nature and character and to the extent hereinafter set forth (the "Easement").

1. **Purpose.** It is the purpose of the Easement to assure that the Conservation Easement Property will be retained forever in an open space condition (subject to those uses permitted in Sections 2 and 4 of this Grant) and for the conservation of threatened, endangered and

other sensitive species and related purposes and to prevent any use of the Conservation Easement Property that will impair or interfere with the conservation values of the Conservation Easement Property other than as set forth herein. Grantor intends and agrees that the Easement shall limit the use of the Conservation Easement Property, subject to the uses permitted in this Grant, to such activities, including, without limitation, those involving the management of the Conservation Easement Property, that protect or enhance the conservation values of the Conservation Easement Property. While the Habitat Conservation Plan is in force, the Conservation Easement Property may be subject to the additional uses and limitations imposed by the Habitat Conservation Plan. Since the Easement is in perpetuity, nothing in the Habitat Conservation Plan shall be construed to impose a limit on the duration of the Easement. When the Permanent Mitigation Plan is put in place, the Conservation Easement Property may be subject to additional uses and/or limitations imposed by the Permanent Mitigation Plan.

2. **Rights of Grantee and Character of Easement.**

(a) Rights Conveyed. To accomplish the purpose of the Easement, the following rights and obligations are hereby conveyed to and accepted by Grantee by the grant contained herein:

(i) To preserve, enhance and protect the conservation values of the Conservation Easement Property; and

(ii) To enter upon the Conservation Easement Property to carry out the purposes of the Easement.

(b) Use of Surface and Subsurface. The use of the surface of the Conservation Easement Property for conservation values is the exclusive use for the Conservation Easement Property subject to those other purposes set forth in Section 4 below.. With respect to the subsurface of the property comprising the Conservation Easement Property, Grantor retains the right to reasonable access to and use thereof for the use and maintenance of Grantor's existing wells and waterlines and canals, so long as Grantor's exercise of such retained

rights does not materially disturb, disrupt or interfere with the Easement; provided, however, that any such access and use shall be consistent with the purposes set forth herein. Grantee recognizes that this Grant is not binding upon the third-party owners of the mineral rights underlying the Conservation Easement Property.

(c) Prohibited Uses. The following uses by Grantor, its agents, and all third parties, are expressly prohibited, unless specifically authorized in the Habitat Conservation Plan while it is in effect, the Permanent Management Plan while it is in effect, or necessarily incident to the exercise by Grantor of its reserved rights under Section 4 below:

(i) Unseasonal watering, use of herbicides and/or rodenticides, weed abatement activities, incompatible fire protection activities and any and all other uses which may adversely affect the purposes of the Easement;

(ii) Use of off-road vehicles;

(iii) Erecting of any building, billboard or sign;

(iv) Depositing of soil, trash, ashes, garbage, waste, bio-solids or any other material;

(v) Excavating, dredging or removing of soil, loam, gravel, rock, sand or other material;

(vi) Altering the general topography of the Conservation Easement Property, including construction of roads; and

(vii) Removing, destroying, or cutting of trees, shrubs or other vegetation, except as required by law for (1) fire breaks, (2) maintenance of existing foot trails or roads, or (3) prevention or treatment of disease.

(d) Use By General Public. No use of the Conservation Easement Property by the general public is authorized hereunder without the express prior written consent of Grantor, Grantee and FWS, or their respective successors in interest in the Conservation Easement Property, and Grantor, Grantee and FWS shall not encourage or permit the general public to use or enter upon the Conservation Easement Property. For purposes of this subparagraph, the term "general public" shall not include persons accompanied by Grantor, Grantee or FWS or their employees, agents, representatives, contractors or subcontractors and entering onto the Conservation Easement Property for purposes related to the conservation values of the Conservation Easement Property and the purposes set forth in Section 4. Notwithstanding the foregoing, Grantor, Grantee and FWS acknowledge that representatives of the Grantee and FWS shall have a right of access onto the Conservation Easement Property for purposes associated with the conservation values hereof upon 24 hours notice to Grantor. In addition, so long as Grantee is a subdivision of the State of California, it shall have the right to administer a managed hunting program ("Hunting Program") on the Conservation Easement Property, provided that Grantee submits to FWS and Grantor for approval by Grantor and FWS, a description of such Hunting Program and specifying measures to insure that such Hunting Program will not interfere with, or damage, the Reserved Rights and Uses described in Section 4 or create a hazard to Grantor's officers, employees or agents. Without limiting in any way California Civil Code section 846, in the event that Grantor approves the Hunting Program, such approval, or any actions of Grantor pursuant to such approval, does not thereby (a) extend any assurance by Grantor that the Conservation Easement Property is safe for hunting purposes, or (b) impute or otherwise establish any person to whom access is provided pursuant to the Hunting Program to be an invitee or licensee to whom a duty of due care is owed by Grantor, or (c) assume responsibility by Grantor for, or incur liability by Grantor for, any injury to person or property caused by any act of such person to whom permission has been granted pursuant to the Hunting Program. The approval of the Hunting Program by Grantor does not create a duty of care for Grantor or a ground for liability against Grantor for injury to person or property.

(e) Reservation of Rights. Grantee's rights under this Easement are expressly made subject to Grantor's reserved rights under Section 4 and all other easements,

covenants, conditions, restrictions, reservations, rights and rights-of-way of record, apparent or of which Grantee has actual notice as of the date of recordation of this Grant.

(f) Assignment by Grantee. Grantee may assign its rights and obligations under this Grant only to an organization that is (1) approved by the Grantor and FWS which approval shall not be unreasonably withheld, and (2) a public agency or a qualified organization at the time of transfer under section 170(h) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 170(h) or any successor provision applicable), and the applicable regulations thereunder, and (3) authorized to acquire and hold a conservation easement under California Civil Code Section 815 et seq. (or any successor provision then applicable).

(g) No Abandonment. Grantee shall not abandon its rights and obligations under this Grant. In the event Grantee is unwilling or unable to carry out Grantee's obligations under this Grant, then Grantee shall transfer the Easement to a public entity or qualified organization willing to assume Grantee's rights and obligations, in accordance with Section 2(f)(1), (2) and (3). Any transfer of the Easement shall be approved by Grantor and FWS.

3. **No Encumbrances.**

Neither Grantor nor Grantee shall suffer or permit to be enforced against the Conservation Easement Property, or any portions thereof, any mechanics', materialmen's, contractors' or subcontractors' liens or any claim for damage arising from any services, supplies, labor or materials furnished or alleged to have been furnished to or for Grantor or Grantee at or for use on the Conservation Easement Property, and each party shall promptly pay or cause to be paid all of said liens, claims or demands caused by such party before any action is brought to enforce the same. If any such lien shall at any time be recorded against the Conservation Easement Property as a result of the foregoing, and the party causing the same shall fail, within 60 days after such recording, to either (i) pay and discharge the underlying claim and cause a lien release to be recorded or (ii) furnish to the other party a surety bond or other security reasonably satisfactory to the other party protecting the other party against liability for such lien and holding

the Conservation Easement Property free from the effect of such lien, then the other party may, but shall not be obligated to, take such action or pay such amounts as may be necessary to remove such lien, and the failing party shall immediately pay to the other party the amount so expended, together with interest thereon at the rate of 10% per annum accruing from the date of such payment until paid in full. Notwithstanding the foregoing, for so long as Grantee is the State of California, nothing herein shall be deemed to affect Grantor's obligation or duty to pay any claims for money or damages that are governed by the Tort Claims Act, Government Code section 810 et seq.

4. Reserved Rights and Uses and Responsibilities of Grantor.

(a) Utilities and Uses. The Easement is subject to the easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record, apparent or of which Grantee has actual notice, and Grantor's use and maintenance of existing wells, appurtenant structures, waterlines, canals and roadways as of the date this Grant is recorded in the Official Records of the County of Kern, and such additional easements, wells, appurtenant structures, waterlines, canals and roadways as Grantor shall designate at any time after the date of recordation of this Grant, subject to the prior written approval of Grantee and FWS, which approval shall not be unreasonably withheld, and compliance with all applicable laws and regulations.

(b) Water Storage and Extraction. Grantor shall have the right to install, construct, repair, maintain, and operate water recharge, water recovery, and water conveyance facilities, including, but not limited to, recharge ponds, levees, water wells, pipelines, recharge canals, recovery canals, pumps, and appurtenant facilities such as pump sheds, fences and access roads, as permitted under the Habitat Conservation Plan. Grantor shall have the right to store water in the subsurface of the Conservation Easement Property. Grantor shall have the right to drill additional extraction wells in the Conservation Easement Property, and build the improvements and infrastructure necessary to support the additional extraction wells, as permitted under the Habitat Conservation Plan. KWBA shall have the right to install, construct, repair, maintain, and operate the Kern River Reverse Flow Channel Project with all necessary appurtenances thereto, including without limitation pump stations.

(c) Grazing. Grantor shall have the right to use the Conservation Easement Property for grazing purposes, or to permit grazing, if permitted by, and in accordance with the Habitat Conservation Plan while it is in effect and in accordance with the Permanent Management Plan while it is in effect.

(d) Prevention of Trespass; Fencing. Grantor shall undertake all reasonable actions to prevent the unlawful entry or trespass by persons whose activities may degrade or harm the conservation values of the Conservation Easement Property. Fencing shall be installed and maintained only in accordance with the Habitat Conservation Plan while it is in effect and in accordance with the Permanent Management Plan while it is in effect.

(e) Costs of Management. Grantor retains all responsibilities and shall bear all costs of any kind relating to the ownership, operation, upkeep, and maintenance of the Conservation Easement Property. The obligation to provide adequate funding to maintain the conservation values of the Conservation Easement Property shall be perpetual. Grantor, Grantee and FWS have entered into a Security Agreement whereby Grantor has issued to Grantee a note and deed of trust securing Grantor's management obligation during the term of the Habitat Conservation Plan and a further note and deed of trust securing Grantor's management obligation in perpetuity. The Implementation Agreement requires Grantor to commence preparing five years prior to the termination of the associated permits and authorizations, and have approved by Grantee and FWS, a Permanent Management Plan for the Conservation Easement Property and certain other property. After the Habitat Conservation Plan, Implementation Agreement and associated permits and authorizations have expired, the Conservation Easement Property will be managed in accordance with the terms of this Grant and the Permanent Management Plan.

5. **Sale of Fee Interest.**

(a) Grantor may transfer the fee title interest or grant a security interest in the Conservation Easement Property provided it gives Grantee and FWS not less than 30 days prior written notice of its intent to transfer such fee title interest. Notice shall be given in the manner required in this Grant. Grantor agrees to incorporate the terms of this Grant in any deed or

other legal instrument by which Grantor divests itself of any interest in all or a portion of the Conservation Easement Property. The failure of Grantor to perform any act required by this section shall not impair the viability of this Grant or limit its enforceability in any way. Grantor may lease the Conservation Easement Property, or any portion thereof, for grazing purposes and may convey other interests in such lands only as expressly permitted by the Habitat Conservation Plan and related Implementation Agreement by and among FWS, Grantee and Grantor, and related Conservation Bank Agreement by and among FWS, Grantee and Grantor.

6. **Insurance.**

(a) Requisite Coverages. For so long as Grantor is KWBA, Grantee shall, at all times during Grantor's ownership of the Conservation Easement Property, at its sole cost and expense, obtain and thereafter maintain comprehensive general liability and automobile insurance (including non-owned auto), which shall provide a 30-day notice to Grantor in the event of cancellation or any material change in coverage. The foregoing insurance policies shall reflect that the policy is primary insurance as respects any claim, loss or liability arising directly or indirectly from any of Grantee's activities on the Conservation Easement Property, and any other insurance maintained by Grantor shall be considered noncontributing. This liability insurance must be in a form satisfactory to Grantor and written with limits of liability not less than $1,000,000 combined single limit bodily injury and property damage liability per occurrence covering the activities and obligations contemplated of Grantee under this Grant. Grantee shall furnish a Certificate of Insurance (or, if requested by Grantor, copy of the policy) evidencing the foregoing coverage to Grantor for approval. Grantee shall also maintain worker's compensation insurance in an amount required by law, together with employers' liability insurance. Grantee shall provide Grantor with evidence of the worker's compensation and employer's liability insurance coverage, with a waiver of subrogation agreement by the insurance carrier as respects Grantor. Nothing in this paragraph shall limit Grantee's obligations under the other provisions of this Grant. Any policies required hereunder may be made a part of a blanket policy of insurance, so long as such blanket policy contains all of the provisions required herein and does not in any way reduce the coverage, impair the rights of Grantor hereunder or negate the requirements of this Grant.

(b) Self-Insurance. So long as Grantee is a subdivision of the State of California and the State of California self-insures, Grantee's liability shall be governed by the laws of the State of California relating to the payment of claims against the State, and Grantee shall not be required to obtain insurance or furnish evidence of insurance. If at any time Grantee is not a subdivision of the State of California, Grantee shall not self-insure any portion of the insurance required under this section without the express written consent of Grantor, which consent may be withheld by Grantor in its sole and absolute discretion.

(c) Release/Waiver of Subrogation. Grantee, for itself and its successors, hereby releases and discharges Grantor from all claims and liabilities arising from or caused by any hazard covered by the insurance coverage required herein in connection with the activities conducted by Grantee on the Conservation Easement Property pursuant to this Grant, regardless of the cause of the damage or loss.

(d) Obligations. Nothing herein shall limit Grantee's obligations under the other provisions of this Grant. The insurance required to be maintained hereunder shall insure against any acts or omissions of Grantee, provided nothing herein shall be interpreted to waive any rights Grantor may have as to any of Grantee's insurance nor shall Grantor be required to make a claim against any such Grantor's insurance.

(e) Grantor's Obligations. To the extent Grantor enters the Conservation Easement Property under the Easement, then Grantor shall comply with the insurance provisions of this section 6 applicable to Grantee prior to its entry onto the Conservation Easement Property.

7. **Taxes.** Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Conservation Easement Property by competent authority (collectively "taxes"), except that Grantor shall have no obligation to pay any taxes or assessments which may be levied against the Easement itself, as opposed to the underlying fee and Grantor shall furnish Grantee with satisfactory evidence of payment of taxes and assessments upon request. Grantee shall be responsible regarding the imposition of any taxes or assessments levied against the Easement itself, it being understood that while the Easement is held

by a governmental entity for public benefit purposes, such Easement should be exempt from all such taxes and assessments.

8. **Notices.** Any notice, demand, request, covenant, approval, or other communication to be given by a party to the other(s) shall be given by personal service, telegram, or express mail, Federal Express, DHL or any other similar form of airborne/overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

To Grantor:	Kern Water Bank Authority P.O. Box 80607 Bakersfield, CA 93380-0607
With a copy to:	Robert D. Thornton, Esq. Nossaman, Guthner, Knox & Elliott, LLP 18101 Von Karman, Suite 1800 Irvine, California 92612
To Grantee:	California Department of Fish and Game Regional Manager, Region 4 1234 East Shaw Avenue Fresno, California 93710 Attention: Director
With a copy to:	General Counsel California Department of Fish and Game 1416 Ninth Street Sacramento, California 94814
To FWS:	U.S. Fish and Wildlife Service 3310 El Camino, Suite 130 Sacramento, CA 95821-6340
With a copy to:	Regional Solicitor 2800 Cottage Way Sacramento, CA 95825

Any such notice shall be deemed to have been given upon delivery or forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other parties.

9. **Recordation.** Grantee shall promptly record this instrument in the official records of Kern County, California.

10. **Miscellaneous Provisions.**

(a) Controlling Law. This Grant shall be governed by and interpreted in accordance with the laws of the State of California and applicable Federal laws.

(b) Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Grant shall be liberally construed in favor of the grant to effect the purpose of this Grant and the policy and purpose of Civil Code Section 815 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Grant that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If any provision of this Grant, or the application thereof to any person or circumstances, is found to be invalid, the remainder of the provisions of this Grant, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

(d) No Rights in Public. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Conservation Easement Property to or for the general public, it being the intention of the parties hereto that this Grant shall be strictly limited to and for the purposes herein expressed.

(e) Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right,

power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

(f) Successors. The covenants, terms, conditions and restrictions of this Grant shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns, and shall continue as a servitude running in perpetuity with the Conservation Easement Property. This Grant shall be binding upon and shall inure to the benefit of Grantor and its successors and assigns and Grantee and its assigns.

(g) Captions. The captions in this Grant have been inserted solely for convenience of reference and are not a part of this Grant and shall have no effect upon construction or interpretation.

(h) Counterparts. The parties may execute this Grant in two or more counterparts, which shall, in the aggregate, be signed by all parties; each counterpart shall be deemed an original.

(i) No Other Obligations. This Grant imposes no other obligations or restrictions on Grantor and neither its successors nor any person or entity claiming under them shall be in any way restricted from using the Conservation Easement Property in a customary manner except as provided herein.

(j) Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the grant of easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the grant.

11. **Remedies**. If Grantee or FWS determines that Grantor is in violation of the terms of this Grant or that a violation is threatened, Grantee or FWS shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the easement resulting from any use or activity inconsistent with the purpose of this Grant, to restore the portion of the Easement so injured. If Grantor fails to cure the violation within 15 days, or fails to continue diligently to cure such violation until finally cured,

Grantee and/or FWS may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Grant, to enjoin the violation ex parte as necessary, by temporary or permanent injunction to recover any damages to which Grantee and/or FWS may be entitled for violation of the terms of this Grant, or injury to any conservation values protected by this Grant, including adverse impacts to any threatened or endangered species, or sensitive species, and to require the restoration of the Easement to the condition that existed prior to any such injury. If Grantee and/or FWS determines that circumstances require immediate action to prevent or to mitigate significant damage to the conservation values of the Easement, Grantee and/or FWS may pursue its remedies under this paragraph without prior notice to Grantor or without waiting for the period provided for cure to expire. The rights of Grantee and FWS under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Grant, and Grantor agrees that Grantee's and FWS's remedies at law for any violation of the terms of this Grant are inadequate and that Grantee and/or FWS shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee and/or FWS may be entitled, including specific performance of the terms of this Grant, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's and FWS's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Furthermore, the provision of Civil Code Section 815 et seq. are incorporated herein by this reference and this Grant is made subject to all of the rights and remedies set forth therein. If at any time in the future, Grantor or its successors and assigns or any subsequent transferee uses or threatens to use such lands for purposes not in conformance with the stated conservation purposes contained herein, notwithstanding Civil Code Section 815 et seq., California Attorney General and FWS each have standing as an interested party in any proceeding affecting this Grant. If Grantor or if Grantee and/or FWS fails to exercise any right or fails to enforce any obligation of this Grant, such failure shall not be deemed to waive any other right which Grantor or Grantee and/or FWS may hold, including subsequent exercise of the same right to subsequent enforcement of the same obligation. Nothing contained in this Grant shall be construed to entitle Grantee and/or FWS to bring any action against Grantor for any injury to or change in the easement resulting from causes beyond Grantor's control, including, without

limitation, fire, flood, storm, earth movement or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Easement resulting from such causes.

IN WITNESS WHEREOF, Grantor and Grantee have entered into this Grant as of the day and year first above written.

GRANTOR: KERN WATER BANK AUTHORITY, a joint powers authority

By: _____
William D. Phillimore
Chairman

APPROVED AS TO FORM:
Nossaman, Guthner, Knox & Elliott, LLP

By: _____
Robert D. Thornton
Authority Counsel

AGREED: UNITED STATES FISH AND WILDLIFE SERVICE

By: _____
Michael J. Spear
Regional Director

APPROVED AS TO FORM:

By: _____
Dana Jacobsen
Agency Counsel

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Kern

On 10-2-97 (Date) before me, Mary E Hough, Notary (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared Michael J Spears, Willard D. Phillmore, Robert D. Thornton (Name(s) of Signer(s))

☒ personally known to me – **OR** – ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

MARY E. HOUGH
Commission # 1136810
Notary Public — California
Kern County
My Comm. Expires May 3, 2001

WITNESS my hand and official seal.

Mary E Hough
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Grant of Easement

Document Date: 10-2-97 Number of Pages: 19

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Individual	☐ Individual
☐ Corporate Officer Title(s): _____	☐ Corporate Officer Title(s): _____
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact	☐ Attorney-in-Fact
☐ Trustee	☐ Trustee
☐ Guardian or Conservator	☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer Is Representing: _____	Signer Is Representing: _____
RIGHT THUMBPRINT OF SIGNER Top of thumb here	RIGHT THUMBPRINT OF SIGNER Top of thumb here

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State of California }
}
County of Sacramento }

On October 24, 1997 before me, Cathy Galletta, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Dana Jacobsen,
NAME(S) OF SIGNER(S)

personally known to me - **OR** - ~~proved to me on the basis of satisfactory evidence~~ to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(~~ies~~) and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Cathy S. Galletta
SIGNATURE OF NOTARY

Cathy S. Galletta
Comm. #1057633
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
Comm. Exp. May 1, 1999

Exhibit C

EXHIBIT A

KERN WATER BANK AUTHORITY
MITIGATION CONSERVATION EASEMENT

PARCEL 1

COMMENCING at Northeast Corner of Section 27, Township 30 South, Range 25 East, M.D.B. & M. in the County of Kern, State of California, as shown "Survey Investigation and Perpetuation Map No. 7-1, Book 7 Page 62," dated May-Oct of 1978, per map thereof recorded in the Office of the County Surveyor of Kern County; thence North 88° 31' 17" West a distance of 1,185.87 feet along the North Line of said Section 27, to a point on a non-tangent curve, concave Southeasterly, and having a radius of 5,476.00 feet, a radial to which point bears North 12° 15' 17" West, said point being also the **TRUE POINT OF BEGINNING**. Thence:

1) Westerly and Southerly along said non-tangent curve, through a central angle of 26° 10' 00", an arc distance of 2,500.87 feet, thence;

2) South 51° 34' 42" West a distance of 1,839.92 feet, thence;

3) South 43° 43' 26" East a distance of 2,661.46 feet, thence;

4) South 45° 56' 52" West a distance of 1,796.39 feet, thence;

5) South 43° 53' 32" East a distance of 2,586.09 feet, thence;

6) South 46° 25' 33" West a distance of 903.51 feet, thence;

7) North 43° 53' 32" West a distance of 3,195.60 feet to a point on the West Line of Section 34, Township 30 South, Range 25 East M.D.B. & M. in the County of Kern, State of California, as shown on Survey Investigation and Perpetuation Map No. 7-1, Book 7 Page 62, per map thereof recorded in the Office of the County Surveyor of Kern County, thence;

8) North 01° 06' 34" East a distance of 397.75 feet along the West Line of said Section 34 to the Northwest Corner of said Section 34, thence;

9) North 01° 14' 45" East a distance of 2,634.74 feet along the West Line of said Section 27 to the West Quarter Corner of said Section 27, thence;

10) North 88° 36' 21" West a distance of 2,637.82 feet along the South Line of the Northwest Quarter of Section 28, Township 30 South, Range 25 East M.D.B. & M. in the County of Kern, State of California, as shown on Survey Investigation and Perpetuation Map No. 7-1, Book 7 Page 62, per map thereof

recorded in the Office of the County Surveyor of Kern County; to the Center of said Section 28, thence;

11) North 01° 13' 35" East a distance of 2,635.58 feet along the West Line of the Northeast Quarter of said Section 28 to the North Quarter Corner of said Section 28, thence;

12) South 88° 35' 15" East a distance of 2,638.72 feet along the North Line of the Northeast Quarter of said Section 28 to the Northeast Corner of said Section 28, thence;

13) South 88° 31' 17" East along the North line of said Section 27, a distance of 4,089.97 feet to the **TRUE POINT OF BEGINNING**.

Said Parcel 1 contains 435.2 acres, more or less.

PARCEL 2

COMMENCING at the Northwest Corner of Section 26, Township 30 South, Range 25 East, M.D.B. & M. in the County of Kern, State of California, as shown "Survey Investigation and Perpetuation Map No. 7-1, Book 7 Pages 62 and 64," dated May-Oct of 1978, per map thereof recorded in the Office of the County Surveyor of Kern County; said point being also the **TRUE POINT OF BEGINNING**. Thence:

1) North 00° 47' 30" East a distance of 196.00 feet, thence;

2) North 69° 29' 11" East a distance of 925.90 feet, thence;

3) North 56° 55' 34" East a distance of 728.60 feet, thence;

4) North 49° 33' 04" East a distance of 480.10 feet, thence;

5) North 43° 41' 04" East a distance of 422.80 feet, thence;

6) North 63° 22' 34" East a distance of 329.60 feet to a point on the Westerly Right of Way Line of Interstate Highway 5, thence;

7) South 45° 46' 07" East a distance of 1,050.99 feet along the Westerly Right of Way Line of Interstate Highway 5 to a point on a non-tangent curve, concave Southwesterly, and having a radius of 19,885.00 feet, a radial to which point bears North 44° 12' 00" East, thence;

8) Easterly and Southerly along said non-tangent curve, through a central angle of 04° 10' 31", an arc distance of 1,449.08 feet along the Westerly Right of Way Line of Interstate Highway 5 to a point on the North Line of said Section 26, thence;

9) North 88° 37' 23" West a distance of 1,549.69 feet along the North Line of Section 26 to the North Quarter Corner of said Section, thence:

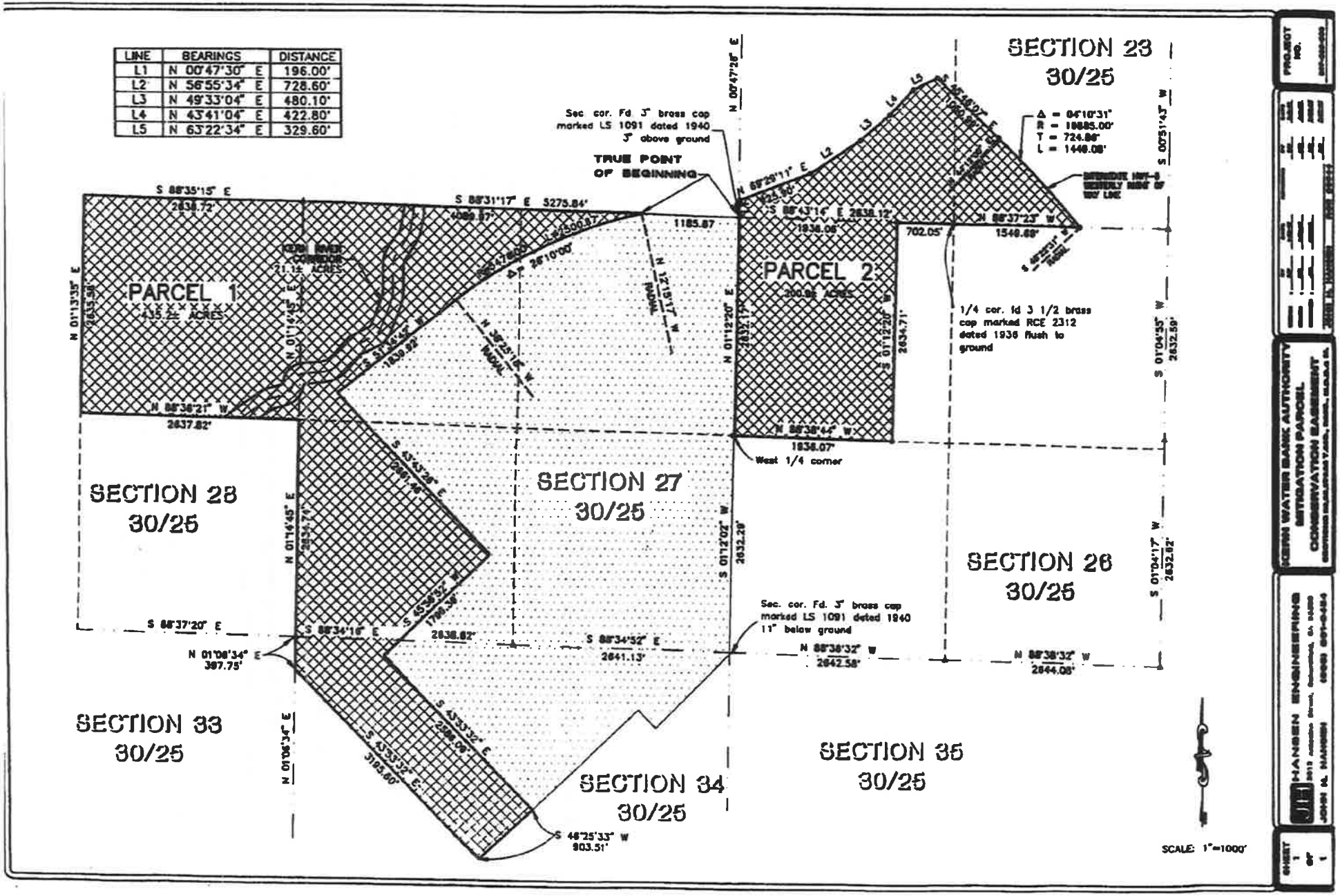
10) North 88° 43' 14" West a distance of 702.05 feet along and to a point on the North Line of said Section 26, thence;

11) South 01° 12' 20" West a distance of 2,634.71 feet to a point on the South Line of the Northwest Quarter of said Section 26, thence;

12) North 88° 38' 44" West a distance of 1,936.07 feet along the South Line of the Northwest Quarter of Section 26, to the West Quarter Corner of said Section 26, thence;

13) North 01° 12' 20" East along the West Line of said Section 26, a distance of 2,632.17 feet to the **TRUE POINT OF BEGINNING.**

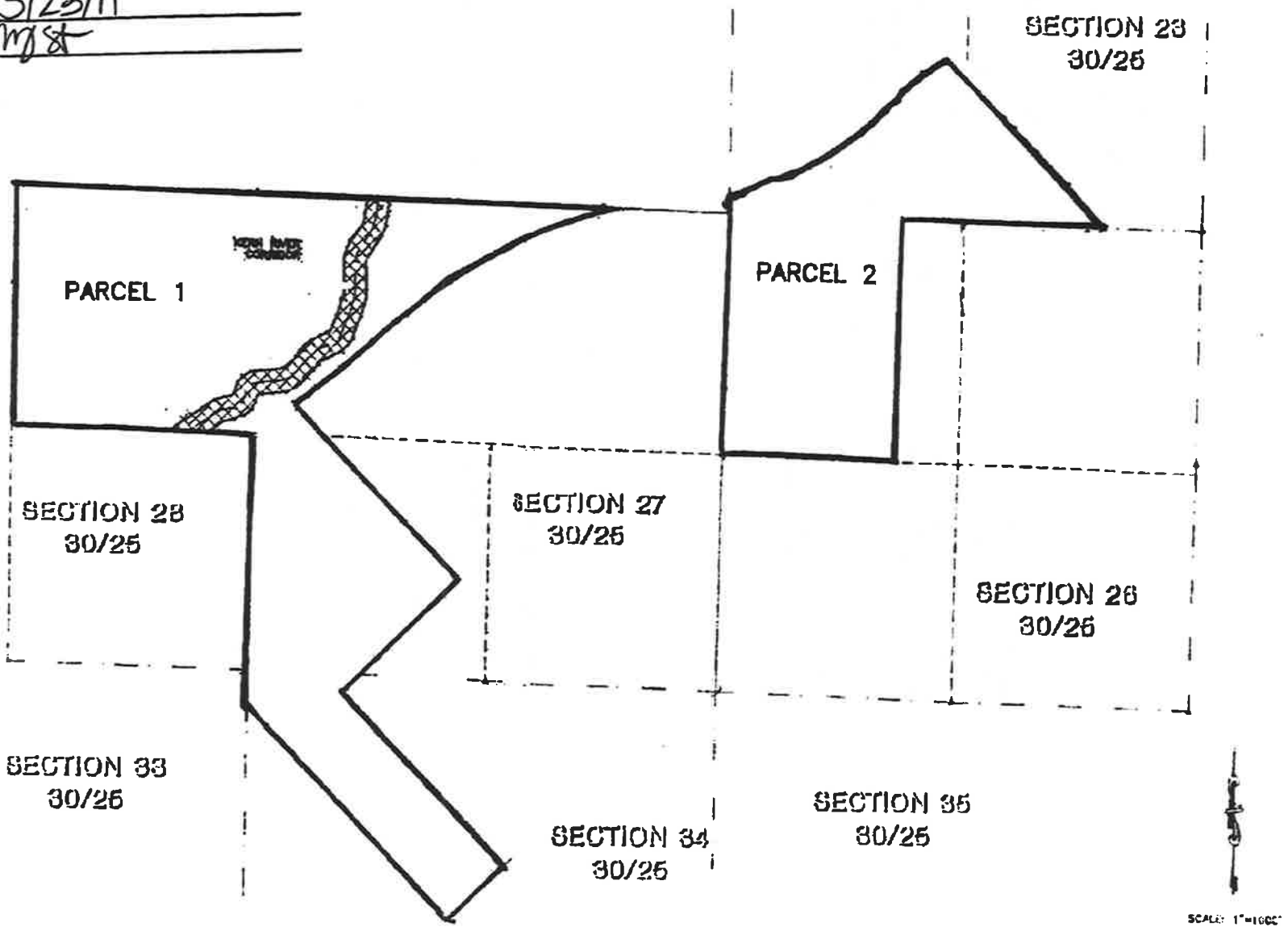
Said Parcel 2 contains 200.9 acres, more or less.


LINE | BEARINGS | DISTANCE
L1 | N 00°47'30" E | 196.00'
L2 | N 56°55'34" E | 728.60'
L3 | N 49°33'04" E | 480.10'
L4 | N 43°41'04" E | 422.80'
L5 | N 63°22'34" E | 329.60'
SECTION 23
30/25
Sec. cor. Fd. 3" brass cap marked LS 1091 dated 1940 3" above ground
TRUE POINT OF BEGINNING
Δ = 04°10'31"
R = 19885.00'
T = 724.86'
L = 1448.08'
PARCEL 1
435.2± ACRES
PARCEL 2
200.9± ACRES
1/4 cor. fd 3 1/2 brass cap marked RCE 2312 dated 1936 flush to ground
West 1/4 corner
SECTION 28
30/25
SECTION 27
30/25
SECTION 26
30/25
SECTION 33
30/25
SECTION 34
30/25
SECTION 35
30/25
Sec. cor. Fd. 3" brass cap marked LS 1091 dated 1940 11" below ground
SCALE: 1"=1000'
KERN WATER BANK AUTHORITY
RECHARGE & RECLAMATION DISTRICT
RECHARGE & RECLAMATION EASEMENT
HANSEN ENGINEERING

I declare under penalty of perjury under the laws of the State of California that the following is a true and correct copy of the original to which it is attached.

Date: 5/23/11

Sign: MJ St



Kern Water Bank Authority
Kern County

CERTIFICATE OF ACCEPTANCE

THIS IS TO CERTIFY that the interest in real property conveyed by the deed, dated October 2, 1997, from KERN WATER BANK AUTHORITY, a joint powers authority to the STATE OF CALIFORNIA, is hereby accepted by the undersigned officer on behalf of the State of California, pursuant to authority conferred by authorization of the Wildlife Conservation Board, Department of Fish and Game, Natural Resources Agency, State of California, adopted on November 7, 1996, and the grantee consents to the recordation thereof by its duly authorized officer.

STATE OF CALIFORNIA
Natural Resources Agency
Department of Fish and Game

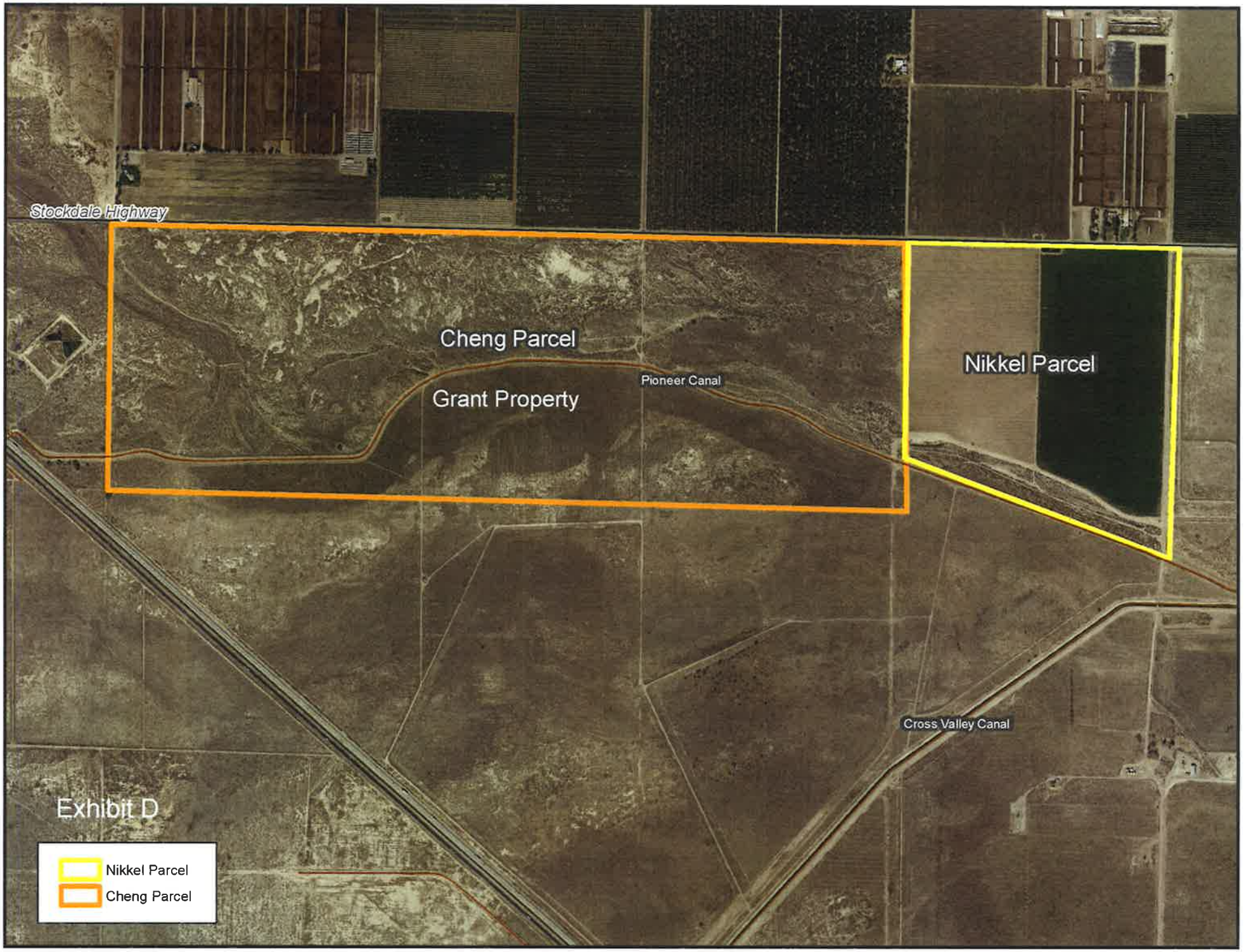
By: _____
John P. Donnelly
Executive Director
Wildlife Conservation Board

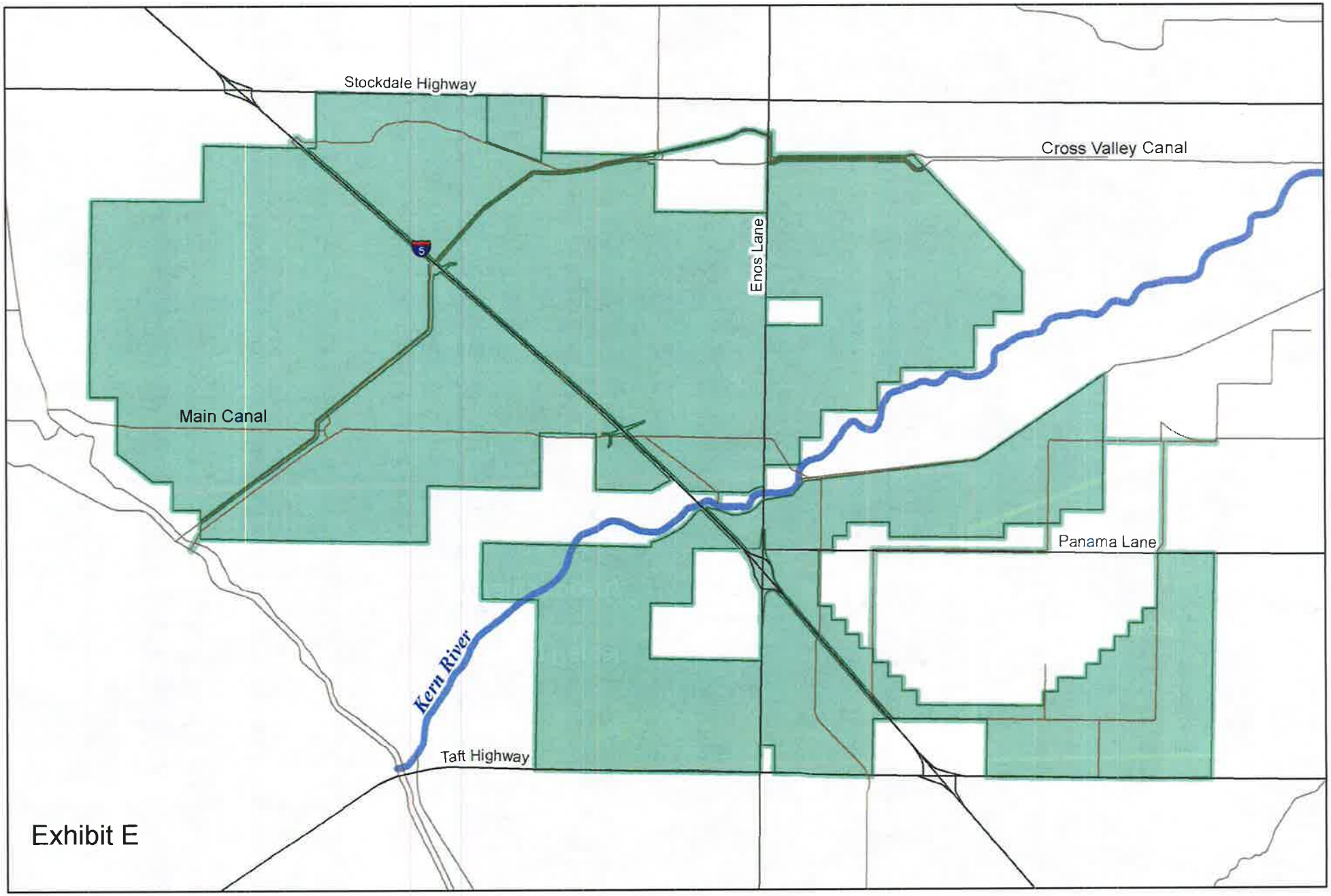
Date: 4/29/2004

I hereby certify that all conditions for exemption have been complied with and this document is exempt from Department of General Services approval.

WILDLIFE CONSERVATION BOARD

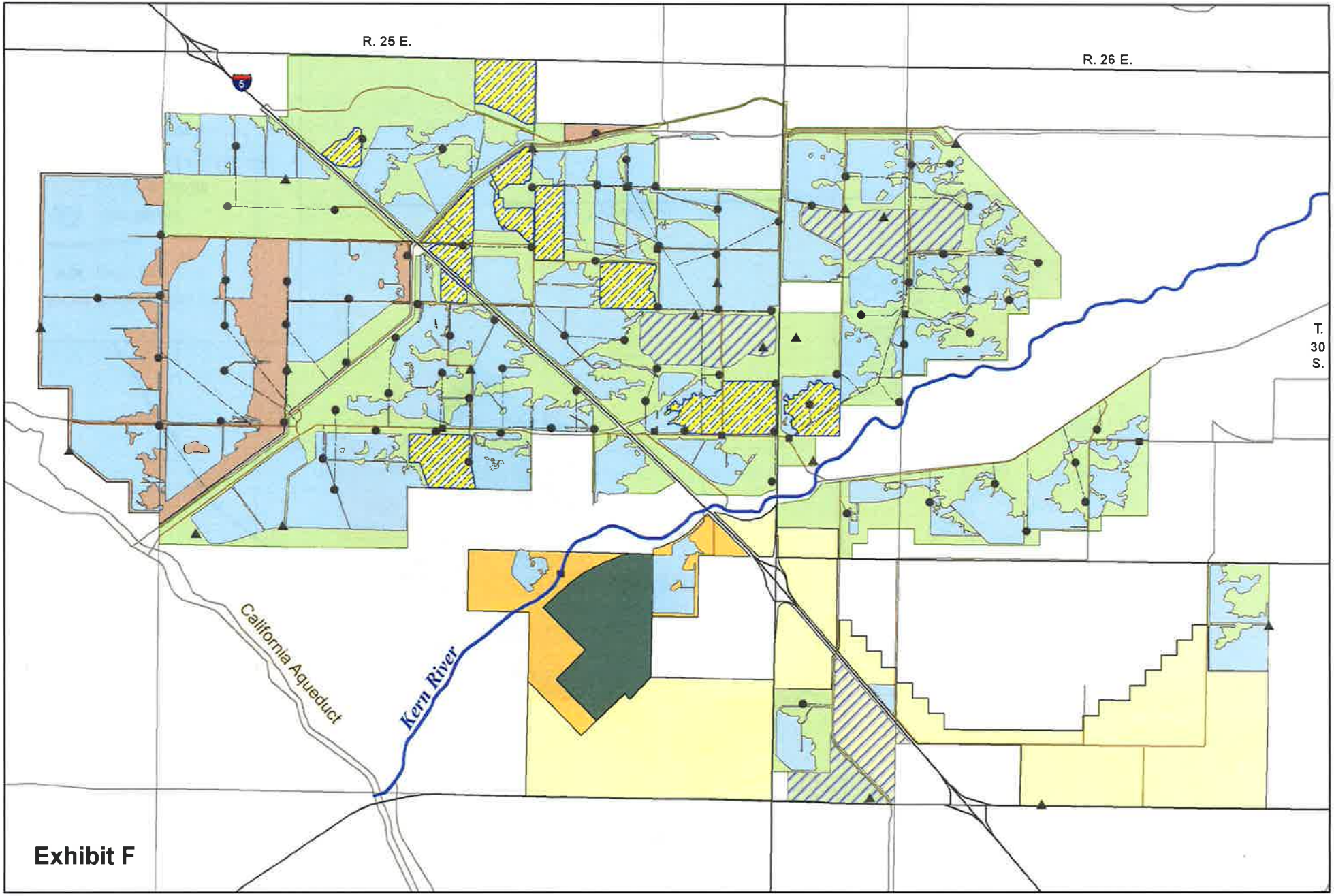
By: _____
(authorized signatory)


Stockdale Highway
Cheng Parcel
Grant Property
Pioneer Canal
Nikkel Parcel
Cross Valley Canal
Exhibit D
Nikkel Parcel
Cheng Parcel



Map 2
Permit Area - Revised

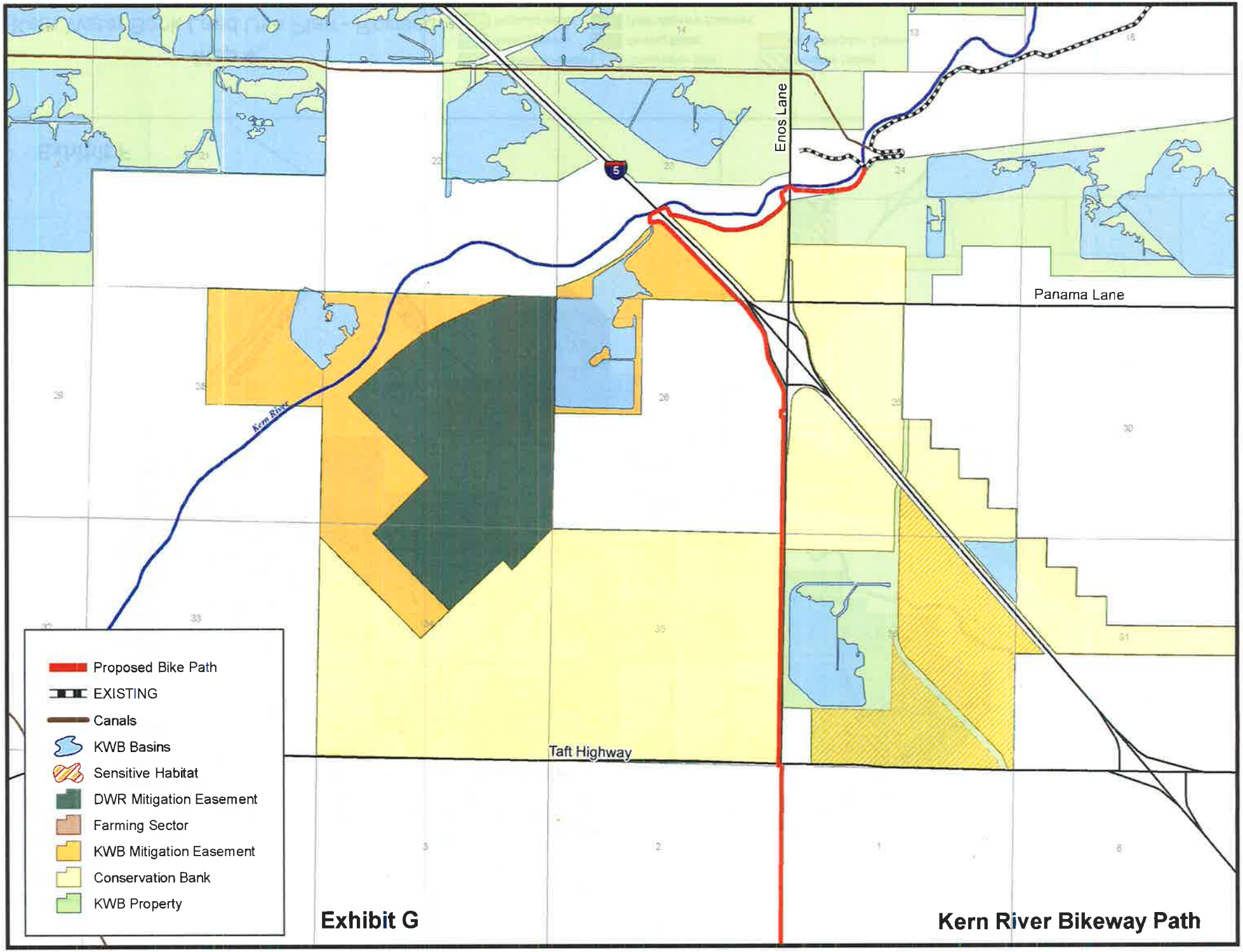
KWB HCP Permitted Area



Map 4

Kern Water Bank Land Use Plan - Revised

Compatible Habitat
Existing Basins
Proposed Basins
Conservation Bank
Farming Sector
DWR Mitigation Easement
Sensitive Habitat
KWB Mitigation Easement
Existing Pump Stations
Existing Wells
Monitoring Wells
Existing Canals
Existing Recovery Pipeline


Enos Lane
Panama Lane
Kern River
Taft Highway
5
Proposed Bike Path
EXISTING
Canals
KWB Basins
Sensitive Habitat
DWR Mitigation Easement
Farming Sector
KWB Mitigation Easement
Conservation Bank
KWB Property
Exhibit G
Kern River Bikeway Path

Appendix B

Exhibit H to Implementation Agreement - Minimization of Impacts Requirements



American Bittern (*Botaurus lentiginosus*)

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Exhibit H to Implementation Agreement

Minimization of Impacts Requirements

1. Biological Monitor

A qualified biologist shall monitor all ground-disturbing activities prior and during construction in the Sensitive Habit Sector and will oversee measures undertaken to reduce Incidental Take of Covered Species.

2. Construction Practices

a. KWBA Oversight

During construction a representative of the company with the authority to assure compliance with these Required Management obligations, and adequately trained to understand the obligations imposed hereby and to notice the presence of Covered Species shall be present on the construction site at all times that construction work is ongoing.

b. Delineation of Disturbance Areas Prior and during construction

KWBA shall clearly delineate disturbance area boundaries by stakes, flagging, or by reference to terrain features, as directed by the Department and the Service, to minimize degradation or loss of adjacent wildlife habitats during operation.

c. Signage

Prior and during construction, KWBA shall post signs and/or place fencing around construction sites to restrict access of vehicles and equipment unrelated to site operations.

d. Resource Agency Notification

At least 20 working days prior to initiating ground disturbance for project facilities in designated salvage/relocation areas, KWBA shall notify the Fresno Field Office of the Department and the Sacramento Field Office of the Service of their intention to begin construction activities at a specific location and on a specific date. The Agencies will have 10 working days to notify the KWBA of their intention to salvage or relocate Covered Species in the construction area. If KWBA is notified, they will wait an additional five days to allow the salvage/relocation to take place.

e. Salvage and Relocation

KWBA will allow time and access to the Service and/or the Department, or their designees, to relocate Covered Species, at the Resource Agencies' expense, from construction areas prior to disturbance of areas that have been identified by the Resource Agencies as having known populations of the Covered Species they wish to salvage or relocate.

f. Construction Site Review

All construction pipes, culverts, or similar structures with a diameter of three inches or greater that are stored at a construction site on the Kern Water Bank for one or more overnight periods shall be thoroughly inspected for trapped kit foxes and other animals before the subject pipe is subsequently buried, capped, or otherwise used or moved in any way. Pipes laid in trenches overnight shall be capped. If during construction a kit fox or other animal is discovered inside a pipe, that section of pipe will not be moved or, if necessary, will be moved only once to remove it from the path of construction activity until the animal has escaped.

g. Employee Orientation

An employee orientation program for construction crews, and others who will work on-site during construction, shall be conducted and shall consist of a brief consultation in which persons knowledgeable in endangered species biology and legislative protection explain endangered species concerns. The education program shall include a discussion of the biology of the Covered Species, the habitat needs of these species, their status under FESA and CESA, and measures being taken for the protection of these species and their habitats as a part of the project. The orientation program will be conducted on a as needed basis prior to any new employees commencing work on the Kern Water Bank. Every two years or at the beginning of construction for the Supply/Recovery canal a refresher course will be conducted for employees previously trained. A fact sheet conveying this information shall also be prepared for distribution to all employees. Upon completion of the orientation, employees shall sign a form stating that they attended the program and understand all protection measures. These forms shall be filed at KWBA's offices and shall be accessible by the Department and the Service.

h. Standards for Construction of Concrete Canals

Concrete lined canals will have a side slope of 1.5 to 1 or less and the sides will have a concrete finish which will assist in the escape of animals. If canals are determined by the Department or the Service to be substantial impediments to kit fox movement, plank or pipe crossings will be provided across concrete canals in areas identified by the Resource Agencies as having high kit fox activity.

i. Standards for Construction of Earthen Canals

Earthen canals will have a side slope of 1.5 to 1 or less. With the exception of the supply/recovery canal, interconnected earthen canals may be as wide as 40 feet. If canals are determined by the Department or the Service to be substantial impediments to kit fox movement, plank or pipe crossings will be provided across the canals in areas identified by the Resource Agencies as having high kit fox activity.

3. On-Going Practices

a. Equipment Storage

All equipment storage and parking during site development and operation shall be confined to the construction site or to previously disturbed off-site areas that are not habitat for covered species.

b. Traffic Control

KWBA's project representative shall establish and issue traffic restraints and signs to minimize temporary disturbances. All construction related vehicle traffic shall be restricted to established roads, construction areas, storage areas, and staging and parking areas. Project related vehicles shall observe a 25 MPH speed limit in all project areas except on county roads and state and federal highways.

c. Food Control

All food-related trash items such as wrappers, cans, bottles, and food scraps generated both during construction and during subsequent facility operation shall be disposed of in closed containers and shall be regularly removed from the site. Food items may attract kit foxes onto a project site, consequently exposing such animals to increased risk of injury or mortality.

d. Dog Control

To prevent harassment or mortality of kit foxes or destruction of kit fox dens or predation on this species, no domestic dogs or cats, other than hunting dogs, shall be permitted on-site.

e. Pesticide Use

Use of rodenticides and herbicides on the site shall be permitted only in accordance with the Vegetation Management Plan approved by the Department and the Service or if such use is otherwise approved by the Department and the Service on a case-by-case basis. This is necessary to prevent primary or secondary poisoning of Covered Species utilizing adjacent habitats, and the depletion of prey upon which kit foxes depend.

4. Project Representatives

KWBA shall designate a specific individual as a contact representative between KWBA, the Service, and the Department to oversee compliance with protection measures detailed in this Exhibit. KWBA shall provide written notification of the contact representative to the Department and the Service within 30 days of issuance of the Section 1O(a) Permit and Section 2081/2835 Management Authorization. Written notification shall also be provided by KWBA to the Department and the Service in the event that the designee is changed.

5. Notification Regarding Dead, Injured or Entrapped Listed Animals

Any employee who kills or injures a San Joaquin kit fox, blunt-nosed leopard lizard, Tipton kangaroo rat, San Joaquin antelope squirrel, or other Covered Species listed as a threatened or endangered animal under FE SA or CESA, or who finds any such animal either dead, injured, or entrapped shall report the incident immediately to KWBA's representative who shall, in turn, report the incident or finding to the Service and the Department. In the event that such observations are of entrapped animals, escape ramps or structures shall be installed immediately to allow the animal(s) to escape unimpeded. In the event that such observations are of injured or dead animals, KWBA shall immediately notify the Service

and the Department by telephone or other expedient means. KWBA shall then provide formal notification to the Service, and the Department, in writing, within three working days of the finding of any such animal(s). Written notification shall include the date, time, location, and circumstances of the incident. The Service contact for this information shall be the Chief, Endangered Species Division, Sacramento Field Office. The Department contact shall be the Environmental Services Supervisor at the San Joaquin Valley-Southern Sierra Region Headquarters. The Service or the Department will be notified if any other animal which is otherwise a Covered Species is found dead or injured.

6. Construction of Supply/Recovery Canal

Within sixty days prior to the construction of the supply/recovery canal within the zone marked within the Map of the Kern Water Bank, KWBA shall conduct a limited survey within the area of the Kern Water Bank which will be affected by that construction, with the sole goal of identifying potential San Joaquin kit fox dens and/or burrows occupied by burrowing owls. KWBA shall contact the Service and the Department pursuant to the salvage procedures set forth above if any kit fox dens are found.

7. Fully-Protected Species

KWBA, the Service and the Department recognize that certain species found on the Kern Water Bank, including the blunt-nosed leopard lizard, have certain special statutory protections ("Fully-Protected Species") pursuant to sections 3511, 4700,5050 and 5515 of the California Fish and Game Code (the "Fully Protected Species Statutes"). The Department agrees that compliance by KWBA with the following procedures shall constitute compliance with the Fully Protected Species Statutes: (A) KWBA will review with the Resource Agencies all actions which risk causing the Take of a Fully-Protected Species prior to engaging in any such action. (B) KWBA will review the project site, adjacent area and existing survey information to determine the likelihood of the presence of Fully-Protected Species. (C) If the review indicates the presence of Fully-Protected Species in the project site or adjacent area, KWBA will engage in project-specific measures to assure that no Take of such Fully-Protected Species occurs. Measures include monitoring, avoidance, hand excavation and relocation, trapping, enclosures, inspection of trenches, project timing, and modification of project site disturbance areas. Any relocation, trapping or other activity which would be considered a "take" of the species under CESA shall be done either by the Service or at the direction of the Service by individuals who possess their own incidental take permits for scientific purposes from the Service.

Appendix C

Vegetation Monitoring Program Observation Monitoring Sites and Livestock Grazing Summary for the Kern Water Bank



Great Blue Heron (*Ardea herodias*)

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2020 Vegetation Monitoring Program Observation Monitoring Sites and Livestock Grazing Summary for the Kern Water Bank



SUBMITTED TO:

KERN WATER BANK AUTHORITY

PREPARED BY:

svb
south valley biology consulting llc

June 23, 2020

2020 VEGETATION MONITORING PROGRAM OBSERVATION MONITORING SITES AND LIVESTOCK GRAZING SUMMARY
for the
KERN WATER BANK

Submitted to:

Kern Water Bank Authority
1620 Mill Rock Way, Suite 500
Bakersfield, CA 93311

Prepared by:

South Valley Biology Consulting LLC
4605 Buena Vista Road, Suite 600-814
Bakersfield, CA 93311

June 23, 2020

Vegetation Monitoring Program Observation Monitoring Sites and Livestock Grazing Summary

INTRODUCTION

The Kern Water Bank (KWB) vegetation monitoring program consists of eight permanently established vegetation Observation Monitoring Sites (OMS), each one located in a representative habitat on the KWB (e.g., canal, ditch, pond, uplands, old farm lands, and conservation lands). The locations of monitoring sites have been unchanged since their establishment in the late 1990's. Their locations are shown in Figure 1. The primary purpose of monitoring these sites is to provide a qualitative evaluation and documentation of the dynamic nature of the vegetation on the KWB. Data collected, and observations made at the monitoring sites are used to help guide vegetation management decisions, particularly in regards to livestock grazing strategies in an attempt to help improve and maintain habitat quality, control invasive plants, and to facilitate the application of successful adaptive management strategies for the KWB.

METHODS

All eight of the vegetation monitoring sites are typically visited each quarter by one biologist. The biologist collects data such as the observed plant and animal species, basic weather conditions, general vegetation conditions, and other pertinent information. Lastly, photographs from all four cardinal directions (North, East, West, and South) are taken to provide a visual representation of the conditions encountered at each site. The only modification made to the photographic methodology is when recharge is occurring and an OMS site is inundated, making it unfeasible to access the site. In these cases, a single photograph is taken showing the OMS location post. This approach has resulted in many years of successive photographic data that help to illustrate the dynamic nature of the KWB. The data collected from each observation monitoring site is provided as Attachment 1.

RESULTS AND DISCUSSION

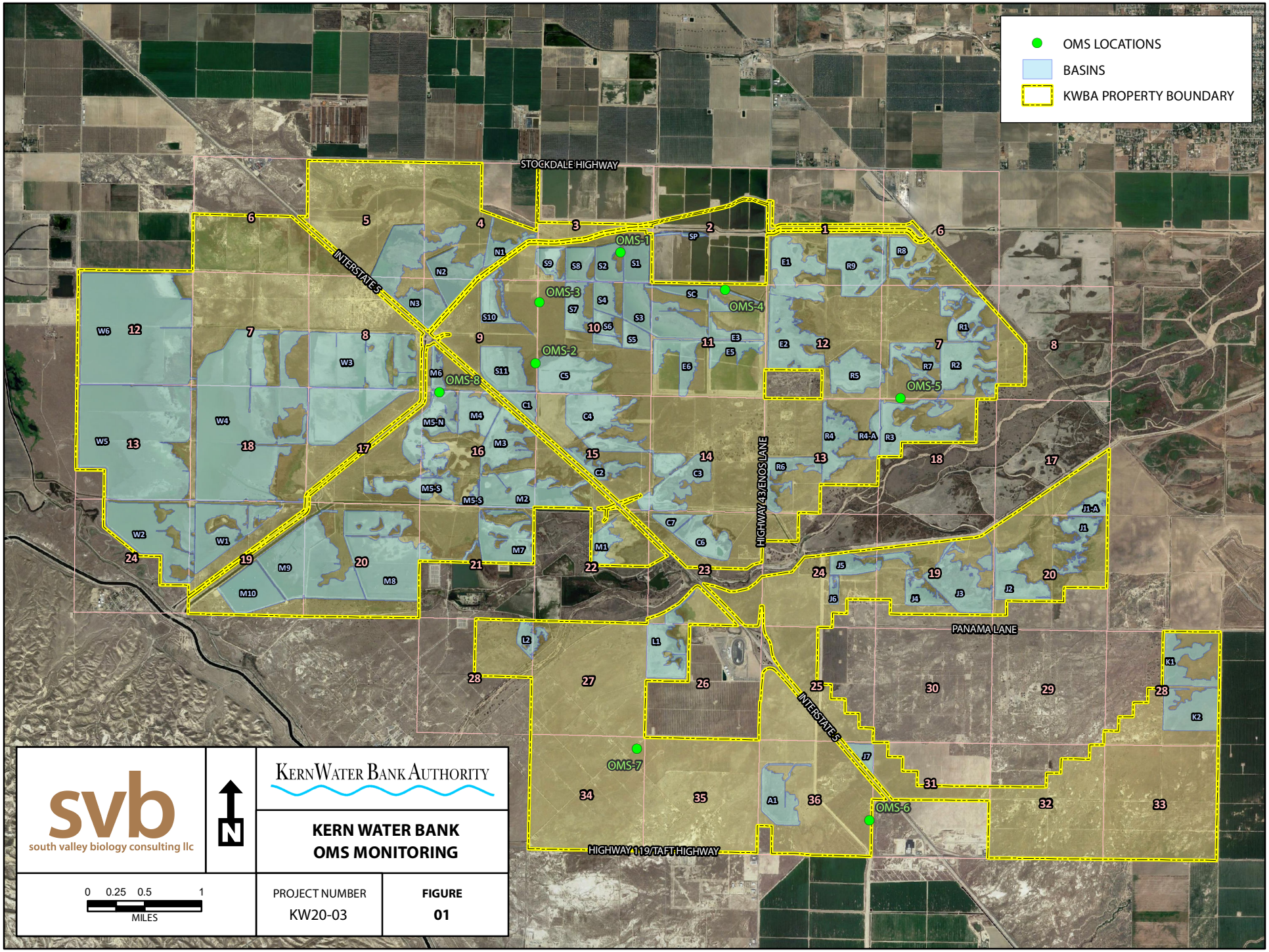
Rainfall during the 2020 rain year (October 1, 2019 – September 30, 2020) for the KWB and surrounding vicinity was approximately 7.70 inches, which is only slightly less than the 7.82 inches that accumulated during the 2019 rain year. The long-term average rainfall for the Bakersfield area is approximately 6.12 inches annually, making the 2020 rain year approximately 125% of the long-term average. Due to the abundant rainfall, significant amount of primary production occurred which in turn led to vigorous plant growth in most areas. This was also the case in 2019, however, in that year almost all of the rain fell in the early to middle part of the season. Whereas, in 2020, there was a significant amount of rainfall occurring in the later part of the rain season (i.e., April and May). This pattern of rainfall allowed opportunistic weeds such as Russian thistle (*Salsola*

tragus) and five-hook bassia (*Bassia hyssopifolia*) to proliferate during the summer and fall months of 2020.

The primary means to control vegetation growth at the KWB is via a managed livestock grazing program that has been in place for many years. In 2020, cattle were used in all areas throughout the year due to the abundant growth resulting from the above average precipitation that occurred during the 2019 – 2020 rain year. Figures 2 – 8 provide the monthly cattle Animal Units (AU) that were present in each given area where cattle grazing occurred. An AU is equal to one adult cow and her calf. The cattle were only somewhat effective in 2020 at helping to reduce excessive herbaceous cover from non-native plants that can be prohibitive to the free movements of small mammals such as kangaroo rats, mice and rabbits, which are all important prey species for San Joaquin kit foxes (*Vulpes macrotis mutica*). However, due to the later season rains discussed above, the cattle could not keep up with the rapid growth of this plant and some areas within the groundwater recharge sector of the KWB had to be mowed to clear some of the water conveyances and other areas where absent the mowing, these areas would become choked out by Russian thistle and other problem weeds. Photographs 1 – 4 show conditions in all four quarters of 2020 at the OMS 4 site that is within one of the larger canals used to move water within the Strand Area when recharge is occurring. In general, mowing is typically only used in areas that cattle do not graze sufficiently such as along fences, on secondary roads, and in or along some of the water conveyances that can become blocked by weedy species in some years.

The Conservation Bank lands within the South Area support a healthy population of the federal and State endangered Tipton kangaroo rat (*Dipodomys nitratoides nitratoides*) and a growing population of the State endangered San Joaquin antelope squirrel (*Ammospermophilus nelsoni*). The early rains in 2020 helped to provide conditions that were reasonably good for herbaceous cover and seed plants for these species. The late rains in the season resulted in a bloom of Russian thistle as was observed in other areas at KWB in 2020. However, the bloom, was not terribly dense and did not become a significant concern. Still, cattle were used early in the year when vegetation was growing, then removed at the end of March when it appeared that the growing season had come to a close. However, significant rain fell in April and May which resulted in unexpected additional growth of grasses such as red brome (*Bromus madritensis* ssp. *rubens*) and Arabian grass (*Schismus* sp.). These plants were becoming dense enough that it was appearing to inhibit small mammal movements. Therefore, a small amount of cattle (approximately 20 AU) were brought back onto the area to help maintain adequately open conditions to support Tipton kangaroo rats, San Joaquin antelope squirrels, San Joaquin kit foxes, and many other native wildlife species, while being careful not to remove too much cover overall. The area was also starting to see a late summer bloom of Russian thistle. The cattle were observed on many occasions nipping off the tops and edges of these plants and it is likely that this was the reason the plants did not grow very tall and probably produced fewer seeds. Photographs 5 – 8 show the progression of conditions throughout all 4 quarters of 2020 at OMS 7 which is located within the KWB Conservation Bank. This area exhibited abundant active small mammal burrows all through the season.

In conclusion, the 2019 – 2020 rain year was a second consecutive year of above normal precipitation that led to abundant plant growth that was managed in an effort to maintain healthy habitats for the native wildlife found at KWB. Although the pattern of the rainfall in 2020 led to late season blooms of troublesome weeds in some areas, the KWB overall was once again a most impressive aggregate of high-quality habitats for a wide variety of native wildlife.


OMS LOCATIONS
BASINS
KWBA PROPERTY BOUNDARY
STOCKDALE HIGHWAY
INTERSTATE 5
HIGHWAY 43/ENOS LANE
PANAMA LANE
HIGHWAY 119/TAFT HIGHWAY
OMS-1
OMS-2
OMS-3
OMS-4
OMS-5
OMS-6
OMS-7
OMS-8
svb
south valley biology consulting llc
KERN WATER BANK AUTHORITY
KERN WATER BANK
OMS MONITORING
0 0.25 0.5 1
MILES
PROJECT NUMBER
KW20-03
FIGURE
01

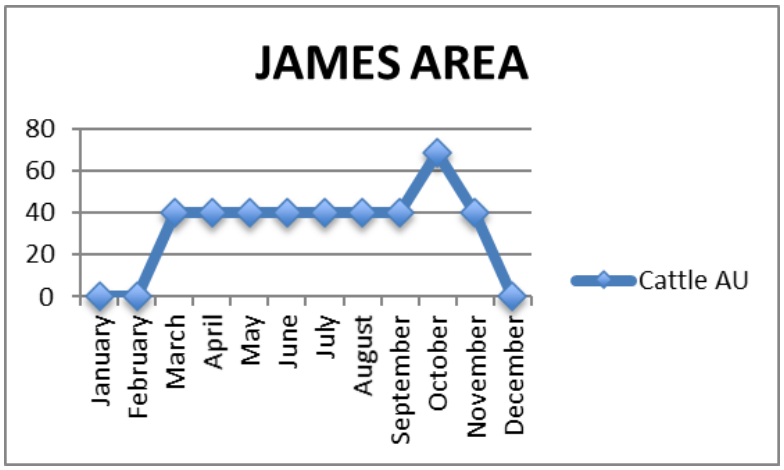


Figure 2. Cattle AU for the James Area during 2020.

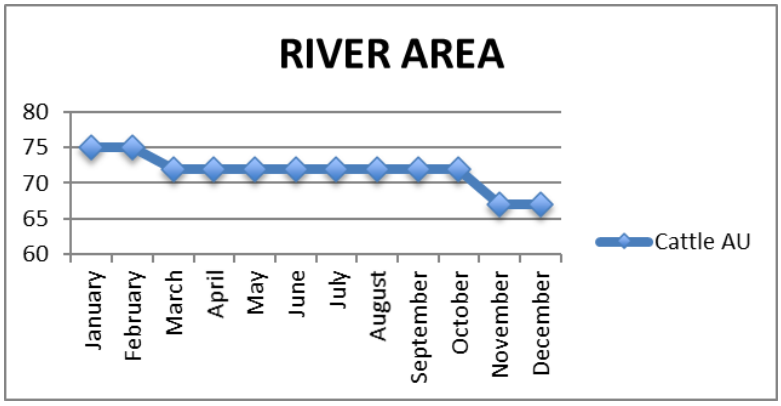


Figure 3. Cattle AU for the River Area during 2020.

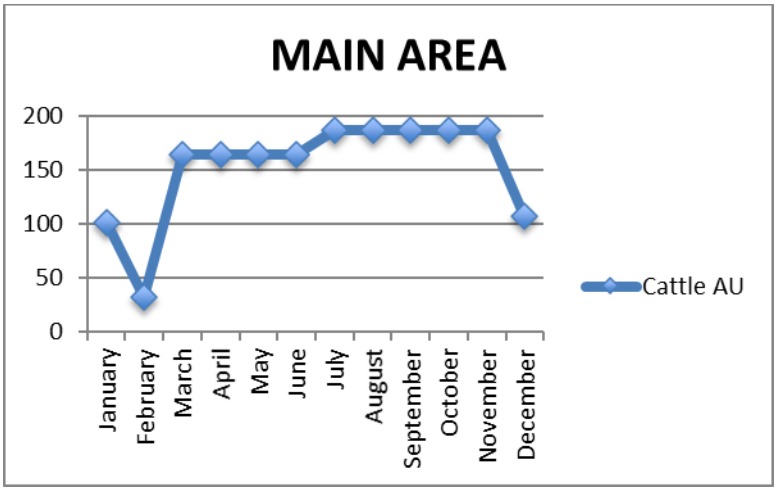


Figure 4. Cattle AU for the Main Area during 2020.

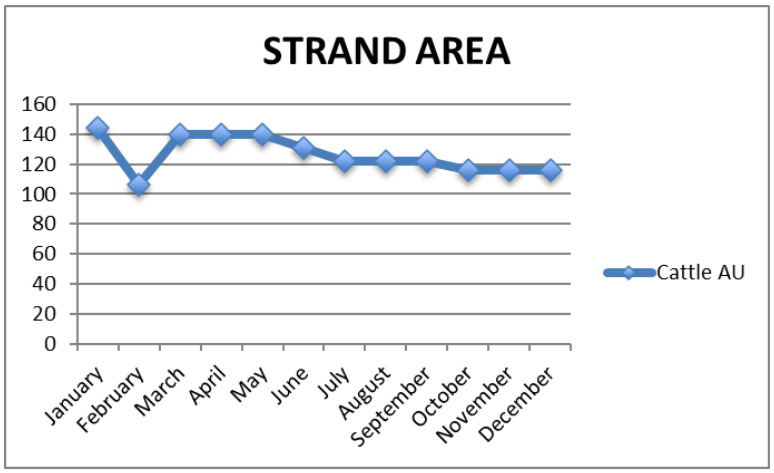


Figure 5. Cattle AU for the Strand Area during 2020.

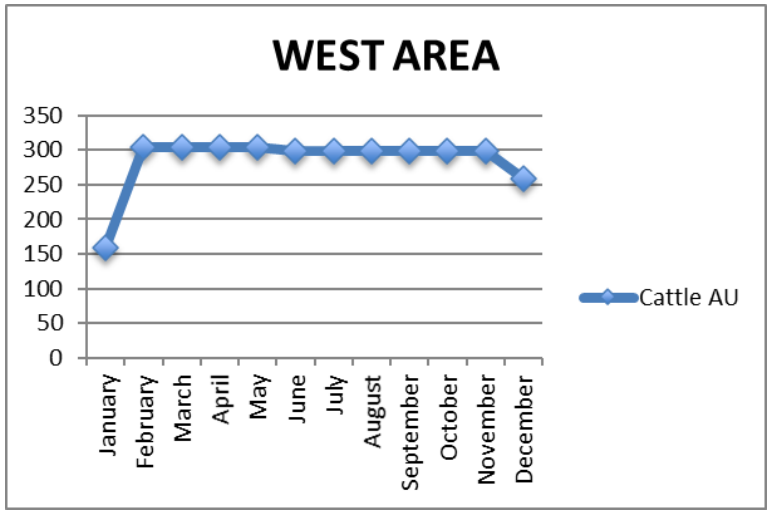


Figure 6. Cattle AU for the West Area during 2019.

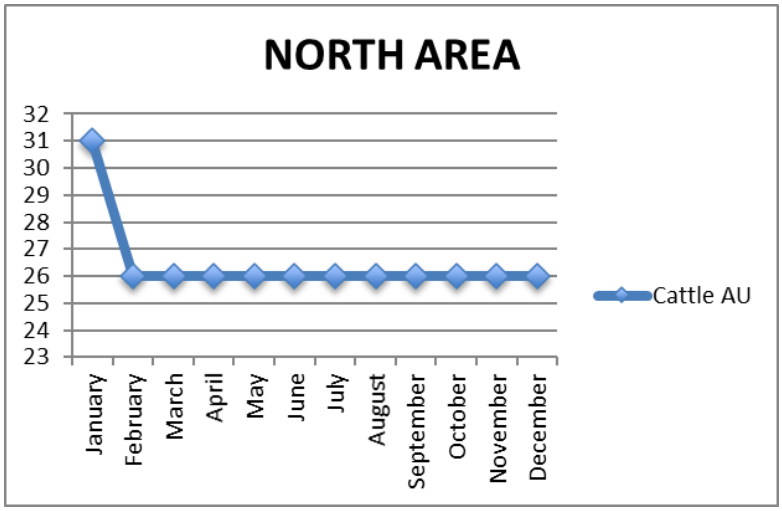


Figure 7. Cattle AU for the North Area during 2020.

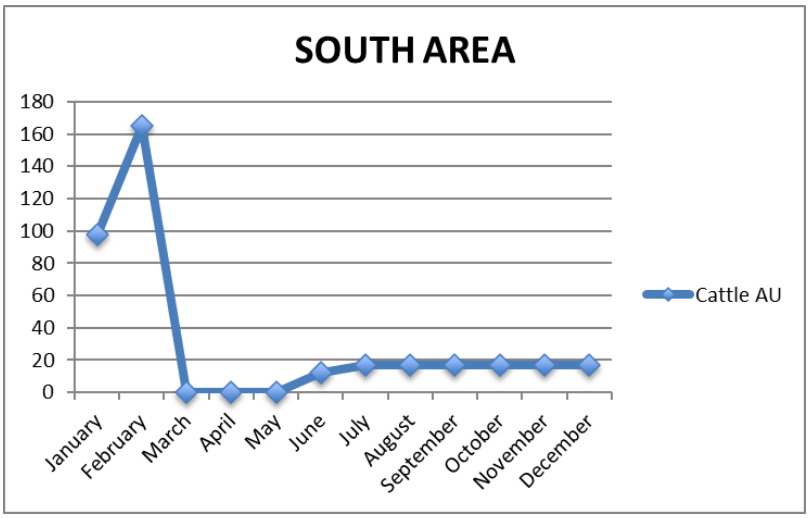


Figure 8. Cattle AU for the South Area during 2020.



Photograph 1.

Looking westward from OMS 4 in one of the larger water conveyances in the Strand Area on March 5, 2020, just after the canal was used to convey water.



Photograph 2.

Same site as Photograph 1 on May 13, 2020, showing the rapidly accumulated growth of vegetation from the earlier inundation and abundant April and May rains.



Photograph 3.

Same site as Photographs 1 and 2 on August 20, 2020. Although cattle actively grazed this site throughout the year, they were unable to keep up with these rapidly growing opportunistic weeds.



Photograph 4.

Same site as Photographs 1, 2, and 3 on November 5, 2020, after the area had to be mowed to open up the canal in preparation for future water conveyance.



Photograph 5.

Looking eastward over the KWB Conservation Bank lands at OMS 7 on March 2, 2020. Note the already senescing herbaceous vegetation at the site.



Photograph 6.

Same area as in Photograph 5 as it appeared on May 15, 2020 showing abundant late rain season growth of herbaceous vegetation from the April and May rainfall.



Photograph 7.

Same area as in Photographs 5 and 6 as it appeared on August 20, 2020. Site is relatively open with abundant animal runways and burrows present. Although some Russian thistle plants are present, they are not dense.



Photograph 8.

Same area as shown in Photographs 5, 6, and 7 as it appeared on November 5, 2020. The area only has a diminished presence of mostly very short Russian thistle plants (from cattle nipping at them while the plants were green and growing) and there are still numerous active small mammal burrows present.

ATTACHMENT 1

Kern Water Bank 2020 Observation Monitoring Site Program Observations

KERN WATER BANK 2020 VEGETATION MONITORING PROGRAM SITE OBSERVATIONS

LOCATION INFORMATION

LOCATION: OMS-1
SECTION: 3
TOWNSHIP/RANGE: 30S/25E
COORDINATES (CA5-NAD83): 6181490, 2313744
NUMBER OF ACRES: 40
VEGETATION TYPE: EMERGENT WETLAND SPECIES PRESENT
SITE TYPE: POND BASIN/POND LITTORAL ZONES

SURVEY INFORMATION AND PHOTOGRAPHS

1ST QUARTER

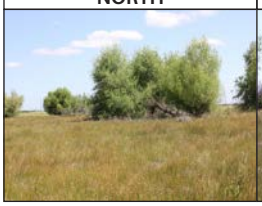
SURVEY DATE: 03/05/2020
TIME: 11:46 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 2.84 IN
WIND DIRECTION: N
WIND VELOCITY: 0.6 MPH
TEMPERATURE: 83.5 F
HUMIDITY: 23.6 %

NORTH	EAST	SOUTH	WEST
			

NOTES: DENSE COVER OF ELEOCHARIS.
WILDLIFE PRESENT: CALIFORNIA GROUND SQUIRREL, MOURING DOVE, WHITE-CROWNED SPARROW.
PLANTS PRESENT: CALANDRINIA CILIATA, CONYZA COULTERI, ELEOCHARIS MACROSTACHYA, GNAPHALIUM PALUSTRE, JUNCUS BALTICUS, LEYMUS TRITICOIDES, RUMEX CRISPUS, SALIX GIIDDINGII, TYPHA LATIFOLIA, XANTHIUM STRUMARIUM.

2ND QUARTER

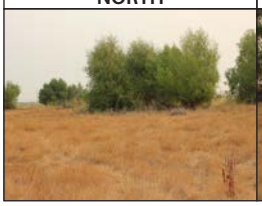
SURVEY DATE: 05/13/2020
TIME: 10:46 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.02 IN
WIND DIRECTION: W
WIND VELOCITY: 1.0 MPH
TEMPERATURE: 73.7 F
HUMIDITY: 34.6 %

NORTH	EAST	SOUTH	WEST
			

NOTES:
WILDLIFE PRESENT: COYOTE, LOGGERHEAD SHRIKE, MOURNING DOVE, NORTHERN MOCKINGBIRD, POCKET GOPHER.
PLANTS PRESENT: CONYZA CANADENSIS, CONYZA COULTERI, ELEOCHARIS MACROSTACHYA, GNAPHALIUM PALUSTRE, MELILOTUS INDICA, POLYPOGON LAPATHIFOLIUM, POLYPOGON MONSPELIENSIS, RUMEX CRISPUS, SALIX GOODDINGII, TYPHA LATIFOLIA, XANTHIUM STRUMARIUM.

3RD QUARTER

SURVEY DATE: 08/20/2020
TIME: 08:28 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 81.1 F
HUMIDITY: 41.3 %

NORTH	EAST	SOUTH	WEST
			

NOTES:
WILDLIFE PRESENT: CALIFORNIA QUAIL, EURASIAN COLLARED DOVE, LOGGERHEAD SHRIKE, MOURNING DOVE.
PLANTS PRESENT: CONYZA CANADENSIS, CONYZA COULTERI, ELEOCHARIS MACROSTACHYA, GNAPHALIUM PALUSTRE, HELIANTHUS ANNUUS, HIRSCHFELDIA INCANA, LACTUCA SERRIOLA, PHYLA NODIFLORA, POLYPOGON MONSPELIENSIS, RUMEX CRISPUS, SALIX GOODDINGII, TYPHA LATIFOLIA,XANTHIUM STRUMARIUM.

4TH QUARTER

SURVEY DATE: 11/05/2020
TIME: 08:32 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION: SW
WIND VELOCITY: 1.0 MPH
TEMPERATURE: 63.7 F
HUMIDITY: 46.6 %

NORTH	EAST	SOUTH	WEST
			

NOTES:
WILDLIFE PRESENT: CALIFORNIA GROUND SQUIREEL, MOURNING DOVE.
PLANTS PRESENT: CONYZA CANADENSIS, ELEOCHARIS MACROSTACHYA, HELIANTHUS ANNUUS, LACTUCA SERRIOLA, POLYPOGON MONSPELIENSIS, RUXEX CRISPUS, SALIX GOODDINGII, THYPA LATIFOLIA.

KERN WATER BANK 2020 VEGETATION MONITORING PROGRAM SITE OBSERVATIONS

LOCATION INFORMATION

LOCATION: OMS-2
SECTION: 9
TOWNSHIP/RANGE: 30S/25E
COORDINATES (CA5-NAD83): 6177540, 2308574
NUMBER OF ACRES: >1
VEGETATION TYPE: EMERGENT WETLAND SPECIES PRESENT/MOSTLY DOMINATED BY ANNUAL GRASSES AND WEEDS
SITE TYPE: DITCH BANK/DITCH BOTTOM

SURVEY INFORMATION AND PHOTOGRAPHS

1ST QUARTER

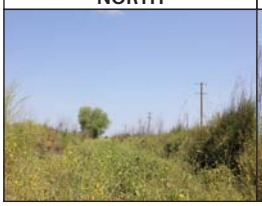
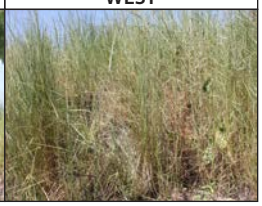
SURVEY DATE: 03/05/2020
TIME: 12:27 PM
MONITOR(S): J. JONES
RAINFALL TO DATE: 2.84 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 85.1 F
HUMIDITY: 20.1 %

NORTH	EAST	SOUTH	WEST
			

NOTES: DITCH BOTTOM IS MOSTLY BARE, DRIED MUD.
WILDLIFE PRESENT: MOURNING DOVE, RED--TAILED HAWK.
PLANTS PRESENT: BASSIA HYSSOPIFOLIA, ELEOCHARIS MACROSTACHYA, JUNCUS BALITCUS, LEYMUS TRITICOIDES, MELILOTUS INDICA, RUMEX CRISPUS, SALIX GOODDINGII.

2ND QUARTER

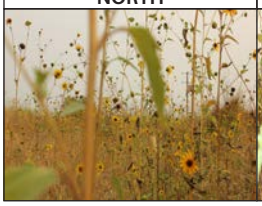
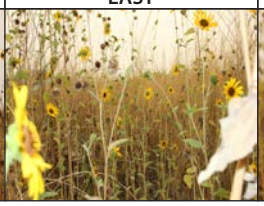
SURVEY DATE: 05/13/2020
TIME: 11:10 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.02 IN
WIND DIRECTION: W
WIND VELOCITY: 3.5 MPH
TEMPERATURE: 73.1 F
HUMIDITY: 31.5%

NORTH	EAST	SOUTH	WEST
			

NOTES:
WILDLIFE PRESENT: RAVEN, TRICOLORED BLACKBIRD, WESTERN MEADOWLARK.
PLANTS PRESENT: ATRIPLEX SEMIBACCTA, CHENOPODIUM ALBUM, ELEOCHARIS MACROSTACHYA, GNAPHALIUM PALUSTRE, HELIANTHUS ANNUUS, HELIOTROPIUM CURASSAVICUM, HIRSCHFELDIA INCANA, JUNCUS BALTICUS, LEYMUS TRITICOIDES, POLLPOGON MONSPELIENSIS,, RUMEX CRISPUS, SALIX GOODDINGII, XANTHIUM STRUMARIUM.

3RD QUARTER

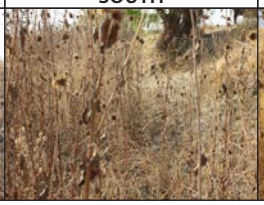
SURVEY DATE: 08/20/2020
TIME: 08:51 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 80.5 F
HUMIDITY: 35.5 %

NORTH	EAST	SOUTH	WEST
			

NOTES: VERY DENSE ANNUAL SUNFLOWER IN DITCH BOTTOM.
WILDLIFE PRESENT:
PLANTS PRESENT: BASSIA HYSSOPIFOLIA, ELEOCHARIS MACROSTACHYA, HELIANTHUS ANNUUS, HIRSCHFELDIA INCANA, JUNCUS BALTICUS, LEYMUS TRITICOIDES, POLYPOGON MONSPELIENSIS, RUMEX CRISPUS, SALIX GOODDINGII, SISYMBRIUM IRIO.

4TH QUARTER

SURVEY DATE: 11/05/2020
TIME: 09:02 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION: SW
WIND VELOCITY: 1.5 MPH
TEMPERATURE: 66.1 F
HUMIDITY: 38.1 %

NORTH	EAST	SOUTH	WEST
			

NOTES: DENSE ANNUAL SUNFLOWER IN DITCH BOTTOM.
WILDLIFE PRESENT: MOURNING DOVE, WHITE-CROWNED SPARROW.
PLANTS PRESENT: HELIANTHUS ANNUUS, HELIOTROPUM CURASSAVICUM, HIRSCHFELDIA INCANA, JUNCUS BALTICUS, LEYMUS TRITICOIDES, RUMEX CRISPUS, SALIX GOODDINGII.

KERN WATER BANK 2020 VEGETATION MONITORING PROGRAM SITE OBSERVATIONS

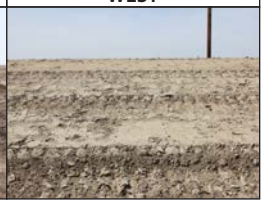
LOCATION INFORMATION

LOCATION: OMS-3
SECTION: 10
TOWNSHIP/RANGE: 30S/25E
COORDINATES (CA5-NAD83): 6177656, 2311449
NUMBER OF ACRES: 80
VEGETATION TYPE: MOSTLY DOMINATED BY ANNUAL GRASSES AND WEEDS/DOMINATED BY RUSSIAN THISTLE AND/OR PRICKLY LETTUCE
SITE TYPE: UPLAND-OLD FARM FIELD

SURVEY INFORMATION AND PHOTOGRAPHS

1ST QUARTER

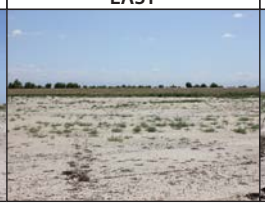
SURVEY DATE: 03/05/2020
TIME: 12:05 PM
MONITOR(S): J. JONES
RAINFALL TO DATE: 2.84 IN
WIND DIRECTION: NW
WIND VELOCITY: 1.1 MPH
TEMPERATURE: 84.2 F
HUMIDITY: 22.7 %

NORTH	EAST	SOUTH	WEST
			

NOTES: NEW POND BASIN. NO VEGETATION YET.
WILDLIFE PRESENT:
PLANTS PRESENT:

2ND QUARTER

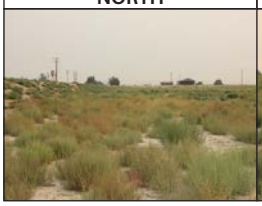
SURVEY DATE: 05/13/2020
TIME: 11:00 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.02 IN
WIND DIRECTION: NW
WIND VELOCITY: 2.6 MPH
TEMPERATURE: 73.0 F
HUMIDITY: 38.9 %

NORTH	EAST	SOUTH	WEST
			

NOTES: NEW POND BASIN.
WILDLIFE PRESENT: RAVEN, SWAINSON'S HAWK.
PLANTS PRESENT: AMSINCKIA MENZIESII, CHENOPODIUM ALBUM, HIRSCHFELDIA INCANA, SALSOLA TRAGUS, SISYMBRIUM IRIO.

3RD QUARTER

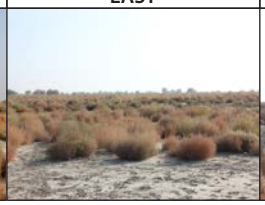
SURVEY DATE: 08/20/2020
TIME: 08:41 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 81.1 F
HUMIDITY: 39.6 %

NORTH	EAST	SOUTH	WEST
			

NOTES: NEWLY COMPLETED RECHARGE BASIN.
WILDLIFE PRESENT: BLACK-TAILED JACKRABBIT.
PLANTS PRESENT: ATRIPLEX SERENANA, DATURA WRIGHTII, SALSOLA TRAGUS.

4TH QUARTER

SURVEY DATE: 11/05/2020
TIME: 08:51 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION: -
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 65.9 F
HUMIDITY: 37.4 %

NORTH	EAST	SOUTH	WEST
			

NOTES: DENSE RUSSIAN THISTLE IN THIS NEW POND BASIN.
WILDLIFE PRESENT:
PLANTS PRESENT: BASSIA HYSSOPIFOLIA, SALSOLA TRAGUS.

KERN WATER BANK 2020 VEGETATION MONITORING PROGRAM SITE OBSERVATIONS

LOCATION INFORMATION

LOCATION: OMS-4
SECTION: 11
TOWNSHIP/RANGE: 30S/25E
COORDINATES (CA5-NAD83): 6186254, 2311943
NUMBER OF ACRES: 10
VEGETATION TYPE: MOSTLY DOMINATED BY ANNUAL GRASSES AND WEEDS/NON-NATIVE PLANTS
SITE TYPE: DITCH BANK/DITCH BOTTOM

SURVEY INFORMATION AND PHOTOGRAPHS

1ST QUARTER

SURVEY DATE: 03/05/2020
TIME: 11:30 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 2.84 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 80.7 F
HUMIDITY: 28.3 %

NORTH	EAST	SOUTH	WEST
			

NOTES: RECENTLY FLOODED, SOIL IS STILL MUDDY.
WILDLIFE PRESENT: RAVEN, WESTERN MEADOWLARK.
PLANTS PRESENT: GNAPHALIUM PALUSTRE, JUNCUS BALTICUS, LEYMUS TRITICOIDES, LUDWIGIA PEPLOIDES, MALVA PARVIFLORA, MELIOTTUS INDICA, RUMEX CRISPUS.

2ND QUARTER

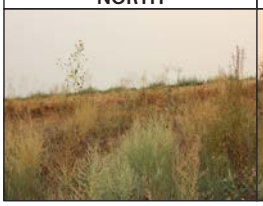
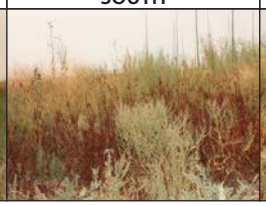
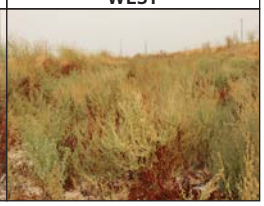
SURVEY DATE: 05/13/2020
TIME: 10:29 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.02 IN
WIND DIRECTION: W
WIND VELOCITY: 0.5 MPH
TEMPERATURE: 72.1 F
HUMIDITY: 40.1 %

NORTH	EAST	SOUTH	WEST
			

NOTES: VEGETATION IS TALL AND DENSE.
WILDLIFE PRESENT: RAVEN.
PLANTS PRESENT: CHENOPODIUM ALBUM, ELEOCHARIS MACROSTACHYA, GNAPHALIUM PALUSTRE, HIRSCHFELDIA INCANA, HORDEUM MAURINUM SSP. LEPORINUM, LEYMUS TRITICOIDES, MELLOTUS INDICA, POLYGONUM LAPATHIFOLIUM, RUMEX CRISPUS, SALSOLA TRAGUS, SONCHUS OLERACEUS, XANTHIUM STRUMARIUM.

3RD QUARTER

SURVEY DATE: 08/20/2020
TIME: 08:11 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.02 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 76.6 F
HUMIDITY: 35.5 %

NORTH	EAST	SOUTH	WEST
			

NOTES:
WILDLIFE PRESENT: RAVEN.
PLANTS PRESENT: ATRIPLEX SERENANA, BASSIA HYSSOPIFOLIA, CONYZA CANADENSIS, ELEOCHARIS MACROSTACHYA, GNAPHALIUM PALUSTRE, HELIANTHUS ANNUUS, HELIANTHUS ANNUUS, LACTUCA SERRIOLA, LUDVIGIA PEPLOIDES, NICOTIANA ATTENUATA, POLYPOGON MONSPELIENSIS, RUMEX CRISPUS, SALSOLA TRAGUS, XANTHIUM STRUMARIUM.

4TH QUARTER

SURVEY DATE: 11/05/2020
TIME: 09:40 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 69.9 F
HUMIDITY: 35.6 %

NORTH	EAST	SOUTH	WEST
			

NOTES: AREA HAS BEEN MOWED.
WILDLIFE PRESENT: CALIFORNIA GROUND SQUIRREL, NORTHERN HARRIER.
PLANTS PRESENT: BASSIA HYSSOPIFOLIA, CONYZA CANADENSIS, HELIANTHUS ANNUUS, HIRSCHFELDIA INCANA, LEYMUS TRITICOIDES, LYTHRUM CALIFORNICUM, MELITOTUS INDICA, RUMEX CRISPUS.

KERN WATER BANK 2020 VEGETATION MONITORING PROGRAM SITE OBSERVATIONS

LOCATION INFORMATION

LOCATION: OMS-5
SECTION: 7
TOWNSHIP/RANGE: 30S/26E
COORDINATES (CA5-NAD83): 6194387, 2306947
NUMBER OF ACRES: 50
VEGETATION TYPE: MOSTLY DOMINATED BY ANNUAL GRASSES AND WEEDS/NON-NATIVE PLANTS/RUDERAL VEGETATION
SITE TYPE: UPLAND-OLD FARM FIELDS

SURVEY INFORMATION AND PHOTOGRAPHS

1ST QUARTER

SURVEY DATE: 03/02/2020
TIME: 11:20 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 2.84 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 64.4 F
HUMIDITY: 30.1 %

NORTH	EAST	SOUTH	WEST
			

NOTES: MODERATE AMOUNT OF KANGAROO RAT BURROWS. AREA IS DRYING, NEED TO KEEP CLOSE EYE ON GRAZING.
WILDLIFE PRESENT: RAVEN, RED-TAILED HAWK.
PLANTS PRESENT: AMSINCKIA MENZIESII, BROMUS RUBENS, CRASSULA SP., ERODIUM CICUTARIUM, HORDEUM MURINUM SSP. LEPORINUM, PECTOCARYA PENICILLATA, PROSOPIS GLANDULOSA VAR. TORREYANNA, SCHISMUS ARABICUS.

2ND QUARTER

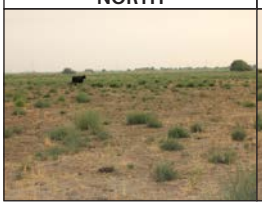
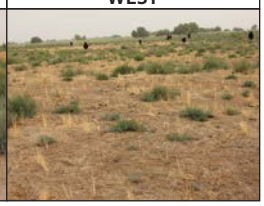
SURVEY DATE: 05/13/2020
TIME: 12:05 PM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.02 IN
WIND DIRECTION: W
WIND VELOCITY: 3.5 MPH
TEMPERATURE: 73.5 F
HUMIDITY: 30.8 %

NORTH	EAST	SOUTH	WEST
			

NOTES: NUMEROUS ACTIVE KANGAROO RAT BURROWS. NO RUSSIAN THISTLE.
WILDLIFE PRESENT: RAVEN.
PLANTS PRESENT: AMSINCKIA MENZIESII, BROMUS RUBENS, ERODIUM CICUTARIUM, HIRSCHFELDIA INCANA, HORDEUM MURINUM SSP. LEORINUM, LESSINGIA GLANDULIFERA, PROSOPIS GLANDULOSA VAR. TORREYANA.

3RD QUARTER

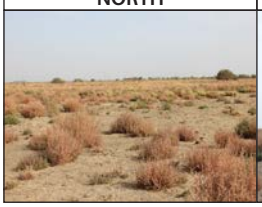
SURVEY DATE: 08/20/2020
TIME: 07:45 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 75.4 F
HUMIDITY: 45.0 %

NORTH	EAST	SOUTH	WEST
			

NOTES: RUSSIAN THISTLE HAS BECOME DOMINANT. CATTLE ARE ACTIVELY GRAZING. NUMEROUS ACTIVE KANGAROO RAT BURROWS.
WILDLIFE PRESENT:
PLANTS PRESENT: AMBROSIA ACANTHICARPA, BROMUS RUBENS, PROSOPIS GLANDULOSA VAR. TORREYANA, SALSOLA TRAGUS, SISYMBRIUM IRIO, STEPHANOMERIA PAUCIFLORA.

4TH QUARTER

SURVEY DATE: 11/05/2020
TIME: 09:55 PM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION: W
WIND VELOCITY: 2.5 MPH
TEMPERATURE: 72.1 F
HUMIDITY: 34.5 %

NORTH	EAST	SOUTH	WEST
			

NOTES: DOMINATED BY RUSSIAN THISTLE. ACTIVE KANGAROO RAT BURROWS PRESENT.
WILDLIFE PRESENT:
PLANTS PRESENT: BROMUS RUBENS, HIRSCHFELICA INCANA, LESSINGIA GLANDULIFERA, PROSOPIS GLANDULOSA VAR. TORREYANA, SALSOLA TRAGUS, SCHISMUS ARABICUS.

KERN WATER BANK 2020 VEGETATION MONITORING PROGRAM SITE OBSERVATIONS

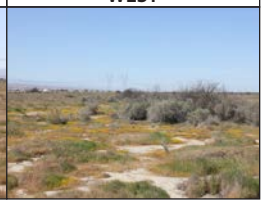
LOCATION INFORMATION

LOCATION: OMS-6
SECTION: 36
TOWNSHIP/RANGE: 30S/25E
COORDINATES (CA5-NAD83): 6192992, 2287399
NUMBER OF ACRES: 160
VEGETATION TYPE: MIXED ANNUAL GRASSLAND WITH SCATTERED SHRUBS/SCATTERED SHRUBS-BARE SOIL
SITE TYPE: UPLAND-SENSITIVE HABITAT

SURVEY INFORMATION AND PHOTOGRAPHS

1ST QUARTER

SURVEY DATE: 03/02/2020
TIME: 11:45 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 2.84 IN
WIND DIRECTION: W
WIND VELOCITY: 3.2 MPH
TEMPERATURE: 62.4 F
HUMIDITY: 23.7 %

NORTH	EAST	SOUTH	WEST
			

NOTES: FEW KANGAROO RAT BURROWS. AREA IS DRYING RAPIDLY.
WILDLIFE PRESENT: BLACK-TAILED JACKRABBIT, SAGE SPARROW, WESTERN MEADOWLARK.
PLANTS PRESENT: AMSINCKIA MENZIESII, ATRIPLEX POLYCARPA, BROMUS RUBENS, ERODIUM CICUTARIUM, GILIA TRICOLOR, HORDEUM MURINUM SSP. LEPORINUM, LASTENIA CALIFORNIA, LEPIDIUM NITIDUM, PROSOPIS GLANDULOSA VAR. TORREYANA.

2ND QUARTER

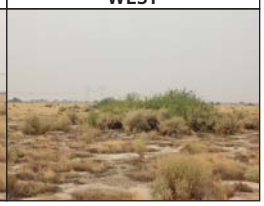
SURVEY DATE: 05/15/2020
TIME: 11:10 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.02 IN
WIND DIRECTION: NW
WIND VELOCITY: 3.5 MPH
TEMPERATURE: 74.6 F
HUMIDITY: 26.1 %

NORTH	EAST	SOUTH	WEST
			

NOTES: MODERATE AMOUNT OF SMALL MAMMAL BURROWS.
WILDLIFE PRESENT: BLACK-TAILED JACKRABBIT, CLIFF SWALLOW.
PLANTS PRESENT: AMSINCKIA MENZIESII, ATRIPLEX ARGENTIA, ATRIPLEX POLYCARPA, BROMUS RUBENS, HEMIZONIA PUNGENS, HORDEUM MURINUM SSP. LEPORINIUM, PROSOPIS GLANDULOSA VAR. TORREYANA, SISYMBRIUM IRIO.

3RD QUARTER

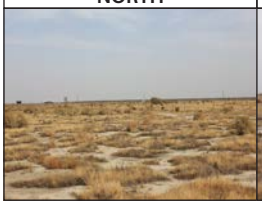
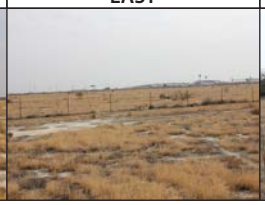
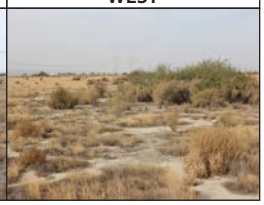
SURVEY DATE: 08/20/2020
TIME: 11:45 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION: -
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 93.1 F
HUMIDITY: 19.3 %

NORTH	EAST	SOUTH	WEST
			

NOTES: MODERATE NUMBER OF KANGAROO RAT BURROWS.
WILDLIFE PRESENT:
PLANTS PRESENT: AMSINCKIA MENZIESII, ATRIPLEX ARGENTIA, ATRIPLEX POLYCARPA, BROMUS RUBENS, CHAMAESYCE OCELLATA, HEMIZONIA PUNGENS, PROSOPIS GLANDULOSA VAR. TORREYANA, SALSOLA TRAGUS, SCHISMUS ARABICUS.

4TH QUARTER

SURVEY DATE: 11/05/2020
TIME: 10:23 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION: W
WIND VELOCITY: 1.5 MPH
TEMPERATURE: 72.1 F
HUMIDITY: 32.1 %

NORTH	EAST	SOUTH	WEST
			

NOTES: ACTIVE KANGAROO RAT BURROWS PRESENT.
WILDLIFE PRESENT: BLACK PHOEBE, LOGGERHEAD SHRIKE.
PLANTS PRESENT: AMSINCKIA MENZIESII, ATRIPLEX POLYCARPA, ATRIPLEX SERENANA, BROMUS RUBENS, PROSOPIS GLANDULOSA VAR. TORREYANA, SALSOLA TRAGUS, SCHISMUS ARABICUS.

KERN WATER BANK 2020 VEGETATION MONITORING PROGRAM SITE OBSERVATIONS

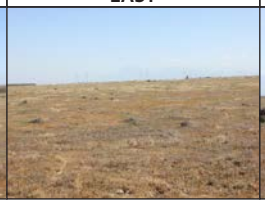
LOCATION INFORMATION

LOCATION: OMS-7
SECTION: 34
TOWNSHIP/RANGE: 30S/25E
COORDINATES (CA5-NAD83):612246, 2290740
NUMBER OF ACRES: 160
VEGETATION TYPE: MOSTLY DOMINATED BY ANNUAL GRASSES AND WEEDS
SITE TYPE: UPLAND-SENSITIVE HABITAT/UPLAND-OLD FARM FIELDS

SURVEY INFORMATION AND PHOTOGRAPHS

1ST QUARTER

SURVEY DATE: 03/02/2020
TIME: 12:43 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 2.84 IN
WIND DIRECTION: W
WIND VELOCITY: 1.3 MPH
TEMPERATURE: 65.2 F
HUMIDITY: 21.7 %

NORTH	EAST	SOUTH	WEST
			

NOTES: MODERATE AMOUNT OF KANGAROO RAT BURROWS. AREA IS VERY QUICKLY DRYING. GROWING SEASON IS NEARLY FINISHED.
WILDLIFE PRESENT: CALIFORNIA HORNED LARK, LOGGERHEAD SHRIKE, RAVEN.
PLANTS PRESENT: AMSINCKIA MENZIESII, BROMUS RUBENS, ERODIUM CICUTARIUM, GUILLENIA LASIOPHYLA, HORDEUM MURINUM SSP. LEPORINIUM, LASTHENIA CALIFORNIA, PECTORCARYA PENICILLATA, SCHISMUS ARABICUS.

2ND QUARTER

SURVEY DATE: 05/15/2020
TIME: 10:30 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.02 IN
WIND DIRECTION: NW
WIND VELOCITY: 2.5 MPH
TEMPERATURE: 70.6 F
HUMIDITY: 28.4 %

NORTH	EAST	SOUTH	WEST
			

NOTES: ABUNDANT KANGAROO RAT BURROWS AND STACKING/CLIPPINGS OF SCHISMUS SPIKELETS. RUSSIAN THISTLE IS RELATIVELY ABUNDANT, BUT SMALL SIZED.
WILDLIFE PRESENT: LOGGERHEAD SHRIKE, MOURNING DOVE, SWAINSON'S HAWK.
PLANTS PRESENT: AMSINCKIA MENZIESII, BROMUS RUBENS, ERODIUM CICUTARIUM, HORDEUM MURINUM SSP. LEPORINIUM, SALSOLA TRAGUS, SCHISMUS ARABICUS, SISYMBRIUM IRIO.

3RD QUARTER

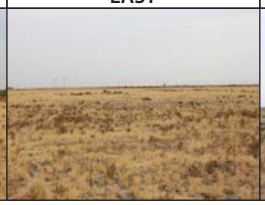
SURVEY DATE: 08/20/2020
TIME: 09:50 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION: SW
WIND VELOCITY: 3.5 MPH
TEMPERATURE: 88.4 F
HUMIDITY: 22.7 %

NORTH	EAST	SOUTH	WEST
			

NOTES: NUMEROUS ACTIVE KANGAROO RAT BURROWS. SITE LOOKS GOOD, RUSSIAN THISTLE IS PRESENT, BUT NOT DENSE.
WILDLIFE PRESENT: MOURNING DOVE, RAVEN, RED-TAILED HAWK.
PLANTS PRESENT: BROMUS RUBENS, CONYZA CANADENSIS, SALSOLA TRAGUS, SCHISMUS ARABICUS.

4TH QUARTER

SURVEY DATE: 11/05/2020
TIME: 11:25 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION: W
WIND VELOCITY: 3.0 MPH
TEMPERATURE: 73.9 F
HUMIDITY: 34.0 %

NORTH	EAST	SOUTH	WEST
			

NOTES: MANY ACTIVE KANGAROO RAT BURROWS.
WILDLIFE PRESENT: LOGGERHEAD SHRIKE.
PLANTS PRESENT: AMSINCKIA MENZIESII, BROMUS RUBENS, DATURA WRIGHTII, SALSOLA TRAGUS, SCHISMUS ARABICUS.

KERN WATER BANK 2020 VEGETATION MONITORING PROGRAM SITE OBSERVATIONS

LOCATION INFORMATION

LOCATION: OMS-8
SECTION: 16
TOWNSHIP/RANGE: 30S/25E
COORDINATES (CA5-NAD83): 6173009, 2307209
NUMBER OF ACRES: 40
VEGETATION TYPE: MOSTLY DOMINATED BY ANNUAL GRASSES AND WEEDS/NON-NATIVE PLANTS
SITE TYPE: POND BASIN

SURVEY INFORMATION AND PHOTOGRAPHS

1ST QUARTER

SURVEY DATE: 03/05/2020
TIME: 12:47 PM
MONITOR(S): J. JONES
RAINFALL TO DATE: 2.84 IN
WIND DIRECTION: W
WIND VELOCITY: 1.5 MPH
TEMPERATURE: 78.7 F
HUMIDITY: 22.2 %

NORTH	EAST	SOUTH	WEST
			

NOTES:
WILDLIFE PRESENT: MOURING DOVE, RED-TAILED HAWK.
PLANTS PRESENT: ALISMA PLANTAGO-AQUAITICA, CHENOPODIUM ALBUM, ELEOCHARIS MACROSTACHYA, HORDEUM MURINUM SSP. LEPORINUM, JUNCUS BALITCUS, LYTHERIUM CALIFORNICUM, MALVA PARVIFLORA, MELILOTUS ALBA, PHYLA NODIFLORA, POLYGONUM LAPATHIFOLIUM, RUMEX CRISPUS, SALIX GOODDINGII.

2ND QUARTER

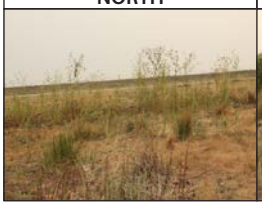
SURVEY DATE: 05/13/2020
TIME: 11:30 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 4.47 IN
WIND DIRECTION: N
WIND VELOCITY: 4.6 MPH
TEMPERATURE: 81.6 F
HUMIDITY: 44.9%

NORTH	EAST	SOUTH	WEST
			

NOTES:
WILDLIFE PRESENT: CLIFF SWALLOW, WESTERN KINGBIRD.
PLANTS PRESENT: ACROPTILON REPENS, ELEOCHARIS MACROSTACHYA, HELIANTHUS ANNUUS, HIRSCHFELDIA INCANA, JUNCUS BALTICUS, POLYGONUM LAPTHIFOLIUM, POLYPOGON MONSPELIENSIS, RUMEX CRISPUS, SALIX GOODDINGII, SOLANUM ELAEAGNIFOLIUM, TYPHA LATIFOLIA, XANTHIUM STRUMARIUM.

3RD QUARTER

SURVEY DATE: 08/20/2020
TIME: 09:05 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.207 IN
WIND DIRECTION:
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 83.4 F
HUMIDITY: 35.1 %

NORTH	EAST	SOUTH	WEST
			

WILDLIFE PRESENT: AMERICAN KESTREL, MOURNING DOVE, RAVEN.
PLANTS PRESENT: ATRIPLEX SRENANA, CON,YZA CANADENSIS, C. COULTERI, ELEOCHARIS MACROSTACHYA, GNAPHALIUM PALUSTRE, GRIDELIA CAMPORUM, HELIANTHUS ANNUUS, JUNCUS BALTICUS, LYTHURM CALIFORNICUM, PHYLA NODIFLORA, POLYGONUM LAPATHIFOLIUM, POLYPOGON MONSPELIENSIS, RUMEX CRISPUS, SALIX GOODDINGII, SALSOLA TRAGUS, THYPA LATIFOLIA.

4TH QUARTER

SURVEY DATE: 11/05/2020
TIME: 09:18 AM
MONITOR(S): J. JONES
RAINFALL TO DATE: 7.20 IN
WIND DIRECTION: -
WIND VELOCITY: 0.0 MPH
TEMPERATURE: 65.6 F
HUMIDITY: 37.4 %

NORTH	EAST	SOUTH	WEST
			

NOTES:
WILDLIFE PRESENT: BLACK PHOEBE, RAVEN, RED-TAILD HAWK.
PLANTS PRESENT: AMARANTHUS SP., CONYZA COLUTERI., ELEOCHARIS MACROSTACHYA, GRINDELIA CAMPORUM, HELIANTHUS ANNUUS, JUNCUS BALTICUS, LYTHERUM CALIFORNICUM, PHYLA NODIFLORA, POLYGONUM ARENASTRIUM, POLYGONUM LAPATHIFOLIUM, POLYPOGON MINSPELIENSIS, SALIX GOODDINGII, TYPHA LATIFOLIA.

Appendix D

Waterbird, Raptor, and Upland Bird Survey Report for Kern Water Bank



Great Egret (*Ardea alba*)

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Kern Water Bank

Waterbird, Raptor and Upland Bird Survey Report: October 2011 – May 2021

21 May 2021

Introduction

The property managed by the Kern Water Bank Authority supports a wealth of native wildlife, especially an abundance of upland birds and raptors attracted to the recharge ponds and/or the upland habitats. In order to document and quantify this natural resource value, John Sterling of Sterling Wildlife Biology conducted bird surveys from late August 2012 to late March 2021. These surveys are intended to capture a snapshot of the bird use of the project area during the winter, spring/fall migration and the breeding seasons. The resulting data serve to document the regional importance of habitats on the Kern Water Bank for raptors and upland birds during this period. Most importantly, the data describe the baseline of existing conditions that may be used to inform range management practices with regard to productive bird habitat. This baseline data will be used to measure population trends with range management enhancement and/or unmanaged changes in habitat due to climate conditions.

Methods

Survey Methods

For the waterbird surveys, no surveys were conducted in 2020 to May 2021 due to lack of watered ponds. In previous years, survey dates for 2011-12 were 18-19 October, 25- 26 October, 15-16 November, 30 November – 1 December, 13-14 December, 23-25 January, 10-11 February, 28-29, February, 10-11 March, and 8-9 April; for 2017 were 21-22 January, 3-4 February, 23-24 February, 14-15 March, 23-24 March, 1-2 April, 9-10 April, 21-22 April, 3-4 May, 11-12 May, 1 October, 19 October, 2 December; for 2018 were 17 January,16 February, 20 March; and for 2019 only four visits (1 April, May 29-31, July 9-10 and August 20 2019) due to fluctuations of ponds. Each pond was labeled in the datasheet according to the name on the map provided by the Kern Water Bank Authority. One pond was not marked on the map and was labeled CX for this study. For each pond, Mr. Sterling counted all individuals for species with fewer than one hundred individuals. For species with larger numbers of individuals, he made estimates by counting in increments of ten or one hundred. All watered ponds were visited in all surveys. All data were entered into Microsoft Excel spreadsheets (See attached Appendix A excel file).

For the raptor/Loggerhead Shrike and upland bird surveys, John Sterling visited the sites approximately every two weeks for a total of 222 raptor/Loggerhead Shrike and 189-191 upland bird surveys. The dates of the surveys were approximately every two weeks starting on 31 August 2012 to 21 May 2021, with 3-4 surveys during fall and spring migration months and with breaks in June and July in some years. Raptor/Loggerhead Shrike surveys were conducted in June and July only in 2015—2020. Upland bird surveys were not conducted regularly during much of the summer period as most nesting had been completed by 31 May, and there were few birds remaining on the study area until fall migration began in September. Upland bird surveys were conducted on fixed, transects (Figure 1). Mr. Sterling conducted upland bird surveys by walking transects and recording all birds heard or seen within 200 meters of the transect line. He tabulated the numbers of each species. Transects were 0.25 to 0.5 miles long. For the raptor surveys, Mr. Sterling drove most roads to cover the entire project area and kept running tallies of numbers of individuals of all raptor species and Loggerhead Shrike. All data were compiled onto spreadsheets (See attached Appendix B & C files).

Descriptions of Upland Bird Survey Transects

The following are brief descriptions of the bird habitat along each of the survey transects including photographs showing conditions on 7 June 2013.

Transect A

The transect borders a large canal that is watered and supports a few water birds. As such, it also supports tules and some sunflowers and other ruderal plants along its edge. There are several large willow trees (*Salix sp.*) but the habitat is mostly open, ruderal fields with some tumbleweed cover (*Salsola* sp.). During wet years, the ruderal vegetation is rank and relatively tall (up to 4 ft).



Figure 1. Locations of Upland Bird Survey Transects on the Kern Water Bank



Transect B
This transect borders a canal that was watered until spring 2012. It supports several willow trees along its banks along with mulefat, thistles and other ruderal vegetation. The fields are dry ponds and support ruderal vegetation.



Transect C
This transect is a honey mesquite (*Propospis glandulosa*) woodland with some tree tobacco, annual grasses and some ruderal vegetation.



Transect D
The west side of this transect is a dry pond that is now an open willow woodland with moderate ruderal and annual grassland cover. The east side is a dry pond that is now a ruderal field with low, sparse vegetative cover.



Transect E
This transect has a honey mesquite woodland on the south side, with some annual grasses, but otherwise little vegetative cover apart from the mesquite. On the north side is a dry pond that is a ruderal field.



Transect F
This transect is relatively barren with some grasses, forbs and in some years dominated by tumbleweed.



Transect G
This transect has several honey mesquite shrubs on the east side, but the west side is dominated by saltbush (*Atriplex sp.*).



Transect H
This transect has some Fremont cottonwood saplings, along with an open honey mesquite woodland and tall ruderal vegetation on the west side. The east side is a dry pond and now a ruderal field.



Transect I
This transect has two small willow trees in a field dominated by tumbleweed on the south side, while the north side is an alfalfa field on property adjacent to the project area.



Special-Status Species Criteria

In evaluating the potential presence of special-status species, the following criteria were used to determine which species should be included:

- Bird species listed, or proposed for listing, as threatened or endangered under the ESA (50 CFR 17.11 [listed animals], and various notices in the Federal Register [proposed species]);
- bird species that are candidates for possible future listing as threatened or endangered under the ESA (61 FR 40: 7596-7613, February 28, 1996);
- bird species listed, or proposed for listing, by the State of California as threatened or endangered under CESA (14 CCR 670.5);
- bird species that meet the definitions of rare or endangered under CEQA (CEQA Guidelines, Section 15380);
- bird species of special concern to CDFG (CDFG in preparation [birds, Shuford and Gardali 2008];
- bird species fully protected in California (California Fish and Game Code, Section 3511 [birds]; and
- bird species included in CDFG's list of special animals and monitored by the California Natural Diversity Database (CNDDB).

Results

Two hundred and twenty-one species of birds have been recorded thus far at the Kern Water Bank during water bird, upland bird and raptor surveys since this project began in mid October 2011 (Appendix A). Many of those are discussed below or in the previous reports (Sterling Wildlife Biology; 27 April 2012, 9 December 2013, 1 June 2015, 23 May 2016, 11 June 2017, May 2018, May 2019 and May 2020).

Upland Birds

One hundred and thirty-one species of birds were detected during the upland bird surveys. Of the nine transects, Transects A, C and H have the largest number of species with one hundred and twenty-four, ninety-two and eighty-nine, respectively (Figure 2). Although species richness (number of species did not vary greatly over time in each transect, numbers of birds counted fluctuated greatly (Figures 3-12). Overall, June 2020 through May 2021 surveys resulted in lower numbers of birds than in previous post-drought years that greatly lowered the mean number of birds for each transect. Transects with the most birds contained mesquite and/or willow trees. Transect I usually harbor large numbers of sparrows during the winter when northern half of transect is planted in alfalfa. These fields were fallow in 2020 to 2021 so overall numbers of birds are dramatically lower. This past year additional species were found in most transects, so it is likely that more species will continue to be documented.

Figure 2. Cumulative Number of Species Found in Each Transect: 2012-2021

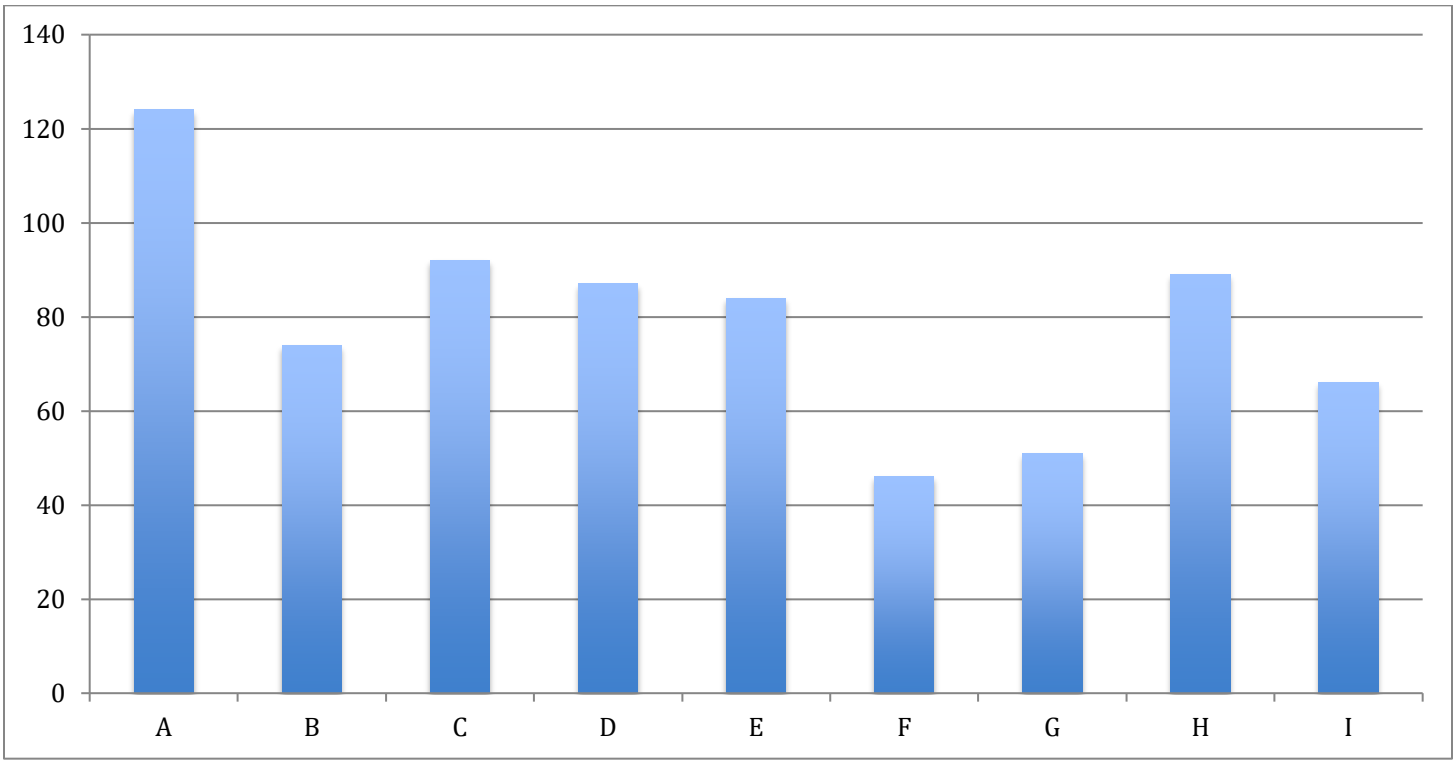


Figure 3. Mean Number of Birds Found During Each Survey in Each Transect: 2012-2021

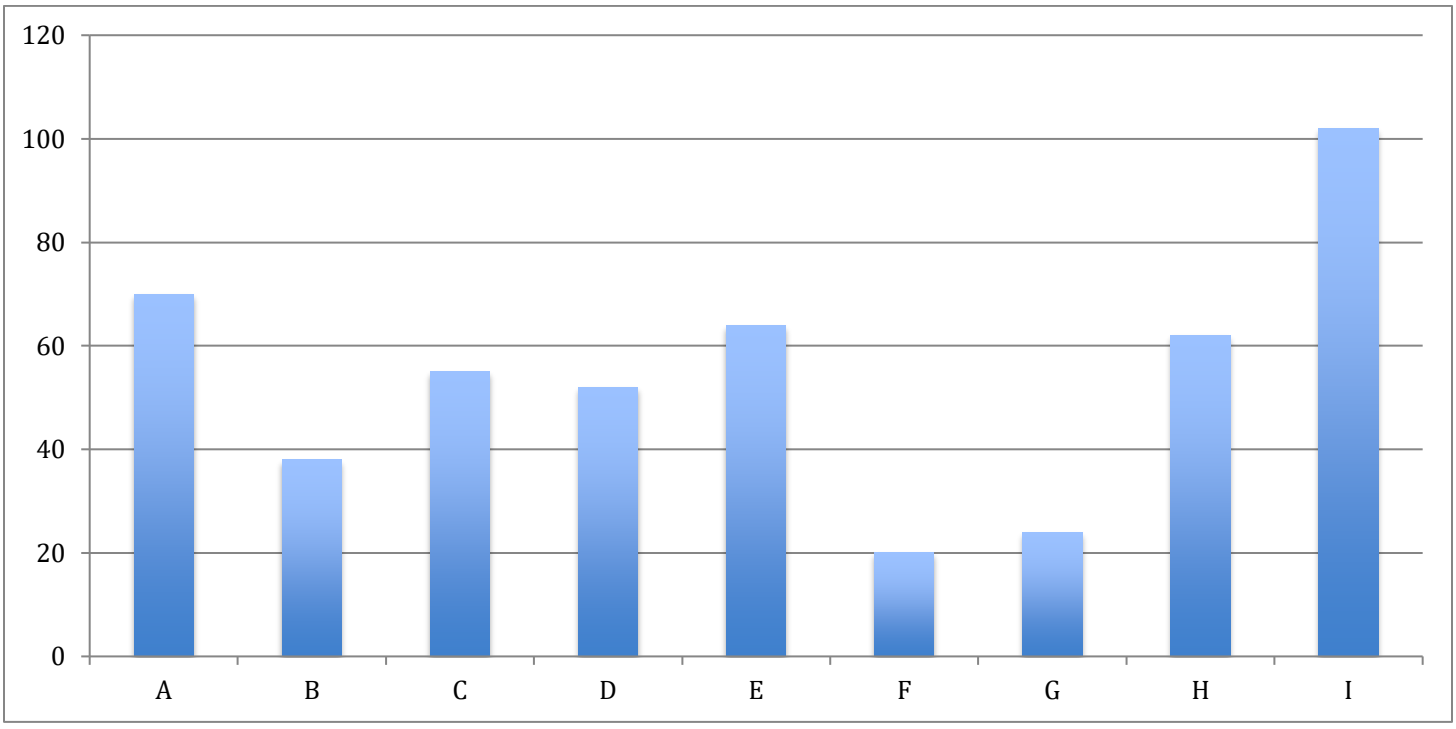


Figure 4. Number of Birds and Bird Species: Transect A.

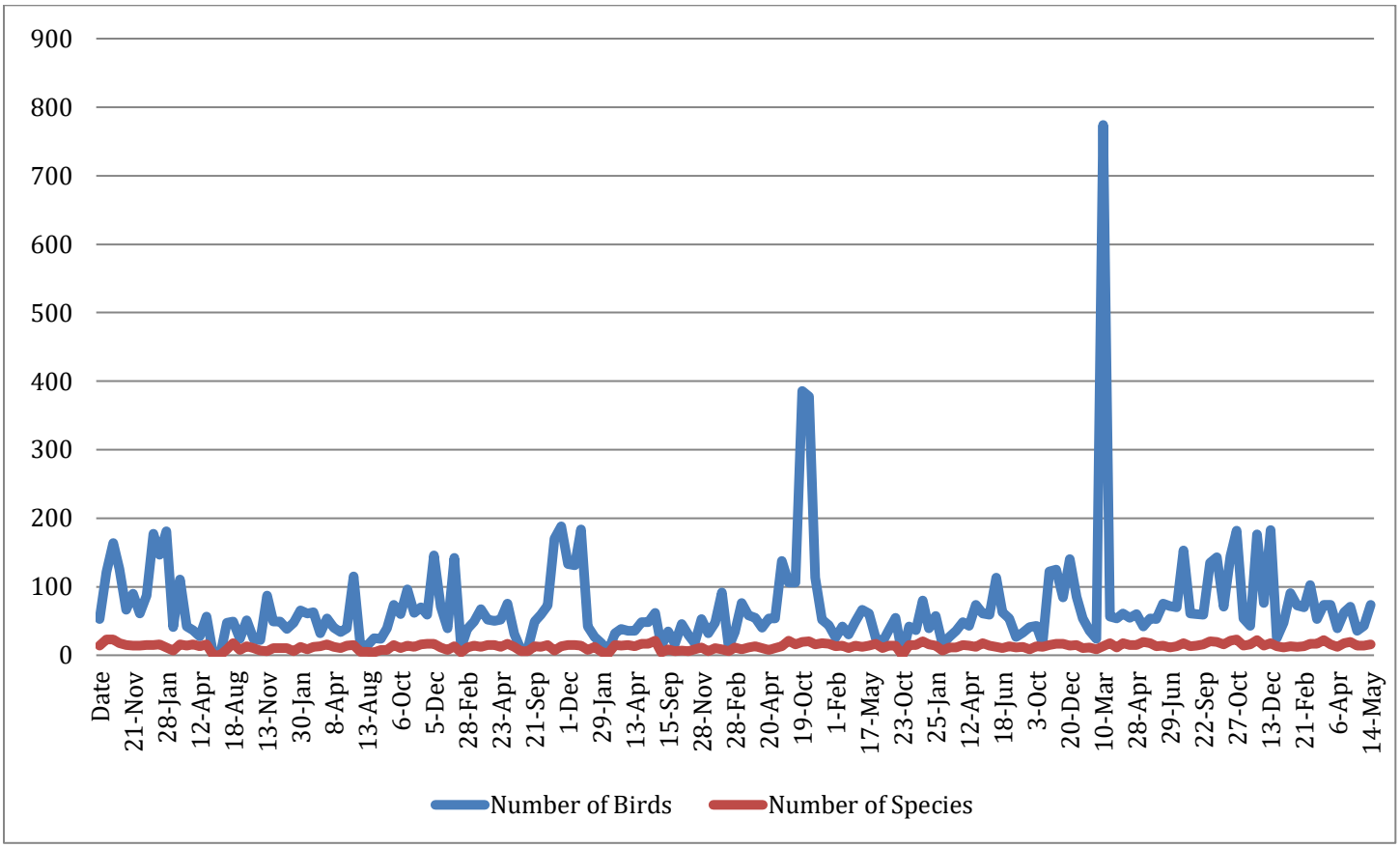


Figure 5. Number of Birds and Bird Species: Transect B.

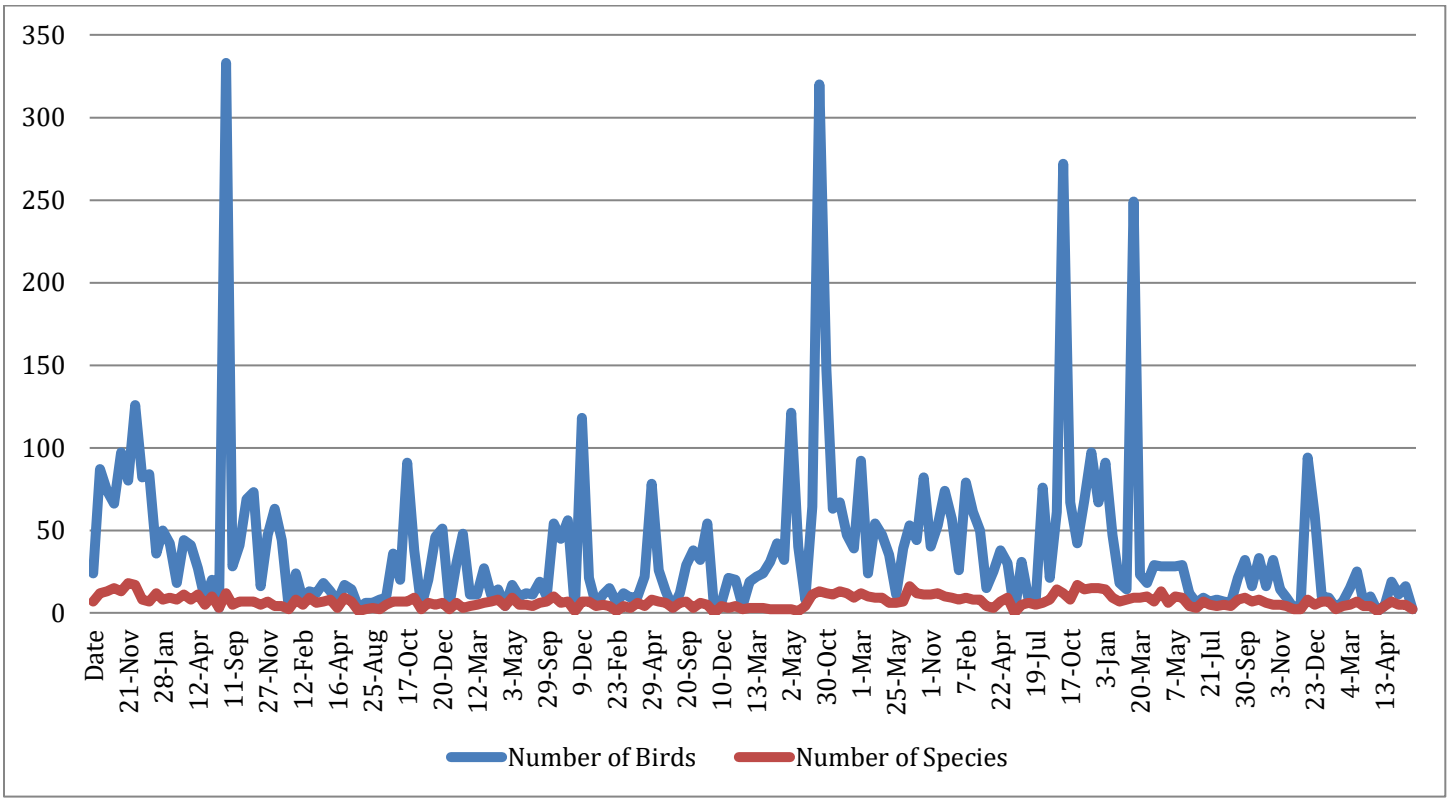


Figure 6. Number of Birds and Bird Species: Transect C.

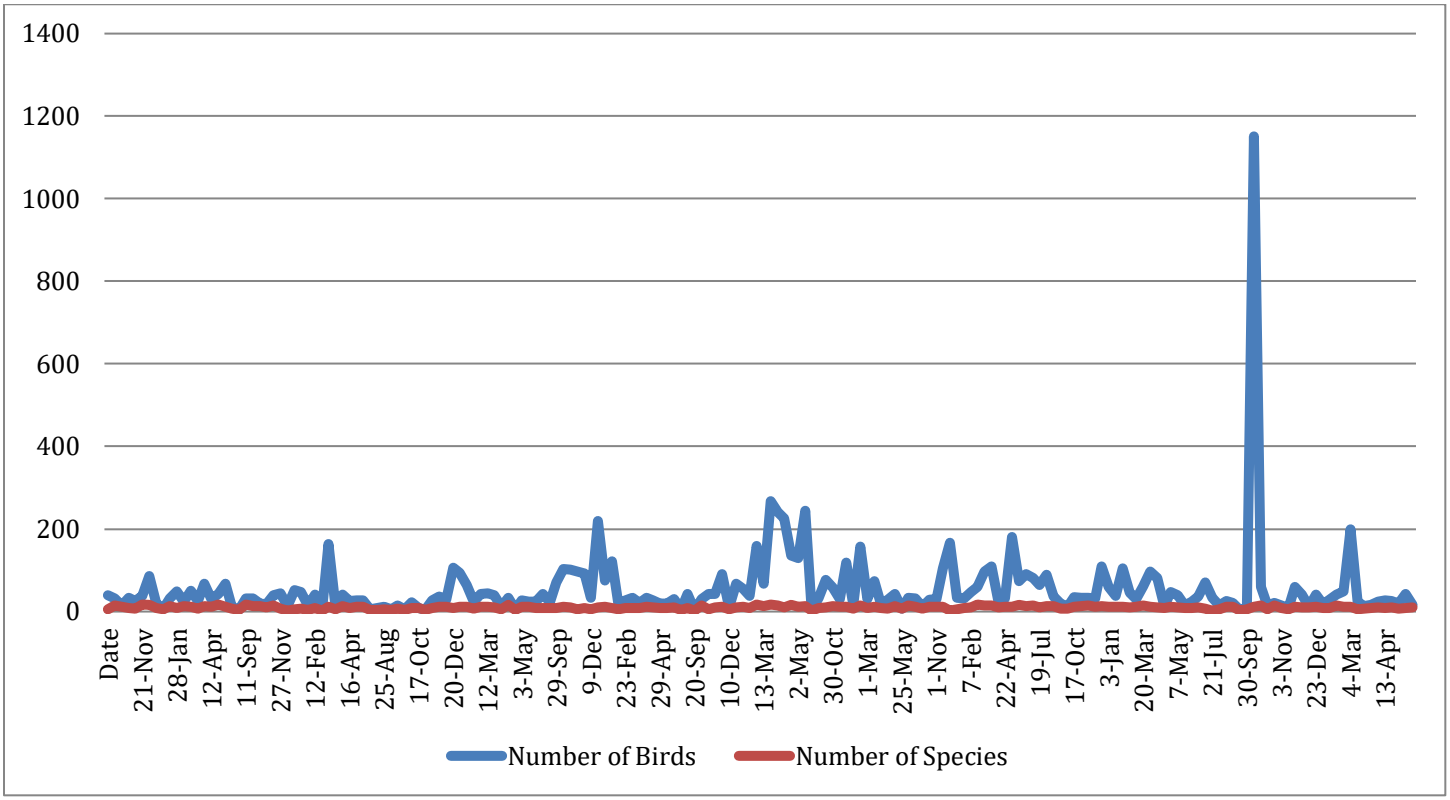


Figure 7. Number of Birds and Bird Species: Transect D.

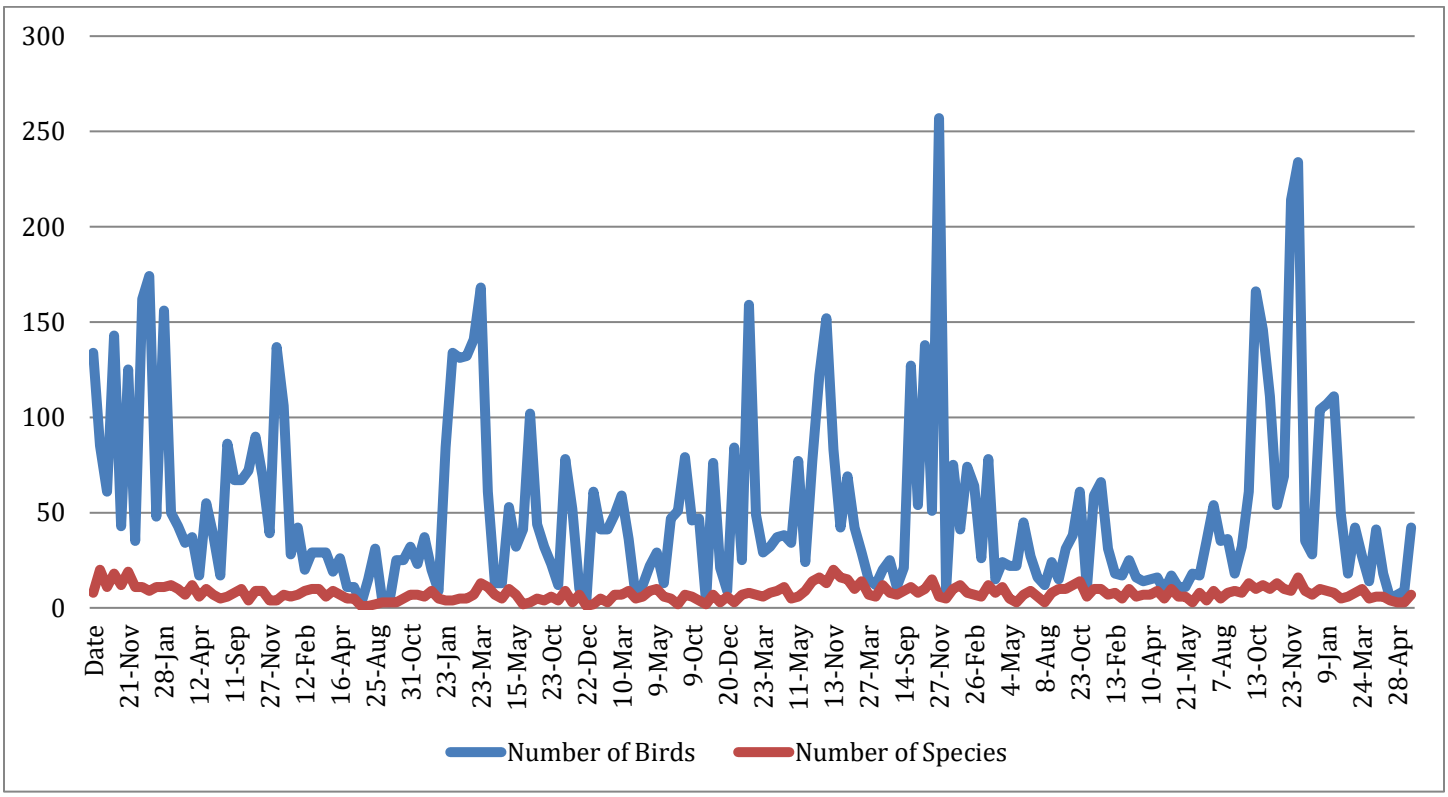


Figure 8. Number of Birds and Bird Species: Transect E.

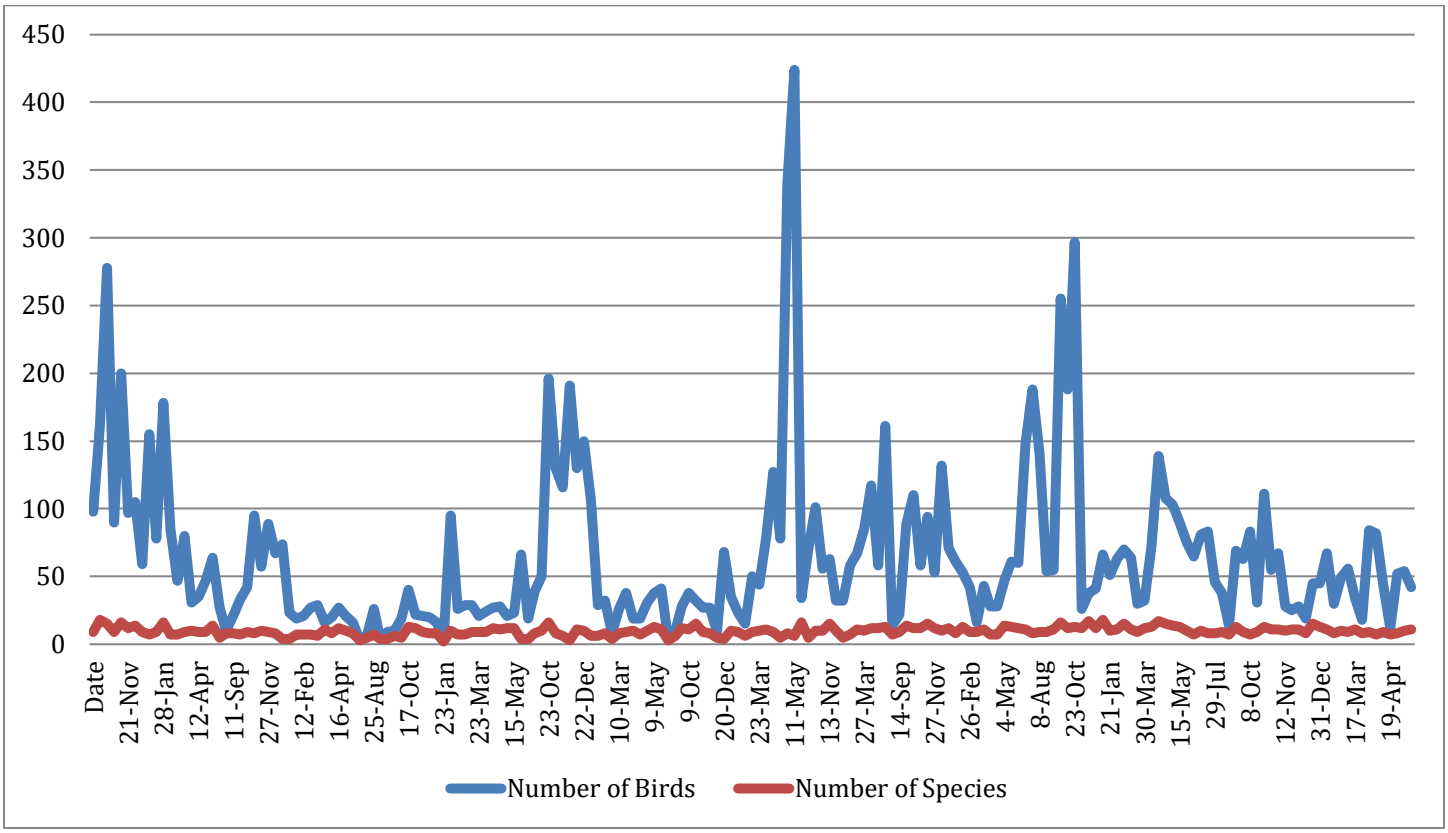


Figure 9. Number of Birds and Bird Species: Transect F.

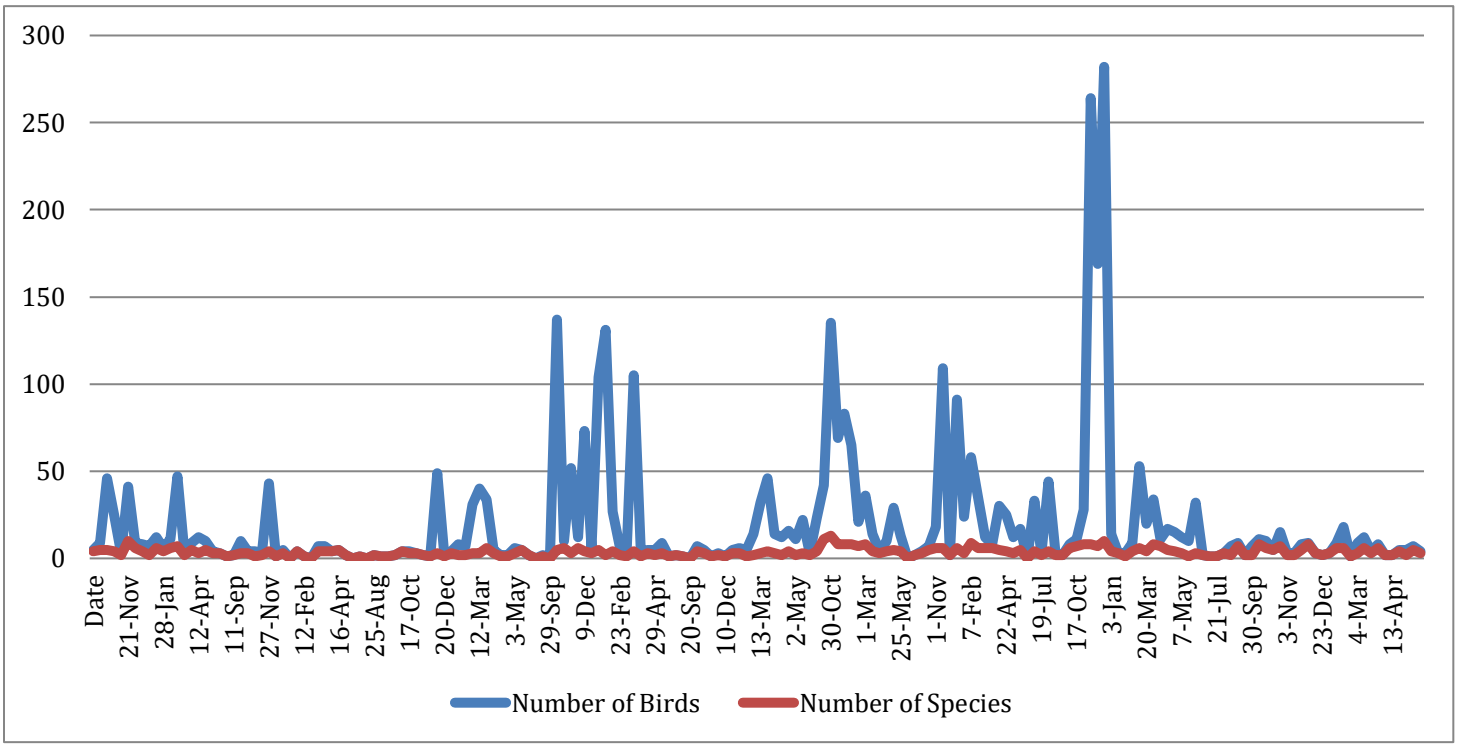


Figure 10. Number of Birds and Bird Species: Transect G.

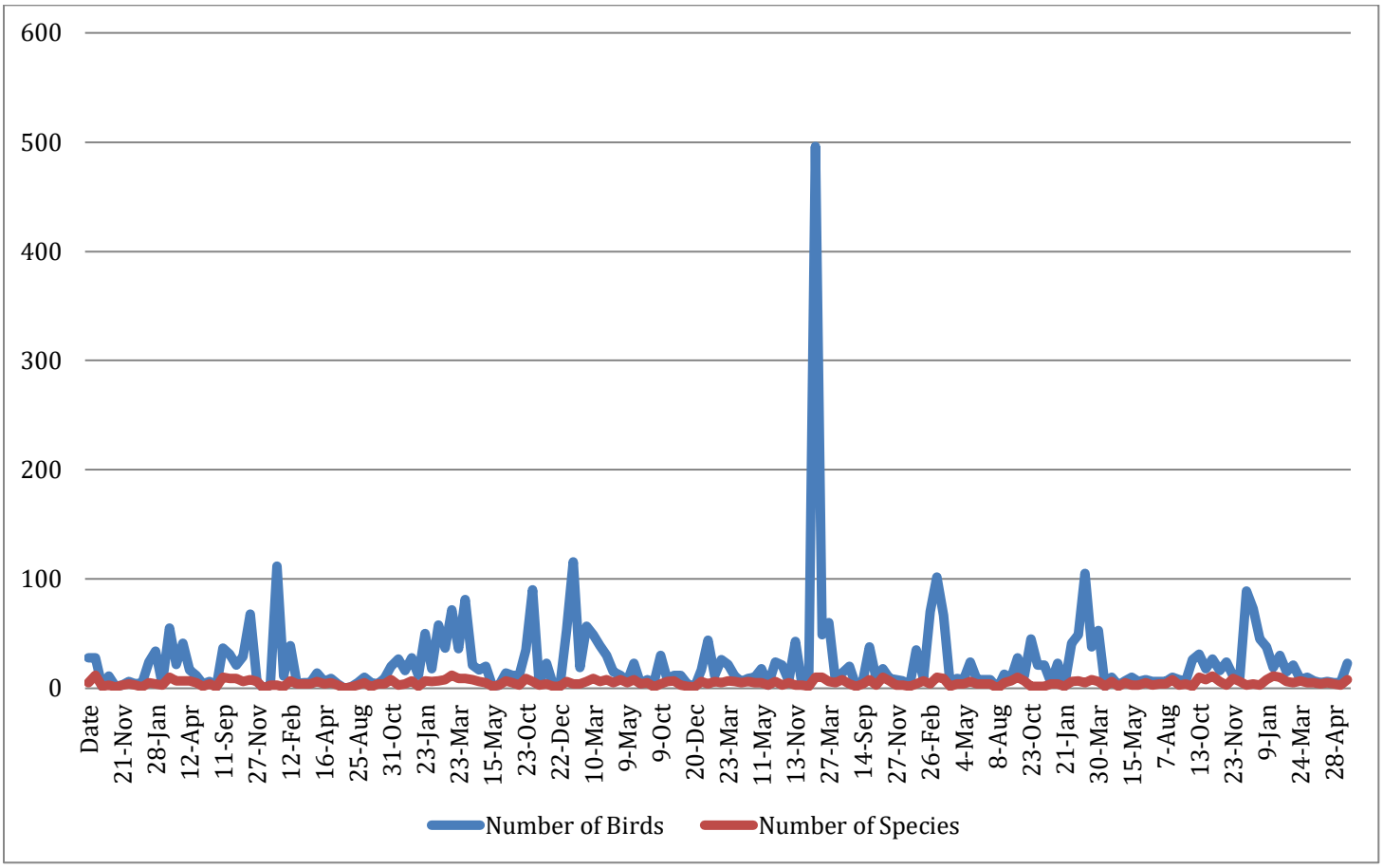


Figure 11. Number of Birds and Bird Species: Transect H.

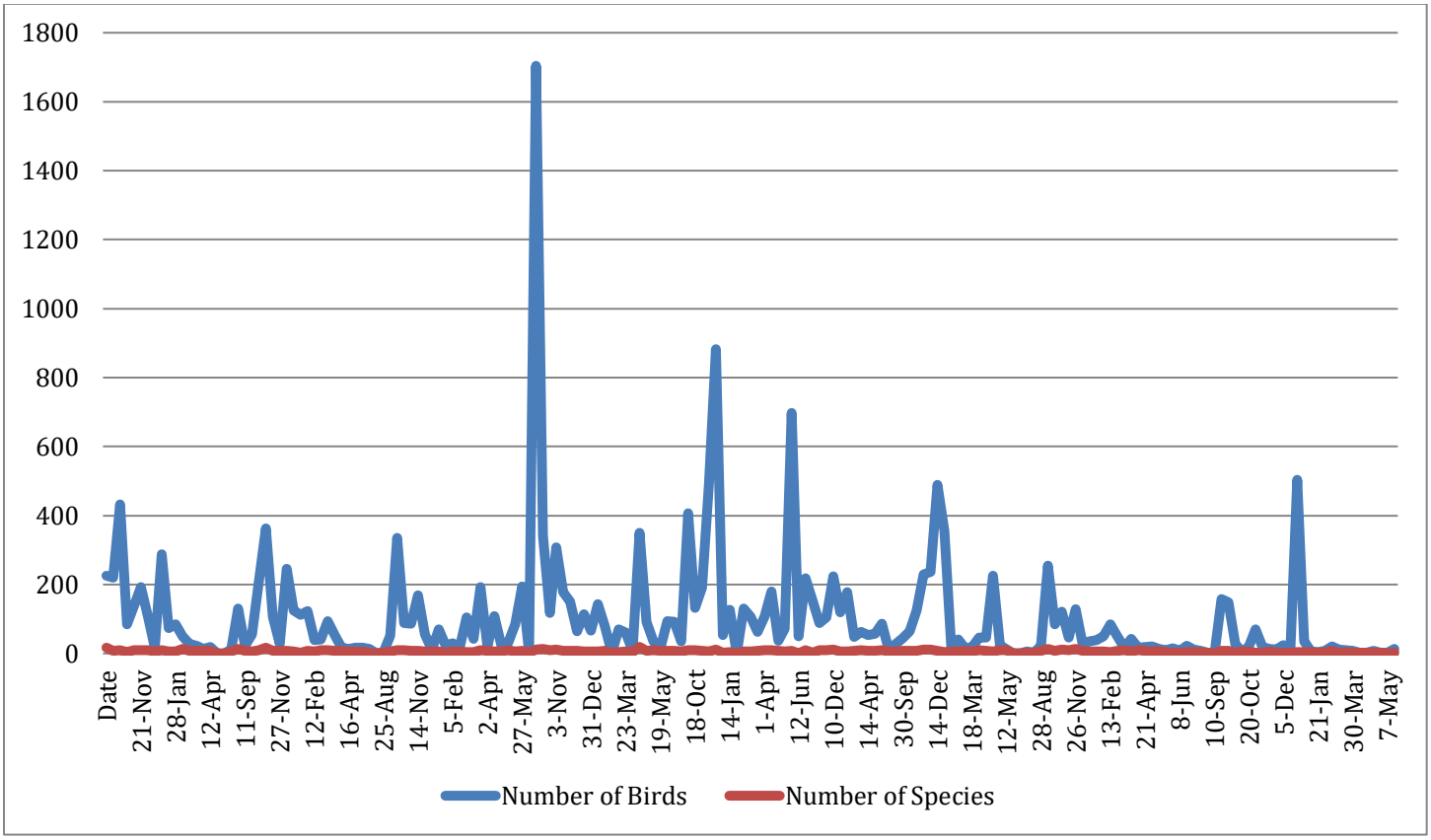
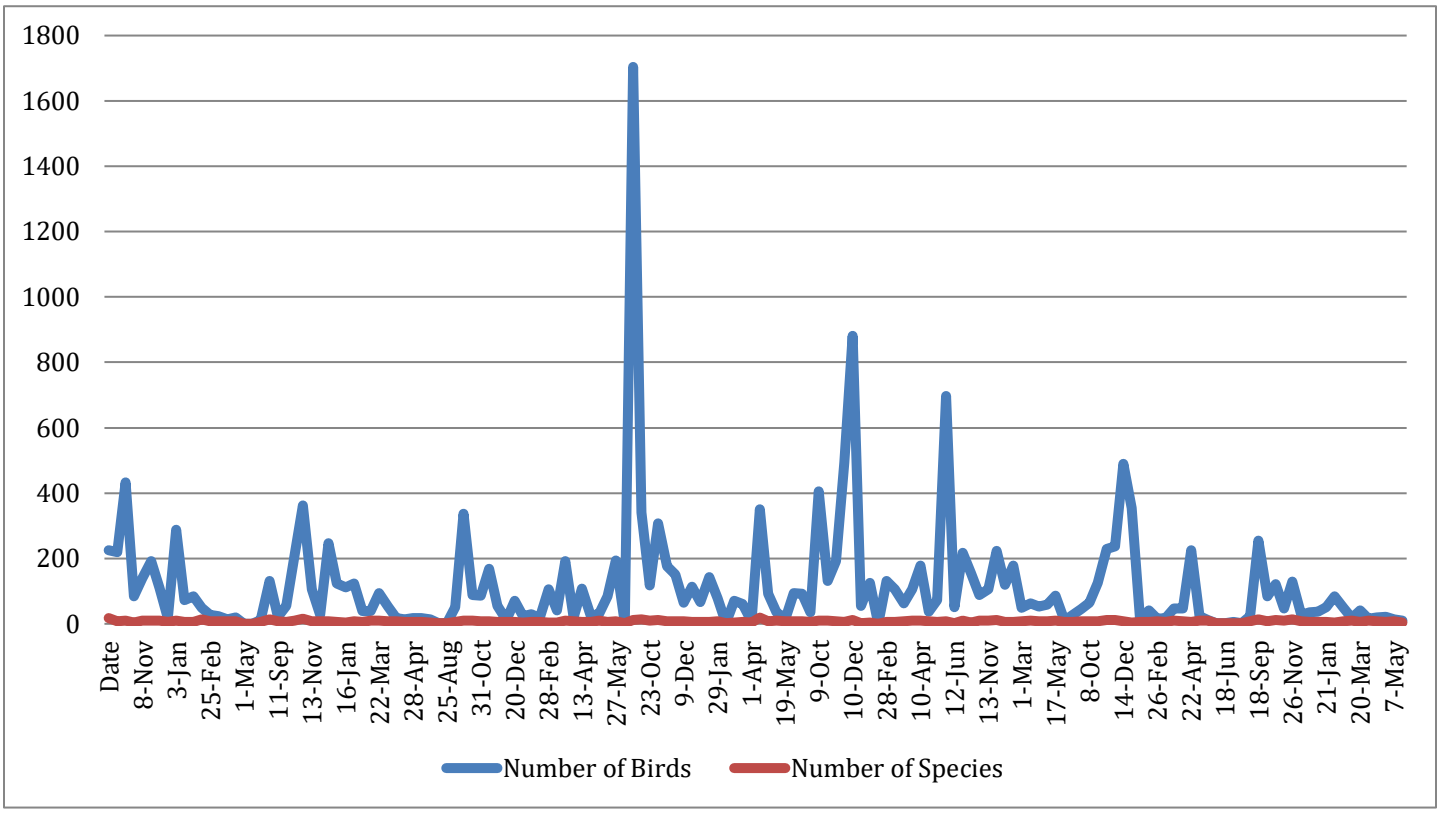


Figure 12. Number of Birds and Bird Species: Transect I.



Raptors and Shrikes

The comprehensive survey for raptors and Loggerhead Shrikes on the entire project area resulted in high numbers of raptors including Red-tailed Hawks and Loggerhead Shrikes (Figures 13-14), but also documented fifteen species of raptors using upland habitats during the surveys (Appendix B). Overall numbers of raptors dipped sharply after the winter of 2012-2013 and then steadily decline to fewer than twenty individuals from February 2014 through May 2015, then consistently over twenty from October 2015 to March 2016, and rising considerably to over sixty for much of the fall and winter of 2017-18. Conversely, Loggerhead Shrikes rebounded during the breeding season in 2015 after a similar decline (Figure 14). The increase from ten to fifty-five during a two-month period in spring 2015 was due to good reproductive success of local breeding population. The primary difference among the habitat conditions between spring of 2014 and 2015 was the lack of grasses and forbs in 2014 that resulted in low prey populations (large insects and lizards) in contrast to the tremendous amount of grasses and forbs in winter and spring of 2015. Although the amount of grasses and forbs were lower in 2016, the higher population maintained through the winter of 2015-2016 led to a higher breeding population that also had good reproductive success. The raptor and shrike populations increased dramatically during the winter of 2017-18 likely due to increased populations of prey. In 2019-2020, shrike populations fluctuated with a post-breeding high of 76 in July 2019 to a low of 26 in early October and rebounded to over sixty by January likely due to influx of migrants from the northern part of the species' range. In 2020-2021, populations also fluctuated from a post-breeding high of 78 in July 2020 to a winter low of 37. A low count of 24 on 6 August 2020 was an anomaly and high temperatures could have been a factor for the depressed count. For raptors, population levels in winter and summer were lower those of the previous winter and breeding season, likely due to reduced prey abundance from lack of watered ponds and lower vegetation growth.

Figure 13. Raptor Population: 2012-2021

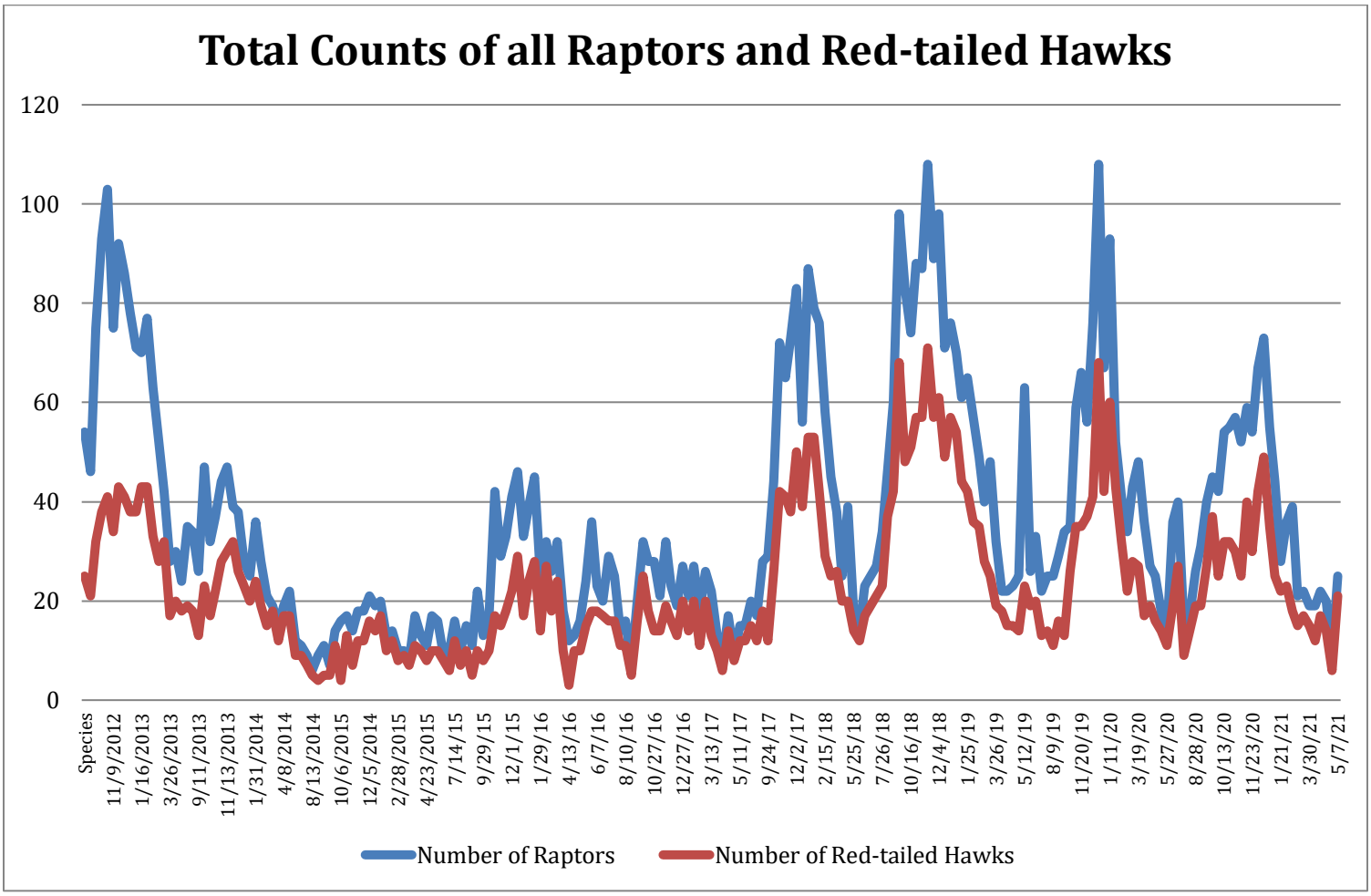
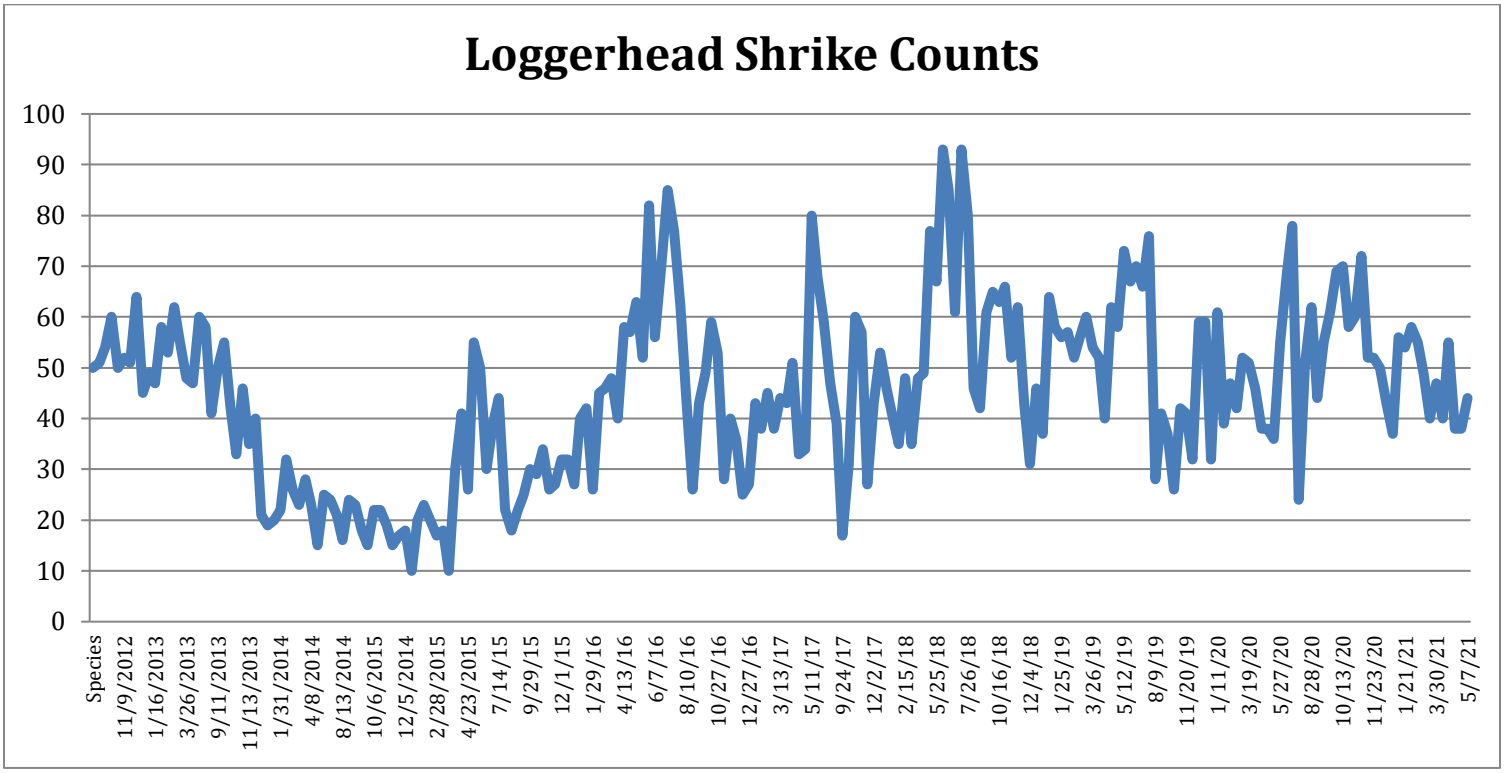


Figure 14. Loggerhead Shrike Population: 2012-2021



Waterbirds

A total of eighty-nine native waterbird species were detected during these surveys. Overall numbers were consistently high during the first eight survey periods (mid- October through February) with 19,823 – 34945 individuals estimated in 2011-2012. However numbers were much lower overall in early 2017 when ponds were initially watered but then peaked at 33728 in December 2017 as fish and invertebrate prey as well as aquatic vegetation dramatically increased with the re-creation of wetland habitat after five years of drought (Figure 18). The ponds were dry during the fall and early winter of 2018, but water was pumped into ponds intermittently during winter and spring of 2019. Surveys on 1 April, 29-30 April and 9-10 July 2019 yielded good numbers of breeding waterbirds despite lower number of watered ponds than previous wet years (Table 1). Water was also pumped intermittently during winter of 2019-2020.

The eighty-nine species of waterbirds are grouped according to foraging ecology and taxonomic relationships. Grebes (Figure 16), gulls and terns (Figure 17), dabbling and diving ducks (Figures 18 and 19), egrets/herons (Figure 20), and shorebirds (sandpipers and plovers) (Figure 21) were classified into separate categories. American Coot (*Fulica americana*), White-faced Ibis (*Plegadis chihi*), Double-crested Cormorant (*Phalacrocorax auritas*), and White Pelican (*Pelicanus erythrorhyncos*) were treated individually in the summary data (Figures 22-25).

The ponds that were most important for high numbers of species and populations throughout the surveys were W2, W4, W5, W6, M1, M8, and M10. But many other ponds were important (for details see Appendix excel file). The variation in ponds was dramatic with several ponds consistently having over 2,000 birds and others fewer than 100.

Because of the varied topography of many of the ponds and the lack of direct measurements of water depths, it was not possible to determine average depths or the range of depths for the ponds during the surveys.

Table 1. Number of Waterbirds found in Survey During Peak Water in Spring/Summer of 2019.

Date	1 April 2019	29-31 May 2019	9-10 July 2019	20 August 2019
Total Waterbirds	11,903	2,748	5,172	5,968
Grebes	94	550	284	468
Herons and Egrets	83	327	621	399
Dabbling Ducks	3,698	233	456	293
Diving Ducks	619	266	327	266
Shorebirds	206	90	186	66
Gulls and Terns	0	72	78	58
American White Pelicans	11	194	157	1
Double-crested Cormorants	1	133	131	103
White-faced Ibis	129	40	202	96
American Coots	7,022	886	2,730	4,085

Figure 15. Total Number of Waterbirds Counted

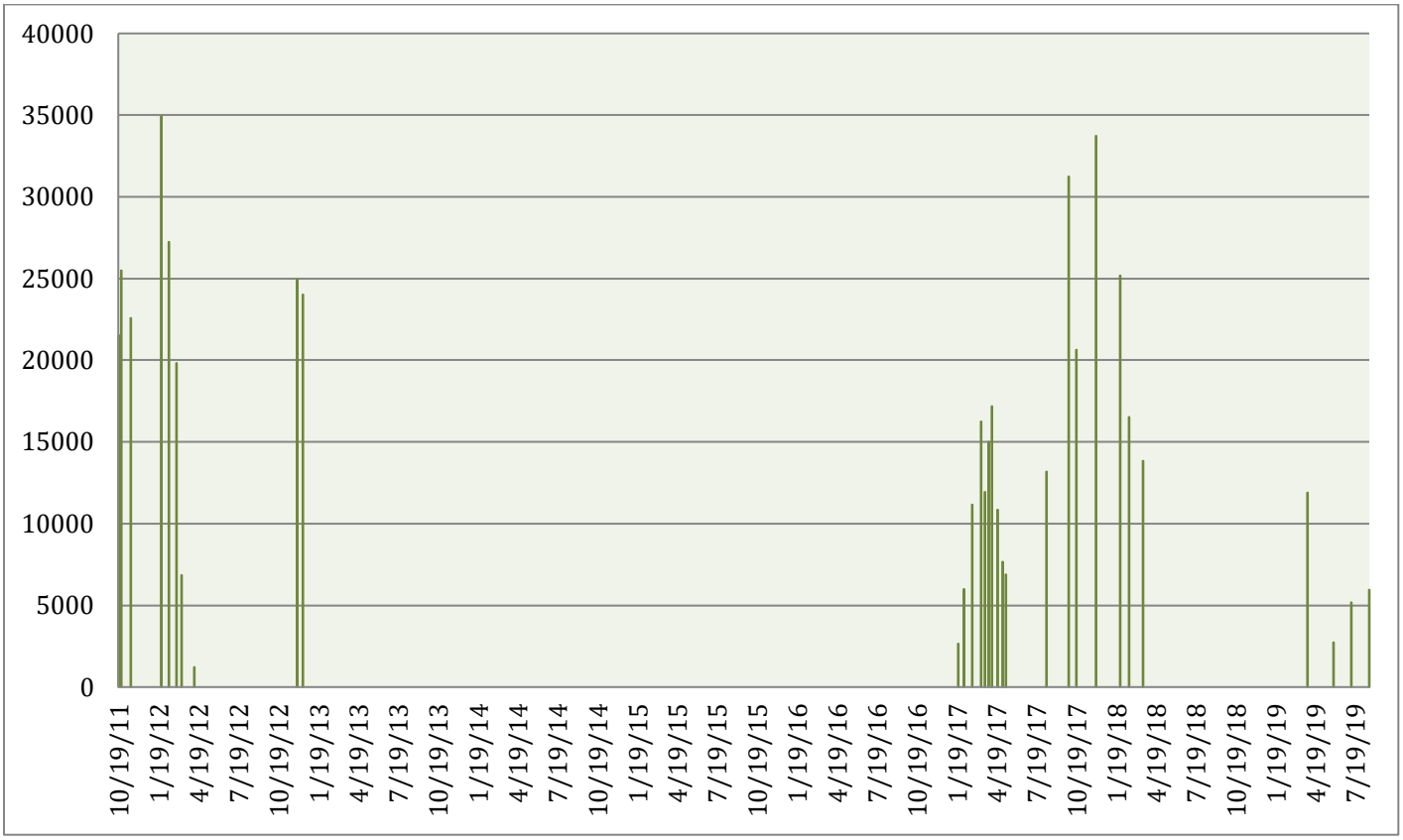


Figure 16. Total Number of Grebes Counted

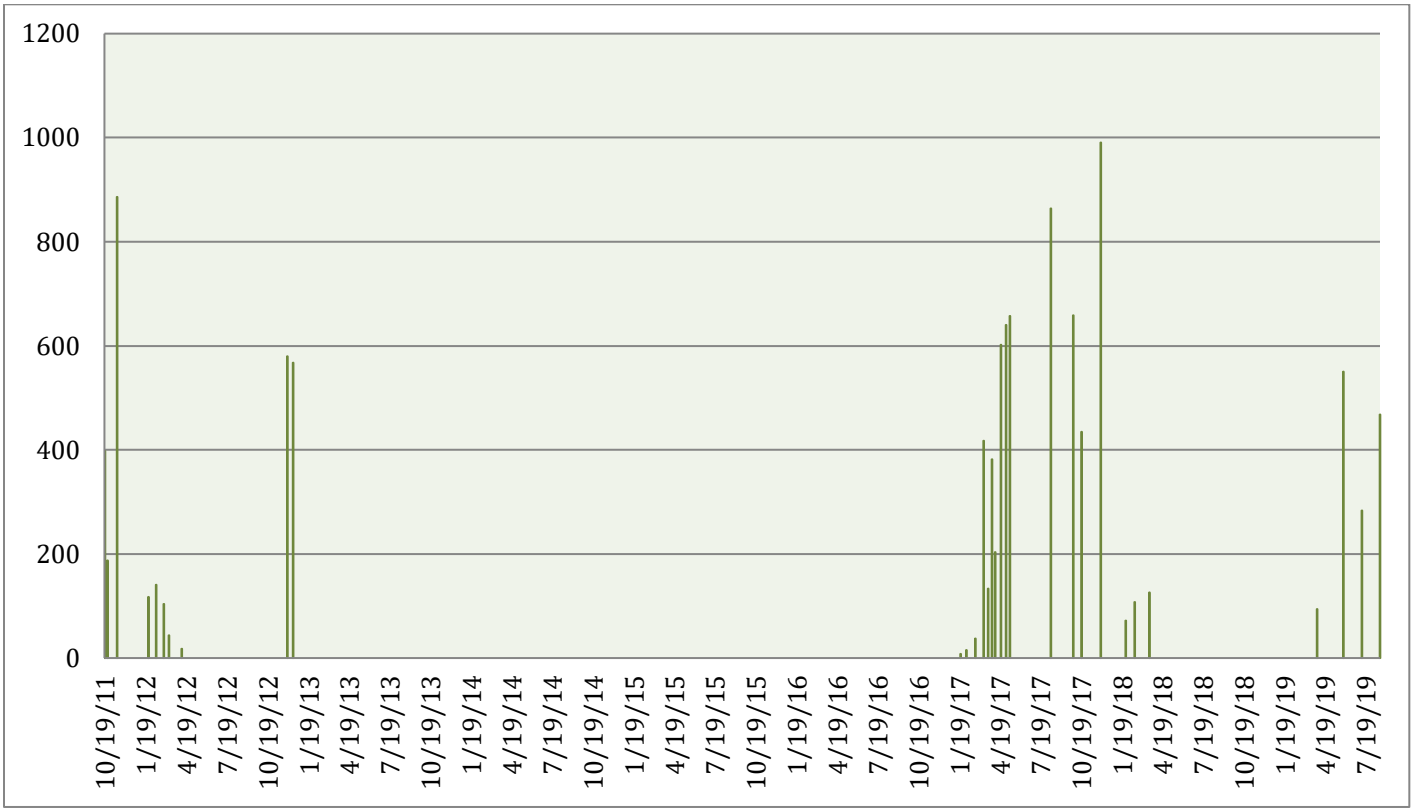


Figure 17. Total Number of Gulls and Terns Counted

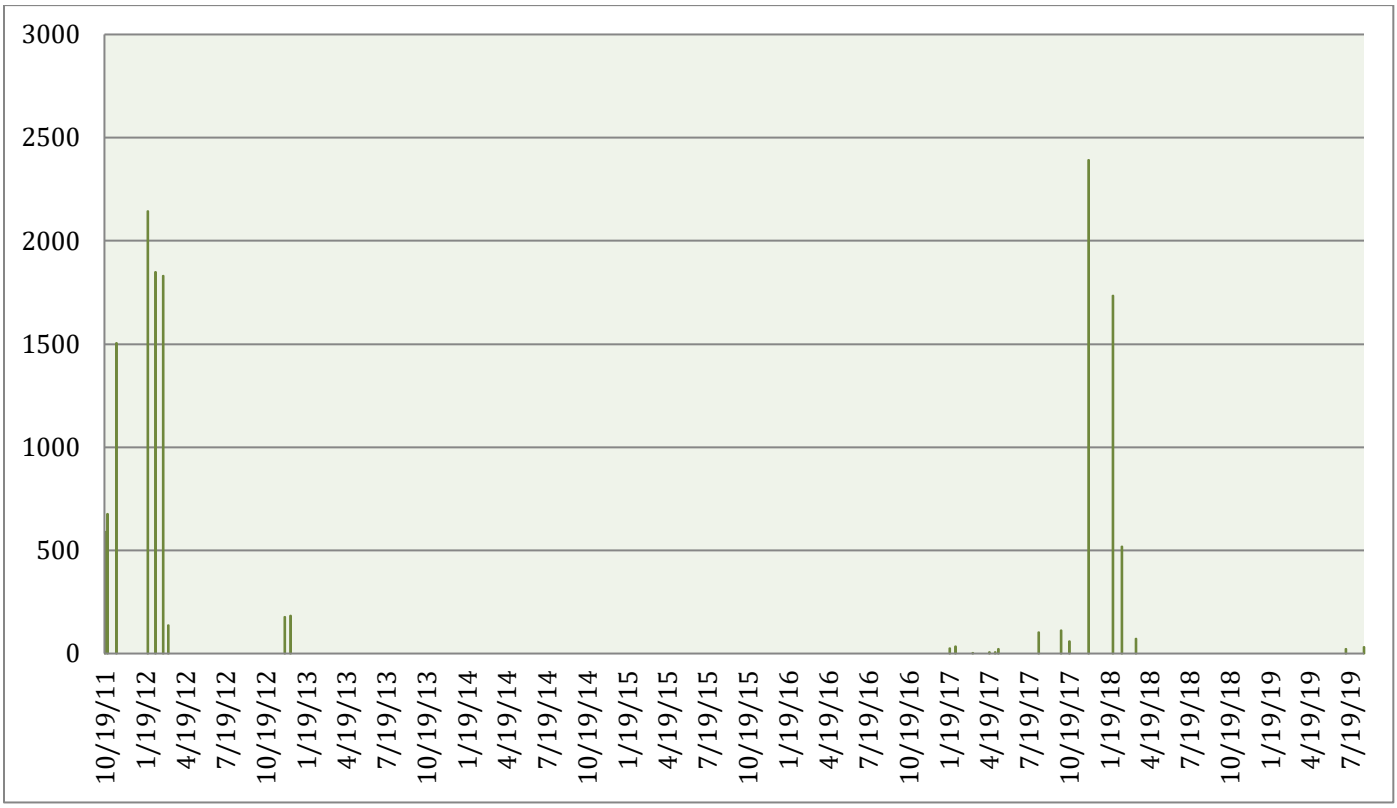


Figure 18. Total Number of Dabbling Ducks Counted

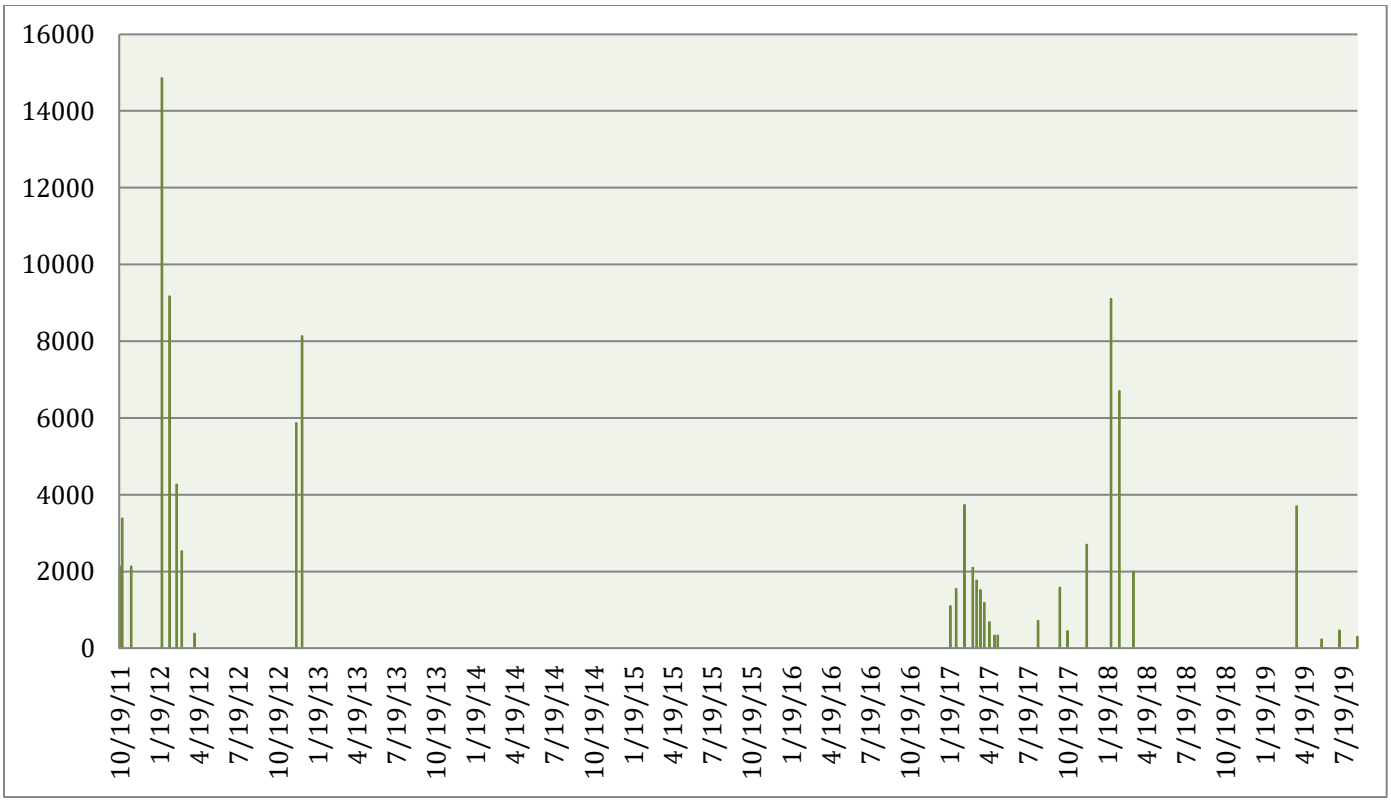


Figure 19. Total Number of Diving Ducks Counted

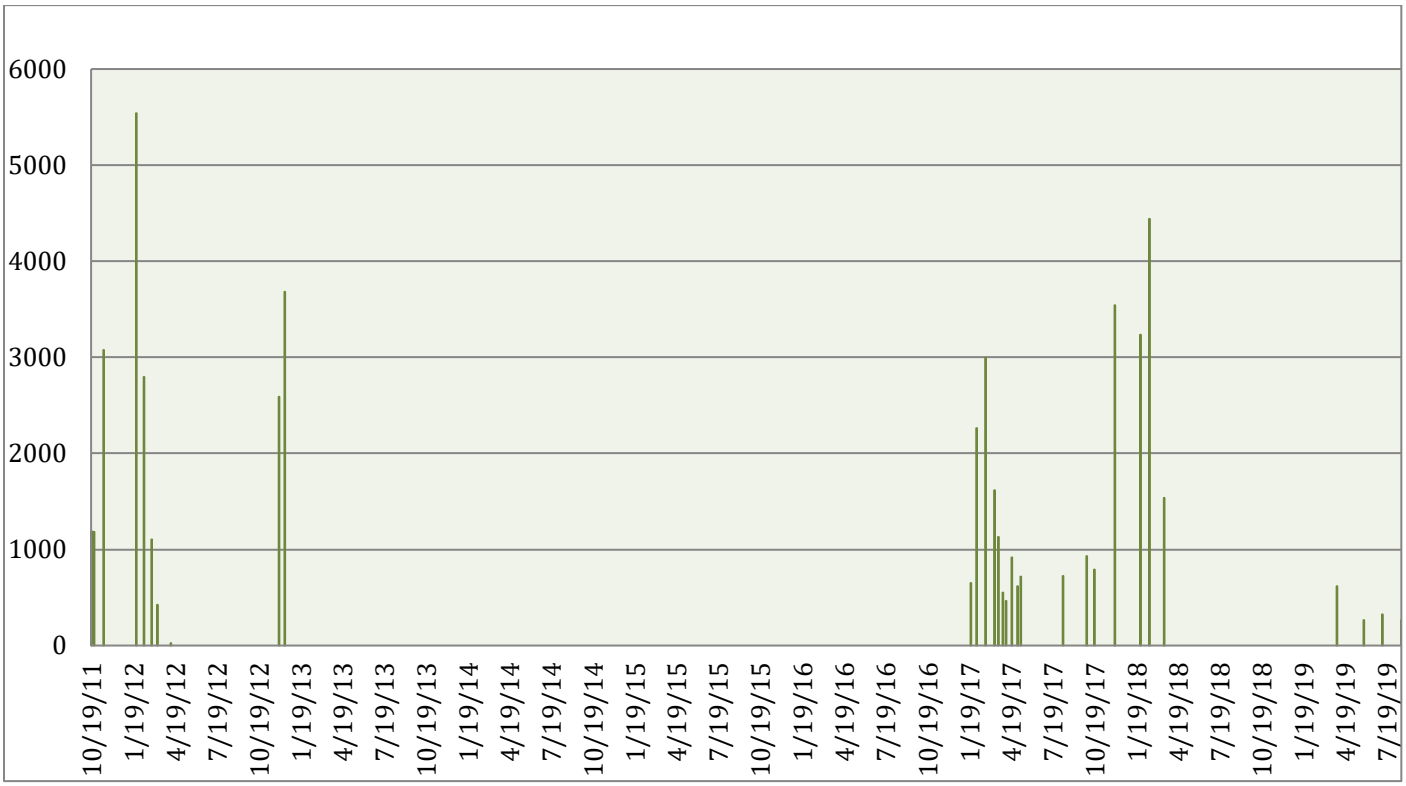


Figure 20. Total Number of Herons and Egrets Counted

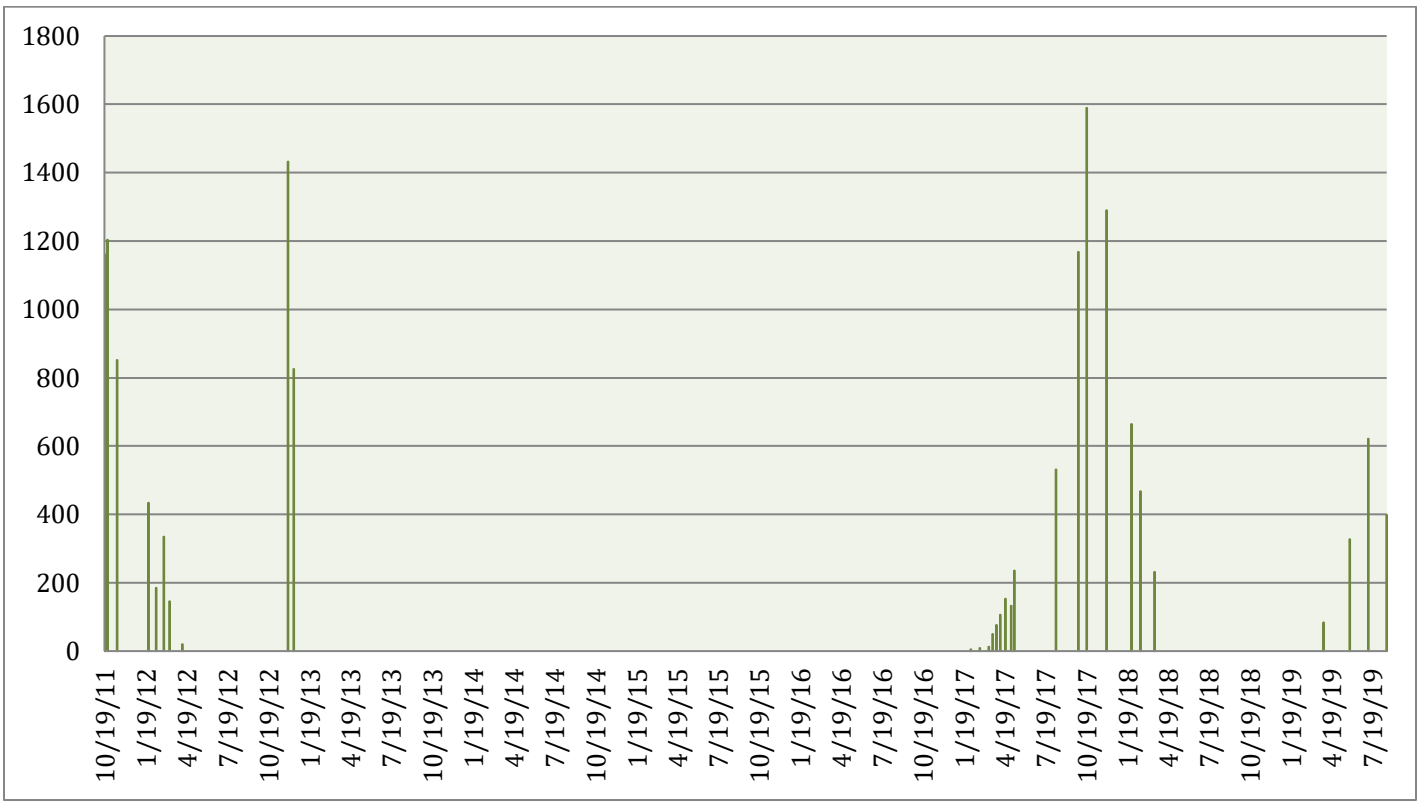


Figure 21. Total Number of Shorebirds Counted

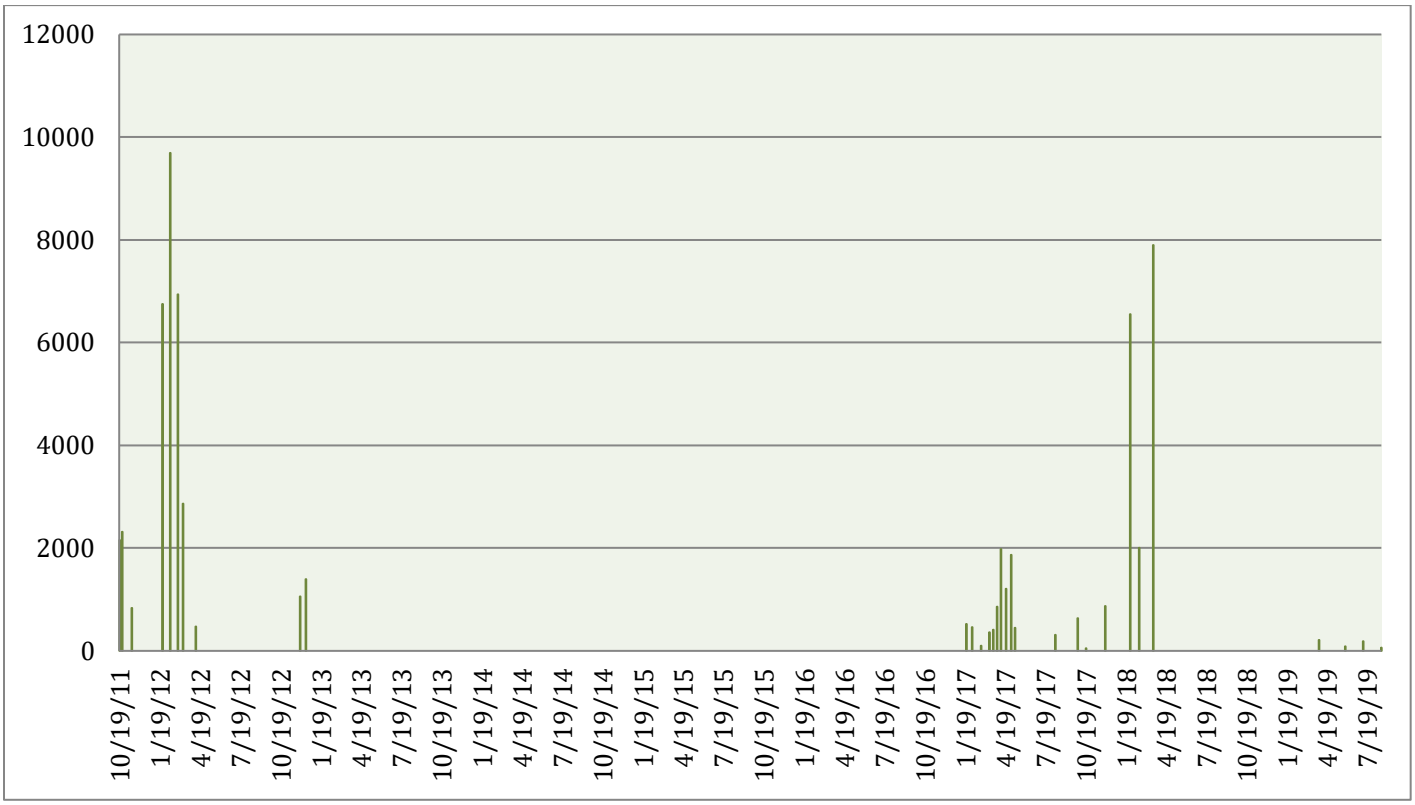


Figure 22. Total Number of American Coots Counted

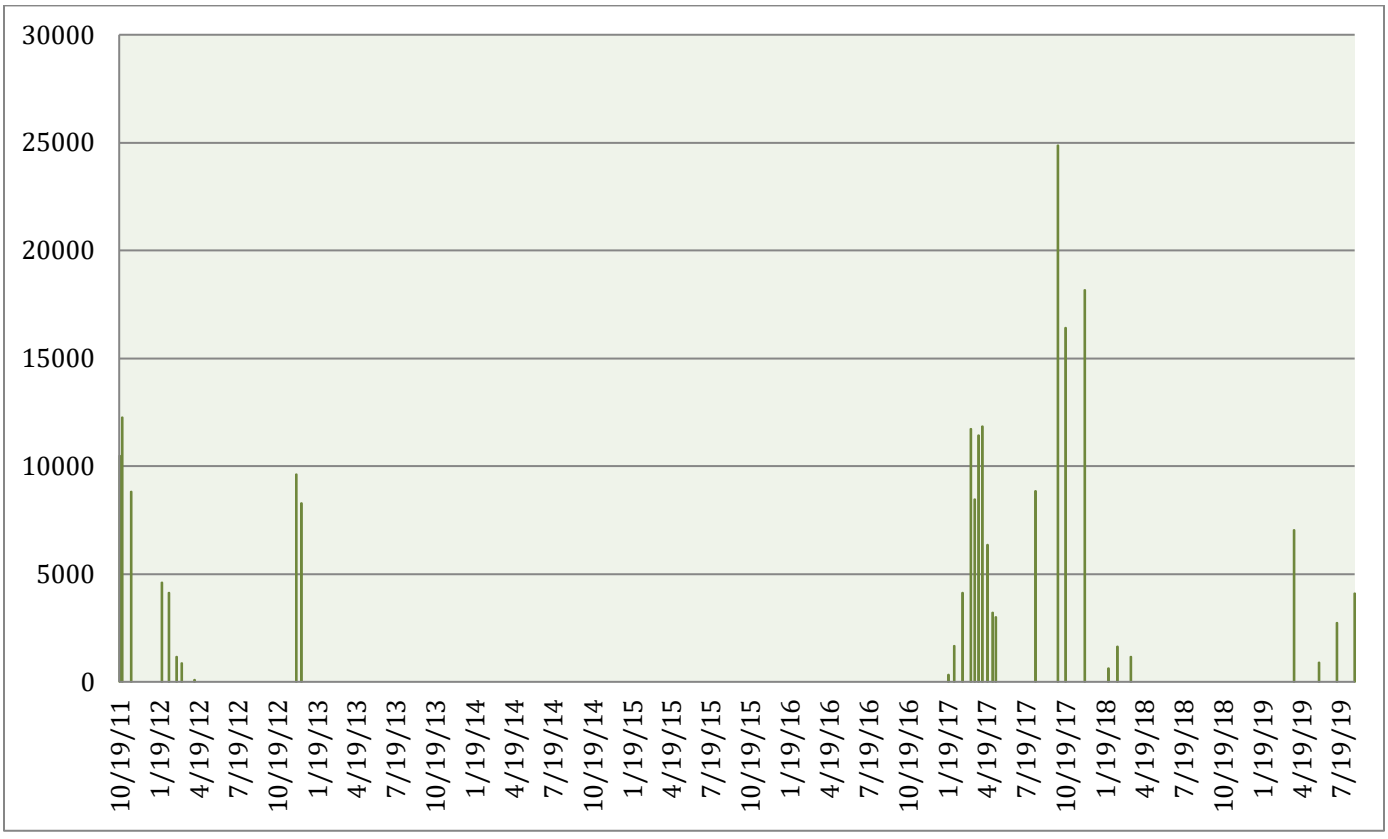


Figure 23. Total Number of Ibis Counted

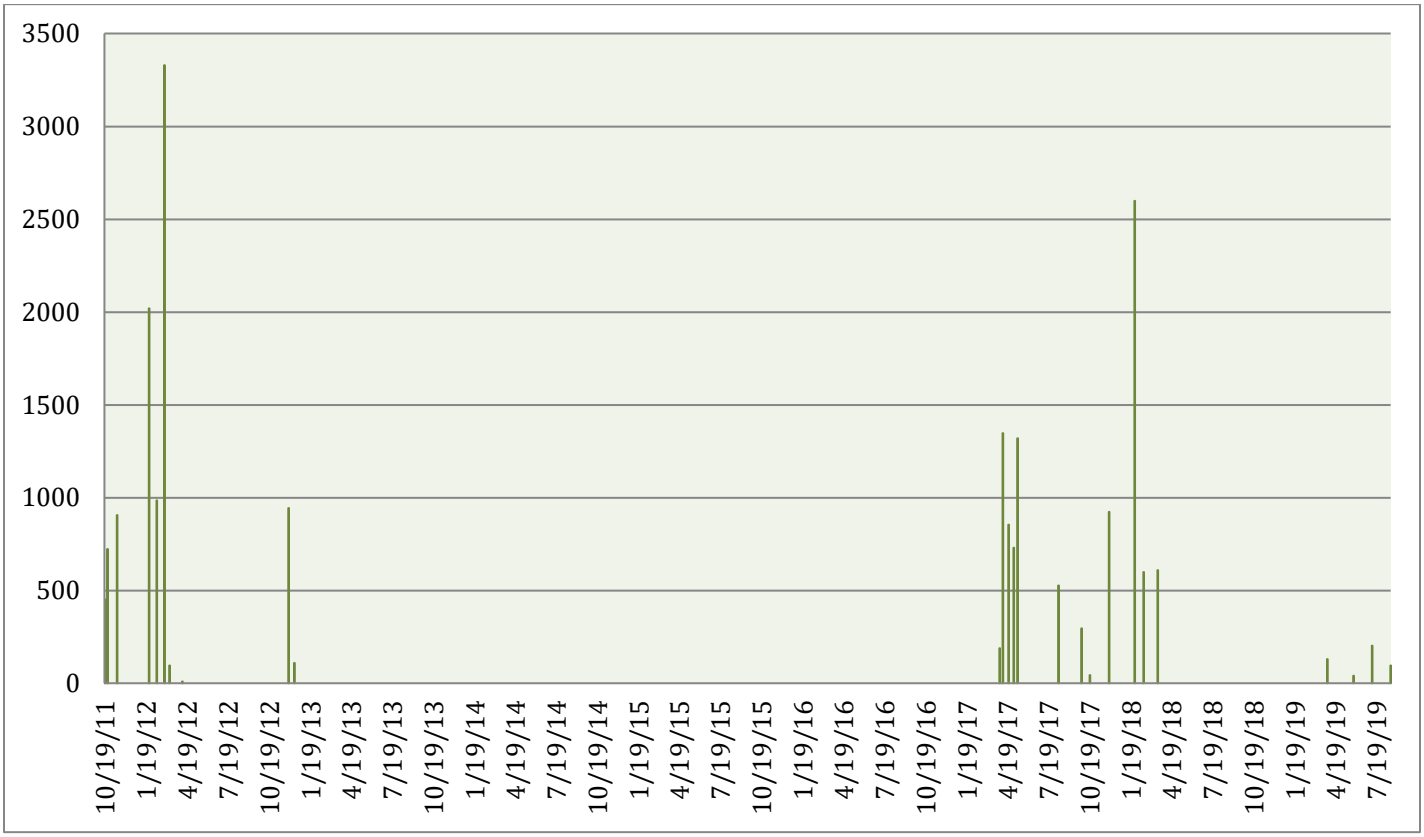


Figure 24. Total Number of Cormorants Counted

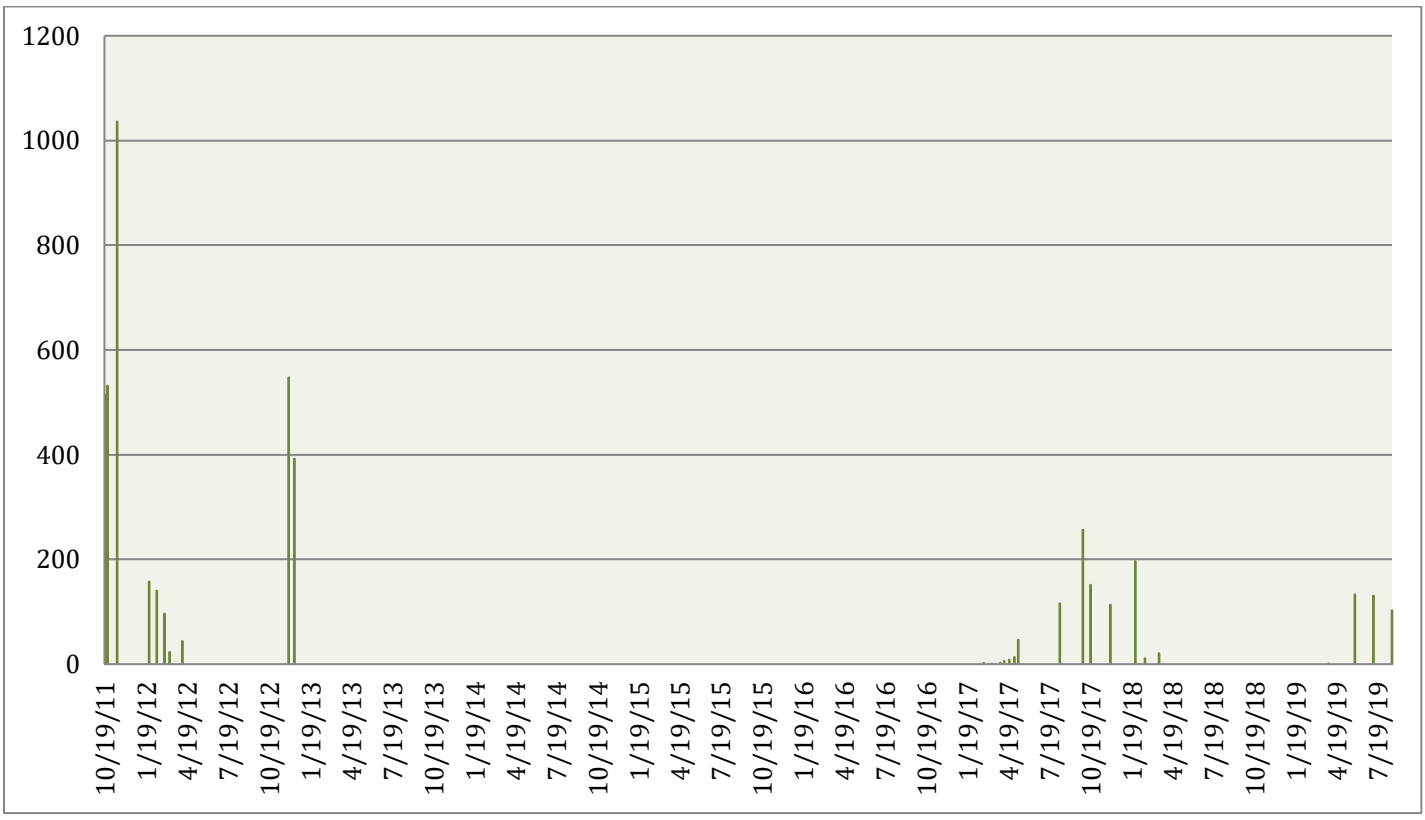
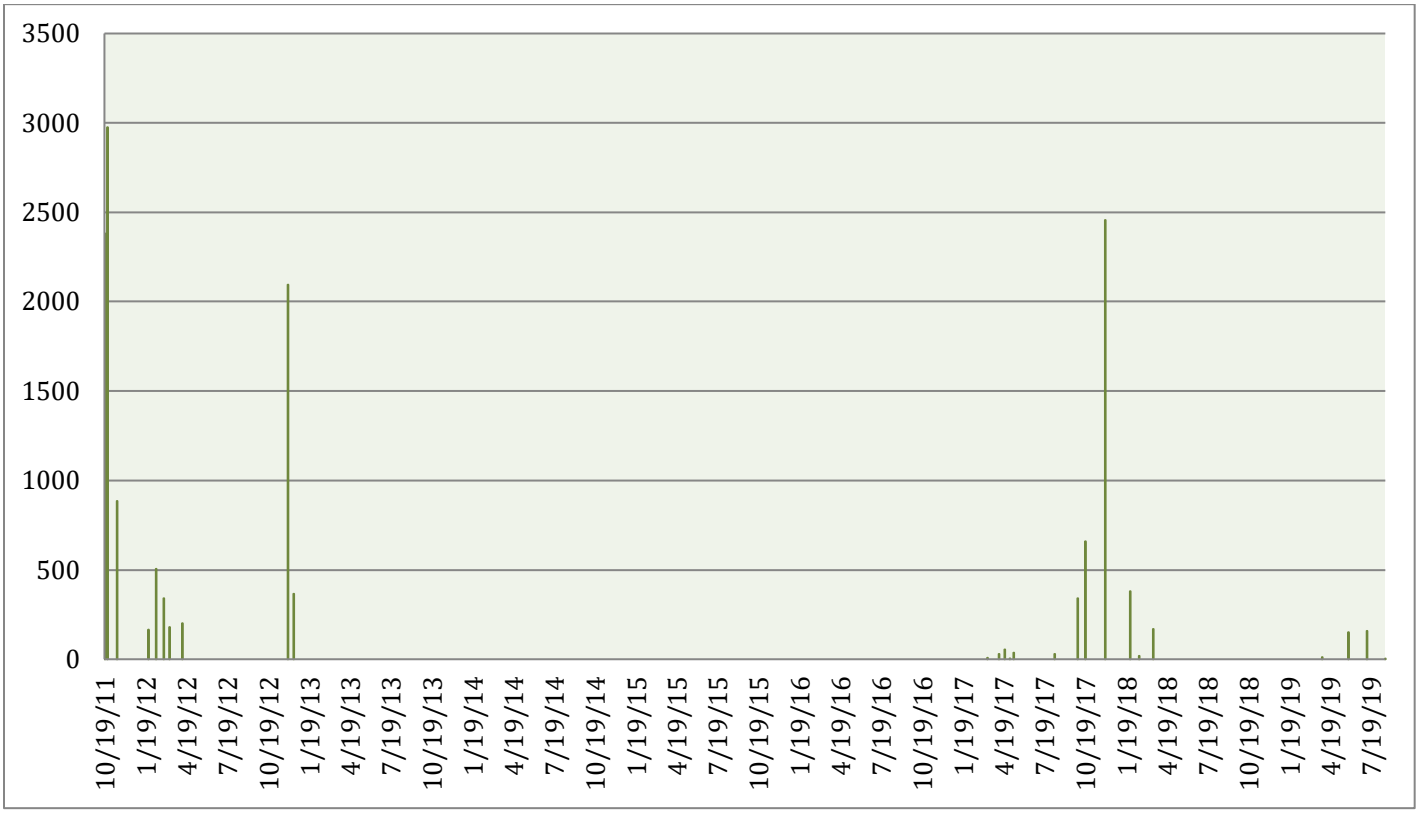


Figure 25. Total Number of Pelicans Counted



Special Status Bird Species

There have been twenty-five special-status bird species found during the raptor and upland bird surveys since the project began in October 2011 (Table 2) with an additional ten species of waterbirds found during waterbird surveys.

Table 2. Species Status Bird Species (Waterbirds, Landbirds and Raptors) found on the Kern Water Bank

Species Name	Conservation/Legal Status	Seasonal Status	Habitat	Record Dates
Canvasback	IUCN Least Concern	Migration, Winter	Marshes and open ponds	Found almost daily in winter and in smaller numbers in spring when habitat is available.
Redhead	CA Species of Special Concern	Migration, Winter, Nesting	Marshes and open ponds	Found almost daily throughout year when habitat is available.
Barrow's Goldeneye	CA Species of Special Concern			One on 25 January 2012
White-faced Ibis	CA Watch List; IUCN Least Concern	Migration, Winter, Nesting	Marshes and open ponds	Found daily throughout year when habitat is available.
American White Pelican	CA Species of Special Concern	Migration, Winter	Marshes and open ponds	Found almost daily throughout year when habitat is available.

Double-crested Cormorant	IUCN Least Concern	Migration, Winter	Marshes and open ponds	Found almost daily throughout year when habitat is available.
Cooper's Hawk	CA Watch List	Migration, Winter, Potential nesting	Nests in trees, hunts in woodlands and open grasslands	Daily during migration with some in winter
White-tailed Kite	State Fully Protected	Migration, Winter, Potential nesting	Nests in trees, hunts in open grasslands	Daily during migration and winter in 2011-2012 with up to 16 individuals, but absent during drought. Only 1-3 in winters of 2017-18, 2018-2019 and 2019-2020. Numerous counts of 4-6 during 2020-2021 were highest since 2011-2012.
Northern Harrier	CA Species of Special Concern	Migration, Winter, Potential nesting	Nests on the ground, hunts in wetlands and open grasslands	Daily during migration and winters in 2011-2012, 2016-17 and 2017-18, but mostly absent in drought winters with a few scattered records of individual migrants. Likely nesting in 2018-2021.
Swainson's Hawk	CA Threated Species	Nesting, Migration, Winter	Nests in trees, hunts in open grasslands	Nesting in summer 2012, scattered winter records in 2011-12; up to five individuals in Mar-May 2013; up to three individuals in Mar-May 2014; and up to four individuals in Apr/May 2015. No nest located on water bank property in 2015. Three active nests on water bank property in 2016 (Figure 14). Approximate locations: 1) 35°20'35.59"N, 119°20'27.20"W; 2) 35°20'43.52"N, 119°15'42.37"W; and 3) 35°19'11.17"N, 119°13'15.58"W. No active nests found in 2017. No active nests found in 2018, but up to fourteen individuals seen in

				spring 2018 so may be nesting on site. Nesting occurred in 2019 and 2020 with 2-3 pairs. Likely nesting pair in spring 2021.
Ferruginous Hawk	CA Watch List	Winter	Hunts in open grasslands	Daily during winter except in 2017-18 with only one occurrence; rare dark morph individual in March 2016
Golden Eagle	State Fully Protected and Federal Eagle Protection Act	Winter	Hunts in open grasslands	Eleven winter records
Bald Eagle	State Fully Protected and Federal Eagle Protection Act	Winter, Migration	Hunts in wetlands and open grasslands	One record of second-year old bird on 30 October 2018 and another of an adult on 9 March 2020.
Osprey	CA Watch List	Migration, Winter	Hunts in wetlands and canals	Daily during winters of 2011-12, 2016-17, 2017-2018 and 2019-2020 with only a few sightings of migrants during other periods
Snowy Plover (inland)	CA Species of Special Concern	Migration, potentially in Winter	Open mudflats	Two on 20 March 2018
Mountain Plover	CA Species of Special Concern and Federal Proposed Threatened	Migration, Winter	Roosts and forages in grasslands	Two on 14 October 2013
Long-billed Curlew	CA Watch List and Federal Bird of Conservation Concern	Migration, Winter	Roosts and forages in grasslands and wetlands	Scattered winter and migration records
Caspian Tern	CA Watch List; Federal Bird Species of Conservation Concern	Migration, Winter, Potential nesting	Marshes and open ponds	Found almost daily throughout year when habitat is available.
Black Tern	CA Species of Special Concern	Migration	Open ponds	Two on 21 April and 3 May 2017
Burrowing Owl	CA Species of Special Concern	Nesting, Migration, Winter	Nests and hunts in grasslands	Found on most visits through year, and nested each spring
Vaux's Swift	CA Species of Special Concern	Migration	Forages over wetlands and grasslands	Found during a few spring migration visits
Merlin	CA Watch List and Federal Bird of Conservation Concern		Hunts in grasslands and wetlands	Regular during late fall to spring with 39 records.
Peregrine Falcon	Federal Bird of Conservation Concern	Migration, Winter	Hunts in grasslands and wetlands	Regular during fall and winter of 2011-12, scattered records

				since then, increased sightings in 2017 and 2018. Total of 47 records.
Prairie Falcon	CA Watch List and Federal Bird of Conservation Concern	Migration, Winter	Hunts in grasslands	Found on most visits from Nov through Mar especially during the drought winters with 60 records.
Nuttall's Woodpecker	Federal Bird of Conservation Concern	Nesting, Migration, Winter	Nests in trees, forages in woodlands	Found on some survey visits on Transects A, B, C.
Willow Flycatcher	CA Endangered Species	Migration	Roosts in trees, hunts in open woodlands forages	Regular but sparse during migration
Vermilion Flycatcher	CA Species of Special Concern	Migration, Winter. Potential nesting	Nests in trees, forages in open woodlands and scrublands	Several fall and winter records of at least ten individuals since 2011 including at least six different individuals in 2017, and two together on Transect A in winter of 2019-2020.
Loggerhead Shrike	CA Species of Special Concern and Federal Bird of Conservation Concern	Nesting, Migration, Winter	Nests in trees, hunts in open woodlands and scrublands	Found during each survey visit with a low of 10 and a high of 93.
California Horned Lark	CA Watch List	Nesting, Migration, Winter	Nests on ground, forages in barren fields with little grassland cover	Found during each survey visit. Many breeding during 2015-2021.
Purple Martin	CA Species of Special Concern	Migration	Forages over wetlands and grasslands	1 Apr 2012 and 23 May 2019
Lucy's Warbler	CA Species of Special Concern	Migration	Nests in trees, hunts in open woodlands and scrublands	1-4 Oct 2012; second record for the entire Central Valley
Grasshopper Sparrow	CA Species of Special Concern	Migration, Winter, Potential nesting	Nests on ground in grasslands	13 Nov, 10 Dec 2013, 23 Oct 2015
Tricolored Blackbird	CA Species of Special Concern and Federal Bird of Conservation Concern	Nesting, Migration, Winter	Nests in ruderal and marsh vegetation, forages in grasslands, fields and wetlands	Nesting in summer 2012 and 2017, found most days in migration and winter during 2011-2012; nesting off site in 2015, 2018, and 2019 but foraging on the water bank property. May have a few nests in 2020 along Kern River at Transect E. No nesting in 2021 as of 21 May.
Yellow-headed Blackbird	CA Species of Special Concern	Migration, Winter. Potential nesting	Nests in marsh vegetation, forages in grasslands, fields and wetlands	Regular during migration and winter in 2011-12, and spring 2017-2019

				(may have nested in 2017)
Lawrence's Goldfinch	Federal Bird of Conservation Concern	Migration, Winter, Potential nesting	Nests in trees, forages in open woodlands and scrublands	Two late fall records in 2013, pairs on 23 Apr 2015, 1 Apr and 9 May 2016. Flocks Oct 2015-Jan 2016. Small flocks in spring 2018-2021. Largest flock ever recorded for this species was 700 on a single field on 4 December 2018.

Rare Birds

A few birds were discovered during the surveys that are not special-status species, but out of their normal range. These records are very important to our understanding of vagrancy in birds and the data are archived by county editors for "North American Birds" magazine and the online eBird database (administered by Cornell University's Laboratory of Ornithology). During fall migration two Black-throated Sparrows were found on Transects A and C. This desert species is very rare in the Central Valley. A fall migrant Clay-colored Sparrow was in mesquite and cottonwoods between transects A and B. This midwestern species is rare anywhere in California and especially in the Central Valley from which there are fewer than ten documented records. Surprisingly, no fewer than eight Brewer's Sparrows were found wintering in 2012-13 and several have been found each winter thereby establishing the area as a regular wintering area. Before the project there were very few documented records of this Great Basin and desert species during winter months in the Central Valley. There have been seven records of migrant Sage Thrashers—a Great Basin species, which is a rare but annual migrant in the Central Valley. During a 2012 fall survey, a Chestnut-collared Longspur was heard calling in flight over Transect I. This is a very rare wintering bird in the San Joaquin Valley and Tulare Basin with fewer than ten records. On a Christmas Bird Count before these surveys began, an Eastern Phoebe was documented for one of very few San Joaquin Valley and Tulare Basin records of this eastern species, which rarely occurs in California. During a spring surveys on 1 April 2012 and 12 March 2015, single Cassin's Kingbirds were found establishing the only Tulare Basin records away from eastern Bakersfield (only one record from nearby Kings County). Also on 1 April 2012, a male Purple Martin was photographed migrating over grasslands for one of few records for the Tulare Basin and San Joaquin Valley. Two rare warblers, Lucy's and Virginia's were found during fall migration for only the second and third records for the Central Valley, respectively. At least six different Vermilion Flycatchers were present from fall 2017 to early spring 2018. This rare desert species has been increasing in the Central Valley in recent years and has nested in nearby Kings County at least once. Rare inland gulls include Sabine's, Glaucous, and Western found on 1 October 2017, 26 February 2019, and 27 January 2018, respectively. On 12 May 2019, the Central Valley's second Neotropic Cormorant was found and seen again on 15 May. Also the first Kern County record of Glossy Ibis was photographed on 23 April 2019, but could not be relocated. An amazingly large flock of 700 Lawrence's Goldfinches were in one dry field on 4 December 2018, which may be the largest flock on record for this species. High counts in the global database eBird were less than 350.

Highlights for June 2019 to May 2020 include a juvenile Brown Pelican on 9 August 2019, only the third or fourth record for Kern County, a Little Stint on 8 March 2020 from Europe that is rarely encountered in California and is the first record for Kern County, an adult Glaucous Gull probably the first record of an adult for Kern County and one of few records for the species, a Sandhill Crane which rarely ventures south from its wintering grounds at Pixley NWR in Tulare County on 29 January and 30 March 2020, an Eastern Phoebe that wintered along Transect H, and a Swamp Sparrow that wintered along Transect E and is the second record for the Kern Water Bank.

There were few highlights for June 2020 to May 2021 with a Green-tailed Towhee on 17 March a likely over-wintering bird as their spring migration period starts in mid-April. A single adult male Vermilion Flycatcher was only one found—fewer than in recent years. A Short-eared Owl on 12 November was the first seen during surveys (others had been documented by Kern Water Bank staff).

The Kern Water Bank has exceptional habitats for birds and many rare birds will likely be found and documented in the future dependent upon survey efforts.

Discussion

The bird use of property managed by the Kern Water Bank Authority is clearly very high in accordance to the large acreages of upland and wetland habitats. Overall, in terms of bird abundance, species diversity, acreage, location and habitat diversity, it is an important area of upland habitat, especially when compared to surrounding agricultural lands. And it is even more important for its wetland habitat when water is available. These surveys documented particularly large populations raptors and shrikes, sparrows, and many other species typical of native upland habitats on the San Joaquin Valley floor. Of particular interest were the differences in the effect of the drought conditions among the years. There was measureable precipitation in winter of 2014-2015 and in the spring of 2015 with lesser amounts in winter 2015-2016 and spring 2016, and again in winter 2016-2017 which resulted in much growth of grasses and forbs throughout the water bank property. Little measurable precipitation in winter of 2020-2021 resulted in very little new vegetation growth during spring 2021 that left the area mostly devoid of grasses and forbs. As a result, overall land bird populations were depressed from previous post-drought years.

Loggerhead Shrike populations rebounded to pre-winter 2013-2014 levels, primarily as a result of good reproductive success of local breeders. These shrikes prey upon large insects and lizards that were common during the springs of 2015, 2016, 2017 and 2018. The highest counts of Loggerhead Shrikes of the survey project were of 93 during two surveys in June and July 2018—the result of a successful breeding season for a large nesting population. The breeding season of 2019 was also successful with a large population influx of juveniles and 2020 was moderately successful while maintaining population levels above those during the drought. Fall and winter of 2020-21 population levels were similar to those in previous post-drought levels.

From June 2020 through May 2021, raptor counts were down slightly from the previous year, but still above counts during the prolonged drought period from fall 2013 to fall 2017.

Appendix E

Annual Wildlife Monitoring Report for the Kern Water Bank



Raccoon Tracks

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2020 ANNUAL WILDLIFE MONITORING REPORT
for the
KERN WATER BANK



Submitted to:

KERN WATER BANK AUTHORITY

Prepared by:

svb
south valley biology consulting llc

June 23, 2021

2020 ANNUAL WILDIFE MONITORING REPORT

for the

KERN WATER BANK

Submitted to:

Kern Water Bank Authority

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June 23, 2021

Table of Contents

Introduction 1
San Joaquin Kit Fox Monitoring 1
  Introduction 1
  Methodology 2
  Results 2
  Discussion 3
Tipton Kangaroo Rat Monitoring 5
  Introduction 5
  Methodology 5
  Results 6
  Discussion 7
Sensitive Habitat Botanical Monitoring 7
  Introduction 7
  Results and Discussion 8
San Joaquin Antelope Squirrel 12
References 13

Figures

Figure 1. Kern Water Bank Biological Monitoring 14
Figure 2. Results of 2020 Nighttime Spotlighting Surveys at the Kern Water Bank 15
Figure 3. Results of 2020 Tipton Kangaroo Rat Monitoring at the Kern Water Bank 16
Figure 4. San Joaquin antelope squirrel observations at the Kern Water Bank in 2020 17

*Cover Photo: San Juaquin antelope squirrel at the Kern Water Bank Conservation Bank Lands. Photo taken on April 15th, 2020.

Introduction

This report documents the results of the 2020 annual wildlife monitoring activities conducted at the Kern Water Bank (KWB). On behalf of the Kern Water Bank Authority (KWBA), biologists from South Valley Biology Consulting LLC (SVB) conducted all monitoring activities contained in this report.

As identified on Page IV-6 the KWB Habitat Conservation Plan/Natural Community Conservation Plan (KWBA 1997), hereinafter referred to as HCP/NCCP, the annual and bi-annual monitoring consisted of the following activities:

- San Joaquin kit fox (*Vulpes macrotis mutica*) monitoring

  Nighttime spotlighting surveys to document the presence of San Joaquin kit fox, its predators and competitors, such as coyote (*Canis latrans*), red fox (*Vulpes vulpes*), American badger (*Taxidea taxus*), and bobcat (*Lynx* rufus*),* as well as several other nocturnal animals on the KWB.

  In addition to the prescribed spotlighting surveys, infrared motion camera stations were implemented again in 2020 to provide supplemental documentation of kit fox activity on the KWB.

- Tipton kangaroo rat (*Dipodomys nitratoides nitratoides*) monitoring.

  Trapping surveys on two established trapping grids to assess known population areas of Tipton kangaroo rats on the KWB.

- San Joaquin woollythreads (*Monolopia congdonii*), Kern mallow (*Eremalche parryi* ssp. *kernensis*) and other rare plant species monitoring.

San Joaquin Kit Fox Monitoring

Introduction

San Joaquin kit fox monitoring at the KWB in 2020 consisted of nighttime spotlighting surveys conducted on established routes located throughout the KWB. These surveys are conducted annually to provide an index of San Joaquin kit fox presence on the property. Data collected from the surveys are useful in supplying insights into the densities of not only kit foxes, but also their predator and competitor species that occur within the KWB property. The main predator/competitor species for the San Joaquin kit fox on the KWB are coyotes (*Canis latrans*), bobcats (*Felis rufus*), and American badgers (*Taxidea taxus*). Although the non-native red fox (*Vulpes vulpes*) is also known to occur in the region, this species has not been observed for many years at the KWB.

Methodology

Prior to conducting the nighttime spotlighting surveys, all the lesser-travelled areas of the established nighttime spotlighting route were driven by the biologists during daylight hours. This is typically done every season in the interest of safety; however, the daylight surveys also allow for identifying areas where the most suitable habitats for San Joaquin kit fox are located and for identifying potential den locations that would be worthwhile to target during the nighttime spotlighting surveys. Although the KWB is a very dynamic place and can vary dramatically from year to year, there has not been any need to significantly alter the established spotlighting route in prior years, and this was also the case in 2020. Figure 1 provides an illustration of the 2020 survey route.

Nighttime spotlighting surveys were conducted for six nights during the evening hours. Surveys commenced at or immediately after dusk and most surveys generally took from 3 to 3.5 hours to complete. Survey dates included October 19th, 20th, 21st, 26th, 27th, and 28th. The established survey route is just over 50 miles in length. Therefore, as has been done in prior years, the survey route was divided into two portions totaling approximately 25 miles each (Figure 1). As in prior years, the East Route consisted of all portions lying east of Enos Lane (Highway 43), and an approximately 6-mile stretch lying west of Interstate 5 and south of the Kern River. The other route, referred to as the West Route, encompassed all remaining portions of the established route that lie west of Enos Lane. Both routes were surveyed three times each over the six nights, yielding approximately 150 miles of nighttime spotlighting surveys conducted during the 2020 survey effort.

Each survey was conducted by two biologists, traveling in a vehicle at approximately 5-10 miles per hour. The biologists each used a 3-million candlepower hand-held spotlight to observe eye-shines and individual animals. A third biologist was responsible for recording the observations onto the data sheet at specified intervals throughout the survey session and to aid in safely navigating the survey route. Double counting of observations was avoided by maintaining a constant communication while surveying and determining pre-defined areas of observation for each biologist. Observations of all identified animals, paying particular attention to kit fox and their predator/competitor and prey species, were recorded onto standardized field data sheets. The data sheets were later compiled into a Microsoft Access® database. All San Joaquin kit fox observations and observations of kit fox predator and competitor species, such as coyote, bobcat, and American badger, were recorded using a handheld Global Positioning System (GPS) datalogger and the recorded information was later entered into the database.

Results

Results from the nighttime spotlighting surveys are presented in Figure 2. The locations of San Joaquin kit fox and competitor/predator species observations are presented in Figure 1.

There were two observations of San Joaquin kit fox made during the 2020 nighttime spotlighting surveys. Both observations were made during the October 26th survey session on the conservation bank lands. One adult was observed in the South Area and another adult was observed within the Southeast Area (Figure 1).

A total of 16 coyotes were observed during the surveys on all 6 survey nights. All the observations were of just a single individual each time. No observations of multiple individuals were made during any of the surveys (Figure 1).

Other San Joaquin kit fox predator/competitor species observed during the 2020 nighttime spotlighting surveys included three American badgers. All observations were of a single individual. Their locations are also shown on Figure 1.

Other mammalian species observations made during the 2020 nighttime spotlighting surveys included: 58 desert cottontails (*Sylvilagus audubonii*), 73 black-tailed jackrabbits (*Lepus californicus*), 10 kangaroo rats (*Dipodomys* ssp.), and 3 striped skunks (*Mephitus mephitis*).

Several avian species were observed during the 2020 nighttime spotlighting surveys. Birds of prey observations included 19 barn owls (*Tyto alba*), 6 great horned owls, 5 northern harriers (*Circus hudsonius*), and 8 red-tailed hawks (*Buteo jamaicensis*). Other avian species included California quail (*Callipepla californica*), great blue heron (*Ardea herodias*), greater roadrunner (*Geococcyx californianus*), lesser nighthawk (*Chordeiles acutipennis*), and sage sparrow (*Artemisiopiza nevadensis*).

Discussion

San Joaquin kit fox predator/competitor species observations made during the 2020 nighttime spotlighting surveys were a mixture of results. Only 16 coyote observations were recorded in 2020, while 26 were observed during the 2019 nighttime spotlighting surveys (SVB 2020). As has almost always been the case, coyote observations were spread throughout nearly all areas of the KWB. The lower number of observations made during 2020 are probably due to random factors and not likely due to any specific biological or environmental parameters. However, it is interesting to note that there were significantly lower numbers of prey species such as desert cottontail and black-tailed jack rabbits observed during the 2020 nighttime spotlighting surveys. In 2019, 168 desert cottontails and 198 black-tailed jackrabbits were reported (SVB 2020), while just 58 desert cottontails and 73 black-tailed jackrabbits were observed during the 2020 nighttime spotlighting surveys. Many areas of Kern County and the surrounding vicinity were reporting large numbers of mortalities of rabbits and hares that may have been attributed to Rabbit Hemorrhagic Disease (RHD) that appeared is some areas. SVB biologists were wary to be on the lookout for any dead rabbits or hares that may have been the result of this disease. No such observations were made at KWB in 2020.

American badgers were observed on three occasions during the 2020 nighttime spotlighting surveys. This CDFW species of special concern appears to be increasing in numbers at the KWB in a variety of habitats where there is abundant prey and friable

soils that are suitable for den construction. This species also is typically photographed during the annual camera station monitoring.

2020 marked the third consecutive year with San Joaquin kit fox observations made during the nighttime spotlighting surveys. This is very encouraging to see since observations of San Joaquin kit foxes during the nighttime spotlighting surveys are not always successful. Another important consideration in this year's results is that an individual kit fox was observed in the South Area conservation bank (Figure 1). Kit foxes are well documented in the Southeast Area conservation bank and they are almost always observed in that area numerous times throughout the season during not only the nighttime spotlighting surveys but also during other monitoring activities such as annual small mammal trapping at the Southeast Area Grid and the annual camera station monitoring effort. The 2020 camera station effort is discussed below.

In 2020 SVB biologists placed a total of 12 cameras in several areas spread throughout the KWB. An infrared motion detection camera was placed at each station along with a perforated can of cat food that was securely fastened to the ground with a 12-inch metal stake. All cameras were operated for 6 consecutive days and nights from July 30th through August 6th. Figure 1 shows the locations of the 12 camera stations.

San Joaquin kit fox was photographed on numerous occasions at Camera Stations 3, 4, and 5 located within the Conservation Bank lands in the Southeast Area, south of the K2 Pond and the James Area, just north of Panama Lane and west of the Alejandro Canal (Figure 1). As indicated above in the discussion of kit fox observations during the nighttime spotlighting surveys, the Southeast Area is normally very reliable for kit fox presence. Camera Stations 3 and 4 are located in this area. Camera Station 5 is located to the northeast of these scent stations in very similar grassland/low density shrub habitat. San Joaquin kit fox was reported for the first time at Camera Station 5 during the 2019 camera station monitoring (SVB 2020). Therefore, 2020 makes two consecutive years of visitations at Camera Station 5. This area is within a portion of the managed grazing areas at KWB and the habitat conditions have noticeably improved over the years as a result of proper grazing of these areas that can experience explosive growth of non-native herbaceous vegetation that can be detrimental to the native wildlife, including San Joaquin kit fox.

Coyote visitations were once again commonly made at most of the camera stations in 2020. Coyotes were photographed on multiple occasions at 8 of the 12 camera stations. Most visitations were of just a single individual, as was also reported above for the 2020 nighttime spotlighting surveys. No bobcats were photographed, but an American badger was photographed at Camera Station 10.

Other wildlife species photographed included black-tailed jackrabbit, desert cottontail, kangaroo rat, striped skunk (*Mephitis mephitis*), California ground squirrel (*Otospermophilus beecheyi*), California quail (*Callipepla californica*), and greater roadrunner. Representative photographs of some of the wildlife from the camera station monitoring are provided below.



San Joaquin kit fox at Camera Station 3.



San Joaquin kit fox at Camera Station 4.



San Joaquin kit fox at Camera Station 5.



Coyote at Camera Station 1.



American badger (only top of head visible) at Camera Station 10.



Striped skunk at Camera Station 11.

Tipton Kangaroo Rat Monitoring

Introduction

Tipton kangaroo rat monitoring at the KWB is required annually at two permanently established trapping grids in accordance with the HCP/NCCP. The Strand Grid is located in the northwest ¼ of Section 7, Township 30 South, Range 26 East and the Southeast Area Grid is located in the northwest ¼ of Section 33, Township 30 South, Range 26 East.

Methodology

The Strand Grid and the Southeast Area Grid are both standard 110-meter by 110-meter, 144-station, small mammal trapping grids. Each grid consists of twelve equidistant rows, spaced 10 meters apart. Monitoring efforts at each grid in 2020 consisted of four successive nights of trapping. Trapping was conducted at the Southeast Area Grid on July 21st, 22nd, 23rd, and 24th. The Strand Grid was trapped on

August 18th, 19th, 20th, and 21st. This technique yielded a total of 1,152 trap nights over the course of the 2020 trapping effort.

A 15-inch x 4-inch x 4.75-inch Sherman live trap was placed at each trap location. Each trap was baited using a millet-based seed mix. A wadded paper towel was also included in each trap to provide insulation and bedding material for the captured animals. The traps were baited and set in the evening and checked just prior to sunrise the following morning. Two biologists worked independently on separate trap rows and checked 72 traps each morning. This technique was utilized to help reduce the handling time and minimize stress to the captured animals. Each captured animal was identified to species and the individual's weight, age, and sex were also recorded onto a standardized data sheet. After all data were collected and recorded, the animal was temporarily marked ventrally with a non-toxic ink marker and then immediately released at the site of capture. To further minimize subsequent handling times, males were marked with a blue marker and females were marked with red. Additionally, an individual was weighed only once, and no re-weighing of recaptured animals was conducted.

Deer mice (*Peromyscus maniculatus*) were not handled in the same manner as all the other species. When a deer mouse was captured, no data on sex, weight, or any other parameter was collected. Therefore, the number of deer mice reported here includes recaptures. This was a safety consideration intended to minimize potential exposure to Hantavirus. Although the concerns from exposure to Hantavirus have somewhat waned in the past several years, SVB will continue to minimize handling of deer mice during future trapping efforts.

Results

Results from the 2020 Tipton kangaroo rat monitoring are summarized in Figure 3.

One adult male Tipton kangaroo rat was captured at the Strand Grid on August 19th. No other Tipton kangaroo rats were captured at this grid in 2020. Other animals trapped at the Strand Grid were as follows: 72 Heermann's kangaroo rats (*Dipodomys heermanni*), and 11 deer mice.

The trapping effort at the Southeast Area Grid yielded a total of 14 Tipton kangaroo rats, one Heermann's kangaroo rat, one San Joaquin pocket mouse (*Perognathus inornatus),* and one deer mouse.

Discussion

The numbers of Tipton kangaroo rats, Heermann's kangaroo rats, and San Joaquin pocket mice all experienced increases in 2020. Similar results were also reported at the nearby Coles Levee Ecosystem Preserve (CLEP) (SVB 2021). The number of Tipton kangaroo rats captured at CLEP increased by 16%. At the KWB, Tipton kangaroo rat captures increased by 33%. Heermann's kangaroo rats increased by 46% at CLEP and by 30% at the KWB. Although the 2019 rain year total precipitation would normally be considered to be favorable being just of the long-term average; however, of the 7.82 inches that fell that year, 5.89 inches occurred early in the season (October 2018 – March 2019). This resulted in heavy growth of winter annual grasses and forbs that may have been detrimental to small mammal mobility. Whereas in the 2020 rain year, a total of 7.70 inches of precipitation accumulated but only 3.27 inches fell during the early part of the season (October 2019 – March 2020). It may be that sufficient primary production was achieved by March 2020 without producing the excess of tall, thick herbaceous growth. The later abundant rain may have extended the growing season longer into the late spring and early summer, leading to more conducive conditions for Tipton kangaroo rats and other small mammals at KWB.



Tipton kangaroo rat at Southeast Area Grid



San Joaquin pocket mouse at Southeast Area Grid

Sensitive Habitat Botanical Monitoring

Introduction

Seven special-status plant species have been reported to occur at the KWB. These are: Hoover's woolly-star (*Eriastrum hooveri*), San Joaquin woollythreads (*Monolopia congdonii*), recurved larkspur (*Delphinium recurvatum*), Kern mallow (*Eremalche kernensis*), oil neststraw (*Stylocline citroleum*), Horn's milk-vetch (*Astragalus hornii* var. *hornii*), and slough thistle (*Cirsium crassicaule*). Each year SVB biologists conduct site visits to known populations of the special-status species on the KWB. These site visits continue throughout the late winter and into the early summer and beyond in favorable rainfall years.

Results and Discussion

The 2019 - 2020 rain year (October 1, 2019 - September 30, 2020) was the second consecutive favorable year for special-status plants at the KWB and throughout Kern County. Precipitation in the Bakersfield area was 7.70 inches, which was only slightly lower than the 7.82 inches that accumulated during the prior rain year. In terms of comparison to the long-term normal of 6.12 inches, the 2019-2020 rain year was 125% of the long-term normal. As was the case in the prior favorable rain year, all populations of special-status plants that were visited in 2020 appeared healthy and vigorous, with high numbers of individuals observed at most locations at KWB.

San Joaquin woollythreads is the earliest to germinate and bloom of all the special-status plants at KWB. Germination is often quite variable, but in most years with adequate precipitation, individual plants begin to germinate in late January or early February. In 2020, SVB commenced monitoring of known San Joaquin woollythreads populations at KWB on February 5th. All known populations of San Joaquin woollythreads were visited by SVB biologists on several occasions throughout its germination and growing season. Site visits were timed to help document the progress of growth and vigor of plants in 2020. All populations exhibited similar results as were seen for this species in 2019. That is, plants were generally healthy and vigorous at all sites, although with the lower early season rainfall that occurred in 2020 relative tho that which fell in 2019, the San Joaquin woollythreads were a bit shorter in stature, but some plants were still in bloom into late March.



San Joaquin woollythreads early flowering stage on Feb. 5, 2020



San Joaquin woollythreads still in early flowering stage on Feb. 11, 2020



San Joaquin woollythreads flowering stage on Feb. 26, 2020



San Joaquin woollythreads late-flowering stage on Mar. 5, 2020

SVB biologists also visited several of the known populations of Hoover's woolly-star on the KWB in 2020. This species was also observed to be in very high vigor at all sites visited. It appeared that the 2020 rain year was almost optimal for this species, as we found healthy, flowering plants all the way into late May. In fact, as good as the plants looked in 2019, most of the sites visited in 2020 had even larger populations in 2020.



Hoover's woolly-star in flowering stage on April. 30, 2020

The one area at KWB that is known to support populations of recurved larkspur was visited in March and April of 2020 by SVB biologists to document the conditions of plants within populations that are found in the conservation bank lands on both the eastern and western sides of the Alejandro Canal. Plants in this area in 2019 were noticeably larger and much more populous than what we observed in 2020. The only plants seen were about 50 individuals along an old petroleum pipeline route on the west side of the Alejandro Canal. The plants that made it to flowering and fruiting were noticeably smaller in stature that the same plants observed in 2019 at the same location. No plants were observed on the lands east of the Alejandro Canal in 2020.



Recurved larkspur in early flowering stage on Mar. 9, 2020



Recurved larkspur on Apr. 4, 2020 showing the relatively short stature of flowering stems that were a common site in 2020

Kern mallow is abundant in many areas on the KWB. Just as was reported in 2019 for this species, SVB biologists began observing many hundreds to a thousand plants or more at a few of the larger populations on the KWB. However, the 2020 plants were noticeably smaller in stature and produced much fewer flowers than the 2019 plants. Although plants were observed flowering into June, a large majority of plants were only 4 or 5 inches tall with just a few flowers.



Kern mallow in bloom on Feb. 26, 2020, showing small stature and only two flowers on this plant



Kern mallow in full bloom bloom on Apr. 30, 2020, showing the typical short stature and very few flowers commonly observed in 2020

Oil neststraw occurs in some areas of the KWB, mainly in some of the old oil field areas within the River and Strand areas, but there are also populations observed in many years in the South and Southeast areas where cryptogamic soils are found. Often, this tiny, white-woolly plant and Hoover's woolly-star are found growing together in these soils. In 2020, oil neststraw plants were found to be healthy, with sizeable populations observed at most of the sites visited.



Oil neststraw blooming on March 9, 2020

San Joaquin Antelope Squirrel

San Joaquin antelope squirrels have not been reported from the KWB for many years. According to the California Natural Diversity Data Base (CNDDB) the last documented sighting San Joaquin antelope squirrel at KWB was from 1990 in a portion of the Southeast Area approximately 600 feet north of taft Highway (Highway 119) and approximately 500 feet west of the Alejandro Canal (CNDDB 2021). Since that time no other observations have been observed at KWB until 2020. The first sighting was of a single adult in the South Area on January 22nd, 2020. This sighting was made during the annual review meeting and site visit with personnel from the KWB, SVB, CDFW, and USFWS. Considering the location of this sighting, SVB biologists believe that the population of San Joaquin antelope squirrels at the neighboring Coles Levee Ecosystem Preserve (South Coles Levee), located just 0.4 mile to the south has likely expanded into the KWB conservation bank lands, as no other known populations in the nearby area are known. For many years the KWB conservation bank has been managed to increase the quality of habitat present for San Joaquin antelope squirrel, primarily through careful livestock grazing. Since this first sighting, SVB biologists have made several additional sightings of San Joaquin antelope squirrels at KWB. Figure 4 shows all the locations where San Joaquin antelope squirrels were observed in 2020. Although it was not possible to photograph all individual sightings (i.e., individuals ran into burrows or into vegetation before a photograph could be taken), a few representative photographs of individuals that could be acquired are provided below.



San Joaquin antelope squirrel observed on April15, 2020



San Joaquin antelope squirrel observed on April 15, 2020



Two juvenile San Joaquin antelope squirrels observed on April 30, 2020

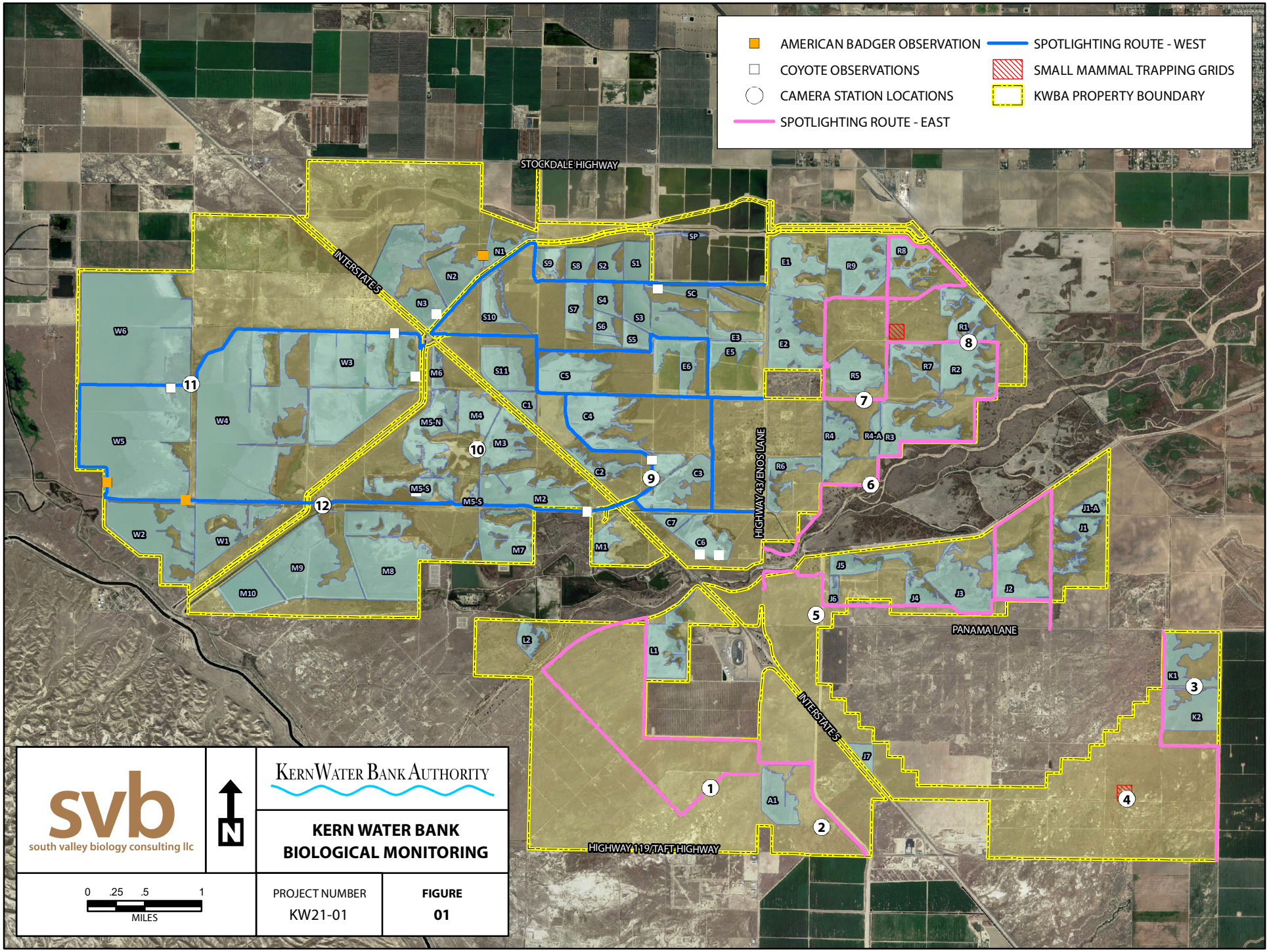
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South Valley Biology Consulting LLC. 2020. 2019 annual wildlife monitoring report for the Kern Water Bank. Prepared by South Valley Biology Consulting LLC for the Kern Water Bank Authority. June 10, 2020.


AMERICAN BADGER OBSERVATION
COYOTE OBSERVATIONS
CAMERA STATION LOCATIONS
SPOTLIGHTING ROUTE - EAST
SPOTLIGHTING ROUTE - WEST
SMALL MAMMAL TRAPPING GRIDS
KWBA PROPERTY BOUNDARY
STOCKDALE HIGHWAY
INTERSTATE 5
HIGHWAY 43/ENOS LANE
PANAMA LANE
HIGHWAY 119/TAFT HIGHWAY
INTERSTATE 5
svb
south valley biology consulting llc
N
KERN WATER BANK AUTHORITY
KERN WATER BANK
BIOLOGICAL MONITORING
0 .25 .5 1
MILES
PROJECT NUMBER
KW21-01
FIGURE
01

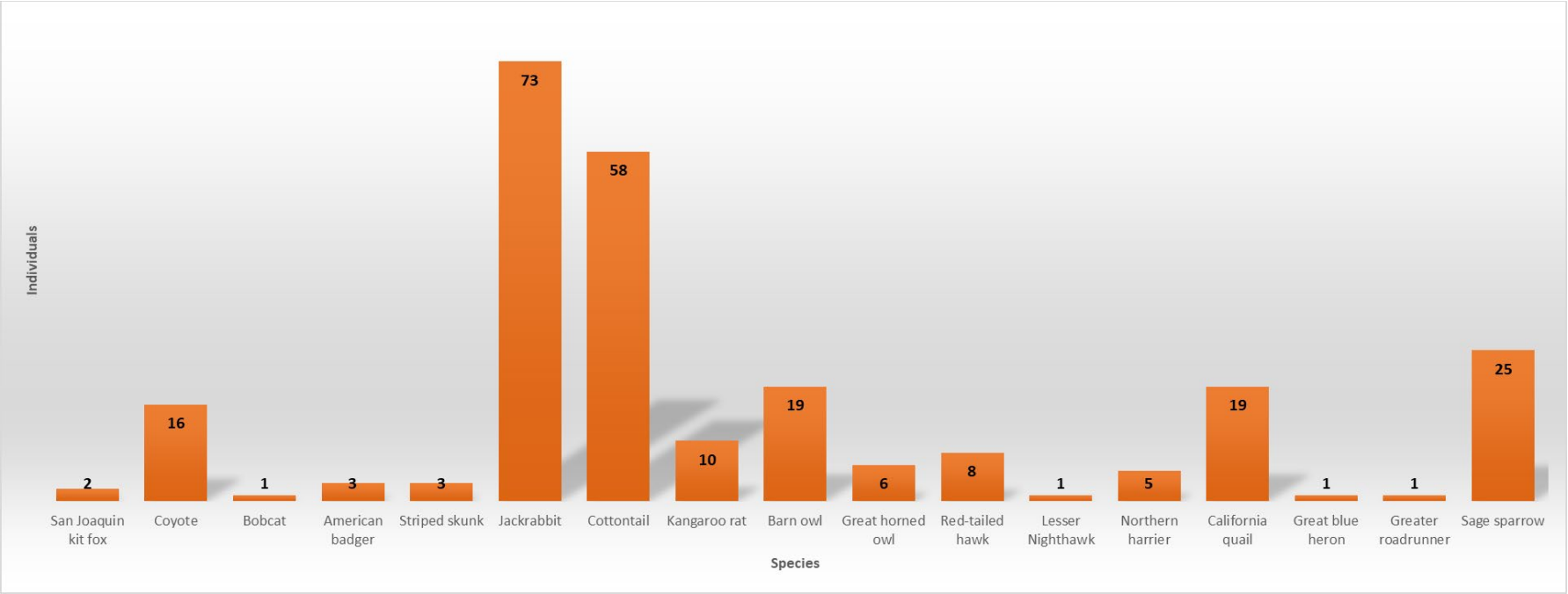


Figure 2. Results of 2020 nighttime spotlighting surveys at the Kern Water Bank.

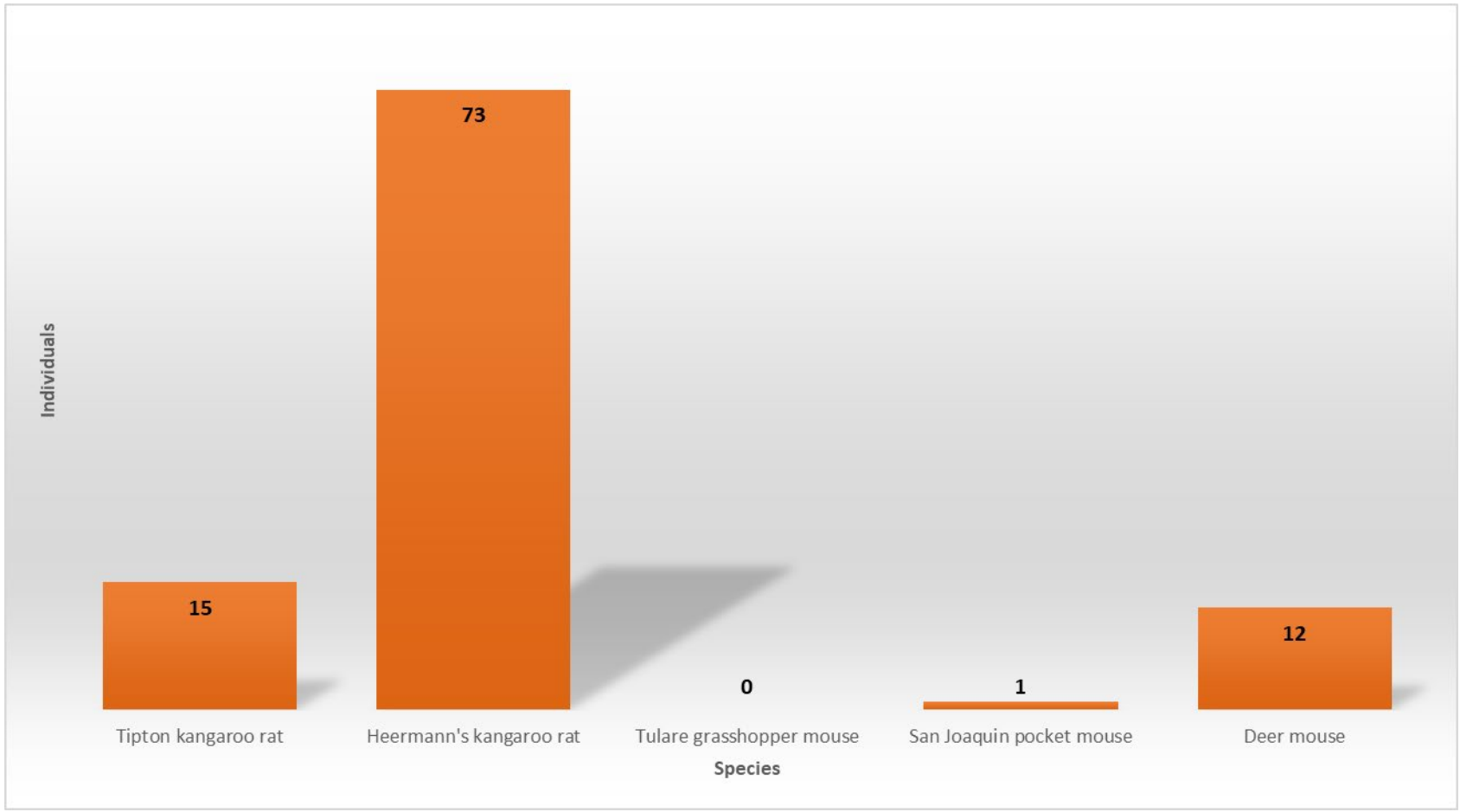
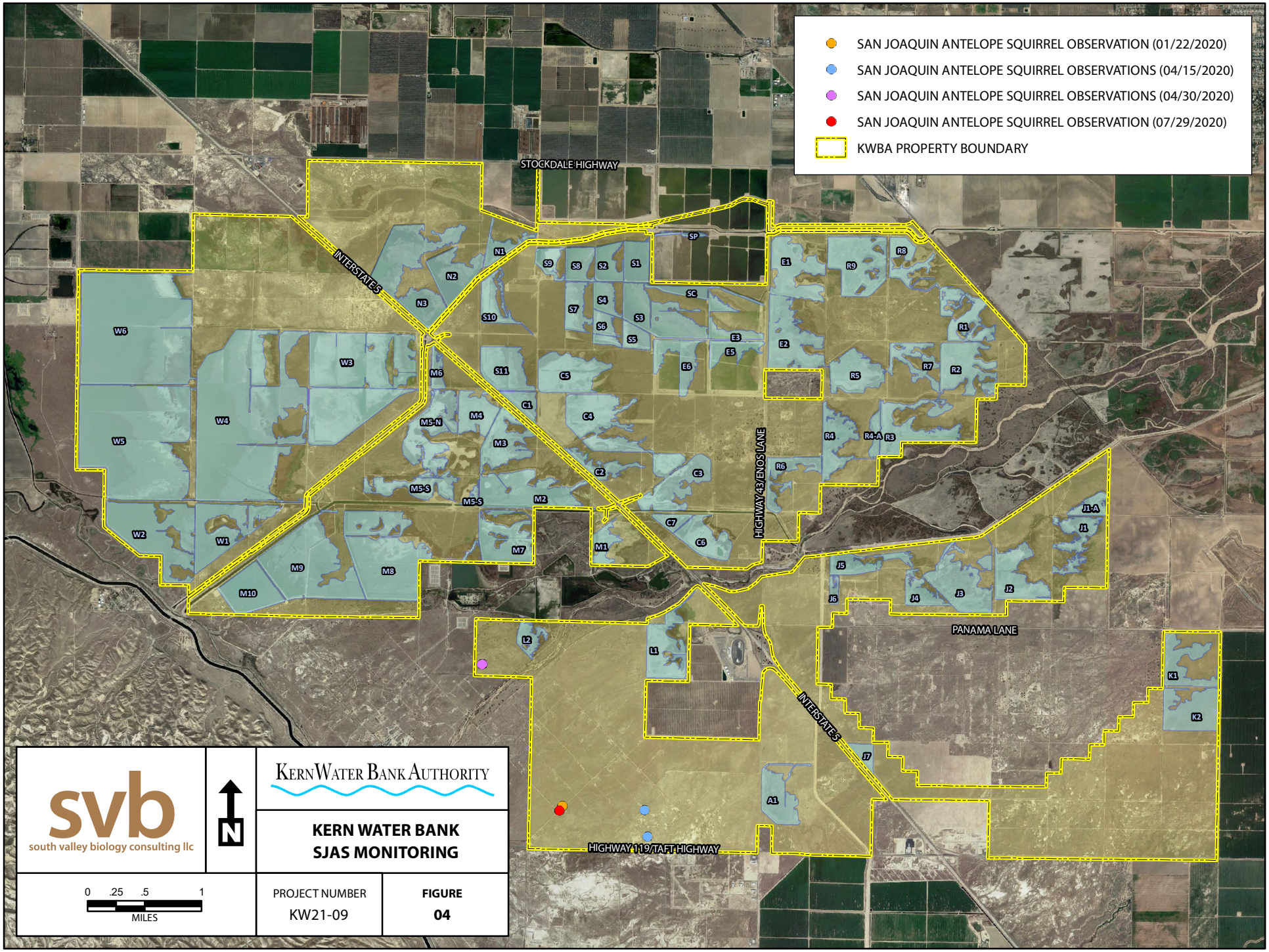


Figure 3. Results of 2020 Tipton kangaroo rat monitoring at the Kern Water Bank.


SAN JOAQUIN ANTELOPE SQUIRREL OBSERVATION (01/22/2020)
SAN JOAQUIN ANTELOPE SQUIRREL OBSERVATIONS (04/15/2020)
SAN JOAQUIN ANTELOPE SQUIRREL OBSERVATIONS (04/30/2020)
SAN JOAQUIN ANTELOPE SQUIRREL OBSERVATION (07/29/2020)
KWBA PROPERTY BOUNDARY
STOCKDALE HIGHWAY
INTERSTATE 5
HIGHWAY 43/ENOS LANE
PANAMA LANE
HIGHWAY 119/TAFT HIGHWAY
W6
W5
W4
W3
W2
W1
N1
N2
N3
S10
S11
S9
S8
S2
S1
S7
S4
S6
S5
S3
SP
SC
E1
E2
E3
E5
E6
C5
C1
C4
C2
C3
C7
C6
M10
M9
M8
M7
M6
M5-N
M5-S
M4
M3
M2
M1
R9
R8
R1
R7
R2
R5
R4
R4-A
R3
R6
J1-A
J1
J5
J6
J4
J3
J2
L2
L1
K1
K2
J7
A1
svb
south valley biology consulting llc
KERN WATER BANK AUTHORITY
KERN WATER BANK
SJAS MONITORING
0 .25 .5 1
MILES
PROJECT NUMBER
KW21-09
FIGURE
04

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Appendix F

Endangered Species Recovery Program Reports



Mourning Dove (*Zenaida macroura*)

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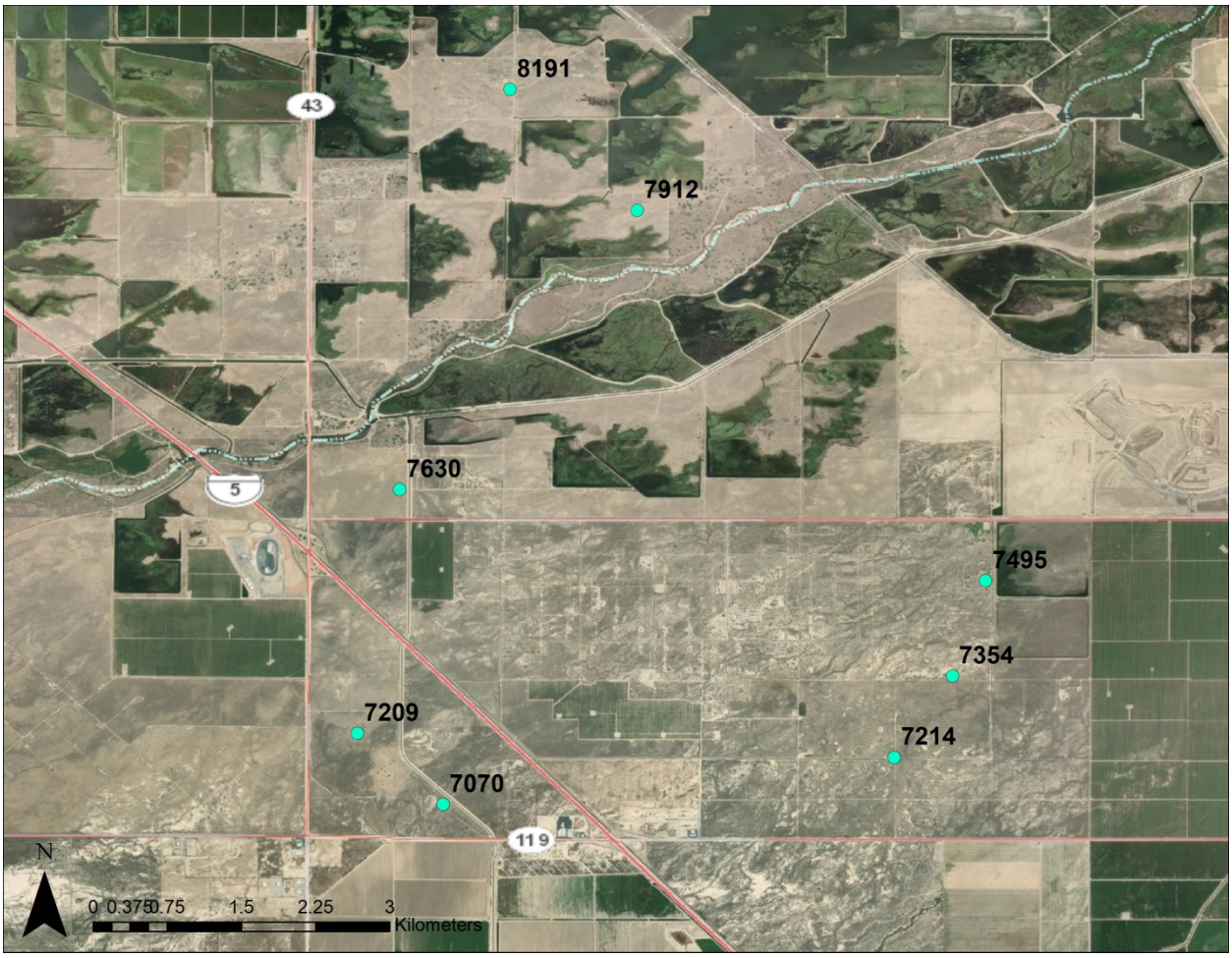
2017 Kern Water Bank Camera Station Results

Grid Number	General Location Description	San Joaquin kit fox	Coyote	Badger	Striped skunk	Jackrabbit	Cottontail	Common Raven
8191	Munzer Rd., west camera		X	X		X	X	
7912	Munzer Rd., south camera		X			X		
7071	Taft Hwy x Alejandro, east of canal		X			X		
7630	Panama Ln., north side		X			X	X	X
7214	Panama Ln., south side, far north camera	X	X	X	X	X		
7354	Panama Ln., south side, far south camera	X	X			X		

2019 Kern Water Bank Camera Station Results

Grid Number	General Location Description	San Joaquin kit fox	Coyote	Striped skunk	Jackrabbit	Cottontail	Roadrunner	Great Horned Owl	Raven
8191	Munzer Rd., west camera		X		X		X		X
7912	Munzer Rd., south camera		X		X				X
7071	Taft Hwy x Alejandro, east of canal				X				
7630	Panama Ln., north side	X	X		X				X
7214	Panama Ln., south side, far north camera	X	X	X					
7354	Panama Ln., south side, far south camera	X	X	X	X	X		X	

Kern Water Bank Camera Stations
7/21/2020 to 7/28/2020



Camera Station	Species Detected (individuals detected)
7070	American badger (1), black-tailed jackrabbit (1)
7209	Black-tailed jackrabbit (1)
7214	San Joaquin kit fox (3)
7354	San Joaquin kit fox (2), coyote (1), black-tailed jackrabbit (1)
7495	San Joaquin kit fox (1), coyote (4), black-tailed jackrabbit (2), desert cottontail (1)
7630	San Joaquin kit fox (1), coyote (2)
7912	Coyote (4), black-tailed jackrabbit (1)
8191	Coyote (1), black-tailed jackrabbit (1), desert cottontail (1)

Kern Water Bank Camera Stations
7/21/2020 to 7/28/2020





Kern Water Bank Camera Stations
7/21/2020 to 7/28/2020





Appendix G

Conservation Easement Legal Description and Preliminary Title Report



Western Scrub-jay (*Aphelocoma californica*)

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EXHIBIT A
LEGAL DESCRIPTION
KERN WATER BANK AUTHORITY
2019 CONSERVATION EASEMENT PARCEL

THAT PORTION OF LAND IN THE NORTH HALF OF SECTION 33 AND THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF KERN, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE NORTH HALF OF SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33; AND

THE NORTHEAST QUARTER OF SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33; AND

THE EAST 377.04 FEET OF THE NORTHWEST QUARTER OF SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33; AND

THE WEST 208.16 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33; AND

THE SOUTH HALF OF NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 33; AND

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32, EXCEPTING THEREFROM THE NORTH 637.12 FEET; AND

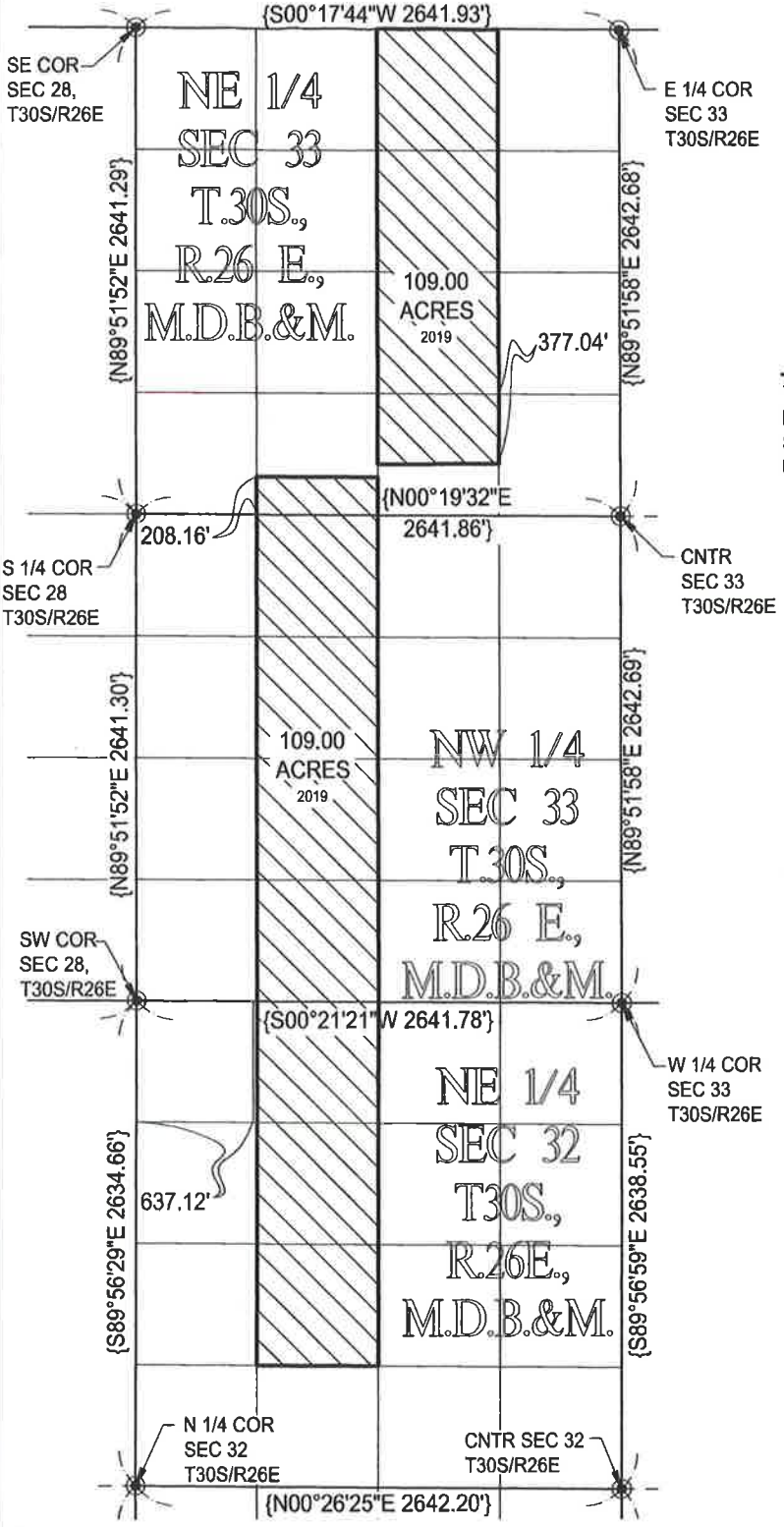
THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32; AND

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32;

CONTAINING 109.00 ACRES MORE OR LESS.



6/28/2021



LEGEND

EASEMENT AREA

◉ 4" BRASS CAP ON IRON PIPE SET IN CONCRETE AND STAMPED ACCORDING TO GENERAL LAND OFFICE STANDARDS, MARKED R.E. 2313 PER R/S FILED IN BOOK 4, PAGES 48 - 50 ON FILE IN THE OFFICE OF THE RECORDER OF THE COUNTY OF KERN

{ } DISTANCES PER RECORD OF SURVEY AS RECORDED ON R/S FILED IN BOOK 4, PAGES 48 - 50 ON FILE IN THE OFFICE OF THE RECORDER OF THE COUNTY OF KERN

BASIS OF BEARING

THE BEARING OF S 00°21'21"W FOR THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 32, T30S, R26E, MDBM AS SHOWN ON RECORD OF SURVEY, BOOK 4, PAGE 48-50 WAS USED AS THE BASIS OF BEARING FOR THIS MAP.

THIS MAP IS FOR ILLUSTRATIVE PURPOSES ONLY

1000 0 1000 2000

SCALE: 1 IN =1000FT

LICENSED LAND SURVEYOR
GREGORY O. BLACK
No. LS 8195
Exp. 12/31/21
STATE OF CALIFORNIA

6/28/2021

Palmetto Engineering & Land Surveying
4300 Ashe Road, Suite 103
Bakersfield, CA 93313
(661) 664-4806 Land
(888) 260-7357 Fax

FOR:		EXHIBIT:
Kern Water Bank Authority	2019 Conservation Easement	B

PROJECT NUMBER:	DRAWN BY:	CHECKED BY:	APPROVED BY:	DATE:
20-018	AJL	GOB	GOB	6/3/2020

EXHIBIT A
LEGAL DESCRIPTION
KERN WATER BANK AUTHORITY
2020 CONSERVATION EASEMENT PARCEL

THAT PORTION OF LAND IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF KERN, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

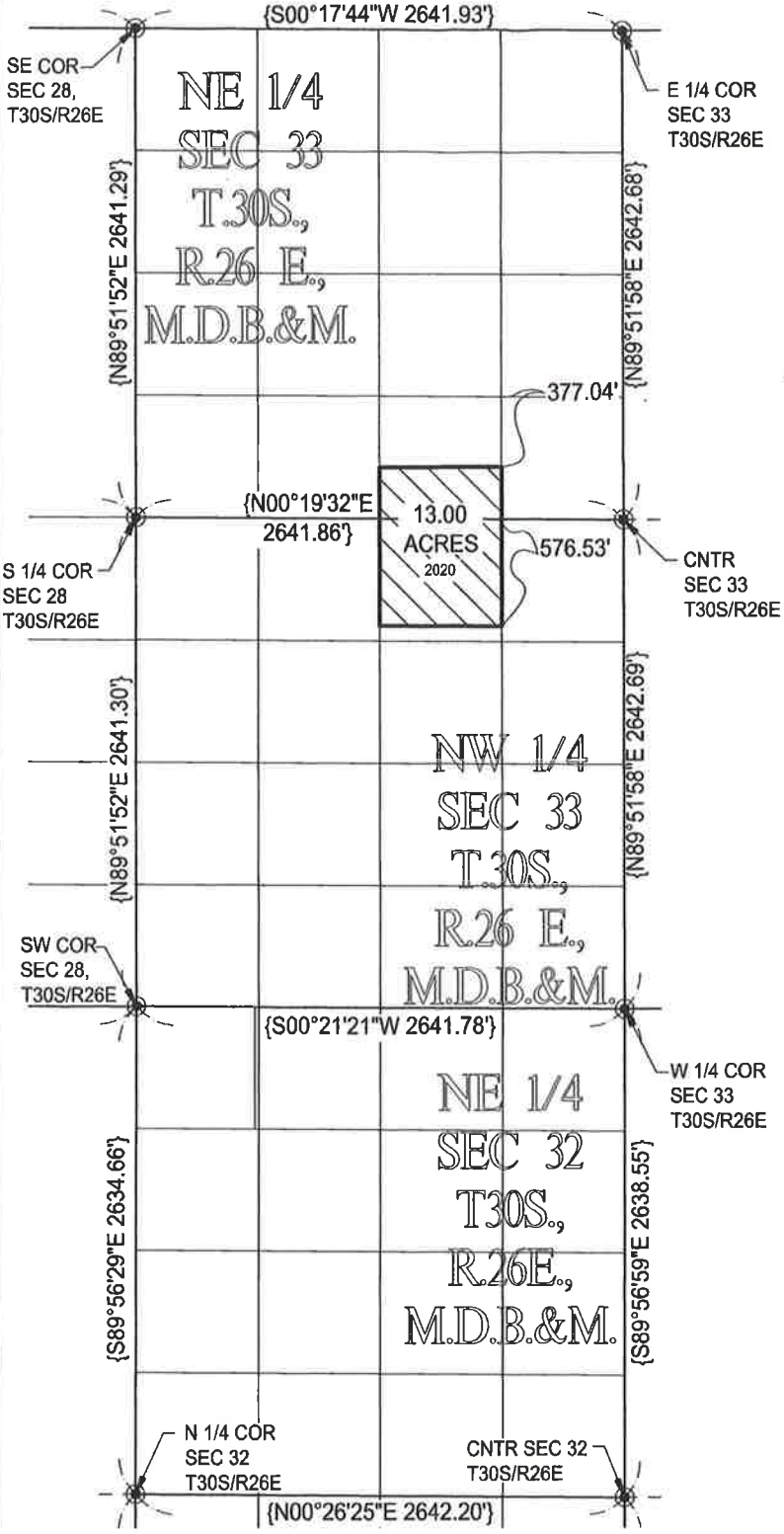
THE NORTHWEST QUARTER OF SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33, EXCEPTING THEREFROM THE EAST 377.04 FEET; AND

THE EAST 576.53 FEET OF THE NORTHEAST QUARTER OF SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 33;

CONTAINING 13.00 ACRES MORE OR LESS.

LICENSED LAND SURVEYOR
GREGORY O. BLACK
No. LS 8195
Exp. 12/31/22
STATE OF CALIFORNIA

6/28/2021



LEGEND

EASEMENT AREA

◉ 4" BRASS CAP ON IRON PIPE SET IN CONCRETE AND STAMPED ACCORDING TO GENERAL LAND OFFICE STANDARDS, MARKED R.E. 2313 PER R/S FILED IN BOOK 4, PAGES 48 - 50 ON FILE IN THE OFFICE OF THE RECORDER OF THE COUNTY OF KERN

{ } DISTANCES PER RECORD OF SURVEY AS RECORDED ON R/S FILED IN BOOK 4, PAGES 48 - 50 ON FILE IN THE OFFICE OF THE RECORDER OF THE COUNTY OF KERN

BASIS OF BEARING

THE BEARING OF S 00°21'21"W FOR THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 32, T30S, R26E, MDBM AS SHOWN ON RECORD OF SURVEY, BOOK 4, PAGE 48-50 WAS USED AS THE BASIS OF BEARING FOR THIS MAP.

THIS MAP IS FOR ILLUSTRATIVE PURPOSES ONLY

1000 0 1000 2000

SCALE: 1 IN =1000FT

LICENSED LAND SURVEYOR
GREGORY O. BLACK
No. LS 8195
Exp. 12/31/22
STATE OF CALIFORNIA

6/28/2021

Palmetto Engineering & Land Surveying
4300 Ashe Road, Suite 103
Bakersfield, CA 93313
(661) 664-4806 Land
(888) 260-7357 Fax

FOR:		EXHIBIT:
Kern Water Bank Authority	2020 Conservation Easement	B

PROJECT NUMBER:	DRAWN BY:	CHECKED BY:	APPROVED BY:	DATE:
21-014	AJL	GOB	GOB	6/16/2021

CLTA Preliminary Report Form
(Rev. 11/06)

Order Number: 1503-4654663
Page Number: 1

First American Title

First American Title Company

8500 Stockdale Hwy., Suite 190
Bakersfield, CA 93311

Jon Parker
Kern Water Bank Authority
1620 Mill Rock Way, Suite 500
Bakersfield, CA 93311
Phone: (661)398-4900
Fax: (661)398-4959

Customer Reference:	Section 33
Order Number:	1503-4654663 (NA)
Title Officer:	Nick Ashcraft
Phone:	(661)617-1471
Fax No.:	(866)225-9007
E-Mail:	nashcraft@firstam.com
Property:	Vacant Land CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of June 23, 2014 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

KERN WATER BANK AUTHORITY

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2014-2015, a lien not yet due or payable.

2. General and special taxes and assessments for the fiscal year 2013-2014 are exempt.

3. Taxes and assessments, if any, of the North Kern Water Storage District.

4. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

5. Any title or claim of interest of the United States of America, the State of California, or claimants thereunder, based upon the assertion that said land was known to be mineral in character on June 1, 1855, the date the survey thereof was approved by the Surveyor General.

6. The effect of a map purporting to show the land and other property, filed April 9, 1937 in Book 4, Page(s) 48, 49 and 50 of Record of Surveys.

7. An oil and gas lease executed by Kern County Land Company, a California corporation as lessor and Richard S. Rheem, doing business under the fictitious name of Richard S. Rheem, operator as lessee, recorded November 13, 1963 in Book 3662, Page 542 of Official Records.

   Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

8. Terms, provisions, covenants, restrictions and conditions contained in a document executed pursuant to the California Land Conservation Act of 1965 (Williamson Act) and recorded February 27, 1970 as Instrument No. 10922 in Book 4372, Page 684 of Official Records.

   Affects: The land and other property.

9. An easement for canal and incidental purposes, recorded December 6, 1978 in Book 5159, Page 2217 of Official Records.
   In Favor of: North Kern Water Storage District
   Affects: As described therein

10. An unrecorded license affecting the portion of said land and for the purposes stated herein, and incidental purposes
    In Favor Of: The Norwalk Company
    For: Pipeline
    Disclosed By: Second Amendment of Pipe Line License Agreement
    Recorded: February 23, 1981 in Book 5353 Page 2351, of Official Records

    Affects those portions of said land more particularly described therein.

11. Easements, Covenants and Conditions contained in the deed from Tenneco West, Inc., as Grantor, to the State of California, as Grantee, recorded August 31, 1988 as Instrument No. 025340 in Book 6158, Page 1098 of Official Records. Reference being made to the document for full particulars, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

12. A notice of assessment recorded April 17, 1996 as Instrument No. 0196049557 of Official Records, executed by the Kern Community College District.

13. An easement for state highway and incidental purposes, recorded August 9, 1996 as Instrument No. 0196101605 of Official Records.
    In Favor of: The State of California
    Affects: The South 30 feet of said land

14. Covenants, conditions, restrictions and easements in the document recorded August 9, 1996 as Instrument No. 0196102058 of Official Records, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

15. The terms and provisions contained in the document entitled Trust Agreement, executed by and between Westside Mutual Water Company, LLC, a California limited liability company and Kern Water Bank Authority, a public entity created pursuant to the Joint Exercise of Powers Act, recorded August 22, 1996, as Instrument No. 0196107584 of Official Records.

16. The terms and provisions contained in the document entitled "Memorandum of Transfer of Water in Storage" recorded August 26, 1996 as Instrument No. 0196108972 of Official Records.

17. An oil and gas lease executed by Enron Oil & Gas Company, a Delaware corporation as lessor and Sacramento Energy, Inc. as lessee, recorded May 28, 1997 as Instrument No. 0197070612 of Official Records.

    The effect of a document entitled "Partial Surrender and Quitclaim of Oil, Gas and Mineral Lease", recorded December 31, 1998 as Instrument No. 0198185643 of Official Records.

    The effect of a document entitled "Partial Surrender and Quitclaim of Oil, Gas and Mineral Lease", recorded July 31, 2008 as Instrument No. 0208121918 of Official Records.

    Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

18. A deed of trust to secure the performance of an agreement or other obligation, recorded November 25, 2003 as Instrument No. 0203256936 of Official Records.

Dated:	November 1, 2003
Trustor:	Kern Water Bank Authority
Trustee:	American Securities Company, a corporation
Beneficiary:	Wells Fargo Bank, National Association

    Affects: The land and other property.

19. The terms and provisions contained in the document entitled "Assignment and Pledge of Water and Water Rights" recorded March 31, 2004 as Instrument No. 0204070851 of Official Records.

20. An easement for public utilities and incidental purposes, recorded April 26, 2005 as Instrument No. 0205103812 of Official Records.
    In Favor of: Pacific Gas and Electric Company, a California corporation
    Affects: As described therein

    The location of the easement cannot be determined from record information.

    Terms and provisions contained in the above document.

21. An oil and gas lease executed by Vintage Production California LLC as lessor and Compass Global Resources as lessee, recorded October 11, 2006 as Instrument No. 0206252506 of Official Records.

    Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

22. The terms and provisions contained in the document entitled "Notice of Intent to Preserve Mineral Rights" recorded November 17, 2006 as Instrument No. 0206286186 of Official Records.

23. Rights of the public in and to that portion of the land lying within any Road, Street, Alley or Highway.

24. Water rights, claims or title to water, whether or not shown by the public records.

25. Rights of parties in possession.

Prior to the issuance of any policy of title insurance, the Company will require:

26. With respect to Kern Bank Water Authority, we will require copies of the articles of organization, bylaws, and other governing documents and any amendments thereto. Other requirements will be made following a review of such documents.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. The property covered by this report is vacant land.

2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

   None

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

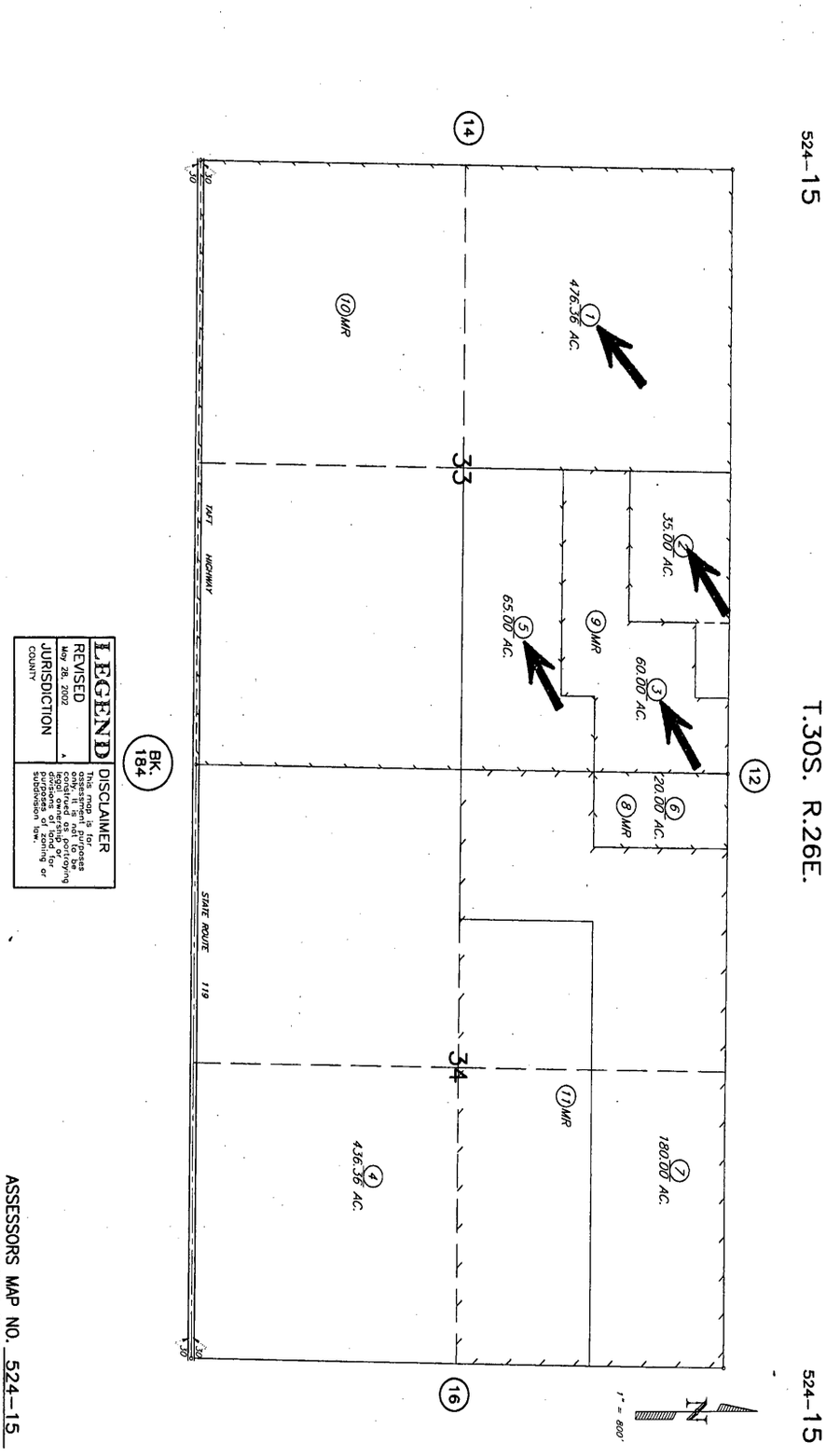
Real property in the unincorporated area of the County of Kern, State of California, described as follows:

ALL OF SECTION 33, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

APN: 524-150-01, 524-150-02, 524-150-03 and 524-150-05

Order Number: **1503-4654663**
Page Number: 8



ASSESSORS MAP NO. 524-15
COUNTY OF KERN

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

WIRE INSTRUCTIONS
for
First American Title Company, Demand/Draft Sub-Escrow Deposits
Kern County, California

PAYABLE TO:	First American Title Company
BANK:	**First American Trust, FSB**
ADDRESS:	5 First American Way, Santa Ana, CA 92707
ACCOUNT NO:	3007450000
ROUTING NUMBER:	122241255

PLEASE REFERENCE THE FOLLOWING:

PROPERTY:	Vacant Land, CA
FILE NUMBER:	1503-4654663 (NA)
ATTENTION:	Nick Ashcraft

PLEASE USE THE ABOVE INFORMATION WHEN WIRING FUNDS TO **First American Title Company**. **FUNDS MUST BE WIRED FROM A BANK WITHIN THE UNITED STATES.** PLEASE NOTIFY **Nick Ashcraft** AT **(661)617-1471** OR **nashcraft@firstam.com** WHEN YOU HAVE TRANSMITTED YOUR WIRE.

IF YOUR FUNDS ARE BEING WIRED FROM A NON-U.S. BANK, ADDITIONAL CHARGES MAY APPLY. PLEASE CONTACT YOUR ESCROW OFFICER/CLOSER FOR INTERNATIONAL WIRING INSTRUCTIONS.

PLEASE NOTE THAT AN ACH TRANSFER IS NOT THE SAME AS A WIRE, REQUIRES ADDITIONAL TIME FOR CLEARANCE AND MAY DELAY CLOSING.

FIRST AMERICAN TRUST CONTACT INFO: Banking Services 1-877-600-9473

ALL WIRES WILL BE RETURNED IF THE FILE NUMBER AND/OR PROPERTY REFERENCE ARE NOT INCLUDED

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   (a) building; (d) improvements on the Land;
   (b) zoning; (e) land division; and
   (c) land use; (f) environmental protection.
   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
   (a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   (b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   (c) that result in no loss to You; or
   (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
   (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   (b) in streets, alleys, or waterways that touch the Land.
   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

	Your Deductible Amount	**Our Maximum Dollar Limit of Liability**
Covered Risk 16:	1% of Policy Amount or $2,500.00 (whichever is less)	$10,000.00
Covered Risk 18:	1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 19:	1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 21:	1% of Policy Amount or $2,500.00 (whichever is less)	$5,000.00

ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
   (a) and use
   (b) improvements on the land
   (c) and division
   (d) environmental protection
   This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
   This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:

(a) a notice of exercising the right appears in the public records on the Policy Date

(b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:
   (a) that are created, allowed, or agreed to by you
   (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
   (c) that result in no loss to you
   (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
   (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
   (b) in streets, alleys, or waterways that touch your land

   This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
      (i) the occupancy, use, or enjoyment of the Land;
      (ii) the character, dimensions, or location of any improvement erected on the Land;
      (iii) the subdivision of land; or
      (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an

inspection of the Land or that may be asserted by persons in possession of the Land.

3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   (i) the occupancy, use, or enjoyment of the Land;

   (ii) the character, dimensions, or location of any improvement erected on the Land;

   (iii) the subdivision of land; or

   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters

   (a) created, suffered, assumed, or agreed to by the Insured Claimant;

   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

   (c) resulting in no loss or damage to the Insured Claimant;

   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or

   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is

   (a) a fraudulent conveyance or fraudulent transfer, or

   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   (i) the occupancy, use, or enjoyment of the Land;

   (ii) the character, dimensions, or location of any improvement erected on the Land;

   (iii) the subdivision of land; or

   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters

   (a) created, suffered, assumed, or agreed to by the Insured Claimant;

   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

   (c) resulting in no loss or damage to the Insured Claimant;

   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or

   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is

   (a) a fraudulent conveyance or fraudulent transfer, or

   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

Order Number: **1503-4654663**
Page Number: 15

First American Title

Privacy Information
We Are Committed to Safeguarding Customer Information
In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability
This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information
Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:
- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information
We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers
Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security
We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site
First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.
In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.
There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships
First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies
Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.
FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values
Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.
Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.
Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.
Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.
Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.
Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

2. Exhibit A

Exhibit "A"

Legal Description

A.P.N.: 524-150-01 & 02 and 524-150-03 & 05 and 524-150-03-00-2 and 524-150-01-00-6

Real property in the unincorporated area of the County of Kern, State of California, described as follows:

ALL OF SECTION 33, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

3. Exception 06 4 48

RECORD OF SURVEY

SHEET 1 OF 3 SHEETS

Being a survey of portion of T.30S., R.25E. and T.30S., R.26E. M.D.B.&M. for the purpose of locating the boundaries of the properties described in three memoranda of leases dated, Nov. 25, 1935, Nov. 27, 1935 and Oct. 31, 1936 recorded respectively in Book 609 at page 196, Book 609 at page 198 and Book 689 at page 455, all Official Records in the office of the County Recorder of Kern County, California.

Basis of bearings obtained from a triangulation survey based on the geodetic positions and azimuths of the U.S.G.S. primary stations, "Round Mountain and Pampa".

Monuments shown as (K.C.L.) were established by the surveys of the Kern County Land Company.

● - Indicates a 4" brass cap on iron pipe set in concrete and stamped according to Government Land Office standards. Marked R.E. 2312.

Filed in the office of the County Recorder of the County of Kern, State of California, this 7... day of August 1937, at the request of H. Fred Peterson, R.E. 2312. Filed in Book ... at page ... Record of Surveys, Kern County, California.

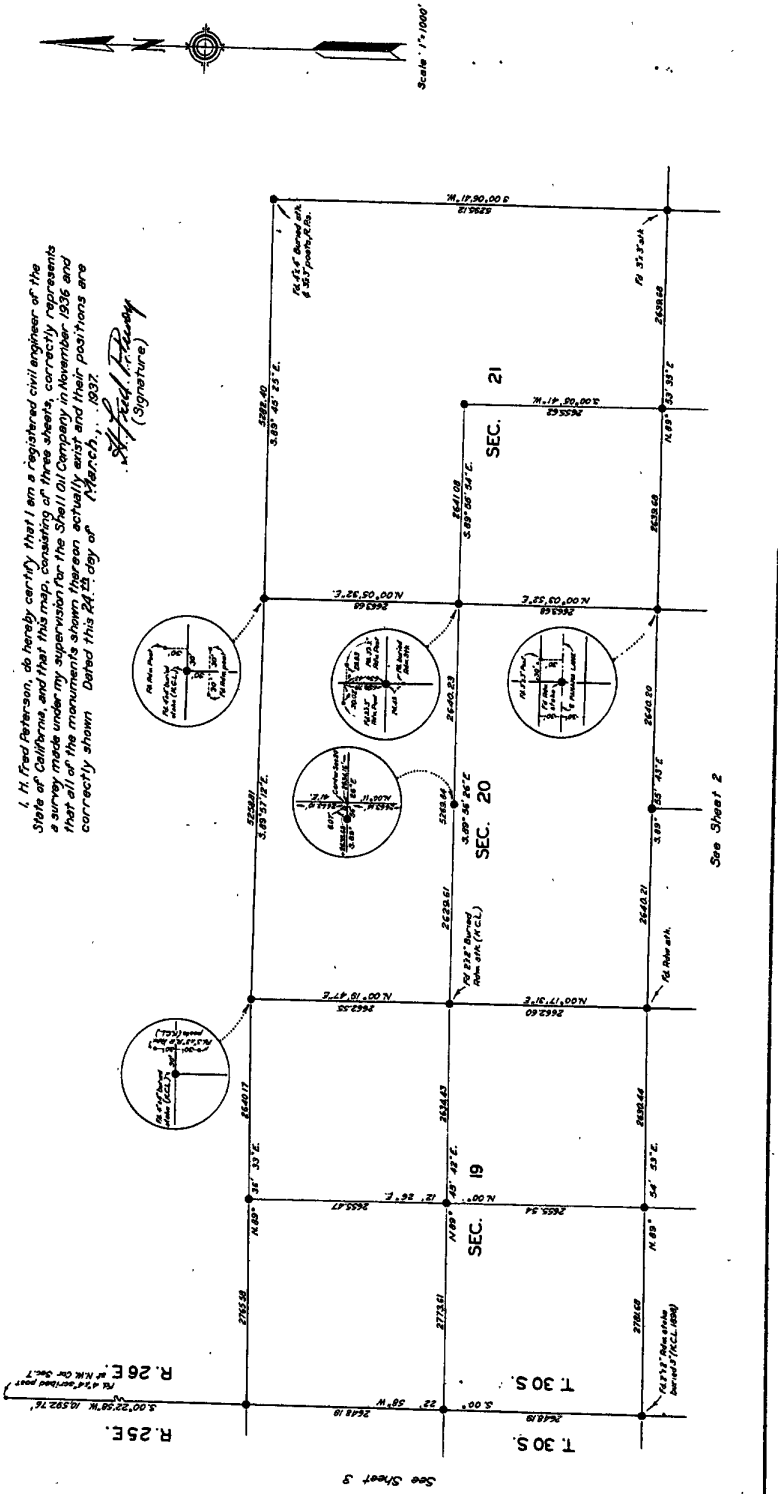
[illegible]
County Recorder of Kern County, State of California.

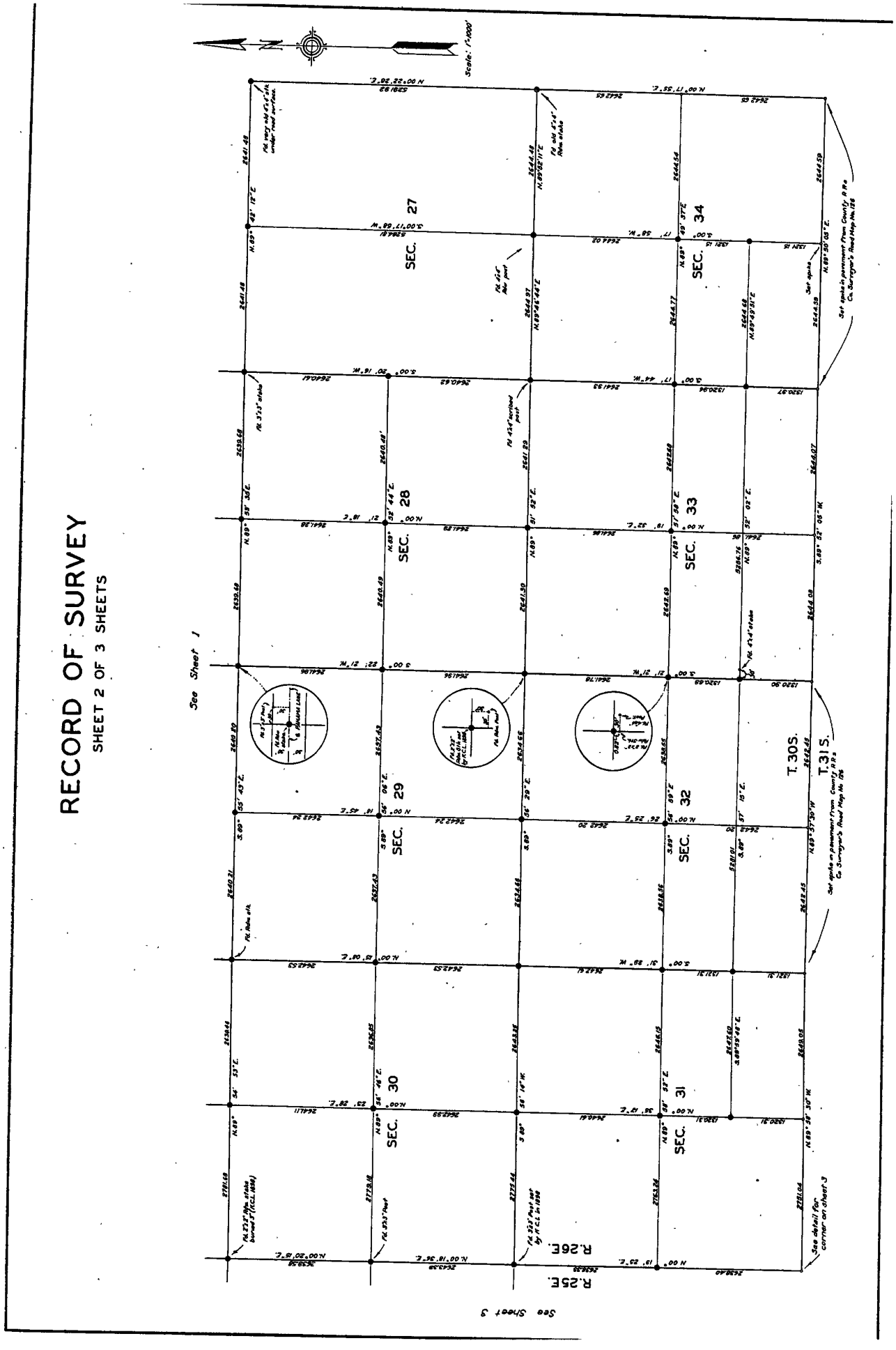
Examined and transmitted to the County Recorder this 6 day of April 1937.

[illegible]
County Surveyor of Kern County, State of California.

I, H. Fred Peterson, do hereby certify that I am a registered civil engineer of the State of California, and that this map, consisting of three sheets, correctly represents a survey made under my supervision for the Shell Oil Company in November 1936 and that all of the monuments shown thereon actually exist and their positions are correctly shown. Dated this 24th day of March, 1937.

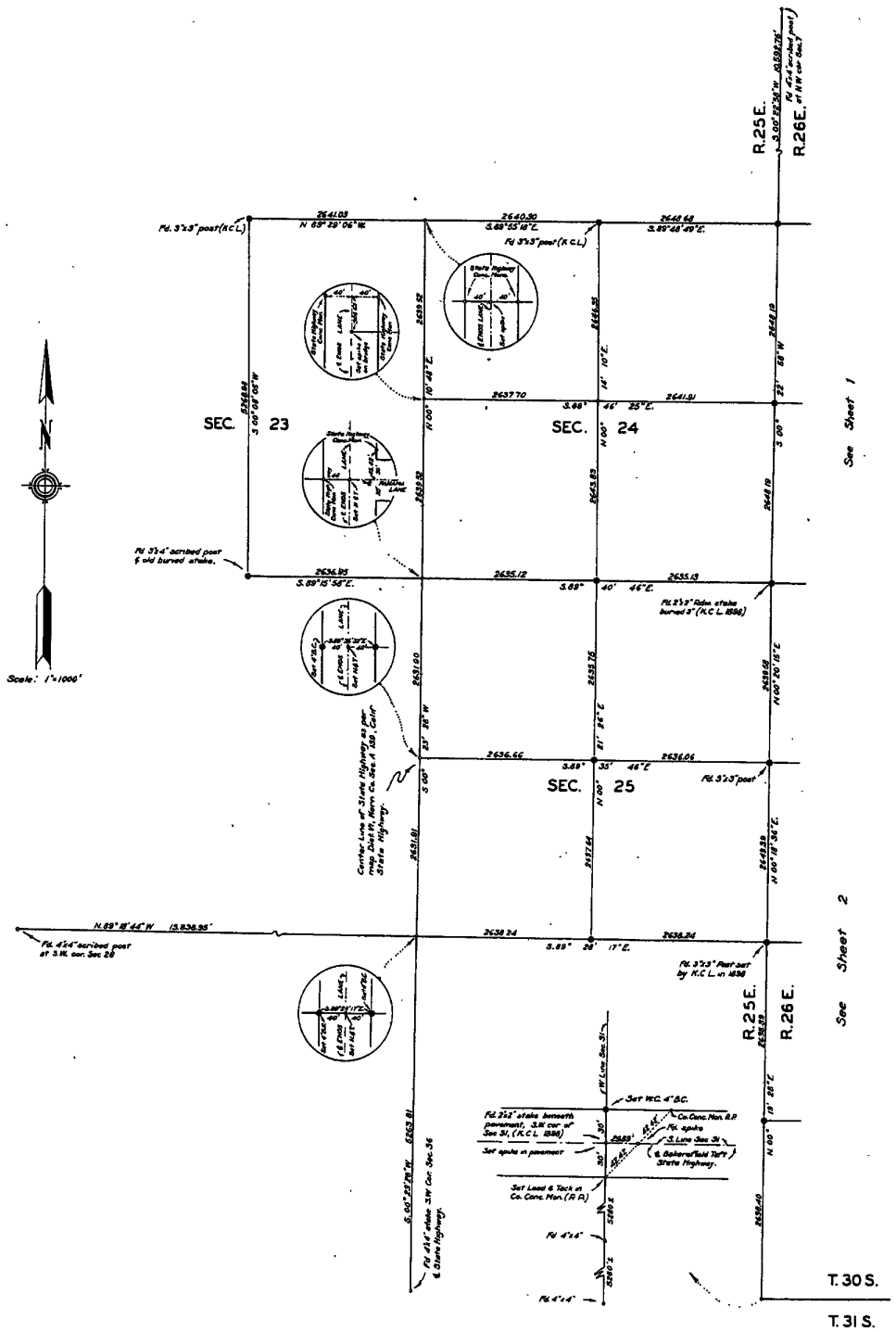
H. Fred Peterson
(Signature)




RECORD OF SURVEY
SHEET 2 OF 3 SHEETS
Scale: 1"=1000'
See Sheet 1
See Sheet 3
R.25E.
R.26E.
T.30S.
T.31S.
SEC. 27
SEC. 34
SEC. 28
SEC. 33
SEC. 29
SEC. 32
SEC. 30
SEC. 31

RECORD OF SURVEY

SHEET 3 OF 3 SHEETS



ORIGINAL

70986

BOOK 3662 PAGE 542

RECORDING REQUESTED BY
Richard S Rheem, Operator

WHEN RECORDED MAIL TO
Richard S. Rheem, Opr.
1831 Truxtun Ave.
Bakersfield, Calif.

Memorandum of

OIL AND GAS LEASE OG- 510

KERN COUNTY LAND COMPANY,
Owner,

and

RICHARD S. RHEEM, doing business under the fictitious name of Richard S. Rheem, Operator

Lessee.

Dated: November 1, 1963

Note to the County Recorder:
Please index this instrument under Oil and Gas Leases as well as under Memoranda of Leases.

RECORDED IN OFFICIAL RECORDS OF KERN COUNTY, CALIFORNIA
NOV 13 1963 30 Min. Past 2 P.M.
RAY A. VERCAMMEN, County Recorder
Fee 6.00

First American Title

Memorandum of

OIL AND GAS LEASE OG-....510....

THIS MEMORANDUM OF LEASE, dated [illegible] 16-3, between KERN COUNTY LAND COMPANY, a California corporation, hereinafter called "Owner", and **RICHARD S. RHEEM, doing business under the fictitious name of Richard S. Rheem, Operator,**

hereinafter called "Lessee" (whether one or more),

WITNESSETH THAT:

Owner hereby leases to Lessee and Lessee hereby leases from Owner, for the purpose of exploring and drilling for and producing hydrocarbons, all those lands situated in Kern County, California, particularly described in Exhibit A attached hereto, and hereby made a part hereof.

This lease is made upon and is subject to each and all of the terms, provisions, covenants and conditions set forth in that certain Oil and Gas Lease of even date herewith between the parties hereto covering the lands hereinabove described, and said Oil and Gas Lease is hereby incorporated herein with the same force and effect as though herein set forth at length.

Upon the termination of said lease, either in whole or in part and whether by surrender or otherwise, Lessee agrees to deliver to Owner a quitclaim deed covering all rights of Lessee in and to the lands as to which said lease shall so terminate, and the parties agree that the effect of any such quitclaim deed shall be to terminate all rights of Lessee under said lease in and to such lands, including, without limiting the generality of the foregoing, all easements, servitudes and rights of way in, upon, over or across such lands, the right to remove equipment therefrom, and all other rights of any and every kind in and to such lands under or pursuant to said lease, excepting only rights expressly reserved in such quitclaim deed.

IN WITNESS WHEREOF, the parties have executed this instrument *in duplicate* the day and year first above written.

KERN COUNTY LAND COMPANY

By [signature] EXECUTIVE VICE *President*

(Corporate Seal)

and by James A. Walker ASSISTANT *Secretary*

Owner

[signature]

Richard S. Rheem, doing business under the fictitious name of Richard S. Rheem, Operator

Lessee

ALM 11-56

First American Title

BOOK 3662 PAGE 544

State of California
City and County of San Francisco— ss.

On this 1st day of May, 1963 before me, NORA C. BANUET, a Notary Public in and for the City and County of San Francisco, State of California, residing therein, duly commissioned and sworn, personally appeared HERBERT L. REID, known to me to be the EXECUTIVE VICE President, and JAMES A. WALKER, known to me to be the ASSISTANT Secretary, of KERN COUNTY LAND COMPANY, the corporation that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its Board of Directors.

In Witness Wherof, I have hereunto set my hand and affixed my official seal at my office in said City and County and State the day and year in this certificate first above written.

Nora C. Banuet
NORA C. BANUET
Notary Public in and for the City and County of San Francisco, State of California.

(Notarial Seal)

My Commission Expires: May 28, 1967

State of California
County of CONTRA COSTA

On This 7th day of November in the Year of One Thousand Nine Hundred and Sixty three before me RAYMOND JOHN SCHREIBER a Notary Public in and for said County of CONTRA COSTA State of California, residing therein, duly commissioned and sworn personally appeared RICHARD S. RHEEM known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same

In Witness Whereof, I have hereunto set my hand and affixed my Official Seal the day and year in this certificate first above written

Raymond John Schreiber
Notary Public in and for said County of CONTRA COSTA State of California

GENERAL ACKNOWLEDGMENT
RAYMOND JOHN SCHREIBER
My Commission Expires Aug 24, 1964

ALM 11-59

EXHIBIT A

Attached to and Made a Part of Oil and Gas Lease OG-510
Between Kern County Land Company and Richard S. Rheem

LAND DESCRIPTION

Those portions of Sections Twenty-six (26), Twenty-seven (27), Thirty-three (33), Thirty-four (34), and Thirty-five (35), Township Thirty (30) South, Range Twenty-six (26) East, Mount Diablo Meridian, situated in Kern County, California, comprising Parcels One to Three inclusive, particularly described as follows:

PARCEL ONE - FEE

The Northeast Quarter of the Southwest Quarter (NE/4 of SW/4), the Southwest Quarter of the Southwest Quarter (SW/4 of SW/4), the East Half of the Southeast Quarter (E/2 of SE/4), the East Half of the West Half of the Southeast Quarter (E/2 of W/2 of SE/4), the Southwest Quarter of the Southwest Quarter of the Southeast Quarter (SW/4 of SW/4 of SE/4), the South Half of the Northwest Quarter of the Southwest Quarter of the Southeast Quarter (S/2 of NW/4 of SW/4 of SE/4) and the North Half of the Northwest Quarter of the Northwest Quarter of the Southeast Quarter (N/2 of NW/4 of NW/4 of SE/4) of said Section Twenty-seven (27); the Northeast Quarter (NE/4) of said Section Thirty-three (33); the Northeast Quarter (NE/4), the South Half of the Northwest Quarter (S/2 of NW/4), the Northeast Quarter of the Northwest Quarter (NE/4 of NW/4) and the East Half of the Northwest Quarter of the Northwest Quarter (E/2 of NW/4 of NW/4) of said Section Thirty-four (34), as said sections are shown on that certain retracement survey map entitled "Record of Survey Map, being a survey of portion of Township 30 South, Range 25 East and Township 30 South, Range 26 East, M.D.B.& M.", filed April 9, 1937, in the office of the County Recorder of said Kern County in Book 4 of Record of Surveys at page 48.

The Southwest Quarter of the Southwest Quarter (SW/4 of SW/4) and the West Half of the Northwest Quarter of the Southwest Quarter (W/2 of NW/4 of SW/4) of said Section Twenty-six (26); and the Northwest Quarter of the Northwest Quarter (NW/4 of NW/4) of said Section Thirty-five (35).

PARCEL TWO - FEE - Above 7,800' and Below 8,220'
(Standard Leasehold OG-78)

The South Half of the Northwest Quarter of the Northwest Quarter of the Southeast Quarter (S/2 of NW/4 of NW/4 of SE/4), the Southwest Quarter of the Northwest Quarter of the Southeast Quarter (SW/4 of NW/4 of SE/4) and the North Half of the Northwest Quarter of the Southwest Quarter of the Southeast Quarter (N/2 of NW/4 of SW/4 of SE/4) of said Section Twenty-seven (27), as said section is shown on that certain retracement survey map entitled "Record of Survey Map, being a survey of portion of Township 30 South, Range 25 East, and Township 30 South, Range 26 East, M.D.B.& M.", filed April 9, 1937, in the office of the County Recorder of said Kern County in Book 4 of Record of Surveys at page 48.

PARCEL THREE - FEE - Above 8,075' and Below 8,410'
(E. A. Bender Leasehold OG-389)

The Southeast Quarter of the Southwest Quarter (SE/4 of SW/4) of said Section Twenty-seven (27), as said section is shown on that certain retracement survey map entitled "Record of Survey Map, being a survey of portion of Township 30 South, Range 25 East, and Township 30 South, Range 26 East, M.D.B.& M.", filed April 9, 1937, in the office of the County Recorder of said Kern County in Book 4 of Record of Surveys at page 48.

Containing in the aggregate 836.92 acres, more or less.

EXCEPTING AND RESERVING to Owner the sole and exclusive right to produce hydrocarbons from depths of more than nine thousand ~~seven~~ hundred ~~(9,700)~~ (9,500) feet below the surface of the ground.

EXCEPTING ALSO AND RESERVING to Owner the sole and exclusive right to produce hydrocarbons insofar as Parcel Two is concerned from depths of between seven thousand eight hundred (7,800) feet below the surface of the ground and eight thousand two hundred (8,200) feet below the surface of the ground, subject to the rights of the Lessee under that certain oil and gas lease dated September 1, 1937, from Owner to Standard Oil Company of California, a Delaware corporation, commonly known as Canfield Ranch Oil and Gas Lease No. 15 OG-78, a memorandum of which lease was recorded in the office of the County Recorder of Kern County on September 13, 1937, in Book 743 of Official Records at page 188, which lease stands modified by a Termination Agreement dated June 5, 1958, and recorded in said office on July 10, 1958, in Book 2977 of Official Records at page 314, and by a Termination Agreement dated October 10, 1958, and recorded in said office on October 30, 1958, in Book 3029 of Official Records at page 187.

EXCEPTING ALSO AND RESERVING to Owner the sole and exclusive right to produce hydrocarbons insofar as Parcel Three is concerned from depths of between eight thousand seventy-five (8,075) feet below the surface of the ground and eight thousand four hundred ten (8,410) feet below the surface of the ground, subject to the rights of the Lessee under that certain oil and gas lease dated January 10, 1958, from Owner to E. A. Bender, Operator-Canfield, commonly known as Canfield Oil and Gas Lease OG-389, a memorandum of which lease was recorded in the office of the County Recorder of Kern County on January 15, 1958, in Book 2894 of Official Records at page 419, which lease stands modified by a Termination Agreement dated September 30, 1959, and recorded in said office on October 30, 1959, in Book 3208 at page 754.

SUBJECT to all leases or agreement now outstanding for use of the above-described lands, or any portion thereof, for agricultural, grazing or other purposes, whether recorded or not.

SUBJECT ALSO to all existing easement, servitudes, licenses and rights of way for canals, ditches, levees, roads, highways, telegraph, telephone and electric power lines, railroads, pipe lines and other purposes, whether recorded or not.

SUBJECT ALSO to the construction, reconstruction, extension, enlargement, maintenance and operation of all dams, levees, embankments, ditches, canals, reservoirs and all other works or structures now or hereafter constructed for irrigation or flood control purposes, including (without limiting the generality of the foregoing) all works now or hereafter constructed to control or divert the waters of the Kern River.

SUBJECT ALSO to the provisions of the agreement between Henry Miller and others and James B. Haggin and others dated July 28, 1888, and recorded in the office of the County Recorder of Kern County in Book 2 of Agreements at page 40, and all amendments and supplements thereof and thereto, whether recorded or not.

70986

BOOK 4372 PAGE 684

FEB-27-70 10922 •233% • D T8 FBk 2 13.20

Recorded By RAY A. VERCAMMEN, Kern Co. Recorder

RECORDED AT REQUEST OF:
AND RETURN TO:
CLERK OF THE BOARD
CIVIC CENTER - ROOM 600
BAKERSFIELD, CALIF. - 93301

LAND USE CONTRACT

(California Land Conservation Act of 1965,
and Open-Space Land Valuation Law of 1967.)

THIS CONTRACT, entered into this 17TH day of February 19 70 by and between the COUNTY OF KERN, a political subdivision of the State of California, herein referred to as "COUNTY," and

Kern County Land Company, a Delaware corporation

hereinafter referred to as "OWNER,"

W I T N E S S E T H : 13.20

(a) WHEREAS, Owner is the owner of certain real property situate in the County of Kern, State of California, which is devoted to agricultural use and is located within an area which has been designated by the County as an agricultural preserve, and a description of said land, together with a reference to the map showing the location of said agricultural preserve, is set forth in Exhibit "A" attached hereto and incorporated herein by reference; and

(b) WHEREAS, both Owner and County desire to limit the use of such land for the purposes of preserving it pursuant and subject to the conditions set forth in this Contract and in the California Land Conservation Act of 1965, as amended, in order to preserve a maximum amount of the limited supply of agricultural land and to thereby conserve the State's economic resources, to maintain the agricultural economy of the State, and to assure an adequate, healthful and nutritious food for future residents of this State and nation; and

(c) WHEREAS, the Owner desires to have the benefits of Article XXVIII of the California Constitution and of Sections 421 through 429, inclusive, of the Revenue and Taxation Code and other provisions of law relating to the valuation and assessment of open-space land subject to enforceable restrictions, as are now or may be from time to time in effect;

First American Title

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants and conditions set forth herein and the substantial public benefits to be derived therefrom, do hereby agree as follows:

1. TERM OF CONTRACT; AUTOMATIC EXTENSION; NOTICE OF INTENT NOT TO RENEW:

(a) This Contract shall be effective as of the 28th day of February next succeeding the date of this Contract, to wit, the date which is first mentioned herein, and shall remain in effect for an initial term of ten (10) years from and including such date and during renewals of this Contract.

(b) Each 28th day of February of each year during which this Contract shall be in effect shall be deemed to be the annual renewal date of this Contract, as mentioned in Sections 51244 and 51245 of the Act. On said annual renewal date a year shall be added automatically to the initial term aforementioned, and the term of this Contract shall be thereby renewed and extended, unless notice of nonrenewal has been given as provided in Section 51245 of the Act.

(c) If the County or Owner gives notice of intent in any year not to renew this Contract, the Contract shall remain in effect for the balance of the term or extended term remaining since the original execution or the last renewal of the Contract, as the case may be.

2. CONTRACT MADE PURSUANT TO LAND CONSERVATION ACT:

This Contract is made and entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 of Part 1 of Division 1 of Title 5 of the California Government Code commencing with Section 51200) sometimes referred to herein as the "Land Conservation Act" or "Act," and is subject to all of the provisions thereof.

First American Title

3. ENFORCEABLE RESTRICTION:

(a) It is mutually agreed that this Contract is and shall be an enforceable restriction within the meaning and for the purposes of Article XXVIII of the Constitution of the State of California, said Land Conservation Act, and said Sections 421 through 429, inclusive, of the Revenue and Taxation Code as are now or may be from time to time in effect; and it is contemplated that this Contract shall be enforced and administered by the County in such a manner as to accomplish the purposes of said Article of the California Constitution and the aforementioned statutes.

(b) It is mutually understood that the County may bring any action in court necessary to enforce this Contract, including, but not limited to, an action to enforce this Contract by specific performance or injunction.

4. CONTRACT MADE IN CONFORMITY WITH UNIFORM RULES ADOPTED BY COUNTY:

(a) This Contract is also made and entered into pursuant to the provisions of the Uniform Rules adopted by the Board of Supervisors of the County governing the administration of agricultural preserves, including but not confined to the land use restrictions and enumeration and definition of compatible uses therein contained.

(b) It is expressly understood and agreed that during the term of this Contract or any renewals thereof the Board of Supervisors of the County may add to those agricultural and compatible uses specified in the Resolution or Resolutions prescribing Uniform Rules governing the administration of the agricultural preserve within which the land described in this Contract is located or may otherwise modify said Uniform Rules, provided, however, that the subsequent elimination or reduction in scope of a compatible use which is so enumerated or defined, or the subsequent imposition of any land use restriction which

First American Title

is not set forth, in said Uniform Rules as of the date of this Contract, shall not be deemed to effect the land described in this Contract unless and except with the written consent of the Owner.

(c) The Uniform Rules which are applicable to the agricultural preserve in which the land herein described is situated are incorporated herein by reference, including those Uniform Rules as are in effect at the date of this Contract and, subject to the limitations aforementioned in this Article, those amendments or additions thereto which may be subsequently adopted from time to time.

5. EXCLUSION OF USES OTHER THAN AGRICULTURAL AND COMPATIBLE USES:

(a) During the term of this Contract or any renewals thereof the herein described land shall not be used for any purpose other than agricultural uses and those uses compatible with agricultural uses.

(b) As used in this Contract, the following terms shall have these respective meanings:

(1) "Agricultural uses" shall mean the use of land for the purpose of producing an agricultural commodity for commercial purposes.

(2) "Agricultural commodity" shall mean any and all plant and animal products produced in this state for commercial purposes.

(3) "Compatible uses" shall mean those uses enumerated in the Uniform Rules, or as determined by the Land Conservation Act.

(4) "Uniform Rules" shall mean the Uniform Rules adopted by the Board of Supervisors of the County governing the administration of agricultural preserves, as more fully described in Article 3 hereinabove.

First American Title

First American Title

6. LIMITATION ON STRUCTURES:

During the term of this Contract or any renewals thereof no structure shall be erected upon said land except such structures as may be directly related to agricultural uses and those uses compatible with agricultural uses.

7. EFFECT ON PLANNING AND ZONING POWERS:

It is mutually understood and agreed that neither the provisions of this Contract nor of any Uniform Rule adopted by the Board of Supervisors of the County shall in any manner effect, limit or supersede the planning and zoning powers of the County.

8. CONTRACT RUNS WITH LAND; EFFECT OF DIVISION OF LAND:

(a) All provisions of this Contract shall run with the land described herein.

(b) This Contract shall be binding upon, and inure to the benefit of, all successors in interest of the owner.

(c) Whenever land under this Contract is divided, the Owner of any parcel of such divided land may exercise, independent of any other Owner of any other portion of such divided land, any of the rights of the Owner in the original Contract, including the right to give notice of nonrenewal and to petition for cancellation. The effect of any such action by the Owner of a parcel created by such division of land under this Contract shall not be imputed to the Owners of the remaining parcels and shall have no effect on the Contract as it applies to the remaining parcels of the divided land.

9. ANNEXATION TO CITY:

In event of annexation by a city of any land under this Contract, such city shall succeed to all rights, duties and powers of the County under this Contract, except as otherwise provided in the Land Conservation Act.

First American Title

10. OWNER TO FURNISH INFORMATION:

(a) Owner agrees to furnish the County with such information as the County shall require in order to enable it to determine the continuing eligibility of the land herein described with respect to the terms of the Act, the provisions of this Contract, and under the Uniform Rules relating to the preserve in which said land is situated, from time to time when requested by the County.

(b) Owner agrees that a copy of this Contract may be recorded by the County, and agrees to properly acknowledge all signatures required of Owner herein for such purpose.

11. WAIVER OF PAYMENTS:

Owner hereby waives any obligation of County to make any payments to Owner under this Contract and Owner shall not receive any payment from County in consideration of the obligations imposed hereunder, it being recognized and agreed that the consideration for the execution of the within Contract is the substantial public benefit to be derived therefrom and the advantage which will accrue to Owner as a result of the effect on the method of determining the assessed value of land described herein and any reduction therein due to the imposition of the limitations on its use contained in this Contract.

12. CANCELLATION:

This Contract may only be cancelled in accordance with the provisions of Sections 51280-51285 of the Act.

13. EFFECT OF REMOVAL OF LAND FROM AGRICULTURAL PRESERVE:

It is agreed that removal of any land under this Contract from an agricultural preserve shall be equivalent of notice of non-renewal by the County, for the purposes of Section 426 of the Revenue and Taxation Code, as now in effect or as it may from time to time be amended, and applicable provisions of the Land Conservation Act.

First American Title

14. EFFECT OF EMINENT DOMAIN OR OTHER ACQUISITION OF LAND:

(a) When any action in eminent domain for the condemnation of the fee title of the entire parcel of land herein described is filed, or when such land is acquired in lieu of eminent domain for a public improvement by a public agency or person or whenever there is any such action or acquisition by the federal government or any person, instrumentality or agency acting under authority or power of the federal government, this Contract shall be deemed null and void as to the land actually being condemned or so acquired as of the date the action is filed, and upon the termination of such a proceeding, this Contract shall be null and void for all land actually taken or acquired.

(b) When such an action to condemn or acquire less than all the entire parcel land herein described is commenced, this Contract shall be deemed null and void as to the land actually so condemned or acquired.

(c) The land actually taken by the means aforementioned in this Article shall be removed from this Contract. Under no circumstances shall land be removed from this Contract that is not actually taken by the means aforementioned, except as otherwise provided in the Land Conservation Act, as now in effect or as it may from time to time be amended.

15. INCORPORATION OF PROVISIONS OF ACT BY REFERENCE; SUBSEQUENT AMENDMENTS:

(a) The provisions of the Land Conservation Act, including any amendments enacted on or before the date of this Contract, are incorporated herein and made a part of this Contract by reference, and all of the provisions of this Contract shall be subordinate thereto and construed harmoniously therewith.

First American Title

First American Title

(b) Any provision contained in any amendments to the Land Conservation Act enacted from time to time subsequent to the date of this Contract and which is procedural or remedial in effect shall also be deemed incorporated herein and made a part of this Contract by reference.

(c) Any provision contained in any amendments to the Land Conservation Act enacted from time to time subsequent to the date of this Contract which has the effect of altering a substantive right or obligation of the Contract shall not be deemed incorporated herein, unless with the mutual consent of the parties hereto or unless otherwise provided in this Contract. Such substantive right or obligation shall include, but is not limited to, the following: increasing or decreasing the term of the Contract; eliminating or altering the right to or grounds for nonrenewal or cancellation of the Contract; or eliminating, adding, or modifying any land use restriction or compatible use of land.

(d) Any provision of any amendments to the Land Conservation Act enacted from time to time subsequent to the date of this Contract which is incorporated by reference herein as provided in this Article shall be substituted in place of any corresponding provision of this Contract and all other provisions of this Contract shall be construed harmoniously therewith.

(e) In event any sections of the Land Conservation Act referred to herein are renumbered, any references to sections herein shall be deemed renumbered accordingly.

16. AMENDMENT BY MUTUAL AGREEMENT:

This Contract may be amended at any time and from time to time by mutual agreement in writing of the parties hereto endorsed hereon or attached hereto, subject to any express provisions to the contrary contained in this Contract or in the Land Conservation Act.

First American Title

17. NOTICES, MANNER OF GIVING:

(a) Notices to be given to Owner pursuant to this Contract, or as may otherwise be required by law in connection with the administration of this Contract, may be sent by first-class United States Mail addressed to Owner at the address shown below Owner's signature hereinbelow, and the Owner expressly waives any other method of giving notice to him.

(b) Notices to be given to County pursuant to this Contract may be sent by first-class United States Mail addressed to Board of Supervisors, County of Kern, Kern County Courts and Administration Building, 1415 Truxtun Avenue, Bakersfield, California.

(c) Such notices may also be given by one party to the other by personal service.

(d) By the means mentioned in this Article a party may give to the other notice of a new address, after which notices to be given to such party shall be sent by the means indicated in this Article to such party at such new address.

IN WITNESS WHEREOF, the parties hereto have executed the within Contract the day and year first above written.

COUNTY OF KERN

By _____
Vice Chairman, Board of Supervisors

ATTEST:

Vera K. Gibson, County
Clerk and ex-Officio Clerk
of the Board of Supervisors

By _____
Deputy

OWNER KERN COUNTY LAND COMPANY

_____
Stanley Ward, President

_____
Leon J. McDonough, Assistant Secretary

Address: P. O. Box 380

Bakersfield, California 93302

KERN COUNTY LAND COMPANY CORPORATE SEAL DELAWARE 1968

BOOK 4372 PAGE 693

ACKNOWLEDGMENTS

County of Kern

STATE OF CALIFORNIA)
) ss
COUNTY OF KERN)

On this 17th day of February, in the year 1970, before me, L R Shybaugh, Deputy Clerk, Board of Supervisors of the County of Kern, personally appeared JOHN HOLT, known to me to be the Chairman of the Board of Supervisors of the County of Kern, and known to me to be the person who executed the within instrument on behalf of said County, and acknowledged to me that such County executed the same.

WITNESS my hand and Official Seal of the Kern County Board of Supervisors.

VERA K. GIBSON
Clerk, Board of Supervisors
By L R Shybaugh
Deputy Clerk

Owner(s)

STATE OF California)
) ss.
COUNTY OF Kern)

On this 17TH day of February, 1970, before me, John D. Mixon, a Notary Public in and for said County and State, personally appeared Stanley Ward and Leon J. McDonough known to me to be the President and Assistant Secretary, respectively, of Kern County Land Company the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

JOHN D. MIXON
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
KERN COUNTY
Commission Exp. Sept. 27, 1971

John D. Mixon
Notary Public in and for said County and State

BOOK 4372 PAGE 694

EXHIBIT "A"

DESCRIPTION OF LAND SUBJECT TO CONTRACT,
AND IDENTIFICATION OF PRESERVE

The land herein described is situated in Preserve No. Ten (10) 43 the location of which is shown by map adopted by the Board of Supervisors of Kern County by Resolution No. 69-580 on 9/8/69. 69-573 9/8/69

The real property which is subject to the foregoing Contract is in the County of Kern, State of California, is approximately _____ acres, bears Assessor's Parcel Number(s) _____, and is more particularly described as follows:

SEE ATTACHED

EXHIBIT A

KERN COUNTY LAND COMPANY

Agricultural Preserve #10

Sec.	Twp.	Rge.	Description	Acres
			Those certain lands in Townships Thirty (30) and Thirty-One (31) South, Ranges Twenty-Four (24), Twenty-Five (25), Twenty-Six (26), and Twenty-Seven (27) East, Mount Diablo Base and Meridian, Kern County, California	
12	30	24	All 159-010-02	640.00
13	30	24	All; excepting therefrom the Southwest Quarter of Southwest Quarter (SW/4 SW/4) 159-180-03	600.00
24	30	24	Northeast Quarter (NE/4); Northeast Quarter of Southeast Quarter (NE/4 SE/4); and East Half of Northwest Quarter (E/2 NW/4); excepting therefrom that portion described in deed recorded in Book 458 at Page 481, KCOR 159-180-04	254.63
1	30	25	South Half (S/2) 160-010-10 (Por); 160-010-11 (Por); 160-010-12; 160-010-13; 160-010-14	320.00
12	30	25	North Half (N/2); Southeast Quarter (SE/4); and North Half of Southwest Quarter (N/2 SW/4) 160-060-04; 160-060-06; 160-060-07; 160-060-09; 160-060-15; 160-060-18; 160-060-19; 160-060-17; 160-060-20; 160-060-21	560.00
13	30	25	All 160-070-06; 160-070-07; 160-070-08; 160-070-14; 160-070-17	640.00
14	30	25	All, excepting therefrom portion described in deed recorded in Book 3522 at Page 348, KCOR 160-070-02; 160-070-03; 160-070-04; 160-070-10; 160-070-11	636.33

#10

BOOK 4372 PAGE 696

Sec.	Twp.	Rge.	Description	Acres
17	30	25	All 160-090-03	640.00
19	30	25	All 160-100-01; 160-100-02	656.10
20	30	25	All 160-100-03; 160-100-04; 160-100-05	640.00
21	30	25	All 160-111-02; 160-111-05; 160-111-07	640.00
3	30	26	South Half (S/2); excepting therefrom portion described in deed recorded in Book 55 of Deeds at Page 188, KCOR 161-020-03 (Por); 161-020-04 (Por)	252.72
4	30	26	South Half (S/2) 161-020-01 (Por)	320.00
5	30	26	South Half (S/2) 161-030-05 (Por)	320.00
7	30	26	All; excepting therefrom portion described in deed recorded in Book 47 of Deeds, at Page 356, KCOR 161-040-02; 161-040-03; 161-040-09; 161-040-10; 161-040-11	652.40
8	30	26	All; excepting therefrom portion described in deed recorded in Book 47 of Deeds, at Page 356, KCOR 161-040-04; 161-040-05; 161-040-06; 161-040-07; 161-040-08	627.35
9	30	26	All 161-050-07; 161-050-08	640.00
10	30	26	All 161-050-04; 161-050-06; 161-050-09; 161-050-10	640.00
11	30	26	All 161-060-01; 161-060-02	640.00
14	30	26	North Half (N/2); and North Half of South Half (N/2 S/2) 161-070-14; 161-070-16; 161-070-25; 161-070-26; 161-070-17 (Por)	480.00

#10

BOOK 4372 PAGE 697

Sec.	Twp.	Rge.	Description	Acres
15	30	26	North Half (N/2); and North Half of South Half (N/2 S/2) 161-080-02; 161-080-05; 161-080-05 (Por)	480.00
16	30	26	Northeast Quarter (NE/4); and North Half of Northwest Quarter (N/2 NW/4) 161-080-10-161-080-11; 161-080-09 (Por); 161-080-12 (Por)	242.75
17	30	26	All, excepting therefrom portion described in deed recorded in Book 47 of Deeds, at Page 356, KCOR 161-090-04; 161-090-05	635.18
18	30	26	All 161-090-01; 161-090-02; 161-090-03	655.60
19	30	26	North Half (N/2); and North Half of South Half (N/2 S/2) 161-100-01 (Por)	492.40
20	30	26	North Half (N/2); and North Half of Southwest Quarter (N/2 SW/4) 161-100-03 (Por)	402.27
21	30	26	North Half (N/2); Southeast Quarter (SE/4) 161-110-01 (Por)	482.68
23	30	26	South Half of North Half (S/2 N/2) 161-120-01 (Por); 161-120-02 (Por); 161-120-03 (Por)	160.00
28	30	26	East Half (E/2) 161-160-02 (Por)	320.17
33	30	26	All 161-190-05; 161-190-09; 161-190-11	641.11
4	31	26	All 184-090-06	640.00
10	31	26	All 184-07-12	640.00
11	31	26	All 184-07-11	640.00
13	31	26	South Half (S/2) 184-100-03 (Por)	320.00
14	31	26	All 184-100-02	640.00

#10

BOOK 4372 PAGE 698

Sec.	Twp.	Rge.	Description	Acres
17	31	26	All	640.00
			184-110-18	
20	31	26	All	640.00
			184-110-07; 184-110-08	
21	31	26	All	640.00
			184-110-05; 184-110-06	
24	31	26	All	640.00
			184-100-04	
28	31	26	That portion lying North of U. S. Segregation Line	322.01
			184-130-05	
29	31	26	That portion lying North of U. S. Segregation Line	242.49
			184-130-01; 184-130-02	
27	31	27	All	640.00
			184-450-01	
28	31	27	Southwest Quarter (SW/4); and West Half of Northwest Quarter (W/2 NW/4)	240.00
			184-460-06	
33	31	27	North Half (N/2)	323.34
			184-460-09	
34	31	27	All	640.00
			184-450-09; 184-450-10; 184-450-11	

Containing in the aggregate 23,159.53 acres, more or less

VERNA L. GIBSON, CLERK
By Deputy

FILED
BOOK
PAGE
FEB 27 12 23 PM 1970

END OF DOCUMENT

RECORDING REQUESTED BY
JAMES-PIONEER IMPROVEMENT DISTRICT
as official business

AND WHEN RECORDED MAIL TO

Name / Street Address / City & State
A. C. PAULDEN
1600 "M" Street
Bakersfield, CA 93301

056633

BOOK 5159 PAGE 2217

FD

R1482 A 12/06/78 .00 DRS .00 FREE

1978 DEC -6 AM 8:02

RECORDED BY
RAY A. VERCAMMEN
KERN COUNTY RECORDER

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NO FEE

GRANT OF CANAL EASEMENTS

TENNECO WEST, INC., a Delaware corporation, hereinafter called "Grantor", hereby GRANTS to the NORTH KERN WATER STORAGE DISTRICT, a water storage district organized and existing under and by virtue of the California Water Storage District Law, herein called "Grantee", subject to a condition subsequent, an easement for canal purposes only, over, in and upon that certain real property situated both in the City of Bakersfield and in the unincorporated area of Kern County, California, more particularly described in Exhibit A attached hereto and hereby made a part hereof.

AS A MATERIAL PART OF THE CONSIDERATION by Grantee to Grantor for the canal easement herein granted, Grantee represents and warrants that said easement is being acquired and shall be used for the sole and exclusive purpose of operating and maintaining upon said real property a canal for the transportation of water, and in furtherance of such representation and warranty, Grantor hereby EXCEPTS AND RESERVES to itself, its successors and assigns, a right of reentry to recover use and possession of the real property encumbered by this easement of any part thereof free of the effect of this grant of easement, if and when and to the extent that all or any part thereof shall have ceased to be operated and maintained for canal purposes; and such right of reentry and recovery of use and possession, free of the effect of this grant of easement, is hereby authorized by Grantee to be effected by the recordation in the office of the County Recorder of said Kern County of a unliateral instrument executed by Grantor, or its successor or assign, reciting (a) the names of Grantor and Grantee, (b) a reference to the date and place of recordation of this grant of easement, (c) the date of cessation of operation and maintenance of the canal of the part or parts thereof to which such right of reentry and recovery is to be effected (d) the description of said real property or the relevant part or parts thereof as to which such right of reentry and recovery shall apply, and (e) a statement to the effect that such instrument is recorded pursuant to this grant of easement.

Grantor reserves the right to use, and to permit others to use the premises for any and all purposes which do not hinder or preclude such use of the premises by Grantee and, without limiting the generality of the foregoing, reserves the right to lay, construct and install pipelines, roads, ditches, fences, pole lines and other facilities in, upon, across or along the premises.

Grantee shall, at its expense, promptly comply with any and all laws, ordinances, rules, regulations, requirements and orders whatever, present or future, of the national, state, county, or municipal government which may in any way apply to the use, maintenance or occupation of or operations on the premises by Grantee hereunder.

Documentary Transfer Tax due $ NONE

A. C. Paulden, Attorney for North Kern Water Storage District, a California water storage district

BOOK 5159 PAGE 2218

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

On this 5th day of December, 1978, before me, the undersigned, a Notary Public in and for the State of California, personally appeared, MELVIN JANS and WAYNE E. BROOME, known to me to be the Vice President and Assistant Secretary, respectively, of TENNECO WEST, INC., the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year of this certificate first above written.

OFFICIAL SEAL
CAROL A. STRINGER
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
KERN COUNTY
My Commission Expires Dec. 5, 1980

Carol A. Stringer
Notary Public in and for the State of California

Grantee hereby agrees to indemnify Grantor, its subsidiaries and any company of which Grantor may be a subsidiary and any other subsidiary of any such company, against, and hold them and the premises free and harmless of any costs, expenses (including attorneys' fees in any action or proceeding arising out of matters herein set forth), damages, losses, liability to others, charges, liens, claims of lien and claims or demands whatever which may result from or in any way arise out of or in connection with, either in whole or in part and whether directly or indirectly, (a) for the injury to or death of persons, (b) damage to or destruction of property, (c) the doing of any labor or the furnishing of any materials or supplies in connection with Grantee's operations of said canal, (d) the operations of Grantee on the premises or the exercise by Grantee or any of its rights hereunder, (e) any act or failure to act, whether negligent or otherwise, on the part of Grantee or any contractor engaged in doing work for it, (f) the failure to Grantee or of any such contractor to comply with any present or future law, ordinance, rule, regulation, requirement or order whatever of the national, state, county or municipal government.

IN WITNESS WHEREOF, Grantor has executed this Grant of Easement and Grantee has executed its ratification of the condition subsequent and the agreements of Grantee hereinabove contained, as of this 5th day of December, 1978.

TENNECO WEST, INC.

By _____
Vice President

and by _____
Assistant Secretary

TENNECO WEST, INC. CORPORATE SEAL DELAWARE 1968

CONDITION SUBSEQUENT RATIFIED:

JAMES-PIONEER IMPROVEMENT DISTRICT OF THE NORTH KERN WATER STORAGE DISTRICT

By _____
President

By _____
Secretary of the
NORTH KERN WATER STORAGE DISTRICT

BOOK 5159 PAGE 2220

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

On December 5th, 1978, before me, the undersigned, a Notary Public in and for said State, personally appeared LEE FROMAN and CHARLENE HEFNER, known to me to be the President and Secretary of the NORTH KERN WATER STORAGE DISTRICT, acting for and on behalf of the JAMES-PIONEER IMPROVEMENT DISTRICT and known to me to be the persons who executed the within instrument on behalf of said public corporation, agency or political subdivision and acknowledged to me that the NORTH KERN WATER STORAGE DISTRICT, acting for and on behalf of the JAMES-PIONEER IMPROVEMENT DISTRICT executed the same.

WITNESS my hand and official seal.

A. Cameron Paulden
Notary Public in and for said State.

A. Cameron Paulden
NOTARY PUBLIC - CALIFORNIA
BOND FILED IN
KERN COUNTY
MY COMMISSION EXPIRES APRIL 27, 1979

CERTIFICATE OF ACCEPTANCE, GOV'T. CODE, SECTION 27281:

THIS IS TO CERTIFY that the NORTH KERN WATER STORAGE DISTRICT, acting for and on behalf of the JAMES-PIONEER IMPROVEMENT DISTRICT hereby accepts, for public purposes, the within document and consents to the recordation thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of December, 1978.

Charlene Hefner
Secretary

LEGAL DESCRIPTION
P-O Canal Easement

PARCEL A

Portions of Section 1 of T. 30 S., R. 26 E., and Section 36 of T. 29 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 100.00 feet wide lying 20.00 feet north and 80.00 feet south of the following described line. The sidelines of said strip are to be lengthened or shortened at angle points to be continuous. The basis of bearings is as shown on the Record of Survey Map filed in Book 10 of Record of Surveys on pages 197 and 198 in the Kern County Recorder's Office.

Commencing at the northeast corner of said Section 1; thence S65°58'49"W, 756.54 feet to the True Point of Beginning of said strip; thence N88°27'06"W, 202.13 feet; thence S61°44'21"W, 673.70 feet; thence N57°54'22"W, 171.47 feet; thence N27°54'22"W, 263.44 feet; thence N41°16'38"W, 200.43 feet; thence N64° 35'13"W, 265.62 feet; thence N80°41'48"W, 464.03 feet; thence N89°25'14"W, 666.27 feet; thence N89°01'51"W, 810.39 feet; thence N85°35'53"W, 201.77 feet; thence N82°03'06"W, 508.67 feet; thence N83°57'28"W, 513.23 feet to a point on the west line of said Section 36, being the end of said strip, from which point the southwest corner of said Section 36 bears S00°41'10"W, 132.97 feet.

Excepting therefrom any encroachment of the right-of-way of the Cross Valley Canal, Stockdale Highway and Allen Road.

Containing an area of 11.3 acres more or less.

First American Title

P-O Canal Easement
PARCEL B

Portions of Section 2 of T. 30 S., R. 26 E., and Section 35 of T. 29 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 100.00 feet wide lying 20.00 feet north and 80.00 feet south of the following described line. The sidelines of said strip are to be lengthened or shortened at angle points to be continuous. The basis of bearings is as shown on the Record of Survey Map filed in Book 10 of Record of Surveys on pages 197 and 198 in the Kern County Recorder's Office.

Commencing at the southeast corner of said Section 35; thence N00°41'10"E, 132.97 feet to the True Point of Beginning of said strip; thence S81°39'10"W, 495.85 feet; thence S86°26'39"W, 497.72 feet; thence N82°43'31"W, 412.00 feet; thence N81°52'08"W, 593.66 feet; thence N82°36'49"W, 859.55 feet; thence N74° 25'11"W, 767.76 feet; thence N74°25'26"W, 649.37 feet; thence S64°18'12"W, 701.05 feet; thence S60°34'09"W, 496.72 feet to a point on the west line of said Section 35, being the end of said strip, from which point the southwest corner of said Section 35 bears S00°23'40"W, 48.40 feet.

Excepting therefrom any encroachment of the right-of-way of Stockdale Highway and Renfro Road.

Containing an area of 12.6 acres more or less.

First American Title

LEGAL DESCRIPTION
P-O Canal Easement

PARCEL C

Those portions of Sections 3, 4, 5 and 6 of T. 30 S., R. 26 E., and Section 1 of T. 30 S., R. 25 E., M.D.M., Kern County, California, being a strip of land 100.00 feet wide, lying 50.00 feet on each side of the following described centerline. The lengths of the sidelines at angle points being shortened or lengthened to be continuous.

Beginning at the northeast corner of said Section 3; thence south along the East line of said Section 3 to a point on the south right-of-way line of Stockdale Highway, 30.00 feet; thence westerly along said south right-of-way line, 70.00 feet to the True Point of Beginning; thence southerly, along a line located 70.00 feet westerly of and parallel to the east line of said Section, a distance of 2602.00 feet more or less, to a point being 25.00 feet north of the mid-section line of said Section 3; thence westerly 25.00 feet north of and parallel to the mid-section lines of said Sections 3, 4 and 5, a distance of 15,791.00 feet more or less to a point on the west line of said Section 5, which point is 25.00 feet north of the west one-quarter corner of said Section 5; thence continuing westerly 25.00 feet north of and parallel to the mid-section line of said Section 6, a distance of 3258.50 feet to the beginning of a 200 foot radius tangent curve concave northeasterly; thence northwesterly along said curve through a central angle of 20°00'00" an arc distance of 69.81 feet; thence leaving said curve along a tangent line thereto, 294.79 feet to the beginning of a 200 foot radius tangent curve concave to the south; thence westerly along said curve through a central angle of 32°17'30" an arc distance of 112.72 feet; thence leaving said curve along a tangent line thereto, 70.14 feet to the centerline of the Southern Pacific Railroad; thence continuing along the same tangent line, 473.70 feet to the beginning of a 200 foot radius

First American Title

LEGAL DESCRIPTION
P-O Canal Easement

PARCEL C (continued)

tangent curve concave northwesterly; thence southwesterly along said curve through a central angle of 12°17'30", an arc distance of 42.90 feet to a point at the end of said curve, being a tangent point on a line 25.00 feet north of and parallel to the midsection line of said Section 6; thence westerly along said line, 1074.20 feet to the west line of said Section 6, said point being 25.00 feet north of the west one-quarter corner of said Section 6; thence westerly 25.00 feet north of and parallel to the mid-section line of said Section 1, 4686.00 feet more or less to the beginning of a 445 foot radius tangent curve concave southeasterly; thence southwesterly along said curve through a central angle of 28°04'26" an arc distance of 218.04 feet; thence leaving said curve along a tangent line thereto, 138.48 feet to the beginning of a 155 foot radius tangent curve concave northwesterly; thence southwesterly along said curve through a central angle of 29°14'28" an arc distance of 79.11 feet to a point 145.00 feet north of the centerline of the Cross Valley Canal; thence leaving said curve along a tangent line thereto, 118.27 feet to an angle point, said angle point being 115.00 feet east of the west line of said Section 1; thence northerly along a line 115.00 feet, easterly of the west line of Section 1 parallel and adjacent to the east right-of-way line of Enos Lane (State Highway 43), a distance of 1176.00 feet to the end of said strip.

Excepting therefrom the right-of-way of the Southern Pacific Railroad, Sunset Branch, being 100.00 feet wide, lying 50.00 feet on each side of the centerline thereof.

Containing an area of 69.0 acres more or less.

First American Title

LEGAL DESCRIPTION
P-O Canal Easement

PARCEL D

That portion of Section 2 of T. 30 S., R. 25 E., M.D.M., Kern County, California, being a strip of land 70.00 feet wide lying 5.00 feet north and 65.00 feet south of the following described line. The sidelines of said strip are to be lengthened or shortened at angle points to be continuous. The basis of bearings is as shown on the Record of Survey Map filed in Book 10 of Record of Surveys on pages 197 and 198 in the Kern County Recorder's Office.

Commencing at the northeast corner of said Section 2; thence S01°14'39"W, 1650.05 feet to the True Point of Beginning of said strip; thence N71°38'12"W, 713.53 feet; thence N86°50'35"W, 444.94 feet; thence S69°45'46"W, 317.53 feet; thence S60°22'55"W, 290.92 feet; thence S72°11'53"W, 404.90 feet; thence S77° 29'14"W, 2966.32 feet; thence S80°29'41"W, 384.87 feet to a point on the west line of said Section 2, being the end of said strip, from which point the west one-quarter corner of said Section 2 bears S00°51'25"W, 170.72 feet.

Excepting therefrom any encroachment of the right-of-way of the Rosedale-Rio Bravo Canal, and Enos Lane.

Containing an area of 8.9 acres more or less.

LEGAL DESCRIPTION
P-O Canal Easement

PARCEL E

That portion of Section 3 of T. 30 S., R. 25 E., M.D.M., Kern County, California, being a strip of land 70.00 feet wide lying 5.00 feet north and 65.00 feet south of the following described line. The sidelines of said strip are to be lengthened or shortened at angle points to be continuous. The basis of bearings is as shown on the Record of Survey Map filed in Book 10 of Record of Surveys on pages 197 and 198 in the Kern County Recorder's Office.

Commencing at the east one-quarter corner of said Section 3; thence N00°51'25"E, 170.72 feet to the True Point of Beginning of said strip; thence S80°29'55"W, 2321.19 feet; thence S72°08'42"W, 372.52 feet; thence S83°57'52"W, 983.43 feet; thence S88°21'07"W, 182.62 feet; thence N87°08'23"W, 164.90 feet; thence N73°42'55"W, 172.20 feet; thence N64°05'10"W, 346.74 feet; thence N68° 23'41"W, 307.59 feet to a point on the west line of said Section 3, being the end of said strip, from which point the west one-quarter corner of said Section 3 bears N00°40'00"E, 410.79 feet.

Containing an area of 8.8 acres more or less.

LEGAL DESCRIPTION
P-O Canal Easement

PARCEL F

Those portions of Sections 4, 5 and 6 of T. 30 S., R. 25 E., M.D.M., Kern County, California, being a strip of land 70.00 feet wide lying 15.00 feet north and 55.00 feet south of the following described line. The sidelines of said strip are to be lengthened or shortened at angle points to be continuous. The basis of bearings is as shown on the Record of Survey Map filed in Book 10 of Record of Surveys on pages 194 and 195 in the Kern County Recorder's Office.

Commencing at the east one-quarter corner of said Section 4; thence S00°40'00"W, 421.42 feet along the east line of said Section 4 to the True Point of Beginning of said strip; thence N69°30'23"W, 2810.27 feet; thence N69°33'01"W, 814.38 feet; thence N55°30'11"W, 348.34 feet; thence N70°14'56"W, 227.90 feet; thence N82°29'06"W, 295.11 feet; thence N77°07'52"W, 150.01 feet; thence N71°28'52"W, 160.37 feet; thence N68°22'37"W, 840.50 feet to a point on the west line of said Section 4, from which point the southwest corner of said Section 4 bears S00°21'57"W, 4068.86 feet; thence N88°06'57"W, 1210.30 feet; thence S81°19'13"W, 804.66 feet; thence S59°59'53"W, 323.31 feet; thence S49° 04'30"W, 211.81 feet; thence S56°02'24"W, 149.27 feet; thence S18°27'50"W, 129.32 feet; thence S26°47'50"W, 258.80 feet; thence S34°10'55"W, 73.00 feet; thence S52°10'23"W, 80.68 feet; thence S76°16'28"W, 80.00 feet; thence S86° 28'35"W, 82.79 feet; thence S89°08'35"W, 677.20 feet; thence S88°26'35"W, 680.46 feet; thence N88°07'25"W, 175.76 feet; thence N85°54'09"W, 136.91 feet; thence N79° 48'43"W, 237.69 feet; thence N70°35'45"W, 134.12 feet; thence N81°40'45"W, 93.78 feet; thence S85°25'17"W, 99.25 feet; thence S78°25'45"W, 170.21 feet; thence S85°18'19"W, 51.19 feet to a point on the west line of said Section 5, from which point the southwest corner of said Section bears S00°05'46"W, 2986.21 feet; thence S85°18'01"W, 49.18 feet; thence S89°15'11"W, 545.82 feet; thence

LEGAL DESCRIPTION
P-O Canal Easement

PARCEL F (continued)

N82°54'19"W, 71.36 feet; thence N62°12'56"W, 74.20 feet; thence N48°02'29"W, 344.42 feet; thence S41°48'52"W, 91.51 feet to a point on the right-of-way line of Interstate Five Freeway, being the end of said strip, said point also to be hereinafter referred to as Point A.

Containing an area of 20.4 acres more or less.

P-O Canal Easement

PARCEL G
P-O Tailwater Pond Easement

That portion of Section 6 of T. 30 S., R. 25 E., M.D.M., Kern County, California, described as follows:

The bearing of N48°22'00"W for the centerline of Interstate Five Freeway within said Section 6 was used for the basis of bearings.

Commencing at Point A described in Parcel F, as described hereinabove; thence S41°38'00"W, 208.00 feet to a point on the right-of-way of said Freeway, being the True Point of Beginning; thence S48°22'00"E, 446.74 feet along the right-of-way of said Freeway; thence N89°38'05"W, 1660.80 feet; thence N00°55'18"E, 828.20 feet; thence S88°42'14"E, 722.48 feet to a point on the right-of-way of said Freeway; thence S48°22'00"E, 791.07 feet along the right-of-way of said Freeway to the true point of beginning.

Containing 22.4 acres more or less.

LEGAL DESCRIPTION

P-1 Canal Easement

That portion of Section 4, T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide lying 30.00 feet on each side of the following described centerline:

Beginning at the center of said Section 4; thence west 21.22 feet; thence southerly along a line 21.22 feet west of and parallel to the north-south mid-section line of said section to the south right-of-way line of the Cross Valley Canal, said point being the True Point of Beginning; thence continuing southerly, 21.22 feet west of and parallel to the mid-section line, 2516.00 feet more or less to the south line of said Section 4, being the end of said strip.

Containing an area of 3.5 acres more or less.

LEGAL DESCRIPTION

BOOK 5159 PAGE 2230

P-3 Canal Easement

Those portions of Sections 5 and 8 of T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide lying 30.00 feet on each side of the following described centerline:

Beginning at the center of said Section 5; thence westerly along the east-west mid-section line of Section 5, 19.97 feet to the True Point of Beginning; thence southerly on a straight line to a deflection angle point on the south line of said Section 5, which point bears west from the south one-quarter corner of Section 5, 20.52 feet; thence on a line that has a deflection angle of 01°05'27" to the right from the prolongation of the previous described line, a distance of 2594.00 feet more or less to a point on the east-west mid-section line of said Section 8, which point bears west from the center of said Section 8, a distance of 70.5 feet more or less, said point also being the end of said strip.

Excepting therefrom the right-of-way of the Cross Valley Canal.

Containing an area of 7.0 acres more or less.

LEGAL DESCRIPTION

F-5 Canal Easement

BOOK 5159 PAGE 2231

PARCEL ONE

Those portions of Sections 6, 7 & 18 of T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide lying 30.00 feet on each side of the following described centerline.The sidelines of said strip are to be lengthened or shortened at angle points as necessary to be continuous.

Beginning at the west one-quarter corner of said Section 6; thence S56°35'24"E, 314.13 feet to the True Point of Beginning, said bearing is at an angle of 33°12'51" from the east-west mid-section line of Section 6. Thence S01°28'36"W, 2473.87 feet to a point on the south line of Section 6 from which point the southwest corner of Section 6 bears N89°59'30"W, 249.06 feet; thence S01°28'36"W, 660.28 feet; thence S45°41'01"W, 61.53 feet; thence S01°22'02"W, 556.49 feet; thence S04°54'59"E, 370.72 feet; thence S01°05'51"W, 1026.22 feet to a point, from said point the west one-quarter corner of Section 7 bears N88°41'26"W, 236.39 feet; thence continuing S01°05'51"W, 2612.77 feet; thence N89°58'46"W, 235.02 feet; thence S01°04'45"W, 30.00 feet to the south-west corner of Section 7; thence continuing S01°04'45"W, 2648.65 feet to a point, from which point the west one-quarter corner of Section 18 bears due west, 00.37 feet. Said point also being the end of said strip.

Excepting therefrom the right-of-way of the Cross Valley Canal.

Containing an area of 14.7 acres more or less.

LEGAL DESCRIPTION
P-5 Canal Easement

BOOK 5159 PAGE 2232

PARCEL TWO

That portion of Section 7 of T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide lying 30.00 feet on each side of the following described centerline:

Beginning at a point on the centerline of Parcel One of the P-5 Canal, which lies 50.00 feet north and 236.42 feet east of the west one-quarter corner of said section, thence easterly 50.00 feet north of and parallel to the east-west mid-section line of said section, 2400.00 feet to the end of said strip.

Containing an area of 3.3 acres more or less.

First American Title

LEGAL DESCRIPTION

P-7 Canal Easement

Those portions of Sections 1, 12 and 13 of T. 30 S., R. 25 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide lying 30.00 feet on each side of the following described centerline:

Beginning at a point on the south right-of-way line of the Cross Valley Canal, which lies 55.00 feet east of the north-south mid-section line of said Section 1; thence southerly 55.00 feet east and parallel with the north-south mid-section lines of said Sections 1, 12 and 13 to a point which lies 77.00 feet south of the south line of said Section 12; thence westerly 77.00 feet south of and parallel with said south line, 90.00 feet more or less to a point 35.00 feet west of the north-south mid-section line of said Section 13; thence southerly 35.00 feet west of and parallel with the said north-south mid-section line to the east-west mid-section line of said Section 13, being the end of said strip.

Containing an area of 14.4 acres more or less.

First American Title

First American Title

LEGAL DESCRIPTION

P-9 Canal Easement

A strip of land through portions of Sections 1, 8, 9, 10, 11, 12, 17 and 18 of T. 30 S., R. 25 E., M.D.M., Kern County, California; the centerline and width of said strip is described as follows. The sidelines of said strip are to be lengthened or shortened at angle points to be continuous.

PARCEL ONE

The width of Parcel One is 70.00 feet, lying 35.00 feet on each side of the following described centerline. The basis of bearings for Parcel One is as shown on Record of Survey Map filed in Book 4 of Record of Surveys at Page 73 in the Kern County Recorder's Office.

Beginning at the west one-quarter corner of Section 1; thence S89°24'41"E, 100.00 feet to the True Point of Beginning; thence S00°35'19"W, parallel to and 100.00 feet east of the west line of Section 1, 2942.91 feet; thence S70°01'59"W, 160.92 feet; thence S00°43'00"W, along a line parallel to and approximately 75.00 feet west of the centerline of State Highway 43 (also known as Enos Lane), a distance of 2229.23 feet to a point, from which the east quarter corner of said Section 11 bears S61°02'06"E, 85.12 feet; thence N89°42'08"W, 2545.52 feet to Point A, said Point A being the point of Beginning of the P-11 Canal; thence continuing N89°42'08"W, 2555.98 feet to a point, from which the west one-quarter corner of said Section 11 bears S68°38'03"W, 109.84 feet; thence S45°05'07"W, 49.31 feet; thence S00°07'38"E, 622.27 feet to Point B, from which the southwest corner of said Section 11 is approximately 2012.00 feet south and 67.00 feet west; thence N88°31'55"W, 1429.20 feet; thence S89°11'54"W, 701.17 feet; thence S82°36'54"W, 457.08 feet; thence S89°51'34"W, 2808.85 feet to Point C; thence S89°51'34"W, 30.00 feet to the end of said strip.

Excepting therefrom the rights-of-way of the Cross Valley Canal and State Highway 43 (Enos Lane).

Containing an area of 26.0 acres more or less.

First American Title

First American Title

LEGAL DESCRIPTION

P-9 Canal Easement

PARCEL TWO

The width of Parcel Two is 60.00 feet, lying 30.00 feet on each side of the following described centerline. The basis of bearings for Parcel Two is the same as for Parcel One.

Beginning at Point C in Parcel One as described hereinabove; thence S1° 00'25"E, 1896.00 feet to Point D; thence S1°00'25"E, 30.00 feet to the end of said strip. From said Point D the southeast corner of said Section 9 bears S23°46'41"E, 93.59 feet.

Containing an area of 2.6 acres more or less.

PARCEL THREE

The width of Parcel Three is 60.00 feet, lying 30.00 feet on each side of the following described centerline. The basis of bearings for Parcel Three is as shown on Record of Survey Map filed in Book 10 of Record of Surveys at Pages 194 and 195 in the Kern County Recorder's Office.

Beginning at Point D in Parcel Two as described hereinabove; thence N88° 46'05"W, 1374.10 feet; thence N89°34'36"W, 483.15 feet; thence N88°25'36"W, 740.68 feet to Point E, from which the south one-quarter corner of said Section 9 bears S4°12'24"W, 82.84 feet; thence N88°25'36"W, 1005.90 feet to Point F, said Point F being the beginning of the P-15 Canal; thence N88°25'36"W, 1639.22 feet to Point G, from said Point G the southwest corner of said Section 9 bears S00°35'04"E, 97.86 feet, said Point G also being a point on the west line of Section 9; thence N88°25'36"W, 22.55 feet; thence S00°52'24"W, 5.00 feet; thence N89°07'36"W, 2318.80 feet; thence S87°26'23"W, 300.54 feet; thence N89°07'36"W, 2583.85 feet to Point H, from which the northwest corner of said Section 17 bears S72°24'53"W, 51.41 feet; thence S01°42'09"W, 1197.20 feet; thence N88°

First American Title

LEGAL DESCRIPTION

P-9 Canal Easement

BOOK 5159 PAGE 2236

PARCEL THREE (continued)

17'51"W, 92.58 feet; thence S01°42'59"W, 4042.86 feet to Point I, being the end of Parcel C. From said Point I the southwest corner of said Section 17 bears S49°33'10"E, 56.15 feet.

Excepting therefrom the rights-of-way of Interstate Five Freeway and the Cross Valley Canal.

Containing an area of 21.0 acres more or less.

P-9 Canal Easement

PARCEL FOUR

That portion of Section 11 of T. 30 S., R. 25 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide lying 30.00 feet on each side of the following described centerline:

Beginning at Point B on the P-9 Canal as said point is described in the description of Parcel One of said P-9 Canal; thence southerly 67.00 feet more or less east of and parallel to the west line of said Section 11 for a distance of 2012.00 feet to the south line of said Section 11, being the end of said strip.

Containing an area of 2.7 acres more or less.

First American Title

LEGAL DESCRIPTION

P-11 Canal Easement

All those portions of Sections 11, 14, 15, 22 and 23 of T. 30 S., R. 25 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide lying 30.00 feet on each side of the following described centerline. The sidelines of said strip are lengthened or shortened at angle points to be continuous. The basis of bearings for Parcels One and Two is as shown on Record of Survey Map filed in Book 4 of Record of Surveys at Page 73 in the Kern County Recorder's Office.

PARCEL ONE

Beginning at Point A on the P-9 Canal as said point is described in the description of Parcel One of said P-9 Canal, said Point A bears N21°06'41"E, 43.55 feet from the center of said Section 11; thence S00°01'00"E, 2463.11 feet; thence N89°59'00"E, 145.00 feet; thence S00°01'00"E, 210.00 feet to the south line of said Section 11, from which point the south one-quarter corner of said Section 11 bears N89°37'29"W, 159.92 feet; thence S00°01'00"E, 2401.85 feet; thence S45°01'00"E, 100.46 feet; thence S00°09'00"W, 2792.85 feet to the south line of said Section 14, from which point the south one-quarter corner bears N89°29'06"W, 248.80 feet; thence S00°09'00"W, 45.06 feet; thence N89°30'35"W, 45.00 feet south of and parallel to the south line of the southwest one-quarter of said Section 14, 3286.21 feet to a point from which point the southwest corner of said Section 14 bears N84°E, 400.00 feet; thence N00°29'10"E, 1328.00 feet to the end of said strip.

Excepting therefrom any encroachment of the Buena Vista Main Canal right-of-way.

Containing an area of 17.6 acres more or less.

First American Title

LEGAL DESCRIPTION
P-11 Canal Easement

BOOK 5159 PAGE 2238

PARCEL TWO

Beginning at a point which bears S86°38'42"W, 2405.09 feet from the south west corner of said Section 14, said point of beginning also bears approximately S54°52'E, 300.00 feet more or less from the south one-quarter corner of Section 15; thence N87°04'08"W, 170.11 feet; thence S00°18'08"W, 2956.70 feet to the end of said strip; said last course also being 77.50 feet more or less east of and approximately parallel to the north-south mid-section line of said Section 22.

Excepting therefrom any encroachment of the Buena Vista Main Canal right-of-way.

Containing an area of 4.3 acres more or less.

First American Title

LEGAL DESCRIPTION

P-13 Canal Easement

Those portions of Sections 7, 8 & 9 of T. 30 S., R. 25 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide lying 30.00 feet on each side of the following described centerline. The sidelines of said strip are lengthened or shortened at angle points to be continuous. The basis of bearings for this description is as shown on Record of Survey Map filed in Book 10 of Record of Surveys at Pages 194 and 195 in the Kern County Recorder's Office.

Beginning at Point C on the P-9 Canal as said point is described in the description for Parcel One of said P-9 Canal; thence N00°23'53"E, 706.68 feet, from said point the east one-quarter corner of said Section 9 bears S56°44'W, 60.00 feet more or less; thence N88°46'42"W, 4017.46 feet; thence N88°52'42"W, 324.63 feet; thence S87°38'22"W, 165.50 feet; thence N88°46'27"W, 713.32 feet to a point, from which point the west one-quarter corner of said Section 9 bears S15°52'02"W, 53.12 feet; thence N88°46'27"W, 162.99 feet; thence N85°20'26"W, 181.93 feet; thence N88°28'35"W, 4965.22 feet to a point, from which the west one-quarter corner of said Section 8 bears approximately S10°54'E, 51.00 feet more or less; thence N88°28'35"W, 5195.40 feet to the end of said strip.

Excepting therefrom the right-of-way of the Interstate Five Freeway and the Cross Valley Canal.

Containing an area of 22.6 acres more or less.

First American Title

LEGAL DESCRIPTION

P-15 Canal Easement

All those portions of Sections 9, 16 and 21 in T. 30 S., R. 25 E., M.D.M., Kern County, California; being a strip of land 60.00 feet wide lying 30.00 feet on each side of the following described centerline. The sidelines of said strip are lengthened or shortened at angle points to be continuous. The basis of bearings is as shown on Record of Survey Map filed in Book 10 of Record of Surveys at Pages 194 and 195 in the Kern County Recorder's Office.

Beginning at Point F on the P-9 Canal as said point is described in the description for Parcel Three of said P-9 Canal, said Point F also bears N83° 42'21"W, 1005.51 feet from the north one quarter corner of said Section 16; thence S01°24'39"W, 2674.83 feet; thence S88°42'51"E, 1030.63 feet to a point, from which the center of said Section 16 bears approximately S32°30'W, 44.00 feet more or less; thence S01°17'39"W, 2399.53 feet; thence S00°57'58"W, 436.83 feet to Point J, said point being the point of beginning of the P-17 Canal, from said Point J the south one-quarter corner of said Section 16 bears approximately N04°27'W, 174.00 feet more or less; thence S00°18'39"W, 3758.95 feet to the end of said strip.

Excepting therefrom the right-of-way for the Buena Vista Main Canal.

Containing an area of 13.9 acres more or less.

First American Title

LEGAL DESCRIPTION

P-17 Canal Easement

All those portions of Section 19, 20 and 21 of T. 30 S., R. 25 E., M.D.M., Kern County, California; being a strip of land 50.00 feet wide lying 25.00 feet on each side of the following described centerline. The sidelines of said strip are lengthened or shortened at angle points to be continuous. The basis of bearings is as shown on the Record of Survey Map filed in Book 10 of Record of Surveys at Pages 194 and 195 in the Kern County Recorder's Office.

PARCEL ONE

Beginning at Point J on the P-15 Canal as said point is described in the description for said P-15 Canal, from said Point J the north one-quarter corner of said Section 21 bears approximately N04°27'W, 174.00 feet more or less; thence N88°39'01"W, 2678.00 feet to a point from which point the north west corner of said Section 21 bears N00°16'08"W, 173.49 feet; thence N88°39'01"W, 3570.35 feet to Point K, said point being the point of beginning of Parcel Two herein; thence N88°39'01"W, 489.02 feet; thence S55° 10'21"W, 21.56 feet; thence S88°57'19"W, 984.08 feet to a point, from which point the northwest corner of said Section 20 bears N45°10'46"W, 334.19 feet; thence S01°08'W, 237.6 feet; thence S53°45'W, 3292.60 feet; thence S36°11'E, 2710.00 feet to the end of said strip.

Excepting therefrom any encroachment of the right-of-way of the Buena Vista Main Canal.

Containing an area of 16.0 acres more or less.

PARCEL TWO

Beginning at Point K as said point is described in Parcel One hereinabove; thence S01°20'W, 1267.00 feet to the end of said strip.

Containing an area of 1.4 acres more or less.

First American Title

JAMES MAIN CANAL SYSTEM
7-0 CANAL

"PARCEL 1"

Those portions of Sections 10, 11, 12 and 15, T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 65.00 feet wide, lying 32.50 feet on each side of the following described centerline:

Commencing at the East one-quarter corner of said Section 12; thence Northerly along the East line of said Section, 71.24 feet to a point in the centerline of the existing James Canal; thence Westerly along said centerline, 2580.14 feet to the beginning of a 50.00 foot radius tangent curve concave Southeasterly, also being the True Point of Beginning; thence Southwesterly along said curve through a central angle of 89°50'56" an arc distance of 78.41 feet; thence Southerly parallel with and 5.00 feet East of the North-South midsection line of said Section 12, and tangent to last said curve, a distance of 514.37 feet to the beginning of a 150.00 foot radius tangent cure concave Northeasterly; thence Southeasterly along said curve through a central angle of 21°02'22" an arc distance of 55.08 feet to a 150.00 foot radius reverse curve concave Southwesterly; thence Southeasterly along said curve through a central angle of 21°02'22" an arc distance of 55.08 feet; thence Southerly parallel with and 25.00 feet East of said midsection line and tangent to last said curve, 1923.28 feet to the beginning of a 100.00 foot radius tangent curve concave Northwesterly; thence Southwesterly along said curve through a central angle of 89°36'18", an arc distance of 156.39 feet to a point which lies 74.20 feet West and 42.45 feet North of the south one-quarter corner of said Section 12; thence Westerly, tangent to last said curve, through said Sections 12 and 11, 7942.74 feet to a point in said Section 10 which lies 50.00 feet West and 40.55 feet North of the Southeast corner of said Section 10, said point also being the beginning of a 100.00 foot radius tangent curve concave Southeasterly; thence Southwesterly

First American Title

PARCEL 1 (continued)

along said curve through a central angle of 50°00'00", an arc distance of 87.27 feet; thence Southwesterly tangent to last said curve, 18.43 feet to the beginning of a 100.00 foot radius tangent curve concave Northwesterly; thence Southwesterly along said curve through a central angle of 49°59'27", an arc distance of 87.25 feet; thence Westerly parallel with and 45.00 feet South of the North line of said Section 15 and tangent to last said curve, 2354.37 feet to a point which lies 64.22 feet East and 45.00 feet South of the North one-quarter corner of said Section 15, said point also being the beginning of a 100.00 foot radius tangent curve concave Southeasterly; thence Southwesterly along said curve through a central angle of 89°33'05", an arc distance of 156.30 feet; thence Southerly parallel with and 55.00 feet West of the North/South midsection line of said Section 15 and tangent to last said curve, 2350.08 feet to the beginning of a 100.00 foot radius tangent curve concave Northwesterly; thence Southwesterly along said curve through a central angle of 89°29'30", an arc distance of 156.19 feet; thence Westerly parallel with and 50.00 feet North of the East/West midsection line of said Section 15 and tangent to last said curve, 2362.86 feet to a point which lies 144.42 feet East and 50.00 feet North of the West one-quarter corner of said Section 15, said point also being the beginning of a 100.00 foot radius tangent curve concave Southeasterly; thence Southwesterly along said curve through a central angle of 89°19'58", an arc distance of 155.92 feet; thence Southerly parallel with and 45.00 feet East of the West line of said Section 15 and tangent to last said curve, 2497.78 feet to a point in the North right-of-way line of the Sunset Branch of the Southern Pacific Railroad and the end of said strip, said point to be hereinafter referred to as Point "A".

Containing 31.3 acres more or less.

First American Title

JAMES MAIN CANAL SYSTEM
7-0 CANAL

BOOK 5159 PAGE 2244

"PARCEL 2"

Those portions of Section 15, 19, 20, 21 & 22, T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 65.00 feet wide, lying 32.50 feet on each side of the following described centerline:

Commencing at Point "A" described in "Parcel 1" hereinabove, thence Southerly parallel with and 45.00 feet East of the West line of said Section 15, a distance of 100.00 feet to a point in the South right-of-way line of the Sunset Branch of the Southern Pacific Railroad, said point also being the True Point of Beginning; thence continuing Southerly, 9.80 feet to the beginning of a 35.72 foot radius tangent curve concave Northwesterly; thence Southwesterly along said curve through a central angle of 90°19'17", an arc distance of 56.31 feet; thence Westerly parallel with and 45.00 feet South of the North lines of said Sections 22, 21 and 20 and tangent to last said curve, 7679.28 feet to a point in said Section 20 which lies 164.93 feet East and 45.00 feet south of the North one-quarter corner of said Section 20, said point also being the beginning of a 100.00 foot radius tangent curve concave Southeasterly; thence Southwesterly along said curve through a central angle of 89°57'28", an arc distance of 157.01 feet; thence Southerly parallel with and 65.00 feet East of the North/South midsection line of said Section 20 and tangent to last said curve, 5010.23 feet to the beginning of a 100.00 foot radius tangent curve concave Northwesterly; thence Southwesterly along said curve through a central angle of 90°00'21", an arc distance of 157.09 feet to a point that lies 35.00 feet West and 70.00 feet North of the South one-quarter corner of said Section 20; thence Westerly parallel with and 70.00 feet North of the South lines of said Sections 20 and 19, also being the Centerline of Panama Lane and tangent to last said curve, 5723.14 feet to the beginning of a 100.00 foot radius tangent curve concave Northeasterly; thence Northwesterly along said curve through a

First American Title

central angle of 25°50'31", an arc distance of 45.10 feet to a 100.00 foot radius reverse curve concave Southwesterly; thence Northwesterly along said curve through a central angle of 25°50'31", an arc distance of 45.10 feet; thence Westerly parallel with and 90.00 feet North of said South line of said Section 19 and tangent to last said curve, 130.00 feet to the beginning of a 100.00 foot radius tangent curve concave Southeasterly; thence southwesterly along said curve through a central angle of 25°50'31", an arc distance of 45.10 feet to a 100.00 foot radius reverse curve concave Northwesterly; thence Southwesterly along said curve through a central angle of 25°50'31", an arc distance of 45.10 feet; thence Westerly parallel with and 70.00 feet North of said South line of said Section 19 and tangent to last said curve, 2056.72 feet to a point that lies 70.00 feet North and 65.00 feet West of the Southwest corner of said Section 19; thence Southerly parallel with and 65.00 feet West of the East line of said Section 24, a distance of 40.00 feet to a point in the North right-of-way line of Panama Lane and the end of said strip, said point also to be hereinafter referred to as Point "B".

Containing 31.6 acres more or less.

First American Title

First American Title

PARCEL 3

That portion of Section 25, T. 30 S., R. 25 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide, lying 30.00 feet on each side of the following described centerline:

Commencing at Point "B" described in "Parcel 2" hereinabove; thence Southerly parallel with and 65.00 feet West of the East line of Section 24, of said T. 30 S., R. 25 E., M.D.M., 60.00 feet to a point in the South right-of-way line of Panama Lane, said point also being the True Point of Beginning; thence Southerly parallel with and 65.00 feet West of the East line of said Section 25, a distance of 5254.00 feet, more or less to the South line of said Section 25 and the end of said strip.

Containing 7.2 acres more or less.

First American Title

First American Title

JAMES MAIN CANAL SYSTEM
7-1 CANAL

"PARCEL 1"

Those portions of Sections 12, 13, 14 & 15, T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide, lying 30.00 feet on each side of the following described centerline:

Beginning at a point of intersection with the centerline of the 7-0 Canal easement and the North/South midsection line of said Section 12; thence Southerly along said midsection line, 75.67 feet to the South one-quarter corner of said Section 12; thence Southerly along the North/South midsection line of said Section 13, a distance of 5037.90 feet to a point that lies 243.84 feet North of the South one-quarter corner of said Section 13, said point also being the beginning of a 100.00 foot radius tangent curve concave Northwesterly; thence Southwesterly along said curve through a central angle of 89°37'18", an arc distance of 156.42 feet; thence Westerly parallel with and 85.00 feet North of the centerline of the Sunset Branch of the Southern Pacific Railroad and tangent to last said curve, 5183.79 feet to a point on the North/South midsection line of said Section 14, which lies 139.00 feet North of the South one-quarter corner of said Section 14, said point to be hereinafter referred to as Point "C"; thence continuing Westerly parallel with and 85.00 feet North of said Railroad centerline, 2494.49 feet to the beginning of a 100.00 foot radius tangent curve concave Northeasterly; thence Northwesterly along said curve through a central angle of 45°00'00", an arc distance of 78.54 feet to a 100.00 foot reverse curve concave Southwesterly; thence Northwesterly along said curve through a central angle of 45°00'00", an arc distance of 78.54 feet; thence Westerly parallel with and 143.58 feet North of said Railroad centerline and tangent to last said curve,

First American Title

First American Title

"PARCEL 1" (continued)

20.00 feet to the beginning of a 86.35 foot radius tangent curve concave Southeasterly; thence Southwesterly along said curve through a central angle of 45°00'00", an arc distance of 67.82 feet to a 86.35 foot radius reverse curve concave Northwesterly; thence Southeasterly along said curve through a central angle of 45°00'00", an arc distance of 67.82 feet; thence Westerly parallel with and 93.00 feet North of said Railroad centerline and tangent to last said curve, 904.88 feet; thence Southwesterly, 100.22 feet; thence Westerly parallel with and 85.00 feet North of said Railroad centerline, 4175.00 feet more or less to the centerline of the 7-0 Canal easement and the end of said strip.

Containing 25.4 acres more or less.

First American Title

First American Title

"PARCEL 2"

That portion of Section 14 and 23, T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 70.00 feet wide, lying 35.00 feet on each side of the following described centerline:

Commencing at Point "C" of Parcel 1 hereinabove described; thence Easterly along the centerline of said canal, described in Parcel 1, 20.00 feet to the True Point of Beginning; thence Southerly parallel with and 40.00 feet East of a North/South survey line that begins at a point 20.00 feet West of the North one-quarter corner of said Section 23 and ends at a point 11.18 feet West of the South one-quarter corner of said Section 23 the following courses: 1) 35.00 feet to the Northerly right-of-way line of the Sunset Branch of the Southern Pacific Railroad; 2) 100.00 feet to the Southerly right-of-way line of said Railroad; 3) 1315.00 feet to the end of said strip.

Except therefrom the portion lying within said railroad right-of-way lines.

Containing 2.2 acres more or less.

"PARCEL 3"

That portion of Section 14, T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide, lying 30.00 feet on each side of the following described centerline:

Commencing at Point "C" of Parcel 1 hereinabove described; thence Easterly along the centerline of said canal, described in Parcel 1, 40.00 feet to the True Point of Beginning; thence Northerly parallel to and 40.00 feet East of the North/South midsection line of said Section 14, a distance of 2580.00 feet to the end of said strip.

Containing 3.6 acres more or less.

First American Title

JAMES MAIN CANAL SYSTEM
7-2 CANAL

"PARCEL 1"

Those portions of Sections 21 and 22, T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide, lying 30.00 feet on each side of the following described centerline:

Beginning at a point in the centerline of the 7-0 Canal easement which lies 5.00 feet East and 45.00 feet South of the Northwest corner of said Section 22; thence Southerly parallel with and 5.00 feet East of the West line of said Section 22, a distance of 5082.10 feet to a point that lies 169.63 feet North and 5.00 feet East of the Southwest corner of said Section 22, said point also being the beginning of a 100.00 foot radius tangent curve concave Northwesterly; thence Southwesterly along said curve through a central angle of 89°47'10", an arc distance of 156.71 feet; thence Westerly parallel with and 70.00 feet North of the South line of said Section 21 and tangent to last said curve, 2584.70 feet to a point that lies 70.00 feet North and 40.00 feet West of the South one-quarter corner of said Section 21; thence Southerly parallel with and 40.00 feet West of the North/South midsection line of said Section 21, a distance of 40.00 feet to a point in the North right-of-way line of Panama Lane and the end of said strip, said point also to be hereinafter referred to as Point "D".

Containing 10.8 acres more or less.

First American Title

JAMES MAIN CANAL SYSTEM
7-2 CANAL

"PARCEL 2"

All those portions of Sections 21, 28, 31, 32 and 33, T. 30 S., R. 26 E., M.D.M., Kern County, California, being a strip of land 60.00 feet wide, lying 30.00 feet on each side of the following described centerline:

Commencing at Point "D" of Parcel 1 hereinabove described; thence Southerly parallel with and 40.00 feet West of the North/South midsection line of said Section 21, a distance of 60.00 feet to a point in the South right-of-way line of Panama Lane, said point also being the True Point of Beginning; thence Southerly parallel with and 40.00 feet West of the North/South midsection line of said Section 28, a distance of 5252.52 feet to a point on the South line of said Section 28 lying 40.00 feet West of the South one-quarter corner of said Section; thence Southerly parallel with and 40.00 feet West of the North/South midsection line of said Section 33, a distance of 2503.67 feet to a point that lies 40.00 feet West and 139.22 feet North of the center of said Section 33, said Point also being the Beginning of a 100.00 foot radius tangent curve concave Northwesterly; thence Southwesterly along said curve through a central angle of 89°32'56", an arc distance of 156.29 feet; thence Westerly parallel with and 40.00 feet North of the East/West midsection line of said Section 33 and tangent to last said curve, 2504.02 feet, more or less to a point on the West line of said Section 33, lying 40.00 feet North of the West one-quarter corner of said Section; thence Westerly parallel with and 40.00 feet North of the East/West midsection line of said Section 32, a distance of 5277.49 feet, more or less to a point in the West line of said Section 32, lying 40.00 feet North of the West one-quarter corner of said Section; thence Westerly parallel with and 40.00 feet

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First American Title

"PARCEL 2" (continued)

North of the East/ West midsection line of said Section 31, a distance of 4411.57 feet to the beginning of a 100.00 foot radius tangent curve concave Northeasterly; thence Northwesterly along said curve through a central angle of 48°54'17", an arc distance of 85.35 feet; thence Northwesterly parallel with and 39.00 feet Northeast of the Northeasterly right-of-way line of the Interstate Five Freeway and tangent to last said curve, 1380.00 feet, more or less to the West line of said Section 31 and the end of said strip.

Containing 29.7 acres more or less.

First American Title

JAMES MAIN CANAL SYSTEM

TAIL WATER POND

BOOK 5159 PAGE 2253

All that portion of Section 36, T. 30 S., R. 25 E., M.D.M., Kern County, California, lying Northeast of the Northeasterly right-of-way line of the Interstate Five Freeway

Containing 25.14 acres more or less.

BOOK 5353 PAGE 2351

RECORDING REQUESTED BY:

TOSCO CORPORATION

AGREEMENT NO. 81-27

AND WHEN RECORDED RETURN TO: 018007

1981 FEB 23 AM 8 20

Charles C. Werdel
300 New Stine Road
Suite 204
Bakersfield, California 93309

RECORDED AT REQUEST OF
RAY E. VERCAMMEN
KERN COUNTY RECORDER

A 9.00 ORS
7961 A 082723781 1.00 MDEP 10.00 CASH

9 OR
1 MD
LN

SECOND AMENDMENT OF
PIPE LINE LICENSE AGREEMENT

THIS AGREEMENT, dated February 11, 1981, by and between TENNECO WEST, INC., a Delaware corporation, TENNECO REALTY DEVELOPMENT CORPORATION, a Delaware corporation, together hereinafter called "Tenneco", the CITY OF BAKERSFIELD, a municipal corporation hereinafter called "City", and TOSCO CORPORATION, a Nevada corporation, hereinafter called "Licensee",

WITNESSETH THAT:

WHEREAS, heretofore Kern County Land Company, predecessor in interest to Tenneco, and the Norwalk Company, predecessor in interest to Licensee, entered into a Pipe Line License Agreement dated January 26, 1951, whereby Tenneco, as owner, granted to Licensee the license to use certain real property in the County of Kern, State of California, for the purposes and subject to the terms and conditions set forth in said Pipe Line License Agreement; and

WHEREAS, by Amendment of said Pipe Line License Agreement dated October 25, 1968, said Agreement was modified in certain particulars; and

WHEREAS, Tenneco transferred certain real property to the City subject to said Pipe Line License Agreement; and

WHEREAS, the parties now desire to again amend said Pipe Line License Agreement in certain particulars.

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the parties mutually agree as follows:

1. That the description of the premises contained in said Pipe Line License Agreement shall be and is hereby amended to delete said description in its entirety, the center line of which is described as follows:

Beginning at a point on the east line of Section 10, Township 31 South, Range 25 East, M.D.B.& M. distant thereon 919.24 feet north of the east quarter corner; thence North 89° 16' 14" West, 1,295.5 feet to the true point of beginning of this description; thence South 89° 16' 14" East, 1,889.62 feet; thence North 45° 09' 46" East, 14,087.20 feet; thence North 44° 57' East, 3,176.44 feet; thence North 45° 31' 21" East, 4,836.20 feet; thence South 89° 56' 06" East, 2,224.41 feet; thence North 46° 21' 30" East, 10,451.76 feet; thence North 35° 06' 30" East, 201.55 feet; thence North 49° 15' 30" East, 4,159.70 feet; thence North 40°

00' 30" East, 310.15 feet; thence North 49° 03' 15" East, 3,427.18 feet; thence North 58° 55' 15" East, 12,062.86 feet; thence North 49° 59' 15" East, 3,874.60 feet; thence North 0° 35' 45" West, 1,676.10 feet; thence North 73° 44' 15" East, 11,977.26 feet; thence North 0° 22' 45" West, 2,208.2 feet to a point on the south line of Section 28, Township 29 South, Range 27 East, distant thereon 1,310 feet west of the southeast corner; thence continuing North 0° 22' 45" West, 1,133.10 feet more or less to the south line of that certain real property owned by Tosco Corporation. All as shown on The Norwalk Company map dated November 1, 1949, attached to said Pipe Line License Agreement.

2. That the description of the premises contained in said Pipe Line License Agreement shall be and is hereby amended to substitute in the place of the premises described in paragraph 1 above and to include a strip of land 16½ feet in width, the center line which is described as follows:

Beginning at a point on the east line of Section 10, Township 31 South, Range 25 East, M.B.D.& M., distant thereon 919.24 feet north of the east quarter corner; thence North 89° 16' 14" West, 1,295.5 feet to the true point of beginning; thence South 89° 16' 14" East, 1,889.62 feet; thence North 45° 09' 46" East, 14,087.20 feet; thence North 44° 57' 00" East, 3,176.44 feet; thence, North 45° 31' 21" East, 4,836.20 feet; thence South 89° 56' 06" East, 2,224.41 feet; thence North 46° 21' 30" East, 10,451.76 feet; thence North 36° 07' 46" East, 55.62 feet to a point on the south line of Section 16, Township 30 South, Range 26 East, M.D.B.& M., which is North 89° 03' 33" West, 452.39 feet from the southeast corner of said Section 16; thence continuing North 36° 07' 46" East, 137.42 feet; thence North 50° 16' 55" East, 495.17 feet to a point on the east line of said Section 16 which is North 01° 15' 41" East, 434.95 feet from the southeast corner of said Section 16; thence continuing North 50° 16' 55" East, 3,684.45 feet; thence North 41° 29' 43" East, 284.36 feet; thence North 49° 59' 53" East, 3,064.26 feet to a point on the west line of Section 14, Township 30 South, Range 26 East, M.D.B.& M., which is South 00° 55' 35" West, 260.91 feet from the northwest corner of said Section 14; thence continuing North 49° 59' 53" East, 347.68 feet; thence North 58° 08' 28" East, 63.76 feet to a point on the north line of said Section 14 which is South 89° 21' 07" East, 316.29 feet from the northwest corner of said Section 14; thence continuing North 58° 08' 28" East, 276.90 feet; thence North 59° 58' 09" East, 5,538.28 feet to a point which is 0.66 feet westerly of the west line of Section 12, Township 30 South, Range 26 East, M.D.B.& M.; thence North 00° 36' 15" East, 1,501.75 feet to a point which is 17.45 feet westerly of the west line of last said Section 12; thence North 65° 31' 18" East, 19.36 feet to a point on the West line of said Section 12 which is South 01° 14" 40" West, 866.75 feet from the northwest corner of said Section 12; thence continuing North 65° 31' 18" East, 2,005.59 feet to a point on the north line of said Section 12 which is South 88° 52' 23" East, 1,806.84 feet from the northwest corner of said Section 12; and North 88° 52' 23" West, 3,444.33 feet from the northeast corner of said Section 12; thence continuing North 65° 31' 18" East, 133.25 feet to a point in Section 1, Township 30 South, Range 26 East, M.D.B.& M.; thence North 65° 40' 11" East, 3,600.37 feet; thence North 28° 13' 08" East, 35.42 feet; thence North 73° 43' 51" East, 51.20 feet to a point on the east line of said Section 1 which is South 0° 50' 11" West, 1,003.98 feet from the east quarter corner of said Section 1 and North 0° 50' 11" East, 1,652.02 feet from the southeast corner of said Section 1; thence continuing North 73° 43' 51" East, 159.04 feet to a point in Section 6, Township 30 South, Range 27 East, M.D.B.& M.; thence North 46° 45' 32" East, 3,751.34 feet to a

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point on the northeast wall of a redwood valve box; thence continuing North 46° 45' 32" East, 32.18 feet to a point; thence from the said point on the northeast wall of the redwood valve box South 79° 18' 41" East, 56.14 feet; thence, crossing the James Canal, North 50° 59' 30" East, 109.70 feet; thence North 44° 54' 01" East, 69.02 feet; thence, crossing the Kern River Canal, North 03° 39' 31" West, 154.12 feet; thence North 72° 28' 49" East, 163.28 feet; thence North 75° 32' 46" East, 2,117.75 feet; thence South 89° 03' 26" East, 15.99 feet; thence North 76° 54' 02" East, 88.95 feet to a point on the east line of said Section 6 which is South 00° 21' 58" West, 108.66 feet from the northeast corner of said Section 6; thence North 76° 58' 14" East, 226.05 feet to a point in Section 5, Township 30 South, Range 27 East, M.D.B.& M.; thence North 85° 37' 34" East, 91.03 feet; thence South 89° 06' 26" East, 1,278.41 feet; thence North 00° 53' 58" East, 45.14 feet to a point on the north line of said Section 5 which is South 89° 04' 45" East, 1,589.46 feet from the northwest corner of said Section 5 and North 89° 04' 45" West, 3,707.01 feet from the northeast corner thereof; thence continuing North 00° 53' 58" East, 90.85 feet to a point in Section 32, Township 29 South, Range 27 East, M.D.B.& M.; thence South 89° 02' 58" East, 100.14 feet; thence North 00° 29' 55" East, 138.12 feet; thence North 68° 34' 48" East, 200.12 feet; thence North 43° 40' 30" East, 78.85 feet; thence South 80° 59' 42" East, 243.70 feet; thence South 88° 17' 28" East, 402.35 feet; thence North 88° 16' 17" East, 310.00 feet; thence South 83° 11' 37" East, 83.37 feet; thence North 89° 52' 37" East, 558.76 feet; thence North 78° 18' 51" East, 209.93 feet; thence North 66° 52' 57" East, 208.34 feet; thence North 56° 55' 13" East, 183.63 feet; thence North 42° 06' 52" East, 122.86 feet; thence North 40° 06' 21" East, 518.27 feet; thence North 39° 37' 59" East, 1,105.27 feet; thence North 38° 29' 04" East, 193.70 feet to a point on the east line of said Section 32 which is South 00° 39' 48" West, 558.53 feet from the east quarter corner of said Section 32, and North 00° 39' 38" East, 2,082.46 feet from the southeast corner of said Section 32; thence continuing North 38° 29' 04" East, 227.24 feet to a point in Section 33, Township 29 South, Range 27 East, M.D.B.& M.; thence North 31° 39' 11" East, 133.46 feet; thence North 21° 15' 56" East, 214.40 feet; thence North 09° 28' 05" East, 247.63 feet; thence North 02° 47' 39" East, 342.20 feet; thence North 80° 02' 57" East, 435.21 feet; thence South 75° 06' 12" East, 2,296.10 feet; thence North 75° 01' 27" East, 1,021.55 feet; thence North 01° 30' 50" East, 2,261.61 feet; thence North 01° 03' 36" East, 52.48 feet to a point on the south line of Section 28, Township 29 South, Range 27 East, M.D.B.& M. which is North 89° 08' 54" West, 1,286.97 feet from the southeast corner of said Section 28, and South 89° 08' 54" East, 1,359.01 feet from the southwest quarter corner of said Section 28; thence continuing North 01° 03' 36" East, 1,133 feet, more or less, to the south line of said Section 28; being certain real property owned by Licensee. All as shown on sheets 1 and 2 of the Tosco Corporation map dated May 8, 1979, as revised May 12, 1980.

3. Tenneco and the City, as owners and as their respective interests may appear, hereby grant to Licensee the license to use the strip of land described in paragraph 2 above, for the purposes and subject to the terms and conditions set forth in said Pipe Line License Agreement. Licensee does hereby surrender and quitclaim to Tenneco and the City, as owners and as their respective interests may appear, all of its right, title, and interest under said Pipe Line License Agreement in and to the strip of land described in paragraph 1 hereof.

4. That the City shall be deemed to be an Owner within the context of the word "Owner" under said Amendment dated October 25,

First American Title

First American Title

1968 with respect to that portion of the premises and pipeline facilities described in paragraph 2 herein which is located on land owned by the City at the time of the execution of this Second Amendment of Pipeline License Agreement, subject to the following:

a. The obligations of Licensee under said Amendment to the City are personal to the City; and such obligations of Licensee shall not otherwise run with the land.

b. Whenever the City by written notice to Licensee shall require that all pipe and other property installed by the Licensee be removed from the premises, or any specified portion thereof, and relocated between the same terminal points, then the Licensee shall promptly comply with such notice and restore the surface of the ground from which such removal is made to its natural contour and condition; provided, however, that the City shall specify the elevation or depth of the relocated pipeline from the surface and, for any horizontal relocation, shall provide the land and right-of-way in the vicinity of that portion of pipe or other property to be relocated. The term "vicinity" as used herein shall be deemed to include land and right-of-way within a distance of one hundred twenty feet of the location from which removal is made.

c. Whenever this City by such written notice requires Licensee to relocate pipe or other property as aforesaid, then Licensee shall bear the cost and expense associated therewith on the first, and only the first, departure of that portion of the pipeline to be relocated from the existing elevation or depth or from the premises described in paragraph 2. Any subsequent relocation of any portion of the pipeline previously relocated shall be at the expense and cost of the City.

d. Nothing in this paragraph 4 shall change, alter or amend the obligations of Licensee to and the rights of Tenneco under either said Amendment dated October 25, 1968 or said Pipeline License Agreement dated January 26, 1951.

5. That except as otherwise expressly herein amended, each and every term, covenant, condition, and provision contained in said Pipe Line License Agreement as amended shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have exeucted this Agreement, in triplicate as of the date first hereinabove written.

TENNECO WEST, INC.

TENNECO WEST, INC. CORPORATE SEAL DELAWARE 1968

By _____
Vice President

First American Title

By Wayne E Broome
Assistant Secretary

"LICENSEE"

TENNECO REALTY DEVELOPMENT CORPORATION

By _____
Vice President

By Wayne E Broome
Assistant Secretary

TOSCO CORPORATION

By _____
Vice-President

By _____
Assistant Secretary

CITY OF BAKERSFIELD

By _____
Mayor

Approved as to form

By _____
City Attorney

By _____
Assistant City Manager-Finance

"LICENSOR"

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

On January 30, 1981, 1981, before me, the undersigned, a Notary Public in and for the said State, personally appeared Melvin Jans, known to me to be the Vice President, and Wayne E. Broome, known to me to be the Assistant Secretary of TENNECO WEST, INC., the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknow-

ledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

CAROL A. STRINGER
NOTARY PUBLIC - CALIFORNIA
BOND FILED IN
KERN COUNTY
MY COMMISSION EXPIRES DEC. 5, 1984

Carol A. Stringer
Notary Public in and for said State.

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

On January 30, 1981, 1981, before me, the undersigned, a Notary Public in and for the said State, personally appeared Charles H. Tolfree, known to me to be the Vice President, and Wayne E. Broome, known to me to be the Assistant Secretary of TENNECO REALTY DEVELOPMENT CORPORATION, the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

CAROL A. STRINGER
NOTARY PUBLIC - CALIFORNIA
BOND FILED IN
KERN COUNTY
MY COMMISSION EXPIRES DEC. 5, 1984

Carol A. Stringer
Notary Public in and for said State.

STATE OF CALIFORNIA)
LOS ANGELES) ss.
COUNTY OF ~~KERN~~)

On January 21, 1981, before me, the undersigned, a Notary Public in and for the said State, personally appeared Thomas C. Roth, known to me to be the Vice President, and C. Rex Boyd, known to me to be the Assistant Secretary of TOSCO CORPORATION, the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Cynthia Sue Porter
Notary Public in and for said State.

OFFICIAL SEAL
CYNTHIA SUE PORTER
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires APR 15, 1983

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

On February 13, 1981, before me, the undersigned, a Notary Public in and for the said State, personally appeared Mary K. Shell, known to me to be the Mayor, and Richard J. Oberholzer, known to me to be the City Attorney, and W. D. Higginbotham, Jr.,

known to me to be the Assistant City Manager-Finance of the CITY OF BAKERSFIELD the Public Entity that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Public Entity herein named, and acknowledged to me that such Public Entity executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Marguerite Anderson
Notary Public in and for said State.



ATTACHMENT

Attached is the document you (or someone on your behalf) requested. As required by Section 12956.1(b)(1) of the California Government Code, please take note of the following:

"If the document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, that restriction violates state and federal fair housing laws is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

RECORDINGS REQUESTED BY

TICOR TITLE INSURANCE CO.

WHEN RECORDED MAIL TO
DEPARTMENT OF WATER RESOURCES
P. O. Box 388
Sacramento, California 95802

FS

BOOK 6158 PAGE 1098

025340 1988 AUG 31 A 8:00

RECORDED BY GALE S. ERSTAD
KERN COUNTY CLERK-RECORDER

ORS .00
FREE REC .00
#525390 C001 R01 T1

SPACE ABOVE THIS LINE FOR RECORDER'S USE

OR
MD
LN
RF
NA

GRANT DEED
(CORPORATION)

Project KERN WATER BANK

Parcel No. KWB-2

TENNECO WEST, INC.,

a corporation organized and existing under and by virtue of the laws of the State of Delaware,

does hereby GRANT to the STATE OF CALIFORNIA all that real property in the

County of Kern, State of California, ~~described as~~ identified in records of the Department of Water Resources as:

DWR Parcel No.	Area	Estate
KWB-2	~~[illegible]~~ 19,883 acres	Fee

described as follows:

(In the event of any discrepancy between the above identification and the real property described herein, the real property described will control.)

DWR 547 (Rev. 4/83)

JUL 15 1988

KWB-2 consists of the following DWR Parcels and Units:

KRGW-1	UNIT A	4,334 acres
	UNIT B	2,556 acres
	UNIT C	2,281 acres
KRGW-3	UNIT A	706 acres
	UNIT B	3,420 acres
KRGW-5		65 acres
KRGW-7	UNIT A	157 acres
	UNIT B	583 acres
KRGW-9	UNIT A	6 acres
KRGW-11	UNIT A	1,675 6 acres
KRGW-13	UNIT A	21 5 acres
	UNIT B	25 acres
KRGW-15	UNIT A	1,376 7 acres
KRGW-17	UNIT A	~~893~~ 812 acres
KRGW-19	UNIT A	1,497 acres
	UNIT B	7 acres
KRGW-30	UNIT A	160 acres
	UNIT B	6 acres
TOTAL AREA DESCRIBED -		~~19,902~~ 6 19,883 acres

JUL 15 1988

All that certain real property situate in the unincorporated area of the County of Kern, State of California:

KRGW-1

UNIT A:

Consisting of Units A1 through A9 described as follows:

Unit A1:

Section 12, Township 30 South, Range 24 East, Mount Diablo Meridian, according to the Official Plat thereof, and containing an area of 640 acres, more or less.

Unit A2:

Section 13, Township 30 South, Range 24 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING the Southwest quarter of the Southwest quarter of said Section, and containing an area, after said exception, of 602 acres, more or less.

Unit A3:

The Northeast quarter, the Northeast quarter of the Southeast quarter, and the East half of the Northwest quarter of Section 24, Township 30 South, Range 24 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion of said Section 24 described in deed to the State of California, recorded January 23, 1933, Book 458, Page 481, Official Records of said County.

Containing an area, after said exception, of 255 acres, more or less.

Unit A4:

Those portions of the South half of Sections 5 and 6, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 370 acres, more or less.

Unit A5:

Section 7, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, and containing an area of 653 acres, more or less.

Unit A6:

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County.

JUL 15 1988

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EXCEPTING THEREFROM that portion described as Cross Valley Canal in the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 546 acres, more or less.

Unit A7:

That portion of Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northwesterly of the Northwesterly property line of the lands of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area of 323 acres, more or less.

Unit A8:

Section 18, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing and area of 650 acres, more or less.

Unit A9:

That portion of Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northwesterly of the Northwesterly property line of the lands of Kern County Water Agency, a political subdivisaion of the State of California, described as Cross Valley Canal in the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area of 295 acres, more or less.

Total area contained in said UNIT A1 through A9 is 4334 acres, more or less.

UNIT B:

Consisting of Units B1 through B9 described as follows:

Unit B1:

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of Caliornia, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 in FINAL ORDER OF

JUL 15 1988

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CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 85 acres, more or less.

Unit B2:

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County, containing an area of 154 acres, more or less.

Unit B3:

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 591 acres, more or less.

Unit B4:

That portion of Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southeasterly of the Southeasterly property line of the lands of Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 281 acres, more or less.

Unit B5:

That portion of Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southeasterly of the Southeasterly property line of the lands of Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 331 acres, more or less.

JUL 15 1988

First American Title

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Unit B6:

Section 20, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northwesterly of the Southeasterly property line of the lands of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 642 acres, more or less.

Unit B7:

The North half of Section 21, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 320 acres, more or less.

Unit B8:

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

Containing an area of 138 acres, more or less.

Unit B9:

That portion of the Northwest quarter of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion described in deed to West Kern Water District, recorded August 22, 1988, Book 6155, Page 1405, Official Records of said County.

Containing an area of 14 acres, more or less.

Total area contained in UNITS B1 through B9 is 2556 acres, more or less.

UNIT C:

Consisting of Units C1 through C6 described as follows:

Unit C1:

The Northwest quarter of Section 26, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

JUL 15 1988

First American Title

First American Title

EXCEPTING the East half of the East half of said Northwest quarter, containing an area, after said exception, of 120 acres, more or less.

Unit C2:

Section 27, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 638 acres, more or less.

Unit C3:

The Northeast quarter of Section 28, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 160 acres, more or less.

Unit C4:

Section 34, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 639 acres, more or less.

Unit C5:

Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 639 acres, more or less.

Unit C6:

That portion of the South half of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion described in deed to West Kern Water District, recorded August 22, 1988, Book 6155, Page 1405, Official Records of said County.

Containing an area, after said exception, of 85 acres, more or less.

Total area contained in said UNITS C1 through C6 is 2281 acres, more or less.

AUG 12 1988

First American Title

KRGW-3

UNIT A:

Consisting of Units A1 through A7 described as follows:

Unit A1:

The South half of Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Southerly of the Northerly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 55 acres, more or less.

Unit A2:

Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM Parcel 1 as shown on Amended Parcel Map No. 1450, filed February 6, 1974, in the Office of the County Recorder of Kern County, State of California.

ALSO EXCEPTING THEREFROM the Northwest quarter of said Section 4.

ALSO EXCEPTING THEREFROM that portion lying Southeasterly of the Northwesterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Racords.

Containing an area, after said exception, of 252 acres, more or less.

Unit A3:

That portion of the South half of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM the Southeast quarter of the Southeast quarter of said Section 5.

Containing an area, after said exceptions, of 212 acres, more or less.

JUL 15 1988

Unit A4:

~~An undivided 13/20ths interest in~~ the Southeast quarter of the Southeast quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, according to th Official Plat thereof.

EXCEPTING THEREFROM all oil, gas, and other minerals contained within the property hereinabove described.

Containing an area, after said exception, of 40 acres, more or less.

Unit A5:

That portion of the Southeast quarter of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the Calilfornia State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 2 acres, more or less.

Unit A6:

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 70 acres, more or less.

Unti A7:

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM those portions lying Southeasterly of the Northwesterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 75 acres, more or less.

The total area contained within Unit A1 through A7, after said exceptions, is 706 acres, more or less.

JUL 15 1988

UNIT B:

Consisting of Units B1 through B10, described as follows:

Unit B1:

Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northerly of the Southerly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as the Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 245 acres, more or less.

Unit B2:

Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, according to thh Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northwesterly of the Southeasterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 59 acres, more or less.

Unit B3:

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM those portions lying Northwesterly of the Southeasterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 430 acres, more or less.

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Unit B4:

Section 10, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

Unit B5:

Section 11, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

Unit B6:

Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the North 385 feet of the West 415 feet being more particularly described in deed to Pacific Gas and Electric Company, recorded May 4, 1962, Book 3522, Page 349, Official Records of said Kern County.

Containing an area, after said exception, of 634 acres, more or less.

Unit B7:

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 451 acres, more or less.

Unit B8:

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 32 acres, more or less.

Unit B9:

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 11 acres, more or less.

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Unit B10:

That portion of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM that portion lying Southerly of the Northerly property line of Parcel 2, as described in the deed to the City of Bakersfield, recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exception, of 282 acres, more or less.

The total area contained within UNITS B1 through B10, after said exceptions, is 3420 acres, more or less.

KRGW-5

UNIT A:

That portion of the South half of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the California State Highway Number 5, described as Parcel 2, in the deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM that portion described as Parcel 1 in said deed to the State of California.

ALSO EXCEPTING THEREFROM that portion described in deed to the City of Bakersfield, a Municipal Corporation, recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exceptions, of 65 acres, more or less.

KRGW-7

UNIT A:

That portion of the West half and the Southeast quarter of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly and Southwesterly of the Southwesterly boundary of State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 157 acres, more or less.

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UNIT B:

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary of State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM the West half of the Southwest quarter of the Southwest quarter of said Section 36.

Containing an area, after said exception, of 583 acres, more or less.

The total area contained in UNIT A and UNIT B is 740 acres, more or less.

KRGW-9

UNIT A:

That portion of the Northwest quarter of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary line of the State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

Containing an area, after said exception, of 6 acres, more or less.

KRGW-11

UNIT A:

Consisting of Units A1 through A4, described as follows:

Unit A1:

Section 28, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the Northwest quarter, the Northwest quarter of the Southwest quarter, the Northwest quarter of the Northeast quarter of the Southwest quarter, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 420 acres, more or less.

Unit A2:

That portion of the North half of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the State Highway Number 5, described in deed to the State of California, recorded March 14, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM the Northeast quarter of the Northwest quarter of the Northwest quarter, the Northeast quarter of the Northwest quarter of the Northwest quarter, the Northeast quarter of the Southeast quarter of the Northwest quarter, the

JUL 15 1988

Northwest quarter of the Northeast quarter, the Northeast quarter of the Northeast quarter and the North half of the South half of the Northeast quarter of said Section.

Containing an area, after said exception, of 134 acres, more or less.

Unit A3:

Section 32, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the North half of the South half of the Northwest quarter, the Southwest quarter of the Northwest quarter of the Northeast quarter, the North half of the Northwest quarter, the Northwest quarter of the Northeast quarter of the Northeast quarter, and the North half of the Northwest quarter of the Northeast quarter of said Section.

Containing an area, after said exception, of 480 acres, more or less.

Unit A4:

Section 33, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

Containing an area of 641 acres, more or less.

The total area contained in Units A1 through A4 is 1675 acres, more or less.

KRGW-13

UNIT A:

That portion of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Pge 193, Official Records of Kern County.

EXCEPTING THEREFROM the Northeast quarter, the Northeast quarter of the Southeast quarter, the Northeast quarter of the Northwest quarter of the Southeast quarter, and the Northeast quarter of the Southeast quarter of the Southeast quarter of said Section.

Containing an area, after said exceptions, of 214 acres, more or less.

UNIT B:

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

JUL 15 1988

Containing an area of 25 acres, more or less.

The total area contained in UNIT A and UNIT B, after said exception, is 239 acres, more or less.

KRGW-15

UNIT A:

Consisting of Units A1 through A4, described as follows:

Unit A1:

That portion of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Southerly property line of the lands of the City of Bakersfield, as described in deed, recorded December 30, 1976, Book 4999, Page 436, Official Records of Kern County.

EXCEPTING THEREFROM that portion of said Section 24 granted to the State of California for freeway purposes by deed, recorded March 24, 1967, Book 4037, Page 193, of said Official Records, more particularly described therein.

ALSO EXCEPTING THEREFROM the Southeast quarter of the Southeast quarter, and the Southeast quarter of the Southwest quarter of the Southeast quarter of said Section.

Containing an area, after said exceptions, of 328 acres, more or less.

Unit A2:

All that portion of Section 17, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Kern River Canal right of way, as said canal is described in Grant Deed, recorded December 30, 1976, Book 4999, Page 431, Official Records of said Kern County.

Containing an area of 168 acres, more or less.

Unit A3:

All that portion pf Section 19, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Kern River Canal right of way, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPTING THEREFROM the South half of the South half of the South half, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 421 acres, more or less.

JUL 15 1988

Unit A4:

All that portion of Section 20, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Kern River Canal right of way as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPTING THEREFROM the South half of the Southeast quarter, the Southeast quarter of the Northwest quarter of the Southeast quarter, the South half of the Northeast quarter of the Southeast quarter, the South half of the South half of the Southwest quarter, the North half of the Southeast quarter of the Southwest quarter, and the Northeast quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 460 acres, more or less.

The total area contained in UNITS A1 through A4 is 1377 acres, more or less.

KRGW-17

UNIT A:

Consisting of Units A1 through A3 described as follows:

Unit A1:

All of Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the South half of the Southeast quarter of said Section 13.

ALSO EXCEPTING THEREFROM the South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of said Section 13, containing an area, after said exceptions, of 540 acres, more or less.

Unit A2:

The Northwest quarter of the Northwest quarter and the West half of the West half of the Northeast quarter of the Northwest quarter of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 50 acres, more or less.

Unit A3:

The North half of Section 18, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the Easterly 1700 feet of the South half of the South half of the Northwest quarter, the South half of the South half of the

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northeast quarter, the Easterly 900 feet of the Northeast quarter of the Northeast quarter, and the Easterly 900 feet of the North half of the Southeast quarter of the Northeast quarter of said Section 18, containing an area, after said exception, of 222 acres, more or less.

The total area contained in said UNITS A1 through A3 is 812 acres, more or less.

KRGW-19

UNIT A:

Consisting of Units A1 through A3 described as follows:

Unit A1:

The South half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northerly of the Southerly property line of the land conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 299 acres, more or less.

Unit A2:

All of Section 12, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the South half of the Southwest quarter of said Section, containing an area, after said exception, of 561 acres, more or less.

Unit A3:

That portion of Section 7, Township 30 East, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of the Southern Pacific Railroad Asphalto Branch, as granted to Southern Pacific Railroad Company, a corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, Records of said County.

Containing an area, after said exception, of 637 acres, more or less.

UNIT B:

That portion of the South half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying

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northerly of the Northerly property line of the lands conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 7 acres, more or less.

Total area contained within UNIT A and UNIT B is 1504 acres, more or less.

KRGW-30

UNIT A:

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of the Southern Pacific Railroad Asphalto Branch, as granted to the Southern Pacific Railroad Company, a corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPTING THEREFROM that portion lying Northerly of the Southerly property line of the lands conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 160 acres, more or less.

UNIT B:

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of the Southern Pacific Railroad Asphalto Branch, as granted to the Southern Pacific Railroad Company, a corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPTION THEREFROM that portion lying Southerly of the Northerly property line of the lands conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 6 acres, more or less.

The total area contained within UNIT A and UNIT B is 166 acres, more or less.

Bearings and distances used in the above description are based on the California Coordinate System, Zone V, 1927.

LICENSED LAND SURVEYOR MICHAEL RUMMEY No. 4237 Exp. 6-30-93 STATE OF CALIFORNIA

AUG 12 1988

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EXCEPTING AND RESERVING to Grantor, its successors and assigns, forever, provided, however, that:

a. While reserving the rights set forth below, Grantor recognizes that: (i) the property conveyed is to be used for extraction and recharge of potable water and to restore portions of the real property to its natural state; and (ii) that Grantee will be installing ponds, canals, and other similar facilities on the property conveyed, and, accordingly, Grantor shall not unduly interfere with the anticipated operations of Grantee.

b. Grantor, or its successors and assigns, upon being provided proof thereof, shall compensate Grantee, or its successors and assigns, for any and all actual damage to structures upon said real property and for any increased operating costs incurred by Grantee, its successors and assigns, as the result of such damage which is caused by the exercise of the rights excepted and reserved herein;

c. Grantor, its successors and assigns, shall exercise the rights herein reserved in a manner which will protect its facilities from damage by Grantee's water spreading operations on said real property;

d. Grantor, its successors and assigns, shall conduct all operations under this reservation in accordance with either (i) then applicable Federal, State, and/or local regulations, or (ii) current applicable Federal, State, and/or local regulations, whichever shall be more stringent, at the time of such operations; and

e. Grantee shall have the right, at any and all reasonable times, to inspect Grantor's operations or work in progress.

1. All oil, gas, and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from said real property; all salt water (water containing over 10,000 p.p.m. T.D.S.) which is in, under, or may be produced from said real property.

2. The exclusive right, by whatever methods now or hereafter known, as Grantor, or its successors or assigns, may deem advisable, at all times and without charge, to prospect for, investigate for, explore for, drill for, produce, mine, extract, remove, and reduce to possession and ownership, all such minerals and salt water (water containing over 10,000 p.p.m. T.D.S) (excluding, however, sand and gravel) which are upon, in, under, or may be produced from said real property, the exclusive right to drill into and through said real property to explore for and thereafter produce and extract minerals which may be produced from adjacent real property; the right to lay, construct, erect, and place upon and in said real property and use, maintain, and operate thereon and thereafter remove all buildings, tanks, pressure plants, and other machinery, fixtures, and equipment, pipelines, telephone lines, electric power lines, roads, powerhouses, or other structures and facilities as Grantor, or its successors and assigns, may deem advisable for the exercise and enjoyment of the rights herein excepted and reserved. In

JUL 15 1988

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exercising its rights hereunder, Grantor shall take all reasonable precautions to avoid contamination of, or damage to, any fresh water aquifer;

3. The exclusive right at all times and without charge to treat, process, (but not refine) store upon, and remove from said real property such minerals and salt water;

4. The exclusive right, at all times and without charge, to produce and extract such minerals by repressuring the subsurface sands and strata with fluids or gases or by such other method or methods as Grantor, or its successors or assigns, may deem advisable, and to inject and store and thereafter remove such fluids and gases, whether or not indigenous to said real property;

5. The exclusive right, at all times and without charge, to utilize for the benefit of Grantor and third parties the surface of said real property for the construction, maintenance, operation, use, repair, replacement, or removal of oil, gas, and water pipelines, telephone, telegraph, and power lines, and other structures over and across said real property, the aforementioned pipelines, telephone, telegraph and power lines being necessary, incidental to, or convenient in exploring for, producing and extracting the minerals underlying the lands in the vicinity of said real property. In acting under this reservation, Grantor shall utilize its best efforts to provide maps of existing pipelines and roads and shall advise Grantee of the location of any new pipelines or roads known to it;

6. The right, at all times and without charge, to investigate for, explore for, drill for, produce, remove, and reduce to possession and ownership, up to 50,000 barrels per day of fresh water (containing less than 10,000 p.p.m. T.D.S.) from aquifers underlying said real property deemed necessary by Grantor, or its successors or assigns, to use in prospecting, exploring, drilling, mining, producing, extracting and removing (including, but not limited to, use in unit operations, water flooding, thermal extraction of minerals, or other secondary recovery methods now or hereafter known), or other operations in connection with the full enjoyment and exercise of the rights herein excepted and reserved, provided, however, that all such water may be used only upon the land subject to this reservation;

7. The right, at all times and without charge, to exercise all rights herein excepted and reserved and any and all rights upon said real property as Grantor, its successors or assigns, deem necessary, incidental to, or convenient, whether alone or jointly with adjacent lands to the extent it is reasonable to do so, in exploring for, producing, and extracting the minerals and salt water herein excepted and reserved; and

8. The right, at all times and without charge, of access to said minerals, fresh water, and salt water, and of ingress and egress to and from, over and across said real property for all purposes deemed necessary by Grantor, its successors and assigns, in the exercise of the rights excepted and reserved herein.

JUL 15 1988

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9. Grantor in exercising its reserved rights hereunder and grantee in the exercising of its fee interest in the subject property shall each notify the other as early as possible, but not later than 15 working days, prior to the commencement of any such exercise of its rights in the property, of the location and nature of such exercise, and, where appropriate, provide copies of plans and specifications for such work.

JUL 15 1988

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BOOK 6158 PAGE 1119

Together with all of the Grantor's right, title and interest in and to all water and water rights, whether surface or subsurface, or of any other kind, including all appurtenant water and water rights, and all water and water rights in any way incident to the real property herein described, or used thereon or in connection therewith, and all other appurtenant rights and easements pertaining to said real property.

IN WITNESS WHEREOF, said corporation has caused its corporate name to be hereunto subscribed and its corporate seal to be affixed hereto, this 28th day of July, 19 88.

TENNECO WEST, INC.

By Melvin Jans SENIOR VICE PRESIDENT President

By Wayne E. Broome ASSISTANT SECRETARY Secretary

TENNECO WEST, INC. CORPORATE SEAL DELAWARE 1968

[CORPORATE SEAL]

STATE OF CALIFORNIA
COUNTY OF Kern } ss.

On July 28, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Melvin Jans, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Sr. Vice President, and Wayne E. Broome, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Assistant Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature Dana A Kerby [Seal]

OFFICIAL SEAL
DANA A. KERBY
Notary Public-California
Principal Office In
Kern County
Comm. Exp. Aug. 2, 1989

(CERTIFICATE OF ACCEPTANCE, GOVERNMENT CODE, SECTION 27281)

This Is To Certify, *That the State of California, grantee herein, acting by and through the Department of Water Resources, hereby accepts for public purposes the real property, or interest therein, described in the within deed and consents to the recordation thereof.*

IN WITNESS WHEREOF, *I have hereunto set my hand this* 1st *day of* August, 19 88

Department of General Services
APPROVED
AUG 19 1988
By
Chief
Office of Real Estate and Design Services

Director of Water Resources

By
Director, Water Resources

Attorney in Fact

JUL 15 1988 Tes-127-A

Page 22

James Maples Assessor Recorder
Kern County Official Records

JASON
Pages 3
4/17/1996
14 22 02

DOCUMENT #:0196049557

0196049557

Fees 3 00
Taxes
Other
Stat Types 1 TOTAL PAID 13 00

RECORDING REQUESTED BY

KERN COMMUNITY COLLEGE DISTRICT

AND WHEN RECORDED MAIL TO

Kern Community College District
c/o Bowie, Arneson et al.
Attn: William J. Kadi
4920 Campus Drive
Newport Beach, CA 92660

THIS SPACE FOR RECORDER'S USE ONLY

NOTICE OF ASSESSMENT

Kern Community College District
Assessment District

Pursuant to the requirements of Section 3114 of the Streets and Highways Code, the undersigned Clerk of the Board of Trustees of the Kern Community College District, County of Kern, State of California, hereby gives notice that a diagram and assessment were recorded in the office of the County Recorder of the County of Kern and the Kern County Auditor's Office as provided for in Section 3114 of the Streets and Highways Code, relating to the following described real property:

> The real property located within the Kern Community College District and subject to this Notice of Assessment is described: (1) by reference to that proposed Boundary Map recorded with the Kern County Recorder's Office on March 8, 1996, as Instrument No. 1996-030644, and (2) by reference to that Assessment Diagram filed with the Kern County Auditor's Office and recorded with the Kern County Recorder's Office in Book 12 of Maps of Assessment and Community Facilities at Pages 173-178, inclusive, on April 5, 1996.

Notice is further given that upon the recording of this Notice of Assessment in the office of the Kern County Recorder, the several assessments assessed on the lots, pieces, and parcels shown in the filed Assessment Diagram shall become a lien upon the lots or portions of lots assessed, respectively

BAKW&GREA#27091
10016 11

Reference is hereby made to that Assessment Diagram and Assessment Rule recorded in the office of the County Auditor for the County of Kern, State of California.

DATED 4/11, 1996

Clerk of the Board of Trustees of the
Kern Community College District

RAKW&G/REA/cc27994
10016 1 1

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

On 4/11/96 before me, CYNTHIA C MUÑOZ, NOTARY PUBLIC (here insert name and title of the officer), personally appeared DENNIS J WILSON, personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Cynthia C. Muñoz (SEAL)

CYNTHIA C. MUNOZ
Commission # 1069010
Notary Public — California
Kern County
My Comm. Expires Aug 16, 1999

BAKW&G/REA/cc/27994
10916 11

10. Exception_13_0196101605

James Maples-Assessor-Recorder
Kern County Official Records

SABRINA
Pages 41
8/09/1996
8 00 00

RECORDING REQUESTED BY
CHICAGO TITLE COMPANY, ORDER 695662 AM

DOCUMENT #:0196101605

WHEN RECORDED MAIL TO:

DEPARTMENT OF WATER RESOURCES
Division of Land and Right of Way
Real Estate Branch
1416 9th Street, Room 431
Sacramento, California 95814

Fees
Taxes
Other
Stat Types 1 TOTAL PAID

— SPACE ABOVE THIS LINE FOR RECORDER'S USE —

DIRECTOR'S DEED

Project KERN WATER BANK TR45 040-B

Parcel No. KWD-2-AR, KWB-4-B, KWB-5-A, KRGW-29-A, KRGW-35-B, and KRGW-34-C
H-9M-210, 211, 212, 213, and H-9A-243

The STATE OF CALIFORNIA, acting by and through its Director of Water Resources, grants to

KERN COUNTY WATER AGENCY, a public agency

all that real property in the County of Kern, State of California, described as:

(This conveyance affects the following Kern County Tax Assessor's Parcels)

DWR 618-CP (Rev. 1/92) Page 1

NOV 2 1 1995

Assessor's Parcel Numbers

159-010-02
159-180-03
159-180-04
160-010-12
160-010-13
160-010-14
160-010-17
160-010-24
160-010-26
160-010-38
160-010-40
160-010-41
160-010-43
160-020-04
160-020-06
160-020-08
160-030-10
160-030-12
160-030-14
160-040-01
160-040-02
160-040-03
160-050-01
160-050-04
160-060-01
160-060-02
160-060-03
160-060-04
160-060-05
160-060-07
160-060-09
160-060-15
160-060-17
160-060-18
160-060-19
160-060-20
160-060-21
160-070-02
160-070-03
160-070-04
160-070-06
160-070-10
160-070-11
160-070-14
160-070-19
160-070-20
160-070-22
160-070-28
160-080-01
160-080-02
160-080-03
160-080-04
160-090-01
160-090-02
160-090-03
160-100-04
160-100-05
160-100-07
160-100-08
160-100-09
160-100-10
160-110-10
160-110-13
160-120-05
160-120-12
160-120-16
160-120-17
160-120-18
160-120-20
160-120-22
160-120-25
160-120-39
160-120-40
160-130-03
160-130-07
160-140-03
160-140-04
160-140-15
160-140-18
160-170-03
160-170-04
160-180-01
160-180-02
160-180-04
161-030-08
161-030-23
161-030-24
161-030-42
161-040-02
161-040-09
161-040-10
161-040-11
161-040-13
161-040-20
161-040-26
161-090-01
161-090-07
161-090-10
161-100-13
161-100-25
161-160-02
161-180-04
161-180-12
161-190-05

NOV 2 1 1995

Assessor's Parcel Numbers - Continued

161-190-07
161-190-09
161-190-10
161-190-11
408-120-06
408-120-07
104-240-44

NOV 2 1 1995

KWB-2-AR

All that certain real property situate in the unincorporated area of the County of Kern, State of California, described in Deeds to the STATE OF CALIFORNIA, recorded August 31, 1988, Book 6158, Pages 1098 through 1119; recorded March 22, 1990, Book 6360, Pages 1923 through 1925; March 7, 1990, in Book 6354, Pages 998 through 1000; and March 7, 1990, Book 6354, Pages 989 through 991, all of Official Records in the Office of the County Recorder of said Kern County, being more or less described herein as follows:

PARCEL 1: (KRGW-1 UNIT A Unit A1) (APN 159-010-02)

Section 12, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, and containing an area of 640 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158 Page 1098, Official Records.

PARCEL 2: (KRWG-1 UNIT A Unit A2) (APN 159-180-03)

Section 13, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING the Southwest quarter of the Southwest quarter of said Section, and containing an area, after said exception, of 602 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 3: (KRGW-1 UNIT A Unit A3) (APN 159-180-04)

The Northeast quarter, the Northeast quarter of the Southeast quarter, and the East half of the Northwest quarter of Section 24, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion of said Section 24 described in deed to the State of California, recorded January 23, 1933, Book 458, Page 481, Official Records of said County, described as follows:

BEGINNING at the Northwest corner of the Southeast quarter of the Northwest quarter of said Section 24, and thence South 51° 52' East a distance of 2130 feet, more or less, to a point on the South line of the North half of said Section 24; thence West along said South line a distance of 1572.8 feet to the Southwest corner of said Southeast quarter of the Northwest quarter of said Section 24; and thence North along the West line of said Southeast quarter of the Northwest quarter of said Section 24 to the Point of Beginning.

Containing an area, after said exception, of 255 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 4: (KRGW-1 UNIT A Unit A8) (APN 160-090-01, 160-090-02)

Section 18, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing and area of 650 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 5: (KRGW 1 UNIT A Unit A9 and UNIT B Unit B5) (APN 160-100-08, 160-100-07, 160-100-02)

Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area of 626 acres, more or less.

ALSO EXCEPT from the East half of the Southeast quarter of the Southwest quarter of the Southwest quarter, the Southwest quarter of the Southeast quarter of the Southwest quarter of the Southwest quarter, and the West half of the Southeast quarter of the Southwest quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this MINERAL GRANT DEED shall be defined in the broadest send of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove, and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 6: (KRGW-1 UNIT A Unit A4) (APN 160-030-14 Ptn.)

That portion of the South half of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the State Highway as granted to the State of

NOV 2 1 1995

California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 319 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 7: (KRGW-1 UNIT A Unit A4) (APN 160-030-14, 160-030-12 Ptn.)

That portion of the Southwest quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 52 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 8: (KRGW-1 UNIT A Unit A5) (APN 160-040-01, 160-040-02)

Section 7, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, and containing an area of 653 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

NOV 2 1 1995

the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 9: (KRGW-1 UNIT A Unit A6) (APN 160-040-03 Ptn.)

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County.

EXCEPT those portions conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1, by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302, a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, of Official Records.

Containing an area, after said exception, of 546 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 10: (KRGW-1 UNIT B Unit B1) (APN 160-050-01 Ptn.)

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPT those portions conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, in Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 85 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word

NOV 2 1 1995

and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 11: (KRGW-1 UNIT A Unit A7 and UNIT B Unit B4) (APN 160-090-03)

Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, in Book 5421, Page 1531, Official Records.

Containing an area of 604 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 12: (KRGW-1 UNIT B Unit B3) (APN 160-080-01 Ptn.)

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 591 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word

NOV 2 1 1995

"minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 13: (KRGW-1 UNIT B Unit B2) (APN 160-080-02 Ptn.)

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records, containing an area of 154 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 14: (KRGW-1 UNIT B Unit B6) (APN 160-100-09, 160-100-10, 160-100-04, 160-100-05)

Section 20, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126202, a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 642 acres, more or less.

ALSO EXCEPT from the Southwest quarter of the Southeast quarter of the Southwest quarter and the South half of the Southwest quarter of the Southwest quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the work "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products,

NOV 2 1 1995

both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 15: (KRGW-1 UNIT B Unit B7) (APN 160-110-13)

The North half of Section 21, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 320 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 16: (KRGW-1 UNIT B Unit B8) (APN 160-110-10 Ptn.)

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 138 acres, more or less.

NOV 2 1 1995

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 17: (KRGW-1 UNIT B Unit B9 and UNIT C Unit C6) (APN 160-120-39, 160-120-40 Ptn.)

That portion of the West half and that portion of the Southeast quarter of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPT that portion conveyed to West Kern Water District, by deed recorded August 22, 1988, Book 6155, Page 1405, Official Records. Containing an area, after said exception, of 99 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumeratad and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 18: (KRGW-1 UNIT C Unit C3) (APN 160-140-15, 160-140-18)

The Northeast quarter of Section 28, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 160 acres, more or less.

EXCEPT from the Southwest quarter of the Northeast quarter of the Northeast quarter; the South half of the Northwest quarter of the Northeast quarter; all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic,

solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas, and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part thereof, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 19: (KRGW-1 UNIT C Unit C2) (APN 160-140-03, 160-140-04)

Section 27, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 638 acres, more or less.

EXCEPT from the Southwest quarter of the Southwest quarter of the Northeast quarter; the Northwest quarter of the Southeast quarter of the Northwest quarter; the South half of the Southeast quarter of the Northwest quarter; the Southwest quarter of the Northwest quarter; the West half of the Northeast quarter of the Southeast quarter; the Northwest quarter of the Southeast quarter, the South half of the Southeast quarter; and the Southwest quarter of said Section; all of the oil, gas and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

NOV 2 1 1995

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988 in Book 6158 Page 1098, of Official Records.

PARCEL 20: (KRGW-1 UNIT C Unit C1) (APN 160-130-07)

The Northwest quarter of Section 26, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING the East half of the East half of said Northwest quarter, containing an area, after said exception, of 120 acres, more or less.

ALSO EXCEPT of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 21: (KRGW-1 UNIT C Unit C4) (APN 160-170-03, 160-170-04)

Section 34, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 639 acres, more or less.

EXCEPT from the North half; the North half of the South half, the Northeast quarter of the Southeast quarter of the Southwest quarter; the North half of the Southwest quarter of the Southeast quarter; the Southeast quarter of the Southwest quarter of the Southeast quarter; and the Southeast quarter of the Southeast quarter of said Section, all of the oil, gas and other minerals of whatsoever kind or character whether now known to exist or hereinafter discovered (it being intended that the word "minerals" as used in this Mineral Grant Deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill

NOV 2 1 1995

for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by Deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 22: (KRGW-1 UNIT C Unit C5) (APN 160-180-01, 160-180-02 Ptn.)

Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion described in Director's Deed, KRGW-1-A, recorded March 22, 1990, Book 6360, Page 1927, Official Records, being more or less recited herein as follows:

> That portion of Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, County of Kern, State of California, according to the Official Plat thereof, lying South of the South right of way line of State Highway 119, said right of way being more particularly described in State Highway Deed to the State of California, recorded January 15, 1937, Book 683 Page 74, Official Records of said Kern County.
>
> EXCEPTING THEREFROM the East 758.43 feet of said Section 35, as described in Easement Deed to the State of California, recorded January 2, 1964, Book 3677, Page 293, Official Records of said County,

Containing an area, after said exception, of 638 acres, more or less.

EXCEPT from the West half; the Northwest quarter of the Northwest quarter of the Northeast quarter; the South half of the Northwest quarter of the Northeast quarter; the Southwest quarter of the Northeast quarter of the Northeast quarter; the Southwest quarter of the Northeast quarter; the West half of the Southeast quarter of the Northeast quarter; the Northwest quarter of the Southeast quarter, the West half of the Northeast quarter of the Southeast quarter; the North half of the Southwest quarter of the Southeast quarter; the Southwest quarter of the Southwest quarter of the Southeast

quarter; and the Northwest quarter of the Southeast quarter of the Southeast quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that he word "minerals" as used in this Mineral Grant Deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by Deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 23: (KRGW-3 UNIT A Unit A1 and UNIT B Unit B1) (APN 160-020-04)

The South half of Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 300 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 24: (KRGW-3 UNIT A Unit A2 and UNIT B Unit B2) (APN 160-020-06)

The Southwest quarter of Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exceptions, of 159 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 25: (KRGW-3 UNIT A Unit A2 and UNIT B Unit B2) (APN 160-020-08)

PARCEL 2, in the unincorporated area of the County of Kern, State of California, as shown on amended Parcel Map NO. 1450, filed February 6, 1974, in the Office of the County Recorder of Kern County.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Said land is a division of a portion of the East half of Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian.

Containing an area, after said exception, of 153 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said

NOV 2 1 1995

real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 26: (KRGW-3 UNIT A Unit A3) (APN 160-030-12 Ptn.)

That portion of the South half of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the Southeast quarter of the Southeast quarter of said Section 5.

Containing an area, after said exception, of 212 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 27: (KRGW-3 UNIT A Unit A4) (APN 160-030-10)

The Southeast quarter of the Southeast quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 40 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 28: (KRGW-3 UNIT A Unit A5) (APN 160-030-14 Ptn.)

That portion of the Southeast quarter of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 2 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 29: (KRGW-3 UNIT A Unit A6) (APN 160-040-03 Ptn.)

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 70 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 30: (KRGW-3 UNIT A Unit A7 and UNIT B Unit B3) (APN 160-050-01 Ptn.)

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the

Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 505 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 31: (KRGW-3 UNIT B Unit B4) (APN 160-050-04)

All of Section 10, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 32: (KRGW-3 UNIT B Unit B5) (APN 160-060-01, 160-060-02, 160-060-03)

All of Section 11, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

NOV 2 1 1995

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 33: (KRGW-3 UNIT B Unit B6) (APN 160-070-03, 160-070-04, 160-070-02, 160-070-11)

All of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion described as:

> BEGINNING at the iron pipe with a 4 inch brass cap (stamped R.E. 2312, 1937) marking the Northwest corner of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, and running thence South 89° 39' East, along the Northerly boundary line of said Section 14, a distance of 415.00 feet; thence along a line parallel with the Westerly boundary line of said Section 14, the following two courses and distances, namely: South 0° 17 1/2 West, 55.00 feet to a concrete monument with a 3 inch bronze cap (marked PAC. GAS & ELECT. CO. PROP.); and thence continuing South 0° 17 1/2 West, 330.00 feet to a concrete monument with a 3 inch pipe bronze cap (marked PAC. GAS & ELECT. CO. PROP. COR.); thence along a line parallel with the Northerly boundary line of said Section 14 the following two courses and distances, namely; North 89° 39' West 360.00 feet to a concrete monument with a 3 inch bronze cap (marked PAC. GAS & ELECT. CO. PROP.); and thence continuing North 89° 39' West, 55.00 feet to a point in the Westerly boundary line of said Section 14; thence North 0° 17 1/2 East, along the Westerly boundary line of said Section 14, a distance of 385.00 feet to the Point of Beginning.

Containing an area, after said exception, of 634 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

NOV 2 1 1995

which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 34: (KRGW-3 UNIT B Unit B7) (APN 160-080-02 Ptn., 160-080-03, 160-080-04)

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 451 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 35: (KRGW-3 UNIT B Unit B8) (APN 160-080-01)

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 32 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 36: (KRGW-3 UNIT B Unit B9) (APN 160-110-10 Ptn.)

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 11 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 37: (KRGW-3 UNIT B Unit B10) (APN 160-120-20 Ptn., 160-120-22 Ptn., 160-120-40 Ptn.)

That portion of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT all that portion lying Southerly of the Northerly line of Parcel 2, as described in the deed to the City of Bakersfield, recorded December 30, 1976, Book 4999, Page 436, Official Records, said line being described as beginning at a point on the Northeasterly boundary line of the State Highway referred to above, at "the East-West centerline of said Section 23; thence along said centerline South 88° 41' 55" East, 2790.38 feet; thence North 55° 19'28" East, 330.00 feet; thence North 74° 21' 35" East, 450.00 feet, more or less, to the East line of said Section 23."

Containing an area, after said exception, of 282 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by

NOV 2 1 1995

Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 38: (KRGW-5 UNIT A) (APN 160-120-20, 160-120-22)

That portion of the South half of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, described therein as Parcel 2, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the State of California by deed recorded March 24, 1967, Book 4037, Page 193, Official Records, described therein as Parcel 1.

ALSO EXCEPT that portion conveyed to the City of Bakersfield, a Municipal Corporation, by deed recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exceptions, of 65 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 39: (KRGW-7 UNIT A) (APN 160-130-03 Ptn.)

That portion of the West half and the Southeast quarter of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly and Southwesterly of the Southwesterly boundary of that certain parcel conveyed to the State of California, for the purpose of a freeway, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 157 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 40: (KRGW-7 UNIT B) (APN 160-180-04 Ptn.)

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary of that certain parcel conveyed to the State of California, for the purposes of a freeway, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the West half of the Southwest quarter of the Southwest quarter of said Section 36.

Containing an area, after said exception, of 583 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 41: (KRGW-9 UNIT A) (APN 161-180-12 Ptn.)

That portion of the Northwest quarter of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

Containing an area of 6 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 42: (KRGW-11 UNIT A Unit A1) (APN 161-160-02)

All of Section 28, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the Northwest quarter, the Northwest quarter of the Southwest quarter, the Northwest quarter of the Northeast quarter of the Southwest quarter, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 420 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tanneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 43: (KRGW-11 UNIT A Unit A2) (APN 161-180-12 Ptn.)

That portion of the North half of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the Northeast quarter of the Northwest quarter of the Northwest quarter, the Northeast quarter of the Northwest quarter, the Northeast quarter of the Southeast quarter of the Northwest quarter, the Northwest quarter of the Northeast quarter, the Northeast quarter of the Northeast quarter and the North half of the South half of the Northeast quarter of said Section.

Containing an area, after said exception, of 135 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 44: (KRGW-11 UNIT A Unit A3) (APN 161-180-04)

All of Section 32, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the North half of the South half of the Northwest quarter, the Southwest quarter of the Northwest quarter of the Northeast quarter, the North half of the Northwest quarter, the Northwest quarter of the Northeast quarter of the Northeast quarter, and the North half of the Northwest quarter of the Northeast quarter of said Section.

Containing an area, after said exception, of 480 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 45: (KRGW-11 UNIT A Unit A4) (APN 161-190-05, 161-190-10, 161-190-09, 161-190-11)

All of Section 33, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 641 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 46: (KRGW-13 UNIT A) (APN 160-130-03 Ptn.)

That portion of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California,

by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

EXCEPT the Northeast quarter, the Northeast quarter of the Southeast quarter, the Northeast quarter of the Northwest quarter of the Southeast quarter, and the Northeast quarter of the Southeast quarter of the Southeast quarter of said Section.

Containing an area, after said exception, of 215 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part thereof, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 47: (KRGW-13 UNIT B) (APN 160-180-04)

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 25 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 48: (KRGW-15 UNIT A Unit A1) (APN 160-120-12, 160-120-05, 160-120-18, 160-120-25)

That portion of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of a line described as follows:

BEGINNING at a point on the East line of said Section 24, distant thereon South 00° 22' 38" East, 1526.351 feet from the Northeast corner thereof, which point lies on the Northerly boundary line of the Kern River Canal right of way, as hereinafter described; thence along said Northerly boundary line, South 82° 29' 42" West, 1202.846 feet to the Westerly terminus of the concrete lined section of said canal; thence South 07° 30 18" East, 100.00 feet; thence along the Southerly boundary of the earthen section of said canal, South 82° 29' 42" West, 2181.995 feet; thence, leaving said boundary South 39° 25' 12" West, 876.787 feet; thence South 77° 55' 12" West, 1400.00 feet, more or less, to a point on the West line of said Section 24, distant thereon 340.00 feet Southerly of the West one-quarter corner thereof.

EXCEPT that portion of said Section 24 granted to the State of California for freeway purposes by deed, recorded March 24, 1967, Book 4037, Page 193, of said Official Records, more particularly described therein.

ALSO EXCEPT any portion thereof lying Northerly of the Southerly line of the Kern River Canal.

ALSO EXCEPT the Southeast quarter of the Southeast quarter, and the Southeast quarter of the Southwest quarter of the Southeast quarter of said Section 24.

Containing an area, after said exceptions, of 325 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 49: (KRGW-15 UNIT A Unit A3) (APN 161-100-25)

All that portion of Section 19, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPT the South half of the South half of the South half, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section 19.

Containing an area, after said exception, of 408 acres, more or less.

NOV 2 1 1995

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 50: (KRGW-15 UNIT A Unit A4) (APN 161-100-13)

All that portion of Section 20, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPT the South half of the Southeast quarter, the Southeast quarter of the Northwest quarter of the Southeast quarter, the South half of the Northeast quarter of the Southeast quarter, the South half of the South half of the Southwest quarter, the North half of the Southeast quarter of the Southwest quarter, and the Northeast quarter of the Southwest quarter of the Southwest quarter of said Section 20.

Containing an area, after said exception, of 457 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 51: (KRGW 15 UNIT A Unit A2) (APN 161-090-07)

All that portion of Section 17, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in Grant Deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

Containing an area of 155 acres, more or less.

NOV 2 1 1995

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 52: (KRGW-17 UNIT A Unit A1) (APN 160-070-06, 160-070-20, 160-070-14, 160-070-22, 160-070-19)

Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the South half of the Southeast quarter of said Section 13.

ALSO EXCEPT the South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of said Section 13, containing an area, after said exception, of 540 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 53: (KRGW 17 UNIT A Unit A2) (APN 160-120-17)

The Northwest quarter of the Northwest quarter and the West half of the West half of the Northeast quarter of the Northwest quarter of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 50 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

NOV 2 1 1995

which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 54: (KRGW-17 UNIT A Unit A3) (APN 161-090-10, 161-090-01)

The North half of Section 18, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the Easterly 1700 feet of the South half of the South half of the Northwest quarter, the South half of the South half of the Northeast quarter, the Easterly 900 feet of the Northeast quarter of the Northeast quarter, and the Easterly 900 feet of the North half of the Southeast quarter of the Northeast quarter of said Section 18, containing an area, after said exception, of 222 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 55: (KRGW-19 UNIT A Unit A1 and UNIT B) (APN 160-010-12, 160-010-14, 160-010-24, 160-010-13, 160-010-26, 160-010-17)

The South half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 306 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

NOV 2 1 1995

which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 56: (KRGW-19 UNIT A Unit A2) (APN 160-060-17, 160-060-04, 160-060-21, 160-060-20, 160-060-06, 160-060-18, 160-060-19, 160-060-15, 160-060-07, 160-060-09)

Section 12, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the South half of the Southwest quarter of said Section, containing an area, after said exception, of 561 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 57: (KRGW-19 UNIT A Unit A3) (APN 161-040-20, 161-040-02, 161-040-09, 161-040-10, 161-040-11)

That portion of Section 7, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the Southern Pacific Railroad Asphalto Branch, as granted to SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, Records of said County.

Containing an area of 637 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 58: (KRGW-30 UNIT A and UNIT B) (APN 161-030-23, 161-030-08, 161-030-24)

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the Southern Pacific Railroad Asphalto Branch, as granted to the SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 166 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 59: (KWB-4-B) (APN 160-070-28)

The South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 23 acres, more or less.

PARCEL 60: (KWB-5-A)

UNIT A (APN 160-070-10)

The North 385 feet of the West 415 feet of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 3.67 acres, more or less.

UNIT B (APN 160-010-40, 160-010-38, 160-010-43)

That portion of the East 5000 feet of the North half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Pioneer Canal Easement as described in PARCEL C, P-O Canal Easement Deed, recorded December 6, 1978, Book 5159, Page 2217, Official Records of said County, containing an area of 8.37 acres, more or less.

NOV 2 1 1995

UNIT C (APN 161-030-42)

That portion of the Northwest quarter of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Pioneer Canal Easement as described in PARCEL C, P-O Canal Easement Deed, recorded December 6, 1978, Book 5159, Page 2217, Official Records of said County.

EXCEPTING THEREFROM that portion of said Northwest quarter lying Northeasterly of the Southwesterly property line of the Southern Pacific Railroad Asphalto Branch, as granted to the SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by Deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, records of said County, containing an area, after said exception, of 3.25 acres, more or less.

UNIT D (APN 160-010-41)

The South 1176.00 feet of the West 165.00 feet of the Northwest quarter of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 4.45 acres, more or less.

PARCEL 61: (KRGW-29)

UNIT A (APN 161-040-26, 161-040-13)

That portion of the West half of the West half of Section 8, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Southwesterly property line of the Southern Pacific Railroad Asphalto Branch, as said railroad is described in deed, recorded October 21, 1893, Book 47, Page 356, Deeds, records of Kern County.

EXCEPTING THEREFROM the Southerly 820 feet of the Southwest quarter of the Southwest quarter of said Section 8, as granted to the CITY OF BAKERSFIELD, a Municipal Corporation, by deed, recorded December 30, 1976, Book 4999, Page 436, Official Records.

SUBJECT TO all exceptions, reservations, terms, conditions, covenants, and restrictions contained and recited in that certain oil, gas, and/or mineral interest assignment and conveyance from TENNECO WEST, INC., to TENNECO OIL COMPANY, recorded November 18, 1988 in Book 6183, Page 1167, Official Records of said County.

Containing an area, after said exception, of 73 acres, more or less.

PARCEL 62: (KRGW-35-B) (APN 408-120-06, 408-120-07)

The North half of Section 31, Township 29 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT THEREFROM that portion conveyed to ROSEDALE RIO BRAVO WATER STORAGE DISTRICT by Deed, recorded December 22, 1975, Book 4930, Page 1621, Official Records, more particularly described as that portion of the Northeast quarter of the Northeast quarter of said Section, described as follows:

NOV 2 1 1995

BEGINNING at the Northeast Corner of said Section 31; thence along the North line of said Section 31, North 89° 22' 34" West, 225.00 feet; thence leaving said North line South 0° 31' 27" West, 73.70 feet; thence South 46° 16' 34" East, 200.69 feet; thence South 64° 06' 38" East, 87.10 feet to the East line of said Section 31; thence along said East line North 0° 31' 27" East, 248.00 feet to the Point of Beginning.

Containing an area, after said exceptions, of 321 acres, more or less.

ALSO EXCEPT all of the minerals and mineral ores of every kind and character now known to exist of hereafter discovered upon, within, or underlying said land or that may be produced therefrom, including, limiting the generality of the foregoing, all oil, natural gas and hydrocarbon substances, geothermal steam, brines and minerals in solution, and sand, gravel and aggregates, and products derived therefrom, together with the exclusive and perpetual right of Southern Pacific Company, a Corporation of the State of Delaware, its successors and assigns, or ingress and egress in, upon, or over said property to explore and prospect for, extract, develop, save, convey, store, refine, process, and remove the same and to make such use of said property and the surface thereof as is necessary or useful in connection therewith, which use may include the sinking, boring, digging or drilling of wells, shafts or tunnels, excavating, open pit mining and constructing, maintaining and removing roads, ways, pipelines, pole lines, tanks, buildings, structures and facilities as granted to BRAVO OIL COMPANY, a Corporation of the State of Texas, recorded December 29, 1965, Book 3906, Page 30, Official Records.

PARCEL 63: (KRGW-34-C) (APN 104-240-44)

The South half of Section 25, Township 29 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT THEREFROM that portion conveyed to ROSEDALE RIO BRAVO WATER STORAGE DISTRICT, by Deed recorded December 22, 1975, Book 4930, Page 1621, Official Records, described as that portion lying within the South half of the South half of said Section 25, described as follows:

BEGINNING at the Southwest corner of said Section 25; thence along the West line of said Section 25 North 01° 07' 07" East, 323.00 feet; thence South 89° 10' 11" East, 1171.33 feet; thence North 00° 49' 49" East, 127.00 feet; thence South 89° 10' 11" East, 1105.90 feet; thence North 00° 49' 49" East 95.00 feet; thence South 89° 10' 11" East 385.53 feet; thence South 89° 09' 24" East, 679.59 feet; thence North 00° 50' 36" East, 170.00 feet; thence South 89° 09' 24" East, 1983.75 feet to the East line of said Section 25; thence along said East line South 00° 44' 41" West 715.00 feet to the Southeast corner of said Section; thence along the South line of said Section North 89° 09' 24" West, 2664.51 feet; thence continuing along said South line North 89° 10' 11" West 2664.32 feet to the Point of Beginning.

Containing an area, after said exception, of 258 acres, more or less.

NOV 2 1 1995

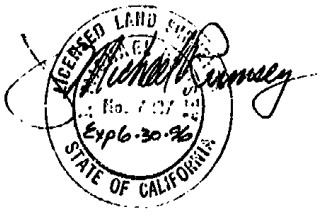
ALSO EXCEPT all of the minerals and mineral ores of every kind and character now known to exist of hereafter discovered upon, within or underlying said land or that may be produced therefrom, including, limiting the generality of the foregoing, all oil, natural gas and hydrocarbon substances, geothermal steam, brines and minerals in solution, and sand, gravel and aggregates, and products derived therefrom, together with the exclusive and perpetual right of Southern Pacific Company, a Corporation of the State of Delaware, its successors and assigns, or ingress and egress in, upon or over said property to explore and prospect for, extract, develop, save, convey, store, refine, process, and remove the same and to make such use of said property and the surface thereof as is necessary or useful in connection therewith, which use may include the sinking, boring, digging or drilling of wells, shafts or tunnels, excavating, open pit mining and constructing, maintaining and removing roads, ways, pipelines, pole lines, tanks, buildings, structures and facilities as granted to BRAVO OIL COMPANY, a Corporation of the State of Texas, recorded December 29, 1965, Book 3906, Page 30, Official Records.

EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate, and maintain a State Highway over, through, and across those portions of the hereinabove described Sections 1, 11, 12, 13, 14, 23, 24, 25, 35, and 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, included within the lines of the parcels of land described in deeds to the State of California, recorded December 15, 1934, Book 547, Page 56; recorded August 22, 1935, Book 596, Page 34; recorded May 20, 1977, Book 5028, Page 2074; and recorded May 20, 1977, Book 5028, Page 2077, all of Official Records of Kern County. (Affects Parcels 22, 32, 33, 37, 38, 40, 46, 48, 52, 55, 56, and 59).

ALSO EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate, and maintain a State Highway over, through, and across those portions of the hereinabove described Sections 34, 35, and 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, included within the lines of the parcels of land described in deeds to the State of California, recorded January 15, 1937, Book 683, Page 74, and recorded January 2, 1964 in Book 3677, Page 293, both of Official Records of Kern County. (Affects Parcels 21, 22 and 40).

ALSO EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate, and maintain a State Highway over, through, and across the South 30 feet of the hereinabove described Sections 32 and 33, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof. (Affects Parcels 44 and 45).

Bearings and distances used in the above description are based on the California Coordinate System, Zone V, 1927.



NOV 2 1 1995

The Department of Water Resources, State of California, hereby (1) reserves to itself title to one-half of the La Hacienda Program Water and one-half of the Berrenda Mesa Demonstration Program Water; and (2) grants to Kern County Water Agency one-half of the La Hacienda Program Water, one-half of the Berrenda Mesa Demonstration Program Water, all of the 1995 water, and all other water on, in, or under the real property which has not been reserved to the State herein. "Berrenda Mesa Demonstration Program Water" shall mean 2,532 acre feet of groundwater that has not been extracted by the State before the close of escrow on the property as part of the 1990 Berrenda Mesa Demonstration Program. "La Hacienda Program Water" shall mean the 83,127 acre feet of water that has not been extracted before the close of escrow of the 98,005 acre-feet of the groundwater purchased by the State from the Kern County Water Agency, and the Kern County Water Agency from La Hacienda, Inc., in 1991. "1995 Water" shall mean all water on, in, or under the real property upon closing that was delivered to and spread upon the real property at any time during 1995 by or for the Kern County Water Agency or its member units or the members of the Kern Water Bank Authority. (Does Not Affect Parcels 62 and 63).

Subject to special assessments, if any, restrictions, reservations, and easements of record.

The Director of Water Resources has determined that the said real property was acquired for State water development purposes, is no longer needed, and is not now being used for water development purposes.

The conveyance is executed pursuant to the authority vested in the Director of Water Resources by law.

Dated December 13, 1995.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

APPROVED
Department of General Services
By
Assistant Chief
Office of Real Estate and Design Services

David N. Kennedy
DIRECTOR OF WATER RESOURCES

TR95 (YAS)

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO } SS.

On Dec. 13, 1995 before me, Roberta E. Clemens

personally appeared DAVID N. KENNEDY

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(Seal)

ROBERTA E. CLEMENS
Comm. [illegible]
NOTARY [illegible]
My Comm. Expires [illegible], 1998

Roberta E. Clemens
NOTARY PUBLIC IN AND FOR THE STATE OF CALIFORNIA

DWR 618-SP (Rev 12/92)

I HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL OF ROBERTA E. CLEMENS AFFIXED TO THE WITHIN DOCUMENT, WHILE NOT BEING PHOTOGRAPHICALLY REPRODUCIBLE, CAN BE READ. I FURTHER CERTIFY THAT THE SAID NOTARY COMMISSION EXPIRES ON JANUARY 19, 1998. THE NOTARY BOND AND COMMISSION IS FILED IN SACRAMENTO COUNTY.

PLACE OF EXECUTION SACRAMENTO, CA.

DATE DECEMBER 13, 1995

CHICAGO TITLE CO.

BY: Marilyn Mobley

MARILYN MOBLEY, ESCROW OFFICER SR.

CERTIFICATE OF ACCEPTANCE
GOVERNMENT CODE SECTION 26281

THIS IS TO CERTIFY that the Kern County Water Agency hereby accepts for public purposes, the within document and consents to the recordation thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of August, 1996.

PAM BOSWORTH, Secretary to the Board
of Directors, Kern County Water Agency

[Seal]

11. Exception_14_0196102058_CCR

ATTACHMENT

Attached is the document you (or someone on your behalf) requested. As required by Section 12956.1(b)(1) of the California Government Code, please take note of the following:

"If the document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, that restriction violates state and federal fair housing laws is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

RECORDING REQUESTED BY:
CHICAGO TITLE CO. ESCROW NO.
B648002-mm
~~RECORDING REQUESTED BY~~
AND MAIL TO:

KERN COUNTY WATER AGENCY
POST OFFICE BOX 58
BAKERSFIELD, CALIFORNIA 93302-0058

EXEMPT FROM RECORDING FEE
PURSUANT TO GOVERNMENT CODE
SECTION 27383

James Maples.Assessor-Recorder
Kern County Official Records

PATTI
Pages: 57
8/09/1996
12 00:00

DOCUMENT #:0196102058

Fees
Taxes
Other
Stat Types 1 TOTAL PAID

DECLARATION OF COVENANTS CONDITIONS & RESTRICTIONS

This Declaration is made this 14th day of Dec, 1995 by the KERN WATER BANK AUTHORITY, a California Joint Powers Authority ("KWBA") for the benefit of the KERN COUNTY WATER AGENCY, a California public agency ("Agency").

WHEREAS, KWBA and Agency have entered into a Transfer and Exchange Agreement, dated December 13, 1995, which at Section 3 provides for execution and recording of this Declaration upon the Agency transferring the Real Property described at Exhibit B to KWBA.

NOW, THEREFORE, KWBA DOES HEREBY PROVIDE THIS DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS:

1.0 Definitions: The following definitions shall apply to this Declaration:

(a) "Agency Basic Contract Member Units": shall mean those member units that entered into long-term water supply contracts with the Agency prior to January 1, 1996, for an entitlement to a portion of the State Water Project furnished to the Agency annually by the State of California pursuant to the Agency's November 15, 1963 water supply contract with the State of California and any amendments thereto.

(b) "Agency Non-Basic Member Units": shall mean any member units of the Agency other than Agency Basic Contract Member Units.

(c) "Agency Member Units": shall mean member units of the Agency as that term is defined in Section 2(g) of the Kern County Water Agency Act, California Statutes 1961, Chapter 1003, as amended.

(d) "Member Entities": shall mean those entities that have become members of the Kern Water Bank Authority by executing the Joint Powers Agreement for the Kern Water Bank Authority, and their successors and assigns that become members.

(e) "Project": shall mean the Project described in Article V of the Joint Powers Agreement for the Kern Water Bank Authority.

(f) "Property": shall mean the approximately 19,890 acres of real property together with all improvements thereon located within Kern County, California, more fully described in Exhibit A attached hereto and incorporated herein by reference.

(g) "SWP Agricultural Contractors": for purposes of this Declaration shall mean the following State Water Project contractors: County of Kings; Dudley Ridge Water District; Empire West Side Irrigation District; Kern County Water Agency; Oak Flat Water District; and Tulare Lake Basin Water Storage District.

(h) "SWP Urban Contractors": shall mean every State Water Project contractor other than the SWP Agricultural Contractors.

2.0 General - Property Benefitted & Burdened By Declaration: It is the intent of the parties that each restraint or restriction relating to the use, repair, maintenance or improvement of the Property shall constitute a covenant running with the land, binding upon all successive owners of all or any portion of the Property. Such covenants shall be for the benefit of the land of Agency as described in Exhibit A, and shall burden the Property described in Exhibit B.

3.0 Use Of Property:

3.1 The annual consumptive use of groundwater upon any of the Property by KWBA, any successor in interest to KWBA, or any transferee of any interest in the Property, shall be limited to 0.3 acre feet per acre; provided however, that KWBA, any successor in interest thereto, or any transferee of any interest in any of the Property may make arrangements for additional supplies, which may include water banked by KWBA and/or its Member Entities. In the event of a breach of the restrictions provided for in this Section, Agency shall have the rights and remedies provided for in Section 3.6.

3.2 Neither the whole, nor any part, nor any interest in the property described in Exhibit C, may be sold, transferred, leased, subleased, assigned, conveyed or encumbered without the express prior written consent of Agency Board of Directors , provided that (i) Agency shall not unreasonably withhold such consent; and (ii) upon consultation with the Agency, such property may be encumbered as a bona fide security for improvements upon this Property used for water banking purposes and such restrictions on transfer shall not apply to any transfer upon or deed in lieu of foreclosure of such permitted encumbrance or be binding upon any transferee pursuant to or in lieu of foreclosure or upon

such transferee's successors and assigns. In no event shall withholding of consent of the Agency be deemed unreasonable if Agency determines that the property involved can be used economically for groundwater storage and recovery for agricultural water use in Kern County. If Agency so determines, and KWBA disputes such determination, the matter shall be resolved by arbitration in accordance with the provisions of Title 9 (commencing with Section 1280) of Part 3 of the California Code of Civil Procedure. In determining whether the property affected can be economically used for groundwater storage and recovery for agricultural use in Kern County, the arbitrator shall not consider the possible economic returns from any other potential uses of the property. If the arbitrator determines that the property affected can not be used economically for such purpose, and KWBA thereafter elects to dispose of such property, Agency shall have a right of first refusal to purchase or lease such property on the same terms and conditions as those provided for in the proposed sale or lease. Any offer, acceptance, or agreement for such sale or lease by KWBA with a third party must state in writing that it is subject to such rights of Agency. KWBA shall serve written notice on Agency of the terms of such proposed sale or lease, and or any material amendments or modifications of such terms. Agency shall have 90 days after receipt of written notice of the terms of such sale or lease, or of any material amendments or modifications of such terms, whichever is later, to exercise such right of first refusal. In the event of a breach of the restrictions provided for in this Section, Agency shall have the rights and remedies specified in Section 3.6.

3.3 The property described in Exhibit D may be sold, transferred, leased, subleased, assigned, conveyed or encumbered; provided that all of the net proceeds from such disposition shall be used solely for the development, operation (including purchase of water) or maintenance of the Project, including any amortization of indebtedness incurred for such development, operation or maintenance, unless (i) substantially all the property described at Exhibit C has been or is being disposed of because it has been determined by the Agency or an arbitrator in accordance with the procedure set forth in Section 3.2 that the property described in Exhibit C can not be used economically for groundwater storage and recovery for agricultural water used in Kern County, or (ii) otherwise agreed to in writing by the Agency. In the event of a breach of the restrictions provided for in this Section, Agency shall have the rights and remedies provided for in Section 3.6.

3.4 The property described in Exhibit E may be sold, transferred, leased, subleased, assigned, conveyed or encumbered; provided that all of the net proceeds from such disposition shall be used solely for the development, operation (including purchase of water) or maintenance of the Project, including any amortization of indebtedness incurred for such development, operation or maintenance, unless (i) substantially all the property described at Exhibit C has been or is being disposed of because it has been determined by the Agency or an arbitrator in accordance with the procedure set forth in Section 3.2 that the property described in Exhibit C can not be used economically for groundwater storage and recovery for agricultural water used in Kern County, or (ii) otherwise agreed to in writing by the Agency. In the event that any of the property described in Exhibit E is sold, transferred, or conveyed, and KWBA does not retain and reserve a fee interest or a permanent exclusive easement, to

each of the well sites located thereon described in Exhibit F, together with any pumps or motors or other equipment used in connection with such wells, Agency shall have and is hereby granted an option (the "Option") to purchase such property at the fair market value. Agency may exercise the Option only if KWBA attempts to sell, transfer or convey any property listed on Exhibit E without retaining and reserving the well sites located thereon listed on Exhibit F. The Option shall be exercised by the Agency providing written notice to KWBA of the exercise of such option within 30 days of Agency's receipt of written notice from KWBA or any record owner of title to such property of a proposed sale, conveyance or transfer. Within 90 days of the date the parties agree as to the fair market value of the Property or within 90 days of the date of the appraisal provided for below, whichever is earlier, Agency and the owner of such property shall enter into the purchase agreement attached hereto as Exhibit G. The purchase price for such property shall be the fair market value of the property. In the event that the parties can not agree to the fair market value of the property within 30 days after the exercise of the Option, the parties shall select an M.A.I. appraiser to appraise the property. Each party shall pay one-half of the cost of such appraisal. In the event that the parties do not agree upon an appraiser within 45 days after the exercise of the Option, each party shall name an appraiser, and those appraisers shall jointly name an appraiser to appraise such property. In no event shall KWBA consummate more than three transfers or other transactions subject to this section without retaining the rights to such well sites.

3.5 KWBA may request that Agency make property which is subject to the restrictions contained in 3.2, subject instead to the provisions of 3.3. Such modification shall be subject to the written consent of the Agency; provided, Agency shall not unreasonably withhold such consent. If the Agency so determines, and KWBA disputes such determination, the matter shall be resolved by arbitration in accordance with the provisions of Title 9 (commencing with Section 1280) of Part 3 of the California Code of Civil Procedure. In the event the Agency so consents, Agency and KWBA shall promptly execute, acknowledge and record an appropriate amendment to this Declaration containing such modification.

3.6 In the event that KWBA, or any successor in interest to KWBA, or any transferee, lessee, sublessee or assignee of the Property affected, shall violate any of the restrictions or restraints upon such Property, or enter into any agreement which would cause such restrictions or restraints to be violated, or otherwise breach the terms of Sections 3.2, 3.3, 3.4 or 3.5, Agency shall have the following rights and remedies, at its sole election:

3.6.1 Agency shall be entitled to a temporary restraining order, and preliminary and permanent injunctions, restraining the breach of such restrictions; and in addition; any sale, transfer, lease, sublease, assignment, conveyance, encumbrance or use in violation or breach of the terms of Sections 3.3, 3.4 or 3.5 of this Declaration shall be void and of no force or effect; and Agency shall further be entitled to declaratory relief so providing;

3.6.2 Agency shall be entitled to any other remedies it may have at law or in equity.

3.7 The foregoing provisions of Sections 3.1 through 3.6 of this Declaration shall not apply if KWBA elects to change its form to another form of public entity, and in connection with such change of form transfers title to the Property to such successor entity, provided that (i) 66-2/3% of the members of the KWBA are members of or participants in the successor agency; and (ii) such successor agency assumes the obligations under this Declaration in the same manner as required of the KWBA. The foregoing provisions of Sections 3.1 through 3.6 of this Declaration also shall not apply to any succession to the rights, interests and obligations of KWBA pursuant to Section 5.6(c) of the Joint Powers Agreement of the KWBA, dated October 16, 1995, as amended from time to time, provided that the reconstituted Authority assumes the obligations under this Declaration in the same manner as required of the KWBA.

4.0 Priorities For Use Of The Project:

4.1. The KWBA Member Entities shall have the first priority right to use the Project for the recharge, storage and/or recovery of water primarily for the use within the boundaries of the Agency and Dudley Ridge Water District. Included within such priority will be uses of the Project for recharge of high flow Kern River flows under terms and conditions of agreement(s) entered into between the KWBA or any of its Member Entities and the holders of Kern River water rights. The KWBA and/or its Member Entities intend to enter into long term exchanges and programs with other entities including entities outside of Agency boundaries. Such exchanges will be subject to the following:

4.1.1 Any such exchange or program with interests outside the boundaries of the SWP Agricultural Contractors, shall be subject to the approval of Agency under the same terms and conditions as Agency applies to other Agency Member Units.

4.1.2 If approved, these transactions will be included in this first priority use category.

4.2 To the extent there is recharge, storage and/or recovery capacity available in the Project facilities beyond that needed for the first priority ("Excess Capacity"), Agency Basic Contract Member Units, including Agency and its improvement districts, shall have the second priority right to use the Project for the recharge and/or recovery of water for use in the boundaries of Agency if they pay the Fair Compensation for such use or a lesser amount agreed to by KWBA. The meaning of "Fair Compensation" shall be the same as that set forth in California Water Code section 1811. The KWBA Board of Directors may establish from time to time such rates consistent with said section 1811.

4.3 The third priority shall be any Agency Non-Basic Contract Member Unit for use within Kern County, subject to the approval of terms and conditions acceptable

to the KWBA and approval of Agency, where Agency approval would otherwise be required absent the Project.

4.4 The fourth priority shall be any person, entity or organization within the County of Kern for use within Kern County, subject to terms and conditions acceptable to KWBA and approval of Agency, where Agency approval would otherwise be required absent the Project.

4.5 Any excess Capacity available beyond that needed for these first four priorities can be made available to other persons, entities, or organizations, including SWP Urban Contractors, on terms and conditions acceptable to the KWBA and Agency.

IN WITNESS HEREOF, this Declaration has been executed the date first above written.

KERN WATER BANK AUTHORITY

BY _____
WILLIAM D. PHILLIMORE

Its: Chairman

KERN COUNTY WATER AGENCY

BY _____
ADRIENNE JO MATHEWS

Its: President

223315.2

EXHIBIT A

PARCEL 1:

All of Section 5, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying southerly of the southerly line of that portion thereof described in the Final Order of Condemnation, a certified copy of which was recorded December 1, 1981 in Book 5421, Page 1531 of Official Records.

PARCEL 2:

That portion of the South half (S/2) of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying northeasterly of the northeasterly line of the Southern Pacific Railroad Company Asphalto Branch Right of Way, as conveyed in deed recorded October 21, 1893 in the Office of the Kern County Recorder, in Book 47 of Deeds, at page 356, and southerly of the southerly line of that portion of Section 6 described in the Final Order of Condemnation, a certified copy of which was recorded December 1, 1981, in Book 5421, Page 1531 of Official Records.

PARCEL 3:

That portion of Section 7, and the North half (N/2) of Section 8, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying northeasterly of the northeasterly right of way line of Southern Pacific Railroad Company's Asphalto Branch Line, as described in deed recorded October 21, 1893 in the Office of the Kern County Recorder, in Book 47 of Deeds, at page 356.

PARCEL 4:

The West half of the Northwest Quarter of Section 9, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area, County of Kern, State of California, according to the Official Plat thereof.

PARCEL 5:

The Southeast quarter of the Northwest Quarter; the Northeast Quarter, and the South half of Section 10, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area, County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion thereof conveyed to the City of Bakersfield, a municipal corporation, in deed recorded August 3, 1988 in the Office of the Kern County Recorder, in Book 6149 of Official Records, at page 407.

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PARCEL 6:

All of Section 15, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area, County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion thereof conveyed to the Southern Pacific Railroad Company, in deed recorded October 21, 1893, in Book 47, Page 356 of Deeds.

ALSO EXCEPTING THEREFROM that portion thereof conveyed to the City of Bakersfield, a municipal corporation, in deed recorded August 3, 1988 in the Office of the Kern County Recorder, in Book 6149 of Official Records, at page 407.

PARCEL 7:

That portion of Section 16, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Sales Map of Lands of Kern County Land Company dated May 23, 1892 and recorded May 28, 1892 in the Office of the Kern County Recorder, lying southerly of the southerly line of the Kern River Canal as described in the deed recorded December 30, 1976, in Book 4999, page 431 of Official Records and easterly and northeasterly of the lands conveyed to Southern Pacific Railroad Company, a corporation, in deeds recorded October 21, 1893 and July 2, 1894, in Book 47, Page 356 of Deeds and Book 54, Page 262 of Deeds, respectively;

EXHIBIT B

PLEASE SEE EXHIBIT 1.1A

KWB-2-AR

All that certain real property situate in the unincorporated area of the County of Kern, State of California, described in Deeds to the STATE OF CALIFORNIA, recorded August 31, 1988, Book 6158, Pages 1098 through 1119; recorded March 22, 1990, Book 6360, Pages 1923 through 1925; March 7, 1990, in Book 6354, Pages 998 through 1000; and March 7, 1990, Book 6354, Pages 989 through 991, all of Official Records in the Office of the County Recorder of said Kern County, being more or less described herein as follows:

PARCEL 1: (KRCW-1 UNIT A Unit A1) (APN 159-010-02)

Section 12, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, and containing an area of 640 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158 Page 1098, Official Records.

PARCEL 2: (KRWG-1 UNIT A Unit A2) (APN 159-180-03)

Section 13, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING the Southwest quarter of the Southwest quarter of said Section, and containing an area, after said exception, of 602 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

EXHIBIT 1.1.A

NOV 2 1 1995

PARCEL 3: (KRGW-1 UNIT A Unit A3) (APN 159-180-04)

The Northeast quarter, the Northeast quarter of the Southeast quarter, and the East half of the Northwest quarter of Section 24, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion of said Section 24 described in deed to the State of California, recorded January 23, 1933, Book 458, Page 481, Official Records of said County, described as follows:

BEGINNING at the Northwest corner of the Southeast quarter of the Northwest quarter of said Section 24, and thence South 51° 52' East a distance of 2130 feet, more or less, to a point on the South line of the North half of said Section 24; thence West along said South line a distance of 1672.8 feet to the Southwest corner of said Southeast quarter of the Northwest quarter of said Section 24; and thence North along the West line of said Southeast quarter of the Northwest quarter of said Section 24 to the Point of Beginning.

Containing an area, after said exception, of 255 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 4: (KRGW-1 UNIT A Unit A8) (APN 160-090-01, 160-090-02)

Section 18, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing and area of 650 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 5: (KRGW 1 UNIT A Unit A9 and UNIT B Unit B5) (APN 160-100-08, 160-100-07, 160-100-02)

Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area of 626 acres, more or less.

ALSO EXCEPT from the East half of the Southeast quarter of the Southwest quarter of the Southwest quarter, the Southwest quarter of the Southeast quarter of the Southwest quarter of the Southwest quarter, and the West half of the Southeast quarter of the Southwest quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this MINERAL GRANT DEED shall be defined in the broadest send of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove, and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral subetances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 6: (KRGW-1 UNIT A Unit A4) (APN 160-030-14 Ptn.)

That portion of the South half of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the State Highway as granted to the State of

NOV 2 1 1995

California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 319 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 7: (KRGW-1 UNIT A Unit A4) (APN 160-030-14, 160-030-12 Ptn.)

That portion of the Southwest quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 52 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 8: (KRGW-1 UNIT A Unit A5) (APN 160-040-01, 160-040-02)

Section 7, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, and containing an area of 653 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

WDV 2 | 1995

the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 9: (KRGW-1 UNIT A Unit A6) (APN 160-040-03 Ptn.)

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County.

EXCEPT those portions conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1, by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302, a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, of Official Records.

Containing an area, after said exception, of 546 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 10: (KRGW-1 UNIT B Unit B1) (APN 160-050-01 Ptn.)

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPT those portions conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, in Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 85 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word

NOV 2 1 1995

and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 11: (KRGW-1 UNIT A Unit A7 and UNIT B Unit B4) (APN 160-090-03)

Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, in Book 5421, Page 1531, Official Records.

Containing an area of 604 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 12: (KRGW-1 UNIT B Unit B3) (APN 160-080-01 Ptn.)

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 591 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word

NOV 2 | 1995

"minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 13: (KRGW-1 UNIT B Unit B2) (APN 160-080-02 Ptn.)

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records, containing an area of 154 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectivaly called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 14: (KRGW-1 UNIT B Unit B6) (APN 160-100-09, 160-100-10, 160-100-04, 160-100-05)

Section 20, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302, a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 642 acres, more or less.

ALSO EXCEPT from the Southwest quarter of the Southeast quarter of the Southwest quarter and the South half of the Southwest quarter of the Southwest quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the work "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products,

NOV 21 1995

both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Dead recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 15: (KRGW-1 UNIT B Unit B7) (APN 160-110-13)

The North half of Section 21, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 320 acres, more or less.

EXCEPT All oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Dead recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 16: (KRGW-1 UNIT B Unit B8) (APN 160-110-10 Ptn.)

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 138 acres, more or less.

NOV 2 1 1995

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 17: (KRGW-1 UNIT B Unit B9 and UNIT C Unit C6) (APN 160-120-39, 160-120-40 Ptn.)

That portion of the West half and that portion of the Southeast quarter of Section 23, Township 30 South, Range 25 East, Mount Diablo Maridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPT that portion conveyed to West Kern Water District, by deed recorded August 22, 1988, Book 6155, Page 1405, Official Records. Containing an area, after said exception, of 99 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 18: (KRGW-1 UNIT C Unit C3) (APN 160-140-15, 160-140-18)

The Northeast quarter of Section 28, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 160 acres, more or less.

EXCEPT from the Southwest quarter of the Northeast quarter of the Northeast quarter; the South half of the Northwest quarter of the Northeast quarter; all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic,

NOV 2 | 1995

solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas, and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 19: (KRGW-1 UNIT C Unit C2) (APN 160-140-03, 160-140-04)

Section 27, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 638 acres, more or less.

EXCEPT from the Southwest quarter of the Southwest quarter of the Northeast quarter; the Northwest quarter of the Southeast quarter of the Northwest quarter; the South half of the Southeast quarter of the Northwest quarter; the Southwest quarter of the Northwest quarter; the West half of the Northeast quarter of the Southeast quarter; the Northwest quarter of the Southeast quarter, the South half of the Southeast quarter; and the Southwest quarter of said Section; all of the oil, gas and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

NOV 21 1995

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988 in Book 6158 Page 1098, of Official Records.

PARCEL 20: (KRGW-1 UNIT C Unit C1) (APN 160-130-07)

The Northwest quarter of Section 26, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING the East half of the East half of said Northwest quarter, containing an area, after said exception, of 120 acres, more or less.

ALSO EXCEPT of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tennaco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 21: (KRGW-1 UNIT C Unit C4) (APN 160-170-03, 160-170-04)

Section 34, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 639 acres, more or less.

EXCEPT from the North half; the North half of the South half, the Northeast quarter of the Southeast quarter of the Southwest quarter; the North half of the Southwest quarter of the Southeast quarter; the Southeast quarter of the Southwest quarter of the Southeast quarter; and the Southeast quarter of the Southeast quarter of said Section, all of the oil, gas and other minerals of whatsoever kind or character whether now known to exist or hereinafter discovered (it being intended that the word "minerals" as used in this Mineral Grant Deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill

NOV 2 1 1995

for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by Deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 22: (KRGW-1 UNIT C Unit C5) (APN 160-180-01, 160-180-02 Ptn.)

Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion described in Director's Deed, KRGW-1-A, recorded March 22, 1990, Book 6360, Page 1927, Official Records, being more or less recited herein as follows:

> That portion of Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, County of Kern, State of California, according to the Official Plat thereof, lying South of the South right of way line of State Highway 119, said right of way being more particularly described in State Highway Deed to the State of California, recorded January 15, 1937, Book 683 Page 74, Official Records of said Kern County.
>
> EXCEPTING THEREFROM the East 758.43 feet of said Section 35, as described in Easement Deed to the State of California, recorded January 2, 1964, Book 3677, Page 293, Official Records of said County,

Containing an area, after said exception, of 638 acres, more or less.

EXCEPT from the West half; the Northwest quarter of the Northwest quarter of the Northeast quarter; the South half of the Northwest quarter of the Northeast quarter; the Southwest quarter of the Northeast quarter of the Northeast quarter; the Southwest quarter of the Northeast quarter; the West half of the Southeast quarter of the Northeast quarter; the Northwest quarter of the Southeast quarter, the West half of the Northeast quarter of the Southeast quarter; the North half of the Southwest quarter of the Southeast quarter; the Southwest quarter of the Southwest quarter of the Southeast

NOV 2 1 1995

quarter; and the Northwest quarter of the Southeast quarter of the Southeast quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that he word "minerals" as used in this Mineral Grant Deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by Deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 23: (KRGW-3 UNIT A Unit A1 and UNIT B Unit B1) (APN 150-020-04)

The South half of Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 300 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

NOV 2 1 1995

the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 24: (KRGW-3 UNIT A Unit A2 and UNIT B Unit B2) (APN 160-020-06)

The Southwest quarter of Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exceptions, of 159 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 25: (KRGW-3 UNIT A Unit A2 and UNIT B Unit B2) (APN 160-020-08)

PARCEL 2, in the unincorporated area of the County of Kern, State of California, as shown on amended Parcel Map NO. 1450, filed February 6, 1974, in the Office of the County Recorder of Kern County.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Said land is a division of a portion of the East half of Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian.

Containing an area, after said exception, of 153 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said

NOV 2 1 1995

real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 26: (KRGW-3 UNIT A Unit A3) (APN 160-030-12 Ptn.)

That portion of the South half of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the Southeast quarter of the Southeast quarter of said Section 5.

Containing an area, after said exception, of 212 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 27: (KRGW-3 UNIT A Unit A4) (APN 160-030-10)

The Southeast quarter of the Southeast quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 40 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 28: (KRGW-3 UNIT A Unit A5) (APN 160-030-14 Ptn.)

That portion of the Southeast quarter of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 2 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 29: (KRGW-3 UNIT A Unit A6) (APN 160-040-03 Ptn.)

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 70 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 30: (KRGW-3 UNIT A Unit A7 and UNIT B Unit B3) (APN 160-050-01 Ptn.)

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the

NOV 21 1995

Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4017, Page 193, Official Records.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 505 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 31: (KRGW-3 UNIT B Unit B4) (APN 160-050-04)

All of Section 10, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 32: (KRGW-3 UNIT B Unit B5) (APN 160-060-01, 160-060-02, 160-060-03)

All of Section 11, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

NOV 2 1 1995

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 33: (KRGW-3 UNIT B Unit B6) (APN 160-070-03, 160-070-04, 160-070-02, 160-070-11)

All of Section 14, Township 30 South, Range 25 East, Mount Diablo Maridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion described as:

> BEGINNING at the iron pipe with a 4 inch brass cap (stamped R.E. 2312, 1937) marking the Northwest corner of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, and running thence South 89° 39' East, along the Northerly boundary line of said Section 14, a distance of 415.00 feet; thence along a line parallel with the Westerly boundary line of said Section 14, the following two courses and distances, namely: South 0° 17 1/2 West, 55.00 feet to a concrete monument with a 3 inch bronze cap (marked PAC. GAS & ELECT. CO. PROP.); and thence continuing South 0° 17 1/2 West, 330.00 feet to a concrete monument with a 3 inch pipe bronze cap (marked PAC. GAS & ELECT. CO. PROP. COR.); thence along a line parallel with the Northerly boundary line of said Section 14 the following two courses and distances, namely; North 89° 39' West 360.00 feet to a concrete monument with a 3 inch bronze cap (marked PAC. GAS & ELECT. CO. PROP.); and thence continuing North 89° 39' West, 55.00 feet to a point in the Westerly boundary line of said Section 14; thence North 0° 17 1/2 East, along the Westerly boundary line of said Section 14, a distance of 385.00 feet to the Point of Beginning.

Containing an area, after said exception, of 634 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

NOV 2 1 1995

which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 34: (KRGW-3 UNIT B Unit B7) (APN 160-080-02 Ptn., 160-080-03, 160-080-04)

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 451 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 35: (KRGW-3 UNIT B Unit B8) (APN 160-080-01)

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 32 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 36: (KRGW-3 UNIT B Unit B9) (APN 160-110-10 Ptn.)

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 11 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 37: (KRGW-3 UNIT B Unit B10) (APN 160-120-20 Ptn., 160-120-22 Ptn., 160-120-40 Ptn.)

That portion of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT all that portion lying Southerly of the Northerly line of Parcel 2, as described in the deed to the City of Bakersfield, recorded December 30, 1976, Book 4999, Page 436, Official Records, said line being described as beginning at a point on the Northeasterly boundary line of the State Highway referred to above, at "the East-West centerline of said Section 23; thence along said centerline South 88° 41' 55" East, 2790.38 feet; thence North 55° 19'28" East, 330.00 feet; thence North 74° 21' 35" East, 450.00 feet, more or less, to the East line of said Section 23."

Containing an area, after said exception, of 282 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by

NOV 2 1 1995

Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 38: (KRGW-5 UNIT A) (APN 160-120-20, 160-120-22)

That portion of the South half of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, described therein as Parcel 2, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the State of California by deed recorded March 24, 1967, Book 4037, Page 193, Official Records, described therein as Parcel 1.

ALSO EXCEPT that portion conveyed to the City of Bakersfield, a Municipal Corporation, by deed recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exceptions, of 65 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 39: (KRGW-7 UNIT A) (APN 160-130-03 Ptn.)

That portion of the West half and the Southeast quarter of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly and Southwesterly of the Southwesterly boundary of that certain parcel conveyed to the State of California, for the purpose of a freeway, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 157 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

NOV 21 1995

the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 40: (KRGW-7 UNIT B) (APN 160-180-04 Ptn.)

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary of that certain parcel conveyed to the State of California, for the purposes of a freeway, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the West half of the Southwest quarter of the Southwest quarter of said Section 36.

Containing an area, after said exception, of 883 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 41: (KRGW-9 UNIT A) (APN 161-180-12 Ptn.)

That portion of the Northwest quarter of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

Containing an area of 6 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 42: (KRGW-11 UNIT A Unit A1) (APN 161-160-02)

All of Section 28, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the Northwest quarter, the Northwest Quarter of the Southwest quarter, the Northwest quarter of the Northeast quarter of the Southwest quarter, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 420 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 43: (KRGW-11 UNIT A Unit A2) (APN 161-180-12 Ptn.)

That portion of the North half of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the Northeast quarter of the Northwest quarter of the Northwest quarter, the Northeast quarter of the Northwest quarter, the Northeast quarter of the Southeast quarter of the Northwest quarter, the Northwest quarter of the Northeast quarter, the Northeast quarter of the Northeast quarter and the North half of the South half of the Northeast quarter of said Section.

Containing an area, after said exception, of 135 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 44: (KRGW-11 UNIT A Unit A3) (APN 161-180-04)

All of Section 32, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the North half of the South half of the Northwest quarter, the Southwest quarter of the Northwest quarter of the Northeast quarter, the North half of the Northwest quarter, the Northwest quarter of the Northeast quarter of the Northeast quarter, and the North half of the Northwest quarter of the Northeast quarter of said Section.

Containing an area, after said exception, of 480 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 45: (KRGW-11 UNIT A Unit A4) (APN 161-190-05, 161-190-10, 161-190-09, 161-190-11)

All of Section 33, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 641 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 46: (KRGW-13 UNIT A) (APN 160-130-03 Ptn.)

That portion of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California,

NOV 2 1 1995

by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

EXCEPT the Northeast quarter, the Northeast quarter of the Southeast quarter, the Northeast quarter of the Northwest quarter of the Southeast quarter, and the Northeast quarter of the Southeast quarter of the Southeast quarter of said Section.

Containing an area, after said exception, of 215 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 47: (KRGW-13 UNIT B) (APN 160-180-04)

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 25 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 48: (KRGW-15 UNIT A Unit A1) (APN 160-120-12, 160-120-05, 160-120-18, 160-120-25)

That portion of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of a line described as follows:

NOV 2 1 1995

BEGINNING at a point on the East line of said Section 24, distant thereon South 00° 22' 38" East, 1526.351 feet from the Northeast corner thereof, which point lies on the Northerly boundary line of the Kern River Canal right of way, as hereinafter described; thence along said Northerly boundary line, South 82° 29' 42" West, 1202.846 feet to the Westerly terminus of the concrete lined section of said canal; thence South 07° 30' 18" East, 100.00 feet; thence along the Southerly boundary of the earthen section of said canal, South 82° 29' 42" West, 2181.995 feet; thence, leaving said boundary South 39° 25' 12" West, 876.787 feet; thence South 77° 55' 12" West, 1400.00 feet, more or less, to a point on the West line of said Section 24, distant thereon 340.00 feet Southerly of the West one-quarter corner thereof.

EXCEPT that portion of said Section 24 granted to the State of California for freeway purposes by deed, recorded March 24, 1967, Book 4037, Page 193, of said Official Records, more particularly described therein.

ALSO EXCEPT any portion thereof lying Northerly of the Southerly line of the Kern River Canal.

ALSO EXCEPT the Southeast quarter of the Southeast quarter, and the Southeast quarter of the Southwest quarter of the Southeast quarter of said Section 24.

Containing an area, after said exceptions, of 325 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 49: (KRGW-19 UNIT A Unit A3) (APN 161-100-25)

All that portion of Section 19, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPT the South half of the South half of the South half, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section 19.

Containing an area, after said exception, of 408 acres, more or less.

NOV 2 1 1995

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 50: (KRGW-15 UNIT A Unit A4) (APN 161-100-13)

All that portion of Section 20, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPT the South half of the Southeast quarter, the Southeast quarter of the Northwest quarter of the Southeast quarter, the South half of the Northeast quarter of the Southeast quarter, the South half of the South half of the Southwest quarter, the North half of the Southeast quarter of the Southwest quarter, and the Northeast quarter of the Southwest quarter of the Southwest quarter of said Section 20.

Containing an area, after said exception, of 457 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 51: (KRGW 15 UNIT A Unit A2) (APN 161-090-07)

All that portion of Section 17, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in Grant Deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

Containing an area of 155 acres, more or less.

NOV 2 1 1995

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 52: (KRGW-17 UNIT A Unit A1) (APN 160-070-06, 160-070-20, 160-070-14, 160-070-22, 160-070-19)

Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the South half of the Southeast quarter of said Section 13.

ALSO EXCEPT the South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of said Section 13, containing an area, after said exception, of 540 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 53: (KRGW 17 UNIT A Unit A2) (APN 160-120-17)

The Northwest quarter of the Northwest quarter and the West half of the West half of the Northeast quarter of the Northwest quarter of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 50 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

NOV 2 | 1995

which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 54: (KRGW-17 UNIT A Unit A3) (APN 161-090-10, 161-090-01)

The North half of Section 18, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the Easterly 1700 feet of the South half of the South half of the Northwest quarter, the South half of the South half of the Northeast quarter, the Easterly 900 feet of the Northeast quarter of the Northeast quarter, and the Easterly 900 feet of the North half of the Southeast quarter of the Northeast quarter of said Section 18, containing an area, after said exception, of 222 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 55: (KRGW-19 UNIT A Unit A1 and UNIT B) (APN 160-010-12, 160-010-14, 160-010-24, 160-010-13, 160-010-26, 160-010-17)

The South half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 306 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

NOV 2 1 1995

which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 56: (KRGW-19 UNIT A Unit A2) (APN 160-060-17, 160-060-04, 160-060-21, 160-060-20, 160-060-06, 160-060-18, 160-060-19, 160-060-15, 160-060-07, 160-060-09)

Section 12, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the South half of the Southwest quarter of said Section, containing an area, after said exception, of 561 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 57: (KRGW-19 UNIT A Unit A3) (APN 161-040-20, 161-040-02, 161-040-09, 161-040-10, 161-040-11)

That portion of Section 7, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the Southern Pacific Railroad Asphalto Branch, as granted to SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, Records of said County.

Containing an area of 637 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 21 1995

PARCEL 58: (KRGW-30 UNIT A and UNIT B) (APN 161-030-23, 161-030-08, 161-030-24)

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the Southern Pacific Railroad Asphalto Branch, as granted to the SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 166 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 59: (KWB-4-B) (APN 160-070-28)

The South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 23 acres, more or less.

PARCEL 60: (KWB-5-A)

UNIT A (APN 160-070-10)

The North 385 feet of the West 415 feet of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 3.67 acres, more or less.

UNIT B (APN 160-010-40, 160-010-38, 160-010-43)

That portion of the East 5000 feet of the North half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Pioneer Canal Easement as described in PARCEL C, P-O Canal Easement Deed, recorded December 6, 1978, Book 5159, Page 2217, Official Records of said County, containing an area of 8.37 acres, more or less.

NOV 21 1995

UNIT C (APN 161-030-42)

That portion of the Northwest quarter of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Pioneer Canal Easement as described in PARCEL C, P-O Canal Easement Deed, recorded December 6, 1978, Book 5159, Page 2217, Official Records of said County.

EXCEPTING THEREFROM that portion of said Northwest quarter lying Northeasterly of the Southwesterly property line of the Southern Pacific Railroad Asphalto Branch, as granted to the SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by Deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, records of said County, containing an area, after said exception, of 3.25 acres, more or less.

UNIT D (APN 160-010-41)

The South 1176.00 feet of the West 165.00 feet of the Northwest quarter of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 4.45 acres, more or less.

PARCEL 61: (KRGW-29)

UNIT A (APN 161-040-26, 161-040-13)

That portion of the West half of the West half of Section 8, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Southwesterly property line of the Southern Pacific Railroad Asphalto Branch, as said railroad is described in deed, recorded October 21, 1893, Book 47, Page 356, Deeds, records of Kern County.

EXCEPTING THEREFROM the Southerly 820 feet of the Southwest quarter of the Southwest quarter of said Section 8, as granted to the CITY OF BAKERSFIELD, a Municipal Corporation, by deed, recorded December 30, 1976, Book 4999, Page 436, Official Records.

SUBJECT TO all exceptions, reservations, terms, conditions, covenants, and restrictions contained and recited in that certain oil, gas, and/or mineral interest assignment and conveyance from TENNECO WEST, INC., to TENNECO OIL COMPANY, recorded November 18, 1988 in Book 6183, Page 1167, Official Records of said County.

Containing an area, after said exception, of 73 acres, more or less.

EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate, and maintain a State Highway over, through, and across those portions of the hereinabove described Sections 1, 11, 12, 13, 14, 23, 24, 25, 35 & 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, included within the lines of the parcels of land described in deeds to the State of California, recorded December 15, 1934, Book 547, Page 56; recorded August 22, 1935, Book 596, Page 34; recorded May 20, 1977, book 5028, Page 2074; and recorded May 20, 1977, Book 5028, Page 2077, all of Official Records of Kern County. (Affects Parcels 22, 32, 33, 37, 38, 40, 46, 48, 52, 55, 56 and 59).

ALSO EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate and maintain a State Highway over, through, and across those portions of the hereinabove described Sections 34, 35 and 36, township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, included within the lines of the parcels of land described in deeds to the State of California, recorded January 15, 1937, Book 683, Page 74, and recorded January 2, 1964 in Book 3677, Page 293, both of Official Records of Kern County. (Affects Parcels 21, 22 and 40).

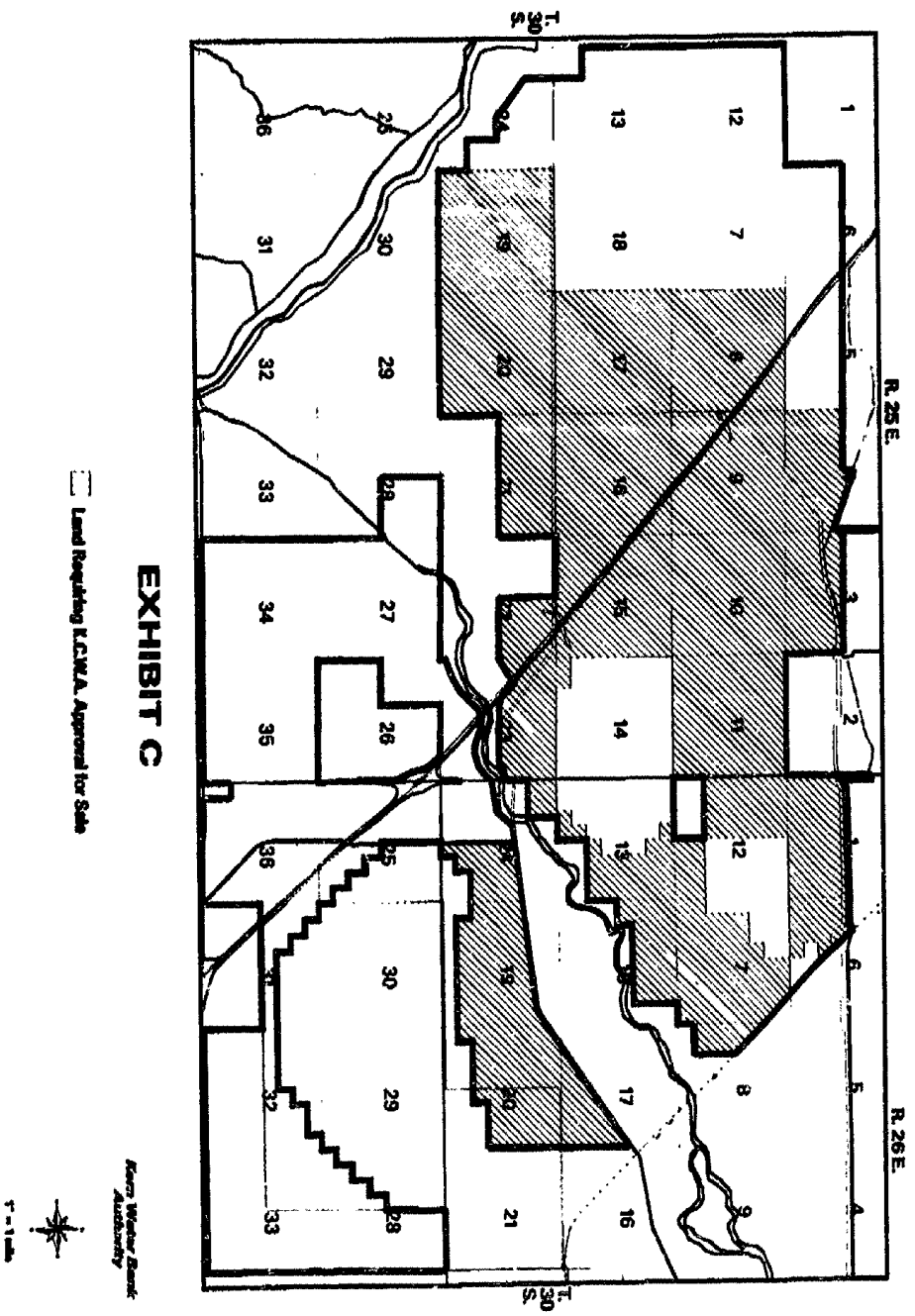
ALSO EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate, and maintain a State Highway over, through, and across the South 30 feet of the hereinabove described Sections 32 and 33, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof. (Affects Parcels 44 and 45).

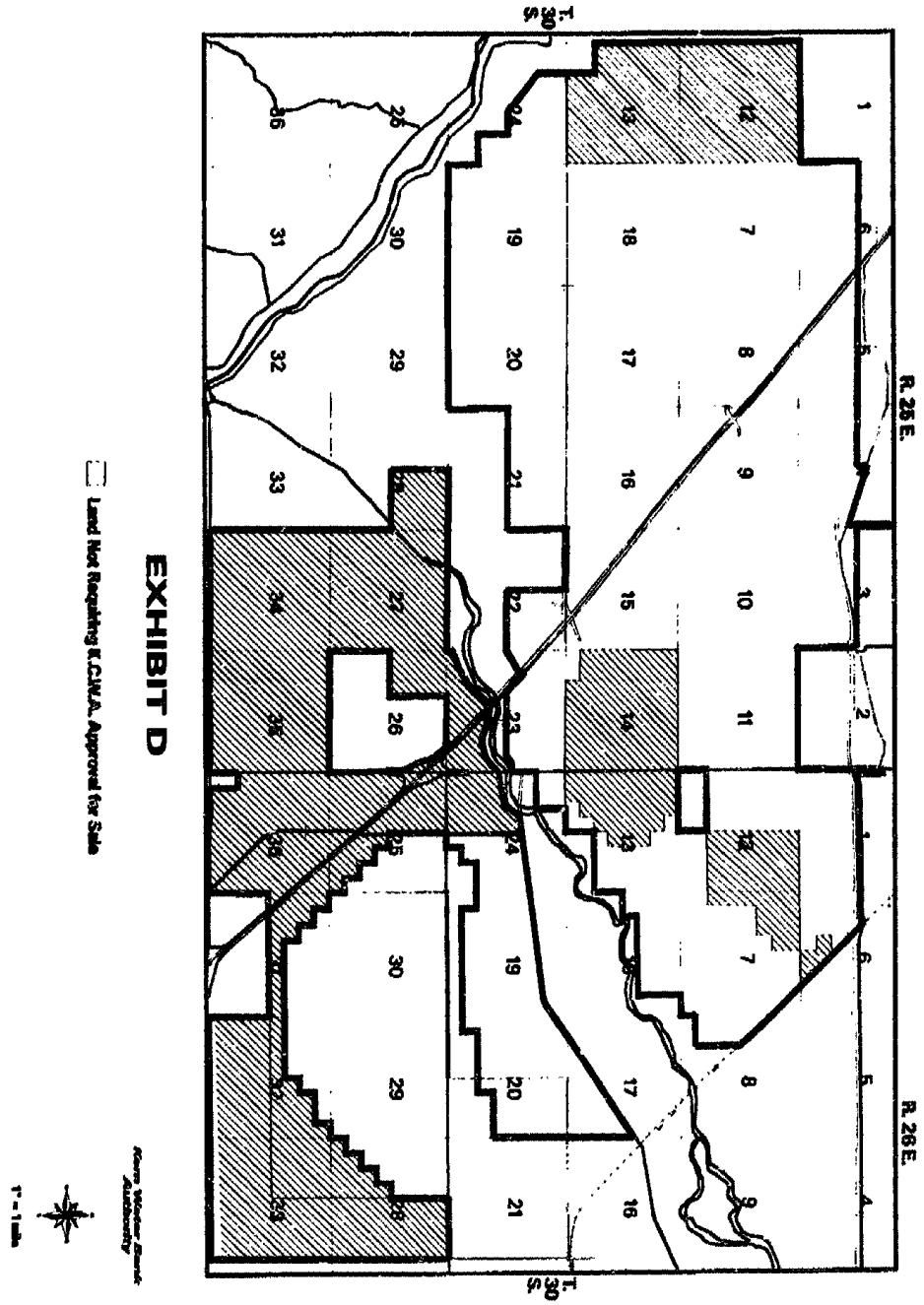
Bearings and distances used in the above description are based on the California Coordinate System, Zone V, 1927.

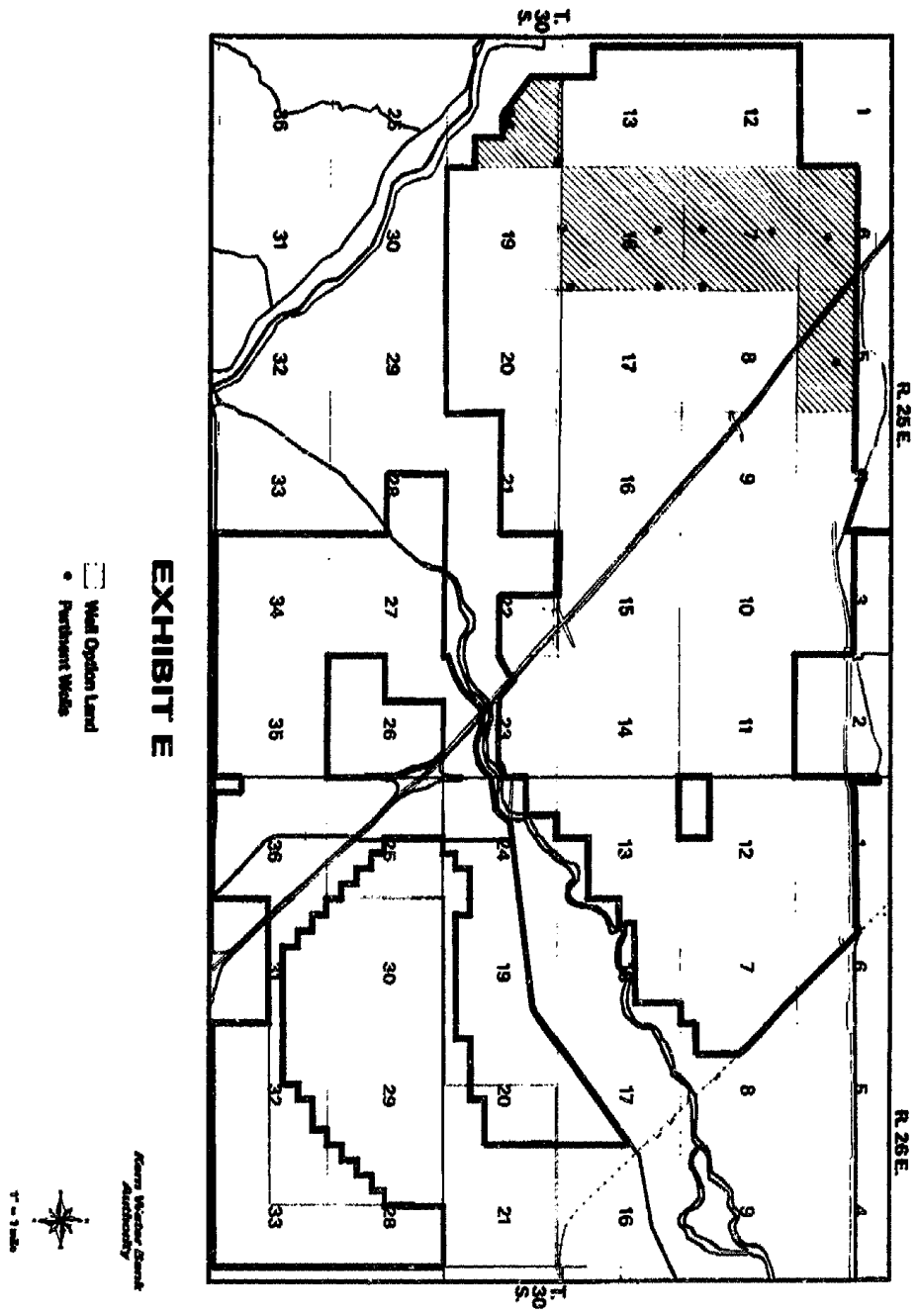
The Director's Deed of this property from the Department of Water Resources contains the following reservation:

"The Department of Water Resources, State of California, hereby (1) reserves to itself title to one-half of the La Hacienda Program Water and one-half of the Berrenda Mesa Demonstration Program Water; and (2) grants to Kern County Water Agency one-half of the La Hacienda Program Water, one-half of the Berrenda Mesa Demonstration Program Water, all of the 1995 water and all other water on, in, or under the real property which has not been reserved to the State herein. "Berrenda Mesa Demonstration Program Water" shall mean 2,532 acre feet of groundwater that has not been extracted by the State before the Close of Escrow on the property as part of the 1990 Berrenda Mesa Demonstration Program. "La Hacienda Program Water" shall mean the 83,127 acre feet of water that has not been extracted before the close of escrow of the 98,005 acre-feet of the groundwater purchased by the State from the Kern County Water Agency, and the Kern County Water Agency from La Hacienda, Inc., in 1991. "1995 Water" shall mean all water on, in, or under the real property upon closing that was delivered to and spread upon the real property at any time during 1995 by or for the Kern County Water Agency or its member units or the members of the Kern Water Bank Authority. (Does Not Affect Parcels 62 and 63)."

The water described in this reservation, which is not otherwise reserved by Department of Water Resources, is conveyed to the Kern Water Bank Authority.


EXHIBIT C
Land Requiring L.C.W.A. Approval for Sale
Kern Water Bank Authority
T. 30 S.
R. 25 E.
R. 26 E.


EXHIBIT D
Land Not Requiring K.C.W.A. Approval for Sale
T. 30 S.
R. 25 E.
R. 26 E.
T. 30 S.
1" = 1 mile


EXHIBIT E
Well Option Land
Pertinent Wells
T. 30 S.
R. 25 E.
R. 26 E.
T. 30 S.

11/20/95 PAGE 1

KERN WATER BANK WATER WELLS

WELL LOC.	WELL NUMBER	WELL STATUS	DESC.
302424	24A1	OPERATIONAL	EXPAN
302507	7P1	OPERATIONAL	EXPAN
302507	7R1	OPERATIONAL	EXPAN
302508	8P1	OPERATIONAL	EXPAN
302508	8J1	OPERATIONAL	EXPAN
302511	11A1	OPERATIONAL	EXPAN
302518	18C1	OPERATIONAL	EXPAN
302518	18A1	OPERATIONAL	EXPAN
302504	4L1	OPERATIONAL	LAHAC
302505	5K1	OPERATIONAL	LAHAC
302506	6K1	OPERATIONAL	LAHAC
302507	7G1	OPERATIONAL	LAHAC
302508	8F1	OPERATIONAL	LAHAC
302508	8J1	OPERATIONAL	LAHAC
302509	9L1	OPERATIONAL	LAHAC
302515	15C1	OPERATIONAL	LAHAC
302515	15B1	OPERATIONAL	LAHAC
302515	15Q1	OPERATIONAL	LAHAC
302516	16F1	OPERATIONAL	LAHAC
302516	16P1	OPERATIONAL	LAHAC
302516	16R1	OPERATIONAL	LAHAC
302517	17F1	OPERATIONAL	LAHAC
302518	18R1	OPERATIONAL	LAHAC
302518	18P1	OPERATIONAL	LAHAC
302520	20A1	OPERATIONAL	LAHAC
302520	20C1	OPERATIONAL	LAHAC
302521	21G1	OPERATIONAL	LAHAC
302536	36D1	OPERATIONAL	LAHAC
28		OPERATIONAL	
302819	19M1	NONOPERATIONAL	LAHAC
302820	20L1	NONOPERATIONAL	LAHAC
302820	20N2	NONOPERATIONAL	LAHAC
3		NONOPERATIONAL	
31			

EXHIBIT F

Exhibit G
to
Declaration of Covenants, Conditions & Restrictions

PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase Agreement and Escrow Instructions ("Agreement") is made by and between Kern County Water Agency, a public agency ("Buyer"), and _____ a joint powers agency ("Seller"), with reference to the following facts:

RECITALS

A. Seller owns certain real property consisting of approximately ____ acres of _____ located in _____ County, California, as more particularly described in Exhibit "A" and incorporated herein by this reference (the "Real Property").

B. Buyer and the Department of Water Resources, State of California ("DWR"), have entered into that certain Agreement for the Exchange of the Kern Fan Element of the Kern Water Bank dated _____, 1995 (the "Master Agreement"). Pursuant to the terms of the Master Agreement, DWR transferred certain real property, including the Real Property herein, to Buyer.

C. Seller and Buyer have entered into that certain Transfer And Exchange Agreement dated as of _____, 1995, (the "Transfer Agreement") and that certain Declaration of Covenants, Conditions and Restrictions dated _____, 1995 (the "Declaration"). Pursuant to the terms of the Transfer Agreement, Buyer transferred most of the real property acquired by Buyer from DWR under the Master Agreement, to Seller herein.

D. Pursuant to Section 3 of the Transfer Agreement, the Declaration shall create restrictions and covenants running with the Real Property. Pursuant to Section 3.4 of the Declaration, Buyer has an option on certain property described therein, on the terms and conditions described therein (the "Option").

E. Seller has exercised the Option as to the Real Property. Pursuant to Section 3.4 of the Declaration, the parties hereto are entering into this Agreement for the purchase and sale of the Real Property.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and for other good and valuable consideration moving between parties, Buyer and Seller agree as follows:

AGREEMENT

1. Definition of Property. Seller shall convey, transfer, assign, and deliver the Real Property to Buyer, as provided by this Agreement. The Real Property shall also include all of the following additional real, personal, and mixed property located on or relating to the Real Property: (i) all water rights and water contracts owned or used by Seller relating to the Real Property, excepting water in storage underlying the Property in the Kern Water Bank; (ii) all buildings, improvements and fixtures; (iii) all wells, pumps, motors and equipment; and (iv) all permits, approvals, easements, licenses, or other rights appurtenant to, or relating to the Property. The Real Property and the additional property described herein are collectively referred to as the "Property".

2. Purchase and Sale; Price.

2.1 Seller agrees to sell to Buyer and Buyer agrees to buy from Seller, all of the Property. The purchase price for the Property is the fair market value as determined in Section 2.2 (the "Purchase Price"). At least one business day prior to the Close of Escrow, Buyer shall deposit with the Escrow Holder, a bank cashier's, certified check or wire transfer in the amount of the Purchase Price.

2.2 The Purchase Price is determined in the manner provided for in Section 3.4 of the Declaration. That section provides that the purchase price for such property shall be the fair market value of the property. In the event that the parties can not agree to the fair market value of the property within 30 days after the exercise of the Option, the parties shall select an M.A.I. appraiser to appraise the property. Each party shall pay one-half of the cost of such appraisal. In the event that the parties do not agree upon an appraiser within 45 days after the exercise of the Option, each party shall name an appraiser, and those appraisers shall jointly name an appraiser to appraise such property.

3. Escrow. "Escrow Holder" shall be Chicago Title Insurance Company, located at 4700 Stockdale Highway, Bakersfield, California 93309. This Agreement shall, to the extent possible, act as escrow instructions. The parties agree to execute all further escrow instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement. "Close of Escrow" is defined to be the recordation of the Grant Deed from Seller to Buyer for the Real Property, which shall occur on or before _____ or on such other date as the parties hereto shall mutually agree in writing.

4. Costs and Fees. Buyer and Seller shall each pay one-half of (i) Escrow Holder's fees; (ii) the cost of preparing, executing, and acknowledging any deeds or other

instruments required to convey title to Buyer; (iii) the cost of recording the Grant Deed required to convey title to the Real Property to Buyer or its nominee; and (iv) any taxes imposed on the conveyance of title to the Real Property to Buyer under the Documentary Transfer Tax Act. Seller shall pay any other closing costs, including the cost of the title insurance policy provided for in this Agreement.

5. Title.

5.1 Upon Close of Escrow, the title to the Real Property shall be subject only to those exceptions numbered _____ on Preliminary Title Report No. _____ (dated _____) ("Preliminary Title Report").

5.2 Upon Close of Escrow, the Property shall be free of all other liens or encumbrances, and Seller shall, except as to the Declaration, at its sole costs and expense, cause any title exceptions not expressly approved in 5.1 above to be removed from the Preliminary Title Report and policy of title insurance prior to Close of Escrow.

6. Possession. Full possession of the Property shall be delivered to Buyer at Close of Escrow.

7. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer that:

7.1 Seller is a California joint powers agency in good standing and has full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder. This Agreement constitutes a valid and binding agreement of Seller enforceable in accordance with its terms.

7.2 To the best of Seller's actual knowledge, during Seller's ownership of the Property, Seller's ownership, use, and operation of the Property has been and is in compliance with all applicable state, federal and local statutes, ordinances, orders, requirements, laws or regulations affecting the Property.

7.3 At Close of Escrow, the Property will not be subject to any liens, or encumbrances other than those approved in Sections 5.1 and 5.2 above, and except as disclosed on Exhibit 7.3 there is no pending or to the best of Seller's actual knowledge threatened litigation or administrative proceedings affecting the Property or this Agreement. Buyer is not assuming any monetary liabilities, liens, encumbrances, or obligations of any kind (whether contractual or otherwise) related to the ownership and use of the Property by Seller prior to the Close of Escrow.

7.4 To the best of Seller's actual knowledge, during Seller's ownership of the Property, except as listed on Exhibit 7.4 hereto:

7.4.1 There have been no Hazardous Substances, or storage tanks containing Hazardous Substances, placed in, on, under, or about the Real Property, except as disclosed in the Master Agreement.

7.4.2 Seller has not conducted or authorized the generation, transportation, storage, treatment, or disposal on the Real Property of any Hazardous Substance;

7.4.3 The Real Property is not in violation of any federal, state, or local law, ordinance, regulation, order, decree or judgment relating to environmental conditions on, under, or about the Real Property.

7.4.4 There have been no (i) pending or threatened litigation or proceedings before any administrative agency; (ii) pending notices from any governmental authority, or employee or agent thereof; or (iii) communications, notices, or agreements with any governmental agency or private party any of which relate in any way to the presence, release, threat of release, placement, generation, transportation, storage, treatment, or disposal of any Hazardous Substance.

7.5 As used herein, the term actual knowledge shall mean (i) such actual knowledge of any executive, managerial, professional or technical employee of such party whose job or management duties relate in whole or in material part to the Kern Water Bank project, or (ii) information contained in written files, records or documents in the possession or control of the party to be charged with such knowledge.

"Hazardous Substance" shall have the meaning given to such term in Section 1.7 of the Master Agreement.

8. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that:

8.1 Buyer has the full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder; and

8.2 This Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms.

9. Survival of Representations and Warranties. All of the representations and warranties of Buyer and Seller made in conjunction with or pursuant to this Agreement shall survive the Close of Escrow and the delivery of the Grant Deed.

10. Buyer's Conditions of Closing. The Close of Escrow and Buyer's obligation to purchase the Property pursuant to this Agreement are expressly conditioned on:

10.1 The conveyance to Buyer of good and marketable title to such Property, as evidenced by a standard form CLTA Title Insurance Policy in the amount of _____ Dollars ($_____), issued by Escrow Holder, subject only to such liens or encumbrances, as are expressly approved by Buyer in paragraph 5.1 of this Agreement.

10.2 Buyer's final inspection and reasonable approval of the condition of the Property.

10.3 Seller having delivered into escrow all documents or instruments required by this Agreement, and having complied with all other covenants and conditions to be performed or complied with by Seller; and

10.4 The representations and warranties of Seller contained in this Agreement being true on and as of the Close of Escrow as if the same were made on and as of such date.

11. Failure of Buyer's Conditions. Buyer shall notify Seller and Escrow Holder prior to the Close of Escrow of the failure of any of the conditions set forth in this Agreement. Should any of the conditions to Buyer's obligation to close the escrow and complete purchase of Property as specified in this Agreement fail to occur prior to the date established herein for the Close of Escrow, Buyer shall have the power, exercisable by giving written notice to the Escrow Holder and to Seller, to waive the condition or to cancel the Escrow, terminate this Agreement, and recover all amounts paid to Seller or to the Escrow Holder on account of the Purchase Price for the Property. The Escrow Holder shall be, and is hereby irrevocably instructed by Seller and Buyer, on any such failure of conditions and receipt of such cancellation and termination notice from Buyer, to immediately refund and deliver to Buyer all monies and instruments deposited by Buyer in Escrow pursuant to this Agreement, and to deliver to Seller all instruments deposited by Seller in escrow pursuant to this Agreement.

12. Seller's Conditions of Closing. The Close of Escrow and Seller's obligation to complete the sale of the Property to Buyer is conditioned on:

12.1 The representations and warranties of Buyer contained in this Agreement being true on and as of the Close of Escrow as if the same were made on and as of such date; and

12.2 Buyer having delivered into escrow the Purchase Price and all other funds as required by this Agreement and having complied with all other covenants and conditions to be performed or complied with by Buyer.

13. Failure of Seller's Conditions. Should any of the conditions to Seller's obligation to close the escrow and complete the sale of the Property as specified in this

Agreement fail to occur prior to the date established herein for the Close of Escrow, Seller shall have the power, exercisable by giving written notice to the Escrow Holder and to Buyer, to cancel the Escrow and terminate this Agreement. Seller's cancellation of the Escrow pursuant to this paragraph shall not constitute a waiver of any other rights or remedies available to Seller from breach of this Agreement by Buyer. The Escrow Holder shall be, and is hereby irrevocably instructed by Seller and Buyer, on any such failure of conditions and receipt of such cancellation and termination notice from Seller, to immediately refund to Buyer all monies and instruments deposited by Buyer in Escrow pursuant to this Agreement, and to deliver to Seller all instruments deposited by Seller in Escrow pursuant to this Agreement.

14. Items to be Delivered at Close of Escrow.

14.1 Seller shall execute in Escrow or deliver to Escrow Holder for delivery to Buyer at Close of Escrow:

14.1.1 A bill of sale in a form satisfactory to the parties, covering any of the Property which is personal property, a description of which is attached hereto as Exhibit 14.1.1;

14.1.2 A deed for the Property, in a form corresponding to the form of the deed, by which Seller acquired the Property (the "Deed");

14.2 Buyer shall execute and deliver to Escrow Holder, for delivery or disbursement at the Close of Escrow:

14.2.1 A bank cashier's, certified check or wire transfer in an amount equal to the Purchase Price; plus the amount of Buyer's share of other costs and expenses to be borne by Buyer as set forth herein.

14.3 Escrow Holder shall:

14.3.1 Record the Deed.

14.3.2 Cause the final policy of title insurance to be issued and delivered to Buyer.

14.3.3 Deliver the Bill of Sale to Buyer.

14.3.4 Deliver the escrow proceeds to Seller minus its share of the costs and expenses, as herein provided.

15. Title of Personal Property. Title to any personal property shall be conveyed to Buyer by the Bill of Sale free and clear of any mortgages, liens, charges, encumbrances, licenses, or other agreements, judgments, obligations, or other matters affecting title.

16. Indemnification.

16.1 From and after the Close of Escrow, Seller shall indemnify and hold harmless Buyer (and Buyer's directors, officers, agents and employees) against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs and expenses (including reasonable attorneys' fees) of any kind or nature whatsoever which may be asserted by anyone against Buyer (or Buyer's directors, officers, agents or employees):

16.1.1 By reason of any act, omission, or event relating to the Real Property arising, or occurring during Seller's ownership of the Property; or

16.1.2 Based upon or related to a breach of any representation, warranty, or covenant made by Seller in this Agreement or in any exhibit, document, statement, schedule or certificate delivered pursuant to this Agreement.

16.2 From and after the Close of Escrow, Buyer shall indemnify and hold harmless Seller (and seller's members, officers, agents and employees) against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs, and expenses (including reasonable attorneys' fees) of any kind or nature whatsoever which may be asserted by anyone against Seller (or Seller's members, officers, agents or employees):

16.2.1 By reason of any act, omission, or event arising, or occurring during Buyer's ownership of the Property; or

16.2.2 Based upon or related to a breach of any representation, warranty, or covenant made by Buyer in this Agreement or in any exhibit, document, statement, schedule or a certificate delivered pursuant to this Agreement.

17. Entire Agreement. This Agreement constitutes the sole and only agreement between Buyer and Seller concerning the Property and their rights and duties in connection with the Property. Any prior or other agreements or representations between Buyer and Seller regarding those matters are null and void unless expressly set forth in this Agreement.

18. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

19. Notices. All notices and demands of any kind which either party may be required or desires to serve upon the other party shall be in writing and shall be served upon

such other party by personal service, facsimile transmission, or by mailing a copy thereof, certified or registered mail, postage prepaid, addressed as follows:

If to Seller: _____
_____
_____

If to Buyer: _____
_____
_____

Service shall be deemed complete on the date of personal service, facsimile transaction or the actual delivery as shown on the addressee's return receipt, whichever is earlier. The addresses to which notices and demands shall be delivered or sent may be changed from time to time by notice to the other party.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same agreement.

SELLER:

Dated: _____ By: _____

BUYER:

Dated: _____ By: _____

223313.2

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California }
County of Kern }

On Dec. 14, 1995 before me, Pam Hyles, personally appeared

Adrienne J. Mathews,

__ personally known to me -OR- __ proved to me on the basis of satisfactory evidence to be the person(s) whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity~~(ies)~~, and that by ~~his~~/her/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

PAMELA HYLES
COMM #1095357
NOTARY PUBLIC-CALIFORNIA
KERN COUNTY
My Comm. Expires Nov. 7, 1997

NOTARY PUBLIC

- OPTIONAL SECTION -

Capacity Claimed by Signer:
Individual ___ Corporate Officer(s) ___ _____ Title(s)
Partner(s) ___ Limited ___ General ___
Attorney-in-Fact ___ Trustee(s) ___ Guardian/Conservator ___
Other ___
Signer is Representing Person/Entity _____

- OPTIONAL SECTION -

Title or Type of Document _____
Number of Pages_____ Date of Document _____
Signer(s) other than named above _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California }
County of Kern }

On Dec. 14, 1995 before me, Pam Hyles, personally appeared

William Phillimore,

__ personally known to me -OR- __ proved to me on the basis of satisfactory evidence to be the person(s) whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity~~(ies)~~, and that by his/~~her~~/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC

- OPTIONAL SECTION -

Capacity Claimed by Signer:
Individual ___ Corporate Officer(s) ___ _____ Title(s)
Partner(s) ___ Limited ___ General ___
Attorney-in-Fact ___ Trustee(s) ___ Guardian/Conservator ___
Other ___
Signer is Representing Person/Entity _____

- OPTIONAL SECTION -

Title or Type of Document _____
Number of Pages_____ Date of Document _____
Signer(s) other than named above _____

12. Exception_15_0196107584

James Maples-Assessor-Recorder
Kern County Official Records

PATTI
Pages: 44
8/22/1996
11:56:15

DOCUMENT #:0196107584

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

Nossaman, Guthner, Knox & Elliott)
445 S. Figueroa Street, 31st Floor)
Los Angeles, California 90071)
Attention: Fredric W. Kessler, Esq.)

Fees
Taxes
Other
Stat. Types: I TOTAL PAID

Space Above Line for Recorder's Use Only

Exempt from recording fee pursuant to Government Code §27383.
This document is exempt from Documentary Transfer Tax.

Declarant, of Law Offices of Young Wooldridge
Attorneys for Kern Water Bank Authority

TRUST AGREEMENT

by and between

WESTSIDE MUTUAL WATER COMPANY, LLC,

a California Limited Liability Company

("Westside"),

and

KERN WATER BANK AUTHORITY,

a public entity created pursuant to the

Joint Exercise of Powers Act

(the "Authority")

As of October 17, 1995

TRUST AGREEMENT

This Trust Agreement is made and entered into as of October 17, 1995 by and between **WESTSIDE MUTUAL WATER COMPANY, LLC,** a California Limited Liability Company **("Westside"),** and **KERN WATER BANK AUTHORITY (the "Authority" or the "Trustee"),** a public entity created pursuant to the Joint Exercise of Powers Act, Articles 1 and 2 of Chapter 5 of Subdivision 7 of Title 1 of the Government Code of the State of California (the "Law").

RECITALS

A. Westside is a party to that certain Joint Powers Agreement for the Kern Water Bank Authority dated October 16, 1995 (the "JP Agreement") which created the Authority for the purpose of developing, operating and maintaining the Kern Fan Element Property (approximately 19,890 acres) and related assets of the Kern Water Bank (the "Project") for the Authority's benefit and the benefit of Westside and the other entities which are members of the Authority (together, the "Members"). The Project is more particularly described in Exhibit A attached hereto and made a part hereof.

B. Pursuant to Section 5.8(b) of the JP Agreement, Westside has the right, exercisable by the delivery of written notice to the Authority, to elect to vest title to all water Westside spreads on the Project, for itself, its lessees and contracting parties, in the Authority, in trust for the benefit of Westside. Westside has made such election and delivered such notice to the Authority. As further authorized by Section 5.8(b) of the JP Agreement, Westside and the Authority now desire to better confirm such trust and establish its terms by this Trust Agreement.

C. This Trust Agreement, as originally executed or as it may from time to time be supplemented, modified or amended, is hereinafter referred to as the "Trust Agreement".

ARTICLE I

PURPOSE; ACCEPTANCE OF TRUST; DUTIES OF TRUSTEE

Section 1.1. Purpose. This trust is formed for the purpose of vesting title to all water to which Westside or its lessees or contracting parties are lawfully entitled and which Westside spreads or causes to be spread on the Project from time to time, for itself, its lessees and contracting parties (the "Water"), in the Authority, in trust for the benefit of Westside.

Section 1.2. Trustee Accepts Trust. By execution of this Trust Agreement the Trustee agrees to serve as Trustee and hold in trust and administer the Water pursuant to this Trust Agreement. The Trustee shall perform such duties as are expressly and specifically set forth in this Trust Agreement and such other duties as are reasonably

incidental thereto. The Trustee shall have and exercise such of the rights and powers vested in it by this Trust Agreement and available to the Trustee under the laws of the State of California and reasonably necessary to perform the duties of the Trustee hereunder. In the performance of its duties, the Trustee shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under like circumstances in the conduct of such person's own affairs.

Section 1.3. Duties of Trustee.

(a) The Trustee shall receive and retain in trust under the terms of this Trust Agreement all Water spread on the Project by or for the benefit of Westside, its lessees and contracting parties. Westside shall direct the Trustee in the recharge, recovery, sale, transfer, delivery or other disposition of all Water and the Trustee agrees that it shall take no action with respect thereto in the absence of such direction, other than the actions required or permitted to be taken by the Authority under the terms of the JP Agreement and the Operating Rules and Regulations (as defined in Section 2.4(n) of the JP Agreement in effect from time to time (the "Operating Rules and Regulations").

(b) Westside hereby authorizes and directs the Trustee to execute and deliver, from time to time only as Westside may direct, any and all agreements and documents which may be required in order to recharge, recover, sell, transfer, deliver or otherwise dispose of any of the Water.

ARTICLE II

TRANSFER; REVOCATION; TERMINATION; SUCCESSOR TRUSTEE

Section 2.1. Transfer in Trust; Duration of Title to Water. Westside hereby grants, transfers and assigns to Trustee, in trust, on all the terms and conditions of this Trust Agreement, all Water heretofore or hereafter spread on the Project. Trustee shall be vested with title to Water in trust from the date the Water enters onto the Project until the date the Water is extracted from and conveyed outside the surface boundaries of the Project by or on behalf of Westside. Such period of vesting shall be automatic, without necessity of executing any further document or instrument of transfer. Subject to loss allocations under the certain Memorandum of Understanding Regulating Operatings and Monitoring of the Kern Water Bank Groundwater Banking Program dated October 26, 1995, title to Water during such period of vesting shall be and remain vested in Trustee in trust regardless of where the Water in underground storage is physically located from time to time.

Section 2.2. Trust Revocable. Irrespective of any other provision of this Trust Agreement, Westside may at its option at any time revoke this trust and vest title to the Water in (or as directed by) Westside by delivery of written instructions to such effect to the Trustee. Upon receipt of such instructions, the Trustee shall transfer title to the

Water to (or as directed by) Westside and the trusts created hereby shall thereupon terminate.

Section 2.3. Termination of Trust Upon Termination of Authority or Voiding of Trust Agrement. The trust shall be terminated automatically (a) in the event of the termination of the Authority by mutual consent of the Members or (b) if for any reason a party to this Trust Agreement has and exercises any statutory right to declare this Trust Agreement void. The Trustee shall thereupon transfer title to the Water to (or as directed by) Westside and the trusts created hereby shall thereupon terminate.

Section 2.4. Successor Trustee. Under Section 5.6(c) of the JP Agreement, any transfer of a Member's interest in the Authority will effect an immediate and automatic dissolution of the Authority and the immediate and automatic reconstitution of a new joint powers authority (the "New Authority") with rights, obligations and liabilities identical to those of the Authority. In such event , the New Authority shall immediately and automatically succeed the Trustee hereunder; provided, however, if requested by Westside, the successor Trustee shall signify its acceptance of such appointment by executing and delivering to Westside a written acceptance thereof including its agreement to be bound by this Trust Agreement. The successor Trustee, without any further act, deed or conveyance, shall become vested with title to the Water and all other properties, rights, powers, trust duties and obligations of the predecessor Trustee, with like effect as if originally named Trustee herein; but nevertheless the predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance, and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to the Water and any other property held by it under this Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any property subject to the trusts.

ARTICLE III

COSTS AND EXPENSES; INDEMNIFICATION; LIABILITY OF TRUSTEE

Section 3.1. Costs, Expenses and Indemnification. The Trustee shall not be entitled to receive any fee or other compensation for serving as Trustee under this Trust Agreement. The Trustee shall bear all routine costs and expenses in administration of the trust which would be incurred absent creation of this trust (such as general overhead and office expense, personnel, accounting and non-litigation legal services), such routine costs and expenses to be funded from the Authority's budget under the JP Agreement. Westside shall indemnify and save the Trustee and its Members harmless against any liabilities which it or they may incur (other than such routine costs and expenses) in the exercise and performance of Trustee's powers and duties hereunder, including the enforcement of any remedies and the defense of any suit, and which are not due to Trustee's negligence or breach of fiduciary obligation (unless such

negligence or breach occurs at the direction of or by persons under the supervision and control of Westside or its members, officers or agents). Such duty of Westside to indemnify the Trustee and its Members shall survive the termination and discharge of this Trust Agreement and the JP Agreement. Notwithstanding the foregoing, Westside shall have no obligation to indemnify or hold harmless Trustee or its Members in the exercise or performance by Trustee of powers and duties which are exercised pursuant to, rather than in addition to, its powers and duties under the JP Agreement and the Operating Rules and Regulations.

Section 3.2. Liability.

(a) The Trustee and its Members shall not be liable in connection with the performance of Trustee's duties hereunder, except for Trustee's own negligence or breach of fiduciary obligation (unless such negligence or breach occurs at the direction of or by persons under the supervision and control of Westside or its members, officers or agents). The Trustee and its Members shall not be liable for any action taken or omitted by Trustee in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement.

(b) The Trustee and its Members shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts (provided that if such negligence is proven, Trustee nevertheless shall not be liable if it proves that such negligence occurred at the direction of or by persons under the supervision and control of Westside or its members, officers or agents).

(c) The Trustee and its Members shall not be liable for any action taken by an agent of the Trustee so long as such agent was selected by the Trustee with due care.

Section 3.3. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel for Westside with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of the trust established hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter may be deemed to be conclusively proved and established by a written certificate of Westside; and such written certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement in reliance upon such written certificate. In its discretion the Trustee may accept other evidence of such matter in lieu of a certificate of Westside as it may deem reasonable.

ARTICLE IV

MISCELLANEOUS

Section 4.1. Integration with JP Agreement. Nothing contained in this Trust Agreement is intended or shall be construed as changing or superseding any of the provisions of the JP Agreement or the Operating Rules and Regulations. To the maximum extent practicable, the provisions of this Trust Agreement shall be construed and interpreted in a manner supplementary to and consistent with the provisions of the JP Agreement and Operating Rules and Regulations; but in the event of any irreconcilable conflict, the latter provisions shall control.

Section 4.2. Amendments Permitted. This Trust Agreement and the rights and obligations of Westside and the Trustee may be modified or amended from time to time and at any time by written amendment executed by Westside and the Trustee.

Section 4.3. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be subject during business hours and upon 24 hours notice to inspection by Westside and its agents and representatives duly authorized in writing.

Section 4.4. Notices. All notices and communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours to the following addresses, or to such changed addressed as are communicated to the other party in writing:

if to Westside:	Westside Mutual Water Company, LLC c/o Paramount Farming Company 33141 East Lerdo Hwy. Bakersfield, California 93308
if to the Trustee:	Kern Water Bank Authority c/o The Law Offices of Young Woodridge 1800 30th Street, Fourth Floor Bakersfield, California 93301

Section 4.5. Governing Law. This Trust Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 4.6. Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each such counterpart shall for all purposes be deemed to be an original; and all such counterparts, or as many of them

as Westside and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, this Trust Agreement has been executed as of the day and year first written above.

WESTSIDE MUTUAL WATER COMPANY, LLC

By _____
Name: WILLIAM D. PHILLIMORE
Title: EVP.

KERN WATER BANK AUTHORITY

By _____
Name: WILLIAM A. TAUBE
Title: VICE-CHAIRMAN

EXHIBIT A

Legal Description of the Project

KWB-2-AR

All that certain real property situate in the unincorporated area of the County of Kern, State of California, described in Deeds to the STATE OF CALIFORNIA, recorded August 31, 1988, Book 6158, Pages 1098 through 1119; recorded March 22, 1990, Book 6360, Pages 1923 through 1925; March 7, 1990, in Book 6354, Pages 998 through 1000; and March 7, 1990, Book 6354, Pages 989 through 991, all of Official Records in the Office of the County Recorder of said Kern County, being more or less described herein as follows:

PARCEL 1: (KRGW-1 UNIT A Unit A1) (APN 159-010-02)

Section 12, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, and containing an area of 640 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158 Page 1098, Official Records.

PARCEL 2: (KRWG-1 UNIT A Unit A2) (APN 159-180-03)

Section 13, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING the Southwest quarter of the Southwest quarter of said Section, and containing an area, after said exception, of 602 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 21 1995

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EXHIBIT A

PARCEL 3: (KRGW-1 UNIT A Unit A3) (APN 159-130-04)

The Northeast quarter, the Northeast quarter of the Southeast quarter, and the East half of the Northwest quarter of Section 24, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion of said Section 24 described in deed to the State of California, recorded January 23, 1933, Book 458, Page 481, Official Records of said County, described as follows:

BEGINNING at the Northwest corner of the Southeast quarter of the Northwest quarter of said Section 24, and thence South 51° 52' East a distance of 2130 feet, more or less, to a point on the South line of the North half of said Section 24; thence West along said South line a distance of 1672.8 feet to the Southwest corner of said Southeast quarter of the Northwest quarter of said Section 24; and thence North along the West line of said Southeast quarter of the Northwest quarter of said Section 24 to the Point of Beginning.

Containing an area, after said exception, of 255 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 4: (KRGW-1 UNIT A Unit A8) (APN 160-090-01, 160-090-02)

Section 18, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing and area of 650 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 5: (KRGW 1 UNIT A Unit A3 and UNIT B Unit B5) (APN 160-100-08, 160-100-07, 160-100-02)

Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area of 626 acres, more or less.

ALSO EXCEPT from the East half of the Southeast quarter of the Southwest quarter of the Southwest quarter, the Southwest quarter of the Southeast quarter of the Southwest quarter of the Southwest quarter, and the West half of the Southeast quarter of the Southwest quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this MINERAL GRANT DEED shall be defined in the broadest send of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove, and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 6: (KRGW-1 UNIT A Unit A4) (APN 160-030-14 Ptn.)

That portion of the South half of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the State Highway as granted to the State of

California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 319 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 7: (KRGW-1 UNIT A Unit A4) (APN 160-030-14, 160-030-12 Ptn.)

That portion of the Southwest quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 52 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 8: (KRGW-1 UNIT A Unit A5) (APN 160-040-01, 160-040-02)

Section 7, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, and containing an area of 653 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 9: (KRGW-1 UNIT A Unit A6) (APN 160-040-03 Ptn.)

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County.

EXCEPT those portions conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1, by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302, a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, of Official Records.

Containing an area, after said exception, of 546 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 10: (KRGW-1 UNIT B Unit B1) (APN 160-050-01 Ptn.)

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPT those portions conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, in Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 85 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word

NOV 2 1 1995

and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 11: (KRGW-1 UNIT A Unit A7 and UNIT B Unit B4) (APN 160-090-03)

Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, in Book 5421, Page 1531, Official Records.

Containing an area of 604 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 12: (KRGW-1 UNIT B Unit B3) (APN 160-080-01 Ptn.)

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 591 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word

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RECORDERS MEMO. POOR RECORDEL REPRODUCTION DUE TO QUALITY OF PRINT OR TYPE ON ORIGINAL DOCUMENT.

"minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 13: (KRGW-1 UNIT B Unit B2) (APN 160-080-02 Ptn.)

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records, containing an area of 154 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 14: (KRGW-1 UNIT B Unit B6) (APN 160-100-09, 160-100-10, 160-100-04, 160-100-05)

Section 20, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302, a certified copy thereof was recorded December 1, 1961, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 642 acres, more or less.

ALSO EXCEPT from the Southwest quarter of the Southeast quarter of the Southwest quarter and the South half of the Southwest quarter of the Southwest quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the work "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products,

NOV [illegible] 1995

both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 15: (KRGW-1 UNIT B Unit 87) (APN 160-110-13)

The North half of Section 21, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 320 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 16: (KRGW-1 UNIT B Unit 88) (APN 160-110-10 Ptn.)

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 138 acres, more or less.

NOV 2 1 1995

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 17: (KRGW-1 UNIT B Unit B9 and UNIT C Unit C6) (APN 160-120-39, 160-120-40 Ptn.)

That portion of the West half and that portion of the Southeast quarter of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPT that portion conveyed to West Kern Water District, by deed recorded August 22, 1988, Book 6155, Page 1405, Official Records. Containing an area, after said exception, of 99 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 18: (KRGW-1 UNIT C Unit C3) (APN 160-140-15, 160-140-18)

The Northeast quarter of Section 28, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 160 acres, more or less.

EXCEPT from the Southwest quarter of the Northeast quarter of the Northeast quarter; the South half of the Northwest quarter of the Northeast quarter; all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic,

NOV 2 1 1995

solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas, and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 19: (KRGW-1 UNIT C Unit C2) (APN 160-140-03, 160-140-04)

Section 27, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 638 acres, more or less.

EXCEPT from the Southwest quarter of the Southwest quarter of the Northeast quarter; the Northwest quarter of the Southeast quarter of the Northwest quarter; the South half of the Southeast quarter of the Northwest quarter; the Southwest quarter of the Northwest quarter; the West half of the Northeast quarter of the Southeast quarter; the Northwest quarter of the Southeast quarter, the South half of the Southeast quarter; and the Southwest quarter of said Section; all of the oil, gas and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

NOV 2 1 1995

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988 in Book 6158 Page 1098, of Official Records.

PARCEL 20: (KRGW-1 UNIT C Unit C1) (APN 160-130-07)

The Northwest quarter of Section 26, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING the East half of the East half of said Northwest quarter, containing an area, after said exception, of 120 acres, more or less.

ALSO EXCEPT of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 21: (KRGW-1 UNIT C Unit C4) (APN 160-170-03, 160-170-04)

Section 34, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 639 acres, more or less.

EXCEPT from the North half; the North half of the South half, the Northeast quarter of the Southeast quarter of the Southwest quarter; the North half of the Southwest quarter of the Southeast quarter; the Southeast quarter of the Southwest quarter of the Southeast quarter; and the Southeast quarter of the Southeast quarter of said Section, all of the oil, gas and other minerals of whatsoever kind or character whether now known to exist or hereinafter discovered (it being intended that the word "minerals" as used in this Mineral Grant Deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill

NOV 2 1 1995

for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by Deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 22: (KRGW-1 UNIT C Unit C5) (APN 160-180-01, 160-180-02 Ptn.)

Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion described in Director's Deed, KRGW-1-A, recorded March 22, 1990, Book 6360, Page 1927, Official Records, being more or less recited herein as follows:

> That portion of Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, County of Kern, State of California, according to the Official Plat thereof, lying South of the South right of way line of State Highway 119, said right of way being more particularly described in State Highway Deed to the State of California, recorded January 15, 1937, Book 683 Page 74, Official Records of said Kern County.
>
> EXCEPTING THEREFROM the East 758.43 feet of said Section 35, as described in Easement Deed to the State of California, recorded January 2, 1964, Book 3677, Page 293, Official Records of said County,

Containing an area, after said exception, of 638 acres, more or less.

EXCEPT from the West half; the Northwest quarter of the Northwest quarter of the Northeast quarter; the South half of the Northwest quarter of the Northeast quarter; the Southwest quarter of the Northeast quarter of the Northeast quarter; the Southwest quarter of the Northeast quarter; the West half of the Southeast quarter of the Northeast quarter; the Northwest quarter of the Southeast quarter, the West half of the Northeast quarter of the Southeast quarter; the North half of the Southwest quarter of the Southeast quarter; the Southwest quarter of the Southwest quarter of the Southeast

NOV 2 1 1995

quarter; and the Northwest quarter of the Southeast quarter of the Southeast quarter of said Section. all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that he word "minerals" as used in this Mineral Grant Deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by Deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 23: (KRGW-3 UNIT A Unit A1 and UNIT B Unit B1) (APN 160-020-04)

The South half of Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 300 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

NOV 2 1 1995

the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 24: (KRGW-3 UNIT A Unit A2 and UNIT B Unit B2) (APN 160-020-06)

The Southwest quarter of Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exceptions, of 159 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 25: (KRGW-3 UNIT A Unit A2 and UNIT B Unit B2) (APN 160-020-08)

PARCEL 2, in the unincorporated area of the County of Kern, State of California, as shown on amended Parcel Map NO. 1450, filed February 6, 1974, in the Office of the County Recorder of Kern County.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Said land is a division of a portion of the East half of Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian.

Containing an area, after said exception, of 153 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said

NOV 2 1 1995

real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 26: (KRGW-3 UNIT A Unit A3) (APN 160-030-12 Ptn.)

That portion of the South half of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the Southeast quarter of the Southeast quarter of said Section 5.

Containing an area, after said exception, of 212 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 27: (KRGW-3 UNIT A Unit A4) (APN 160-030-10)

The Southeast quarter of the Southeast quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 40 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 28: (KRGW-3 UNIT A Unit A5) (APN 160-030-14 Ptn.)

That portion of the Southeast quarter of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 2 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 29: (KRGW-3 UNIT A Unit A6) (APN 160-040-03 Ptn.)

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 70 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 30: (KRGW-3 UNIT A Unit A7 and UNIT B Unit B3) (APN 160-050-01 Ptn.)

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the

NOV 2 1 1995

Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 505 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 31: (KRGW-3 UNIT B Unit B4) (APN 160-050-04)

All of Section 10, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 32: (KRGW-3 UNIT B Unit B5) (APN 160-060-01, 160-060-02, 160-060-03)

All of Section 11, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

NOV 2 1 1995

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 33: (KRGW-3 UNIT B Unit 86) (APN 160-070-03, 160-070-04, 160-070-02, 160-070-11)

All of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion described as:

> BEGINNING at the iron pipe with a 4 inch brass cap (stamped R.E. 2312, 1937) marking the Northwest corner of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, and running thence South 89° 39' East, along the Northerly boundary line of said Section 14, a distance of 415.00 feet; thence along a line parallel with the Westerly boundary line of said Section 14, the following two courses and distances, namely: South 0° 17 1/2 West, 55.00 feet to a concrete monument with a 3 inch bronze cap (marked PAC. GAS & ELECT. CO. PROP.); and thence continuing South 0° 17 1/2 West, 330.00 feet to a concrete monument with a 3 inch pipe bronze cap (marked PAC. GAS & ELECT. CO. PROP. COR.); thence along a line parallel with the Northerly boundary line of said Section 14 the following two courses and distances, namely; North 89° 39' West 360.00 feet to a concrete monument with a 3 inch bronze cap (marked PAC. GAS & ELECT. CO. PROP.); and thence continuing North 89° 39' West, 55.00 feet to a point in the Westerly boundary line of said Section 14; thence North 0° 17 1/2 East, along the Westerly boundary line of said Section 14, a distance of 385.00 feet to the Point of Beginning.

Containing an area, after said exception, of 634 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

NOV 2 1 1995

which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 34: (KRGW-3 UNIT B Unit B7) (APN 160-080-02 Ptn., 160-080-03, 160-080-04)

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 451 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 35: (KRGW-3 UNIT B Unit B8) (APN 160-080-01)

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 32 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 36: (KRGW-3 UNIT B Unit B9) (APN 160-110-10 Ptn.)

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 11 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 37: (KRGW-3 UNIT B Unit B10) (APN 160-120-20 Ptn., 160-120-22 Ptn., 160-120-40 Ptn.)

That portion of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT all that portion lying Southerly of the Northerly line of Parcel 2, as described in the deed to the City of Bakersfield, recorded December 30, 1976, Book 4999, Page 436, Official Records, said line being described as beginning at a point on the Northeasterly boundary line of the State Highway referred to above at "the East-West centerline of said Section 23; thence along said centerline South 88° 41' 55" East, 2790.38 feet; thence North 55° 19'28" East, 330.00 feet; thence North 74° 21' 35" East, 450.00 feet, more or less, to the East line of said Section 23."

Containing an area, after said exception, of 282 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by

NOV 2 1 1995

Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 38: (KRGW-5 UNIT A) (APN 160-120-20, 160-120-22)

That portion of the South half of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, described therein as Parcel 2, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the State of California by deed recorded March 24, 1967, Book 4037, Page 193, Official Records, described therein as Parcel 1.

ALSO EXCEPT that portion conveyed to the City of Bakersfield, a Municipal Corporation, by deed recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exceptions, of 65 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 39: (KRGW-7 UNIT A) (APN 160-130-03 Ptn.)

That portion of the West half and the Southeast quarter of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly and Southwesterly of the Southwesterly boundary of that certain parcel conveyed to the State of California, for the purpose of a freeway, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 157 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

NOV 2 1 1995

the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 40: (KRGW-7 UNIT B) (APN 160-180-04 Ptn.)

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary of that certain parcel conveyed to the State of California, for the purposes of a freeway, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the West half of the Southwest quarter of the Southwest quarter of said Section 36.

Containing an area, after said exception, of 583 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 41: (KRGW-9 UNIT A) (APN 161-180-12 Ptn.)

That portion of the Northwest quarter of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

Containing an area of 6 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known t exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed ecorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 42: (KRGW-11 UNIT A Unit A1) (APN 161-160-02)

All of Section 28, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the Northwest quarter, the Northwest quarter of the Southwest quarter, the Northwest quarter of the Northeast quarter of the Southwest quarter, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 420 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 43: (KRGW-11 UNIT A Unit A2) (APN 161-180-12 Ptn.)

That portion of the North half of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the Northeast quarter of the Northwest quarter of the Northwest quarter, the Northeast quarter of the Northwest quarter, the Northeast quarter of the Southeast quarter of the Northwest quarter, the Northwest quarter of the Northeast quarter, the Northeast quarter of the Northeast quarter and the North half of the South half of the Northeast quarter of said Section.

Containing an area, after said exception, of 135 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 1 1995

PARCEL 44: (KRGW-11 UNIT A Unit A3) (APN 161-180-04)

All of Section 32, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the North half of the South half of the Northwest quarter, the Southwest quarter of the Northwest quarter of the Northeast quarter, the North half of the Northwest quarter, the Northwest quarter of the Northeast quarter of the Northeast quarter, and the North half of the Northwest quarter of the Northeast quarter of said Section.

Containing an area, after said exception, of 480 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 45: (KRGW-11 UNIT A Unit A4) (APN 161-190-05, 161-190-10, 161-190-09, 161-190-11)

All of Section 33, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 641 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 46: (KRGW-11 UNIT A) (APN 160-130-03 Ptn.)

That portion of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California,

NOV 2 1 1995

by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

EXCEPT the Northeast quarter, the Northeast quarter of the Southeast quarter, the Northeast quarter of the Northwest quarter of the Southeast quarter, and the Northeast quarter of the Southeast quarter of the Southeast quarter of said Section.

Containing an area, after said exception, of 215 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 47: (KRGW-13 UNIT B) (APN 160-180-04)

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 25 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 48: (KRGW-15 UNIT A Unit A1) (APN 160-120-12, 160-120-05, 160-120-18, 160-120-25)

That portion of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of a line described as follows:

NOV 2 1 1995

BEGINNING at a point on the East line of said Section 24, distant thereon South 00° 22' 38" East, 1526.351 feet from the Northeast corner thereof, which point lies on the Northerly boundary line of the Kern River Canal right of way, as hereinafter described; thence along said Northerly boundary line, South 82° 29' 42" West, 1202.846 feet to the Westerly terminus of the concrete lined section of said canal; thence South 07° 30' 18" East, 100.00 feet; thence along the Southerly boundary of the earthen section of said canal, South 82° 29' 42" West, 2181.995 feet; thence, leaving said boundary South 39° 25' 12" West, 876.787 feet; thence South 77° 55' 12" West, 1400.00 feet, more or less, to a point on the West line of said Section 24, distant thereon 340.00 feet Southerly of the West one-quarter corner thereof.

EXCEPT that portion of said Section 24 granted to the State of California for freeway purposes by deed, recorded March 24, 1967, Book 4037, Page 193, of said Official Records, more particularly described therein.

ALSO EXCEPT any portion thereof lying Northerly of the Southerly line of the Kern River Canal.

ALSO EXCEPT the Southeast quarter of the Southeast quarter, and the Southeast quarter of the Southwest quarter of the South[illegible] quarter of said Section 24.

Containing an area, after said exceptions, of 325 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 49: (KRGW-15 UNIT A Unit A3) (APN 161-100-25)

All that portion of Section 19, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPT the South half of the South half of the South half, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section 19.

Containing an area, after said exception, of 408 acres, more or less.

NOV 2 1 1995

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 50: (KRGW-15 UNIT A Unit A4) (APN 161-100-13)

All that portion of Section 20, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPT the South half of the Southeast quarter, the Southeast quarter of the Northwest quarter of the Southeast quarter, the South half of the Northeast quarter of the Southeast quarter, the South half of the South half of the Southwest quarter, the North half of the Southeast quarter of the Southwest quarter, and the Northeast quarter of the Southwest quarter of the Southwest quarter of said Section 20.

Containing an area, after said exception, of 457 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 51: (KRGW 15 UNIT A Unit A2) (APN 161-090-07)

All that portion of Section 17, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in Grant Deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

Containing an area of 155 acres, more or less.

NOV 2 1 1995

which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 56: (KRGW-19 UNIT A Unit A2) (APN 160-060-17, 160-060-04, 160-060-21, 160-060-20, 160-060-06, 160-060-18, 160-060-19, 160-060-15, 160-060-07, 160-060-09)

Section 12, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the South half of the Southwest quarter of said Section, containing an area, after said exception, of 561 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 57: (KRGW-19 UNIT A Unit A3) (APN 161-040-20, 161-040-02, 161-040-09, 161-040-10, 161-040-11)

That portion of Section 7, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the Southern Pacific Railroad Asphalto Branch, as granted to SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, Records of said County.

Containing an area of 637 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

NOV 2 - 1995

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 52: (KRGW-17 UNIT A Unit A1) (APN 160-070-06, 160-070-20, 160-070-14, 160-070-22, 160-070-15)

Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the South half of the Southeast quarter of said Section 13.

ALSO EXCEPT the South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of said Section 13, containing an area, after said exception, of 540 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 53: (KRGW 17 UNIT A Unit A2) (APN 160-120-17)

The Northwest quarter of the Northwest quarter and the West half of the West half of the Northeast quarter of the Northwest quarter of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 50 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

NOV 2 1 1995

which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 54: (KRGW-17 UNIT A Unit A3) (APN 161-090-10, 161-090-01)

The North half of Section 18, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the Easterly 1700 feet of the South half of the South half of the Northwest quarter, the South half of the South half of the Northeast quarter, the Easterly 900 feet of the Northeast quarter of the Northeast quarter, and the Easterly 900 feet of the North half of the Southeast quarter of the Northeast quarter of said Section 18, containing an area, after said exception, of 222 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 55: (KRGW-19 UNIT A Unit A1 and UNIT B) (APN 160-010-12, 160-010-14, 160-010-24, 160-010-13, 160-010-26, 160-010-17)

The South half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 306 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

NOV 2 1 1995

PARCEL 58: (KRGW-30 UNIT A and UNIT B) (APN 161-030-23, 161-030-08, 161-030-24)

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the Southern Pacific Railroad Asphalto Branch, as granted to the SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 166 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 59: (KWB-4-B) (APN 160-070-28)

The South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 23 acres, more or less.

PARCEL 60: (KWB-5-A)

UNIT A (APN 160-070-10)

The North 385 feet of the West 415 feet of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 3.67 acres, more or less.

UNIT B (APN 160-010-40, 160-010-38, 160-010-43)

That portion of the East 5000 feet of the North half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Pioneer Canal Easement as described in PARCEL C, P-O Canal Easement Deed, recorded December 6, 1973, Book 5159, Page 2217, Official Records of said County, containing an area of 8.37 acres, more or less.

NOV 2 1 1995

UNIT C (APN 161-030-42)

That portion of the Northwest quarter of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Pioneer Canal Easement as described in PARCEL C, P-C Canal Easement Deed, recorded December 6, 1978, Book 5159, Page 2217, Official Records of said County.

EXCEPTING THEREFROM that portion of said Northwest quarter lying Northeasterly of the Southwesterly property line of the Southern Pacific Railroad Asphalto Branch, as granted to the SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by Deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, records of said County, containing an area, after said exception, of 3.25 acres, more or less.

UNIT D (APN 160-010-41)

The South 1176.00 feet of the West 165.00 feet of the Northwest quarter of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 4.45 acres, more or less.

PARCEL 61: (KRGW-29)

UNIT A (APN 161-040-26, 161-040-13)

That portion of the West half of the West half of Section 8, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Southwesterly property line of the Southern Pacific Railroad Asphalto Branch, as said railroad is described in deed, recorded October 21, 1893, Book 47, Page 356, Deeds, records of Kern County.

EXCEPTING THEREFROM the Southerly 820 feet of the Southwest quarter of the Southwest quarter of said Section 8, as granted to the CITY OF BAKERSFIELD, a Municipal Corporation, by deed, recorded December 30, 1976, Book 4999, Page 436, Official Records.

SUBJECT TO all exceptions, reservations, terms, conditions, covenants, and restrictions contained and recited in that certain oil, gas, and/or mineral interest assignment and conveyance from TENNECO WEST, INC., to TENNECO OIL COMPANY, recorded November 18, 1988 in Book 6183, Page 1167, Official Records of said County.

Containing an area, after said exception, of 73 acres, more or less.

Intent EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate, and maintain a State Highway over, through, and across those portions of the hereinabove described Sections 1, 11, 12, 13, 14, 23, 24, 25, 35 & 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, included within the lines of the parcels of land described in deeds to the State of California, recorded December 15, 1934, Book 547, Page 56; recorded August 22, 1935, Book 596, Page 34; recorded May 20, 1977, book 5028, Page 2074; and recorded May 20, 1977, Book 5028, Page 2077, all of Official Records of Kern County. (Affects Parcels 22, 32, 33, 37, 38, 40, 46, 48, 52, 55, 56 and 59).

ALSO EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate and maintain a State Highway over, through, and across those portions of the hereinabove described Sections 34, 35 and 36, township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, included within the lines of the parcels of land described in deeds to the State of California, recorded January 15, 1937, Book 683, Page 74, and recorded January 2, 1964 in Book 3677, Page 293, both of Official Records of Kern County. (Affects Parcels 21, 22 and 40).

ALSO EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate, and maintain a State Highway over, through, and across the South 30 feet of the hereinabove described Sections 32 and 33, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof. (Affects Parcels 44 and 45).

Bearings and distances used in the above description are based on the California Coordinate System, Zone V, 1927.

The Director's Deed of this property from the Department of Water Resources contains the following reservation:

"The Department of Water Resources, State of California, hereby (1) reserves to itself title to one-half of the La Hacienda Program Water and one-half of the Berrenda Mesa Demonstration Program Water; and (2) grants to Kern County Water Agency one-half of the La Hacienda Program Water, one-half of the Berrenda Mesa Demonstration Program Water, all of the 1995 water and all other water on, in, or under the real property which has not been reserved to the State herein. "Berrenda Mesa Demonstration Program Water" shall mean 2,532 acre feet of groundwater that has not been extracted by the State before the Close of Escrow on the property as part of the 1990 Berrenda Mesa Demonstration Program. "La Hacienda Program Water" shall mean the 83,127 acre feet of water that has not been extracted before the close of escrow of the 98,005 acre-feet of the groundwater purchased by the State from the Kern County Water Agency, and the Kern County Water Agency from La Hacienda, Inc., in 1991. "1995 Water" shall mean all water on, in, or under the real property upon closing that was delivered to and spread upon the real property at any time during 1995 by or for the Kern County Water Agency or its member units or the members of the Kern Water Bank Authority. (Does Not Affect Parcels 62 and 63)."

The water described in this reservation, which is not otherwise reserved by Department of Water Resources, is conveyed to the Kern Water Bank Authority.

CERTIFICATE OF ACCEPTANCE
GOVERNMENT CODE SECTION 26281

THIS IS TO CERTIFY that the Kern Water Bank Authority hereby accepts for public purposes, the within document and consents to the recordation thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th **day of** June **, 1996.**

PEGGY J. POOR, Secretary to the Board of Directors, Kern Water Bank Authority

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Kern

On 6/17/96 (Date) before me, Cynthia Young, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared William A. Taube (Name(s) of Signer(s))

[ ] personally known to me – OR – [ ] proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

CYNTHIA YOUNG
Commission # 1098251
Notary Public — California
Kern County
My Comm. Expires May 19,2000

WITNESS my hand and official seal.

Cynthia Young (Signature of Notary Public)

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Trust Agreement

Document Date: 10-17-95 Number of Pages: 42

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: William A. Taube

[ ] Individual
[ ] Corporate Officer
Title(s): _____
[ ] Partner — [ ] Limited [ ] General
[ ] Attorney-in-Fact
[ ] Trustee
[ ] Guardian or Conservator
[X] Other: Vice Chairman Kern Water Bank Authority

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____

[ ] Individual
[ ] Corporate Officer
Title(s): _____
[ ] Partner — [ ] Limited [ ] General
[ ] Attorney-in-Fact
[ ] Trustee
[ ] Guardian or Conservator
[ ] Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Kern

On 6/17/96 (Date) before me, Cynthia Young (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared William D. Phillimore (Name(s) of Signer(s))

X personally known to me – OR – ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

CYNTHIA YOUNG
Commission # 1098251
Notary Public — California
Kern County
My Comm. Expires May 19,2000

WITNESS my hand and official seal.

Cynthia Young
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Trust Agreement

Document Date: 10-17-95 Number of Pages: 42

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: William D. Phillimore

☒ Individual
☒ Corporate Officer
Title(s): Vice President
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

_____

_____

Signer's Name: _____

☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

_____

_____

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James Maples-Assessor-Recorder
Kern County Official Records

DOCUMENT #:0196108972

JOANNE
Pages 3
8/26/1996
14:00:00



Fees
Taxes
Other

Stat Types:1 TOTAL PAID

Recording Requested by and
when recorded return to:

KERN WATER BANK AUTHORITY
c/o Young Wooldridge
1800 30th Street, 4th Floor
Bakersfield, CA 93301
Attention: Ernest A. Conant

EXEMPT FROM RECORDING FEE
PURSUANT TO GOVERNMENT CODE
SECTION 27383

MEMORANDUM OF TRANSFER OF WATER IN STORAGE

THIS MEMORANDUM is to acknowledge that on this date the Kern Water Bank Authority, a public agency, conveyed to each of its Member Entities identified below in the quantities specified, that certain water in ground water storage totalling 42,829.5 acre feet, which was conveyed by a Director's Deed recorded August 9, 1996 as Document No. 0196101605 of the Official Records of Kern County by the State of California, acting by and through its Director of Water Resources, to the Kern County Water Agency, a public agency, and in turn by Deed recorded the same date as Document No. 0196101606 of the Official Records of Kern County, the Kern County Water Agency conveyed said water in storage to the Kern Water Bank Authority.

The quantities of water in storage conveyed this date to each of the Member Entities of the Kern Water Bank Authority are as follows:

Dudley Ridge Water District	4,120
Kern County Water Agency	4,120
Semitropic Water Storage District	2,857
Tejon-Castac Water District	856.5
Kern Water Bank Authority, Trustee, for the benefit of Westside Mutual Water Company, LLC	20,584
Wheeler Ridge-Maricopa Water Storage District	10,292
TOTAL	42,829.5 acre-feet

This memorandum shall not in any manner conflict with or modify the conditions under which said water was transferred pursuant to said documents delivered this date to each of the Member Entities entitled "Transfer of Water and Storage."

IN WITNESS HEREOF, this Memorandum has been duly executed by authorized representatives of the Kern Water Bank Authority this 23rd day of August, 1996.

KERN WATER BANK AUTHORITY

By _____
William D. Phillimore, Chairman

By _____
Peggy J. Poer, Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of KERN

On August 23, 1996 (Date) before me, Cynthia Young (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),

personally appeared William D. Phillimore and Peggy J. Poor (Name(s) of Signer(s)),

☒ personally known to me – OR – ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

CYNTHIA YOUNG
Commission # 1096281
Notary Public — California
Kern County
My Comm. Expires May 19,2000

WITNESS my hand and official seal.

Cynthia Young
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Memorandum of Transfer of Water in Storage

Document Date: August 23, 1996 Number of Pages: 2

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: William D. Phillimore	Signer's Name: Peggy J. Poor
☐ Individual	☐ Individual
☐ Corporate Officer	☐ Corporate Officer
Title(s): _____	Title(s): _____
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact	☐ Attorney-in-Fact
☐ Trustee	☐ Trustee
☐ Guardian or Conservator	☐ Guardian or Conservator
☒ Other: Chairman of the Board	☒ Other: Secretary to the Board
Signer Is Representing: Kern Water Bank Authorit	Signer Is Representing: Kern Water Bank Authority

RIGHT THUMBPRINT OF SIGNER — Top of thumb here — AUTHENTIPRINT

RIGHT THUMBPRINT OF SIGNER — Top of thumb here — AUTHENTIPRINT

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California Standard Short Form

Recording Requested by
and When Recorded Mail to:

Sacramento Energy, Inc.
2019 Westwind Drive
Bakersfield, CA 93301

AP #

James Maples, Assessor-Recorder
Kern County Official Records

DOCUMENT #:0197070612



SABRINA
Pages: 2
5/28/1997
13:28:13

Fees....	10.00
Taxes...	
Other...	3.50
TOTAL PAID..	13.50

Space above provided for record

Stat. Types:1

DOCUMENTARY TRANSFER TAX $ -0-

☐ Computed on full value of property conveyed, or
☐ Computed on full value less liens & encumbrances remaining thereon at time of sale.

Roger Hartley
Signature of declarant or agent determining tax. Firm name

OIL AND GAS LEASE
(Short Form)

THIS AGREEMENT made this 7th day of July, 1995, between Enron Oil & Gas Company, a Delaware Corporation, 1625 Broadway, Suite 1300, Denver, Colorado 80202, Lessor, and Sacramento Energy, Inc., Lessee.

WITNESSETH:

That Lessor hereby leases to Lessee, and Lessee leases ... Lessor, In consideration of the covenants of the Lessee set forth in that certain Oil and ... Lease of even date between the parties hereto, which is hereby referred to for the particulars thereof, and for the term and subject to the conditions and provisions and for the purposes set forth in said Oil and Gas Lease, all those certain lands situate in the County of Kern, State of California, and particularly described as follows, to wit:

Township 30 South, Range 26 East, M.D.B.&M.
Section 27: SW/4SW/4, SE/4SW/4, W/2SW/4SE/4
Section 33: SE/4NE/4 except N/2NW/4SE/4NE/4
Section 34: N/2 except W/2NW/4NW/4

IN WITNESS WHEREOF, said parties have caused this lease to be duly executed as of the date first hereinabove written.

LESSOR:

ENRON OIL & GAS COMPANY

By: D. Weaver
Agent and Attorney-in-Fact

LESSEE:

SACRAMENTO ENERGY, INC.

By: David S. Hartley
President

c:\agm\lsac.doc

DH

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of Colorado
County of Denver

No. 5190

On 9-18-95 (DATE) before me, Debbie Christy, Notary Public (NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC")

personally appeared D. Weaver as Agent and Attorney-in-Fact (NAME(S) OF SIGNER(S))

[X] personally known to me - OR - [ ] proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

DEBBIE CHRISTY NOTARY PUBLIC STATE OF COLORADO

DEBBIE CHRISTY
Notary Public
State of Colorado
My Appointment Expires MAR 27, 1997

WITNESS my hand and official seal.

Debbie Christy
SIGNATURE OF NOTARY

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER
Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

[ ] INDIVIDUAL
[ ] CORPORATE OFFICER(S)
TITLE(S)
[ ] PARTNER(S) [ ] LIMITED [ ] GENERAL
[X] ATTORNEY-IN-FACT
[ ] TRUSTEE(S)
[ ] GUARDIAN/CONSERVATOR
[ ] OTHER:

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
Enron Oil & Gas Company

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

TITLE OR TYPE OF DOCUMENT
NUMBER OF PAGES DATE OF DOCUMENT
SIGNER(S) OTHER THAN NAMED ABOVE

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STATE OF CALIFORNIA
COUNTY OF Yolo

DENISE DE MATTEI
COMM. #986258
NOTARY PUBLIC-CALIFORNIA
YOLO COUNTY
MY COMM. EXPIRES FEB. 28, 1997

On September 14, 1995 before me, Denise DeMattei, personally appeared David S. Hartley, personally known to me (or proved on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed in the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Denise DeMattei
Notary public in and for said State.

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either express or implied, as to the legal validity of any provision or the suitability of these forms in any specific transaction.
Cowdery's Form No. 10G — ACKNOWLEDGMENT — General (Civil Code 1189(a)) (Revised 1/93)

DEA

15. Exception_17a_0198185643

James Maples-Assessor-Recorder
Kern County Official Records

PATTI
Pages: 4
12/31/1998
9:44:16

DOCUMENT #:0198185643



Fees .. 16.00
Taxes...
Other...
TOTAL
PAID.. 16.00

Stat. Types: I

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

SACRAMENTO ENERGY, INC.
1712 19th Street
Bakersfield, CA 93301

PARTIAL SURRENDER AND QUITCLAIM OF OIL, GAS AND MINERAL LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, **SACRAMENTO ENERGY, INC.**, a California corporation ("Sacramento"), for valuable consideration, subject to the conditions and reservations hereinafter set forth, does hereby surrender and forever quitclaim to the record owner or owners, as their respective interests appear of record, all right, title and interest in and to that certain Oil, Gas and Mineral Lease (the "Lease") covering lands located in Kern County, California, which Lease is more particularly described on Exhibit "A" attached hereto and made a part hereof by this reference, **BUT INSOFAR AND ONLY INSOFAR** as the Lease covers that portion of land described on Exhibit "A" hereto.

Sacramento hereby reserves and retains all right, title, and interest in and to the Lease insofar as the Lease covers the **RETAINED LANDS** specifically described on Exhibit "A" hereto.

IN WITNESS WHEREOF, Sacramento has executed this instrument as of the 28th day of December, 1998.

SACRAMENTO ENERGY, INC.

By: _____

David S. Hartley, President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Kern

On December 28, 1998 (Date) before me, C.M. Rysell Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared David S. Hartley (Name(s) of Signer(s))

☐ personally known to me – OR – ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

C. M. RYSELL
Commission # 1191730
Notary Public - California
Kern County
My Comm. Expires Aug 3, 2002

WITNESS my hand and official seal.

C.M. Rysell (Signature of Notary Public)

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Partial Surrender and Quitclaim of Oil, Gas and Mineral Lease

Document Date: December 28, 1998 Number of Pages: two

Signer(s) Other Than Named Above: none

Capacity(ies) Claimed by Signer(s)

Signer's Name: David S. Hartley

☐ Individual
☒ Corporate Officer
Title(s): President
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Top of thumb here

Signer is Representing:

Sacramento Energy, Inc.

Signer's Name: _____

☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Top of thumb here

Signer is Representing:

© 1998 National Notary Association • 9236 Rennet Ave., P.O. Box 7184 • Canoga Park, CA 91309-7184 Prod. No. 5907 Reorder: Call Toll-Free 1-800-876-6827

EXHIBIT "A"

Attached to and made a part of that certain Partial Surrender and Quitclaim of Oil, Gas and Mineral Lease executed by Sacramento Energy, Inc. dated as of December 28, 1998.

Lease Date:	July 7, 1995
Lessor:	Enron Oil & Gas Company
Lessee:	Sacramento Energy, Inc.
Recording Data:	May 28, 1997, Instrument Number #0197070612, Official Records of Kern County, California
Description:	Township 30 South, Range 26 East, M.D.B.&M. Section 27: SW/4SW/4, SE/4SW/4, W/2SW/4SE/4 Section 33: SE/4NE/4 except N/2NW/4SE/4NE/4 Section 34: N/2 except W/2NW/4NW/4 **LESS AND EXCEPT** the RETAINED LANDS, described below

RETAINED LANDS:

ALL THOSE PORTIONS OF THE NORTHEAST QUARTER OF SECTION 33, AND THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 30 SOUTH, RANGE 26 EAST, M.D.B.&M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 34;

THENCE (1) SOUTH 00°53'55" WEST ALONG THE EAST LINE OF SAID NORTHWEST QUARTER OF SAID SECTION 34, A DISTANCE OF 661.21 FEET, TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE (2) DEPARTING FROM SAID EAST LINE, SOUTH 64°02'26" WEST, 1483.63 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE (3) SOUTH 64°03'44" WEST, 1483.27 FEET, TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE (4) SOUTH 64°04'25" WEST, 1481.84 FEET, TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (5) NORTH 00°59'30" EAST, 990.84 FEET, TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (6) SOUTH 89°27'16" EAST, 660.62 FEET, TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (7) NORTH 00°59'02" EAST, 330.28 FEET, TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (8) SOUTH 89°27'15" EAST, 660.57 FEET, TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (9) SOUTH 89°29'40" EAST, 661.33 FEET, TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE (10) NORTH 00°58'39" EAST, 843.84 FEET, ALONG THE EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE (11) NORTH 84°02'06" EAST, 1072.48 FEET, TO A POINT ON THE NORTH LINE OF SAID SECTION 34;

THENCE (12) SOUTH 89°31'24" EAST, ALONG SAID NORTH LINE, 1027.99 FEET TO THE POINT OF BEGINNING.

CONTAINS 80.00 ACRES

--END OF EXHIBIT "A"--

James W. Fitch, Assessor – Recorder
Kern County Official Records
Recorded at the request of
Public

TELFORDT
7/31/2008
11:13 AM

DOC#: 0208121918

Stat Types: 1 Pages: 6

Fees	42.00
Taxes	0.00
Others	0.00
PAID	$42.00

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Sacramento Energy, Inc.
P. O. Box 2551
Bakersfield, California 93303

PARTIAL SURRENDER AND QUITCLAIM OF OIL, GAS AND MINERAL LEASE

WHEREAS, **Sacramento Energy, Inc.**, a California corporation ("**Sacramento**") entered into the following Oil, Gas and Mineral Lease (the "**Lease**") with Enron Oil & Gas Company:

Lease Date:	July 7, 1995
Lessor:	Enron Oil & Gas Company
Lessee:	Sacramento Energy, Inc.
Recording Data:	May 28, 1997, Document #:0197070612, Official Records of Kern County, California

and;

WHEREAS, by the terms of the Lease, Sacramento has heretofore executed the Partial Surrender and Quitclaim of Oil, Gas and Mineral Lease effective as of December 28, 1998, recorded on December 31,1998, Document #:0198185643, Official Records of Kern County, California, and

WHEREAS, Sacramento is obligated to release and surrender to lessor the undeveloped deep rights underlying each well tract as required by the terms of the Lease;

NOW THEREFORE, in consideration of the above premises and other good and valuable consideration, subject to the conditions and reservations hereinafter set forth, Sacramento does hereby surrender and forever quitclaim to **Vintage Production California LLC**, successor in interest to Enron Oil & Gas Company, all right, title and interest in and to the Lease and the lands covered thereby, **BUT INSOFAR AND ONLY INSOFAR** as the Lease covers the **Surrendered Interval** set forth and described on Exhibit "A" attached hereto and made a part hereof by this reference.

Sacramento hereby reserves and retains all right, title and interest in and to the Lease insofar as the Lease covers the **Retained Interval** lying within the **Well Tract**,

both of which are specifically described on Exhibit "A" hereto. The boundary of the **Well Tract** is depicted on Exhibit "B" attached hereto.

IN WITNESS WHEREOF, Sacramento has executed this instrument as of the 21st day of July, 2008.

Sacramento Energy, Inc.

By:_____
Roger Hartley
Corporate Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Kern }

On 31 July 2008 (Date) before me, Laura Tolfree Barton Notary Public (Here Insert Name and Title of the Officer),

personally appeared Roger Hartley (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Laura Tolfree Barton (Signature of Notary Public)

LAURA TOLFREE BARTON
Commission # 1792947
Notary Public - California
Kern County
My Comm. Expires Mar 30, 2012

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Partial Surrender and Quitclaim of Oil, Gas + Mineral Lease.

Document Date: 21 July 2008 Number of Pages: 5

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

©2007 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 • www.NationalNotary.org Item #5907 Reorder: Call Toll-Free 1-800-876-6827

EXHIBIT "A"

Attached to and made a part of that certain Partial Surrender and Quitclaim of Oil, Gas and Mineral Lease executed by Sacramento Energy, Inc. dated as of July 21, 2008.

Surrendered Interval

The "**Surrendered Interval**" shall be defined as all depths, intervals, horizons, and/or formations lying one hundred feet (100') and more below the **base of the Upper Stevens Sand**, as defined below, in and to the **Well Tract**, as described below.

Retained Interval

The "**Retained Interval**" shall mean all depths, intervals, horizons, and/or formations lying above the **Surrendered Interval** (as defined above) as to the **Well Tract** (as described below).

Base of the Upper Stevens Sand

As used herein, the "**base of the Upper Stevens Sand**" shall be defined as the stratigraphic equivalent of the drilled depth of 8118 feet, as shown in the Schlumberger Array Induction/SP/Sonic/Caliper combo log for the Sacramento Energy, Inc. "Enron" 1-34 well, API No. 030-09108, located in Section 34, Township 30 South, Range 26 East, MDB&M, Kern County, California.

Well Tract

ALL THOSE PORTIONS OF THE NORTHEAST QUARTER OF SECTION 33, AND THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MDB&M, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 34;

THENCE (1) SOUTH 00°58'55" WEST ALONG THE EAST LINE OF SAID NORTHWEST QUARTER OF SAID SECTION 34, A DISTANCE OF 661.21 FEET, TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE (2) DEPARTING FROM SAID EAST LINE, SOUTH 64°02'26" WEST, 1483.63 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE (3) SOUTH 64°03'44" WEST, 1483.27 FEET, TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE (4) SOUTH 64°04'25" WEST, 1481.84 FEET, TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (5) NORTH 00°59'30" EAST, 990.84 FEET, TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (6) SOUTH 89°27'16" EAST, 660.62 FEET, TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (7) NORTH 00°59'02" EAST, 330.28 FEET, TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (8) SOUTH 89°27'15" EAST, 660.57 FEET, TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 33;

THENCE (9) SOUTH 89°29'40" EAST, 661.33 FEET, TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

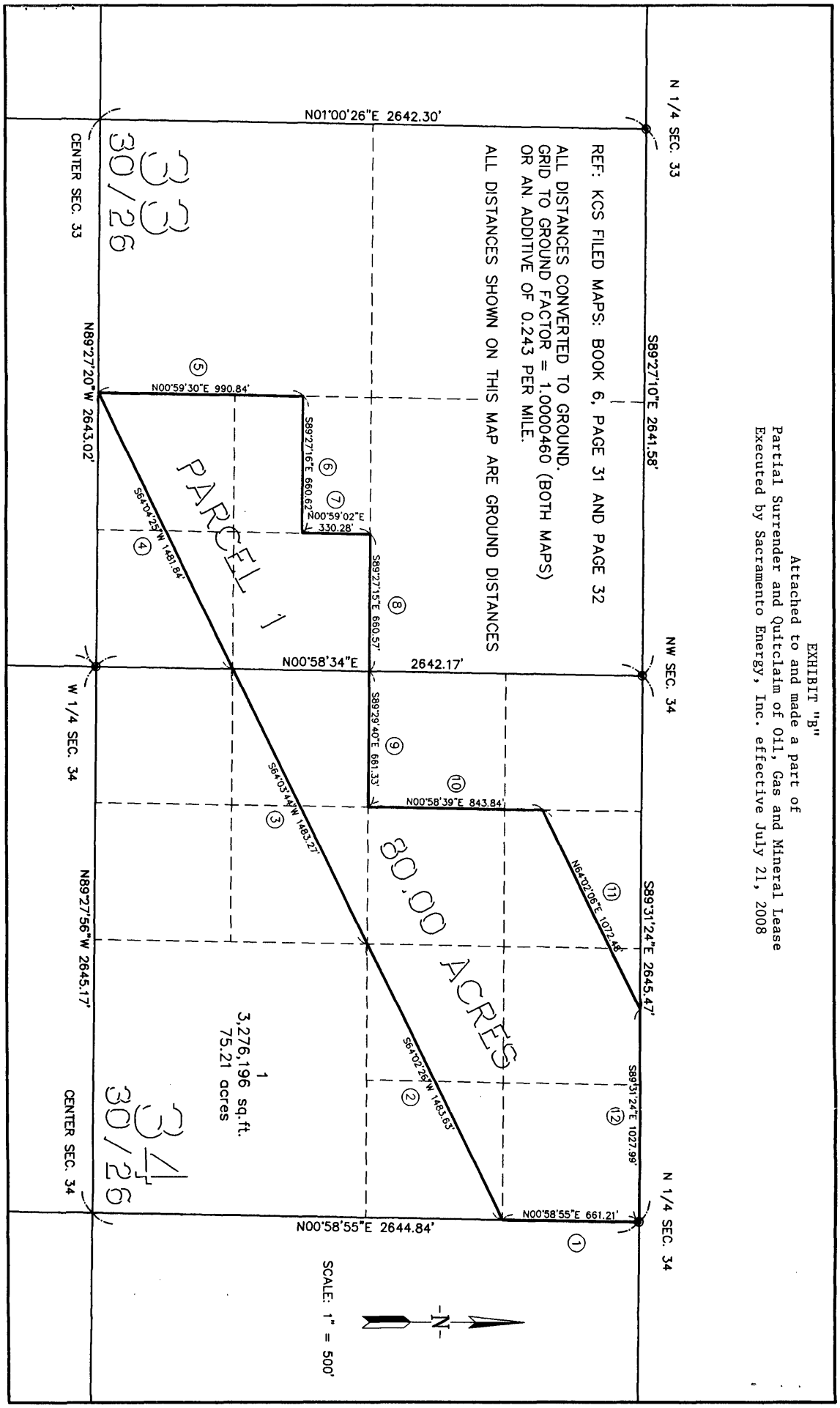
THENCE (10)NORTH 00°58'39" EAST, 843.84 FEET, ALONG THE EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE (11)NORTH 64°02'06" EAST, 1072.48 FEET, TO A POINT ON THE NORTH LINE OF SAID SECTION 34;

THENCE(12)SOUTH 89°31'24" EAST, ALONG SAID NORTH LINE, 1027.99 FEET TO THE POINT OF BEGINNING.

CONTAINS 80.00 ACRES

EXHIBIT "B"
Attached to and made a part of
Partial Surrender and Quitclaim of Oil, Gas and Mineral Lease
Executed by Sacramento Energy, Inc. effective July 21, 2008



53

Recording Requested by
CHICAGO TITLE INSURANCE
Order No.

RECORDING REQUESTED BY:
CHICAGO TITLE COMPANY
696028 JH/MB

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

WELLS FARGO BANK,
NATIONAL ASSOCIATION
c/o Chapman and Cutler LLP
595 Market Street, Suite 2600
San Francisco, CA 94105
Attn: Gregory S. Clore

James W. Fitch, Assessor – Recorder
Kern County Official Records
Recorded at the request of
Chicago Title

JASON
11/25/2003
8:00 AM

DOC#: **0203256936**

Stat Types: 3 Pages: 53

Fees	177.00
Taxes	0.00
Others	0.00
PAID	$177.00

Space above this line for Recorder's Use

DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING

This Deed of Trust, Assignment of Rents and Leases and Fixture Filing ("Deed of Trust") is made as of November 1, 2003, by Kern Water Bank Authority, as trustor (together with any successor thereto, "Trustor"), to AMERICAN SECURITIES COMPANY, a corporation ("Trustee"), for the benefit of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Beneficiary").

WITNESSETH:

WHEREAS, Trustor and Beneficiary have entered into that certain Reimbursement Agreement, dated as of November 1, 2003 (as amended, modified and/or supplemented from time to time, the "Reimbursement Agreement"); and

WHEREAS, a condition precedent to the Reimbursement Agreement is the execution of this Deed of Trust by Trustor for the benefit of Beneficiary.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Trustor, Trustee and Beneficiary agree as follows:

1. GRANT IN TRUST.

1.1 The Property. For the purpose of securing payment and performance of the Secured Obligations defined in Section 2 below, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns (collectively, the "Security Grant") to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in the following property (collectively, the "Property"):

(a) The real property located in the County of Kern, State of California, as described on Exhibit A attached hereto;

(b) All buildings, structures, improvements, fixtures and appurtenances now or hereafter placed on such real property, and all apparatus and equipment now or hereafter attached in any manner to the real property or any building on the real property, including all pumping plants, engines, pipes, ditches and flumes, all of which shall be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust;

(c) All development rights, governmental or quasi-governmental licenses, permits or approvals, zoning rights and other similar rights or interests which relate to the development, use or operation of, or that benefit or are appurtenant to, such real property;

(d) All easements and rights of way appurtenant to such real property; all development rights or credits and air rights; all mineral rights, oil and gas rights, air rights and water and water rights of Trustor (whether riparian, appropriative, or otherwise, and whether or not appurtenant to such real property) and all shares and other rights pertaining to such water or water rights of Trustor, ownership of which affect such real property (but shall not include water, including water in storage, owned solely by any Member Entity (as defined in the Reimbursement Agreement or held in trust solely for the benefit of a Member Entity); all minerals, oil, gas, and other hydrocarbon substances and rights thereto in, on, under, or upon such real property;

(e) All right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining such real property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with such real property;

(f) All proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the real property, any buildings located thereon or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any breach of warranty, misrepresentation, damage or injury to, or defect in, the real property, any buildings located thereon or the other property described above or any part thereof; and

(g) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

1.2 Fixture Filing. This Deed of Trust constitutes a financing statement filed as a fixture filing under Section 9502(c) of the California Uniform Commercial Code, as amended or recodified from time to time, covering any Property which now is or later may become a fixture attached to the real property described in Section 1.1(a) or any building located thereon.

2. THE SECURED OBLIGATIONS.

2.1 Purpose of Securing. Trustor makes the grant, conveyance, transfer and assignment set forth in Section 1 for the purpose of securing the following obligations (the "Secured Obligations") in any order of priority that Beneficiary may choose:

(a) Payment of all obligations of Trustor to Beneficiary arising under the Reimbursement Agreement together with the payment and performance of any indebtedness or obligations incurred in connection with the credit accommodation evidenced by the Reimbursement Agreement, whether or not specifically referenced therein;

(b) Payment of all obligations of Trustor to Beneficiary or any of its affiliates arising under any interest rate swap agreement(s) entered into between Trustor and Beneficiary or any such affiliate at any time (each such agreement, a "Swap Agreement");

(c) Payment and performance of all obligations of Trustor under this Deed of Trust, together with all advances, payments or other expenditures made by the Beneficiary or Trustee as or for the payment or performance of any such obligations of Trustor;

(d) Payment and performance of all future advances and other obligations that Trustor may agree to pay and/or perform (whether as principal, surety or guarantor) to or for the benefit of Beneficiary, when a writing signed by Trustor evidences said parties' agreement that such advance or obligation be secured by this Deed of Trust; and

(e) All modifications, extensions and renewals of any of the Secured Obligations (including, without limitation, (i) modifications, extensions or renewals at a different rate of interest, or (ii) deferrals or accelerations of the required principal payment dates or interest payment dates or both, in whole or in part), however evidenced, whether or not any such modification, extension or renewal is evidenced by a new agreement.

This Deed of Trust does not secure any obligation which expressly states that it is unsecured, whether contained in the foregoing Reimbursement Agreement or in any other document, agreement or instrument.

All capitalized terms used but not defined in this Deed of Trust shall have the meanings given to them in the Reimbursement Agreement.

2.2 Terms of Secured Obligations. All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Reimbursement Agreement described in Section 2.1(a) and each other agreement or instrument made or entered into in connection with each of the Secured Obligations. The Reimbursement Agreement, among other things, provides an interest rate that may vary from time to time on one or more of the obligations arising under the Reimbursement Agreement.

2.3 Revenues; Subordination of Security Grant; Conflict with Indenture. To the extent that any of the Property, the Rents (as defined in Section 3.1) or the Claims (as defined in Section 4.4) constitutes "Revenues" as that term is defined in the Indenture of Trust, dated as of November 1, 2003 (as the same may be amended, modified and/or supplemented from time to time, the "Indenture"), by and between Trustor and Zions First National Bank, as trustee (together with its successors in such capacity, the "Bond Trustee"), the Security Grant contained in Section 1.1 and the assignments contained in Sections 3.1 and 4.4 are made subject and subordinate to the lien of the Indenture in favor of the Bond Trustee, the Qualified Swap Provider and the Credit Provider over the Revenues for so long as such lien remains in effect and for so long as such Property, Rents or Claims remains part of Revenues, and Trustee and Beneficiary each agree that, notwithstanding any provision to the contrary contained in this Deed of Trust, so long as the lien of the Bond Trustee, the Qualified Swap Provider and the Credit Provider over the Revenues remains in effect and so long as such Property, Rents or Claims remains part of Revenues, it shall take no action under this Deed of Trust to disturb the lien of the Bond Trustee, the Qualified Swap Provider and the Credit Provider over the Revenues. Under no circumstances shall the lien of the Bond Trustee, the Qualified Swap Provider and the Credit Provider over the Revenues be construed under this Deed of Trust as an adverse claim against the Property, Rents or Claims. Notwithstanding any provision to the contrary contained in this Deed of Trust, to the extent that any provision of this Deed of Trust conflicts with any provision of the Indenture, the conflicting provision of the Indenture shall prevail and, to the extent that Trustor timely complies with a conflicting provision of the Indenture, Trustor's failure to comply with the conflicting provision of this Deed of Trust shall not constitute an Event of Default under this Deed of Trust. Notwithstanding the foregoing or any other provision in this Deed of Trust, the defined terms Property, Rents and Claims shall not include (i) capital use or improvement fees levied on the Members (as defined in the Indenture) pursuant to Section 4.5(a) of the Agreement (as defined in the Indenture); (ii) grants which are designated by the grantor for a specific purpose and are therefore not available for other purposes; or (iii) money received or receivable by the Trustor from the sale of a Member's water, including standby fees relating to the sale or proposed sale of a Member's water, and held for the benefit of such Member.

3. ASSIGNMENT OF RENTS.

3.1 Assignment. Subject to Section 2.3, for the purposes and upon the terms and conditions set forth herein, Trustor irrevocably assigns to Beneficiary all of Trustor's right, title and interest in, to and under all leases, licenses, rental agreements and other agreements of any kind relating to the use or occupancy of any of the Property, whether existing as of the date hereof or at any time hereafter entered into, together with all guarantees of and security for any tenant's or lessee's performance thereunder, and all amendments, extensions, renewals and modifications thereto (each, a "Lease" and collectively, the "Leases"), together with any and all other rents, issues and profits of the Property (collectively, "Rents"). This assignment shall not impose upon Beneficiary any duty to produce Rents from the Property, nor cause Beneficiary to be: (a) a "mortgagee in possession" for any purpose; (b) responsible for performing any of the obligations of the lessor or landlord under any Lease; or (c) responsible for any waste committed by any person or entity at any time in possession of the Property or any part thereof, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property. This is an absolute assignment, not an assignment for security only, and Beneficiary's right to Rents is not contingent upon and may be exercised without taking possession of the Property. Trustor agrees to execute and deliver to Beneficiary, within five (5) days of Beneficiary's written request, such additional documents as Beneficiary or Trustee may reasonably request to further evidence the assignment to Beneficiary of any and all Leases and Rents. Beneficiary or Trustee, at Beneficiary's option and without notice, may notify any lessee or tenant of this assignment of the Leases and Rents.

3.2 Grant of License. Notwithstanding the provisions of Section 3.1, Beneficiary hereby confers upon Trustor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default, as defined in Section 5.2, shall exist and be continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of the security for the Secured Obligations. Beneficiary or Trustee may also, at Beneficiary's option and without notice, either in person or by agent, with or without bringing any action, or by a receiver to be appointed by a court: (a) enter, take possession of, manage and operate the Property or any part thereof; (b) make, cancel, enforce or modify any Lease; (c) obtain and evict tenants, fix or modify Rents, and do any acts which Beneficiary or Trustee deems proper to protect the security hereof; and (d) either with or without taking possession of the Property, in its own name, sue for or otherwise collect and receive all Rents, including those past due and unpaid, and apply the same in accordance with the provisions of this Deed of Trust. The entering and taking possession of the Property, the collection of Rents and the application thereof as aforesaid, shall not cure or waive any Event of Default, nor waive, modify or affect any notice of default hereunder, nor invalidate any act done pursuant to any such notice. The License shall not grant to Beneficiary or Trustee the right to possession, except as provided in this Deed of Trust.

3.3. Protection of Security. To protect the security of this assignment, Trustor agrees:

(a) At Trustor's sole cost and expense: (i) to perform each obligation to be performed by the lessor or landlord under each Lease and to enforce or secure the performance of each obligation to be performed by the lessee or tenant under each Lease; (ii) not to modify any Lease in any material respect, nor accept surrender under or terminate the term of any Lease, other than those Leases which have annual rents payable thereunder not in excess of the aggregate amount of $50,000.00; (iii) not to anticipate the Rents under any Lease; and (iv) not to waive or release any lessee or tenant of or from any Lease obligations. Trustor assigns to Beneficiary all of Trustor's right and power to modify the terms of any Lease, to accept a surrender under or terminate the term of or anticipate the Rents under any Lease, and to waive or release any lessee or tenant of or from any Lease obligations, and any attempt on the part of Trustor to exercise any such rights or powers without Beneficiary's prior written consent shall be a breach of the terms hereof.

(b) At Trustor's sole cost and expense, to defend any action in any manner connected with any Lease or the obligations thereunder, and to pay all costs of Beneficiary or Trustee, including reasonable attorneys' fees, in any such action in which Beneficiary or Trustee may appear.

(c) That, should Trustor fail to do any act required to be done by Trustor under a Lease, then Beneficiary or Trustee, but without obligation to do so and without notice to Trustor and without releasing Trustor from any obligation hereunder, may make or do the same in such manner and to such extent as Beneficiary or Trustee deems necessary to protect the security hereof, and, in exercising such powers, Beneficiary or Trustee may employ attorneys and other agents, and Trustor shall pay necessary costs and reasonable attorneys' fees incurred by Beneficiary or Trustee, or their agents, in the exercise of the powers granted herein. Trustor shall give prompt notice to Beneficiary of any default by any lessee or tenant under any Lease, and of any notice of default on the part of Trustor under any Lease received from a lessee or tenant thereunder, together with an accurate and complete copy thereof.

(d) To pay to Beneficiary immediately upon demand all sums expended under the authority hereof, including reasonable attorneys' fees, together with interest thereon at the highest rate per annum payable under any Secured Obligation, and the same, at Beneficiary's option, may be added to any Secured Obligation and shall be secured hereby.

4. RIGHTS AND DUTIES OF THE PARTIES

4.1 Representations and Warranties. Trustor represents and warrants that Trustor lawfully possesses and holds fee simple title to all of the Property, unless Trustor's present interest in the Property is described in Exhibit A as a leasehold interest, in which case Trustor lawfully possesses and holds a leasehold interest in the Property as stated in Exhibit A.

4.2 Taxes, Assessments, Liens and Encumbrances. Trustor shall pay prior to delinquency any and all taxes, levies, charges and assessments, including assessments on appurtenant water stock, imposed on the Property or Trustor by any public or quasi-public authority or utility company which are (or if not paid, may become) a lien on all or part of the Property or any interest in it, or which may cause any decrease in the value of the Property or any part of it. Trustor shall immediately discharge any lien on the Property which Beneficiary has not consented to in writing, and shall also pay when due each obligation secured by or reducible to a lien, charge or encumbrance which now or hereafter encumbers or appears to encumber all or part of the Property, whether the lien, charge or encumbrance is or would be senior or subordinate to this Deed of Trust. Promptly upon request by Beneficiary, Trustor shall furnish to Beneficiary satisfactory evidence of the payment of all of the foregoing. Beneficiary is hereby authorized to request and receive from the responsible governmental and non-governmental personnel written statements with respect to the accrual and payment of any of the foregoing.

4.3 Performance of Secured Obligations. Trustor shall pay and perform each Secured Obligation when due.

4.4 Damages and Insurance and Condemnation Proceeds.

(a) Subject to Section 2.3, Trustor hereby absolutely and irrevocably assigns to Beneficiary, and authorizes the payor to pay to Beneficiary, the following claims, causes of action, awards, payments and rights to payment (collectively, the "Claims"):

(i) all awards of damages and all other compensation payable directly or indirectly because of a condemnation, proposed condemnation or taking for public or private use which affects all or part of the Property or any interest in it;

(ii) all other awards, claims and causes of action, arising out of any breach of warranty or misrepresentation affecting all or any part of the Property, or for damage or injury to, or defect in, or decrease in value of all or part of the Property or any interest in it;

(iii) all proceeds of any insurance policies payable because of loss sustained to all or part of the Property; and

(iv) all interest which may accrue on any of the foregoing.

(b) Trustor shall immediately notify Beneficiary in writing if:

(i) any material damage occurs or any injury or loss is sustained to all or part of the Property, or any action or proceeding relating to any such damage, injury or loss is commenced; or

(ii) any offer is made, or any action or proceeding is commenced, which relates to any actual or proposed condemnation or taking of all or part of the Property.

If Beneficiary chooses to do so, it may in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on breach of warranty or misrepresentation, or for damage or injury to, defect in, or decrease in value of all or part of the Property. Beneficiary, if it so chooses, may participate in any action or proceeding relating to condemnation or taking of all or part of the Property, and may join Trustor in adjusting any loss covered by insurance.

(c) Subject to Section 2.3, all proceeds of the Claims assigned to Beneficiary under this Section shall be paid to Beneficiary. In each instance, subject to Section 2.3, Beneficiary shall apply those proceeds first toward reimbursement of all of Beneficiary's costs and expenses of recovering the proceeds, including attorneys' fees. Subject to Section 2.3, Trustor further authorizes Beneficiary, at Beneficiary's option and in Beneficiary's sole discretion, and regardless of whether there is any impairment of the Property, (i) to apply the balance of such proceeds, or any portion of them, to pay or prepay or cash collateralize some or all of the Secured Obligations in such order or proportion as Beneficiary may determine, or (ii) to hold the balance of such proceeds, or any portion of them, in a non-interest-bearing account to be used for the cost of reconstruction, repair or alteration of the Property, or (iii) to release the balance of such proceeds, or any portion of them, to Trustor. If any proceeds are released to Trustor, neither Beneficiary nor Trustee shall be obligated to see to, approve or supervise the proper application of such proceeds. Subject to Section 2.3, if the proceeds are held by Beneficiary to be used to reimburse Trustor for the costs of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition, or such other condition as Beneficiary may approve in writing. Beneficiary may, at Beneficiary's option, condition disbursement of the proceeds on Beneficiary's approval of such plans and specifications prepared by an architect satisfactory to Beneficiary, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen, and such other evidence of costs, percentage of completion of construction, application of payments, and satisfaction of liens as Beneficiary may reasonably require.

4.5 Insurance. Trustor shall provide and maintain in force at all times all risk property damage insurance on the Property and such other types of insurance on the Property as may be required by Beneficiary and as may be required pursuant to the terms of the Reimbursement Agreement, the Indenture and any other documents executed by Trustor in connection with the financing provided to Trustor pursuant to the Reimbursement Agreement and the Indenture. At Beneficiary's request, Trustor shall provide Beneficiary with a counterpart original of any policy, together with a certificate of insurance setting forth the coverage, the limits of liability, the carrier, the policy number and the expiration date.

Each such policy of insurance shall be in an amount, for a term, and in form and content satisfactory to Beneficiary, and shall be written only by companies approved by Beneficiary. In addition, each policy of hazard insurance shall include a Form 438BFU or equivalent loss payable endorsement in favor of Beneficiary.

4.6 Maintenance and Preservation of Property.

(a) Trustor shall keep the Property in good condition and repair.

(b) Trustor shall not commit or permit waste of the Property.

(c) Trustor shall not initiate or allow any change in any zoning or other land use classification which adversely affects the Property or any part of it, except with Beneficiary's express prior written consent in each instance.

(d) If all or part of the Property becomes damaged or destroyed, Trustor shall promptly and completely repair and/or restore the Property in a good and workmanlike manner in accordance with sound building practices, regardless of whether or not Beneficiary agrees to disburse insurance proceeds or other sums to pay costs of the work of repair or reconstruction under Section 4.4.

(e) Trustor shall not commit or allow any act upon or use of the Property which would violate any public or private covenant, condition, restriction or equitable servitude affecting the Property. Trustor shall not bring or keep any article on the Property or cause or allow any condition to exist on it, if that could invalidate or would be prohibited by any insurance coverage required to be maintained by Trustor on the Property or any part of it under this Deed of Trust.

(f) Trustor shall do all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value.

4.7 Releases, Extensions, Modifications and Additional Security. Without affecting the personal liability of any person, including Trustor, for the payment of the Secured Obligations or the lien of this Deed of Trust on the remainder of the Property for the unpaid amount of the Secured Obligations, Beneficiary and Trustee are respectively empowered as follows:

(a) Beneficiary may from time to time and without notice:

(i) release any person liable for payment of any Secured Obligation;

(ii) extend the time for payment, or otherwise alter the terms of payment, of any Secured Obligation;

(iii) accept additional real or personal property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security; or

(iv) alter, substitute or release any property securing the Secured Obligations.

(b) Trustee may perform any of the following acts when requested to do so by Beneficiary in writing:

(i) consent to the making of any plat or map of the Property or any part of it;

(ii) join in granting any easement or creating any restriction affecting the Property;

(iii) join in any subordination or other agreement affecting this Deed of Trust or the lien of it; or

(iv) reconvey the Property or any part of it without any warranty.

4.8 Reconveyance. When all of the Secured Obligations have been paid in full and no further commitment to extend credit continues, Trustee shall reconvey the Property, or so much of it as is then held under this Deed of Trust, without warranty to the person or persons legally entitled to it. In the reconveyance, the grantee may be described as "the person or persons legally entitled thereto," and the recitals of any matters or facts shall be conclusive proof of their truthfulness. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance.

4.9 Compensation and Reimbursement of Costs and Expenses.

(a) Trustor agrees to pay fees in the maximum amounts legally permitted, or reasonable fees as may be charged by Beneficiary and Trustee when the law provides no maximum limit, for any services that Beneficiary or Trustee may render in connection with this Deed of Trust, including Beneficiary's providing a statement of the Secured Obligations or Trustee's rendering of services in connection with a reconveyance. Trustor shall also pay or reimburse all of Beneficiary's and Trustee's costs and expenses which may be incurred in rendering any such services.

(b) Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee to protect or preserve the Property or to enforce any terms of this Deed of Trust, including the exercise of any rights or remedies afforded to Beneficiary or Trustee or both of them under Section 5.3, whether any lawsuit is filed or not, or in defending any action or proceeding arising under or relating to this Deed of Trust, including attorneys' fees and other legal costs, costs of any sale of the Property and any cost of evidence of title.

(c) Trustor shall pay all obligations arising under this Section immediately upon demand by Trustee or Beneficiary. Each such obligation shall be added to, and considered to be part of, the principal of the Secured Obligations, and shall bear interest from the date the obligation arises at the rate provided in any instrument or agreement evidencing the Secured Obligations. If more than one rate of interest is applicable to the Secured Obligations, the highest rate shall be used for purposes hereof. If the instrument or agreement evidencing the Secured Obligations does not state a rate of interest, interest shall accrue at the rate of [ten percent (10%)] per annum.

4.10 Exculpation and Indemnification.

(a) Beneficiary shall not be directly or indirectly liable to Trustor or any other person as a consequence of any of the following:

(i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to it in this Deed of Trust;

(ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust;

(iii) Beneficiary's failure to produce Rents, if any, from the Property or to perform any of the obligations of the lessor or licensor under any lease or license covering the Property;

(iv) any waste committed by lessees of the Property or any other parties, or any dangerous or defective condition of the Property; or

(v) any loss sustained by Trustor or any third party resulting from any act or omission of Beneficiary in operating or managing the Property upon exercise of the rights or remedies afforded Beneficiary under Section 5.3, unless the loss is caused by the willful misconduct and bad faith of Beneficiary.

Trustor hereby expressly waives and releases all liability of the types described above, and agrees that no such liability shall be asserted against or imposed upon Beneficiary.

(b) Trustor agrees to indemnify Trustee and Beneficiary against and hold them harmless from all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other costs and expenses which either may suffer or incur in performing any act required or permitted by this Deed of Trust or by law or because of any failure of Trustor to perform any of its obligations. This agreement by Trustor to indemnify Trustee and Beneficiary shall survive the release and cancellation of any or all of the Secured Obligations and the full or partial release and/or reconveyance of this Deed of Trust.

4.11 Defense and Notice of Claims and Actions. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims. Trustor shall give Beneficiary and Trustee prompt notice in writing of any claim asserted or lawsuits filed against the Property and as required pursuant to the Reimbursement Agreement.

4.12 Substitution of Trustee. From time to time, Beneficiary may substitute a successor to any Trustee named in or acting under this Deed of Trust in any manner now or later to be provided at law, or by a written instrument executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county where the Property is situated. Any such instrument shall be conclusive proof of the proper substitution of the successor Trustee, who shall automatically upon recordation of the instrument succeed to all estate, title, rights, powers and duties of the predecessor Trustee, without conveyance from it.

4.13 Impound Account. At the request of Beneficiary at any time after an Event of Default and during the continuance thereof, Trustor shall, until all Secured Obligations have been paid in full, pay to Beneficiary monthly, annually or as otherwise directed by Beneficiary an amount estimated by Beneficiary to be equal to: (a) all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Property and will become due for the tax year during which such payment is so directed; and (b) premiums for fire, other hazard and mortgage insurance next due. If Beneficiary determines that amounts paid by Trustor are insufficient for the payment in full of such taxes, assessments, levies and/or insurance premiums, Beneficiary shall notify Trustor of the increased amount required for the payment thereof when due, and Trustor shall pay to Beneficiary such additional amount within thirty (30) days after notice from Beneficiary. All amounts so paid shall not bear interest, except to the extent and in the amount required by law. So long as there is no Event of Default, Beneficiary shall apply said amounts to the payment of, or at Beneficiary's sole option release said funds to Trustor for application to and payment of, such taxes, assessments, levies, charges and insurance premiums. If an Event of Default exists, Beneficiary at its sole option may apply all or any

part of said amounts to any Secured Obligation and/or to cure such Event of Default, in which event Trustor shall be required to restore all amounts so applied, as well as to cure any Event of Default not cured by such application. Trustor hereby grants and transfers to Beneficiary a security interest in all amounts so paid and held in Beneficiary's possession, and all proceeds thereof, to secure the payment and performance of each Secured Obligation. Upon assignment of this Deed of Trust, Beneficiary shall have the right to assign all amounts collected and in its possession to its assignee, whereupon Beneficiary and Trustee shall be released from all liability with respect thereto. The existence of said impounds shall not limit Beneficiary's rights under any other provision of this Deed of Trust or any other agreement, statute or rule of law. Within ninety-five (95) days following full repayment of all Secured Obligations (other than as a consequence of a foreclosure or conveyance in lieu of foreclosure of the liens and security interests securing any Secured Obligation), or at such earlier time as Beneficiary in its discretion may elect, the balance of all amounts collected and in Beneficiary's possession shall be paid to Trustor, and no other party shall have any right of claim thereto.

4.14 Acceptance of Trust; Powers and Duties of Trustee. Trustee accepts this trust when this Deed of Trust is executed. From time to time, upon written request of Beneficiary and, to the extent required by applicable law presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of any of the Secured Obligations, Beneficiary, or Trustee at Beneficiary's direction, may, without obligation to do so or liability therefor and without notice: (a) reconvey all or any part of the Property from the lien of this Deed of Trust; (b) consent to the making of any map or plat of the Property; and (c) join in any grant of easement or declaration of covenants and restrictions with respect to the Property, or any extension agreement or any agreement subordinating the lien or charge of this Deed of Trust. Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trusts and the enforcement of its rights and remedies available under this Deed of Trust, and may obtain orders or decrees directing, confirming or approving acts in the execution of said trusts and the enforcement of said rights and remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding (including, but not limited to, actions in which Trustor, Beneficiary or Trustee shall be a party) unless held or commenced and maintained by Trustee under this Deed of Trust. Trustee shall not be obligated to perform any act required of it under this Deed of Trust unless the performance of the act is requested in writing and Trustee is reasonably indemnified against all losses, costs, liabilities and expenses in connection therewith.

4.15 Subrogation. Beneficiary shall be subrogated to the lien of all encumbrances, whether or not released of record, paid in whole or in part by Beneficiary pursuant to this Deed of Trust or by the proceeds of any Secured Obligation.

5. ACCELERATING TRANSFERS, DEFAULT AND REMEDIES.

5.1 Accelerating Transfers

(a) "Accelerating Transfer" means, other than in the ordinary course of Borrower's business, any sale, contract to sell, conveyance, encumbrance, lease, or other transfer, whether voluntary, involuntary, by operation of law or otherwise, of all or any significant part of the Property or any interest in it, including any transfer or exercise of any right of Trustor or that of its Member Entities to drill for or to extract any water (other than for Trustor's own use), oil, gas or other hydrocarbon substances or any mineral of any kind on or under the surface of the Property.

(b) Trustor agrees that Trustor shall not make any Accelerating Transfer, unless the transfer is preceded by Beneficiary's express prior written consent to the particular transaction and transferee. Beneficiary may withhold such consent in its sole discretion. If any Accelerating Transfer occurs without Beneficiary's prior written consent, Beneficiary and Trustee may invoke any rights and remedies provided by Section 5.3 of this Deed of Trust.

5.2 Events of Default. The occurrence of any one or more of the following events, at the option of Beneficiary, shall constitute an event of default ("Event of Default") under this Deed of Trust:

(a) Any "Event of Default" occurs under and as defined in the Reimbursement Agreement, any "Event of Default" occurs under and as defined in any Swap Agreement or any "event of default" occurs under and as defined in any other instrument or agreement evidencing any of the Secured Obligations and such event of default continues beyond any applicable cure period;

(b) Except as permitted pursuant to the terms of the Reimbursement Agreement or Section 5.1 of this Deed of Trust, Trustor or any successor in interest to Trustor in the property sells, conveys, alienates, assigns or transfers said property, or any part thereof, or any interest therein, or drills or extracts or enters into any lease for the drilling or extraction of oil, gas, or other hydrocarbon substances or any mineral of any kind or character therefrom or from any part thereof, or becomes divested of his title or any interest therein in any manner or way, whether voluntary or involuntary; or

(c) Anyone other than Trustor or any owner or new owner, assignee or transferor of any right to minerals conveyed prior to the date of this Deed of Trust establishes and exercises any right to develop, bore for or mine for any water, gas, oil, or mineral on or under the surface of the property;

(d) Trustor fails to make any payment when due (after giving effect to any applicable grace period) or perform any agreement or obligation under this Deed of Trust;

(e) Any representation or warranty made in connection with this Deed of Trust or the Secured Obligations proves to have been false or misleading in any material respect when made; or

(f) Any default occurs under any other deed of trust on all or any part of the Property, or under any obligation secured by such deed of trust, whether such deed of trust is prior to or subordinate to this Deed of Trust.

5.3 Remedies. At any time after the occurrence of an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below, as well as any other rights and remedies authorized by law. All rights, powers and remedies of Beneficiary and Trustee hereunder are cumulative and are in addition to all rights, powers and remedies provided by law or in any other agreements between Trustor and Beneficiary. No delay, failure or discontinuance of Beneficiary in exercising any right, power or remedy hereunder shall affect or operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power or remedy.

(a) Beneficiary may declare any or all of the Secured Obligations to be due and payable immediately, irrespective of the maturity date specified in any note or written agreement evidencing the same, immediately due and payable without notice or demand, and no waiver of this right shall be effective unless in writing and signed by Beneficiary; [provided, however, in the event (i) the Letter of Credit is outstanding, in lieu of causing a mandatory purchase of the Bonds, Beneficiary may demand that Trustor deposit with Beneficiary in a non-interest bearing account cash in an amount equal to the then stated amount of the Letter of Credit and/or (ii) a Swap Agreement is in effect, in lieu of designating an "Early Termination Date" (as such term is defined in a Swap Agreement), Beneficiary may demand that Trustor deposit with Beneficiary in a non-interest bearing account cash in an amount equal to the amount, if any, payable to

Beneficiary under the terms of such Swap Agreement assuming an Early Termination Date had been so designated.]

(b) Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.

(c) Beneficiary may apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Property as a matter of strict right and without regard to: (i) the adequacy of the security for the repayment of the Secured Obligations; (ii) the existence of a declaration that the Secured Obligations are immediately due and payable; or (iii) the filing of a notice of default; and Trustor consents to such appointment.

(d) Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and in its own name or in the name of Trustor sue for or otherwise collect any and all Rents, including those that are past due, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: entering into, enforcing, modifying, or canceling leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; completing any unfinished construction; contracting for and making repairs and alterations; performing such acts of cultivation or irrigation as necessary to conserve the value of the Property. Trustor hereby irrevocably constitutes and appoints Beneficiary as its attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments. Trustor agrees to deliver to Beneficiary all books and records pertaining to the Property, including computer-readable memory and any computer hardware or software necessary to access or process such memory, as may reasonably be requested by Beneficiary in order to enable Beneficiary to exercise its rights under this Section.

(e) Beneficiary may take and possess all documents, books, records, papers and accounts of Trustor or the then owner of the Property; to make or modify Leases of, and other agreements with respect to, the Property upon such terms and conditions as Beneficiary deems proper; and to make repairs, alterations and improvements to the Property deemed necessary, in Trustee's or Beneficiary's judgment, to protect or enhance the security hereof.

(f) Either Beneficiary or Trustee may cure any breach or default of Trustor, and if it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's or Trustee's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary or Trustee to be conclusive as among the parties to this Deed of Trust; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under this Deed of Trust; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary or Trustee. Beneficiary and Trustee may take any of the actions permitted hereunder either with or without giving notice to any person.

(g) Beneficiary may bring an action in any court of competent jurisdiction to foreclose this instrument or to obtain specific enforcement of any of the covenants or agreements

of this Deed of Trust, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy For the purposes of any suit brought under this subsection, Trustor waives the defenses of laches and any applicable statute of limitations.

(h) Beneficiary may cause the Property to be sold by Trustee as permitted by applicable law. Before any such trustee's sale, Beneficiary or Trustee shall give such notice of default and election to sell as may then be required by law. When all time periods then legally mandated have expired, and after such notice of sale as may then be legally required has been given, Trustee shall sell the Property, either as a whole or in separate parcels, and in such order as Trustee may determine, at a public auction to be held at the time and place specified in the notice of sale. Neither Trustee nor Beneficiary shall have any obligation to make demand on Trustor before any trustee's sale. From time to time in accordance with then applicable law, Trustee may, and in any event at Beneficiary's request shall, postpone any trustee's sale by public announcement at the time and place noticed for that sale. At any trustee's sale, Trustee shall sell to the highest bidder at public auction for cash in lawful money of the United States. Any person, including Trustor, Trustee or Beneficiary, may purchase at the trustee's sale. Trustee shall execute and deliver to the purchaser(s) a deed or deeds conveying the property being sold without any covenant or warranty whatsoever, express or implied. The recitals in any such deed of any matters or facts, including any facts bearing upon the regularity or validity of any trustee's sale, shall be conclusive proof of their truthfulness. Any such deed shall be conclusive against all persons as to the facts recited in it.

(i) Upon sale of the Property at any judicial or non-judicial foreclosure, Beneficiary may credit bid (as determined by Beneficiary in its sole discretion) all or any portion of the Secured Obligations. In determining such credit bid, Beneficiary may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Property as such appraisals may be discounted or adjusted by Beneficiary in its sole underwriting discretion; (ii) expenses and costs incurred by Beneficiary with respect to the Property prior to foreclosure; (iii) expenses and costs which Beneficiary anticipates will be incurred with respect to the Property after foreclosure, but prior to resale, including without limitation, costs of structural reports and other due diligence, costs to carry the Property prior to resale, costs of resale (e.g., commissions, attorneys' fees, and taxes), Hazardous Materials (as defined in the Reimbursement Agreement) clean-up and monitoring, deferred maintenance, repair, refurbishment and retrofit, and costs of defending or settling litigation affecting the Property; (iv) declining trends in real property values generally and with respect to properties similar to the Property; (v) anticipated discounts upon resale of the Property as a distressed or foreclosed property; (vi) the existence of additional collateral, if any, for the Secured Obligations; and (vii) such other factors or matters that Beneficiary deems appropriate. Trustor acknowledges and agrees that: (A) Beneficiary is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (B) this Section does not impose upon Beneficiary any additional obligations that are not imposed by law at the time the credit bid is made; (C) the amount of Beneficiary's credit bid need not have any relation to any loan-to-value ratios specified in any agreement between Trustor and Beneficiary or previously discussed by Trustor and Beneficiary; and (D) Beneficiary's credit bid may be, at Beneficiary's sole discretion, higher or lower than any appraised value of the Property.

5.4 Application of Sale Proceeds and Rents.

(a) Beneficiary and Trustee shall apply the proceeds of any sale of the Property in the following manner: first, to pay the portion of the Secured Obligations attributable to the costs, fees and expenses of the sale, including costs of evidence of title in connection with the sale; and, second, to pay all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose. The remainder, if any, shall be remitted to the person or persons entitled thereto.

(b) Beneficiary shall apply any and all Rents collected by it, and any and all sums other than proceeds of any sale of the Property which Beneficiary may receive or collect under Section 5.3, in the following manner: first, to pay the portion of the Secured Obligations attributable to the costs and expenses of operation and collection that may be incurred by Trustee, Beneficiary or any receiver; and, second, to pay all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose. The remainder, if any, shall be remitted to the person or persons entitled thereto. Beneficiary shall have no liability for any funds that it does not actually receive.

5.5 Costs, Expenses and Attorneys' Fees. Trustor agrees to pay to Beneficiary immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including court costs and reasonable attorneys' fees (to include outside counsel fees and all allocated costs of Beneficiary's in-house counsel), expended or incurred by Trustee or Beneficiary pursuant to this Section V, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Beneficiary or any other person) relating to Trustor or in any way affecting any of the Property or Beneficiary's ability to exercise any of its rights or remedies with respect thereto. All of the foregoing shall be paid by Trustor with interest from the date of demand until paid in full at the highest rate per annum payable under any Secured Obligation.

6. MISCELLANEOUS PROVISIONS

6.1 No Waiver or Cure.

(a) Each waiver by Beneficiary or Trustee must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Beneficiary or Trustee to take action on account of any default of Trustor. Consent by Beneficiary or Trustee to any act or omission by Trustor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's or Trustee's consent to be obtained in any future or other instance.

(b) If any of the events described below occurs, that event alone shall not cure or waive any breach, Event of Default or notice of default under this Deed of Trust or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed); or impair the security of this Deed of Trust; or prejudice Beneficiary, Trustee or any receiver in the exercise of any right or remedy afforded any of them under this Deed of Trust; or be construed as an affirmation by Beneficiary of any tenancy, lease or option, or a subordination of the lien of this Deed of Trust:

(i) Beneficiary, its agent or a receiver takes possession of all or any part of the Property;

(ii) Beneficiary collects and applies Rents, either with or without taking possession of all or any part of the Property;

(iii) Beneficiary receives and applies to any Secured Obligation proceeds of any Property, including any proceeds of insurance policies, condemnation awards, or other claims, property or rights assigned to Beneficiary under this Deed of Trust;

(iv) Beneficiary makes a site visit, observes the Property and/or conducts tests thereon;

(v) Beneficiary receives any sums under this Deed of Trust or any proceeds of any collateral held for any of the Secured Obligations, and applies them to one or more Secured Obligations; or

(vi) Beneficiary, Trustee or any receiver performs any act which it is empowered or authorized to perform under this Deed of Trust or invokes any right or remedy provided under this Deed of Trust.

6.2 Powers of Beneficiary and Trustee.

(a) Trustee shall have no obligation to perform any act which it is empowered to perform under this Deed of Trust unless it is requested to do so in writing and is reasonably indemnified against loss, cost, liability and expense.

(b) Beneficiary may take any of the actions permitted under Sections 5.3(b) and/or 5.3(c) regardless of the adequacy of the security for the Secured Obligations, or whether any or all of the Secured Obligations have been declared to be immediately due and payable, or whether notice of default and election to sell has been given under this Deed of Trust.

(c) From time to time, Beneficiary or Trustee may apply to any court of competent jurisdiction for aid and direction in executing the trust and enforcing the rights and remedies created under this Deed of Trust. Beneficiary or Trustee may from time to time obtain orders or decrees directing, confirming or approving acts in executing this trust and enforcing these rights and remedies.

6.3 Merger. No merger shall occur as a result of Beneficiary's acquiring any other estate in or any other lien on the Property unless Beneficiary consents to a merger in writing.

6.4 Applicable Law. This Deed of Trust shall be governed by California law.

6.5 Successors in Interest. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties. However, this Section does not waive the provisions of Section 5.1. Beneficiary reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, Beneficiary's rights and benefits under the Reimbursement Agreement, any and all other Secured Obligations and this Deed of Trust. In connection therewith, Beneficiary may disclose all documents and information which Beneficiary now has or hereafter acquires relating to the Property, all or any of the Secured Obligations and/or Trustor and, as applicable, any partners, joint venturers or members of Trustor, whether furnished by any Trustor or otherwise.

6.6 Interpretation. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Deed of Trust are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." The word "obligations" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions. No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Deed of Trust. The Exhibits to this Deed of Trust are hereby incorporated in this Deed of Trust.

6.7 In-House Counsel Fees. Whenever Trustor is obligated to pay or reimburse Beneficiary or Trustee for any attorneys' fees, those fees shall include the allocated costs for services of in-house counsel.

6.8 Waiver of Marshaling. Trustor waives all rights, legal and equitable, it may now or hereafter have to require marshaling of assets or to direct the order in which any of the Property will be sold in the event of any sale under this Deed of Trust, including any rights provided by California Civil Code Sections 2899 and 3433, as such Sections may be amended from time to time. Each successor and assignee of Trustor, including any holder of a lien subordinate to this Deed of Trust, by acceptance of its interest or lien agrees that it shall be bound by the above waiver, as if it had given the waiver itself.

6.9 Severability. If any provision of this Deed of Trust should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and in no way affect the validity of this Deed of Trust except that if such provision relates to the payment of any monetary sum, then Beneficiary may, at its option, declare all Secured Obligations immediately due and payable.

6.10 Statement of Obligation. Upon demand by Beneficiary, Trustor shall pay Beneficiary a fee not to exceed $60.00 or such other maximum amount as may be imposed by law for furnishing any Statement of Obligation as provided by Section 2943 of the California Civil Code.

6.11 Power to File Notices and Cure Defaults. Trustor hereby irrevocably appoints Beneficiary and its successors and assigns as Trustor's true attorney-in-fact to perform any of the following powers, which agency is coupled with an interest: (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Beneficiary deems appropriate to protect Beneficiary's interest; and (b) upon the occurrence of any event, act or omission which with the giving of notice or the passage of time, or both, would constitute an Event Default, to perform any obligation of Trustor hereunder; provided however, that Beneficiary, as such attorney-in-fact, shall only be accountable for such funds as are actually received by Beneficiary, and Beneficiary shall not be liable to Trustor or any other person or entity for any failure to act under this Section.

6.12 Arbitration.

(a) Arbitration. The parties hereto agree, upon demand by any party, to submit to binding arbitration all claims, disputes and controversies between or among them (and their respective employees, officers, directors, attorneys, and other agents), whether in tort, contract or otherwise arising out of or relating to in any way (i) the loan and related loan and security documents which are the subject of this Deed of Trust and its negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination; or (ii) requests for additional credit.

(b) Governing Rules. Any arbitration proceeding will (i) proceed in a location in California selected by the American Arbitration Association ("AAA"); (ii) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (iii) be conducted by the AAA, or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least $1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in

compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

(c) No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

(d) Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is $5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than $5,000,000.00. Any dispute in which the amount in controversy exceeds $5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. The arbitrator will be a neutral attorney licensed in the State of California or a neutral retired judge of the state or federal judiciary of California, in either case with a minimum of ten years experience in the substantive law applicable to the subject matter of the dispute to be arbitrated. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all disputes in accordance with the substantive law of California and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the California Rules of Civil Procedure or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

(e) Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the dispute being arbitrated and must be completed no later than 20 days before the hearing date and within 180 days of the filing of the dispute with the AAA. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

(f) Class Proceedings and Consolidations. The resolution of any dispute arising pursuant to the terms of this Deed of Trust shall be determined by a separate arbitration proceeding and such dispute shall not be consolidated with other disputes or included in any class proceeding.

(g) Payment Of Arbitration Costs And Fees. The arbitrator shall award all costs and expenses of the arbitration proceeding.

(h) Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no dispute shall be submitted to arbitration unless: (i) Beneficiary specifically elects in writing to proceed with the arbitration; or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of California, thereby agreeing that all Secured Obligations, and all mortgages, liens and security interests securing any of the Secured Obligations, shall remain fully valid and enforceable. If any such dispute is not submitted to arbitration, the dispute shall be referred to a referee in accordance with California Code of Civil Procedure Section 638 et seq., and this general reference agreement is intended to be specifically enforceable in accordance with said Section 638. A referee with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a referee shall be entered in the court in which such proceeding was commenced in accordance with California Code of Civil Procedure Sections 644 and 645.

(i) Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the documents or any relationship between the parties.

6.13 Notices. Trustor hereby requests that a copy of notice of default and notice of sale be mailed to it at the address set forth below. That address is also the mailing address of Trustor as debtor under the California Uniform Commercial Code. Beneficiary's address given below is the address for Beneficiary as secured party under the California Uniform Commercial Code.

* * *

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date first set forth above.

TRUSTOR PLEASE NOTE: IN THE EVENT OF YOUR DEFAULT, CALIFORNIA PROCEDURE PERMITS THE TRUSTEE TO SELL THE PROPERTY AT A SALE HELD WITHOUT SUPERVISION BY ANY COURT AFTER EXPIRATION OF A PERIOD PRESCRIBED BY LAW (SEE SECTION 5.3(h) ABOVE). UNLESS YOU PROVIDE AN ADDRESS FOR THE GIVING OF NOTICE, YOU MAY NOT BE ENTITLED TO OTHER NOTICE OF THE COMMENCEMENT OF SALE PROCEEDINGS. BY EXECUTION OF THIS DEED OF TRUST, YOU CONSENT TO SUCH PROCEDURE. IF YOU HAVE ANY QUESTIONS CONCERNING IT, YOU SHOULD CONSULT YOUR LEGAL ADVISOR. BENEFICIARY URGES YOU TO GIVE PROMPT NOTICE OF ANY CHANGE IN YOUR ADDRESS SO THAT YOU MAY RECEIVE PROMPTLY ANY NOTICE GIVEN PURSUANT TO THIS DEED OF TRUST.

Addresses for Notices to Trustor:

Kern Water Bank Authority
P.O. Box 80607
Bakersfield, CA 93380-0607
Attention: Ms. Cheryl Harding,
Project Coordinator

and

Kern Water Bank Authority
33141 E. Lerdo Highway
Bakersfield, CA 93380
Attention: Ms. Cheryl Harding,
Project Coordinator

Trustor:

KERN WATER BANK AUTHORITY

By: _____
Name: William D. Phillimore
Its: Chairman

and

By: _____
Name: Cheryl Harding
Its: Administrator and Secretary to the Board

Address for Notices to Beneficiary:

Wells Fargo Bank, National Association
5401 California Avenue, Suite 200
Bakersfield, CA 93309
Attention: John C. Smith

Address for Notices to Trustee:

American Securities Corporation
c/o Specialize Service
401 West 24th Street
National City, CA 91950

State of California }
}
County of Kern }

On NOVEMBER 21, 2003, before me, TERESA MOSLEY, NOTARY PUBLIC
personally appeared WILLIAM S. PHILLIMORE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity~~(ies)~~, and that by his/~~her~~/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature Teresa Mosley

TERESA MOSLEY
Commission # 1242368
Notary Public - California
Kern County
My Comm. Expires Dec 14, 2006

1593054.03.01

State of California }
}
County of Kern }

On NOVEMBER 21, 2003, before me, TERESA MOSLEY, NOTARY PUBLIC personally appeared CHERYL HARDING, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity~~(ies)~~, and that by ~~his~~/her/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature Teresa Mosley (Seal)

TERESA MOSLEY
Commission # 1242948
Notary Public - California
Kern County
My Comm. Expires Dec 14, 2003

1593054.03.01

P. O. Box 9929, Bakersfield, CA 93389 (661) 395-3700

I HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL OF TERESA MOSLEY, AFFIXED TO THE WITHIN DOCUMENT, WHILE NOT BEING PHOTOGRAPHICALLY REPRODUCIBLE, CAN BE READ.

I FURTHER CERTIFY THAT THE SAID NOTARY COMMISSION EXPIRES ON DECEMBER 14, 2003. THE NOTARY BOND AND COMMISSION IS FILED IN KERN COUNTY, STATE OF CALIFORNIA.

PLACE OF EXECUTION: BAKERSFIELD, CALIFORNIA

DATE: 11-21-03

CHICAGO TITLE COMPANY

BY: _____

ESCROW OFFICER

Exhibit A to DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING executed as of November 1, 2003, by Kern Water Bank Authority, as "Trustor", to American Securities Company, as "Trustee", for the benefit of Wells Fargo Bank, National Association, as "Beneficiary."

Description of Property

1593054.03.01

Exhibit A to DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING executed as of November 1, 2003, by Kern Water Bank Authority, as "Trustor", to American Securities Company, as "Trustee", for the benefit of Wells Fargo Bank, National Association, as "Beneficiary."

Description of Property

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, DESCRIBED IN DEEDS TO THE STATE OF CALIFORNIA, RECORDED AUGUST 31, 1988, BOOK 6158, PAGE 1098 THROUGH 1119; RECORDED MARCH 22, 1990 IN BOOK 6360, PAGES 1923 THROUGH 1925; MARCH 7, 1990 IN BOOK 6354, PAGE 998 THROUGH 1000; AND MARCH 7, 1990 IN BOOK 6354, PAGES 989 THROUGH 991, ALL OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID KERN COUNTY, BEING MORE OR LESS DESCRIBED HEREIN AS FOLLOWS, AS TO PARCELS 1 THROUGH 61 INCLUSIVE:

PARCEL 1: (KRGW-1 UNIT A UNIT A1)

SECTION 12, TOWNSHIP 30 SOUTH, RANGE 24 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 2: (KRWG-1 UNIT A UNIT A2)

SECTION 13, TOWNSHIP 30 SOUTH, RANGE 24 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 3: (KRGW-1 UNIT A UNIT A3)

THE NORTHEAST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; AND THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 30 SOUTH, RANGE 24 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION OF SAID SECTION 24 DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 23, 1933, IN BOOK 458, PAGE 481, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24, AND THENCE SOUTH 51° 52' EAST A DISTANCE OF 2130 FEET; MORE OR LESS, TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF SAID SECTION 24; THENCE WEST ALONG SAID SOUTH LINE OF A DISTANCE OF 1672.8 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24; AND THENCE NORTH ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24 TO THE POINT OF BEGINNING.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 4: (KRGW-A UNIT A UNIT A8)

SECTION 18, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AND AREA OF 650 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 5: (KRGW 1 UNIT A UNIT A9 AND UNIT B UNIT B5)

SECTION 19, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

DESCRIPTION

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531 OF OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT FROM THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, AND THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 6: (KRGW-1 UNIT A UNIT A4)

THAT PORTION OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193 OF OFFICIAL RECORDS OF SAID KERN COUNTY, AND CONTAINING AN AREA OF 319 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH

DESCRIPTION

ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 7: (KRGW-1 UNIT A UNIT A4)

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS OF SAID KERN COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 8: (KRGW-1 UNIT A UNIT A5)

SECTION 7, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 9: (KRGW-A UNIT A UNIT A6)

THAT PORTION OF SECTION 8, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS OF SAID KERN COUNTY.

DESCRIPTION

EXCEPT THOSE PORTIONS CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL AND CROSS-VALLEY CANAL PUMPING PLAT NUMBER 1, BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 10: (KRGW-1 UNIT B UNIT B1)

THAT PORTION OF SECTION 9, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPT THOSE PORTIONS CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL AND CROSS-VALLEY CANAL PUMPING PLAT NUMBER 1, BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 11: (KRGW-A UNIT A UNIT A7 AND UNIT B UNIT B4)

SECTION 17, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL

DESCRIPTION

ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 12: (KRGW-1 UNIT B UNIT B3)

THAT PORTION OF SECTION 16, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 13: (KRGW-1 UNIT B UNIT B2)

THAT PORTION OF SECTION 15, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS, CONTAINING AN AREA OF 154 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST

DESCRIPTION

OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 14: (KRGW-1 UNIT B UNIT B6)

SECTION 20, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT FROM THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 15: (KRGW-1 UNIT B UNIT B7)

DESCRIPTION

THE NORTH HALF OF SECTION 21, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 320 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 16: (KRGW-1 UNIT B UNIT B8)

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 17: (KRGW-1 UNIT B UNIT B9 AND UNIT C UNIT C6)

THAT PORTION OF THE WEST HALF, AND THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO WEST KERN WATER DISTRICT, BY DEED RECORDED AUGUST 22, 1988, BOOK 6155, PAGE 1405, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS

DESCRIPTION

USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 18: (KRGW-1 UNIT C UNIT C3)

THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 160 ACRES, MORE OR LESS.

EXCEPT FROM THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 19: (KRGW-1 UNIT C UNIT C2)

SECTION 27, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 638 ACRES, MORE OR LESS.

EXCEPT FROM THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST

DESCRIPTION

QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE SOUTH HALF OF THE SOUTHEAST QUARTER; AND THE SOUTHWEST QUARTER OF SAID SECTION; ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 20: (KRGW-1 UNIT C UNIT C1)

THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE COUNTY OF KERN, STATE OF CALIFRNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE EAST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

DESCRIPTION

PARCEL 21: (KRGW-1 UNIT C UNIT C4)

SECTION 34, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 639 ACRES, MORE OR LESS.

EXCEPT FROM THE NORTH HALF; THE NORTH HALF OF THE SOUTH HALF, THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER; THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 22: (KRGW-1 UNIT C UNIT C5)

SECTION 35, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DIRECTOR'S DEED, KRGW-1-A, RECORDED MARCH 22, 1990, IN BOOK 6360, PAGE 1927 OF OFFICIAL RECORDS BEING MORE OR LESS RECITED HEREIN AS FOLLOWS:

THAT PORTION OF SECTION 35, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTH OF THE SOUTH RIGHT OF WAY LINE OF STATE HIGHWAY 119, SAID RIGHT OF WAY BEING MORE PARTICULARLY DESCRIBED IN STATE HIGHWAY DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 15, 1937, BOOK 683 PAGE 74, OFFICIAL RECORDS OF SAID KERN COUNTY.

DESCRIPTION

EXCEPTING THEREFROM THE EAST 758.43 FEET OF SAID SECTION 35, AS DESCRIBED IN EASEMENT DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 2, 1964 IN BOOK 3677 PAGE 293, OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPT FROM THE WEST HALF; THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 23: (KRGW-3 UNIT A UNIT A1 AND UNIT B UNIT B1)

THE SOUTH HALF OF SECTION 3, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OR CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

DESCRIPTION

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 24: (KRGW-3 UNIT A UNIT A2 AND UNIT B UNIT B2)

THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 25: (KRGW-3 UNIT A UNIT A2 AND UNIT B UNIT B2)

PARCEL 2, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, AS SHOWN ON AMENDED PARCEL MAP NNO. 1450 FILED FEBRUARY 6, 1974 IN THE OFFICE OF THE COUNTY RECORDER OF KERN COUNTY.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

SAID LAND IS A DIVISION OF A PORTION OF THE EAST HALF OF SECTION 4, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST

DESCRIPTION

OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 26: (KRGW-3 UNIT A UNIT A3)

THAT PORTION OF THE SOUTH HALF OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OFFICIAL RECORDS.

EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 5.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 27: (KRGW-3 UNIT A UNIT A4)

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 28: (KRGW-3 UNIT A UNIT A5)

DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193 OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 29: (KRGW-3 UNIT A UNIT A6)

THAT PORTION OF SECTION 8, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEREASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 30: (KRGW-3 UNIT A UNIT A7 AND UNIT B AND UNIT B3)

THAT PORTION OF SECTION 9, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEREASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

DESCRIPTION

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 31: (KRGW-3 UNIT B UNIT B4)

ALL OF SECTION 10, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 32: (KRGW-3 UNIT B UNIT B5)

ALL OF SECTION 11, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 33: (KRGW-3 UNIT B UNIT B6)

ALL OF SECTION 14, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN

DESCRIPTION

THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION DESCRIBED AS:

BEGINNING AT THE IRON PIPE WITH A 4 INCH BRASS CAP (STAMPED R. E. 2312, 1937) MARKING THE NORTHWEST CORNER OF SECTION 14, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, AND RUNNING THENCE SOUTH 89° 39' EAST, ALONG THE NORTHERLY BOUNDARY LINE OF SAID SECTION 14, A DISTANCE OF 415.00 FEET; THENCE ALONG A LINE PARALLEL WITH THE WESTERLY BOUNDARY LINE OF SAID SECTION 14, THE FOLLOWING TWO COURSES AND DISTANCES, NAMELY: SOUTH 0° 17 1/2 WEST, 55.00 FEET TO A CONCRETE MONUMENT WITH A 3 INCH BRONZE CAP (MARKED PAC. GAS & ELECT. CO. PROP.); AND THENCE CONTINUING SOUTH 0° 17 1/2 WEST, 330.00 FEET TO A CONCRETE MONUMENT WITH A 3 INCH PIPE BRONZE CAP (MARKED PAC. GAS & ELECT. CO. PROP. COR.); THENCE ALONG A LINE PARALLEL WITH THE NORTHERLY BOUNDARY LINE OF SAID SECTION 14 THE FOLLOWING TWO COURSES AND DISTANCES, NAMELY; NORTH 89° 39' WEST, 360.00 FEET TO A CONCRETE MONUMENT WITH A 3 INCH BRONZE CAP (MARKED PAC. GAS & ELECT. CO. PROP.); AND THENCE CONTINUING NORTH 89° 39' WEST, 55.00 FEET TO A POINT IN THE WESTERLY BOUNDARY LINE OF SAID SECTION 14; THENCE NORTH 0° 17 1/2 EAST, ALONG THE WESTERLY BOUNDARY LINE OF SAID SECTION 14, A DISTANCE OF 385.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 34: (KRGW-3 UNIT B UNIT B7)

THAT PORTION OF SECTION 15, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

DESCRIPTION

PARCEL 35: ((KRGW-3 UNIT B UNIT B8)

THAT PORTION OF SECTION 16, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 36: (KRGW-3 UNIT B UNIT B9)

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 37: (KRGW-3 UNIT B UNIT B10)

THAT PORTION OF SECTION 23, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL THAT PORTION THEREOF LYING SOUTHERLY OF THE NORTHERLY LINE OF PARCEL 2 AS DESCRIBED IN THE DEED TO THE CITY OF BAKERSFIELD, RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 436, OFFICIAL RECORDS, SAID LINE BEING DESCRIBED AS

DESCRIPTION

BEGINNING AT A POINT ON THE NORTHEASTERLY BOUNDARY LINE OF THE STATE HIGHWAY REFERRED TO ABOVE, AT "THE EAST-WEST CENTERLINE OF SAID SECTION 23; THENCE ALONG SAID CENTERLINE SOUTH 88° 41' 55" EAST, 2790.38 FEET; THENCE NORTH 55° 19' 28" EAST, 330.00 FEET; THENCE NORTH 74° 21' 35" EAST, 450.00 FEET, MORE OR LESS, TO THE EAST LINE OF SAID SECTION 23."

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 38: (KRGW-5 UNIT A)

THAT PORTION OF THE SOUTH HALF OF SECTION 23, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY DESCRIBED THEREIN AS PARCEL 2 CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1964 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS, DESCRIBED THEREIN AS PARCEL 1.

ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF BAKERSFIELD, A MUNICIPAL CORPORATION, BY DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 436, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO, OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988, IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 39: (KRGW-7 UNIT A)

THAT PORTION OF THE WEST HALF AND THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY AND SOUTHWESTERLY OF THE SOUTHWESTERLY BOUNDARY OF THAT CERTAIN

DESCRIPTION

PARCEL CONVEYED TO THE STATE OF CALIFORNIA FOR THE PURPOSES OF A FREEWAY RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO, OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988, IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 40: (KRGW-7 UNIT B)

THAT PORTION OF SECTION 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY BOUNDARY OF THAT CERTAIN PARCEL CONVEYED TO THE STATE OF CALIFORNIA FOR THE PURPOSES OF A FREEWAY RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 36.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO, OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988, IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 41: (KRGW-9 UNIT A)

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA, OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTH WESTERLY OF THE SOUTH-WESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBONS, AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS, AND ALL OTHER MINERAL SUBSTANCES

DESCRIPTION

AND PRODUCTS, BOTH METALLIC AND NON METALLIC, SOLID, LIQUID, OR GASEOUS) WHICH ARE UPON, IN, UNDER, OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M., T.D.S.) WHICH IS IN, UNDER, OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 42: (KRGW-11 UNIT A UNIT A1)

ALL OF SECTION 28, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 43: (KRGW-11 UNIT A UNIT A2)

THAT PORTION OF THE NORTH HALF OF SECTION 31, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC

DESCRIPTION

RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 44: (KRGW-11 UNIT AUNIT A3)

ALL OF SECTION 32, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTH HALF OF THE NORTHWEST QUARTER, THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 45: (KRGW-11 UNIT A UNIT A4)

ALL OF SECTION 33, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 46: (KRGW-13 UNIT A)

THAT PORTION OF SECTION 25, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED

DESCRIPTION

MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THE NORTHEAST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 47: (KRGW-13 UNIT B)

THAT PORTION OF SECTION 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 48: (KRGW-15 UNIT A UNIT A1)

THAT PORTION OF SECTION 24, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY ON A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION 24, DISTANT THEREON SOUTH 00° 22' 38" EAST, 1526.351 FEET FROM THE NORTHEAST CORNER THEREOF, WHICH POINT LIES ON THE NORTHERLY BOUNDARY LINE OF THE KERN RIVER CANAL RIGHT OF WAY, AS HEREINAFTER DESCRIBED; THENCE ALONG SAID NORTHERLY BOUNDARY LINE, SOUTH 82° 29' 42" WEST, 1202.846 FEET TO THE WESTERLY TERMINUS OF THE CONCRETE LINED SECTION OF SAID CANAL; THENCE SOUTH 07° 30' 18" EAST, 100.00 FEET; THENCE ALONG THE SOUTHERLY BOUNDARY OF THE EARTHEN SECTION OF SAID CANAL, SOUTH 82° 29' 42" WEST,

DESCRIPTION

2181.995 FEET; THENCE, LEAVING SAID BOUNDARY SOUTH 39° 25' 12" WEST, 876.787 FEET; THENCE SOUTH 77° 55' 12" WEST, 1400.00 FEET, MORE OR LESS, TO A POINT ON THE WEST LINE OF SAID SECTION 24, DISTANT THEREON 340.00 FEET SOUTHERLY OF THE WEST ONE-QUARTER CORNER THEREOF.

EXCEPT THAT PORTION OF SAID SECTION GRANTED TO THE STATE OF CALIFORNIA, FOR FREEWAY PURPOSES, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED THEREIN.

ALSO EXCEPT ANY PORTION THEREOF LYING NORTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL.

ALSO EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 24.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 49: (KRGW-15 UNIT A UNIT A3)

ALL THAT PORTION OF SECTION 19, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL AS SAID CANAL IS DESCRIBED IN DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 431 OF OFFICIAL RECORDS.

EXCEPT THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTH HALF AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 19.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 50: (KRGW-15 UNIT A UNIT A4)

ALL THAT PORTION OF SECTION 20, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO

DESCRIPTION

MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL AS SAID CANAL IS DESCRIBED IN DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 431 OF OFFICIAL RECORDS.

EXCEPT THE SOUTH HALF OF THE SOUTHEAST QUARTER, THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST OF SAID SECTION 20.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 51: (KRGW 15 UNIT A UNIT A2

ALL THAT PORTION OF SECTION 17, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL AS SAID CANAL IS DESCRIBED IN GRANT DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 431 OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 52: (KRGW-17 UNIT A UNIT A1)

SECTION 13, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13.

ALSO EXCEPT THE SOUTH 1000 FEET OF THE WEST 1000 FEET OF THE SOUTHWEST QUARTER

DESCRIPTION

OF THE NORTHWEST QUARTER OF SAID SECTION 13, CONTAINING AN AREA, AFTER SAID EXCEPTION, OF 540 ACRES, MORE OR LESS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 53: (KRGW 17 UNIT A UNIT A2)

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AND THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 50 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 54: (KRGW-17 UNIT A UNIT A3)

THE NORTH HALF OF SECTION 18, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THEREFROM THE EASTERLY 1700 FEET OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER; THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER; THE EASTERLY 900 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; AND THE EASTERLY 900 FEET OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 18, CONTAINING AN AREA, AFTER SAID EXCEPTION, OF 222 ACRES, MORE OR LESS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER

DESCRIPTION

MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 55: (KRGW-19 UNIT A UNIT A1 AND UNIT B)

THE SOUTH HALF OF SECTION 1, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 56: (KRGW-19 UNIT A UNIT A2)

SECTION 12, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION, CONTAINING AN AREA, AFTER SAID EXCEPTION, OF 561 ACRES, MORE OR LESS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

DESCRIPTION

PARCEL 57: (KRGW-19 UNIT A UNIT A3)

THAT PORTION OF SECTION 7, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE SOUTHERN PACIFIC RAILROAD ASPHALTO BRANCH, AS GRANTED TO SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 21, 1893 IN BOOK 47 PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 58: (KRGW-30 UNIT A AND UNIT B)

THAT PORTION OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE SOUTHERN PACIFIC ASPHALTO BRANCH AS GRANTED TO THE SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 21, 1893 IN BOOK 47 PAGE 356 OF DEEDS.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 59: (KWB-4-B)

THE SOUTH 1000 FEET OF THE WEST 1000 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

DESCRIPTION

PARCEL 60: (KWB-5-A)

UNIT A

THE NORTH 385 FEET OF THE WEST 415 FEET OF SECTION 14, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 3.67 ACRES, MORE OR LESS.

UNIT B

THAT PORTION OF THE EAST 5000 FEET OF THE NORTH HALF OF SECTION 1, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE NORTHERLY LINE OF THE PIONEER CANAL EASEMENT AS DESCRIBED IN PARCEL C, P-O CANAL EASEMENT DEED, RECORDED DECEMBER 6, 1978 IN BOOK 5159 PAGE 2217, OFFICIAL RECORDS OF SAID COUNTY.

UNIT C

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE NORTHERLY LINE OF THE PIONEER CANAL EASEMENT AS DESCRIBED IN PARCEL C, P-O CANAL EASEMENT DEED, RECORDED DECEMBER 6, 1978 IN BOOK 5159 PAGE 2217, OFFICIAL RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID NORTHWEST QUARTER LYING NORTHEASTERLY OF THE SOUTHWESTERLY PROPERTY LINE OF THE SOUTHERN PACIFIC RAILROAD ASPHALTO BRANCH, AS GRANTED TO THE SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 21, 1893, IN BOOK 47 PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY.

UNIT D

THE SOUTH 1176.00 FEET OF THE WEST 165.00 FEET OF THE NORTHWEST QUARTER OF SECTION 1, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL 61: (KRGW-29)

UNIT A

THAT PORTION OF THE WEST HALF OF THE WEST HALF OF SECTION 8, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHWESTERLY PROPERTY LINE OF THE SOUTHERN PACIFIC RAILROAD ASPHALTO BRANCH, AS SAID RAILROAD IS DESCRIBED IN DEED RECORDED OCTOBER 21, 1893 IN BOOK 47 PAGE 356 OF DEEDS, RECORDS OF KERN COUNTY.

EXCEPTING THEREFROM THE SOUTHERLY 820 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8, AS GRANTED TO THE CITY OF BAKERSFIELD, A MUNICIPAL CORPORATION, BY DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 436, OF OFFICIAL RECORDS.

SUBJECT TO ALL EXCEPTIONS, RESERVATIONS, TERMS, CONDITIONS, COVENANTS, AND RESTRICTIONS CONTAINED AND RECITED IN THAT CERTAIN OIL, GAS, AND/OR MINERAL INTEREST ASSIGNMENT AND CONVEYANCE FROM TENNECO WEST, INC., TO TENNECO OIL

DESCRIPTION

COMPANY, RECORDED NOVEMBER 18, 1988 IN BOOK 6183 PAGE 1167 OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPTING AND RESERVING THEREFROM A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, OPERATE AND MAINTAIN A STATE HIGHWAY OVER, THROUGH AND ACROSS THOSE PORTIONS OF THE HEREINABOVE DESCRIBED SECTIONS 1, 11, 12, 13, 14, 23, 24, 25, 35 AND 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, INCLUDED WITHIN THE LINES OF THE PARCELS OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED DECEMBER 15, 1934 IN BOOK 547, PAGE 56; RECORDED AUGUST 22, 1935 IN BOOK 596, PAGE 34; RECORDED MAY 20, 1977 IN BOOK 5028, PAGE 2074 AND RECORDED MAY 20, 1977 IN BOOK 5028 PAGE 2077 ALL OF OFFICIAL RECORDS OF KERN COUNTY. (AFFECTS PARCELS 22, 32, 33, 37, 38, 40, 46, 48, 52, 55, 56, AND 59).

ALSO EXCEPTING AND RESERVING THEREFROM A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, OPERATE AND MAINTAIN A STATE HIGHWAY OVER, THROUGH AND ACROSS THOSE PORTIONS OF THE HEREINABOVE DESCRIBED SECTIONS 34, 35 AND 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, INCLUDED WITHIN THE LINES OF PARCELS OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 15, 1937, IN BOOK 683, PAGE 74, AND RECORDED JANUARY 2, 1964 IN BOOK 3677, PAGE 293 BOTH OF OFFICIAL RECORDS OF KERN COUNTY. (AFFECTS PARCELS 21, 22 AND 40).

ALSO EXCEPTING AND RESERVING THEREFROM A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, OPERATE AND MAINTAIN A STATE HIGHWAY OVER, THROUGH AND ACROSS THE SOUTH 30 FEET OF THE HEREINABOVE DESCRIBED SECTIONS 32 AND 33, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF. (AFFECTS PARCELS 44 AND 45).

BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM, ZONE V, 1927.

THE DEPARTMENT OF WATER RESOURCES, STATE OF CALIFORNIA, HEREBY 1) RESERVES TO ITSELF TITLE TO ONE-HALF OF THE LA HACIENDA PROGRAM WATER AND ONE-HALF OF THE BERRENDA MESA DEMONSTRATION PROGRAM WATER; AND 2) GRANTS TO KERN COUNTY WATER AGENCY ONE-HALF OF THE LA HACIENDA PROGRAM WATER, ONE-HALF OF THE BERRENDA MESA DEMONSTRATION PROGRAM WATER, ALL OF THE 1995 WATER, AND ALL OTHER WATER ON, IN OR UNDER THE REAL PROPERTY WHICH HAS NOT BEEN RESERVED TO THE STATE HEREIN. "BERRENDA MESA DEMONSTRATION PROGRAM WATER" SHALL MEAN 2,532 ACRE FEET OF GROUNDWATER THAT MAY BE EXTRACTED BY THE STATE WITHIN THE PROPERTY AS PART OF THE 1990 BERRENDA MESA DEMONSTRATION PROGRAM. "LA HACIENDA PROGRAM WATER" SHALL MEAN THE 83,127 ACRE FEET OF WATER THAT HAS NOT BEEN EXTRACTED BEFORE THE CLOSE OF ESCROW OF THE 98,005 ACRE-FEET OF THE GROUNDWATER PURCHASED BY THE STATE FROM THE KERN COUNTY WATER AGENCY, AND THE KERN COUNTY WATER AGENCY FROM LA HACIENDA, INC., IN 1991. "1995 WATER" SHALL MEAN ALL WATER ON, IN OR UNDER THE REAL PROPERTY UPON CLOSING THAT WAS DELIVERED TO AND SPREAD UPON THE REAL PROPERTY AT ANY TIME DURING 1995 OR THEREAFTER BY OR FOR THE KERN COUNTY WATER AGENCY OR ITS MEMBER UNITS OR THE MEMBERS OF THE KERN WATER BANK AUTHORITY.

James W. Fitch, Assessor – Recorder
Kern County Official Records
Recorded at the request of
Public

RAWSONM
3/31/2004
10:57 AM

DOC#: 0204070851

Stat Types: 1 Pages: 50

Fees	0.00
Taxes	0.00
Others	0.00
PAID	$0.00

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Kern Water Bank Authority
33141 E. Lerdo Highway
Bakersfield, CA 93380
Fee Exempt (Govt Code Section 6103)

Space above this line for Recorder's Use

ASSIGNMENT AND PLEDGE OF WATER AND WATER RIGHTS

This Assignment and Pledge of Water and Water Rights ("Assignment") is made as of January 1, 2004, by Dudley Ridge Water District ("Dudley Ridge"), Kern County Water Agency ("KWCA"), Semitropic Water Storage District ("Semitropic"), Tejon-Castac Water District ("Tejon-Castac"), Westside Mutual Water Company, LLC ("Westside") and Wheeler Ridge-Maricopa Water Storage District ("WheelerRidge-Maricopa") (each an "Assignor") in favor of Kern Water Bank Authority (the "Authority"), with reference to the following facts:

RECITALS

A. The Authority was formed on October 16, 1995 pursuant to a Joint Powers Agreement between Dudley Ridge, "KWCA, Semitropic, Tejon-Castac, Westside, and Wheeler Ridge-Maricopa, as amended and restated by a First Amended and Restated Joint Powers Agreement dated July 19, 1999 and further amended by the Second Amendment to Joint Powers Agreement dated March 15, 2001 and the Third Amendment to Joint Powers Agreement dated as of the date hereof (as amended, the "Joint Powers Agreement"). Dudley Ridge, KCWA, Semitropic, Tejon-Castac, Westside and Wheeler Ridge-Maricopa are collectively referred to herein as the "Member Entities."

B. Pursuant to the Joint Powers Agreement, the Authority manages the Kern Water Bank and owns and maintains the real property described in Exhibit A, attached hereto and incorporated herein by reference (the "Property"), for its benefit and the benefit of the Member Entities. Pursuant to Section 4.5(b) of the Joint Powers Agreement, each of the Member Entities has granted a security interest in all water which such Member Entity may have in storage in the Project (as defined in the Joint Powers Agreement) at any time and from time to time, to the Authority for the benefit of the Authority and all other Member Entities, to secure the obligations under (1) the Joint Powers Agreement, (2) the "Participation Agreement for Pastoria Energy Project" dated March 15, 2001, and (3) the Operating Rules and Regulations (as defined in the Joint Powers Agreement), including payment to the Authority of assessments, including assessments for debt service obligations for Bonds (as defined in the Joint Powers Agreement) as provided in the Joint Powers Agreement (collectively, the "Obligations"). Section 4.5(b) also requires each Member Entity to execute all documents which the Authority and its counsel may deem advisable from time to time to perfect and maintain such lien.

C. The Authority has caused to be issued its Variable Rate Demand Revenue Bonds, Series 2003A and Series 2003B, and in connection therewith has entered into a Reimbursement Agreement dated November 1, 2003 with Wells Fargo Bank, National Association (the "Bank"). The Reimbursement Agreement requires that this Assignment be entered into on or before

February 24, 2004. The Authority and its counsel therefore deem it advisable for each Member Entity to execute this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and the Authority agree as follows:

1. ASSIGNMENT.

Each Assignor hereby pledges, assigns and grants to the Authority a security interest in all water which such Assignor may have in storage in the Project at any time and from time to time, and in all proceeds thereof, additions and accretions thereto, and substitutions and replacements therefor (the "Assignor's Collateral), to secure the payment and performance of such Assignor's Obligations.

2. DEFAULT.

Should an Assignor default in the performance or payment of any of its Obligations, then, in addition to other remedies which are otherwise available, the Authority may exercise the remedies set forth in Sections 4.5(c) and 4.5(d) of the Joint Powers Agreement with respect to such Assignor.

3. RIGHTS AND DUTIES OF THE PARTIES.

3.1 Representations and Warranties. Each Assignor represents and warrants that such Assignor is the owner of all right, title, and interest in such Assignor's Collateral free and clear of all liens, encumbrances, and security interests, except the security interest created by the Joint Powers Agreement and this Assignment.

3.2 Releases, Extensions, Modifications and Additional Security. Without affecting the liability of any Assignor or any other Member Entity for the payment and performance of such Assignor's Obligations or the lien of this Assignment, the Authority may from time to time without notice:

(a) release any Member Entity for payment of any Obligation;

(b) extend the time for payment, or otherwise alter the terms of payment, of any Obligation;

(c) accept additional real or personal property of any kind as security for any Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security; or

(d) alter, substitute or release any property securing the Obligations.

3.3 Compensation and Reimbursement of Costs and Expenses. Each Assignor agrees to pay or reimburse the Authority for all costs, expenses and other advances which may be incurred or made by the Authority to protect or preserve such Assignor's Collateral or to enforce any obligations of such Assignor under the terms of this Assignment, including the exercise of any rights or remedies with respect to such Assignor afforded hereunder or under applicable law, whether any lawsuit is filed or not, or in defending any action or proceeding with respect to such Assignor arising under or relating to this Assignment, including attorneys' fees and other legal costs, costs of any sale of the Assignor's Collateral and any cost of evidence of title.

3.4 Exculpation. The Authority shall not be directly or indirectly liable to any Assignor or any other person as a consequence of the Authority's exercise of or failure to exercise any rights, remedies or powers granted to it in this Assignment, or of the Authority's failure or refusal to perform or discharge any obligation or liability of any Assignor under any agreement related to any Assignor's Collateral or under this Assignment. Each Assignor hereby expressly waives and releases all such liability, and agrees that no such liability shall be asserted against or imposed upon the Authority.

3.5 Perfection of Security Interest. The parties intend that the security interests granted under this Assignment and under the Joint Powers Agreement be perfected by the Authority's possession of the Collateral. Each Assignor authorizes the Authority to cause a Financing Statement to be filed in the Office of the California Secretary of State and/or recorded in the Office of the Kern County Recorder, and further authorizes the Authority to cause this Assignment to be recorded in the Office of the Kern County Recorder, if any such filing or recordation is requested by the Bank.

4. MISCELLANEOUS PROVISIONS

4.1 No Waiver or Cure. No waiver shall be implied from any delay or failure by the Authority to take action on account of any default of any Assignor. Consent by the Authority to any act or omission by any Assignor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Authority's consent to be obtained in any future or other instance.

4.2 Severability. If any provision of this Assignment should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and in no way affect the validity of this Assignment.

4.3 Entire Agreement. This Assignment, together with the Joint Powers Agreement, constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the Authority's security interest in each Assignor's Collateral and supersedes all prior and contemporaneous understandings or agreements of the parties with respect thereto.

4.4 Ambiguities. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Assignment.

4.5 No Third Party Beneficiary. This Assignment is made solely for the benefit of the parties to this Assignment and their permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Assignment.

4.6 Notices. Any notice under this Assignment shall be in writing and shall be shall be delivered or addressed to the parties at the addresses set forth below or at the most recent address specified by the addressee through written notice under this provision:

Addresses for Notices to the Authority:

Kern Water Bank Authority
33141 E. Lerdo Highway
Bakersfield, CA 93380
Attention: Ms. Cheryl Harding
Administrator

Address for Notices to Assignors:

Dudley Ridge Water District
286 W. Cromwell Ave.
Fresno, CA 93711-6162

Kern County Water Agency
P.O. Box 58
Bakersfield, CA 93302-0058

Semitropic Water Storage District
1101 Central Avenue
Wasco, CA 93280-0877

Tejon-Castac Water District
P.O. Box 1000
Lebec, CA 93243

Westside Mutual Water Company, LLC
33141 East Lerdo
Bakersfield, CA 93308

Wheeler Ridge-Maricopa Water Storage District
Post Office Box 9429
Bakersfield, CA 93389-9429

4.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

"AUTHORITY"

KERN WATER BANK AUTHORITY

By: _____

"ASSIGNORS"

DUDLEY RIDGE WATER DISTRICT

By: _____

KERN COUNTY WATER AGENCY

By: _____

SEMITROPIC WATER STORAGE DISTRICT

By: _____

TEJON-CASTAC WATER DISTRICT

By: _____

WESTSIDE MUTUAL WATER COMPANY, LLC

By: _____

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

By: _____

State of California }
}
County of KERN }

On FEBRUARY 23, 2004, before me, TERESA MOSLEY, NOTARY PUBLIC
personally appeared WILLIAM D. PHILLIMORE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity~~(ies)~~, and that by his/~~her~~/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature Teresa Mosley

TERESA MOSLEY
Commission # 1454937
Notary Public - California
Kern County
My Comm. Expires Dec 14, 2007
(Seal)

State of California }
}
County of KERN }

On FEBRUARY 23, 2004, before me, TERESA MOSLEY, NOTARY PUBLIC
personally appeared WILLIAM D. PHILLIMORE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity~~(ies)~~, and that by his/~~her~~/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature Teresa Mosley

TERESA MOSLEY
Commission # 1454937
Notary Public - California
Kern County
My Comm. Expires Dec 14, 2007
(Seal)

State of California }
}
County of _____ }

On _____, 2004, before me, _____
personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)
State of California }

Address for Notices to Assignors:

Dudley Ridge Water District
286 W. Cromwell Ave.
Fresno, CA 93711-6162

Kern County Water Agency
P.O. Box 58
Bakersfield, CA 93302-0058

Semitropic Water Storage District
1101 Central Avenue
Wasco, CA 93280-0877

Tejon-Castac Water District
P.O. Box 1000
Lebec, CA 93243

Westside Mutual Water Company, LLC
33141 East Lerdo
Bakersfield, CA 93308

Wheeler Ridge-Maricopa Water Storage District
Post Office Box 9429
Bakersfield, CA 93389-9429

4.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

"AUTHORITY"

KERN WATER BANK AUTHORITY

By: _____

"ASSIGNORS"

DUDLEY RIDGE WATER DISTRICT

By: _____

KERN COUNTY WATER AGENCY

By: _____

State of California }
}
County of TULARE }

On MARCH 1, 2004, before me, ~~STEPHEN JACKSON~~ JAN REEVES
personally appeared ~~STEPHEN JACKSON~~, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California }
}
County of TULARE }

On MARCH 1, 2004, before me, JAN REEVES
personally appeared STEVEN JACKSON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

JAN REEVES
Comm. # 1461362
NOTARY PUBLIC - CALIFORNIA
Tulare County
My Comm. Expires Jan. 8, 2008

State of California }
}
County of _____ }

On _____, 2004, before me, _____
personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)
State of California }

Address for Notices to Assignors:

Dudley Ridge Water District
286 W. Cromwell Ave.
Fresno, CA 93711-6162

Kern County Water Agency
P.O. Box 58
Bakersfield, CA 93302-0058

Semitropic Water Storage District
1101 Central Avenue
Wasco, CA 93280-0877

Tejon-Castac Water District
P.O. Box 1000
Lebec, CA 93243

Westside Mutual Water Company, LLC
33141 East Lerdo
Bakersfield, CA 93308

Wheeler Ridge-Maricopa Water Storage District
Post Office Box 9429
Bakersfield, CA 93389-9429

4.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

"AUTHORITY"

KERN WATER BANK AUTHORITY

By: _____

"ASSIGNORS"

DUDLEY RIDGE WATER DISTRICT

By: _____

KERN COUNTY WATER AGENCY

By: _____

State of California }
}
County of Kern }

On March 22, 2004, before me, Pam Bosworth, Notary Public
personally appeared Thomas N. Clark, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

PAM BOSWORTH
Commission # 1324728
Notary Public - California
Kern County
My Comm. Expires Nov 7, 2005

State of California }
}
County of _____ }

On _____, 2004, before me, _____
personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California }
}
County of _____ }

On _____, 2004, before me, _____
personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California }

SEMITROPIC WATER STORAGE DISTRICT

By: _____

TEJON-CASTAC WATER DISTRICT

By: _____

WESTSIDE MUTUAL WATER COMPANY, LLC

By: _____

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

By: _____

State of California }
}
County of Kern }

On 4/27, 2004, before me, Marsha J. Payne, Notary Public
personally appeared Wilmar L. Boschman, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Marsha J. Payne (Seal)

MARSHA J. PAYNE
Commission # 1318750
Notary Public - California
Kern County
My Comm. Expires Sep 22, 2005

State of California }
}
County of _____ }

On _____, 2004, before me, _____
personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California }
}
County of _____ }

On _____, 2004, before me, _____
personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)
State of California }

SEMITROPIC WATER STORAGE DISTRICT

By: _____

TEJON-CASTAC WATER DISTRICT

By: _____

WESTSIDE MUTUAL WATER COMPANY, LLC

By: _____

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

By: _____

State of California }
}
County of Kern }

On 3/23/04, 2004, before me, Shirlene M Barrington
personally appeared Dennis Mullins, personally
known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(~~s~~) whose
name(~~s~~) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~
executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~)
on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed
the instrument.

WITNESS my hand and official seal.

Signature Shirlene M Barrington (Seal)

SHIRLENE M. BARRINGTON
Commission # 1465168
Notary Public - California
Kern County
My Comm. Expires Feb 1, 2008

State of California }
}
County of _____ }

On _____, 2004, before me, _____
personally appeared _____, personally
known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s)
on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

WITNESS my hand and official seal.

Signature_____ (Seal)

State of California }
}
County of _____ }

On _____, 2004, before me, _____
personally appeared _____, personally
known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s)
on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

WITNESS my hand and official seal.

Signature_____ (Seal)
State of California }

SEMITROPIC WATER STORAGE DISTRICT

By: _____

TEJON-CASTAC WATER DISTRICT

By: _____

WESTSIDE MUTUAL WATER COMPANY, LLC

By: _____

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

By: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of KERN } ss.

On March 5, 2004 (Date), before me, Laurence K. Davis, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),
personally appeared William A. Taube (Name(s) of Signer(s)),

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

WITNESS ~~my~~ hand and official ~~seal~~.

Signature of Notary Public

LAURENCE K. DAVIS
COMM. #1310214
NOTARY PUBLIC • CALIFORNIA
KERN COUNTY
My Comm. Exp. June 23, 2005

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document
Title or Type of Document: Assignment and Pledge of Water and Water Rights

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer
Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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EXHIBIT "A"

DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, DESCRIBED IN DEEDS TO THE STATE OF CALIFORNIA, RECORDED AUGUST 31, 1988, BOOK 6158, PAGE 1098 THROUGH 1119; RECORDED MARCH 22, 1990 IN BOOK 6360, PAGES 1923 THROUGH 1925; MARCH 7, 1990 IN BOOK 6354, PAGE 998 THROUGH 1000; AND MARCH 7, 1990 IN BOOK 6354, PAGES 989 THROUGH 991, ALL OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID KERN COUNTY, BEING MORE OR LESS DESCRIBED HEREIN AS FOLLOWS, AS TO PARCELS 1 THROUGH 61 INCLUSIVE:

PARCEL 1: (KRGW-1 UNIT A UNIT A1)

SECTION 12, TOWNSHIP 30 SOUTH, RANGE 24 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 2: (KRWG-1 UNIT A UNIT A2)

SECTION 13, TOWNSHIP 30 SOUTH, RANGE 24 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 3: (KRGW-1 UNIT A UNIT A3)

THE NORTHEAST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; AND THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 30 SOUTH, RANGE 24 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

DESCRIPTION

EXCEPTING THEREFROM THAT PORTION OF SAID SECTION 24 DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 23, 1933, IN BOOK 458, PAGE 481, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24, AND THENCE SOUTH 51° 52' EAST A DISTANCE OF 2130 FEET; MORE OR LESS, TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF SAID SECTION 24; THENCE WEST ALONG SAID SOUTH LINE OF A DISTANCE OF 1672.8 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24; AND THENCE NORTH ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24 TO THE POINT OF BEGINNING.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 4: (KRGW-A UNIT A UNIT A8)

SECTION 18, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AND AREA OF 650 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 5: (KRGW 1 UNIT A UNIT A9 AND UNIT B UNIT B5)

SECTION 19, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

DESCRIPTION

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531 OF OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT FROM THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, AND THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 6: (KRGW-1 UNIT A UNIT A4)

THAT PORTION OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193 OF OFFICIAL RECORDS OF SAID KERN COUNTY, AND CONTAINING AN AREA OF 319 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH

DESCRIPTION

ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 7: (KRGW-1 UNIT A UNIT A4)

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS OF SAID KERN COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 8: (KRGW-1 UNIT A UNIT A5)

SECTION 7, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 9: (KRGW-A UNIT A UNIT A6)

THAT PORTION OF SECTION 8, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS OF SAID KERN COUNTY.

DESCRIPTION

EXCEPT THOSE PORTIONS CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL AND CROSS-VALLEY CANAL PUMPING PLAT NUMBER 1, BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 10: (KRGW-1 UNIT B UNIT B1)

THAT PORTION OF SECTION 9, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPT THOSE PORTIONS CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL AND CROSS-VALLEY CANAL PUMPING PLAT NUMBER 1, BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 11: (KRGW-A UNIT A UNIT A7 AND UNIT B UNIT B4)

SECTION 17, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL

DESCRIPTION

ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 12: (KRGW-1 UNIT B UNIT B3)

THAT PORTION OF SECTION 16, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 13: (KRGW-1 UNIT B UNIT B2)

THAT PORTION OF SECTION 15, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS, CONTAINING AN AREA OF 154 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST

DESCRIPTION

OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 14: (KRGW-1 UNIT B UNIT B6)

SECTION 20, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT FROM THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 15: (KRGW-1 UNIT B UNIT B7)

DESCRIPTION

THE NORTH HALF OF SECTION 21, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 320 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 16: (KRGW-1 UNIT B UNIT B8)

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 17: (KRGW-1 UNIT B UNIT B9 AND UNIT C UNIT C6)

THAT PORTION OF THE WEST HALF, AND THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO WEST KERN WATER DISTRICT, BY DEED RECORDED AUGUST 22, 1988, BOOK 6155, PAGE 1405, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS

DESCRIPTION

USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 18: (KRGW-1 UNIT C UNIT C3)

THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 160 ACRES, MORE OR LESS.

EXCEPT FROM THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 19: (KRGW-1 UNIT C UNIT C2)

SECTION 27, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 638 ACRES, MORE OR LESS.

EXCEPT FROM THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST

DESCRIPTION

QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE SOUTH HALF OF THE SOUTHEAST QUARTER; AND THE SOUTHWEST QUARTER OF SAID SECTION; ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 20: (KRGW-1 UNIT C UNIT C1)

THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE COUNTY OF KERN, STATE OF CALIFRNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE EAST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

DESCRIPTION

PARCEL 21: (KRGW-1 UNIT C UNIT C4)

SECTION 34, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 639 ACRES, MORE OR LESS.

EXCEPT FROM THE NORTH HALF; THE NORTH HALF OF THE SOUTH HALF, THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER; THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 22: (KRGW-1 UNIT C UNIT C5)

SECTION 35, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DIRECTOR'S DEED, KRGW-1-A, RECORDED MARCH 22, 1990, IN BOOK 6360, PAGE 1927 OF OFFICIAL RECORDS BEING MORE OR LESS RECITED HEREIN AS FOLLOWS:

THAT PORTION OF SECTION 35, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTH OF THE SOUTH RIGHT OF WAY LINE OF STATE HIGHWAY 119, SAID RIGHT OF WAY BEING MORE PARTICULARLY DESCRIBED IN STATE HIGHWAY DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 15, 1937, BOOK 683 PAGE 74, OFFICIAL RECORDS OF SAID KERN COUNTY.

DESCRIPTION

EXCEPTING THEREFROM THE EAST 758.43 FEET OF SAID SECTION 35, AS DESCRIBED IN EASEMENT DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 2, 1964 IN BOOK 3677 PAGE 293, OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPT FROM THE WEST HALF; THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 23: (KRGW-3 UNIT A UNIT A1 AND UNIT B UNIT B1)

THE SOUTH HALF OF SECTION 3, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OR CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

DESCRIPTION

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 24: (KRGW-3 UNIT A UNIT A2 AND UNIT B UNIT B2)

THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 25: (KRGW-3 UNIT A UNIT A2 AND UNIT B UNIT B2)

PARCEL 2, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, AS SHOWN ON AMENDED PARCEL MAP NNO. 1450 FILED FEBRUARY 6, 1974 IN THE OFFICE OF THE COUNTY RECORDER OF KERN COUNTY.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

SAID LAND IS A DIVISION OF A PORTION OF THE EAST HALF OF SECTION 4, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST

DESCRIPTION

OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 26: (KRGW-3 UNIT A UNIT A3)

THAT PORTION OF THE SOUTH HALF OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OFFICIAL RECORDS.

EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 5.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 27: (KRGW-3 UNIT A UNIT A4)

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 28: (KRGW-3 UNIT A UNIT A5)

DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193 OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 29: (KRGW-3 UNIT A UNIT A6)

THAT PORTION OF SECTION 8, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEREASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 30: (KRGW-3 UNIT A UNIT A7 AND UNIT B AND UNIT B3)

THAT PORTION OF SECTION 9, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEREASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

DESCRIPTION

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 31: (KRGW-3 UNIT B UNIT B4)

ALL OF SECTION 10, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 32: (KRGW-3 UNIT B UNIT B5)

ALL OF SECTION 11, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 33: (KRGW-3 UNIT B UNIT B6)

ALL OF SECTION 14, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN

DESCRIPTION

THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION DESCRIBED AS:

BEGINNING AT THE IRON PIPE WITH A 4 INCH BRASS CAP (STAMPED R. E. 2312, 1937) MARKING THE NORTHWEST CORNER OF SECTION 14, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, AND RUNNING THENCE SOUTH 89° 39' EAST, ALONG THE NORTHERLY BOUNDARY LINE OF SAID SECTION 14, A DISTANCE OF 415.00 FEET; THENCE ALONG A LINE PARALLEL WITH THE WESTERLY BOUNDARY LINE OF SAID SECTION 14, THE FOLLOWING TWO COURSES AND DISTANCES, NAMELY: SOUTH 0° 17 1/2 WEST, 55.00 FEET TO A CONCRETE MONUMENT WITH A 3 INCH BRONZE CAP (MARKED PAC. GAS & ELECT. CO. PROP.); AND THENCE CONTINUING SOUTH 0° 17 1/2 WEST, 330.00 FEET TO A CONCRETE MONUMENT WITH A 3 INCH PIPE BRONZE CAP (MARKED PAC. GAS & ELECT. CO. PROP. COR.); THENCE ALONG A LINE PARALLEL WITH THE NORTHERLY BOUNDARY LINE OF SAID SECTION 14 THE FOLLOWING TWO COURSES AND DISTANCES, NAMELY; NORTH 89° 39' WEST, 360.00 FEET TO A CONCRETE MONUMENT WITH A 3 INCH BRONZE CAP (MARKED PAC. GAS & ELECT. CO. PROP.); AND THENCE CONTINUING NORTH 89° 39' WEST, 55.00 FEET TO A POINT IN THE WESTERLY BOUNDARY LINE OF SAID SECTION 14; THENCE NORTH 0° 17 1/2 EAST, ALONG THE WESTERLY BOUNDARY LINE OF SAID SECTION 14, A DISTANCE OF 385.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 34: (KRGW-3 UNIT B UNIT B7)

THAT PORTION OF SECTION 15, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

DESCRIPTION

PARCEL 35: ((KRGW-3 UNIT B UNIT B8)

THAT PORTION OF SECTION 16, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 36: (KRGW-3 UNIT B UNIT B9)

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 37: (KRGW-3 UNIT B UNIT B10)

THAT PORTION OF SECTION 23, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL THAT PORTION THEREOF LYING SOUTHERLY OF THE NORTHERLY LINE OF PARCEL 2 AS DESCRIBED IN THE DEED TO THE CITY OF BAKERSFIELD, RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 436, OFFICIAL RECORDS, SAID LINE BEING DESCRIBED AS

DESCRIPTION

BEGINNING AT A POINT ON THE NORTHEASTERLY BOUNDARY LINE OF THE STATE HIGHWAY REFERRED TO ABOVE, AT "THE EAST-WEST CENTERLINE OF SAID SECTION 23; THENCE ALONG SAID CENTERLINE SOUTH 88° 41' 55" EAST, 2790.38 FEET; THENCE NORTH 55° 19' 28" EAST, 330.00 FEET; THENCE NORTH 74° 21' 35" EAST, 450.00 FEET, MORE OR LESS, TO THE EAST LINE OF SAID SECTION 23."

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 38: (KRGW-5 UNIT A)

THAT PORTION OF THE SOUTH HALF OF SECTION 23, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY DESCRIBED THEREIN AS PARCEL 2 CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1964 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS, DESCRIBED THEREIN AS PARCEL 1.

ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF BAKERSFIELD, A MUNICIPAL CORPORATION, BY DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 436, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO, OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988, IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 39: (KRGW-7 UNIT A)

THAT PORTION OF THE WEST HALF AND THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY AND SOUTHWESTERLY OF THE SOUTHWESTERLY BOUNDARY OF THAT CERTAIN

DESCRIPTION

PARCEL CONVEYED TO THE STATE OF CALIFORNIA FOR THE PURPOSES OF A FREEWAY RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO, OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988, IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 40: (KRGW-7 UNIT B)

THAT PORTION OF SECTION 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY BOUNDARY OF THAT CERTAIN PARCEL CONVEYED TO THE STATE OF CALIFORNIA FOR THE PURPOSES OF A FREEWAY RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 36.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO, OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988, IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 41: (KRGW-9 UNIT A)

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA, OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTH WESTERLY OF THE SOUTH-WESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBONS, AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS, AND ALL OTHER MINERAL SUBSTANCES

DESCRIPTION

AND PRODUCTS, BOTH METALLIC AND NON METALLIC, SOLID, LIQUID, OR GASEOUS) WHICH ARE UPON, IN, UNDER, OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M., T.D.S.) WHICH IS IN, UNDER, OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 42: (KRGW-11 UNIT A UNIT A1)

ALL OF SECTION 28, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 43: (KRGW-11 UNIT A UNIT A2)

THAT PORTION OF THE NORTH HALF OF SECTION 31, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC

DESCRIPTION

RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 44: (KRGW-11 UNIT AUNIT A3)

ALL OF SECTION 32, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTH HALF OF THE NORTHWEST QUARTER, THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 45: (KRGW-11 UNIT A UNIT A4)

ALL OF SECTION 33, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 46: (KRGW-13 UNIT A)

THAT PORTION OF SECTION 25, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED

DESCRIPTION

MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THE NORTHEAST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 47: (KRGW-13 UNIT B)

THAT PORTION OF SECTION 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 48: (KRGW-15 UNIT A UNIT A1)

THAT PORTION OF SECTION 24, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY ON A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION 24, DISTANT THEREON SOUTH 00° 22' 38" EAST, 1526.351 FEET FROM THE NORTHEAST CORNER THEREOF, WHICH POINT LIES ON THE NORTHERLY BOUNDARY LINE OF THE KERN RIVER CANAL RIGHT OF WAY, AS HEREINAFTER DESCRIBED; THENCE ALONG SAID NORTHERLY BOUNDARY LINE, SOUTH 82° 29' 42" WEST, 1202.846 FEET TO THE WESTERLY TERMINUS OF THE CONCRETE LINED SECTION OF SAID CANAL; THENCE SOUTH 07° 30' 18" EAST, 100.00 FEET; THENCE ALONG THE SOUTHERLY BOUNDARY OF THE EARTHEN SECTION OF SAID CANAL, SOUTH 82° 29' 42" WEST,

DESCRIPTION

2181.995 FEET; THENCE, LEAVING SAID BOUNDARY SOUTH 39° 25' 12" WEST, 876.787 FEET; THENCE SOUTH 77° 55' 12" WEST, 1400.00 FEET, MORE OR LESS, TO A POINT ON THE WEST LINE OF SAID SECTION 24, DISTANT THEREON 340.00 FEET SOUTHERLY OF THE WEST ONE-QUARTER CORNER THEREOF.

EXCEPT THAT PORTION OF SAID SECTION GRANTED TO THE STATE OF CALIFORNIA, FOR FREEWAY PURPOSES, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED THEREIN.

ALSO EXCEPT ANY PORTION THEREOF LYING NORTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL.

ALSO EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 24.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 49: (KRGW-15 UNIT A UNIT A3)

ALL THAT PORTION OF SECTION 19, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL AS SAID CANAL IS DESCRIBED IN DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 431 OF OFFICIAL RECORDS.

EXCEPT THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTH HALF AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 19.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 50: (KRGW-15 UNIT A UNIT A4)

ALL THAT PORTION OF SECTION 20, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO

DESCRIPTION

MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL AS SAID CANAL IS DESCRIBED IN DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 431 OF OFFICIAL RECORDS.

EXCEPT THE SOUTH HALF OF THE SOUTHEAST QUARTER, THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST OF SAID SECTION 20.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 51: (KRGW 15 UNIT A UNIT A2

ALL THAT PORTION OF SECTION 17, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL AS SAID CANAL IS DESCRIBED IN GRANT DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 431 OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 52: (KRGW-17 UNIT A UNIT A1)

SECTION 13, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13.

ALSO EXCEPT THE SOUTH 1000 FEET OF THE WEST 1000 FEET OF THE SOUTHWEST QUARTER

DESCRIPTION

OF THE NORTHWEST QUARTER OF SAID SECTION 13, CONTAINING AN AREA, AFTER SAID EXCEPTION, OF 540 ACRES, MORE OR LESS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 53: (KRGW 17 UNIT A UNIT A2)

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AND THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 50 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 54: (KRGW-17 UNIT A UNIT A3)

THE NORTH HALF OF SECTION 18, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THEREFROM THE EASTERLY 1700 FEET OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER; THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER; THE EASTERLY 900 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; AND THE EASTERLY 900 FEET OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 18, CONTAINING AN AREA, AFTER SAID EXCEPTION, OF 222 ACRES, MORE OR LESS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER

DESCRIPTION

MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 55: (KRGW-19 UNIT A UNIT A1 AND UNIT B)

THE SOUTH HALF OF SECTION 1, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 56: (KRGW-19 UNIT A UNIT A2)

SECTION 12, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION, CONTAINING AN AREA, AFTER SAID EXCEPTION, OF 561 ACRES, MORE OR LESS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

DESCRIPTION

PARCEL 57: (KRGW-19 UNIT A UNIT A3)

THAT PORTION OF SECTION 7, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE SOUTHERN PACIFIC RAILROAD ASPHALTO BRANCH, AS GRANTED TO SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 21, 1893 IN BOOK 47 PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 58: (KRGW-30 UNIT A AND UNIT B)

THAT PORTION OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE SOUTHERN PACIFIC ASPHALTO BRANCH AS GRANTED TO THE SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 21, 1893 IN BOOK 47 PAGE 356 OF DEEDS.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 59: (KWB-4-B)

THE SOUTH 1000 FEET OF THE WEST 1000 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

DESCRIPTION

PARCEL 60: (KWB-5-A)

UNIT A

THE NORTH 385 FEET OF THE WEST 415 FEET OF SECTION 14, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 3.67 ACRES, MORE OR LESS.

UNIT B

THAT PORTION OF THE EAST 5000 FEET OF THE NORTH HALF OF SECTION 1, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE NORTHERLY LINE OF THE PIONEER CANAL EASEMENT AS DESCRIBED IN PARCEL C, P-O CANAL EASEMENT DEED, RECORDED DECEMBER 6, 1978 IN BOOK 5159 PAGE 2217, OFFICIAL RECORDS OF SAID COUNTY.

UNIT C

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE NORTHERLY LINE OF THE PIONEER CANAL EASEMENT AS DESCRIBED IN PARCEL C, P-O CANAL EASEMENT DEED, RECORDED DECEMBER 6, 1978 IN BOOK 5159 PAGE 2217, OFFICIAL RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID NORTHWEST QUARTER LYING NORTHEASTERLY OF THE SOUTHWESTERLY PROPERTY LINE OF THE SOUTHERN PACIFIC RAILROAD ASPHALTO BRANCH, AS GRANTED TO THE SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 21, 1893, IN BOOK 47 PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY.

UNIT D

THE SOUTH 1176.00 FEET OF THE WEST 165.00 FEET OF THE NORTHWEST QUARTER OF SECTION 1, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL 61: (KRGW-29)

UNIT A

THAT PORTION OF THE WEST HALF OF THE WEST HALF OF SECTION 8, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHWESTERLY PROPERTY LINE OF THE SOUTHERN PACIFIC RAILROAD ASPHALTO BRANCH, AS SAID RAILROAD IS DESCRIBED IN DEED RECORDED OCTOBER 21, 1893 IN BOOK 47 PAGE 356 OF DEEDS, RECORDS OF KERN COUNTY.

EXCEPTING THEREFROM THE SOUTHERLY 820 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8, AS GRANTED TO THE CITY OF BAKERSFIELD, A MUNICIPAL CORPORATION, BY DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 436, OF OFFICIAL RECORDS.

SUBJECT TO ALL EXCEPTIONS, RESERVATIONS, TERMS, CONDITIONS, COVENANTS, AND RESTRICTIONS CONTAINED AND RECITED IN THAT CERTAIN OIL, GAS, AND/OR MINERAL INTEREST ASSIGNMENT AND CONVEYANCE FROM TENNECO WEST, INC., TO TENNECO OIL

DESCRIPTION

COMPANY, RECORDED NOVEMBER 18, 1988 IN BOOK 6183 PAGE 1167 OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPTING AND RESERVING THEREFROM A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, OPERATE AND MAINTAIN A STATE HIGHWAY OVER, THROUGH AND ACROSS THOSE PORTIONS OF THE HEREINABOVE DESCRIBED SECTIONS 1, 11, 12, 13, 14, 23, 24, 25, 35 AND 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, INCLUDED WITHIN THE LINES OF THE PARCELS OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED DECEMBER 15, 1934 IN BOOK 547, PAGE 56; RECORDED AUGUST 22, 1935 IN BOOK 596, PAGE 34; RECORDED MAY 20, 1977 IN BOOK 5028, PAGE 2074 AND RECORDED MAY 20, 1977 IN BOOK 5028 PAGE 2077 ALL OF OFFICIAL RECORDS OF KERN COUNTY. (AFFECTS PARCELS 22, 32, 33, 37, 38, 40, 46, 48, 52, 55, 56, AND 59).

ALSO EXCEPTING AND RESERVING THEREFROM A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, OPERATE AND MAINTAIN A STATE HIGHWAY OVER, THROUGH AND ACROSS THOSE PORTIONS OF THE HEREINABOVE DESCRIBED SECTIONS 34, 35 AND 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, INCLUDED WITHIN THE LINES OF PARCELS OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 15, 1937, IN BOOK 683, PAGE 74, AND RECORDED JANUARY 2, 1964 IN BOOK 3677, PAGE 293 BOTH OF OFFICIAL RECORDS OF KERN COUNTY. (AFFECTS PARCELS 21, 22 AND 40).

ALSO EXCEPTING AND RESERVING THEREFROM A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, OPERATE AND MAINTAIN A STATE HIGHWAY OVER, THROUGH AND ACROSS THE SOUTH 30 FEET OF THE HEREINABOVE DESCRIBED SECTIONS 32 AND 33, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF. (AFFECTS PARCELS 44 AND 45).

BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM, ZONE V, 1927.

THE DEPARTMENT OF WATER RESOURCES, STATE OF CALIFORNIA, HEREBY 1) RESERVES TO ITSELF TITLE TO ONE-HALF OF THE LA HACIENDA PROGRAM WATER AND ONE-HALF OF THE BERRENDA MESA DEMONSTRATION PROGRAM WATER; AND 2) GRANTS TO KERN COUNTY WATER AGENCY ONE-HALF OF THE LA HACIENDA PROGRAM WATER, ONE-HALF OF THE BERRENDA MESA DEMONSTRATION PROGRAM WATER, ALL OF THE 1995 WATER, AND ALL OTHER WATER ON, IN OR UNDER THE REAL PROPERTY WHICH HAS NOT BEEN RESERVED TO THE STATE HEREIN. "BERRENDA MESA DEMONSTRATION PROGRAM WATER" SHALL MEAN 2,532 ACRE FEET OF GROUNDWATER THAT MAY BE EXTRACTED BY THE STATE WITHIN THE PROPERTY AS PART OF THE 1990 BERRENDA MESA DEMONSTRATION PROGRAM. "LA HACIENDA PROGRAM WATER" SHALL MEAN THE 83,127 ACRE FEET OF WATER THAT HAS NOT BEEN EXTRACTED BEFORE THE CLOSE OF ESCROW OF THE 98,005 ACRE-FEET OF THE GROUNDWATER PURCHASED BY THE STATE FROM THE KERN COUNTY WATER AGENCY, AND THE KERN COUNTY WATER AGENCY FROM LA HACIENDA, INC., IN 1991. "1995 WATER" SHALL MEAN ALL WATER ON, IN OR UNDER THE REAL PROPERTY UPON CLOSING THAT WAS DELIVERED TO AND SPREAD UPON THE REAL PROPERTY AT ANY TIME DURING 1995 OR THEREAFTER BY OR FOR THE KERN COUNTY WATER AGENCY OR ITS MEMBER UNITS OR THE MEMBERS OF THE KERN WATER BANK AUTHORITY.

PARCEL 62:

THE NORTHWEST QUARTER OF FRACTIONAL SECTION 4, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE UNINCORPORATED AREA, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

DESCRIPTION

EXCEPTING THEREFROM ALL INTERESTS CONVEYED TO TENNECO OIL COMPANY, A DELAWARE CORPORATION, IN ASSIGNMENT AND CONVEYANCE THEREOF RECORDED NOVEMBER 18, 1988 IN THE OFFICE OF THE KERN COUNTY RECORDER, IN BOOK 6183 PAGE 1167 OF OFFICIAL RECORDS, WHICH INTERESTS CAN BE BRIEFLY SUMMARIZED AS ALL OIL, GAS AND OTHER LIQUID AND GASEOUS HYDROCARBONS, AND IN ADDITION THERETO CARBON DIOXIDE, HYDROGEN, HELIUM, NITROGEN, METHANE, SULFUR (IN EACH CASE IN EITHER LIQUID OR GASEOUS FORM) AND ANY OTHER LIQUID OR GASEOUS SUBSTANCES, INERT OR OTHERWISE, OR ANY OF THEM, AND ANY MINERALS OR OTHER SUBSTANCES PRODUCED IN ASSOCIATION THEREWITH ("HYDROCARBONS") IN, ON OR UNDER THE PREMISES, TOGETHER WITH ALL RIGHTS, PRIVILEGES, DUTIES AND RESPONSIBILITIES IN ANY WAY RELATED THERETO. GRANTEE ACKNOWLEDGES THAT THIS RESERVATION IS FULLY SET FORTH IN THE CONVEYANCE REFERRED TO ABOVE AND THAT IT TAKES TITLE SUBJECT TO THAT CONVEYANCE AND NOT SUBJECT TO THIS SUMMARY WHICH IS FOR CONVENIENCE ONLY. SAID ASSIGNMENT AND CONVEYANCE WAS CLARIFIED BY FIRST AMENDMENT THEREOF RECORDED JANUARY 17, 1989 IN BOOK 6200 PAGE 1908 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER, ALL HEREIN COLLECTIVELY CALLED "MINERALS" NOT CONVEYED TO TENNECO OIL COMPANY WHETHER SUCH MINERALS ARE NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD) WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; ALL SALT WATER, BRINES AND GEOTHERMAL RESOURCES, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; THE EXCLUSIVE RIGHT, BY WHATEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, TO PROSPECT FOR, INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, EXTRACT, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, ALL SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES, WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; THE EXCLUSIVE RIGHT TO DRILL INTO AND THROUGH THE PREMISES TO EXPLORE FOR AND THEREAFTER PRODUCE AND EXTRACT MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES WHICH MAY BE PRODUCED FROM ADJACENT PROPERTY; THE RIGHT TO LAY, CONSTRUCT, ERECT AND PLACE UPON AND IN THE PREMISES, AND USE, MAINTAIN AND OPERATE THEREON AND THEREAFTER REMOVE, ALL MACHINERY, FIXTURES, EQUIPMENT, PIPELINES, TELEPHONE LINES, ELECTRIC POWER LINES, ROADS, AND OTHER STRUCTURES AND FACILITIES AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, FOR THE EXERCISE AND ENJOYMENT OF THE RIGHTS HEREIN EXCEPTED AND RESERVED; THE EXCLUSIVE RIGHT TO TREAT, PROCESS, (BUT NOT REFINE), STORE UPON AND REMOVE FROM THE PREMISES SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES; THE EXCLUSIVE RIGHT TO PRODUCE AND EXTRACT SUCH MINERALS BY SUCH METHOD OR METHODS AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE; THE RIGHT TO ALL TIMES, WITHOUT CHARGE, TO INVESTIGATE FOR, EXPLORE FOR, DRILL FOR PRODUCE, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, THOSE QUANTITIES OF FRESH WATER FROM AQUIFERS UNDERLYING SAID REAL PROPERTY DEEMED NECESSARY BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS TO USE IN PROSPECTING, EXPLORING, DRILLING, PRODUCING, EXTRACTING AND REMOVING OR OTHER OPERATIONS IN CONNECTION WITH THE FULL ENJOYMENT AND EXERCISE OF THE RIGHTS HEREIN EXCEPTED AND RESERVED AND ANY AND ALL OTHER RIGHTS UPON SAID REAL PROPERTY AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS DEEMS NECESSARY, INCIDENTAL TO, OR CONVENIENT, WHETHER ALONE OR CO-JOINTLY WITH NEIGHBORING LANDS, IN EXPLORING FOR, PRODUCING AND EXTRACTING THE MINERALS. SALT WATER, BRINES AND GEOTHERMAL RESOURCES HEREIN EXCEPTED AND RESERVED; AND THE UNLIMITED AND UNRESTRICTED RIGHTS OF ACCESS TO SAID MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES AND OF INGRESS AND EGRESS TO AND FROM, OVER AND ACROSS SAID REAL PROPERTY FOR ALL PURPOSES DEEMED ADVISABLE BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS IN THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN; PROVIDED, HOWEVER, THAT GRANTOR, OR ITS SUCCESSORS AND ASSIGNS, UPON

DESCRIPTION

BEING PROVIDED PROOF THEREOF, SHALL COMPENSATE GRANTEE OR ITS SUCCESSORS AND (A) FOR ANY AND ALL ACTUAL DAMAGE TO IMPROVEMENTS AND GROWING CROPS UPON SAID REAL PROPERTY WHICH IS CAUSED BY THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN, AND (B) THE REASONABLE VALUE OF THE LANDS USED FOR ACTUAL DEVELOPMENT AND EXTRACTION OF SUCH MINERAL RIGHTS, AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION IN DEED RECORDED APRIL 30, 1991 IN BOOK 6515 PAGE 1741 OF OFFICIAL RECORDS, DOCUMENT NO. 53096.

PARCEL 63:

THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ALL INTERESTS CONVEYED TO TENNECO OIL COMPANY, A DELAWARE CORPORATION, IN ASSIGNMENT AND CONVEYANCE THEREOF RECORDED NOVEMBER 18, 1988 IN THE OFFICE OF THE KERN COUNTY RECORDER, IN BOOK 6183 PAGE 1167 OF OFFICIAL RECORDS, WHICH INTERESTS CAN BE BRIEFLY SUMMARIZED AS ALL OIL, GAS AND OTHER LIQUID AND GASEOUS HYDROCARBONS, AND IN ADDITION THERETO CARBON DIOXIDE, HYDROGEN, HELIUM, NITROGEN, METHANE, SULFUR (IN EACH CASE IN EITHER LIQUID OR GASEOUS FORM) AND ANY OTHER LIQUID OR GASEOUS SUBSTANCES, INERT OR OTHERWISE, OR ANY OF THEM, AND ANY MINERALS OR OTHER SUBSTANCES PRODUCED IN ASSOCIATION THEREWITH ("HYDROCARBONS") IN, ON OR UNDER THE PREMISES, TOGETHER WITH ALL RIGHTS, PRIVILEGES, DUTIES AND RESPONSIBILITIES IN ANY WAY RELATED THERETO. GRANTEE ACKNOWLEDGES THAT THIS RESERVATION IS FULLY SET FORTH IN THE CONVEYANCE REFERRED TO ABOVE AND THAT IT TAKES TITLE SUBJECT TO THAT CONVEYANCE AND NOT SUBJECT TO THIS SUMMARY WHICH IS FOR CONVENIENCE ONLY. SAID ASSIGNMENT AND CONVEYANCE WAS CLARIFIED BY FIRST AMENDMENT THEREOF RECORDED JANUARY 17, 1989 IN BOOK 6200 PAGE 1908 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER, ALL HEREIN COLLECTIVELY CALLED "MINERALS" NOT CONVEYED TO TENNECO OIL COMPANY WHETHER SUCH MINERALS ARE NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD) WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; ALL SALT WATER, BRINES AND GEOTHERMAL RESOURCES, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; THE EXCLUSIVE RIGHT, BY WHATEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, TO PROSPECT FOR, INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, EXTRACT, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, ALL SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES, WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; THE EXCLUSIVE RIGHT TO DRILL INTO AND THROUGH THE PREMISES TO EXPLORE FOR AND THEREAFTER PRODUCE AND EXTRACT MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES WHICH MAY BE PRODUCED FROM ADJACENT PROPERTY; THE RIGHT TO LAY, CONSTRUCT, ERECT AND PLACE UPON AND IN THE PREMISES, AND USE, MAINTAIN AND OPERATE THEREON AND THEREAFTER REMOVE, ALL MACHINERY, FIXTURES, EQUIPMENT, PIPELINES, TELEPHONE LINES, ELECTRIC POWER LINES, ROADS, AND OTHER STRUCTURES AND FACILITIES AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, FOR THE EXERCISE AND ENJOYMENT OF THE RIGHTS HEREIN EXCEPTED AND RESERVED; THE EXCLUSIVE RIGHT TO TREAT, PROCESS, (BUT NOT REFINE), STORE UPON AND REMOVE FROM THE PREMISES SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES; THE EXCLUSIVE RIGHT TO PRODUCE AND EXTRACT SUCH MINERALS BY SUCH METHOD OR METHODS AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE; THE RIGHT TO ALL TIMES, WITHOUT CHARGE, TO INVESTIGATE FOR, EXPLORE FOR, DRILL FOR PRODUCE, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, THOSE QUANTITIES OF FRESH WATER

DESCRIPTION

FROM AQUIFERS UNDERLYING SAID REAL PROPERTY DEEMED NECESSARY BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS TO USE IN PROSPECTING, EXPLORING, DRILLING, PRODUCING, EXTRACTING AND REMOVING OR OTHER OPERATIONS IN CONNECTION WITH THE FULL ENJOYMENT AND EXERCISE OF THE RIGHTS HEREIN EXCEPTED AND RESERVED AND ANY AND ALL OTHER RIGHTS UPON SAID REAL PROPERTY AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS DEEMS NECESSARY, INCIDENTAL TO, OR CONVENIENT, WHETHER ALONE OR CO-JOINTLY WITH NEIGHBORING LANDS, IN EXPLORING FOR, PRODUCING AND EXTRACTING THE MINERALS. SALT WATER, BRINES AND GEOTHERMAL RESOURCES HEREIN EXCEPTED AND RESERVED; AND THE UNLIMITED AND UNRESTRICTED RIGHTS OF ACCESS TO SAID MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES AND OF INGRESS AND EGRESS TO AND FROM, OVER AND ACROSS SAID REAL PROPERTY FOR ALL PURPOSES DEEMED ADVISABLE BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS IN THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN; PROVIDED, HOWEVER, THAT GRANTOR, OR ITS SUCCESSORS AND ASSIGNS, UPON BEING PROVIDED PROOF THEREOF, SHALL COMPENSATE GRANTEE OR ITS SUCCESSORS AND (A) FOR ANY AND ALL ACTUAL DAMAGE TO IMPROVEMENTS AND GROWING CROPS UPON SAID REAL PROPERTY WHICH IS CAUSED BY THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN, AND (B) THE REASONABLE VALUE OF THE LANDS USED FOR ACTUAL DEVELOPMENT AND EXTRACTION OF SUCH MINERAL RIGHTS, AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION IN DEED RECORDED APRIL 30, 1991 IN BOOK 6515 PAGE 1741 OF OFFICIAL RECORDS, DOCUMENT NO. 53096.

PARCEL 64:

THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ALL INTERESTS CONVEYED TO TENNECO OIL COMPANY, A DELAWARE CORPORATION, IN ASSIGNMENT AND CONVEYANCE THEREOF RECORDED NOVEMBER 18, 1988 IN THE OFFICE OF THE KERN COUNTY RECORDER, IN BOOK 6183 PAGE 1167 OF OFFICIAL RECORDS, WHICH INTERESTS CAN BE BRIEFLY SUMMARIZED AS ALL OIL, GAS AND OTHER LIQUID AND GASEOUS HYDROCARBONS, AND IN ADDITION THERETO CARBON DIOXIDE, HYDROGEN, HELIUM, NITROGEN, METHANE, SULFUR (IN EACH CASE IN EITHER LIQUID OR GASEOUS FORM) AND ANY OTHER LIQUID OR GASEOUS SUBSTANCES, INERT OR OTHERWISE, OR ANY OF THEM, AND ANY MINERALS OR OTHER SUBSTANCES PRODUCED IN ASSOCIATION THEREWITH ("HYDROCARBONS") IN, ON OR UNDER THE PREMISES, TOGETHER WITH ALL RIGHTS, PRIVILEGES, DUTIES AND RESPONSIBILITIES IN ANY WAY RELATED THERETO. GRANTEE ACKNOWLEDGES THAT THIS RESERVATION IS FULLY SET FORTH IN THE CONVEYANCE REFERRED TO ABOVE AND THAT IT TAKES TITLE SUBJECT TO THAT CONVEYANCE AND NOT SUBJECT TO THIS SUMMARY WHICH IS FOR CONVENIENCE ONLY. SAID ASSIGNMENT AND CONVEYANCE WAS CLARIFIED BY FIRST AMENDMENT THEREOF RECORDED JANUARY 17, 1989 IN BOOK 6200 PAGE 1908 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER, ALL HEREIN COLLECTIVELY CALLED "MINERALS" NOT CONVEYED TO TENNECO OIL COMPANY WHETHER SUCH MINERALS ARE NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD) WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; ALL SALT WATER, BRINES AND GEOTHERMAL RESOURCES, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; THE EXCLUSIVE RIGHT, BY WHATEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, TO PROSPECT FOR, INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, EXTRACT, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, ALL SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES, WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; THE EXCLUSIVE RIGHT TO DRILL INTO AND THROUGH THE PREMISES TO EXPLORE

DESCRIPTION

FOR AND THEREAFTER PRODUCE AND EXTRACT MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES WHICH MAY BE PRODUCED FROM ADJACENT PROPERTY; THE RIGHT TO LAY, CONSTRUCT, ERECT AND PLACE UPON AND IN THE PREMISES, AND USE, MAINTAIN AND OPERATE THEREON AND THEREAFTER REMOVE, ALL MACHINERY, FIXTURES, EQUIPMENT, PIPELINES, TELEPHONE LINES, ELECTRIC POWER LINES, ROADS, AND OTHER STRUCTURES AND FACILITIES AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, FOR THE EXERCISE AND ENJOYMENT OF THE RIGHTS HEREIN EXCEPTED AND RESERVED; THE EXCLUSIVE RIGHT TO TREAT, PROCESS, (BUT NOT REFINE), STORE UPON AND REMOVE FROM THE PREMISES SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES; THE EXCLUSIVE RIGHT TO PRODUCE AND EXTRACT SUCH MINERALS BY SUCH METHOD OR METHODS AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE; THE RIGHT TO ALL TIMES, WITHOUT CHARGE, TO INVESTIGATE FOR, EXPLORE FOR, DRILL FOR PRODUCE, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, THOSE QUANTITIES OF FRESH WATER FROM AQUIFERS UNDERLYING SAID REAL PROPERTY DEEMED NECESSARY BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS TO USE IN PROSPECTING, EXPLORING, DRILLING, PRODUCING, EXTRACTING AND REMOVING OR OTHER OPERATIONS IN CONNECTION WITH THE FULL ENJOYMENT AND EXERCISE OF THE RIGHTS HEREIN EXCEPTED AND RESERVED AND ANY AND ALL OTHER RIGHTS UPON SAID REAL PROPERTY AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS DEEMS NECESSARY, INCIDENTAL TO, OR CONVENIENT, WHETHER ALONE OR CO-JOINTLY WITH NEIGHBORING LANDS, IN EXPLORING FOR, PRODUCING AND EXTRACTING THE MINERALS. SALT WATER, BRINES AND GEOTHERMAL RESOURCES HEREIN EXCEPTED AND RESERVED; AND THE UNLIMITED AND UNRESTRICTED RIGHTS OF ACCESS TO SAID MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES AND OF INGRESS AND EGRESS TO AND FROM, OVER AND ACROSS SAID REAL PROPERTY FOR ALL PURPOSES DEEMED ADVISABLE BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS IN THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN; PROVIDED, HOWEVER, THAT GRANTOR, OR ITS SUCCESSORS AND ASSIGNS, UPON BEING PROVIDED PROOF THEREOF, SHALL COMPENSATE GRANTEE OR ITS SUCCESSORS AND (A) FOR ANY AND ALL ACTUAL DAMAGE TO IMPROVEMENTS AND GROWING CROPS UPON SAID REAL PROPERTY WHICH IS CAUSED BY THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN, AND (B) THE REASONABLE VALUE OF THE LANDS USED FOR ACTUAL DEVELOPMENT AND EXTRACTION OF SUCH MINERAL RIGHTS, AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION IN DEED RECORDED APRIL 30, 1991 IN BOOK 6515 PAGE 1741 OF OFFICIAL RECORDS, DOCUMENT NO. 53096.

62-3111 (REV. 2-93)

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
Land Department
1918 "H" Street
Bakersfield, CA 93301

Location: City/Uninc
Recording Fee 11.00
Document Transfer Tax $ 0
[ ] Computed on Full Value of Property Conveyed, or
[ ] Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale.

Signature of declarant or agent determining tax

James W. Fitch, Assessor – Recorder
Kern County Official Records
Recorded at the request of
Ticor Title

JASON
4/26/2005
8:01 AM

DOC#: **0205103812**

Stat Types: 1	Pages: 37
Fees	115.00
Taxes	0.00
Others	0.00
PAID	$115.00

(SPACE ABOVE FOR RECORDER'S USE ONLY)

2230-24-0001

EASEMENT

KERN WATER BANK AUTHORITY, a political subdivision of the State of California,

hereinafter called first party, hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, , a California corporation, hereinafter called second party, the right from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, together with a right of way therefore, within a strip or parcel of land or along a route as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands situate in the County of Kern, State of California, described as follows:

(APN 159-010-02,03,& 04, 160-010-38,40,41 & 43, 160-020-04,06 & 08, 160-030-03,04,10,12 & 14, 160-040-01,02 & 03, 160-050-01 & 04, 160-060-01,02 & 03, 160-070-02,03,04,06,10,11,14,19,20,22 & 23 160-080-01,02,04,07,09,15,17,18,19,20, & 21, 160-090-01,02 & 03, 160-100-02,04,05,06,07 & 08, 160-110-10 & 13, 160-120-05,12,13,14,17,18,20,22,24, 25 & 40, 160-130-03 & 07, 160-140-03,04,15 & 18, 160-170-03 & 04, 160-180-01,02 & 04, 524-040-02 & 04 524-070-01,02 & 07, 524-080-02 & 08 524-150-01,02,03 & 05, 524-020-05,06,07 & 11, 524-030-01,02,,04,05,0610 & 11)

The parcels of land described in EXHIBIT A attached hereto and made apart hereof.

Said facilities shall consist of:

Such poles, aerial wires, cables, electrical conductors with associated crossarms, braces, transformers, anchors, guy wires and cables; and such underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; aboveground marker posts, risers, and service pedestals; underground and aboveground switches, fuses, terminals, and transformers with associated concrete pads; and fixtures and appurtenances necessary to any and all thereof, as second party deems necessary; all to be located within the strips of land of the uniform width of 20 feet lying 10 feet on each side of the alignment of the facilities as initially installed hereunder and mutually agreed upon. The approximate location of said facilities are shown upon the map marked as Exhibit C attached hereto and made apart hereof.

First party confirms in second party all necessary rights for second party's existing poles, wires, and other appurtenances on said lands.

Second party shall also have the right to trim and clear away or otherwise control any trees or brush along said pole line facilities, as hereinbefore set forth, whenever considered necessary for the complete enjoyment of the rights hereby granted.

First party further grants to second party the right to install, replace, maintain, and use anchors with appurtenant guy wires, which will extend outside of said strips of land at locations second party shall from time to time deem necessary.

First party acknowledges that they have read the attached Grant of Easement Disclosure Statement, which by this reference, is made a part of this Grant of Easement Deed, attached as EXHIBIT B.

First party shall not erect or construct any building or other structure or drill or operate any well within said strips, provided, however, the first party may construct and operate recharge ponds, canals, and pipelines within said strips.

First party further grants to second party the right of ingress to and egress from said strips over and across said lands by means of roads and lanes thereon, if such there be, otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to first party.

The legal description herein, or the map attached hereto, defining the location of this utility distribution easement, was prepared by Pacific Gas and Electric Company pursuant to Section 8730 (c) of the Business and Professions Code.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Dated 3-7-05

KERN WATER BANK AUTHORITY,

By: _____
JONATHAN PARKER
GENERAL MANAGER

By: _____

Area 4- Bakersfield LSO
Operating – Distribution
Sections 12,13 & 24 T.30S., R.24E., MDB&M
Sections1,3,4,5,6,7,8,9,10,11,12,13,14,15, 16,17,18,19,20,21,22,23,24,25,26,28,30,34,35 & 36 T.30S., R.25E.
Sections 6,7,8,17,18,19,20,28,31,32 & 33 T. 30S., R. 26E., MDB&M
FERC License # N/A
PG&E Drawing N/A
AF/RE N/A
Type of Interest-03 SBE Parcel # N/A
% Quitclaimed N/A
PM # 40324429
JCN # N/A
County – Kern
Utility Notice # N/A

62-4202 Notary (General) Rev. 6/94

STATE OF CALIFORNIA
COUNTY OF Kern } SS.

On 3-7-05 before me, the undersigned, a Notary Public for said State, personally appeared Jonathan Parker, General Manager

[X] personally known to me -OR- [ ] proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Candace L. Stone
Signature

ESI1 CANDACE L. STONE
COMM. #1462092
Notary Public-California
KERN COUNTY
My Comm. Exp. Jan 12, 2008 ESI1

CAPACITY CLAIMED BY SIGNER

[ ] Individual(s) Signing For Oneself/Themselves

[ ] Corporate Officer(s) of the Above Named Corporation(s)

[ ] Guardian of the Above Named Individual(s)

[ ] Partner(s) of the Above Named Partnership(s)

[ ] Attorney(s)-in-Fact of the Above Named Principal(s)

[ ] Trustee(s) of the Above Named Trust(s)

[X] Other General Manager

EXHIBIT A

Order No. 696028

DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, DESCRIBED IN DEEDS TO THE STATE OF CALIFORNIA, RECORDED AUGUST 31, 1988, BOOK 6158, PAGE 1098 THROUGH 1119; RECORDED MARCH 22, 1990 IN BOOK 6360, PAGES 1923 THROUGH 1925; MARCH 7, 1990 IN BOOK 6354, PAGE 998 THROUGH 1000; AND MARCH 7, 1990 IN BOOK 6354, PAGES 989 THROUGH 991, ALL OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID KERN COUNTY, BEING MORE OR LESS DESCRIBED HEREIN AS FOLLOWS, AS TO PARCELS 1 THROUGH 61 INCLUSIVE:

PARCEL 1: (KRGW-1 UNIT A UNIT A1)

SECTION 12, TOWNSHIP 30 SOUTH, RANGE 24 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 2: (KRWG-1 UNIT A UNIT A2)

SECTION 13, TOWNSHIP 30 SOUTH, RANGE 24 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 3: (KRGW-1 UNIT A UNIT A3)

THE NORTHEAST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; AND THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 30 SOUTH, RANGE 24 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXHIBIT A

DESCRIPTION

EXCEPTING THEREFROM THAT PORTION OF SAID SECTION 24 DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 23, 1933, IN BOOK 458, PAGE 481, OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24, AND THENCE SOUTH 51° 52' EAST A DISTANCE OF 2130 FEET; MORE OR LESS, TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF SAID SECTION 24; THENCE WEST ALONG SAID SOUTH LINE OF A DISTANCE OF 1672.8 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24; AND THENCE NORTH ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 24 TO THE POINT OF BEGINNING.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 4: (KRGW-A UNIT A UNIT A8)

SECTION 18, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AND AREA OF 650 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 5: (KRGW 1 UNIT A UNIT A9 AND UNIT B UNIT B5)

SECTION 19, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXHIBIT A

DESCRIPTION

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531 OF OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT FROM THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, AND THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 6: (KRGW-1 UNIT A UNIT A4)

THAT PORTION OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193 OF OFFICIAL RECORDS OF SAID KERN COUNTY, AND CONTAINING AN AREA OF 319 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH

EXHIBIT A

DESCRIPTION

ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 7: (KRGW-1 UNIT A UNIT A4)

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS OF SAID KERN COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 8: (KRGW-1 UNIT A UNIT A5)

SECTION 7, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 9: (KRGW-A UNIT A UNIT A6)

THAT PORTION OF SECTION 8, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS OF SAID KERN COUNTY.

EXHIBIT A

DESCRIPTION

EXCEPT THOSE PORTIONS CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL AND CROSS-VALLEY CANAL PUMPING PLAT NUMBER 1, BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 10: (KRGW-1 UNIT B UNIT B1)

THAT PORTION OF SECTION 9, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPT THOSE PORTIONS CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL AND CROSS-VALLEY CANAL PUMPING PLAT NUMBER 1, BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 11: (KRGW-A UNIT A UNIT A7 AND UNIT B UNIT B4)

SECTION 17, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL

EXHIBIT A

DESCRIPTION

ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 12: (KRGW-1 UNIT B UNIT B3)

THAT PORTION OF SECTION 16, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 13: (KRGW-1 UNIT B UNIT B2)

THAT PORTION OF SECTION 15, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS, CONTAINING AN AREA OF 154 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST

EXHIBIT A

DESCRIPTION

OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 14: (KRGW-1 UNIT B UNIT B6)

SECTION 20, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT FROM THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 15: (KRGW-1 UNIT B UNIT B7)

EXHIBIT A

DESCRIPTION

THE NORTH HALF OF SECTION 21, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 320 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 16: (KRGW-1 UNIT B UNIT B8)

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 17: (KRGW-1 UNIT B UNIT B9 AND UNIT C UNIT C6)

THAT PORTION OF THE WEST HALF, AND THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO WEST KERN WATER DISTRICT, BY DEED RECORDED AUGUST 22, 1988, BOOK 6155, PAGE 1405, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS

EXHIBIT A

DESCRIPTION

USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 18: (KRGW-1 UNIT C UNIT C3)

THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 160 ACRES, MORE OR LESS.

EXCEPT FROM THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 19: (KRGW-1 UNIT C UNIT C2)

SECTION 27, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 638 ACRES, MORE OR LESS.

EXCEPT FROM THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST

EXHIBIT A

DESCRIPTION

QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE SOUTH HALF OF THE SOUTHEAST QUARTER; AND THE SOUTHWEST QUARTER OF SAID SECTION; ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 20: (KRGW-1 UNIT C UNIT C1)

THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE COUNTY OF KERN, STATE OF CALIFRNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE EAST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

EXHIBIT A

DESCRIPTION

PARCEL 21: (KRGW-1 UNIT C UNIT C4)

SECTION 34, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 639 ACRES, MORE OR LESS.

EXCEPT FROM THE NORTH HALF; THE NORTH HALF OF THE SOUTH HALF, THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER; THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 22: (KRGW-1 UNIT C UNIT C5)

SECTION 35, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DIRECTOR'S DEED, KRGW-1-A, RECORDED MARCH 22, 1990, IN BOOK 6360, PAGE 1927 OF OFFICIAL RECORDS BEING MORE OR LESS RECITED HEREIN AS FOLLOWS:

THAT PORTION OF SECTION 35, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTH OF THE SOUTH RIGHT OF WAY LINE OF STATE HIGHWAY 119, SAID RIGHT OF WAY BEING MORE PARTICULARLY DESCRIBED IN STATE HIGHWAY DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 15, 1937, BOOK 683 PAGE 74, OFFICIAL RECORDS OF SAID KERN COUNTY.

EXHIBIT A

DESCRIPTION

EXCEPTING THEREFROM THE EAST 758.43 FEET OF SAID SECTION 35, AS DESCRIBED IN EASEMENT DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 2, 1964 IN BOOK 3677 PAGE 293, OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPT FROM THE WEST HALF; THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER; THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION, ALL OF THE OIL, GAS AND OTHER MINERALS OF WHATSOEVER KIND OR CHARACTER WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED IN THIS MINERAL GRANT DEED SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO ALL HYDROCARBONS AND ALL OTHER MINERALS SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM THE SURFACE THEREOF DOWN TO A DEPTH OF 12,000 FEET BELOW THE SURFACE OF SAID LAND, INCLUDING ALL RIGHTS OF REVERTER; ALL SALT WATER WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID LANDS, THE EXCLUSIVE RIGHT, BY WHATSOEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTEE DEEMS ADVISABLE, TO PROSPECT FOR, INVESTIGATE, EXPLORE FOR, DRILL FOR, PRODUCE, MINE, EXTRACT, REMOVE AND REDUCE TO GRANTEE'S EXCLUSIVE POSSESSION AND OWNERSHIP, ALL OIL, GAS, SALT WATER AND ALL OTHER MINERALS WHICH ARE UPON, IN, UNDER OR MAY PRODUCED FROM SAID LANDS, AS GRANTED TO TENNECO LT CORPORATION, A DELAWARE CORPORATION, BY DEED RECORDED DECEMBER 10, 1974 IN BOOK 4872 PAGE 170 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 23: (KRGW-3 UNIT A UNIT A1 AND UNIT B UNIT B1)

THE SOUTH HALF OF SECTION 3, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OR CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

EXHIBIT A

DESCRIPTION

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 24: (KRGW-3 UNIT A UNIT A2 AND UNIT B UNIT B2)

THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 25: (KRGW-3 UNIT A UNIT A2 AND UNIT B UNIT B2)

PARCEL 2, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, AS SHOWN ON AMENDED PARCEL MAP NNO. 1450 FILED FEBRUARY 6, 1974 IN THE OFFICE OF THE COUNTY RECORDER OF KERN COUNTY.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

SAID LAND IS A DIVISION OF A PORTION OF THE EAST HALF OF SECTION 4, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST

EXHIBIT A

DESCRIPTION

OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 26: (KRGW-3 UNIT A UNIT A3)

THAT PORTION OF THE SOUTH HALF OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OFFICIAL RECORDS.

EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 5.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 27: (KRGW-3 UNIT A UNIT A4)

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 28: (KRGW-3 UNIT A UNIT A5)

EXHIBIT A

DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193 OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 29: (KRGW-3 UNIT A UNIT A6)

THAT PORTION OF SECTION 8, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEREASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 30: (KRGW-3 UNIT A UNIT A7 AND UNIT B AND UNIT B3)

THAT PORTION OF SECTION 9, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEREASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531, OF OFFICIAL RECORDS.

EXHIBIT A

DESCRIPTION

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 31: (KRGW-3 UNIT B UNIT B4)

ALL OF SECTION 10, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 32: (KRGW-3 UNIT B UNIT B5)

ALL OF SECTION 11, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 33: (KRGW-3 UNIT B UNIT B6)

ALL OF SECTION 14, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN

EXHIBIT A

DESCRIPTION

THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION DESCRIBED AS:

BEGINNING AT THE IRON PIPE WITH A 4 INCH BRASS CAP (STAMPED R. E. 2312, 1937) MARKING THE NORTHWEST CORNER OF SECTION 14, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, AND RUNNING THENCE SOUTH 89° 39' EAST, ALONG THE NORTHERLY BOUNDARY LINE OF SAID SECTION 14, A DISTANCE OF 415.00 FEET; THENCE ALONG A LINE PARALLEL WITH THE WESTERLY BOUNDARY LINE OF SAID SECTION 14, THE FOLLOWING TWO COURSES AND DISTANCES, NAMELY: SOUTH 0° 17 1/2 WEST, 55.00 FEET TO A CONCRETE MONUMENT WITH A 3 INCH BRONZE CAP (MARKED PAC. GAS & ELECT. CO. PROP.); AND THENCE CONTINUING SOUTH 0° 17 1/2 WEST, 330.00 FEET TO A CONCRETE MONUMENT WITH A 3 INCH PIPE BRONZE CAP (MARKED PAC. GAS & ELECT. CO. PROP. COR.); THENCE ALONG A LINE PARALLEL WITH THE NORTHERLY BOUNDARY LINE OF SAID SECTION 14 THE FOLLOWING TWO COURSES AND DISTANCES, NAMELY; NORTH 89° 39' WEST, 360.00 FEET TO A CONCRETE MONUMENT WITH A 3 INCH BRONZE CAP (MARKED PAC. GAS & ELECT. CO. PROP.); AND THENCE CONTINUING NORTH 89° 39' WEST, 55.00 FEET TO A POINT IN THE WESTERLY BOUNDARY LINE OF SAID SECTION 14; THENCE NORTH 0° 17 1/2 EAST, ALONG THE WESTERLY BOUNDARY LINE OF SAID SECTION 14, A DISTANCE OF 385.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 34: (KRGW-3 UNIT B UNIT B7)

THAT PORTION OF SECTION 15, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

EXHIBIT A

DESCRIPTION

PARCEL 35: ((KRGW-3 UNIT B UNIT B8)

THAT PORTION OF SECTION 16, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 36: (KRGW-3 UNIT B UNIT B9)

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 37: (KRGW-3 UNIT B UNIT B10)

THAT PORTION OF SECTION 23, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL THAT PORTION THEREOF LYING SOUTHERLY OF THE NORTHERLY LINE OF PARCEL 2 AS DESCRIBED IN THE DEED TO THE CITY OF BAKERSFIELD, RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 436, OFFICIAL RECORDS, SAID LINE BEING DESCRIBED AS

EXHIBIT A

DESCRIPTION

BEGINNING AT A POINT ON THE NORTHEASTERLY BOUNDARY LINE OF THE STATE HIGHWAY REFERRED TO ABOVE, AT "THE EAST-WEST CENTERLINE OF SAID SECTION 23; THENCE ALONG SAID CENTERLINE SOUTH 88° 41' 55" EAST, 2790.38 FEET; THENCE NORTH 55° 19' 28" EAST, 330.00 FEET; THENCE NORTH 74° 21' 35" EAST, 450.00 FEET, MORE OR LESS, TO THE EAST LINE OF SAID SECTION 23."

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 38: (KRGW-5 UNIT A)

THAT PORTION OF THE SOUTH HALF OF SECTION 23, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY DESCRIBED THEREIN AS PARCEL 2 CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1964 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS, DESCRIBED THEREIN AS PARCEL 1.

ALSO EXCEPT THAT PORTION CONVEYED TO THE CITY OF BAKERSFIELD, A MUNICIPAL CORPORATION, BY DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 436, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO, OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988, IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 39: (KRGW-7 UNIT A)

THAT PORTION OF THE WEST HALF AND THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY AND SOUTHWESTERLY OF THE SOUTHWESTERLY BOUNDARY OF THAT CERTAIN

EXHIBIT A

DESCRIPTION

PARCEL CONVEYED TO THE STATE OF CALIFORNIA FOR THE PURPOSES OF A FREEWAY RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO, OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988, IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 40: (KRGW-7 UNIT B)

THAT PORTION OF SECTION 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY BOUNDARY OF THAT CERTAIN PARCEL CONVEYED TO THE STATE OF CALIFORNIA FOR THE PURPOSES OF A FREEWAY RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 36.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") WHETHER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO, OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988, IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 41: (KRGW-9 UNIT A)

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA, OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTH WESTERLY OF THE SOUTH-WESTERLY LINE OF THE STATE HIGHWAY AS GRANTED TO THE STATE OF CALIFORNIA, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBONS, AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS, AND ALL OTHER MINERAL SUBSTANCES

EXHIBIT A

DESCRIPTION

AND PRODUCTS, BOTH METALLIC AND NON METALLIC, SOLID, LIQUID, OR GASEOUS) WHICH ARE UPON, IN, UNDER, OR MAY BE PRODUCED FROM SAID REAL PROPERTY; ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M., T.D.S.) WHICH IS IN, UNDER, OR MAY BE PRODUCED FROM SAID REAL PROPERTY, TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 42: (KRGW-11 UNIT A UNIT A1)

ALL OF SECTION 28, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 43: (KRGW-11 UNIT A UNIT A2)

THAT PORTION OF THE NORTH HALF OF SECTION 31, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC

EXHIBIT A

DESCRIPTION

RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 44: (KRGW-11 UNIT AUNIT A3)

ALL OF SECTION 32, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTH HALF OF THE NORTHWEST QUARTER, THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 45: (KRGW-11 UNIT A UNIT A4)

ALL OF SECTION 33, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 46: (KRGW-13 UNIT A)

THAT PORTION OF SECTION 25, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED

EXHIBIT A

DESCRIPTION

MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT THE NORTHEAST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 47: (KRGW-13 UNIT B)

THAT PORTION OF SECTION 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF THE STATE HIGHWAY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193, OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 48: (KRGW-15 UNIT A UNIT A1)

THAT PORTION OF SECTION 24, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY ON A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION 24, DISTANT THEREON SOUTH 00° 22' 38" EAST, 1526.351 FEET FROM THE NORTHEAST CORNER THEREOF, WHICH POINT LIES ON THE NORTHERLY BOUNDARY LINE OF THE KERN RIVER CANAL RIGHT OF WAY, AS HEREINAFTER DESCRIBED; THENCE ALONG SAID NORTHERLY BOUNDARY LINE, SOUTH 82° 29' 42" WEST, 1202.846 FEET TO THE WESTERLY TERMINUS OF THE CONCRETE LINED SECTION OF SAID CANAL; THENCE SOUTH 07° 30' 18" EAST, 100.00 FEET; THENCE ALONG THE SOUTHERLY BOUNDARY OF THE EARTHEN SECTION OF SAID CANAL, SOUTH 82° 29' 42" WEST,

EXHIBIT A

DESCRIPTION

2181.995 FEET; THENCE, LEAVING SAID BOUNDARY SOUTH 39° 25' 12" WEST, 876.787 FEET; THENCE SOUTH 77° 55' 12" WEST, 1400.00 FEET, MORE OR LESS, TO A POINT ON THE WEST LINE OF SAID SECTION 24, DISTANT THEREON 340.00 FEET SOUTHERLY OF THE WEST ONE-QUARTER CORNER THEREOF.

EXCEPT THAT PORTION OF SAID SECTION GRANTED TO THE STATE OF CALIFORNIA, FOR FREEWAY PURPOSES, BY DEED RECORDED MARCH 24, 1967 IN BOOK 4037 PAGE 193 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED THEREIN.

ALSO EXCEPT ANY PORTION THEREOF LYING NORTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL.

ALSO EXCEPT THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 24.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 49: (KRGW-15 UNIT A UNIT A3)

ALL THAT PORTION OF SECTION 19, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL AS SAID CANAL IS DESCRIBED IN DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 431 OF OFFICIAL RECORDS.

EXCEPT THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTH HALF AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 19.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 50: (KRGW-15 UNIT A UNIT A4)

ALL THAT PORTION OF SECTION 20, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO

EXHIBIT A

DESCRIPTION

MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL AS SAID CANAL IS DESCRIBED IN DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 431 OF OFFICIAL RECORDS.

EXCEPT THE SOUTH HALF OF THE SOUTHEAST QUARTER, THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST OF SAID SECTION 20.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 51: (KRGW 15 UNIT A UNIT A2

ALL THAT PORTION OF SECTION 17, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE KERN RIVER CANAL AS SAID CANAL IS DESCRIBED IN GRANT DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 431 OF OFFICIAL RECORDS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 52: (KRGW-17 UNIT A UNIT A1)

SECTION 13, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13.

ALSO EXCEPT THE SOUTH 1000 FEET OF THE WEST 1000 FEET OF THE SOUTHWEST QUARTER

EXHIBIT A

DESCRIPTION

OF THE NORTHWEST QUARTER OF SAID SECTION 13, CONTAINING AN AREA, AFTER SAID EXCEPTION, OF 540 ACRES, MORE OR LESS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 53: (KRGW 17 UNIT A UNIT A2)

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AND THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 50 ACRES, MORE OR LESS.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 54: (KRGW-17 UNIT A UNIT A3)

THE NORTH HALF OF SECTION 18, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THEREFROM THE EASTERLY 1700 FEET OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER; THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER; THE EASTERLY 900 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; AND THE EASTERLY 900 FEET OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 18, CONTAINING AN AREA, AFTER SAID EXCEPTION, OF 222 ACRES, MORE OR LESS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER

EXHIBIT A

DESCRIPTION

MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 55: (KRGW-19 UNIT A UNIT A1 AND UNIT B)

THE SOUTH HALF OF SECTION 1, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 56: (KRGW-19 UNIT A UNIT A2)

SECTION 12, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION, CONTAINING AN AREA, AFTER SAID EXCEPTION, OF 561 ACRES, MORE OR LESS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

EXHIBIT A

DESCRIPTION

PARCEL 57: (KRGW-19 UNIT A UNIT A3)

THAT PORTION OF SECTION 7, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE SOUTHERN PACIFIC RAILROAD ASPHALTO BRANCH, AS GRANTED TO SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 21, 1893 IN BOOK 47 PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 58: (KRGW-30 UNIT A AND UNIT B)

THAT PORTION OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE SOUTHERN PACIFIC ASPHALTO BRANCH AS GRANTED TO THE SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 21, 1893 IN BOOK 47 PAGE 356 OF DEEDS.

EXCEPT THAT PORTION CONVEYED TO THE KERN COUNTY WATER AGENCY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, FOR THE CROSS-VALLEY CANAL BY FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, CASE NUMBER 126302, A CERTIFIED COPY THEREOF WAS RECORDED DECEMBER 1, 1981 IN BOOK 5421 PAGE 1531 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

PARCEL 59: (KWB-4-B)

THE SOUTH 1000 FEET OF THE WEST 1000 FEET OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXHIBIT A

DESCRIPTION

PARCEL 60: (KWB-5-A)

UNIT A

THE NORTH 385 FEET OF THE WEST 415 FEET OF SECTION 14, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, CONTAINING AN AREA OF 3.67 ACRES, MORE OR LESS.

UNIT B

THAT PORTION OF THE EAST 5000 FEET OF THE NORTH HALF OF SECTION 1, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE NORTHERLY LINE OF THE PIONEER CANAL EASEMENT AS DESCRIBED IN PARCEL C, P-O CANAL EASEMENT DEED, RECORDED DECEMBER 6, 1978 IN BOOK 5159 PAGE 2217, OFFICIAL RECORDS OF SAID COUNTY.

UNIT C

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE NORTHERLY LINE OF THE PIONEER CANAL EASEMENT AS DESCRIBED IN PARCEL C, P-O CANAL EASEMENT DEED, RECORDED DECEMBER 6, 1978 IN BOOK 5159 PAGE 2217, OFFICIAL RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID NORTHWEST QUARTER LYING NORTHEASTERLY OF THE SOUTHWESTERLY PROPERTY LINE OF THE SOUTHERN PACIFIC RAILROAD ASPHALTO BRANCH, AS GRANTED TO THE SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, BY DEED RECORDED OCTOBER 21, 1893, IN BOOK 47 PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY.

UNIT D

THE SOUTH 1176.00 FEET OF THE WEST 165.00 FEET OF THE NORTHWEST QUARTER OF SECTION 1, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL 61: (KRGW-29)

UNIT A

THAT PORTION OF THE WEST HALF OF THE WEST HALF OF SECTION 8, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHWESTERLY PROPERTY LINE OF THE SOUTHERN PACIFIC RAILROAD ASPHALTO BRANCH, AS SAID RAILRQAD IS DESCRIBED IN DEED RECORDED OCTOBER 21, 1893 IN BOOK 47 PAGE 356 OF DEEDS, RECORDS OF KERN COUNTY.

EXCEPTING THEREFROM THE SOUTHERLY 820 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 8, AS GRANTED TO THE CITY OF BAKERSFIELD, A MUNICIPAL CORPORATION, BY DEED RECORDED DECEMBER 30, 1976 IN BOOK 4999 PAGE 436, OF OFFICIAL RECORDS.

SUBJECT TO ALL EXCEPTIONS, RESERVATIONS, TERMS, CONDITIONS, COVENANTS, AND RESTRICTIONS CONTAINED AND RECITED IN THAT CERTAIN OIL, GAS, AND/OR MINERAL INTEREST ASSIGNMENT AND CONVEYANCE FROM TENNECO WEST, INC., TO TENNECO OIL

EXHIBIT A

DESCRIPTION

COMPANY, RECORDED NOVEMBER 18, 1988 IN BOOK 6183 PAGE 1167 OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPTING AND RESERVING THEREFROM A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, OPERATE AND MAINTAIN A STATE HIGHWAY OVER, THROUGH AND ACROSS THOSE PORTIONS OF THE HEREINABOVE DESCRIBED SECTIONS 1, 11, 12, 13, 14, 23, 24, 25, 35 AND 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, INCLUDED WITHIN THE LINES OF THE PARCELS OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED DECEMBER 15, 1934 IN BOOK 547, PAGE 56; RECORDED AUGUST 22, 1935 IN BOOK 596, PAGE 34; RECORDED MAY 20, 1977 IN BOOK 5028, PAGE 2074 AND RECORDED MAY 20, 1977 IN BOOK 5028 PAGE 2077 ALL OF OFFICIAL RECORDS OF KERN COUNTY. (AFFECTS PARCELS 22, 32, 33, 37, 38, 40, 46, 48, 52, 55, 56, AND 59).

ALSO EXCEPTING AND RESERVING THEREFROM A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, OPERATE AND MAINTAIN A STATE HIGHWAY OVER, THROUGH AND ACROSS THOSE PORTIONS OF THE HEREINABOVE DESCRIBED SECTIONS 34, 35 AND 36, TOWNSHIP 30 SOUTH, RANGE 25 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, INCLUDED WITHIN THE LINES OF PARCELS OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED JANUARY 15, 1937, IN BOOK 683, PAGE 74, AND RECORDED JANUARY 2, 1964 IN BOOK 3677, PAGE 293 BOTH OF OFFICIAL RECORDS OF KERN COUNTY. (AFFECTS PARCELS 21, 22 AND 40).

ALSO EXCEPTING AND RESERVING THEREFROM A PERPETUAL EASEMENT AND RIGHT OF WAY TO CONSTRUCT, OPERATE AND MAINTAIN A STATE HIGHWAY OVER, THROUGH AND ACROSS THE SOUTH 30 FEET OF THE HEREINABOVE DESCRIBED SECTIONS 32 AND 33, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF. (AFFECTS PARCELS 44 AND 45).

BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM, ZONE V, 1927.

THE DEPARTMENT OF WATER RESOURCES, STATE OF CALIFORNIA, HEREBY 1) RESERVES TO ITSELF TITLE TO ONE-HALF OF THE LA HACIENDA PROGRAM WATER AND ONE-HALF OF THE BERRENDA MESA DEMONSTRATION PROGRAM WATER; AND 2) GRANTS TO KERN COUNTY WATER AGENCY ONE-HALF OF THE LA HACIENDA PROGRAM WATER, ONE-HALF OF THE BERRENDA MESA DEMONSTRATION PROGRAM WATER, ALL OF THE 1995 WATER, AND ALL OTHER WATER ON, IN OR UNDER THE REAL PROPERTY WHICH HAS NOT BEEN RESERVED TO THE STATE HEREIN. "BERRENDA MESA DEMONSTRATION PROGRAM WATER" SHALL MEAN 2,532 ACRE FEET OF GROUNDWATER THAT MAY BE EXTRACTED BY THE STATE WITHIN THE PROPERTY AS PART OF THE 1990 BERRENDA MESA DEMONSTRATION PROGRAM. "LA HACIENDA PROGRAM WATER" SHALL MEAN THE 83,127 ACRE FEET OF WATER THAT HAS NOT BEEN EXTRACTED BEFORE THE CLOSE OF ESCROW OF THE 98,005 ACRE-FEET OF THE GROUNDWATER PURCHASED BY THE STATE FROM THE KERN COUNTY WATER AGENCY, AND THE KERN COUNTY WATER AGENCY FROM LA HACIENDA, INC., IN 1991. "1995 WATER" SHALL MEAN ALL WATER ON, IN OR UNDER THE REAL PROPERTY UPON CLOSING THAT WAS DELIVERED TO AND SPREAD UPON THE REAL PROPERTY AT ANY TIME DURING 1995 OR THEREAFTER BY OR FOR THE KERN COUNTY WATER AGENCY OR ITS MEMBER UNITS OR THE MEMBERS OF THE KERN WATER BANK AUTHORITY.

Pacific Gas and Electric Company

EXIBIT B

GRANT OF EASEMENT DISCLOSURE STATEMENT

This Disclosure Statement will assist you in understanding your rights as a property owner when granting an easement to PG&E to accommodate your neighbor's new utility service extension. **Please read this disclosure carefully before signing the Grant of Easement.**

- You are under no obligation or threat of condemnation by PG&E to grant this easement.
- The granting of this easement is an accommodation to PG&E's applicant requesting the extension of PG&E utility facilities to the applicant's property or project, pursuant to the Line Extension Rules 15 and 16, as authorized by the California Public Utilities Commission. As this is an accommodation to a single customer or group of customers and not PG&E, the California Public Utilities Commission has not authorized PG&E to purchase such easements.
- By granting this easement to PG&E, the facilities installed within the easement across your property may be used to serve additional customers in the area.
- Removal and/or pruning of trees or other vegetation on your property may be necessary for the installation of PG&E facilities. You have the option of having PG&E or its contractors perform this work on your property, or having the applicant or the applicant's contractor perform this work.
- The description of the location in which the PG&E utility facilities are to be installed upon, in, on, or across your property must be satisfactory to you.
- The California Public Utilities Commission has authorized that the installation of certain utility facilities for utility service may be performed by the applicant. In addition to granting this easement to PG&E, you will need to give your consent to the applicant, or applicant's contractor, working on your property. Upon completion of the applicant's installation, the utility facilities will be inspected by PG&E. When the facility installation is determined to be acceptable the facilities will be conveyed to PG&E.

By signing the Grant of Easement, you are acknowledging that you have read this disclosure and understand that you are granting the easement to PG&E of your own free will. Please return the signed and notarized Grant of Easement and this Disclosure Statement to PG&E. The duplicate copy of the Grant of Easement and this Disclosure Statement is for your records.

Pacific Gas and Electric Company

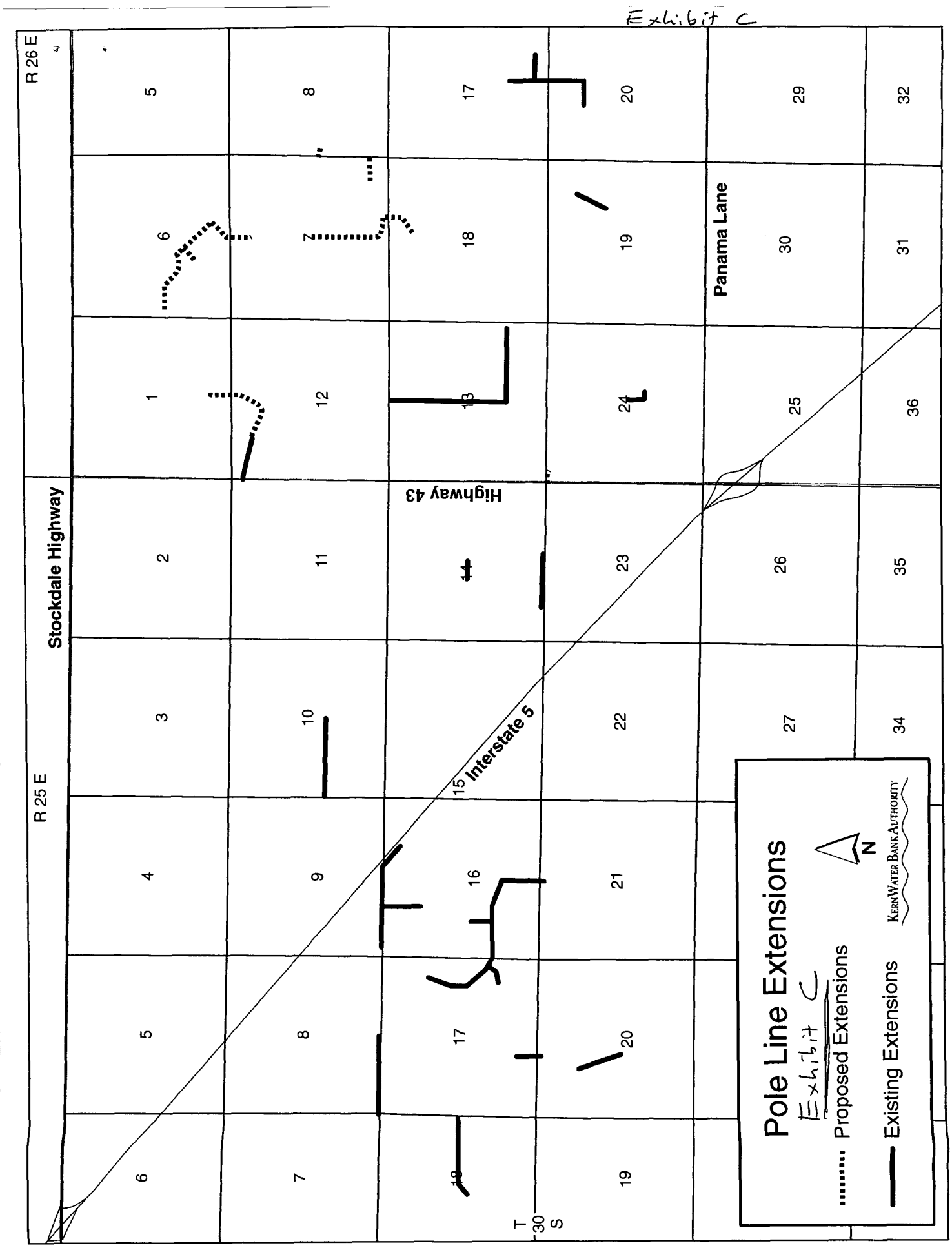
EXIBIT B

GRANT OF EASEMENT DISCLOSURE STATEMENT

This Disclosure Statement will assist you in understanding your rights as a property owner when granting an easement to PG&E to accommodate your neighbor's new utility service extension. **Please read this disclosure carefully before signing the Grant of Easement.**

- You are under no obligation or threat of condemnation by PG&E to grant this easement.
- The granting of this easement is an accommodation to PG&E's applicant requesting the extension of PG&E utility facilities to the applicant's property or project, pursuant to the Line Extension Rules 15 and 16, as authorized by the California Public Utilities Commission. As this is an accommodation to a single customer or group of customers and not PG&E, the California Public Utilities Commission has not authorized PG&E to purchase such easements.
- By granting this easement to PG&E, the facilities installed within the easement across your property may be used to serve additional customers in the area.
- Removal and/or pruning of trees or other vegetation on your property may be necessary for the installation of PG&E facilities. You have the option of having PG&E or its contractors perform this work on your property, or having the applicant or the applicant's contractor perform this work.
- The description of the location in which the PG&E utility facilities are to be installed upon, in, on, or across your property must be satisfactory to you.
- The California Public Utilities Commission has authorized that the installation of certain utility facilities for utility service may be performed by the applicant. In addition to granting this easement to PG&E, you will need to give your consent to the applicant, or applicant's contractor, working on your property. Upon completion of the applicant's installation, the utility facilities will be inspected by PG&E. When the facility installation is determined to be acceptable the facilities will be conveyed to PG&E.

By signing the Grant of Easement, you are acknowledging that you have read this disclosure and understand that you are granting the easement to PG&E of your own free will. Please return the signed and notarized Grant of Easement and this Disclosure Statement to PG&E. The duplicate copy of the Grant of Easement and this Disclosure Statement is for your records.


Exhibit C
R 26 E
R 25 E
Stockdale Highway
Highway 43
Interstate 5
Panama Lane
T 30 S
Pole Line Extensions
Exhibit C
Proposed Extensions
Existing Extensions
N
KernWater Bank Authority

WILL CALL

Recording Requested By and
When Recorded Mail To:

Vintage Production California LLC
P. O. Box 1001
28590 Highway 119
Tupman, CA 93276
Attn.: Land Department

James W. Fitch, Assessor – Recorder
Kern County Official Records
Recorded at the request of
Public

RAWSONM
10/11/2006
1:47 PM

DOC#: **0206252506**

Stat Types: 1	Pages: 3
Fees	13.00
Taxes	0.00
Others	3.00
PAID	$16.00

THE UNDERSIGNED LESSEE DECLARES
DOCUMENTARY TRANSFER TAX IS $ None
☒ computed on the full value of the interest or property conveyed, or is
☐ computed on the full value less the value of liens or

APN: 524-110-01; 524-120-03, 04, & 05; 524-150-01, 02, 03, 04, 05, 06 & 07; 524-160-01

OIL, GAS, & MINERAL LEASE
Canfield Ranch
(Short Form)
(No Warranty of Title)

THIS AGREEMENT, made and entered into October 10, 2006 by and between **Vintage Production California LLC**, hereinafter called "Lessor" (whether one or more) and **Compass Global Resources,** hereinafter called "Lessee,"

WITNESSETH:

Lessor hereby grants and leases to Lessee and Lessee hereby leases from Lessor the land hereinafter described, for the purposes and with the exclusive right of prospecting, exploring, mining, drilling and operating said land for oil, gas, other hydrocarbons, associated substances, sulfur, nitrogen, carbon dioxide, helium and other commercially valuable substances which may be produced through wells on said land, whether or not similar to the above-mentioned substances. The land hereby leased is situated in the County of Kern, State of California, and is more fully described in Exhibit "A" attached hereto and made a part hereof:

This lease is made for the term and upon and subject to each and all the terms, provisions, covenants and conditions set forth in the certain Oil, Gas and Mineral Lease (Long Form) hereinafter ("Lease") of even date herewith between the parties hereto covering the land hereinabove described, and said Oil, Gas and Mineral Lease is hereby incorporated herein with the same force and effect as though herein set forth at length.

Among the other terms contained in said Lease is a requirement for Lessor's prior written consent to any assignment by Lesser, whether in whole or in part, a restriction against mortgaging or otherwise pledging this lease to secure indebtedness, the right to Lessor's share of production in kind, and a preferential right to purchase Lessee's share of production derived from or attributable to the Leased Lands.

This lease may be executed in any number of counterparts and all such counterparts shall be deemed to constitute a single lease and the execution of one counterpart by any Lessor shall have the same force and effect as if he had signed all the other counterparts.

IN WITNESS WHEREOF, said parties have caused this lease to be duly executed as of the date first hereinabove written.

LESSOR

Vintage Production California LLC

By: _____
Russell P. Ledbetter, Attorney-in-Fact

LESSEE

Compass Global Resources

By: _____
R. T. Budden, President

Exhibit "A" – Attached to and a Part of that certain Oil, Gas and Mineral Lease dated October 10, 2006 by and between Vintage Production California LLC, as Lessor and Compass Global Resources, as Lessee.

Township 30 South, Range 26 East, MDB&M

Section 26:	S/2SW/4+	80 acres
Section 27:	SE/4NW/4	40 acres
	SW/4NE/4	40 acres
	S/2	320 acres
Section 33:	NE/4	160 acres
	N/2SE/4	80 acres
	NE/4SW/4	40 acres
	SE/4NW/4	40 acres
Section 34:	N/2SW/4	80 acres
	N/2	320 acres
Section 35:	NW/4	160 acres

SAVE and EXCEPT five (5) acres in the form of a square centered on and surrounding each existing well, whether active or inactive, which wells are located within the exterior boundaries of the Leased Lands, and SAVE and EXCEPT that 80 acre parcel located in Sections 33 and 34 and described as "Retained Lands" in that certain "Partial Surrender and Quitclaim of Oil, Gas and Mineral Lease", dated December 28, 1998 executed by Sacramento Energy, Inc. and recorded at Document # 0198185643 in the Official Records of Kern County, California, said 80 acre tract being the well tract for the Sacramento Energy Inc. 1-34 well, API No. 0403009108.

All acreage numbers cited being estimates for the purpose of calculating rentals and minimum royalties and the actual acreage may be more or less than cited. There shall be no retroactive adjustment for any rental or minimum royalty paid in reliance up these estimates. Adjustment for actual acreages as the same maybe discovered shall be prospective only and apply only to sums not then due.

OIL, GAS, & MINERAL LEASE
(Short Form)

STATE OF CALIFORNIA)
) ss.
COUNTY OF Kern)

On October 10, 2006, before me, Heather Van Arkel, Notary Public, personally appeared R. T. Budden, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Heather Van Arkel
Notary Public

HEATHER VAN ARKEL
Commission # 1547016
Notary Public - California
Kern County
My Comm. Expires Jan 23, 2009

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

On October 10, 2006, before me, Heather Van Arkel, Notary Public, personally appeared Russell P. Ledbetter, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, 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.

Heather Van Arkel
Notary Public

HEATHER VAN ARKEL
Commission # 1547016
Notary Public - California
Kern County
My Comm. Expires Jan 23, 2009

James W. Fitch, Assessor – Recorder
Kern County Official Records
Recorded at the request of
Public

RAWSONM
11/17/2006
1:57 PM

DOC#: 0206286186

Stat Types: 1 Pages: 5

Fees	19.00
Taxes	0.00
Others	0.00
PAID	$19.00

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Vintage Production California LLC
Attn: Teri Altenburger – Land Dept.
P.O. Box 1002
Tupman, CA 93276

NOTICE OF INTENT TO PRESERVE MINERAL RIGHTS

THIS NOTICE OF INTENT TO PRESERVE MINERAL RIGHTS (this "Notice") is intended to preserve mineral rights from termination as dormant pursuant to Chapter 3 (commencing with Section 883.110) of Title 5 (commencing with Section 880.020) of Part 2 of Division 2 of the California Civil Code (Marketable Record Title).

Claimant: Vintage Production California LLC, a Delaware Limited Liability Company, successor in interest to OXY Resources California LLC, by Certificate of Amendment to Certificate of Formation executed on January 30, 2006 and recorded in the Official Records of Kern County on March 3, 2006 at Document number 0206052709.

Mailing Address: Vintage Production California LLC
Attention: Legal Department
P.O. Box 1001
Tupman, California 93276-1001

Interest: All of Claimant's rights in the oil, gas hydrocarbon substances and minerals of every kind owned by Claimant in, under or that may be produced from the real property located in the County of Kern, State of California, described on Exhibit A attached hereto and incorporated herein.

The undersigned, authorized signatory for Claimant, asserts under penalty of perjury that this Notice is not recorded for the purpose of slandering title to real property and is informed and believes that the information contained in this Notice is true. The undersigned, authorized signatory for Claimant, further asserts under penalty of perjury that he is authorized to act on behalf of Claimant.

Dated: November 14, 2006

DOCUMENTARY TRANSFER TAX $None
[X] Computed on full value of property conveyed
[ ] or computed on full value less liens and encumbrances remaining at time of sale

By: _____

Vintage Production California LLC

By: _____
Russell P. Ledbetter

Its: Attorney – in – Fact

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

On November 16, 2006, before me, Heather Van Arkel, Notary Public in and for said County and State, personally appeared RUSSELL P. LEDBETTER, 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 who acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the entity upon behalf of which he acted, executed the instrument.

WITNESS my hand and official seal.

Heather Van Arkel

Notary Public in and for said County and State

HEATHER VAN ARKEL
Commission # 1547016
Notary Public - California
Kern County
My Comm. Expires Jan 23, 2009

Signer is Representing: Vintage Production California LLC
Capacity claimed by signer: Attorney-in-Fact

First American Title

First American Title

EXHIBIT A

ATTACHED HERETO AND MADE A PART HEREOF THAT CERTAIN NOTICE OF INTENT TO PRESERVE MINERAL RIGHTS DATED November 14, 2006 BY VINTAGE PRODUCTION CALIFORNIA LLC, MINERAL OWNER

T30S-R26E

SEC 18: N2NW, NENE,NWNE, S2, S2NE, SENW, SWNW
APN: 524-070-01, 02, 03

SEC 19: N/2, N/2SE, E/2NWSW, NESW ALL DEPTHS; W/2NWSW, S/2S/2 BELOW 9500' ONLY
APN: 524-080-01, ptn 02, ptn 03, 04, 05

SEC 20: N/2, N/2N/2S/2, SWNWSE, S/2NESW, S/2NWSW, NWSWSW ALL DEPTHS; S/2NESE, SENWSE, S/2SE, SESW, E/2SWSW, SWSWSW SURF TO 7500' AND BELOW 8500'
APN: 524-080-06, 07, 08, 09

SEC 28: NE, N/2SE, N/2S/2SE, S/2S/2SW, NENESW, ALL DEPTHS; NW, W/2NWSW, NWNESW, NENWSW SURF TO 7500' AND BELOW 8500'; S/2NESW, SENWSW, N/2S/2SW BELOW 9500' ONLY
APN: 524-120-01, ptn 02

SEC 29: N2N2N2, S2NENE, SESWNE, SENE, E2SE AND E2W2SE
FROM THE SURFACE TO 7500 FEET AND BELOW 8500 FEET, LESS
AND EXCEPT A 40 ACRE PARCEL DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHEAST CORNER OF SECTION 29, SOUTH
00 DEG 22 MINUTES 21 SECONDS WEST 2378 FEET ALONG THE
EASTERLY BOUNDARY OF SECTION 29 TO POINT OF BEGINNING,
THENCE CONTINUING ALONG SAID SECTION LINE SOUTH 00 DEG
22 MINUTES 21 SECONDS WEST 1320 FEET, THENCE SOUTH 89
DEG 56 MINUTES 06 SECONDS WEST 1320 FEET, THENCE NORTH
00 DEG 22 MINUTES 21 SECONDS EAST 1320 FEET, AND THENCE
NORTH 89 DEG 56 MINUTES 06 SECONDS EAST 1320 FEET TO
POINT OF BEGINNING. A 40 ACRE PARCEL IN SECTION 29

First American Title

First American Title

EXHIBIT A (continued)

ATTACHED HERETO AND MADE A PART HEREOF THAT CERTAIN NOTICE OF INTENT TO PRESERVE MINERAL RIGHTS DATED November 14, 2006 BY VINTAGE PRODUCTION CALIFORNIA LLC, MINERAL OWNER

T30S-R26E

SEC 29: (continued)
BELOW 9500 FEET ONLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NE CORNER OF SEC 29, SOUTH 00 DEG 22 MINUTES 21 SECONDS WEST 2378 FEET ALONG THE EASTERLY BOUNDARY OF SECTION 29 TO THE POINT OF BEGINNING, THENCE CONTINUING ALONG SAID SECTION LINE SOUTH 00 DEG 22 MINUTES 21 SECONDS WEST 1320 FEET, THENCE SOUTH 89 DEGREES 56 MINUTES 06 SECONDS WEST 1320 FEET, THENCE NORTH 00 DEG 22 MINUTES 21 SECONDS EAST 1320 FEET, AND THENCE NORTH 89 DEG 56 MINUTES 06 SECONDS EAST 1320 FEET TO THE POINT OF BEGINNING. S2NWNE, S2N2NW, S2NW, N2SWNE, SWSWNE, SW AND THE W2W2SE FROM THE SURFACE TO 1000 FEET AND BELOW 8500 FEET.
APN: 524-130-05, 06

SEC 30: N/2 BELOW 9500' ONLY; SE, NESW, N/2SESW, SESESW SURF TO 1000' AND BELOW 8500'; W/2SW, SWSESW SURF TO 7500; AND BELOW 8500'
APN: 524-130-01, 02, 03, 04

SEC 31: S/2, S/2S/2N/2, N/2SWNW, NWSENW, W/2NWNW, SENWNW ALL DEPTHS NENWNW, NENW, NESENW, NWNE, W/2NENE, SENENE, N/2S/2NE, SURF TO 7500' AND BELOW 8500' NENENE SURF TO 1000' AND BELOW 8500'
APN: 524-140-01, 02, 06, 07, 08, 09, 10, 11, 12, 15, 16, 18, 19

SEC 32: S/2, S/2S/2N/2, N/2S/2NE, S/2NENE, NENENE, SENWNE ALL DEPTHS; S/2N/2NW, N/2S/2NW, SWNWNE, N/2NWNE, NWNENE SURF TO 7500' AND BELOW 8500' N/2N/2NW SURF TO 1000' AND BELOW 8500'
APN: 524-140-03, 04

SEC 33: ALL, LESS AND EXCEPT NE NE, S/2 S/2 NW NE, N/2 N/2 SW NE, N/2 NW SE NE
APN: 524-150-01, ptn 02, 05

First American Title

First American Title

EXHIBIT A (continued)

ATTACHED HERETO AND MADE A PART HEREOF THAT CERTAIN NOTICE OF INTENT TO PRESERVE MINERAL RIGHTS DATED November 14, 2006 BY VINTAGE PRODUCTION CALIFORNIA LLC, MINERAL OWNER

T30S-R26E

SEC 36: ALL
APN: 524-160-06, 08, 09

END OF EXHIBIT A

Appendix H

2020 Conservation Bank Transactions



Western Scrub-jay (*Aphelocoma californica*)

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KERN WATER BANK AUTHORITY

January 12, 2021

Ms. Julie Vance
Regional Manager
California Department of Fish and Wildlife
1234 East Shaw Avenue
Fresno, CA 93710

RE: Kern Water Bank Authority (KWBA)
2020 Conservation Credit Certificates and
2020 Endowment Fund for Credits Sold

Dear Ms. Vance:

Enclosed are two sets of Conservation Credit certificates for the conservation credits sold in 2020. I have enclosed a check for ONE THOUSAND FIVE HUNDRED DOLLARS, ($1,500), representing the endowment funds for conservation credits sold in 2020. Per the Conservation Bank Agreement (Agreement), this payment is based on the sale of 4 credits at the rate of $375.00 per credit. Paragraph 6.2 of the Agreement stipulates that KWBA should forward the endowment funds to:

FASB, California Department of Fish and Wildlife
1416 Ninth Street, 12th Floor
Sacramento, CA 95814
Attention: Cash Receipts Group
Fund: KWB Conservation Bank Endowment

Based on previous conversations with CDFW staff, however, I am sending the payment to your attention. If you need anything further, please call.

Very truly yours,

KERN WATER BANK AUTHORITY

Jonathan Parker,
General Manager

Enclosures (3)

cc: Patricia Cole, USFWS
Craig Bailey, CDFW
Lori Bono, CDFW
Annee Ferranti, CDFW
Matthew Nelson, USFWS

1620 Mill Rock Way | Suite 500 | Bakersfield, California 93311 | Phone 661-398-4900 | Fax 661-398-4959

DO NOT CASH IF THIS DOCUMENT DOES NOT HAVE A LARGE FAINT IMAGE OF THE "SECURE DOCUMENT" SHIELD OVER A FADING PATTERN OF THE WORDS "SECURE DOCUMENT".

KERN WATER BANK AUTHORITY
1620 MILL ROCK WAY, SUITE 500
BAKERSFIELD, CA 93311

UnionBank
Payable at any Union Bank branch including
400 California St., San Francisco, CA 94104
(800) 238-4486 unionbank.com

16-49/1220
0050197352

023301

1/12/2021

PAY TO THE ORDER OF California Department of Fish & Game $**1,500.00

One Thousand Five Hundred and 00/100********** DOLLARS

California Department of Fish & Game
1416 Ninth Street, 12th Floor
Sacramento, CA 95814

MEMO Endowment Fund for 2020 Conservation Credits

⑈023301⑈ ⑆122000496⑆ 0050197352⑈

KERN WATER BANK AUTHORITY

023301

California Department of Fish & Game 1/12/2021

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/1/2021	Bill	2020 Cons Credits	1,500.00	1,500.00		1,500.00
					Check Amount	1,500.00

Other Revenue	Endowment Fund for 2020 Conservation Credits	1,500.00

KERN WATER BANK AUTHORITY

023301

California Department of Fish & Game 1/12/2021

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/1/2021	Bill	2020 Cons Credits	1,500.00	1,500.00		1,500.00
					Check Amount	1,500.00

Other Revenue	Endowment Fund for 2020 Conservation Credits	1,500.00

SUPERIOR PRESS (888) 590-7998 JB4204591

KERN WATER BANK AUTHORITY

January 12, 2021

Ms. Patricia Cole
U.S. Fish & Wildlife Service
2800 Cottage Way W2605
Sacramento, CA 95825

RE: Kern Water Bank Authority (KWBA)
2020 Conservation Credit Certificates and
2020 Endowment Fund for Credits Sold

Dear Ms. Cole:

Enclosed are two sets of Conservation Credit certificates for the conservation credits sold in 2020. I am also forwarding a check for ONE THOUSAND FIVE HUNDRED DOLLARS, ($1,500), representing the endowment funds for conservation credits sold in 2020 to California Department of Fish and Wildlife.

If you need anything further, please call.

Very truly yours,

KERN WATER BANK AUTHORITY

Jonathan Parker,
General Manager

Enclosure (3)

cc: Julie Vance, CDFW
Craig Bailey, CDFW
Lori Bono, CDFW
Annee Ferranti, CDFW
Matthew Nelson, USFWS

1620 Mill Rock Way | Suite 500 | Bakersfield, California 93311 | Phone 661-398-4900 | Fax 661-398-4959

KERN WATER BANK AUTHORITY

April 30, 2020

Ms. Patricia Cole
United States Fish and Wildlife Service
2800 Cottage Way, #W2605
Sacramento, CA 95825

Ms. Annee Ferranti
California Department of Fish and Wildlife
1234 East Shaw Avenue
Fresno, CA 93710

Re: Transfer of Nine KWBA Conservation Bank Credits from Caltrans – State Route 99 Rehabilitation Project (USFWS File No 08ESMF00-2016-0998-R001) to State Route 46 Conv/Exwy Widening Project, Kern County, California (USFWS File No 08ESMF00-2016-F-0998-R002-3)

Dear Ms. Cole and Ms. Ferranti:

This letter confirms the transfer of nine Kern Water Bank conservation credits from the Caltrans – State Route 99 Rehabilitation Project to the State Route 46 Conv/Exwy Widening Project, Kern County, California. The transfer was authorized by the wildlife agencies in correspondence from the United States Fish and Wildlife Service (USFWS) and from the California Department of Fish and Wildlife (CDFW) dated April 24, 2020 (both attached). KWBA will issue a new conservation credit certificate for this transaction to Caltrans, CDFW, and USFWS. The credit certificate for the State Route 99 Rehabilitation Project is hereby rescinded. Payment to the CDFW Endowment Fund has already been completed, and KWBA has provided a conservation easement for recordation of the acreage per the Conservation Bank Agreement in the Kern Water Bank Authority Habitat Conservation Plan and Natural Community Conservation Plan executed October 2, 1997.

If you need further information, please do not hesitate to contact me at (661) 398-4900 or jparker@kwb.org.

Sincerely,
Kern Water Bank Authority

Jonathan D. Parker,
General Manager

cc: Caltrans, Kari Daniska
attachments

1620 Mill Rock Way | Suite 500 | Bakersfield, California 93311 | Phone 661-398-4900 | Fax 661-398-4959

KERN WATER BANK AUTHORITY

CONSERVATION CREDIT CERTIFICATE NO. 2020-001

9.0 CREDITS

Caltrans
State Route 46 Conv/Exwy Widening Project, Kern County
(USFWS 08ESMF00-2016-F-0998-R002-3)

This Conservation Credit Certificate certifies that Caltrans (the "Developer") has acquired nine (9) Conservation Credits in the Kern Water Bank Conservation Bank (the "Conservation Bank"), established pursuant to the Conservation Bank Agreement (the "Conservation Bank Agreement") dated October 2, 1997, by and among the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Wildlife ("CDFW"), and Kern Water Bank Authority ("Bank Owner").

This Certificate may be used only in satisfaction of requirements identified by USFWS and/or CDFW relating to that project of the Developer whose project is identified in the letter from CDFW to Developer attached hereto.

This Conservation Credit Certificate is not transferable.

KERN WATER BANK AUTHORITY

Date: April 30, 2020 By: _____

Jonathan Parker
Authorized Representative of Bank Owner

United States Department of the Interior
FISH AND WILDLIFE SERVICE
Sacramento Fish and Wildlife Office
2800 Cottage Way, Suite W-2605
Sacramento, California 95825-1846

In Reply Refer to:
08ESMF00-
2016-F-0998-R002-3

April 24, 2020

Jonathan Parker
General Manager
Kern Water Bank Authority
1620 Mill Rock Way, Suite 500
Bakersfield, California 93311
jparker@kwb.org

Subject: Approval for Transfer of Conservation Credits from the Bakersfield State Route 99 Rehabilitation Project, Kern County, California (EA 06-0Q280) to the State Route 46 Conv/Exwy Widening Project, Kern County, California (EA 06-44255)

Dear Mr. Parker:

The California Department of Transportation (Caltrans) purchased 9 acres worth of conservation credits from the Kern Water Bank Authority (KWBA), located in Kern County, California on January 17, 2019, in order to minimize the effects of the Bakersfield State Route (SR) 99 Rehabilitation Project (SR 99 project) on the San Joaquin kit fox (*Vulpes macrotis mutica*). The purchase of these credits satisfied, in part, the San Joaquin kit fox conservation measures specified in the U.S. Fish and Wildlife Service's (Service) reinitiated biological opinion for the SR 99 project (Service file number 08ESMF00-2016-F-0998-R001), dated January 26, 2018, and in the Service's second reinitiated biological opinion for the SR 99 project (Service file number 08ESMF00-2016-F-0998-R002), dated July 17, 2018.

However, Caltrans has since modified its SR 99 project design such that the adverse effects to the San Joaquin kit fox for which it originally purchased the 9 credits from the KWBA, have been eliminated. Accordingly, these 9 credits are no longer applicable to the SR 99 project. Caltrans and the KWBA therefore have proposed, and agreed, to transfer these 9 excess credits to a different Caltrans project. The Service acknowledges that these 9 credits will go towards minimizing the effects of Phase 4B of the SR 46 Conv/Exwy Widening Project (SR 46 project) on the San Joaquin kit fox, Tipton kangaroo rat (*Dipodomys nitratoides nitratoides*), and blunt-nosed leopard lizard (*Gambelia sila*), as well as satisfying, in part, the conservation measures specified in the Service's biological opinion for the SR 46 project (Service file number 1-1-03-F-0367 [changed from 1-1-03-F-0208], dated September 22, 2003); and our subsequent letters amending the biological opinion (1-1-06-F-0179, dated October 16, 2006; and 1-1-07-F-0113, dated April 4, 2007). Caltrans currently is in the process of reinitiating consultation with us on the SR 46 project.

The Service will consider the transfer of 9 credits from the SR 99 project to the SR 46 project completed when we receive written notification from the KWBA confirming the transfer.

If you have questions regarding these projects, please contact Jen Schofield (jen_schofield@fws.gov) or me (patricia_cole@fws.gov) at the letterhead address, by email, or at (916) 414-6544.

Sincerely,

Patricia Cole

Patricia Cole
Chief, San Joaquin Valley Division

ec:
Kari Daniska, Caltrans Central Region, Fresno, California

Jonathan Parker

From: Daniska, Kari K@DOT <Kari.Daniska@dot.ca.gov>
Sent: Friday, April 24, 2020 8:58 PM
To: Jonathan Parker
Subject: Fwd: Approval for Transfer of Conservation Credits from the Bakersfield State Route 99 Rehabilitation Project

Please see the attached response from CDFW regarding the credit transfer to 06-44255.

If you need anything else let me know.

Thank you,

Kari
Get Outlook for iOS

From: Hulbert, Steven@Wildlife <Steven.Hulbert@wildlife.ca.gov>
Sent: Friday, April 24, 2020 3:13:10 PM
To: Daniska, Kari K@DOT <Kari.Daniska@dot.ca.gov>
Subject: RE: Approval for Transfer of Conservation Credits from the Bakersfield State Route 99 Rehabilitation Project

EXTERNAL EMAIL.Links/attachments may not be safe.

Good afternoon Kari. The Department has no concerns with the transfer of credits at this time. Let me know if you need something more formal.

-steve

From: Daniska, Kari K@DOT <Kari.Daniska@dot.ca.gov>
Sent: Friday, April 24, 2020 3:02 PM
To: Hulbert, Steven@Wildlife <Steven.Hulbert@wildlife.ca.gov>
Subject: Fwd: Approval for Transfer of Conservation Credits from the Bakersfield State Route 99 Rehabilitation Project

Warning: This email originated from outside of CDFW and should be treated with extra caution.

Hi Steve, if you could please provide a response to the credit transfer (cc:Jon) I would appreciate it!

Thank you!

Kari
Get Outlook for iOS

From: Byers, Sherry <sherry_byers@fws.gov>
Sent: Friday, April 24, 2020 2:56:40 PM
To: Daniska, Kari K@DOT <Kari.Daniska@dot.ca.gov>;jparker@kwb.org <jparker@kwb.org>

Cc: Schofield, Jennifer <Jen_Schofield@fws.gov>
Subject: Approval for Transfer of Conservation Credits from the Bakersfield State Route 99 Rehabilitation Project

EXTERNAL EMAIL. Links/attachments may not be safe.

Good Afternoon,
Attached is a copy of the above.
If you have any questions, please contact Jennifer Schofield.

Sherry Byers
Executive Assistant to the Field Supervisor and Deputy Field Supervisor
Sacramento Fish and Wildlife Office
2800 Cottage Way, Room W-2605
Sacramento, CA 95825
(916) 414-6700

"In an effort to slow the spread of the coronavirus (COVID-19), staff in the Sacramento Fish and Wildlife Office have implemented an aggressive telework schedule. At this time, we are responding to requests for information via email or phone as often as possible as we do not have the in-office capacity to support regular mail service. We appreciate your understanding."

KERN WATER BANK AUTHORITY

January 12, 2021

Mr. J.D. Bramlet
Director of Operations
West Kern Water District
800 Kern Street
Taft, CA 93268

RE: Conservation Credit Certificate #2020-002

Dear Mr. Bramlet:

Enclosed, please find the above captioned Conservation Credit Certificate confirming your prior purchase of 4 credits from the Kern Water Bank Authority Conservation Bank.

Original copies of this credit certificate are being forwarded to the United States Fish and Wildlife and the California Department of Fish and Wildlife.

We have forwarded the Endowment Fund ($375.00 per credit) collected at the time of purchase to the California Department of Fish & Wildlife.

Please submit a report on your project, when completed, for inclusion in our Annual Report to California Department of Fish and Wildlife and United States Fish and Wildlife Service. We appreciate your interest in our conservation bank and hope we can be of service to you in the future.

Very truly yours,

KERN WATER BANK AUTHORITY

Jonathan Parker,
General Manager

Enclosures (1)

1620 Mill Rock Way | Suite 500 | Bakersfield, California 93311 | Phone 661-398-4900 | Fax 661-398-4959

KERN WATER BANK AUTHORITY

CONSERVATION CREDIT CERTIFICATE NO. 2020-002

4.0 CREDITS

West Kern Water District
Lateral 13 Freshwater Pipeline Replacement Project
(USFWS File No 08ESMF00-2020-TA-0586)

This Conservation Credit Certificate certifies that West Kern Water District (the "Developer") has acquired four (4) Conservation Credits in the Kern Water Bank Conservation Bank (the "Conservation Bank"), established pursuant to the Conservation Bank Agreement (the "Conservation Bank Agreement") dated October 2, 1997, by and among the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Wildlife ("CDFW"), and Kern Water Bank Authority ("Bank Owner").

This Certificate may be used only in satisfaction of requirements identified by USFWS and/or CDFW relating to that project of the Developer whose project is identified in the letter from CDFW to Developer attached hereto.

This Conservation Credit Certificate is not transferable.

KERN WATER BANK AUTHORITY

Date: January 12, 2021

By: _____

Jonathan Parker
Authorized Representative of Bank Owner

United States Department of the Interior

FISH AND WILDLIFE SERVICE
Sacramento Fish and Wildlife Office
2800 Cottage Way, Suite W-2605
Sacramento, California 95825-1846

In Reply Refer to:
08ESMF00-
2020-TA-0586

JAN 0 7 2020

RECEIVED
JAN 1 0 2020
BY: .....

J.D. Bramlet
Director of Operations
West Kern Water District
800 Kern Street
Taft California 93268

Subject: Request for Approval to Allow West Kern Water District and their Proposed Lateral 13 Freshwater Pipeline Replacement Project to participate under the Kern Water Bank Master Permit (PRT 835054)

Dear Mr. Bramlet:

This letter is in response to your August 28, 2019 request from the U.S. Fish and Wildlife Service (Service) for approval to allow the West Kern Water District's (WKWD) proposed Lateral 13 Freshwater Pipeline Replacement Project (Project) to participate under the Kern Water Bank Master Permit (PRT 835054), and to additionally purchase 4 conservation acres (credits) from the Kern Water Bank Authority (KWBA) for impacts resulting from the proposed Project. Inclusion under the master permit and purchase of mitigation acreage will allow WKWD to obtain the necessary federal incidental take authority and partially fulfill the compensatory mitigation requirements for this project. WKWD further seeks approval to provide for the remaining 1.782 acres of due compensation by using retained credits previously purchased at the Coles Levee Ecosystem Preserve (CLEP).

The credit purchase is intended to minimize the effects of incidental take on the federally-listed as endangered San Joaquin kit fox (*Vulpes macrotis mutica*). Upon purchase of the credits, federal take exemption for the aforementioned species would be extended to the Project through the Kern Water Bank Habitat Conservation Plan/Natural Community Conservation Plan (KWB HCP/NCCP) permit (Permit # PRT-835054).

The proposed Project will consist of the replacement of one segment of an existing 8-inch steel below ground pipeline with new 12-inch below ground ductile iron pipe, Class 350. The existing pipeline is approximately 4,202 feet in length and is located within a 12-foot wide permanent right of way (ROW). WKWD is proposing to abandon the existing pipeline and install a new pipeline adjacent in a 35-foot wide construction ROW, with the final permanent ROW for the new pipeline being 15 feet in width.

The Lateral 13 Line is located in the western portion of Kern County, California immediately south of the town of Valley Acres, California. The project site primarily lies within Section 28, Township 31 South, Range 24 East, Mount Diablo Base & Meridian.

In order to be included under the KWB HCP/NCCP, a project must meet the Service's criteria for a Low Effect Habitat Conservation Plan. The Service has reviewed the information provided and concurs with the assessment that the Project meets these criteria.

The Service concludes that it is reasonably likely that this project will result in adverse effects to the San Joaquin kit fox. To minimize the amount and extent of take of the kit fox, WKWD will incorporate all avoidance and minimization measures included in your August 28, 2019 request to the Service and the appropriate avoidance and minimization measures in the KWB HCP/NCCP.

The Service authorizes WKWD to use credits purchased from the KWBA to compensate for project-related effects to the San Joaquin kit fox. The purchase of credits from the KWBA must be completed in full and a copy of the fully executed credit sales agreement received by the Service prior to any surface disturbance associated with the Project. Additionally, the Service authorizes WKWD to use previously purchased credits from the CLEP to satisfy the remaining acreage necessary to fully compensate for the proposed Project.

If you have questions regarding this action, please contact Matthew Nelson (matthew_nelson@fws.gov) or Patricia Cole (patricia_cole@fws.gov), at the letterhead address or at (916) 414-6551.

Sincerely,

for
Patricia Cole
Chief, San Joaquin Valley Division

cc:
Jonathan Parker, Kern Water Bank Authority, Bakersfield, CA
Craig Bailey, California Department of Fish and Wildlife, Fresno, CA

DocuSign Envelope ID: 60FF90DB-78AE-4C5D-8ADF-4257CEAC4206

State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
Central Region
1234 East Shaw Avenue
Fresno, California 93710
(559) 243-4005
www.wildlife.ca.gov

GAVIN NEWSOM, Governor
CHARLTON H. BONHAM, Director

July 15, 2020

J.D. Bramlet, Director of Operations
West Kern Water District
Post Office Box 1105, 800 Kern Street
Taft, California 93268
jd@wkwd.org

Subject: Request for Authorization to Purchase Conservation Credits from the Kern Water Bank Authority for the Lateral 13 Fresh Water Pipeline Replacement Project

Dear Mr. Bramlet:

This letter authorizes West Kern Water District (WKWD or Permittee) to purchase conservation credit from the Kern Water Bank Authority (KWBA) for impacts resulting from the Lateral 13 Fresh Water Pipeline Replacement Project (Project) in accordance with the Incidental Take Permit (ITP) No. 2081-2019-054-04 issued by the California Department of Fish and Wildlife (CDFW) for the Project.

The proposed Project includes pipeline installation, excavation, replacement, hydrotesting, and repair, and other activities along an existing right-of-way (ROW) that is approximately 4,202 feet in length. The construction width for the Project will be approximately 35 feet in width and the permanent easement will be 15 feet in width. The installation of the replacement pipeline segment will include the following general sequence of activities: site preparation; mobilization; installation/construction of erosion and dust control measures; pipeline trenching and dirt excavation; poured in place concrete thrust blocks and curing, stripping forms; placing the pipe within the trench and anchor to the concrete thrust blocks; connecting the new pipeline to the existing pipeline; conducting hydrostatic testing to ensure pipeline integrity; installation of surface features – including air release valves, blow-off valves, and valve boxes; abandonment of the existing pipeline segment; demobilization; and site cleanup and restoration. The Project is located in western Kern County, immediately southeast of the town of Valley Acres, California. The Project site primarily lies within Section 28, Township 31 South, Range 24 East, Mount Diablo Base & Meridian (MDB&M) and includes portions of the following Assessor's Parcel Numbers: 298-240-22, 298-240-23, 298-240-19, 298-240-18, 298-240-15, 298-190-04.

DocuSign Envelope ID: 601F90DB-78AE-4C5D-8ADF-4257CEAC4206

The Project is expected to cause the permanent loss of 1.04 acres of habitat, and the temporary loss of 2.42 acres of habitat, for the State threatened San Joaquin antelope squirrel (*Ammospermophilus nelsoni*; SJAS) and the State threatened and federally endangered San Joaquin kit fox (*Vulpes macrotis mutica*; SJKF) – the Covered Species of the ITP. Pursuant to Condition of Approval 6.1 of the ITP, WKWD will be compensating for impacts to the Covered Species by purchasing six acres of Covered Species credits from a CDFW-approved mitigation or conservation bank with habitat credits. WKWD seeks to purchase credits from the CDFW-approved KWBA to also satisfy its federal requirements. However, while KWBA does sell credits for SJKF, it does not sell SJAS credits. This letter approves WKWD to purchase credits at KWBA with the understanding that Permittee will also need to satisfy its SJAS credit purchase requirement at another CDFW-approved mitigation or conservation bank.

The purchase of the credits from the KWBA must be completed in full and a copy of the fully executed credit sales agreement received by the California Department of Fish and Wildlife prior to any surface disturbance associated with the Project. Please note that this letter does not grant Incidental Take Authority under the California Endangered Species Act for this Project individually or under the State Incidental Take Permit held by the KWBA.

If you have any questions regarding this letter, please contact Craig Bailey, Senior Environmental Scientist (Supervisor), at the letterhead address or at (559) 243-4014, extension 227.

Sincerely,

DocuSigned by:
Julie Vance
FA83F09FE08945A...

Julie A. Vance
Regional Manager

ec: Jonathan Parker
Kern Water Bank Authority
jparker@kwb.org

Patricia Cole
United States Fish and Wildlife Service
Patricia_Cole@fws.gov

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Appendix I

Draft Conservation Easement



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RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

General Counsel
California Department of Fish and Wildlife
1416 Ninth Street
Sacramento, California 94814

The undersigned declares that this document is recorded for the benefit of the California Department of Fish and Wildlife, an agency of the State of California, and is therefore exempt from the payment of the recording fee pursuant to Government Code Section 6103 and from the payment of the documentary transfer tax pursuant to Revenue and Taxation Code Section 922.

By: _____
Authorized Representative for Agency

GRANT OF KERN WATER BANK CONSERVATION EASEMENT
(xx Acre Parcel)

THIS PERMANENT CONSERVATION EASEMENT (the "Grant") is made this 1st day of May, 20__ by and between the Kern Water Bank Authority, a joint powers authority ("Grantor"), and the State of California, acting by and through its Department of Fish and Wildlife, a subdivision of the California Resources Agency ("Grantee"), with reference to the following facts:

RECITALS:

A. Grantor is the sole owner in fee simple of certain real property in the County of Kern, State of California, more particularly described in Exhibit A attached hereto and incorporated by this reference (the "Conservation Easement Property"). The Conservation Easement Property totals approximately 32 Acres.

B. The Conservation Easement Property possesses open space and other habitat values which are important to the conservation of the certain sensitive species and also possesses attributes (collectively, "conservation values") of great importance to Grantee and the people of the State of California. Such conservation values provide habitat for threatened and endangered, and other sensitive species.

C. Grantor is a joint powers authority formed by certain public agencies and other entities in the County of Kern pursuant to California Government Code section 6500 et seq. for the purpose of operating a water bank project.

D. Under the California Endangered Species Act ("CESA") and other State law, Grantee has jurisdiction over the conservation, protection, restoration, enhancement and management of fish, wildlife, native plants, and habitat necessary for biologically sustainable populations of those species. Grantee is also the manager and trustee of fish and wildlife resources and their habitat pursuant to California Fish and Wildlife Code section 1802.

E. Grantor intends to convey to Grantee the right to preserve, enhance and protect the conservation values of the Conservation Easement Property in perpetuity subject to the terms of this Grant.

F. Grantor has prepared and Grantee, along with the United States Fish and Wildlife Service (the "FWS"), has approved a long-term habitat conservation plan ("Habitat Conservation Plan") dated October 2, 1997 with regard to the Conservation Easement Property and other property. The Habitat Conservation Plan identifies uses of the Conservation Easement Property that are consistent with preserving the conservation values of the Conservation Easement Property. While the Habitat Conservation Plan is in effect (for an initial period of 75 years), Grantor shall have the right to use the Conservation Easement Property for the uses set forth in the Habitat Conservation Plan and accompanying Implementation Agreement.

G. Pursuant to the Implementation Agreement, Grantor is required to develop and have approved by Grantee and FWS a Permanent Management Plan for the Conservation Easement Property prior to the expiration of the Habitat Conservation Plan. After the Habitat Conservation Plan, related Implementation Agreement, and associated permits and authorizations have expired, the Conservation Easement Property shall be managed in accordance with this Grant and the Permanent Management Plan in perpetuity.

H. The Conservation Easement Property is adjacent to certain real property owned by Grantor on which Grantor has previously conveyed a conservation easement to Grantee.

NOW, THEREFORE, in consideration of the above and mutual covenants, terms, conditions and restrictions contained herein, Grantor and Grantee agree as follows, and Grantor hereby grants and conveys to Grantee an easement in perpetuity over the Conservation Easement Property of the nature and character and to the extent hereinafter set forth (the "Easement").

1. Purpose.

It is the purpose of the Easement to assure that the Conservation Easement Property will be retained forever in an open space condition (subject to those uses permitted in Sections 2 and 4 of this Grant) and for the conservation of threatened, endangered and other sensitive species and related purposes and to prevent any use of the Conservation Easement Property that will impair or interfere with the conservation values of the Conservation Easement Property other than as set forth herein. Grantor intends and agrees that the Easement shall limit the use of

the Conservation Easement Property, subject to the uses permitted in this Grant, to such activities, including without limitation those involving the management of the Conservation Easement Property, that protect or enhance the conservation values of the Conservation Easement Property. While the Habitat Conservation Plan is in force, the Conservation Easement Property may be subject to the additional uses and limitations imposed by the Habitat Conservation Plan. Since the Easement is in perpetuity, nothing in the Habitat Conservation Plan shall be construed to impose a limit on the duration of the Easement. When the Permanent Mitigation Plan is put in place, the Conservation Easement Property may be subject to additional uses and/or limitations imposed by the Permanent Mitigation Plan.

2. Rights of Grantee and Character of Easement.

(a) Rights Conveyed. To accomplish the purpose of the Easement, the following rights and obligations are hereby conveyed to and accepted by Grantee by the grant contained herein:

(I) To preserve, enhance and protect the conservation values of the Conservation Easement Property; and

(ii) To enter upon the Conservation Easement Property to carry out the purposes of the Easement.

(b) Use of Surface and Subsurface. The use of the surface of the Conservation Easement Property for conservation values is the exclusive use for the Conservation Easement Property subject to those other purposes set forth in Section 4 below. With respect to the subsurface of the property comprising the Conservation Easement Property, Grantor retains the right to reasonable access to and use thereof for the use and maintenance of Grantor's existing wells and waterlines and canals, so long as Grantor's exercise of such retained rights does not materially disturb, disrupt or interfere with the Easement; provided, however, that any such access and use shall be consistent with the purposes set forth herein. Grantee recognizes that this Grant is not binding upon the third-party owners of the mineral rights underlying the Conservation Easement Property.

(c) Prohibited Uses. The following uses by Grantor, its agents, and all third parties, are expressly prohibited, unless specifically authorized in the Habitat Conservation Plan while it is in effect, the Permanent Mitigation Plan while it is in effect or necessarily incident to the exercise by Grantor of its reserved rights under Section 4 below:

(I) Unseasonable watering, use of herbicides and/or rodenticides, weed abatement activities, incompatible fire protection activities and any and all other uses which may adversely affect the purposes of the Easement;

(ii) Use of off-road vehicles;

(iii) Erecting of any building, billboard or sign;

(iv) Depositing of soil, trash, ashes, garbage, waste, bio-solids or any other material;

(v) Excavating, dredging or removing of soil, loam, gravel, rock, sand or other material;

(vi) Altering the general topography of the Conservation Easement Property, including construction of roads; and

(vii) Removing, destroying, or cutting of trees, shrubs or other vegetation, except as required by law for (1) fire breaks, (2) maintenance of existing foot trails or roads, or (3) prevention or treatment of disease.

(d) Use By General Public. No use of the Conservation Easement Property by the general public is authorized hereunder without the express prior written consent of Grantor, Grantee and FWS, or their respective successors in interest in the Conservation Easement Property, and Grantor, Grantee and FWS shall not encourage or permit the general public to use or enter upon the Conservation Easement Property. For purposes of this subparagraph, the term "general public" shall not include persons accompanied by Grantor, Grantee or FWS or their employees, agents, representatives, contractors or subcontractors and entering onto the Conservation Easement Property for purposes related to the conservation values of the Conservation Easement Property and the purposes set forth in Section 4. Notwithstanding the foregoing, Grantor and Grantee acknowledge that representatives of the Grantee and FWS shall have a right of access onto the Conservation Easement Property for purposes associated with the conservation values hereof upon 24 hours' notice to Grantor. In addition, so long as Grantee is a subdivision of the State of California, it shall have the right to administer a managed hunting program ("Hunting Program") on the Conservation Easement Property, provided that Grantee submits to Grantor and FWS for approval by Grantor and FWS, a description of such Hunting Program and specifying measures to insure that such Hunting Program will not interfere with, or damage, the Reserved Rights and Uses described in Section 4 or create a hazard to Grantor's officers, employees or agents. Without limiting in any way California Civil Code section 846, in the event that Grantor approves the Hunting Program, such approval, or any actions of Grantor pursuant to such approval, does not thereby (a) extend any assurance by Grantor that the Conservation Easement Property is safe for hunting purposes, or (b) impute or otherwise

establish any person to whom access is provided pursuant to the Hunting Program to be an invitee or licensee to whom a duty of due care is owed by Grantor, or (c) assume responsibility by Grantor for, or incur liability by Grantor for, any injury to person or property caused by any act of such person to whom permission has been granted pursuant to the Hunting Program. The approval of the Hunting Program by Grantor does not create a duty of care for Grantor or a ground for liability against Grantor for injury to person or property.

(e) Reservation of Rights. Grantee's rights under this Easement are expressly made subject to Grantor's reserved rights under Section 4 and all other easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record, apparent or of which Grantee has actual notice as of the date of recordation of this Grant.

(f) Assignment by Grantee. Grantee may assign its rights and obligations under this Grant only to an organization that is (1) approved by the Grantor and FWS which approval shall not be unreasonably withheld, and (2) a public agency or a qualified organization at the time of transfer under section 170(h) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 170(h), or any successor provision applicable), and the applicable regulations thereunder, and (3) authorized to acquire and hold a conservation easement under California Civil Code Section 815 et seq. (or any successor provision then applicable).

(g) No Abandonment. Grantee shall not abandon its rights and obligations under this Grant. In the event Grantee is unwilling or unable to carry out Grantee's obligations under this Grant, then Grantee shall transfer the Easement to a public entity or qualified organization willing to assume Grantee's rights and obligations, in accordance with Section 2(f)(1), (2) and (3). Any transfer of the Easement shall be approved by FWS and Grantor.

3. No Encumbrances.

Neither Grantor nor Grantee shall suffer or permit to be enforced against the Conservation Easement Property, or any portions thereof, any mechanics', material men's, contractors' or subcontractors' liens or any claim for damage arising from any services, supplies, labor or materials furnished or alleged to have been furnished to or for Grantor or Grantee at or for use on the Conservation Easement Property, and each party shall promptly pay or cause to be paid all of said liens, claims or demands caused by such party before any action is brought to enforce the same. If any such lien shall at any time be recorded against the Conservation Easement Property as a result of the foregoing, and the party causing the same shall fail, within 60 days after such recording, to either (I) pay and discharge the underlying claim and cause a lien release to be recorded or (ii) furnish to the other party a surety bond or other security reasonably satisfactory to the other party protecting the other party against liability for such lien and holding the

Conservation Easement Property free from the effect of such lien, then the other party may, but shall not be obligated to, take such action or pay such amounts as may be necessary to remove such lien, and the failing party shall immediately pay to the other party the amount so expended, together with interest thereon at the rate of 10% per annum accruing from the date of such payment until paid in full. Notwithstanding the foregoing, for so long as Grantee is the State of California, nothing herein shall be deemed to affect Grantor's obligation or duty to pay any claims for money or damages that are governed by the Tort Claims Act, Government Code section 810 et seq.

4. Reserved Rights and Uses and Responsibilities of Grantor.

(a) Utilities and Uses. The Easement is subject to the easements, covenants, conditions, restrictions, reservations, rights and rights-of-way of record, apparent or of which Grantee has actual notice, and Grantor's use and maintenance of existing wells, appurtenant structures, waterlines, canals and roadways as of the date this Grant is recorded in the Official Records of the County of Kern, and such additional easements, wells, appurtenant structures, waterlines, canals and roadways as Grantor shall designate at any time after the date of recordation of this Grant, subject to the prior written approval of Grantee and FWS, which approval shall not be unreasonably withheld, and compliance with all applicable laws and regulations.

(b) Water Storage and Extraction. Grantor shall have the right to install, construct, repair, maintain, and operate water recovery and water conveyance facilities, including, but not limited to, water wells, pipelines, recovery canals, pumps, and appurtenant facilities such as pump sheds, fences and access roads, as permitted under the Habitat Conservation Plan. Grantor shall have the right to store water in the subsurface of the Conservation Easement Property. Grantor shall have the right to drill additional extraction wells in the Conservation Easement Property, and build the improvements and infrastructure necessary to support the additional extraction wells, such as pump sheds, fences, access roads, pipelines and canals, as permitted under the Habitat Conservation Plan.

(c) Grazing. Grantor shall have the right to use the Conservation Easement Property for grazing purposes, or to permit grazing, if permitted by, and in accordance with, the Habitat Conservation Plan while it is in effect and in accordance with the Permanent Management Plan while it is in effect.

(d) Prevention of Trespass; Fencing. Grantor shall undertake all reasonable actions to prevent the unlawful entry or trespass by persons whose activities may degrade or harm the conservation values of the Conservation Easement Property. Fencing shall be installed and

maintained only in accordance with the Habitat Conservation Plan while it is in effect and in accordance with the Permanent Management Plan while it is in effect.

(e) Costs of Management. Grantor retains all responsibilities and shall bear all costs of any kind relating to the ownership, operation, upkeep, and maintenance of the Conservation Easement Property. The obligation to provide adequate funding to maintain the conservation values of the Conservation Easement Property shall be perpetual. Pursuant to the KWB HCP and related Implementation Agreement, Grantee has established a non-wasting Endowment Account to assure funding. The Implementation Agreement requires Grantor to commence preparing five years prior to the termination of the associated permits and authorizations, and have approved by Grantee and FWS, a Permanent Management Plan for the Conservation Easement Property and certain other property. After the Habitat Conservation Plan, Implementation Agreement and associated permits and authorizations have expired, the Conservation Easement Property will be managed in accordance with the terms of this Grant and the Permanent Management Plan.

5. Sale of Fee Interest.

Grantor may transfer the fee title interest or grant a security interest in the Conservation Easement Property provided it gives Grantee and FWS not less than 30 days prior written notice of its intent to transfer such fee title interest. Notice shall be given in the manner required in this Grant. Grantor agrees to incorporate the terms of this Grant in any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Conservation Easement Property. The failure of Grantor to perform any act required by this section shall not impair the viability of this Grant or limit its enforceability in any way. Grantor may lease the Conservation Easement Property, or any portion thereof, for grazing purposes and may convey other interests in such lands only as expressly permitted by the Habitat Conservation Plan and related Implementation Agreement by and among FWS, Grantee and Grantor and related Conservation Bank Agreement by and among FWS, Grantee and Grantor.

6. Insurance.

(a) Requisite Coverages. For so long as Grantor is KWBA, Grantee shall, at all times during Grantor's ownership of the Conservation Easement Property, at its sole cost and expense, obtain and thereafter maintain comprehensive general liability and automobile insurance (including non-owned auto), which shall provide a 30-day notice to Grantor in the event of cancellation or any material change in coverage. The foregoing insurance policies shall reflect that the policy is primary insurance as respects any claim, loss or liability arising directly or indirectly from any of Grantee's activities on the Conservation Easement Property, and any other insurance maintained by Grantor shall be considered noncontributing. This liability insurance

must be in a form satisfactory to Grantor and written with limits of liability not less than $1,000,000 combined single limit bodily injury and property damage liability per occurrence covering the activities and obligations contemplated of Grantee under this Grant. Grantee shall furnish a Certificate of Insurance (or, if requested by Grantor, copy of the policy) evidencing the foregoing coverage to Grantor for approval. Grantee shall also maintain workers' compensation insurance in an amount required by law, together with employers' liability insurance. Grantee shall provide Grantor with evidence of the worker's compensation and employer's liability insurance coverage, with a waiver of subrogation agreement by the insurance carrier as respects Grantor. Nothing in this paragraph shall limit Grantee's obligations under the other provisions of this Grant. Any policies required hereunder may be made a part of a blanket policy of insurance, so long as such blanket policy contains all of the provisions required herein and does not in any way reduce the coverage, impair the rights of Grantor hereunder or negate the requirements of this Grant.

(b) Self-Insurance. So long as Grantee is a subdivision of the State of California and the State of California self-insures, Grantee's liability shall be governed by the laws of the State of California relating to the payment of claims against the State and Grantee shall not be required to obtain insurance or furnish evidence of insurance. If at any time Grantee is not a subdivision of the State of California, Grantee shall not self-insure any portion of the insurance required under this section without the express written consent of Grantor, which consent may be withheld by Grantor in its sole and absolute discretion.

(c) Release/Waiver of Subrogation. Grantee, for itself and its successors, hereby releases and discharges Grantor from all claims and liabilities arising from or caused by any hazard covered by the insurance coverage required herein in connection with the activities conducted by Grantee on the Conservation Easement Property pursuant to this Grant, regardless of the cause of the damage or loss.

(d) Obligations. Nothing herein shall limit Grantee's obligations under the other provisions of this Grant. The insurance required to be maintained hereunder shall insure against any acts or omissions of Grantee, provided nothing herein shall be interpreted to waive any rights Grantor may have as to any of Grantee's insurance nor shall Grantor be required to make a claim against any such Grantor's insurance.

(e) Grantor's Obligations. To the extent Grantor enters the Conservation Easement Property under the Easement, then Grantor shall comply with the insurance provisions of this section 6 applicable to Grantee prior to its entry onto the Conservation Easement Property.

7. Taxes.

Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever

description levied on or assessed against the Conservation Easement Property by competent authority (collectively "taxes"), except that Grantor shall have no obligation to pay any taxes or assessments which may be levied against the Easement itself, as opposed to the underlying fee and Grantor shall furnish Grantee with satisfactory evidence of payment of taxes and assessments upon request. Grantee shall be responsible regarding the imposition of any taxes or assessments levied against the Easement itself, it being understood that while the Easement is held by a governmental entity for public benefit purposes, such Easement should be exempt from all such taxes and assessments.

8. Notices.

Any notice, demand, request, covenant, approval, or other communication to be given by a party to the other(s) shall be given by personal service, telegram, or express mail, Federal Express, DHL or any other similar form of airborne/overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the parties at their respective addresses as follows:

To Grantor:	Kern Water Bank Authority 1620 Mill Rock Way, Suite 500 Bakersfield, CA 933
With a copy to:	Robert D. Thornton, Esq. Nossaman LLP 18101 Von Karman, Suite 1800 Irvine, California 92612
To Grantee:	California Department of Fish and Wildlife Regional Manager, Region 4 1234 East Shaw Avenue Fresno, California 93710 Attention: Director
With a copy to:	General Counsel California Department of Fish and Wildlife 1416 Ninth Street Sacramento, California 94814
To FWS:	U.S. Fish and Wildlife Service 2800 Cottage Way, Room W2605 Sacramento, CA 95825

With a copy to: Regional Solicitor
2800 Cottage Way
Sacramento, CA 95825

Any such notice shall be deemed to have been given upon delivery or forty-eight (48) hours after deposit in the mail as aforesaid. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other parties.

9. Recordation.

Grantee shall promptly record this instrument in the official records of Kern County, California.

10. Miscellaneous Provisions.

(a) Controlling Law. This Grant shall be governed by and interpreted in accordance with the laws of the State of California and applicable Federal laws.

(b) Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Grant shall be liberally construed in favor of the grant to effect the purpose of this Grant and the policy and purpose of Civil Code Section 815 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Grant that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If any provision of this Grant, or the application thereof to any person or circumstances, is found to be invalid, the remainder of the provisions of this Grant, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

(d) No Rights in Public. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Conservation Easement Property to or for the general public, it being the intention of the parties hereto that this Grant shall be strictly limited to and for the purposes herein expressed.

(e) Waiver; Remedies. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

(f) Successors. The covenants, terms, conditions and restrictions of this Grant shall be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns, and shall continue as a servitude running in perpetuity with the Conservation Easement Property. This Grant shall be binding upon and shall inure to the benefit of Grantor and its successors and assigns and Grantee and its assigns.

(g) Captions. The captions in this Grant have been inserted solely for convenience of reference and are not a part of this Grant and shall have no effect upon construction or interpretation.

(h) Counterparts. The parties may execute this Grant in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original.

(I) No Other Obligations. This Grant imposes no other obligations or restrictions on Grantor and neither its successors nor any person or entity claiming under them shall be in any way restricted from using the Conservation Easement Property in a customary manner except as provided herein.

(j) Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the grant of easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the grant.

. Remedies.

If Grantee or FWS determines that Grantor is in violation of the terms of this Grant or that a violation is threatened, Grantee or FWS shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the easement resulting from any use or activity inconsistent with the purpose of this Grant, to restore the portion of the Easement so injured. If Grantor fails to cure the violation within 15 days, or fails to continue diligently to cure such violation until finally cured, Grantee and/or FWS may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Grant, to enjoin the violation ex parte as necessary, by temporary or permanent injunction to recover any damages to which Grantee and/or FWS may be entitled for violation of the terms of this Grant, or injury to any conservation values protected by this Grant, including adverse impacts to any threatened or endangered species, or sensitive species, and to require the restoration of the Easement to the condition that existed prior to any such injury. If Grantee and/or FWS determines that circumstances require immediate action to prevent or to mitigate significant damage to the conservation values of the Easement, Grantee and/or FWS may pursue its remedies under this paragraph without prior notice to Grantor or without waiting for the period

provided for cure to expire. The rights of Grantee and FWS under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Grant, and Grantor agrees that Grantee's and FWS's remedies at law for any violation of the terms of this Grant are inadequate and that Grantee and/or FWS shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee and/or FWS may be entitled, including specific performance of the terms of this Grant, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's and FWS's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Furthermore, the provisions of Civil Code Section 815 et seq. are incorporated herein by this reference and this Grant is made subject to all of the rights and remedies set forth therein. If at any time in the future, Grantor or its successors and assigns or any subsequent transferee uses or threatens to use such lands for purposes not in conformance with the stated conservation purposes contained herein, notwithstanding Civil Code Section 815 et seq., California Attorney General and FWS each have standing as an interested party in any proceeding affecting this Grant. If Grantor or if Grantee and/or FWS fails to exercise any right or fails to enforce any obligation of this Grant, such failure shall not be deemed to waive any other right which Grantor or Grantee and/or FWS may hold, including subsequent exercise of the same right to subsequent enforcement of the same obligation. Nothing contained in this Grant shall be construed to entitle Grantee and/or FWS to bring any action against Grantor for any injury to or change in the easement resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, earth movement or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Easement resulting from such causes.

IN WITNESS WHEREOF, Grantor and Grantee have entered into this Grant as of the day and year first above written.

GRANTOR: KERN WATER BANK AUTHORITY, a joint powers authority

By: _____
William D. Phillimore
Chairman

APPROVED AS TO FORM:
Nossaman LLP

By: _____
Robert Thornton,
Authority Counsel

GRANTEE: CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

By:_____

Title:_____

APPROVED AS TO FORM:

By:_____
Agency Counsel

AGREED: UNITED STATES FISH AND WILDLIFE SERVICE

By:_____

Title:_____

APPROVED AS TO FORM:

By:_____
Agency Counsel

EXHIBIT A

KERN WATER BANK AUTHORITY

20__ CONSERVATION EASEMENT PARCEL LEGAL DESCRIPTION

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within Conservation Easement to the California Department of Fish and Wildlife is hereby accepted by the undersigned officer on behalf of the Grantee.

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

By:_____

Title:_____

AMENDMENT NO. __ TO THE ENVIRONMENTAL INDEMNITY

This Amendment No. 16, dated May 1, 20__, to the Environmental Indemnity Agreement dated October 2, 1997 by Kern Water Bank Authority as indemnitor in favor of the California Department of Fish and Wildlife (the "Environmental Indemnity") is made by Kern Water Bank Authority, a California joint powers authority as Indemnitor ("Indemnitor") in favor of the California Department of Fish and Wildlife ("Indemnitee").

R E C I T A L S

A. It is the intent of Indemnitor and Indemnitee that the Environmental Indemnity apply to all land within the Kern Water Bank on which Indemnitor has granted a conservation easement to Indemnitee.

B. Pursuant to the Kern Water Bank Natural Community Conservation Plan / Habitat Conservation Plan Conservation Bank Agreement, Indemnitor is concurrently herewith granting a conservation easement to Indemnitee on approximately __ Acres of land ("Conservation Easement Land") within the Kern Water Bank.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged by Indemnitee, Indemnitor agrees, represents and warrants for the benefit of Indemnitee, its successors and assigns that the Environmental Indemnity is hereby amended such that the obligations of Indemnitor under the Environmental Indemnity apply to the Conservation Easement Land.

KERN WATER BANK AUTHORITY

By: _____
William Phillimore, Chairman

Appendix J

Financial Statements



Common Sunflower (*Helianthus annuus*)

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Kern Water Bank Authority

Financial Statements

December 31, 2020 and 2019

C O N T E N T S

	Page(s)
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis (Required Supplementary Information)	3 - 9
Basic Financial Statements	
Statements of Net Position	10 - 11
Statements of Revenues, Expenses and Changes in Net Position	12
Statements of Cash Flows	13 - 14
Notes to Basic Financial Statements	15 – 28
Supplementary Information	
Schedules of Revenues	29
Schedules of Expenses	30
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with Government Auditing Standards	31 - 32

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REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kern Water Bank Authority
Bakersfield, California

Report on the Basic Financial Statements

We have audited the accompanying Statements of Net Position of the Kern Water Bank Authority (the Authority) as of December 31, 2020 and 2019; the related Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows for the fiscal years then ended; and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective net position of the Authority as of December 31, 2020 and 2019, and the respective changes in net position and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information, as noted in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as noted in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 12, 2021

Kern Water Bank Authority

Management's Discussion and Analysis

As management of the Kern Water Bank Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial performance during the fiscal years ended December 31, 2020 and 2019. Please read it in conjunction with the Authority's financial statements, which follow this section.

The Authority is a Joint Powers Authority, established October 16, 1995, under the Joint Exercise of Powers Act. The Authority operates the Kern Water Bank (KWB), which is an area of land (approximately 20,600 acres) located in the southwest portion of the San Joaquin Valley uniquely suited for water recharge, water recovery and habitat preservation.

The Authority is a public agency, whose participants are the Kern County Water Agency, water storage districts, water districts and a mutual water company. The Authority oversees the day-to-day operations of the KWB on behalf of the Participants.

The Authority recharges, recovers and stores water on behalf of the Participants. The Authority's governing body is a seven-member Board of Directors (Board), comprised of Participant representatives, which includes a Chairman and a Vice-Chairman.

Participants receive water from a number of sources including the State Water Project (SWP), the Central Valley Project, and the Kern River. Participants recognized the benefit of developing the KWB lands and constructed recharge basins, recovery wells, canals and other banking facilities on a portion of the KWB lands while preserving the land for habitat conservation. Participants, under the Authority, utilize these banking facilities to create a more reliable water supply.

Hydrological patterns tend to be cyclical, often creating multiple years of abundant water supply followed by multiple years of water supply shortage. Participants have, or acquire, water surplus to their annual needs in wet years and place it in storage in the KWB for future recovery. This provides Participants with a unique water supply regulation tool.

Significant precipitation in the winter of 2017 resulted in a substantial snowpack throughout the Sierra Nevada. As a result, the Authority was able to recharge a record 566,000 acre-feet of water, with recharge operations continuing from January through the end of 2017 and into early 2018.

Conditions in 2018 were dry, but water available from the previous year helped alleviate conditions. The Authority recharged approximately 13,000 acre-feet of water in January and February and recovered approximately 38,000 acre-feet of water from March through September 2018.

Wet conditions returned in the winter of 2019, and the KWBA was able to recharge approximately 337,000 acre-feet of water.

Conditions in 2020 were again dry, and KWBA recovered about 100,000 acre-feet and recharged about 5,000 acre-feet of water during the year.

Financial Highlights

The Authority's long-term debt increased by $8.6 million from $10.7 million to $19.3 million. This was due to financing capital improvements.

The Authority's total assets increased by $13.8 million, or 19.36%, over the course of 2020, largely because of the increase in capital assets, due to capital improvements and due to increased operations revenue.

The Authority's total revenues increased from $6.6 million to $12.2 million largely due to an increase in fees charged for recovery operations. Total expenses increased from $7.6 million to $13.9 million because of the cost of increased recovery operations.

Overview of the Financial Statements

This annual financial report includes this management's discussion and analysis, the independent auditor's report, the basic financial statements of the Authority and selected supplementary information. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement can be used to determine whether the Authority has successfully recovered all of its costs through its user fees and other charges, its profitability, and its credit worthiness. It also reconciles the beginning net position balance to the ending net position balance.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the Authority

One of the most important questions asked about the Authority's finances is, "Has the Authority met all of its financial obligations in 2020?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These statements report the net position of the Authority and the changes in it. One can think of the Authority's net position - the difference between assets, deferred inflows of resources, deferred outflows of resources and liabilities - as one way to measure financial health or financial position. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Net Position

To begin our analysis, a summary of the Authority's Statements of Net Position is presented in the following table.

Condensed Statements of Net Position
December 31, 2020 and 2019
(000's)

	2020	*2019*	*Dollar Change*	*Percentage Change*
Current Assets	$ 12,178	$ 7,059	$ 5,119	72.52 %
Capital Assets - Net	73,118	64,402	8,716	13.53 %
Total Assets	$ 85,296	$ 71,461	$ 13,835	19.36 %
Current Liabilities	$ 12,050	$ 5,139	$ 6,911	134.48 %
Long-Term Debt	19,362	10,721	8,641	80.60 %
Total Liabilities	31,412	15,860	15,552	98.06 %
Net Investment in Capital Assets	53,247	53,681	(434)	(0.81) %
Unrestricted	637	1,920	(1,283)	(66.82) %
Total Net Position	53,884	55,601	(1,717)	(3.09) %
	$ 85,296	$ 71,461	$ 13,835	19.36 %

The increase in current assets from the year ended 2019 to 2020 of 72.52% is largely due to an increase in cash at year-end. The increase in capital assets is due to offsetting investments in facilities and depreciation. The increase in total liabilities of 98.06% is due, primarily, to an increase in long-term debt at the end of the year.

The following chart summarizes the Comparative Statements of Revenues, Expenses and Changes in Net Position.

Condensed Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2020 and 2019
(000's)

	2020	*2019*	*Dollar Change*	*Percentage Change*
Operating Revenues, Net	$ 11,798	$ 6,315	$ 5,483	86.83 %
Nonoperating Revenues	434	304	130	42.76 %
Total Revenues	12,232	6,619	5,613	84.80 %
Operating Expenses	13,361	6,634	6,727	101.40 %
Nonoperating Expenses	588	922	(334)	(36.23) %
Total Expenses	13,949	7,556	6,393	84.61 %
Change in Net Position	(1,717)	(937)	(780)	
Net Position, Beginning of Year	55,601	56,538	(937)	
Net Position, End of Year	$ 53,884	$ 55,601	$ (1,717)	

Operating revenues in 2020 were $11.8 million compared to $6.3 million in 2019. The increase in revenues is because of an increase in fees charged for operations. Operating expenses in 2020, which included $1.9 million of depreciation expense, were $13.4 million. This is an increase of 101.40% from the 2019 operating expenses of $6.6 million, which included $1.8 million of depreciation expense. The increase in expenses is due to increased charges for operations. Total expenses exceeded total revenues in 2020.

Budgetary Highlights

The Authority adopts an annual budget to project the coming year's administrative, land management, and general maintenance operations. The budget includes the proposed expenses and the means of financing them. The Authority's budget remains in effect the entire year. Budget-to-actual comparisons were analyzed by management throughout the year; however, it is not reported on, nor shown in, the financial statements section of this report.

A December 31, 2020 budget-to-actual comparison is presented in the following table:

General and Administrative (G&A)
Budget vs. Actual Comparison
For the Year Ended December 31, 2020
(000's)

	Actual	*Budget*	*Variance*
G&A Revenues	$ 2,856	$ 2,790	$ 66
Other G&A Revenues	60	45	15
Total G&A Revenues	2,916	2,835	81
G&A Expenses	2,441	2,835	(394)
Net Income	$ 475	$ -	$ 475

The Authority collected semi-annual G&A assessments for the year ended December 31, 2020. The G&A revenues were over budget by $81,000, which is due to higher than expected grazing income and easement and road fee income. The G&A expenses are administrative expenses, such as payroll and benefits, equipment and supplies, general maintenance, and legal fees. The 2020 G&A actual expenses were less than expected largely due to lower than anticipated electricity and water sampling and analysis bills.

The Authority collects estimated fees from Participants for their recharge and recovery activity based on usage. These fees and expenses, in addition to offsetting debt service assessments and payments, are not included in the annual G&A budget.

Capital Assets

As of December 31, 2020, the Authority had invested $101.3 million in total capital assets as shown in the following table:

Capital Assets
December 31, 2020 and 2019
(000's)

	2020	*2019*	*Dollar Change*	*Percentage Change*
Land	$ 25,916	$ 25,916	$ -	- %
Wells - Recovery	41,392	40,060	1,332	3.33 %
Canals and Related Facilities	13,295	12,900	395	3.06 %
Earthwork - Recharge	11,849	7,216	4,633	64.20 %
Pumps - Recharge	568	568	-	- %
Roads and Fences	1,028	1,028	-	- %
Equipment	160	160	-	- %
Office Equipment and Furniture	51	51	-	- %
Trucks and Autos	392	261	131	50.19 %
Buildings and Structures	207	207	-	- %
Construction in Progress	6,476	2,330	4,146	177.94 %
Total Capital Assets	101,334	90,697	10,637	11.73 %
Less: Accumulated Depreciation	28,216	26,295	1,921	7.31 %
Total Net Capital Assets	$ 73,118	$ 64,402	$ 8,716	13.53 %

Total capital assets net of depreciation increased from $64.4 million at December 31, 2019 to $73.1 million at December 31, 2020. This change reflects the balance of investments in facilities net of depreciation.

Debt Service Requirements

At the April 2, 2019 Board meeting, the Authority's Board approved establishing a term loan ($25,000,000 line of credit) and a revolving loan ($5,000,000 line of credit) with Union Bank. It closed on April 5, 2019. The current outstanding balance for the term loan is $19,721,000. The $5,000,000 revolving account was utilized in 2020, but was paid off before the end of the year using part of the proceeds of an additional $9 million of term loan funding. The outstanding balance of the revolving loan at the end of the year was $-0-. The term loan is to be repaid with annual principal payments beginning January 31, 2021, based on a twenty-three year amortization schedule, and is to be repaid in full on March 31, 2026.

Proposition 1 Integrated Regional Water Management Implementation Grant Proposal

In 2020, the Proposition 1 Integrated Regional Water Management Implementation Grant Proposal received approval by the California Department of Water Resources (DWR). The Authority's portion of this water enhancement project has an estimated cost of $12.8 million and the grant money from the DWR to the Authority will be about $1.75 million. As part of the grant agreement, the Authority must provide matching funds. As of December 31, 2020, the Authority had not received any grant funds and no submissions had been approved by the DWR for reimbursement.

Contacting the Authority's Management

This annual financial report is designed to provide our customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Kern Water Bank Authority, 1620 Mill Rock Way, Suite 500, Bakersfield, CA 93311.

Kern Water Bank Authority

Statements of Net Position
December 31, 2020 and 2019

ASSETS	*2020*	*2019*
Current Assets		
Cash and cash equivalents	$ 12,119,670	$ 6,396,513
Accounts receivable	53,176	657,318
Prepaid expenses	5,478	5,316
Interest receivable	-	34
	12,178,324	7,059,181
Capital Assets, net of accumulated depreciation	73,117,836	64,401,713
Total Assets	$ 85,296,160	$ 71,460,894

See Notes to Basic Financial Statements.

LIABILITIES AND NET POSITION	*2020*	*2019*
Current Liabilities		
Current maturities of long-term debt	$ 508,327	$ -
Accounts payable	1,757,599	1,178,761
Accounts payable, water transfers	2,356,672	1,308,978
Participant reimbursements payable	5,049,397	2,257,399
Accrued interest payable	40,406	33,881
Mitigation funds payable	354,956	360,141
Deferred member assessements	1,982,291	-
	12,049,648	5,139,160
Long-Term Liabilities		
Line of credit, less current maturities	19,254,870	10,721,000
Long-term debt, less current maturities	107,200	-
	19,362,070	10,721,000
	31,411,718	15,860,160
Net Position		
Net investment in capital assets	53,247,439	53,680,713
Unrestricted	637,003	1,920,021
	53,884,442	55,600,734
Total Liabilities and Net Position	$ 85,296,160	$ 71,460,894

Kern Water Bank Authority

Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2020 and 2019

	2020	***2019***
Operating revenues, net of participant refunds	$ 11,798,076	$ 6,314,669
Operating expenses	(13,361,418)	(6,633,788)
Operating loss	(1,563,342)	(319,119)
Nonoperating revenues	434,577	303,941
Nonoperating expenses	(587,527)	(921,660)
Nonoperating loss	(152,950)	(617,719)
Change in net position	(1,716,292)	(936,838)
Net Position, beginning of year	55,600,734	56,537,572
Net Position, end of year	$ 53,884,442	$ 55,600,734

See Notes to Basic Financial Statements.

Kern Water Bank Authority

Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	*2019*
Cash flows from operating activities:		
Receipts from customers and participants	$ 17,183,290	$ 6,413,157
Payments to other suppliers for goods and services	(11,827,782)	(3,381,815)
Payments to employees for services	(724,322)	(656,595)
Net cash provided by operating activities	4,631,186	2,374,747
Cash flows from capital and related financing activities:		
Payments on long-term debt	-	(11,878,434)
Receipt of funds from long-term debt	9,149,397	10,721,000
Payments for construction of water banking facilities and capital assets	(8,099,589)	(3,791,565)
Interest paid on long-term debt	(355,711)	(762,556)
Reimbursement from Participants for interest on construction loan	374,388	209,495
Net cash provided by (used in) capital and related financing activities	1,068,485	(5,502,060)
Cash flows from investing activities:		
Receipt of interest	23,486	91,588
Net increase (decrease) in cash and cash equivalents	5,723,157	(3,035,725)
Cash and cash equivalents at beginning of the year	6,396,513	9,432,238
Cash and cash equivalents at end of the year	$ 12,119,670	$ 6,396,513

See Notes to Basic Financial Statements.

	2020	2019
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$ (1,563,342)	$ (319,119)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,960,201	1,814,892
Loss on disposal of assets	225,291	110,785
Other expense	(100,213)	(6,203)
Change in operating assets and liabilities:		
Accounts receivable	604,142	(261,772)
Prepaid expenses	(162)	934
Accounts payable	480,469	639,010
Accounts payable, water transfers	1,047,694	374,155
Deferred asessments	1,982,291	-
Advanced mitigation funds	(5,185)	22,065
Net cash provided by operating activities	$ 4,631,186	$ 2,374,747
Supplemental disclosures of cash flow information:		
Reconciliation of cash and cash equivalents:		
Unrestricted cash	$ 12,119,670	$ 6,396,513
Noncash capital, investing and financing activities:		
Capital assets purchased through issuance of accounts payable	$ 1,321,183	$ 413,107
Participant refund through issuance of accounts payable	$ 5,049,397	$ 2,257,399
Change in fair value of interest rate swap liability	$ -	$ 371,834

Note 1. Summary of Significant Accounting Policies

The reporting entity:

In 1995, the Monterey Agreement was signed which, among other things, modified how State Water Project water supplies are allocated and how users are charged. One of the components of the Monterey Agreement was the transfer of Kern Fan Element lands from the California Department of Water Resources (DWR) to local ownership.

Kern Water Bank Authority (the Authority) was established October 16, 1995 under the Joint Exercise of Powers Act, as amended by the First Amended and Restated Joint Powers Agreement (JPA) signed July 19, 1999. The Authority is a public agency comprised of the Kern County Water Agency, water storage districts, water districts, and a mutual water company (Participants). Water is stored in aquifers during times of surplus and recovered during times of shortage. The Authority oversees all day-to-day operations of these facilities. As organized, the Authority does not own the stored water, but rather, acts on behalf of the Participants.

Kern Water Bank Authority Participants:

The Participants and their percentage of ownership shares are:

Tejon-Castac Water District	2.00%
Semitropic Water Storage District	6.67%
Dudley Ridge Water District	9.62%
Kern County Water Agency	9.62%
Wheeler Ridge-Maricopa Water Storage District	24.03%
Westside Mutual Water Company	48.06%

Management and Board of Directors:

The Authority has a full time staff to administer the day-to-day operations. The Authority's governing body is its seven-member Board of Directors (Board), which includes a Chairman and a Vice-Chairman. The joint powers agreement directs that voting is based on each member's ownership in the Authority.

Financial reporting:

The Authority prepares its financial statements in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," as amended by GASB Statement No. 63, which requires the classification of net position into three components – net investment in capital assets, restricted components of net position, and unrestricted components of net position. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at the end of the year, the portion of the debt attributable to the unspent proceeds is not included in the calculation of investment in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted component of net position - This component of net position consists of amounts with constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by the law through constitutional provisions or enabling legislation.

Unrestricted component of net position - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Derivatives:

The Authority reports its interest rate swap in accordance with the provisions of GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments," as amended by GASB Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions." GASB Statement No. 53 requires governments to measure derivative instruments, which include interest rate swaps, at fair value. The total change in fair value for the years ended December 31, 2020 and 2019 was $-0- and $(371,834), respectively, and the balances at December 31, 2020 and 2019 were $-0-. The swap agreement was terminated in April 2019.

Fund accounting:

The Authority utilizes a proprietary enterprise fund category to account for its activities. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Other items not properly included among operating revenues are reported as nonoperating revenues. All assets and liabilities associated with an enterprise fund's activities are included on its statements of net position.

Basis of accounting:

The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, in conformity with the Uniform System of Accounts prescribed for water districts by the Controller of the State California. Revenues are recognized when earned and expenses are recognized when a liability is incurred regardless of the timing of related cash flows.

When the Authority has both unrestricted and restricted resources available for Authority purposes, it is the Authority's practice to first expend restricted resources, subsequently utilizing unrestricted resources as needed.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reporting of assets and liabilities and revenue and expenses in the financial statements and accompanying notes. Actual results could differ from those estimates.

Retirement plan:

Employees of the Authority may participate in the 457 deferred compensation plan, and employees with at least one year of service are eligible for the 401(a) employer match program. Maximum annual contributions to the 457 plan are established by the Internal Revenue Service. The employer match by the Authority is 100% of the employee's annual deferred compensation, up to 6% of the employee's annual salary. Subject to eligibility requirements, employees are vested in the 401(a) employer match contribution at 25% per year of employment, whereby they are fully vested at the end of the fourth year of employment. For the years ended 2020 and 2019, the plan expense was $36,213 and $33,401, respectively.

Capital assets and depreciation:

Capital assets are capitalized at cost and updated for additions and retirements during the year. The straight-line method has been used to determine depreciation based on the following estimated useful lives:

	Years
Wells - recovery	39
Canals and related facilities	20-50
Earthwork - recharge	20-50
Pumps - recharge	15-25
Roads and fences	10-50
Equipment	7
Office equipment and furniture	5
Trucks/autos	5

The Authority maintains a capitalization threshold of $10,000. Maintenance and repairs of capital assets that do not add to the value of the asset or materially extend the asset's life are charged to operations; major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation are eliminated from the accounts, and the gain or loss is included in operations.

Deposits and investments:

Cash and cash equivalents

For purposes of reporting cash flows, the Authority considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include cash on hand and amounts deposited with a bank and the County of Kern's (the County) investment pool money fund.

Cash deposits

The Authority's cash deposits at December 31, 2020 and 2019 were either entirely insured by appropriate federal depository insurance, partially insured up to the federal limit and the remainder collateralized, or fully collateralized with collateral held by the pledging financial institution's trust department or agent in the Authority's name in accordance with provisions of the California Government Code.

The carrying amount and bank balance of the Authority's deposits at December 31, 2020 and 2019 are as follows:

	2020		*2019*	
	Carrying Amount	***Bank Balance***	***Carrying Amount***	***Bank Balance***
Insured	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Uninsured and collateralized with securities held by the pledging financial institution	11,869,670	11,976,567	6,146,403	6,237,969
County of Kern's investment pool	-	-	110	110
	$ 12,119,670	$ 12,226,567	$ 6,396,513	$ 6,488,079

Cash funds deposited with the County of Kern are in a pooled money fund. Funds are pooled with other agencies in the County. Investments are made in accordance with California Government Code Sections 53601 and 53635.

Pooled funds may be invested in: (1) direct obligations of the United States government, the payment of which the full faith and credit of the United States government is pledged, (2) certificates of deposit at savings and loan associations and federally insured banks when secured by acceptable collateral, and (3) savings accounts at savings and loan associations and banks, to the extent fully insured.

Cash flows

GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting," states, for purposes of preparing the statement of cash flows, all transactions not classified as capital and related financing activities or investing activities are classified as operating activities. The adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities include other income (expense) which consists of nonoperating revenues and expenses.

Concentration of credit risk:

A significant majority of the credit extended is in the form of accounts receivable to the Participants.

Accounts receivable:

Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at the end of the year. Consistent with the JPA, the Authority can suspend access to Kern Water Bank (KWB) facilities and voting rights after 90 days of nonpayment and foreclose on the Participants' shares and stored water after one year of nonpayment. There were no such delinquent accounts for the 2020 and 2019 calendar years. Accordingly, no allowance for doubtful accounts is required.

Water banking revenue and assessments:

Water banking revenue

Water banking revenue, to cover the costs of recharging and recovering water, is recognized upon receipt from the Participants. The amount charged per acre-foot recharged or recovered is set after considering actual cost incurred in the most recent year for recharge and recovery operations. Any revenue collected in excess of actual expenses is refunded to the Participants in the following year. If the amount collected is less than the recharge and recovery expenses incurred by the Authority, the Participants will be billed for their proportionate share of the shortage.

In 1999, the Authority began billing the Participants capital fees for their recharge and recovery use of the facilities. These fees are distributed annually to the Participants based on their ownership shares in the Authority.

General administrative assessment revenue

General administrative assessment revenue, for general and administrative, general maintenance, and land management expenses, is recognized upon receipt from the Participants. The amount of the assessment is determined by the Board based on the operating budget and the amount of cash that is available. Each Participant pays its proportionate share of the operating assessments based on ownership shares. For each of the years ended 2020 and 2019, the Authority recorded general administrative assessment revenue of $2,750,000.

Note 2. Capital Assets

Capital assets consist of land and the accumulated costs to build the basins and roads used for collection and storage of the water; wells used for recovery of the water; canals, pump station, pipelines, pumps, and equipment used for transportation of the water; and office equipment and furniture.

Title transfer of assets from the DWR to the Authority was completed on August 9, 1996. Upon the exchange of water entitlements by the Participants to the DWR, reflected as contribution of capital in the amount of $27,858,500 by the respective Participants, the Participants received Kern Fan Element lands and 42,830 acre-feet of banked water. The 42,830 acre-feet of water was subsequently transferred to each of the Participants in proportion to their ownership shares in the Authority.

The following is a summary of changes in the Authority's capital assets for the years ended December 31, 2020 and 2019:

	Assets-At Cost			
	Balance 12/31/19	***Additions***	***Transfers/ Retirements***	***Balance 12/31/20***
Land	$ 25,915,623	$ -	$ -	$ 25,915,623
Wells-recovery	40,059,972	872,618	459,523	41,392,113
Canals and related facilities	12,899,933	394,635	-	13,294,568
Earthwork – recharge	7,215,612	3,237,874	1,395,271	11,848,757
Pumps – recharge	568,841	-	-	568,841
Roads and fences	1,028,363	-	-	1,028,363
Equipment	159,754	-	-	159,754
Office equipment and furniture	51,027	-	-	51,027
Trucks/autos	260,873	131,303	-	392,176
Building/structures	206,902	-	-	206,902
Construction in progress	2,330,827	6,265,183	(2,119,239)	6,476,771
	$ 90,697,727	$ 10,901,613	$ (264,445)	$ 101,334,895

	Accumulated Depreciation			
	Balance 12/31/19	***Depreciation Expense***	***Retirements***	***Balance 12/31/20***
Wells-recovery	$ 15,327,009	$ 1,058,977	$ (39,156)	$ 16,346,830
Canals and related facilities	8,299,443	483,337	-	8,782,780
Earthwork – recharge	1,560,559	203,344	-	1,763,903
Pumps – recharge	294,374	24,117	-	318,491
Roads and fences	597,129	65,904	-	663,033
Equipment	25,425	15,352	-	40,777
Office equipment and furniture	51,028	-	-	51,028
Building/structures	48,277	41,380	-	89,657
Trucks/autos	92,770	67,790	-	160,560
	$ 26,296,014	$ 1,960,201	$ (39,156)	$ 28,217,059

	Assets-At Cost			
	Balance 12/31/18	***Additions***	***Transfers/ Retirements***	***Balance 12/31/19***
Land	$ 25,916,306	$ -	$ (683)	$ 25,915,623
Wells-recovery	40,058,113	121,048	(119,189)	40,059,972
Canals and related facilities	12,899,933	-	-	12,899,933
Earthwork – recharge	6,086,826	1,128,786	-	7,215,612
Pumps – recharge	568,841	-	-	568,841
Roads and fences	971,423	56,940	-	1,028,363
Equipment	159,754	-	-	159,754
Office equipment and furniture	51,027	-	-	51,027
Trucks/autos	215,552	78,377	(33,056)	260,873
Building/structures	206,902	-	-	206,902
Construction in progress	479,649	2,330,559	(479,381)	2,330,827
	$ 87,614,326	$ 3,715,710	$ (632,309)	$ 90,697,727

	Accumulated Depreciation			
	Balance 12/31/18	***Depreciation Expense***	***Retirements***	***Balance 12/31/19***
Wells-recovery	$ 14,307,761	$ 1,027,652	$ (8,404)	$ 15,327,009
Canals and related facilities	7,820,052	479,391	-	8,299,443
Earthwork – recharge	1,430,704	129,855	-	1,560,559
Pumps – recharge	270,257	24,117	-	294,374
Roads and fences	536,919	60,210	-	597,129
Equipment	10,073	15,352	-	25,425
Office equipment and furniture	51,028	-	-	51,028
Builidng/structures	6,897	41,380	-	48,277
Trucks/autos	88,892	36,935	(33,057)	92,770
	$ 24,522,583	$ 1,814,892	$ (41,461)	$ 26,296,014

Note 3. Long-Term Debt

Credit Agreement MUFG Union Bank. N.A.:

In April 2019, the Authority and Union Bank executed a tax-exempt and taxable non-revolving Line of Credit, the proceeds of which were used for the purposes of retiring existing indebtedness at Wells Fargo Bank, reimbursing the Authority for costs of retiring the DWR loan (noted below), bond redemption and payoff, and financing the expansion of the Authority.

As part of the $25,000,000 Line of Credit (LOC), Union Bank extended a taxable term loan of $6,433,000 and a tax-exempt term loan of $4,288,000. In 2020, the Authority was extended on the LOC an additional $5,371,200 of taxable and $3,628,800 of tax-exempt credit. The term loans bear interest at variable rates determined and paid monthly to the lender. The Participants are assessed semi-annually for their proportionate share of the interest due. The term loan interest rates (Cost of Funds Rate) as of December 31, 2020 and 2019 were 3.67% (taxable) and 2.90% (tax-exempt), respectively. Interest expense for the years ended December 31, 2020 and 2019 was $362,236 and $296,188, respectively. The loan is to be repaid with annual principal payments beginning January 31, 2021, based on a twenty-three year amortization schedule, and is to be repaid in full on March 31, 2026. All of the revenues of the Authority are pledged to secure the payment of principal and interest on this direct borrowing. If the Authority defaults on the term loans, Union Bank may accelerate the payment of the principal or interest. As of December 31, 2020, the Authority has an unused line of credit of $5,279,000.

The Authority also has a $5,000,000 revolving LOC with Union Bank. As of December 31, 2020 and 2019, there was no outstanding balance.

In June 2020, the Authority entered into a 0% interest loan agreement with Pacific Gas & Electric (PG&E) for $149,397 of financing to be used by the Authority for energy efficiency upgrades. As part of COVID-19 relief provided by PG&E, the Authority was granted a six month deferral of payment, beginning at the issuance date of the loan. The Authority will begin making monthly repayments of the loan balance starting March 2021 and the loan will be paid in full as of February 2024.

At December 31, 2020, the Authority was out of compliance with one of the loan covenants, and has received a waiver from Union Bank.

Summary of long-term liabilities:

The following summarizes long-term liabilities transactions for the years ended December 31, 2020 and 2019:

	Payable 12/31/19	*Additions*	*Deletions*	*Payable 12/31/20*	*Amount Due Within One Year*
Direct Borrowings:					
LOC, Union Bank	$ 10,721,000	$ 9,000,000	-	$ 19,721,000	$ 466,130
PGE Well Retrofit Loan	-	149,397	-	149,397	42,197
	$ 10,721,000	$ 9,149,397	$ -	$ 19,870,397	$ 508,327

	Payable 12/31/18	*Additions*	*Deletions*	*Payable 12/31/19*	*Amount Due Within One Year*
Direct Borrowings:					
Loan, DWR	$ 1,078,434	$ -	$ (1,078,434)	$ -	$ -
LOC, Union Bank	-	10,721,000	-	10,721,000	-
	1,078,434	10,721,000	(1,078,434)	10,721,000	-
Bond principal	10,800,000	-	(10,800,000)	-	-
Fair value of interest rate swap	371,834	-	(371,834)	-	-
	$ 12,250,268	$ 10,721,000	$ (12,250,268)	$ 10,721,000	$ -

Annual payment requirements for all debt that is outstanding as of December 31, 2020 are as follows:

Years Ending December 31,	*Principal*	*Interest*
2021	$ 508,327	$ 647,130
2022	516,766	631,458
2023	516,766	615,787
2024	472,058	600,116
2025	466,130	584,444
2026	17,390,350	568,773
	$ 19,870,397	$ 3,647,708

Note 4. Self-Insurance

The Authority is a member of the Association of California Water Agencies, Joint Powers Insurance Authority (JPIA). JPIA is a group of California Water Districts who have pooled funds to provide self-insurance coverage as follows:

	Limits per Occurrence	
Type of Coverage	***Self-Insurance***	***Excess Insurance***
General, automobile and public officials liability	$ 5,000,000	$ 55,000,000
Buildings, fixed equipment, personal property and licensed vehicles	$ 100,000	$ 500,000,000
Fidelity coverage	$ 100,000	$ -
Workers' compensation	$ 2,000,000	$ 4,000,000

The Authority is in a group that has a $2,500 retention level (deductible) per occurrence for property damage due to theft and natural causes. Property includes buildings, personal property, fixed equipment, mobile equipment, licensed vehicles, and turbine generators and transformers. For mechanical damages to turbines, generators and transformers, the deductible ranges from $25,000 to $50,000. For fidelity coverage, the deductible is $1,000. Claims over the retention levels are insured by the group up to the self-insurance limits (see above) and by policies purchased by JPIA from various 3rd party insurance providers.

JPIA bills the Authority a deposit premium at the beginning of each policy year, which is placed in a reserve fund to cover the self-insurance portion of any claim. Settlements and/or expenses related to claims during the year are charged against the reserve. If the balance of the reserve at the end of the year is deemed too low in relation to the amount of outstanding claims, the Authority is retrospectively billed for additional premiums. When the claims are fully settled, any amounts remaining in the reserve are refunded to the Authority.

Note 5. Commitments

Leases:

The Authority leases office space under an agreement that expires in 2023. Total rent expense for the years ended December 31, 2020 and 2019 was $69,590 and $68,014, respectively.

Future minimum lease payments are as follows:

Years Ending December 31,		
2021	$	66,064
2022		68,017
2023		58,037
	$	192,118

Note 6. Contingent Liabilities

Covered Species Viability Fund:

On October 2, 1997, the Authority received a 75-year Federal Fish and Wildlife Permit, the purpose of which is to authorize incidental "take" of endangered species subject to the terms and conditions of the Kern Water Bank Authority Habitat Conservation Plan/Natural Community Conservation Plan (KWBA HCP/NCCP) and the California Endangered Species Act Management Authorization, also executed on October 2, 1997. In accordance with the Implementation Agreement (IA) of the KWBA HCP/NCCP, in 1997 the Authority established the KWBA Covered Species Viability Fund (Viability Fund) with the Treasurer of Kern County for $50,000. In 2019, the Authority was given permission to transfer the cash to the Union Bank cash account as provided in Minor Amendment 3 to the Kern Water Bank Authority Habitat Conservation Plan – Natural Community Conservation Plan. The Wildlife Agencies may require payments from the Authority up to $10,000 per year, not to exceed a cumulative contribution of $75,000, to fund preservation of covered species not undertaken by the Authority.

Financial guarantees:

The KWBA HCP/NCCP is designed to achieve both water conservation and environmental objectives, including protection of the sensitive habitat. In addition to the agreement with the United States Fish and Wildlife Service and the California Department of Fish and Game (Wildlife Agencies), and in accordance with the KWBA HCP/NCCP and IA, the Authority executed financial guarantees with the Wildlife Agencies in 1997.

The purpose of the guarantees is to ensure the Authority's performance of mutually agreed upon covenants, conditions, and obligations. The guarantees include two promissory notes with principal amounts of $200,000 and $300,000 which are secured by Deeds of Trust and Subordination Agreements.

The $200,000 Ongoing Management Note requires the Authority to pay principal and interest on demand if the Authority violates any provision of the KWBA HCP/NCCP or IA while the 75-year permit is in effect.

The $300,000 Permanent Management Note requires the Authority to pay principal and interest if the Wildlife Agencies choose to call the note after the 75-year permit terminates, or following revocation of the permit, or following the Authority's relinquishment of the permit, whichever occurs first.

Litigation:

The Authority was involved in the mediation phase process regarding litigation involving the propriety of a series of amendments to the contracts between the State Water Project contractors and the DWR in 1995. In 2003, the trial court (the Court) approved a settlement agreement which, among other things, confirms that the Authority will continue to own and control the Kern Water Bank. Pursuant to the settlement, the Plaintiffs agreed to dismiss the validation cause of action without prejudice and to not re-file it if conditions of the settlement agreement were fulfilled. A new Environmental Impact Report (EIR) was finalized in May 2010 by the DWR. Two litigations challenging the new EIR and/or the amendments was filed by different Plaintiffs (Central Delta 1 and Rosedale). The first phase of the Central Delta 1 litigation, again challenging the propriety of the contract amendments and transfer of the Kern Fan Element lands to the Kern County Water Agency (which was in turn transferred to the Authority), was dismissed by the Court on January 25, 2013 for not being timely filed. The second phase was regarding the adequacy of the EIR and on March 5, 2014, the Court rejected all Plaintiffs' claims that the new EIR was deficient, except as to a claim that the EIR was deficient in not adequately evaluating impacts of operation of the Kern Water Bank on groundwater, among other potential environmental impacts. On September 5, 2014, the Court held a hearing on the remedy for the deficient EIR. On October 2, 2014, the Court issued its ruling and subsequently issued a writ of mandate (2014 Writ) confirming that DWR would prepare a Revised EIR to evaluate potential environmental impacts of the Kern Water Bank and that the Kern Water Bank could continue to operate pursuant to an interim operating plan that was developed by the Authority and neighboring districts that were Plaintiffs in the action.

Certain of the Central Delta 1 Plaintiffs appealed the Court's judgment in Central Delta 1. The Authority and others filed a protective cross-appeal. The appeals were fully briefed. The Rosedale Plaintiffs did not file an appeal.

In September 2016, DWR certified a Revised EIR and filed its return to the 2014 Writ. On October 21, 2016, some of the Central Delta 1 Plaintiffs and the Center for Food Safety (CFS Plaintiffs) filed a new petition for writ of mandate lawsuit against DWR challenging the Revised EIR. On February 10, 2017, the Court issued an order for briefing and a joint hearing on August 18, 2017, to resolve all issues raised by the CFS Plaintiffs concerning the adequacy of the Revised EIR and any objections to the Court discharging the 2014 Writ. After considering the parties' briefs and arguments at the August 18, 2017 hearing on the merits, the Court issued a ruling denying the CFS Plaintiffs' petition in its entirety,

and subsequently discharged the 2014 Writ and issued judgment against the CFS Plaintiffs and in favor of DWR and the real parties in interest including the Authority and its member entities. Near the end of 2017, CFS Plaintiffs filed an appeal of the judgment. No party filed a cross-appeal.

In early 2018, DWR filed a motion to consolidate the Central Delta 1 appeals and cross-appeal and CFS appeal, which Plaintiffs/Appellants opposed. The Authority joined in support of the motion to consolidate. The motion to consolidate was granted, consolidating the appeals for purposes of oral argument and decision only. All appeals have been fully briefed. The parties are awaiting notice from the Court of Appeal specifying a date and time for oral argument. Oral argument is anticipated to occur in 2021.

On January 14, 2019, Buena Vista Water Storage District (BVWSD) filed a Petition for Writ of Mandate against the Authority and its member entities, challenging the Authority's final EIR for its Conservation and Storage Project relating to its application to appropriate Kern River water. The member entities have been dismissed. The case was transferred from Kern County Superior Court to Ventura County Superior Court on April 15, 2019. After a trial hearing in the Ventura County Superior Court on August 19, 2020, the Trial Court entered judgment in BVWSD's favor, finding that the Authority did not comply with California Environmental Quality Act (CEQA) on three grounds: (i) the EIR's project description was vague and uncertain with regards to the sources of water; (ii) the EIR's description and analysis of competing water rights was insufficient; and (iii) the EIR's analysis of impacts associated with long-term recovery operations was insufficient. The Trial Court denied BVWSD's Petition on all other grounds. The Authority on January 7, 2021, appealed the Trial Court's ruling and judgment to the Second Appellate District, Division 6. The record on appeal is being prepared, and briefing is expected to commence in the second quarter of 2021. Oral argument will likely occur in the first half of 2022, with a ruling expected 30 to 90 days thereafter.

Note 7. Subsequent Events

The Authority entered into a sub-grant agreement with other water districts to receive $1,747,233 from the DWR to be used for water enhancement projects associated with the Integrated Regional Water Management (IRWM) Plan. The Authority is required to provide a funding match. The Authority expects to submit documentation to substantiate the whole grant amount in 2021.

The date to which events occurring after December 31, 2020 have been evaluated for possible adjustments to the financial statements or disclosures is May 12, 2021, which is the date that the financial statements were available to be issued. On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. As a result of the spread of the COVID-19, economic uncertainties arose which could have negatively impacted the changes in net position. During 2020, the Authority did not experience any adverse changes in net position because of COVID-19. Other financial impacts could occur in the future, though such potential impacts are unknown at this time.

Supplementary Information

Kern Water Bank Authority

Schedules of Revenues
For the Years Ended December 31, 2020 and 2019

	2020	2019
Operating revenues:		
Recharge/recovery revenues:		
Water banking O & M	$ 967,476	$ 1,576,924
Water banking capital use fees	2,192,316	1,324,480
Energy fees	10,542,996	689,655
Third party conveyance	203,971	468,762
	13,906,759	4,059,821
Other operating revenues:		
Assessments - general and administrative	2,750,000	2,750,000
Cattle and sheep grazing	53,421	44,102
Easements	52,293	58,145
Conservation credits	85,000	1,660,000
	2,940,714	4,512,247
Total operating revenues	16,847,473	8,572,068
Participant refunds:		
Participant refund	(5,049,397)	(2,257,399)
Net operating revenues	11,798,076	6,314,669
Nonoperating revenues:		
Loan interest charges received from Participants	374,387	209,495
Interest income	23,452	78,927
Other nonoperating income	36,738	15,519
Total nonoperating revenues	434,577	303,941
Total revenues	$ 12,232,653	$ 6,618,610

Kern Water Bank Authority

Schedules of Expenses
For the Years Ended December 31, 2020 and 2019

	2020	2019
Operating expenses:		
General and administrative	$ 934,117	$ 1,396,592
Depreciation	1,960,201	1,814,892
Operating and maintenance - Participants	8,837,716	1,824,368
Operating and maintenance - general	1,629,384	1,597,936
Total operating expenses	13,361,418	6,633,788
Nonoperating expenses:		
Interest expense	362,236	789,153
Loss on asset disposals	225,291	110,785
Finance charges	-	21,722
Total nonoperating expenses	587,527	921,660
Total expenses	$ 13,948,945	$ 7,555,448

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Kern Water Bank Authority
Bakersfield, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Kern Water Bank Authority (the Authority) as of and for the fiscal year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise of the Authority's basic financial statements, and have issued our report thereon dated May 12, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 12, 2021