Alliance Pipeline Inc.
99 Navaho Ave. Suite 101
Mankato, MN 56001

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DELAWARE COUNTY IOWA
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Prepared by: Steve Stump, Iowa Land Manager, 3343 Southgate Ct. SW, Ste 201, Cedar Rapids, IA 52404 (319) 362-0699
name address telephone

Tract No. IA-DE-0382

ALLIANCE PIPELINE L.P.

EASEMENT AND RIGHT-OF-WAY AGREEMENT
(Providing for Additional Payment)

For and in consideration of the sum of Ten and 00/100 Dollars ($10.00), in hand paid, the mutual promises of the parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Adeline A. Thomsen Estate (Contract Seller) and John L. Thomsen and Karen A. Thomsen, Husband and Wife (Contract Buyers), whose mailing address is RR1 Box 72 Manchester, IA 52057 (hereinafter called "Grantor") does hereby grant, sell, convey and warrant unto Alliance Pipeline L.P., a Delaware limited partnership, having its principal place of business at 400, 605 - 5 Avenue SW, Calgary, Alberta, Canada, T2P 3H5, its successors and assigns (hereinafter called the "Grantee"), an exclusive right-of-way and perpetual easement for the purposes of surveying, laying, constructing, inspecting, maintaining, operating, repairing, replacing, altering, reconstructing, removing and abandoning in place a pipeline, together with all fittings, cathodic protection equipment, pipeline markers, and all other equipment and appurtenances thereto, for the transportation of natural gas, and associated liquids or substances, along routes convenient for Grantee's operations on, over, under, across and/or through a strip of land 60 feet in width, as described under the heading "Permanent Easement and Right-of-Way" in Exhibit A, which is attached hereto and made a part hereof. In addition, during the original construction of the pipeline, the easement and right-of-way granted hereunder shall also include the area described under the headings "Temporary Work Space" and "Additional Temporary Work Space" in Exhibit A hereto. Grantee may temporarily use additional temporary workspace adjacent to the area described in Exhibit A hereto to the extent necessary during construction of Grantee's pipeline.

The aforesaid rights, privileges, easement and right-of-way are herein granted subject to the following terms, stipulations and conditions which are hereby covenanted and agreed to by the Grantor. By acceptance of any of the benefits hereunder, the Grantee shall be deemed to have agreed to be bound by the covenants applicable to Grantee hereunder.

1. The Grantee, by acceptance hereof, agrees to pay to the undersigned Grantor, or his agent hereinafter designated, his share, in proportion to Grantor's interest in the undivided fee estate, of the additional sum of NONE Dollars ($ -0-) if the Grantee lays a pipeline on, over, under, across and/or through the lands of the Grantor. In the event Grantor shall have relinquished his interest in the fee estate prior to final payment hereunder, payment shall be made to the holders of such interest at the time of payment. Payment shall be made before the pipeline is laid, and, except as expressly provided for in Paragraph 4 below, such payment shall constitute the total and final payment for this easement and right-of-way. In case the above-payment is not made prior to

DATE 5-18-98 BOOK 8 PAGE 23

December 31, 1999, then this Agreement shall thereupon cease and terminate. Following the commencement of construction of the pipeline, Grantee shall continue to own the pipeline and all other equipment and facilities it installs or constructs within the easement and right-of-way.

2. Unless otherwise expressly provided herein, Grantee shall construct and install its pipeline in a manner consistent with the Agricultural Impact Mitigation Agreement entered into between Grantee, the Iowa Attorney General's Office, the Iowa Department of Agriculture and Land Stewardship and the Office of Consumer Advocate, on September 2, 1997 and September 3, 1997.

3. Provided its use does not in any manner interfere with or prevent the exercise by Grantee of its rights hereunder, or create any actual or potential hazard to the pipeline or its appurtenances, the undersigned Grantor, his successors, heirs or assigns, reserve all oil, gas and minerals on and under said lands and the right to farm, graze and otherwise fully use and enjoy said lands; provided, however, that the Grantee shall have the right hereafter to cut, keep clear and remove all trees, brush, shrubbery, structures and other obstructions or facilities in the easement being conveyed which are deemed by Grantee to injure, endanger or interfere in any manner with the proper and efficient construction, use, inspection or maintenance of said pipeline, or fittings, cathodic protection equipment and other appurtenances thereto; and, provided, further, that Grantor shall not excavate or otherwise alter the ground elevation, construct any dam or otherwise create a water impoundment within or over the easement without prior authorization of the Grantee. The Grantee shall have all privileges necessary or convenient for the full use of the rights herein granted, together with reasonable ingress and egress along the said pipeline. Grantee shall have the right to remove all fences from the easement as required for purposes of construction of Grantee's pipeline and Grantee shall repair all such fences promptly upon completion of construction on Grantor's property.

4. The Grantee, by the acceptance hereof, agrees to pay for damages to crops, pasture, fences, drainage tile, structures and timber which may arise from the laying, constructing, maintaining, operating, repairing, replacing or removing of the said pipeline.

5. Any payment hereunder may be made or mailed to the Grantor at the address shown above or to

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_____

_____

who is hereby appointed agent and authorized to receive and receipt for same, and who is also appointed the true and lawful attorney in fact for the undersigned. The agency and power of attorney granted by Grantor to its agent hereunder shall not be deemed revoked until written notice from Grantor has been received by Grantee.

6. Except as provided above with respect to limitations on damages, Grantee shall indemnify Grantor from any loss, damages claims or actions resulting from Grantee's use of the easement and right-of-way, unless such loss, damage, claim or action results from the negligence, intentional acts or willful misconduct or omission of the Grantor. Grantor shall indemnify Grantee from any loss, damages, claims or actions alleging injury to Grantor, its invitees, licensees, agents or employees who enter the easement area, unless such loss, damage, claim or action results from the negligence or willful misconduct of the Grantee.

7. The undersigned hereby bind themselves, their heirs, executors, administrators, successors and assigns, to warrant and forever defend this easement and right-of-way unto the Grantee, its successors and assigns, against every person claiming or to claim the same, or any

part thereof. The easement and right-of-way granted hereby shall create a covenant and burden upon Grantor's land running therewith.

8. The Grantor agrees to execute and deliver to Grantee, without additional compensation, any additional documents needed to correct the legal description of the easement area to conform to the easement and right-of-way actually occupied by the pipeline. Said document, if required, will be prepared by Grantee at its expense.

9. The rights granted hereby may be assigned by Grantee in whole or in part.

10. This Agreement shall be governed by the law of the State in which the land is situated.

11. This Agreement may be executed in counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument. Grantor's spouse, if not a titleholder, executes this Easement and Right-of-Way for the purpose of relinquishing all spousal rights including dower, homestead and distributive share. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

IN WITNESS WHEREOF, the Grantor has executed this Agreement as of the 19TH day of DECEMBER, 1997.

GRANTOR:
SS#:

By: Mayor K Daley executor
Adeline A. Thomsen Estate, Marjorie K. Daley, Executor
Contract Seller

SS#:

By: John L Thomsen
John L. Thomsen, Contract Buyer
(Husband)

SS#:

By: Karen A Thomsen
Karen A. Thomsen, Contract Buyer
(Wife)

ACKNOWLEDGMENTS

INDIVIDUAL:

STATE OF IOWA)
) ss:
DELAWARE COUNTY)

This instrument was acknowledged before me on DEC. 19, 1997 by JOHN L. THOMSEN AND KAREN A. THOMSEN, H+W.

Milnor J. Theige, Notary Public

NOTARIAL SEAL IOWA
Milnor J. Theige
MY COMMISSION EXPIRES
October 17, 2000

REPRESENTATIVE CAPACITY:

STATE OF IOWA)
) ss:
Linn COUNTY)

This instrument was acknowledged before me on Dec 18, 1997 by Marjorie K. Daley as executor of Adeline A. Thomsen Estate.

Corinne Hanson, Notary Public

CORINNE HANSON
MY COMMISSION EXPIRES
September 9, 2000

ALLIANCE pipeline™

ALLIANCE PIPELINE LIMITED PARTNERSHIP

Tract No. IA-DE-0382
ADELINE A. THOMSEN ESTATE, ET AL

EXHIBIT "A"
REFERENCE LINE DESCRIPTION*

PERMANENT EASEMENT

BEING A PERMANENT EASEMENT AND RIGHT OF WAY, SIXTY (60) FEET IN WIDTH, OVER, UNDER AND ACROSS THAT CERTAIN PARCEL OF LAND DESCRIBED AS THE NORTHWEST FRACTIONAL QUARTER AND ALL THAT PART OF THE WEST HALF OF THE NORTHEAST QUARTER LYING WEST OF THE RAILROAD RIGHT OF WAY OF SECTION 31, TOWNSHIP 88 NORTH, RANGE 5 WEST, DELAWARE COUNTY, IOWA. SAID PROPERTY BEING DESCRIBED IN A DEED, RECORDED IN VOLUME 103, PAGE 146 OF THE DEED RECORDS OF DELAWARE COUNTY, IOWA. SAID PERMANENT EASEMENT AND RIGHT OF WAY BEING FIFTEEN (15) FEET NORTHEASTERLY AND FORTY FIVE (45) FEET SOUTHWESTERLY OF THE FOLLOWING DESCRIBED REFERENCE LINE:

BEGINNING AT THE NORTHEAST CORNER OF SAID PROPERTY IN SECTION 31, TOWNSHIP 88 NORTH, RANGE 5 WEST, THENCE WESTERLY ALONG THE NORTH LINE OF SAID PROPERTY, A DISTANCE OF 220 FEET TO THE POINT OF BEGINNING.

THENCE SOUTH 79° EAST, A DISTANCE OF 230 FEET TO THE TERMINAL POINT OF SAID REFERENCE LINE. SAID TERMINAL POINT BEING IN THE EAST LINE OF SAID PROPERTY, BEING 70 FEET SOUTH OF THE NORTHEAST CORNER OF SAID PROPERTY IN SECTION 31, TOWNSHIP 88 NORTH, RANGE 5 WEST, DELAWARE COUNTY, IOWA, BEING 14 RODS IN LENGTH AND CONTAINING 0.3 ACRE OF LAND, MORE OR LESS.

TEMPORARY WORK SPACE

BEING A STRIP OF LAND, CONTIGUOUS TO AND PARALLEL WITH THE NORTHEASTERLY LINE OF THE ABOVE DESCRIBED PERMANENT EASEMENT AND RIGHT OF WAY, EXTENDING OR SHORTENING AT THE SIDE LINES OF SAID TEMPORARY WORK SPACE EASEMENT TO INTERSECT WITH AND TERMINATE AT THE NORTH LINE OF SAID PROPERTY AND THE EAST LINE OF SAID PROPERTY, CONTAINING 0.1 ACRE OF LAND, MORE OR LESS.

***NOTE: THIS IS NOT A SURVEY, ALL BEARINGS AND DISTANCES ARE APPROXIMATE**

10/30/97 (Ver. 1)

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