

**KOCH GATHERING SYSTEMS, INC**

**EXHIBIT "B"**

**BILL OF SALE AND  
ASSIGNMENT OF RIGHT-OF-WAY**

**THE STATE OF KANSAS §  
  §     **KNOW ALL MEN BY THESE PRESENTS**  
COUNTY OF SEDGWICK §**

THAT, the undersigned, **KOCH GATHERING SYSTEMS, INC.** ("Seller") for and in consideration of **One Hundred** and No/100 Dollars (\$100.00) and other good and valuable considerations, the receipt, and adequacy of which is hereby acknowledged, does, effective as of January 25<sup>th</sup>, 1994, ("Effective Date"), hereby grant, bargain, sell, convey, transfer, release and deliver unto **DAVID HOWELL**, a sole proprietor, d/b/a **PIPELINE EQUITIES** ("Buyer"), the following described property (hereinafter referred to collectively as the "Property"):

(A) All of Seller's interest in the personal property, fixtures and equipment comprising Seller's Willamar crude oil gathering system as described in Exhibit "A", attached hereto and made a part hereof (all of which shall hereinafter be referred to as the "Gathering System");

(B) All of Seller's interest in the rights-of-way, easements, licenses, permits and servitudes described in Exhibit "B" attached hereto and made a part hereof which relate to the Gathering System;

**TO HAVE AND TO HOLD**, all and singular, the Property and rights herein conveyed to Buyer, its successors and assign, subject to the terms and provisions of this Bill of Sale and the Sales Agreement for Conveyance of Gathering Facilities dated January 25<sup>th</sup>, 1994 (the "Sales Agreement") between the parties

Seller does not convey any title, rights or interest in or to any other property not specifically contained in Exhibits "A" and "B".

It is expressly understood that Buyer accepts the Property on an **"AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, (EXCEPT AS SET FORTH IN ARTICLE IV OF THE SALES AGREEMENT) AS TO THE QUALITY, QUANTITY, KIND ENVIRONMENTAL CONDITION, CHARACTER, WEIGHT, SIZE OR DESCRIPTION OF THE PROPERTY, ITS MERCHANTABILITY, OR FITNESS FOR ANY USE OF PURPOSE. SELLER PROVIDES NO INDEMNITY OF ANY KIND WHATSOEVER AND IS TO BE HELD HARMLESS FROM ANY CLAIM THAT MAY ARISE FROM THE REMOVAL, HANDLING, USE, DISPOSAL, OR TRANSFER OF THE**

**PROPERTY. BUYER ACKNOWLEDGES IT HAS HAD A FULL OPPORTUNITY TO INSPECT THE PROPERTY AND SELLER'S RECORDS OF THE PROPERTY. BUYER FURTHER ACKNOWLEDGES THAT CERTAIN RIGHTS-OF-WAY, PERMITS, EASEMENTS OR LEASES HELD BY SELLER MAY NOT HAVE BEEN OBTAINED BY A FORMAL INSTRUMENT AND THAT SELLER SHALL ONLY QUIT CLAIM THE INTERESTS IF HELD IN THE EASEMENTS, PERMITS, RIGHTS-OF-WAY OR LEASES.**

Seller agrees to furnish Seller all documentation, files, records and drawings relating to the Property.

Buyer agrees that it will become the "Operator" of the Property and as such will be responsible for regulatory compliance. The Buyer or "Operator" will be charged with performing all inspections required by the Department of Transportation, Texas Railroad Commission, or any other governmental regulatory agency, and shall maintain all required records of same and shall obtain all necessary permits.

Buyer shall indemnify, defend and hold harmless Seller for any and all actual or alleged loss, cost (including without limitation attorneys' fees and court costs), damage, claim, cause or other action for bodily injury and death, property loss or destruction, violations or claimed violations of federal, state or local regulations, and commercial loss of any kind arising from or caused by, directly or indirectly the ownership, possession, operation, control or any other action by Buyer over the Property.

Buyer shall strictly comply with all applicable Federal, State and local laws, rules and regulations, associated with the use, removal or distribution of the Gathering System, or any act associated with the transaction herein.

Any ad valorem taxes assessed against or with respect to the Property for the year in which this Bill of Sale and Assignment of Right-of-Way is made effective shall be prorated between Seller and Buyer as of the Effective Date, and Seller and Buyer shall each bear its proportionate part thereof; any ad valorem taxes assessed with respect to all subsequent years shall be borne by Buyer, its successors and assigns. Seller shall be responsible for remitting any tax payment for the tax year **1994** to the appropriate agencies and shall bill Buyer for his portion of the taxes.

Seller, for itself, its successors and assigns agrees that it shall do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all such further acts, assignments, transfers, conveyances and powers of attorney as are required to vest Buyer with Seller's full legal title to the Property or to place Buyer, its successors and assigns in possession and control of the properties and interests herein conveyed.

All warranties, covenants and conditions and agreements of Seller and Buyer contained herein shall survive the execution and delivery of this Bill of Sale and Assignment of Right-of-Way, and shall extend to, be binding upon and inure to the

benefit of the parties hereto and their respective successors and assigns. The provisions hereof shall not impart rights enforceable by any person or entity not a party hereto unless such person or entity shall be a successor or assignee of a party to this Bill of Sale and Assignment of Right-of-Way.

Executed in duplicate originals, effective the time, day and year first written above.

WITNESSES:

KOCH GATHERING SYSTEMS, INC.

*[Handwritten signature]*  
Cameron P. Jaurley

By: *[Handwritten signature]* RB PRW  
Title: President  
Date: 2-3-94

WITNESSES:

DAVID HOWELL d/b/a  
PIPELINE EQUITIE

\_\_\_\_\_  
\_\_\_\_\_

By: *[Handwritten signature]*  
Title: DBA Pipeline Equities  
Date: 1-21-94

STATE OF KANSAS  
COUNTY OF SEDGWICK

BEFORE ME on this day personally appeared Thomas R. McCaldo, President of Koch Gathering Systems, Inc. known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same having been duly authorized by said corporation to do so and for the purposes and considerations therein expressed.

Given under my hand and official seal this 3<sup>rd</sup> day of February, 1994.



My Commission Expires:  
1-25-98

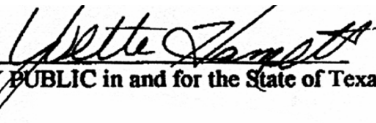
*[Handwritten signature]*  
NOTARY PUBLIC in and for the State of Kansas

**THE STATE OF TEXAS**

**COUNTY OF VICTORIA**

**BEFORE ME** on this day personally appeared David Howell of Pipeline Equities, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same having been duly authorized by said corporation to do so and for the purposes and consideration therein expressed.

Given by my hand and seal of office this the 21st day of January, 1993.

  
NOTARY PUBLIC in and for the State of Texas

My Commission Expires:

