

State of : Nebraska
County of : Saline

Recording Requested By And
When Recorded Return To:

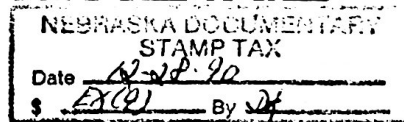
Northern Natural Gas Company
1400 Smith
Houston, Texas 77002
Attn: General Counsel

Mail Tax Statements To:

Northern Natural Gas Company
P. O. Box 1188
Houston, Texas 77251-1188
Attn: Supervisor, Ad Valorem Tax

SUPPLEMENTAL CONVEYANCE, ASSIGNMENT AND BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:



This Supplemental Conveyance, Assignment and Bill of Sale (this "Conveyance"), effective as of December 31, 1990, at 11:20 p.m. Houston, Texas time (the "Effective Time"), is from **ENRON CORP.**, a Delaware corporation, (being the corporation formerly known as **NORTHERN NATURAL GAS COMPANY**, a Delaware corporation (herein called "Northern"), which by certificate of amendment filed with the Secretary of State of Delaware on or about March 28, 1980, changed its name to **INTERNORTH, INC.**, a Delaware corporation, which by certificate of amendment filed with the Secretary of State of Delaware on or about April 10, 1986, changed its name to **ENRON CORPORATION**, a Delaware corporation, which by certificate of amendment filed with the Secretary of State of Delaware on or about April 17, 1986, changed its name to **Enron Corp.**), with its general office at 1400 Smith, Houston, Texas 77002 (herein called "Grantor"), in favor of **NORTHERN NATURAL GAS COMPANY**, a Delaware corporation, with its general office at 1400 Smith, Houston, Texas 77002 and whose mailing address is P. O. Box 1188, Houston, Texas 77251-1188: Attn: General Counsel (herein called "Grantee").

Recordation Conveyance - Attached instrument - NE

WHEREAS, on or about February 20, 1937, INTERSTATE PRODUCTION COMPANY, a Delaware corporation, merged into Northern; on or about September 21, 1931, MISSOURI VALLEY PIPELINE COMPANY, a Delaware corporation, changed its name to Northern Gas and Pipeline Company; on or about February 20, 1937, NORTHERN FUEL SUPPLY COMPANY, a Delaware corporation, merged into Northern; on or about June 30, 1934, NORTHERN GAS AND PIPELINE COMPANY, a Delaware corporation, merged into Northern; and on or about December 30, 1960, PERMIAN BASIN PIPELINE COMPANY, a Delaware corporation, merged into Northern;

WHEREAS, Grantor owns 100% of the issued and outstanding capital stock of Grantee and wishes to convey to Grantee, as a contribution to the capital of Grantee, the Subject Property, herein described, being a portion of the assets of Northern Natural Gas Company, a division of Grantor.

PART I

GRANTING AND HABENDUM CLAUSES

A. GRANTING AND HABENDUM CLAUSES.

For good and valuable consideration, the receipt and sufficiency of which Grantor hereby acknowledges, Grantor hereby grants, bargains, assigns, conveys and delivers unto Grantee, its successors and assigns, all right, title, interest and estate of Grantor in and to the following described property, Save and Except any Excepted Property, herein defined, (collectively, the "Subject Property"):

1. Rights Granted or Reserved in the Attached Instruments. The rights, titles, interests and estates, if any, granted in favor of or reserved by Grantor, or Grantor's predecessor in title, in the instrument(s), a copy (copies) of which is (are) attached as Exhibit A hereto (the "Attached Instrument"); and

2. Other Interests. With respect to the property described above, all improvements, buildings, structures, pipelines, fixtures and appurtenances, if any, of every kind or nature located thereon, and all right, title, interest and estate, if any, of Grantor in and to any land adjacent or contiguous thereto, whether or not expressly described herein, together with all stations, substations, pumping stations, meter houses, regulator houses, pumps, meters, tanks, scrapers, cathodic or electric protection equipment, bypasses, regulators, drips, engines, pipes, gates, fittings, valves, connections, telephone and telegraph lines, radio towers, electric power lines, poles, wires, casings, headers, underground and aerial river crossings, appliances, fixtures, wells, caverns, underground storage facilities and formations and all gas and other minerals stored or located therein, terminals, rail or truck racks and all appurtenances of every kind and

character, together with all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to such property, or any part thereof, together with and including, without limitation, all reversions, remainders, options, rents, revenues, issues, earnings, income, products and profits thereof, and all the right, title, interest and claim whatsoever, at law as well as in equity, of Grantor in and to the above described property from and after the Effective Time;

SAVE AND EXCEPT from the property described in Items IA1 and IA2 above, the property and interests, if any, described in Exhibit B hereto (herein called the "Excepted Property").

TO HAVE AND TO HOLD the Subject Property, subject to the terms and conditions hereof, unto Grantee, its successors and assigns, forever.

PART II

OTHER TERMS AND CONDITIONS

A. PERMITTED ENCUMBRANCES.

This Conveyance is made and accepted expressly subject to (a) all recorded and unrecorded liens, charges, encumbrances, contracts, agreements, instruments, obligations, defects, interests, options and preferential rights to purchase and all laws, rules, regulations, ordinances, judgments and orders of governmental authorities or tribunals having or asserting jurisdiction over the Subject Property or the business and operations conducted thereon, in each case to the extent the same are valid, enforceable and affect the Subject Property; (b) all matters that a current survey or visual inspection, including probing for pipelines, would reflect and (c) the Assumed Obligations, herein defined.

B. ASSUMPTION OF THE ASSUMED OBLIGATIONS; INDEMNIFICATION BY GRANTEE.

1. "Assumed Obligations" shall mean all debts, obligations and liabilities of Grantor relating to the Subject Property attributable to all periods prior to, at and after the Effective Time, of whatever nature, however evidenced, whether actual or contingent, whether known or unknown, whether arising under contract or tort or under the laws, ordinances, rules, regulations, orders or judgments of governmental, regulatory and judicial authorities having or asserting jurisdiction over the Subject Property or otherwise.

2. Subject to the other provisions of this Conveyance, Grantee hereby assumes and agrees to perform, pay or discharge the Assumed Obligations, to the full extent that Grantor is obligated, or in the absence of this Conveyance would be obligated, to perform,

pay or discharge such obligations. Without limiting the generality of the preceding sentence, Grantee agrees to protect, defend, indemnify and hold harmless Grantor in all respects relating to the Assumed Obligations, even as to matters caused by or resulting from Grantor's sole, joint, concurrent or contributory negligence, including, without limitation, all investigative costs, litigation costs (including, without limitation, attorneys' fees, court costs and other costs of suit) and all other costs and expenses relating to the foregoing, excluding only matters constituting the breach of or the failure to perform or satisfy any representation, warranty, covenant or agreement made by Grantor in connection with this Conveyance.

3. To make a claim hereunder, Grantor shall give notice to Grantee of the claim, together with a brief summary of such information with respect to such claim as is then reasonably available to Grantor. Upon such notification, Grantee shall undertake, at Grantee's expense, to defend or otherwise dispose of such claim and any litigation in connection therewith and to pay the amount of any final judgment rendered against Grantor or any settlement. Grantee shall be entitled to direct the defense through legal counsel of its choice with full cooperation of Grantor and to settle or otherwise dispose of the claim or litigation as it shall see fit; provided that Grantor may participate in such defense by advisory counsel selected by Grantor and at Grantor's expense. Grantor shall not settle any such asserted claim without the consent of Grantee.

C. DISCLAIMER OF WARRANTIES: SUBROGATION.

1. This Conveyance is made without warranty of title, express, implied or statutory, and without recourse, but with full substitution and subrogation of Grantee, and all persons claiming by, through and under Grantee, to the extent assignable, in and to all covenants and warranties by Grantor's predecessors in title and with full subrogation of all rights accruing under applicable statutes of limitation and all rights of action of warranty against all former owners of the Subject Property.

2. Grantee and Grantor agree that the disclaimers contained in this Section are "conspicuous" disclaimers. The Subject Property is conveyed to Grantee without recourse, covenant or warranty of any kind, express, implied or statutory. WITHOUT LIMITING THE OTHER EXPRESS PROVISIONS HEREOF, GRANTEE SPECIFICALLY AGREES THAT GRANTOR IS CONVEYING THE SUBJECT PROPERTY "AS-IS", WITHOUT REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED (ALL OF WHICH GRANTOR HEREBY DISCLAIMS), AS TO (i) TITLE, (ii) TRANSFERABILITY, (iii) FITNESS FOR ANY PARTICULAR PURPOSES, MERCHANTABILITY, DESIGN OR QUALITY, (iv) COMPLIANCE WITH SPECIFICATIONS, CONDITIONS, OPERATION, (v) FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT, OR ABSENCE OF LATENT DEFECTS, OR (vi) ANY OTHER MATTER WHATSOEVER. TO THE EXTENT APPLICABLE (AND WITHOUT ADMITTING SUCH APPLICABILITY), GRANTEE ALSO HEREBY

WAIVES THE PROVISIONS OF THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, CHAPTER 17, SUBCHAPTER E, SECTIONS 17.41, ET SEQ. (OTHER THAN SECTION 17.555, WHICH IS NOT WAIVED), TEX. BUS. & COM. CODE, AND ALL SIMILAR LAWS IN OTHER JURISDICTIONS. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED BY GRANTEE AND GRANTOR AFTER DUE CONSIDERATION AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY REPRESENTATIONS OR WARRANTIES OF GRANTOR, EITHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE SUBJECT PROPERTY THAT MAY ARISE PURSUANT TO ANY LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE EXCEPT AS EXPRESSLY SET FORTH HEREIN.

3. Any covenants implied by statute or law by the use of the words "grant", "bargain", "assign", "convey" or "deliver", or any of them or any other words used in this Conveyance (including the covenant implied under Section 5.023 of the Texas Property Code) are hereby expressly disclaimed, waived and negated.

D. FURTHER ASSURANCES.

Grantor and Grantee agree to take all such further actions and to execute, acknowledge and deliver all such further documents that are necessary or useful in carrying out the purpose of this Conveyance. So long as authorized by applicable law so to do, Grantor agrees to execute, acknowledge and deliver to Grantee all such other additional instruments, notices, affidavits, deeds, conveyances, assignments and other documents and to do all such other and further acts and things as may be necessary or useful to more fully and effectively grant, bargain, assign, convey and deliver to Grantee the Subject Property conveyed hereby or intended so to be conveyed.

E. CONSENTS; RESTRICTION ON ASSIGNMENT.

If there are prohibitions against or conditions to the conveyance of one or more portions of the Subject Property without the prior written consent of third parties (other than consents of a ministerial nature which are normally granted in the ordinary course of business), which, if not satisfied, would result in a breach thereof by Grantor or would give an outside party the right to terminate Grantor's or Grantee's rights with respect to such portion of the Subject Property (herein called a "Restriction"), then any provisions contained in this Conveyance to the contrary notwithstanding, the transfer of title through this Conveyance shall not become effective with respect to such portion of the Subject Property unless and until such Restriction is satisfied or waived by the parties hereto. When and if such Restriction is satisfied or waived, the assignment of such portion of the Subject Property shall become effective automatically as of the Effective Time, without further action on the part of Grantor. If such Restriction is not satisfied or waived by the parties hereto within twenty-one (21) years after the death of the last to die of all

descendants of the late Theodore H. Roosevelt, late President of the United States, who are living on the date this Conveyance is executed as reflected below, the transfer to Grantee of such portion of the Subject Property, if any, affected by such Restriction shall be null and void. Grantor and Grantee agree to use reasonable efforts to obtain satisfaction of any Restriction.

PART III

MISCELLANEOUS

A. SUCCESSORS AND ASSIGNS; NO THIRD PARTY BENEFICIARY.

This Conveyance shall bind and inure to the benefit of Grantor and Grantee and their respective successors and assigns, but shall never be deemed to inure to the benefit of or be enforceable by any other party. Grantee, and any transferee of the Grantee, may transfer any or all of the Subject Property, and the provisions hereof shall bind and benefit such transferee, with respect to the portion of the Subject Property so transferred, as if such transferee were Grantee.

B. GOVERNING LAW.

THIS CONVEYANCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT OF LAW RULE WHICH WOULD REFER ANY MATTER TO THE LAWS OF ANOTHER JURISDICTION, EXCEPT TO THE EXTENT THAT IT IS MANDATORY THAT THE LAW OF THE JURISDICTION WHEREIN THE SUBJECT PROPERTY IS LOCATED SHALL APPLY.

C. THE EXHIBITS.

Reference is made to Exhibits A and B, which are attached hereto and made a part hereof for all purposes. If no Exhibit B is attached then there is no Excepted Property. Reference in the Exhibits to an instrument on file in the public records is made for all purposes, but shall not imply that such instrument is valid, binding or enforceable or affects the Subject Property or creates any right, title, interest or claim in favor of any party other than Grantee.

D. HEADINGS.

Headings are included in this Conveyance for convenience and shall not define, limit, extend, or describe the scope or intent of any provision.

WITNESS THE EXECUTION HEREOF on the 14th day of December 1990,
effective as of the Effective Time.

ENRON CORP.,
a Delaware corporation

(Corporate Seal)



By: *Robert J. Hermann*
Robert J. Hermann
Vice President - Tax

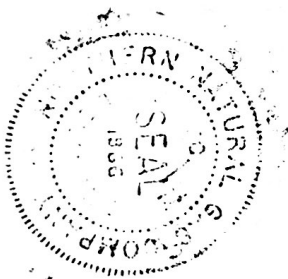
Attest:

Elaine V. Overturf
Elaine V. Overturf
Deputy Corporate Secretary

GRANTOR

NORTHERN NATURAL GAS COMPANY,
a Delaware corporation

(Corporate Seal)



By: *Peggy B. Menchaca*
Peggy B. Menchaca
Vice President and Secretary

Attest:

Elaine V. Overturf
Elaine V. Overturf
Deputy Corporate Secretary

GRANTEE

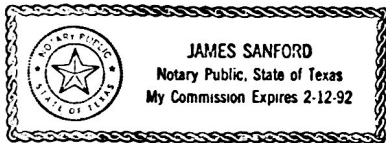
Attachments:

Exhibit A: Subject Property
Exhibit B: Excepted Property

STATE OF TEXAS §

COUNTY OF HARRIS §

The foregoing Supplemental Conveyance, Assignment and Bill of Sale was acknowledged before me on December 14th, 1990, by Robert J. Hermann as Vice President - Tax of ENRON CORP., a Delaware corporation, on behalf of said corporation.

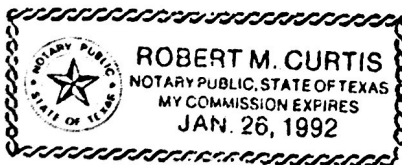


[Signature]
 Notary Public in and for the
 State of Texas

STATE OF TEXAS §

COUNTY OF HARRIS §

The foregoing Supplemental Conveyance, Assignment and Bill of Sale was acknowledged before me on December 14, 1990, by Peggy B. Menchaca as Vice President and Secretary of NORTHERN NATURAL GAS COMPANY, a Delaware corporation, on behalf of said corporation.



[Signature]
 Notary Public in and for the
 State of Texas

EXHIBIT A

(ATTACHED INSTRUMENTS)

NNG NO.

INSTRUMENT

00886

INDENTURE FROM MISSOURI VALLEY PIPE LINE COMPANY OF NEBRASKA, AS GRANTOR, IN FAVOR OF NORTHERN GAS AND PIPE LINE COMPANY, AS GRANTEE, DATED AUGUST 29, 1932, EFFECTIVE AS OF AUGUST 1, 1932, FILED FEBRUARY 2, 1933 AND RECORDED IN BOOK 79 AT PAGE 99 IN THE DEED RECORDS OF SALINE COUNTY, NEBRASKA

NNG NO. HAS BEEN ADDED FOR ADMINISTRATIVE CONVENIENCE AND IS NOT PART OF THE LEGAL DESCRIPTION.

E:\ENR-NNG\HSM\SALINE.EXA

EXHIBIT B
(EXCEPTED PROPERTY)

None

STATE OF NEBRASKA } ss
SALINE COUNTY

Entered in numerical index and filed
for record, the 28 day of December
1990 at 9 o'clock A.M. and record-
ed in Book 244 of Records Page 170-221

Norma R. Beyer
County Clerk

#15	/	✓	✓		
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From, CHg. and Return to:
Vinson & Elkins, Attorneys
Atten. Yvonne A Onak
3300 First City Tower
Houston, Texas 77002-9984
Fee: \$280.00 CHg.