

**AMENDMENT OF THE RIGHT-OF-WAY LEASE
FOR THE
NIKISKI ALASKA PIPELINE
ADL 69354**

This Amendment to the RIGHT-OF-WAY LEASE FOR THE NIKISKI ALASKA PIPELINE, ADL 69354, dated January 30, 1976, which was originally recorded in the Kenai Recording District in Book 94, Pages 652 through 700 on April 27, 1976 and in the Anchorage Recording District in Book 94, Pages 685 through 733 on April 19, 1976, is hereinafter referred to as AMENDMENT. This AMENDMENT is made and entered into and becomes effective this 19th day of May, 2005, by and between the STATE OF ALASKA located at 411 West 4th Avenue, Suite 2C, Anchorage, Alaska 99501, acting through the Commissioner of Natural Resources, hereinafter referred to as COMMISSIONER, and Tesoro Alaska Pipeline Company whose mailing address is 1225 17th Street, Suite 1800, Denver, Colorado 80202, hereinafter referred to as LESSEE.

WHEREAS, the LESSEE has applied to amend the existing Right-of-Way Lease, ADL 69354, pursuant to the provisions of the Right-of-Way Leasing Act (Alaska Statutes 38.35), to include additional State of Alaska land for a temporary construction area and for realignment of the pipeline on state lands adjacent to Nikiski Alaska Pipeline Right of Way Lease, ADL 69354, and Alaska State Land Survey (ASLS) No. 76-215. The realignment area is located in the state waters of Cook Inlet adjacent to Point Possession, Kenai Peninsula. This is a maintenance project necessary to protect and maintain the integrity of the pipeline and prevent serious or irreparable harm to the environment and continue the safe operation of the pipeline.

NOW THEREFORE, the COMMISSIONER and LESSEE agree to amend the RIGHT-OF-WAY FOR THE NIKISKI ALASKA PIPELINE, ADL 69354, to include the lands within the Kenai Recording District described as:

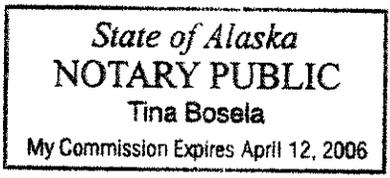
Township 11 North, Range 6 West, Seward Meridian, Alaska

Sections 16 and 17, those lands adjacent to the Nikiski Alaska Pipeline Right of Way Lease, ADL 69354, and ASLS No. 76-215, comprise an area approximately 200 feet (100 ft. either side of centerline) by 2,000 feet, containing approximately 400,000 square feet (approximately 9.2 acres).

The lands described above are incorporated into and made a part of the RIGHT-OF-WAY LEASE FOR THE NIKISKI ALASKA PIPELINE dated January 30, 1976, ADL 69354.

STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 19 day of May, 2005, before me, personally appeared Thomas E. Irwin, the Commissioner of the Department of Natural Resources of the State of Alaska, who executed the foregoing Amendment and acknowledged voluntarily signing the same.



Tina Bosela
Notary Public in and for the State of Alaska
My Commission expires 4-12-06