

**EXHIBIT B**  
**KENAI-KACHEMAK PIPELINE**  
**CONSTRUCTION LEGAL DESCRIPTION**

During construction, the total area of State Lands for the Kenai-Kachemak Pipeline Right-of-Way Lease consists of 227 acres, more or less. The construction right-of-way is described below in segments, sub-segments and parcels, which describe the width and length of the right-of-way, the legal description, and the approximate acreage within each segment.

**Segment 1: Kalifonsky Beach Road--Mile 12.4 to Mile 0**

Segment 1 consists of an approximately 60-foot wide by 65,472 foot-long right-of-way within the Kalifonsky Beach Road right-of-way. The segment extends from Mile 12.4 Kalifonsky Beach Road to the end of Segment 1 at Mile 0, at the Sterling Highway intersection. Mile 0 is Kalifonsky Beach Road's intersection with Mile 108.8 of the Sterling Highway. The below-described lands are within the Kalifonsky Beach Road right-of-way limits. The lands are described by township in a southerly direction, and are within the Seward Meridian:

Sections 30 & 31, Township 5 North, Range 11 West  
Sections 1, 12, 13, 24, 25 & 36, Township 4 North, Range 12 West  
Sections 1, 13 & 24, Township 3 North, Range 12 West  
Sections 6, 7, 18, 19 & 30, Township 3 North, Range 11 West

Segment 1 contains 90.2 acres, more or less.

**Segment 2: Sterling Highway--Mile 108.8 to Mile 109**

Segment 2 consists of an approximately 60-foot wide by 1,056 foot-long right-of-way within the Sterling Highway right-of-way. The segment extends from approximately Mile 108.8 of the Sterling Highway at the intersection with Kalifonsky Beach Road, extending in a southerly direction and ending at approximately Mile 109 of the Sterling Highway within Section 30, Township 3 North, Range 11 West, Seward Meridian, within the Sterling Highway right-of-way limits.

Segment 2 contains 1.45 acres, more or less.

**Segment 3: Sterling Highway (Mile 109) to Lands under Kasilof River, along Section Line Easements and lands under Crooked Creek**

This segment of the alignment consists of sub-segments and parcels and leaves the highway right-of-way limits at approximately Mile 109 of the Sterling Highway, extends in a southwesterly direction, and enters State Lands across Kasilof River. Then, the alignment runs south along section line easements, some which are also used for the Homer Electric Association utility right-of-way, and enters State Lands across Crooked Creek. The alignment re-enters the Sterling Highway right-of-way at approximately Mile 111 of the Sterling Highway.

**Segment 3A:** An approximately 60-foot wide right-of-way that crosses under the Kasilof River for approximately 310 feet, within the SW1/4 of the SW1/4 of Section 30, Township 3 North, Range 11 West, Seward Meridian.

Segment 3A contains 0.43 acres, more or less.

**Segment 3B:** An approximately 50-foot wide Section Line Easement that is approximately 528 feet in length across Lot 9, within the SW1/4 of Section 30, Township 3 North, Range 11 West, Seward Meridian.

Segment 3B contains 0.61 acres, more or less.

**Segment 3C:** An approximately 50-foot wide Section Line Easement that is approximately 53 feet in length, lying west of the Sterling Highway, within the N1/2 of the NW1/4 of Section 31, Township 3 North, Range 11 West, Seward Meridian.

Segment 3C contains 0.06 acres, more or less.

**Segment 3D:** An approximately 50-foot wide Section Line Easement that is approximately 4,066 feet in length traversing State Land, within the E1/2 of the NE1/4 AND the E1/2 of the SE1/4 within Section 36, Township 3 North, Range 12 West, Seward Meridian.

Segment 3D contains 4.67 acres, more or less.

**Segment 3E, containing 3 Parcels:**

**Parcel 1** - An approximately 60-foot wide right-of-way that crosses under Crooked Creek for approximately 25 feet.

**Parcel 2** - An approximately 100-foot wide by 300-foot long right-of-way that is on the north side of Crooked Creek.

**Parcel 3** - An approximately 100-foot wide by 300-foot long right-of-way that is on the south side of Crooked Creek.

This segment is near Mile 111 of the Sterling Highway and within E1/2 of the SE1/4 of Section 36, Township 3 North, Range 12 West, Seward Meridian.

Segment 3E contains 1.41 acres, more or less.

**Segment 4: Sterling Highway--Mile 111 To Mile 128.6**

Segment 4 consists of an approximately 60-foot wide by 92,928-foot long right-of-way within the Sterling Highway right-of-way. The segment extends from approximately Mile 111 of the Sterling Highway to approximately Mile 128.6 of the Sterling Highway. The below-described lands are within the Sterling Highway right-of-way limits. The lands are described in a southwesterly direction and are within the Seward Meridian:

Section 36, Township 3 North, Range 12 West  
Sections 1, 12, 11, 14, 15, 22, 21, 28, 29 & 32, Township 2 North, Range 12 West  
Sections 5, 6, 7 & 18, Township 1 North, Range 12 West  
Sections 13, 24, 23, 26, 27, 34 & 33, Township 1 North, Range 13 West  
Section 5, Township 1 South, Range 13 West

Segment 4 contains 128.0 acres, more or less.

**Segment 4A:** At Mile 124.2 of the Sterling Highway, there is an additional pipeline right-of-way that diverges from the main pipeline route to the Grassim Oskolkoff (GO) gas well pad site. The segment consists of an approximately 60-foot wide right-of-way that extends west for approximately 290 feet within the Sterling Highway right-of-way limits. This proposed line is located within the W1/2 of the SE1/4 of Section 23, Township 1 North, Range 13 West, Seward Meridian.

Segment 4A contains 0.40 acres, more or less.

**EXHIBIT B**  
**KENAI-KACHEMAK PIPELINE**  
**OPERATIONS LEGAL DESCRIPTION**

During operations, the total area of State Lands for the Kenai-Kachemak Pipeline Right-of-Way Lease consists of 76 acres, more or less. The operations right-of-way is described below in segments and sub-segments, which describe the width and length of the right-of-way, the legal description, and the approximate acreage within each segment.

**Segment 1: Kalifonsky Beach Road--Mile 12.4 to Mile 0**

Segment 1 consists of an approximately 20-foot wide by 65,472 foot-long right-of-way within the Kalifonsky Beach Road right-of-way. The segment extends from Mile 12.4 Kalifonsky Beach Road to the end of Segment 1 at Mile 0, at the Sterling Highway intersection. Mile 0 is Kalifonsky Beach Road's intersection with Mile 108.8 of the Sterling Highway. The below-described lands are within the Kalifonsky Beach Road right-of-way limits. The lands are described by township in a southerly direction, and are within the Seward Meridian:

Sections 30 & 31, Township 5 North, Range 11 West  
Sections 1, 12, 13, 24, 25 & 36, Township 4 North, Range 12 West  
Sections 1, 13 & 24, Township 3 North, Range 12 West  
Sections 6, 7, 18, 19 & 30, Township 3 North, Range 11 West

Segment 1 contains 30.0 acres, more or less.

**Segment 2: Sterling Highway--Mile 108.8 to Mile 109**

Segment 2 consists of an approximately 20-foot wide by 1,056 foot-long right-of-way within the Sterling Highway right-of-way. The segment extends from approximately Mile 108.8 of the Sterling Highway at the intersection with Kalifonsky Beach Road, extending in a southerly direction and ending at approximately Mile 109 of the Sterling Highway within Section 30, Township 3 North, Range 11 West, Seward Meridian, within the Sterling Highway right-of-way limits.

Segment 2 contains 0.48 acres, more or less.

**Segment 3: Sterling Highway (Mile 109) to Lands under Kasilof River, along Section Line Easements and lands under Crooked Creek**

This segment of the alignment consists of sub-segments and parcels and leaves the highway right-of-way limits at approximately Mile 109 of the Sterling Highway, extends in a southwesterly direction, and enters State Lands across Kasilof River. Then, the alignment runs south along section line easements, some which are also used for the Homer Electric Association utility right-of-way, and enters State Lands across Crooked Creek. The alignment re-enters the Sterling Highway right-of-way at approximately Mile 111 of the Sterling Highway.

**Segment 3A:** An approximately 20-foot wide right-of-way that crosses under the Kasilof River for approximately 310 feet, within the SW1/4 of the SW1/4 of Section 30, Township 3 North, Range 11 West, Seward Meridian.

Segment 3A contains 0.14 acres, more or less.

**Segment 3B:** An approximately 20-foot wide Section Line Easement that is approximately 528 feet in length across Lot 9, within the SW1/4 of Section 30, Township 3 North, Range 11 West, Seward Meridian.

Segment 3B contains 0.24 acres, more or less.

**Segment 3C:** An approximately 20-foot wide Section Line Easement that is approximately 53 feet in length, lying west of the Sterling Highway, within the N1/2 of the NW1/4 of Section 31, Township 3 North, Range 11 West, Seward Meridian.

Segment 3C contains 0.02 acres, more or less.

**Segment 3D:** An approximately 20-foot wide Section Line Easement that is approximately 4,066 feet in length traversing State Land, within the E1/2 of the NE1/4 AND the E1/2 of the SE1/4 within Section 36, Township 3 North, Range 12 West, Seward Meridian.

Segment 3D contains 1.87 acres, more or less.

**Segment 3E:** An approximately 20-foot wide right-of-way that crosses under Crooked Creek for approximately 25 feet. This segment is near Mile 111 of the Sterling Highway and within E1/2 of the SE1/4 of Section 36, Township 3 North, Range 12 West, Seward Meridian.

Segment 3E contains 0.01 acres, more or less.

**Segment 4: Sterling Highway--Mile 111 To Mile 128.6**

Segment 4 consists of an approximately 20-foot wide by 92,928-foot long right-of-way within the Sterling Highway right-of-way. The segment extends from approximately Mile 111 of the Sterling Highway to approximately Mile 128.6 of the Sterling Highway. The below-described lands are within the Sterling Highway right-of-way limits. The lands are described in a southwesterly direction and are within the Seward Meridian:

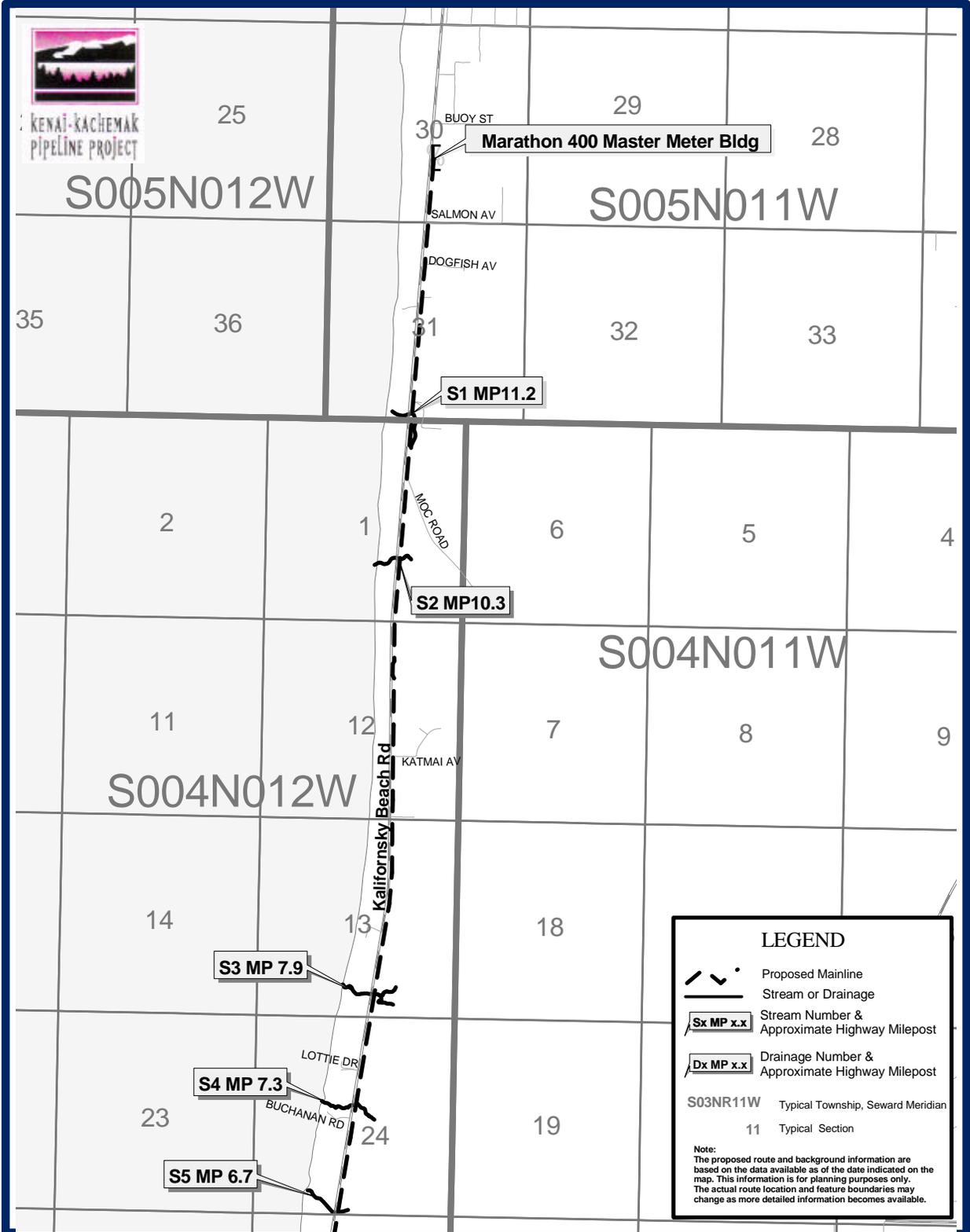
Section 36, Township 3 North, Range 12 West  
Sections 1, 12, 11, 14, 15, 22, 21, 28, 29 & 32, Township 2 North, Range 12 West  
Sections 5, 6, 7 & 18, Township 1 North, Range 12 West  
Sections 13, 24, 23, 26, 27, 34 & 33, Township 1 North, Range 13 West

Section 5, Township 1 South, Range 13 West

Segment 4 contains 42.7 acres, more or less.

**Segment 4A:** At Mile 124.2 of the Sterling Highway, there is an additional pipeline right-of-way that diverges from the main pipeline route to the Grassim Oskolkoff (GO) gas well pad site. The segment consists of an approximately 20-foot wide right-of-way that extends west for approximately 290 feet within the Sterling Highway right-of-way limits. This proposed line is located within the W1/2 of the SE1/4 of Section 23, Township 1 North, Range 13 West, Seward Meridian.

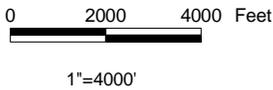
Segment 4A contains 0.13 acres, more or less.



**LEGEND**

- Proposed Mainline
- Stream or Drainage
- Stream Number & Approximate Highway Milepost
- Drainage Number & Approximate Highway Milepost
- S03NR11W Typical Township, Seward Meridian
- 11 Typical Section

**Note:**  
 The proposed route and background information are based on the data available as of the date indicated on the map. This information is for planning purposes only. The actual route location and feature boundaries may change as more detailed information becomes available.



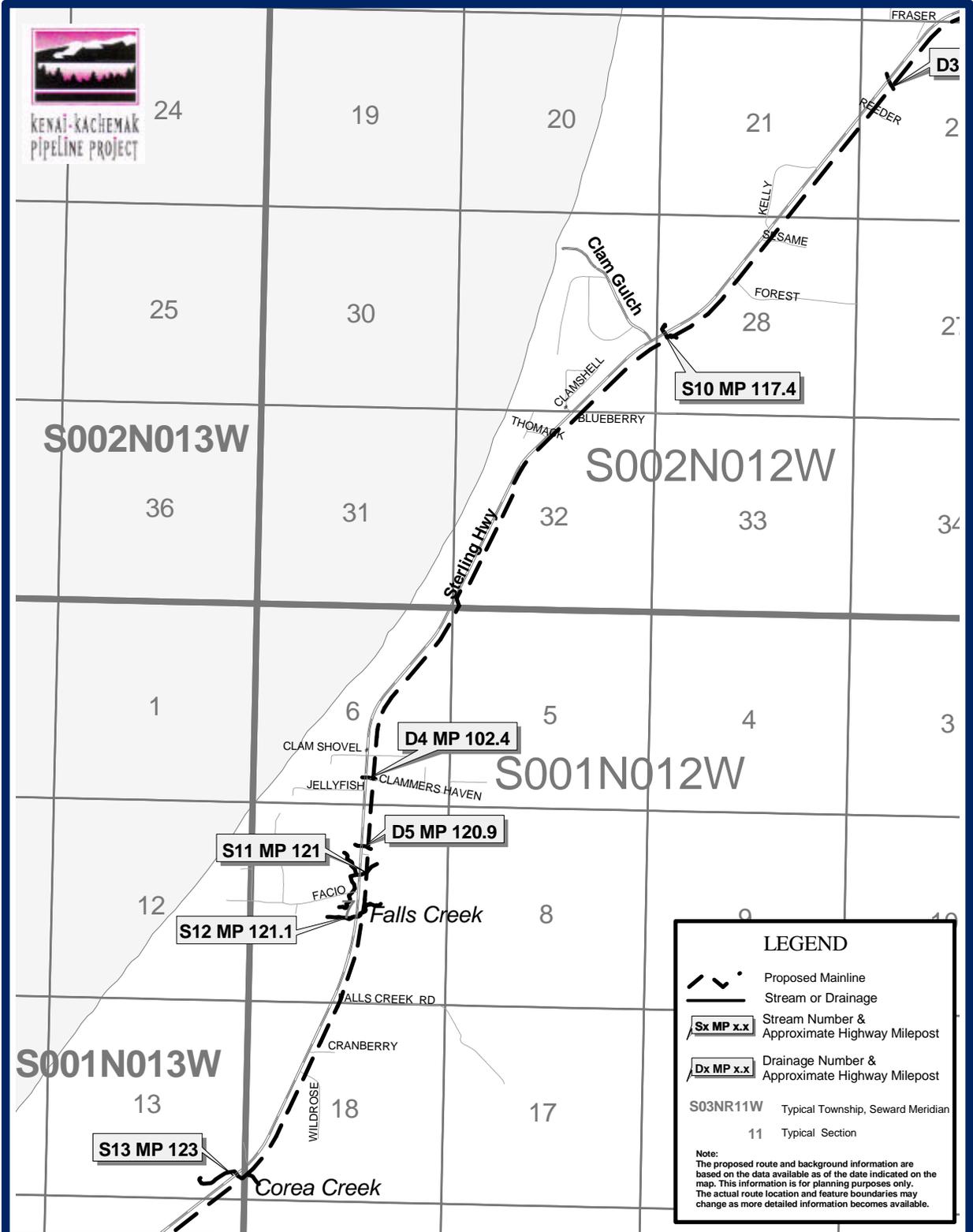
**Kenai - Kachemak Pipeline  
 General Vicinity Map**

Prepared By:  
 Michael Baker Jr., Inc.  
 Anchorage, AK  
 10/02/02  
 Dwg: 25183JPOA100202\_1

Sheet 1 of 5 **Baker**



KENAI-KACHEMAK  
PIPELINE PROJECT



**LEGEND**

- Proposed Mainline
- Stream or Drainage
- Stream Number & Approximate Highway Milepost
- Drainage Number & Approximate Highway Milepost

S03NR11W Typical Township, Seward Meridian  
11 Typical Section

**Note:**  
The proposed route and background information are based on the data available as of the date indicated on the map. This information is for planning purposes only. The actual route location and feature boundaries may change as more detailed information becomes available.



### Kenai - Kachemak Pipeline General Vicinity Map



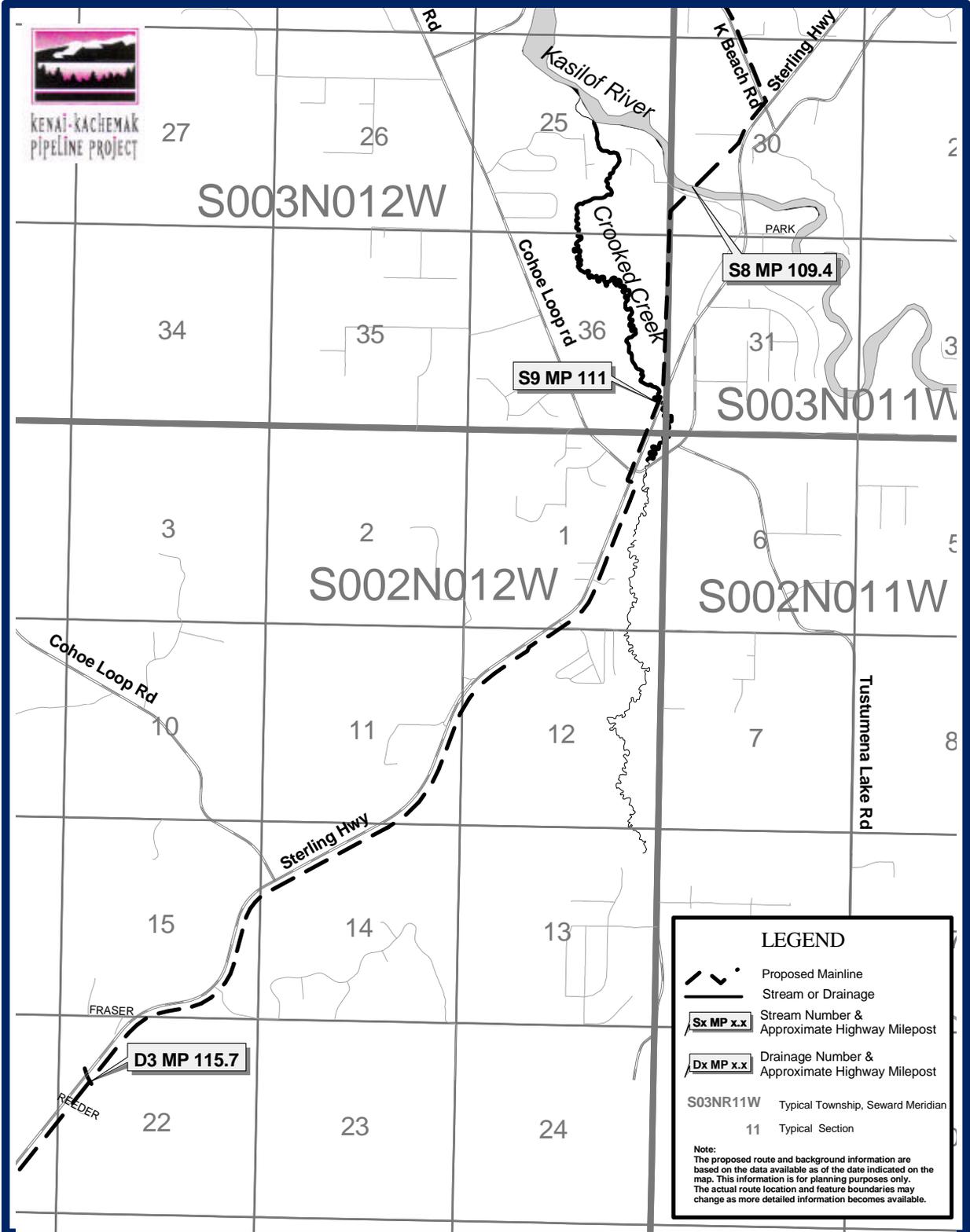
Prepared By:  
Michael Baker Jr., Inc.  
Anchorage, AK  
10/02/02  
Dwg: 25183JPOA100202\_4

Sheet 4 of 5





KENAI-KACHEMAK  
PIPELINE PROJECT



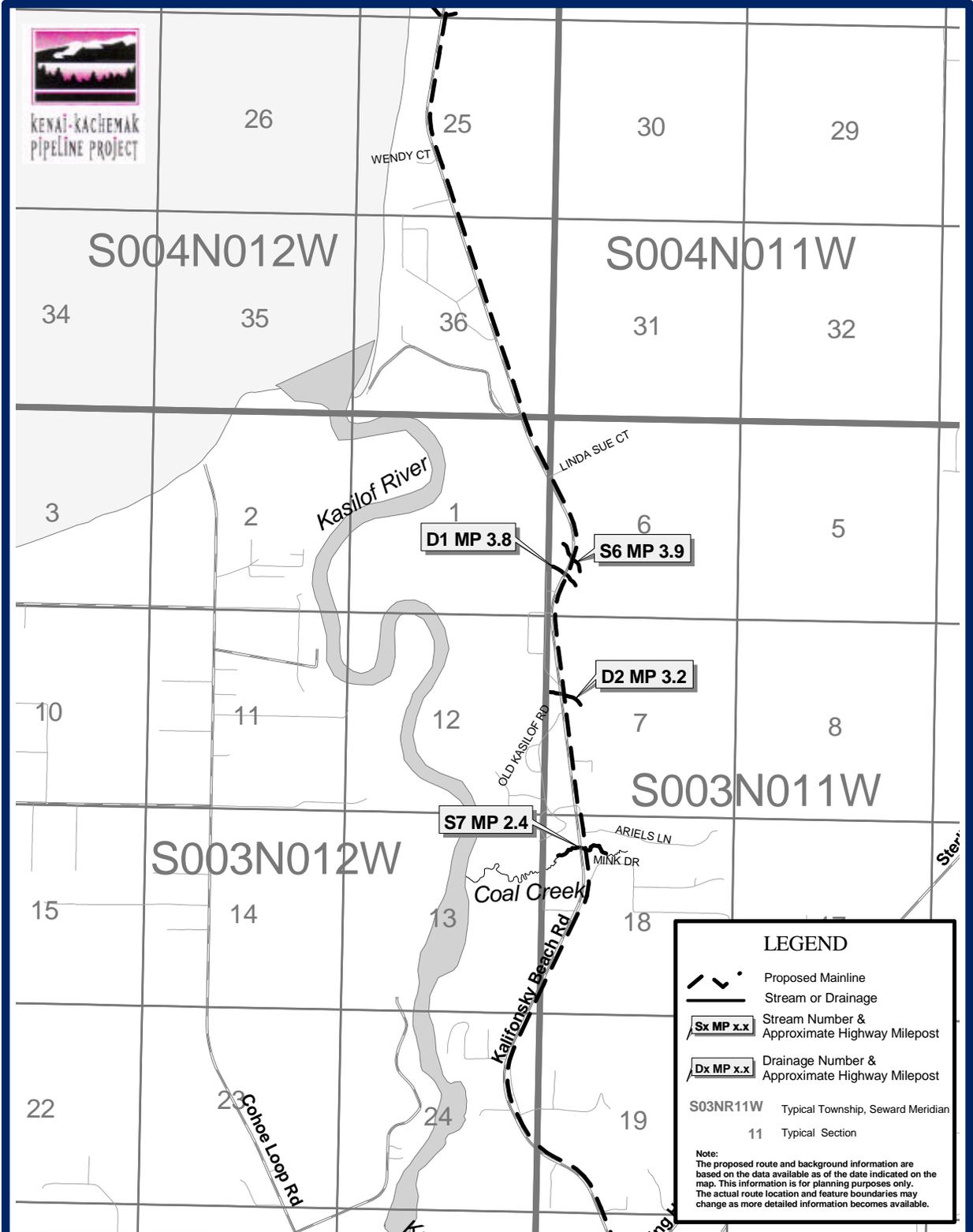
### Kenai - Kachemak Pipeline General Vicinity Map



Prepared By:  
Michael Baker Jr., Inc.  
Anchorage, AK  
10/02/02  
Dwg: 25183JPOA100202\_3

Sheet 3 of 5

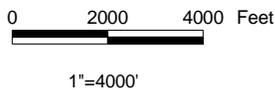




**LEGEND**

- Proposed Mainline
- Stream or Drainage
- Stream Number & Approximate Highway Milepost
- Drainage Number & Approximate Highway Milepost
- S03NR11W Typical Township, Seward Meridian
- 11 Typical Section

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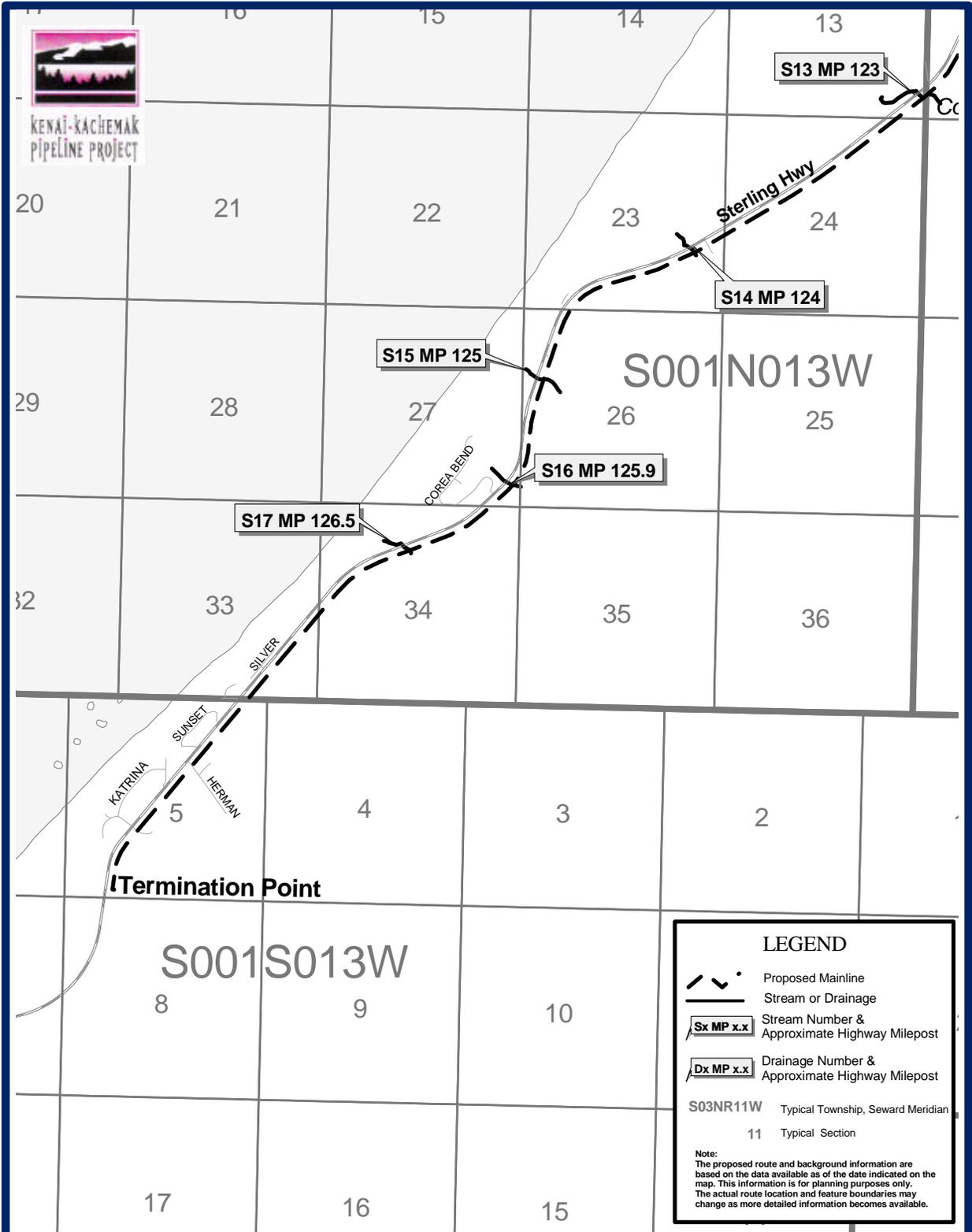
### Kenai - Kachemak Pipeline General Vicinity Map



Prepared By:  
 Michael Baker Jr., Inc.  
 Anchorage, AK  
 10/02/02  
 Dwg: 25183JPOA100202\_2

Sheet 2 of 5





**LEGEND**

- Proposed Mainline
- Stream or Drainage
- Stream Number & Approximate Highway Milepost
- Drainage Number & Approximate Highway Milepost
- S03NR11W Typical Township, Seward Meridian
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**Kenai - Kachemak Pipeline  
 General Vicinity Map**

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 Michael Baker Jr., Inc.  
 Anchorage, AK  
 10/02/02  
 Dwg: 25183JPOA100202\_5

Sheet 5 of 5