UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RIGHT-OF-WAY NOTICE TO PROCEED

Certified/Registered Mail-Return Receipt Requested

Right-of-Way or Temporary Use Permit (TUP) Serial Number NVN-084650 (NTP No. 49) Issuing Office Date 2/1/2011 Nevada State Office Right-of-Way or TUP name Ruby Pipeline

INSTRUCTIONS — Use Certified or Registered Mail or hand deliver. Send or give original to Holder. Distribute other copies as indicated after receipt date.

Holder:

In accordance with the terms and conditions of the above referenced right-of-way grant or TUP you are hereby authorized to proceed with the activities noted below in the locations specified. Map(s) are attached. \square Yes ⊠ No

Activity Location Approval of Ruby's Implementation Plan 2 and authorization This NTP applies only to federal lands located within the following mileage range:

to commence construction in the areas specified under location heading. Ruby will file at a later date for authorization to commence construction in those areas presently excluded due to pending cultural mitigation.

Approval for the following:

Commence pipeline construction in the right-of-way areas identified and use and widening of access roads in the locations noted here and in referenced alignment and quadrangle sheets.

All activity shall comply with the stipulations and mitigation measures detailed in the Record of Decision and Right-of-Way Grant (July 12, 2010) and Decision to Amend Right-of-Way and Temporary Use Permit (December 10, 2010).

The BLM-Klamath Falls portion of NTP 49 in Spread 7 (approximately Milepost [MP] 664.6 to 665.2) is approved with the following stipulations:

- Ruby must comply with all terms and conditions and stipulations as outlined in the BLM's Right-of-Way Grant Serial Number NVN-084650 dated July 12, 2010.
- Ruby must comply with the practices and procedures Ruby Pipeline Project Plan of Development (POD) as amended.
- Ruby must provide at least 48 hours notice prior to implementation of construction on BLM lands.
- Subsequent to preparation of the draft Notice To Proceed Request Form, BLM received determinations of Redacted Text from Laurie Boros, FERC, in an email with Subject "Ruby (SHPO #10-2534) determinations: Redacted Text dated 1/25/2011 (attached). Those determinations and related stipulations for this NTP are:
 - Redacted Text

1. BLM Klamath Falls Resource Area and Bureau of Reclamation

In Spread: 7

Mileposts (MP):

MP 664.60 to MP 664.80 - Reclamation Land MP 664.80 to MP 665.15 - BLM Land MP 665.15 to MP 665.20 - Private Easement of Reclamation Land

And

Access Road

MPs 664.6 to 665.20: K10G - Private Land, BLM Land, and Reclamation Land

Alignment Sheets Referenced: 300A-272 and 300A-273

Quadrangle Sheets Referenced:

Redacted Text

- Road K-10G
 - o Prior to the request to approve NTP 49, variance 07-012-AR was approved by BLM. In that variance Road K-10G was shown to be just north of Redacted Text on BLM Land. It has since been determined that the Redacted Text BLM had approved the variance to widen Road K10-G. Based on the FERC Determination the road can no longer be widened. Fencing, signage and monitoring of the road will be required during construction.
- As such, for portions of Redacted Text under BLM's jurisdiction activities should be confined to the APE. In addition, these stipulations for cultural resources must be followed:
 - Ruby shall follow all appropriate avoidance and mitigation measures for cultural resources, as appropriate.
 - o If unanticipated cultural resources discoveries are identified on Reclamation withdrawn lands, Ruby shall work with the Oregon State Historic Preservation Officer (SHPO) and Reclamation to resolve the discovery pursuant to the Unanticipated Discovery Plan outlined in Appendix A of the September 2010 Historic Properties Treatment Plan for Oregon (HPTP) accepted by Reclamation through the execution of the Memorandum of Agreement (MOA) and the implementing stipulations within dated July 29, 2010.
 - If human remains are discovered, the stipulations of the Native American Graves Protection and Repatriation Act (NAGPRA) apply. Reclamation cultural resources staff shall be notified immediately and all project work shall halt in the immediate vicinity pursuant to the September 2010 HPTP and the BLM/Reclamation NAGPRA Plan of Action.
 - Restore Road K-10G to original condition following construction.
- Ruby must comply with all stipulations regarding vegetation management and reclamation.
 - Road K-10G Wash equipment before and after blading the road to prevent spread of noxious weeds, especially, Medusahead.
 - Meet Coarse Woody Debris requirements. Lop and scatter remaining juniper. (Chip and haul of juniper also allowed per prior agreement)
 - Perform revegetation and restoration per

- POD and Variances 01-001-SM, 01-004-SM, 07-011-MM if applicable to these mileposts.
- Plant Antelope Bitterbrush per revised POD spacing specifications.

Pursuant to Reclamation parcel status for the requested NTP 49, the portion of the Ruby Pipeline Project covered under NTP 49 will enter onto withdrawn lands under Reclamation jurisdiction at approximately MP 664.8 and terminate at MP 664.6. As such, Reclamation concurs with the approval of NTP 49 with the following stipulations:

- Ruby must comply with all terms and conditions and stipulations as outlined in the BLM's Right- of-Way Grant Serial Number NVN-084650 dated July 12, 2010.
- Ruby must comply with the practices and procedures Ruby Pipeline Project POD and appendices therein.
- Ruby must ensure that all approved variance request activities are implemented, as necessary.
- Ruby must comply with all specific BLM stipulations regarding vegetation management and reclamation.
- Ruby must comply with all applicable laws, regulations, and permits associated with the Ruby Pipeline Project and subsequent actions therein.
- Ruby must provide at least 48 hours notice prior to implementation of construction on Reclamation withdrawn lands.

According to the NTP 49 Request and Reclamation's lands status records, the APE in the western portion nearest MP665.2 is located on easement lands where Reclamation retains only a right to deliver and flow project water. The land status in the location of Section 19, T. 41 S., R. 14 E. Willamette Meridian, Klamath County, Oregon shall be treated as private. Redacted Text is primarily located on BLM administered and Private lands; however, the SW1/4 of the NW¹/₄, sec. 20, of the above described township/range is administered by Reclamation. As such, the portions of Redacted Text under Reclamation's jurisdiction are not affected by the activities outline in NTP 49. The APE enters Reclamation jurisdiction approximately halfway through the N½ of the NW¼ of sec. 20 of the above described township/range, terminating just over 800 linear feet within Reclamation jurisdiction at MP 664.6. The APE including access Road K-10G crosses Redacted Text. To Reclamation's knowledge, the portion of the Ruby Pipeline Project covered under NTP 49 does not cross any historic properties on lands under Reclamation jurisdiction. The following stipulations for cultural resources must be followed:

 Ruby shall follow all appropriate avoidance and mitigation measures for cultural resources, as appropriate.

- If unanticipated cultural resources discoveries are identified on Reclamation withdrawn lands, Ruby shall work with the Oregon SHPO and Reclamation to resolve the discovery pursuant to the Unanticipated Discovery Plan outlined in Appendix A of the September 2010 HPTP accepted by Reclamation through the execution of the MOA and the implementing stipulations within dated July 29, 2010.
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Authorized officer is:	
Amy Leuders	Acting Director, BLM, Nevada State Office
Name	Title
Onsite inspection and compliance of the Right-of-Way or TUP stipulations	will be conducted by the authorized officer's representative
Mark Mackiewicz, National Project Manager, WO-350	Price Field Office, 125 South 600 West, Price, Utah 84501
Name of Authorized Officer's Representative	Office, Street, Address, City, State, Zip
(435) 636-3616	
Office Phone Number	Home Phone Number (Optional)
Office I none (varioe)	Trome Prome (Optional)
/s/Mark Mackiewicz	February 1, 2011
Authorized Officer's or Representative's Signature	Date
Holder's acknowledgement when notice is delivered in person.	
	Ruby Pipeline, LLC
Signature of Recipient	Firm Name
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Daniel G. Gredvig	February 1, 2011
Name of Recipient	Date
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