

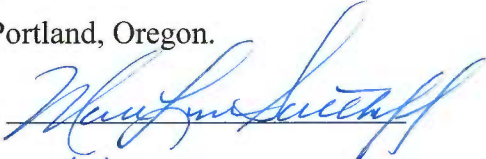


VERIFICATION

I, MardiLyn Saathoff, am Chief Governance Officer, Deputy General Counsel & Corporate Secretary for Northwest Natural Gas Company ("NW Natural") and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Agreement for Assignment of Carry and Earning Agreement between NW Natural, NWN Gas Reserves LLC, and Encana Oil & Gas (USA) Inc., I verify that the attached Agreement for Assignment of Carry and Earning Agreement is a true and accurate copy.

I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct based on my information and belief.

SIGNED this 1 day of February, 2013, at Portland, Oregon.

Signed: 

SUBSCRIBED AND SWORN to before me this 1st day of February, 2013.




Notary Public, State of Oregon
My Commission Expires July 26, 2013

**AGREEMENT FOR ASSIGNMENT OF
CARRY AND EARNING AGREEMENT**

by and between

NORTHWEST NATURAL GAS COMPANY

an Oregon corporation

and

NWN GAS RESERVES LLC

an Oregon limited liability company

and

ENCANA OIL & GAS (USA) INC.

a Delaware corporation

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AGREEMENT FOR ASSIGNMENT OF CARRY AND EARNING AGREEMENT

This AGREEMENT FOR ASSIGNMENT OF CARRY AND EARNING AGREEMENT (this "Agreement") dated January __, 2013, is by and between NORTHWEST NATURAL GAS COMPANY, an Oregon corporation ("NW Natural") with an address of 220 NW Second Avenue, Portland, Oregon 97209-3991, NWN GAS RESERVES LLC, an Oregon limited liability company ("NWN GR") with an address of 220 NW Second Avenue, Portland, Oregon 97209-3991, and ENCANA OIL & GAS (USA) INC., a Delaware corporation ("Encana") with an address of 370 17th Street, Suite 1700, Denver, Colorado 80202. NW Natural, NWN GR, and Encana are sometimes referred to in this Agreement individually each as a "Party" and collectively as the "Parties."

RECITALS

A. NW Natural and Encana are parties to a Carry and Earning Agreement dated and effective as of May 1, 2011, as amended by a Letter Agreement dated March 22, 2011 ("Carry and Earning Agreement").

B. On April 28, 2011, the Oregon Public Utilities Commission issued Order No. 11-140, as subsequently amended by Order No. 11-144, which concluded that entering into the Carry and Earning Agreement is prudent for NW Natural, is likely to produce benefits for NW Natural's customers, reasonably mitigates risks, and the remaining risk is appropriately shared between shareholders and ratepayers. The ratemaking approved in Order No. 11-140 contemplated that, for federal income tax purposes, NW Natural would be entitled to utilize the percentage depletion deductions with respect to its income attributable to the production and sale of natural gas under the Carry and Earning Agreement.

C. As of October 1, 2012, thirty-seven (37) of the one hundred and two (102) Net Carry Wells subject to the Carry and Earning Agreement have been drilled, and Encana has assigned the corresponding oil and gas leasehold interests in the Jonah Field in Sublette County, Wyoming, to NW Natural pursuant to the Carry and Earning Agreement.

D. NW Natural can utilize the percentage depletion deduction if it transfers its interests in and under the Carry and Earning Agreement to NWN GR, whose sole member is Northwest Energy Corporation, an Oregon corporation and wholly owned subsidiary of NW Natural.

E. The Parties desire to enter into this Agreement so that NW Natural can utilize the percentage depletion deduction.

AGREEMENT

IN CONSIDERATION OF ONE HUNDRED DOLLARS (\$100) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

Section 1. EXHIBITS

The following Exhibits are attached to this Agreement and shall be considered part of this Agreement:

- (i) Exhibit A – Property
- (ii) Exhibit B – Form of Memorandum of Assignment of Operating Agreement and Financing Statement
- (iii) Exhibit C – UCC Financing Statement Amendment
- (iv) Exhibit D – Form of Assignment, Bill of Sale and Conveyance

Section 2. DEFINITIONS

All capitalized terms not defined in this Agreement shall have the meanings set forth in the Carry and Earning Agreement. The following terms shall have the following meanings:

- 2.1 “Agreement” has the meaning set forth in the first paragraph of this Agreement.
- 2.2 “Carry and Earning Agreement” has the meaning set forth in the first paragraph of this Agreement.
- 2.3 “Effective Date” shall mean the date the OPUC approves this Agreement in full and without modification in an order satisfactory to NW Natural.
- 2.4 “Encana” has the meaning set forth in the first paragraph of this Agreement.
- 2.5 “Gas Balancing Agreement” shall mean that Gas Balancing Agreement attached to the Operating Agreement as Exhibit “E.”
- 2.6 “Gas Gathering Agreement Attornment Letter” shall mean that Gas Gathering Agreement Attornment Letter executed by NW Natural, Encana, and Enterprise Jonah Gas Gathering Company LLC. The Gas Gathering Agreement Attornment Letter is attached to the Carry and Earning Agreement as Exhibit F.
- 2.7 “Gas Processing Agreement Attornment Letter” shall mean that Gas Processing Agreement Attornment Letter executed by NW Natural, Encana, and Enterprise Gas Processing, LLC. The Gas Processing Agreement Attornment Letter is attached to the Carry and Earning Agreement as Exhibit F.
- 2.8 “Marketing Agreement” shall mean that Natural Gas Marketing Agreement dated and effective May 1, 2011, and executed by NW Natural and Encana. The Marketing Agreement is attached to the Operating Agreement as Exhibit “H.”

2.9 “NW Natural” has the meaning set forth in the first paragraph of this Agreement.

2.10 “NWN GR” has the meaning set forth in the first paragraph of this Agreement.

2.11 “Operating Agreement” shall mean the Model Form Operating Agreement dated and effective May 1, 2011, and executed by NW Natural and Encana. The Operating Agreement is attached to the Carry and Earning Agreement as Exhibit C.

2.12 “OPUC” shall mean the Oregon Public Utilities Commission.

2.13 “Party” and “Parties” have the meanings set forth in the first paragraph of this Agreement.

2.14 “Property” shall mean that certain real property described in Exhibit A to this Agreement.

2.15 “Tax Partnership” shall mean the Tax Partnership Provisions attached to the Operating Agreement as Exhibit “G.”

Section 3. ASSIGNMENTS

3.1 Carry and Earning Agreement. NW Natural assigns, conveys, and transfers all of its interest in the Carry and Earning Agreement, including without limitation all right, title, and interest earned under the Carry and Earning Agreement but not yet assigned to NW Natural, to NWN GR on the Effective Date. On the Effective Date NWN GR is subject to the Carry and Earning Agreement, and NWN GR agrees to be bound by the terms of the Carry and Earning Agreement.

In connection with this assignment, conveyance, and transfer, the Parties agree as follows:

(i) Section 2.42 of the Carry and Earning Agreement defines “Material Change in Financial Condition” to mean “that a Party’s credit rating becomes downgraded to a rating of Ba1 or lower as defined by Moody’s Investors Service, and/or a rating of BB+ or lower as defined by Standard & Poor’s Financial Services.” The Parties agree that notwithstanding this assignment, conveyance, and transfer to NWN GR, “Material Change in Financial Condition” as defined in the Carry and Earning Agreement, shall continue to relate to NW Natural and Encana’s respective credit ratings for so long as NWN GR has an interest in the Carry and Earning Agreement.

(ii) All of Encana’s representations and warranties to NW Natural in the Carry and Earning Agreement, including without limitation the warranty of marketable title in Section 6.2(iv) of the Carry and Earning Agreement, shall extend to, and shall be deemed to have been made by Encana for the benefit of, NWN GR.

3.2 Operating Agreement. NW Natural assigns, conveys, and transfers all of its interest in the Operating Agreement, including without limitation its liens and security interests that arise under the Operating Agreement, to NWN GR on the Effective Date. On or after the Effective Date, NW Natural and NWN GR shall (i) execute and record a Memorandum of Assignment of Operating Agreement and Financing Statement in the form attached as Exhibit B to this Agreement in the real property records for Sublette County, Wyoming, and (ii) file the attached UCC Financing Statement Amendment with the Delaware Secretary of State.

The Parties understand and acknowledge that this assignment, conveyance, and transfer will result in a transfer of an interest in the Tax Partnership for federal income tax purposes and that allocations of income, gain, loss, or deduction for the taxable year in which the Effective Date occurs will be determined in accordance with Section 706 of the Internal Revenue Code (26 U.S.C. § 706). NW Natural's and NWN GR's distributive shares of taxable income, loss, deduction and credits for the taxable year in which the Effective Date occurs should be allocated based on an interim closing of the books consistent with Treasury Regulation 1.706-1(c)(2)(ii).

3.3 Gas Balancing Agreement. NW Natural assigns, conveys, and transfers all of its interest in the Gas Balancing Agreement to NWN GR on the Effective Date. This assignment, conveyance, and transfer is subject to the Operating Agreement, and NWN GR accepts the terms of the Gas Balancing Agreement.

3.4 Marketing Agreement. NW Natural assigns, conveys, and transfers all of its interest in the Marketing Agreement to NWN GR on the Effective Date. Encana consents to NW Natural's assignment, conveyance, and transfer of NW Natural's interest in the Marketing Agreement to NWN GR.

3.5 Gas Gathering Agreement Attornment Letter. NW Natural assigns, conveys, and transfers all of its interest in the Gas Gathering Agreement Attornment Letter to NWN GR on the Effective Date.

3.6 Gas Processing Agreement Attornment Letter. NW Natural assigns, conveys, and transfers all of its interest in the Gas Processing Agreement Attornment Letter to NWN GR on the Effective Date.

3.7 Leasehold Interests in the Property. NW Natural assigns, conveys, transfers, and quitclaims all of its Leasehold Interests in the Property, which are subject to the Operating Agreement, and its personal property on the Property to NWN GR on the Effective Date. On or after the Effective Date NW Natural and NWN GR shall (i) execute an Assignment, Bill of Sale and Conveyance in the form attached as Exhibit D to this Agreement and record it in the real property records of Sublette County, Wyoming, and (ii) execute such other federal/state assignment forms as are necessary to effect this assignment, conveyance, and transfer. Encana shall file the executed federal/state assignment forms in the appropriate BLM or Wyoming Office of State Lands and Investments office; NWN GR shall reimburse Encana for any fees incurred in connection with the filing of these forms.

Section 4. REPRESENTATIONS AND WARRANTIES

Each Party, with respect to itself only, represents and warrants to the other Parties the following:

4.1 Existence. Each Party is duly organized, validly existing and in good standing under the applicable laws of the State of its incorporation or formation, and is qualified to do business and is in good standing in the State of Wyoming.

4.2 Power. Except for the required approval described in Section 5, each Party has all requisite power and authority to (a) own, lease or operate its assets and properties and to carry on the business as now conducted, and (b) enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement.

4.3 Authority. Pending the approval described in Section 5, each Party has taken (or caused to be taken) all acts and other proceedings required to be taken by such Party to authorize the execution, delivery and performance by such Party of this Agreement and the other agreements contemplated in this Agreement. This Agreement has been duly executed and delivered by each Party and constitutes the valid and binding obligation of each Party, enforceable against such Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, moratorium, reorganization or similar laws affecting the rights of creditors generally and by principles of equity, whether considered in a proceeding at law or in equity. Except for the required approval described in Section 5, the execution, delivery and performance of this Agreement by each Party does not and will not (a) conflict with, or result in any violation of or constitute a breach or default (with notice or lapse of time, or both) under (1) any provision of the organizational documents of such Party, or (2) any applicable statute, law, rule, regulation, order, writ, judgment, decree, agreement, instrument or license applicable to such Party, or (b) require the submission of any notice, report, consent or other filing with or from any Governmental Authority or third persons, other than such consents as are customarily obtained after assignment of an interest similar to the Assignment, Bill of Sale and Conveyance.

4.4 Enforceability. This Agreement has been duly executed and delivered by each Party. This Agreement constitute the legal, valid and binding acts and obligations of each Party, enforceable against each Party in accordance with its terms, subject, however, to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and to general principles of equity.

Section 5. CONDITION SUBSEQUENT: OPUC APPROVAL

This Agreement shall have no force and effect unless and until the OPUC approves this Agreement in full and without modification in an order satisfactory to NW Natural.

Section 6. NOTICES

NWN GR's address for notices and communications under the Carry and Earning Agreement shall be as follows:

To NWN GR: NWN Gas Reserves LLC
 220 NW Second Avenue
 Portland, Oregon 97209-3991
 Attention: Randolph Friedman, Director, Gas Supply
 Fax: 503.220.2584

With a copy of all notices to:

NWN Gas Reserves LLC
220 NW Second Avenue
Portland, Oregon 97209-3991
Attention: MardiLyn Saathoff
Fax: 503.220.2584

NWN GR may, upon written notice to Encana, change the address and person to whom such communications are to be directed.

Section 7. RELATIONSHIP OF THE PARTIES

This Agreement is not intended to create, and shall not be construed to create, an association for profit, a trust, a joint venture, a mining partnership or other relationship of partnership, or entity of any kind between the Parties.

Section 8. ENTIRE AGREEMENT

This Agreement and the exhibits to this Agreement contain the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all previous agreements or communications between the Parties, verbal or written, with respect to the subject matter of this Agreement.

Section 9. GOVERNING LAW

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Wyoming, without reference to its conflicts of laws provisions.

Section 10. AMENDMENTS; WAIVER

No amendments or other modifications or changes to this Agreement shall be effective or binding on either Party unless the same shall be in a writing executed by all the Parties. No waiver by a Party of any one or more defaults by another Party in the performance of this

Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different nature.

Section 11. PUBLIC ANNOUNCEMENTS

Unless otherwise agreed or required by law as determined either Party, neither Party shall make any public announcement or statement with respect to this Agreement or the transactions contemplated by this Agreement without the consent of the other Party, provided that the non-announcing Party shall be afforded an opportunity to review and comment upon any required public announcement or statement prior to the announcement or statement being made. A Party shall obtain the consent of the other Party prior to including such other Party's name in a press release issued at any time.

Section 12. SEVERABILITY

If a court of competent jurisdiction determines that any clause or provision of this Agreement is void, illegal, unenforceable or unconscionable under any present or future law (or interpretation thereof), the remainder of this Agreement shall remain in full force and effect, and the clauses or provisions that are determined to be void, illegal, unenforceable or unconscionable shall be deemed severed from this Agreement as if this Agreement had been executed with the invalid provisions eliminated; provided, however, that notwithstanding the foregoing, if the removal of such provisions destroys the legitimate purposes of this Agreement, then this Agreement shall no longer be of any force or effect. The Parties shall negotiate in good faith for any required modifications to this Agreement required as a result of this provision.

Section 13. MUTUALITY

The Parties acknowledge and declare that this Agreement is the result of extensive negotiations between them. Accordingly, if there is any ambiguity in this Agreement, there shall be no presumption that this instrument was prepared solely by either Party.

Section 14. FURTHER ASSURANCES

The Parties shall execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such instruments and take such other action as may be necessary or advisable to carry out their obligations under this Agreement and under any document or other instrument delivered pursuant to this Agreement.

Section 15. RULES OF CONSTRUCTION

The headings of the articles and sections of this Agreement are for guidance and convenience of reference only and shall not limit or otherwise affect any of the terms or provisions of this Agreement. All references in this Agreement to articles, sections, subsections and other subdivisions refer to corresponding articles, sections, subsections and other subdivisions of this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any of such subdivisions are for convenience only and shall not constitute part of

such subdivisions and shall be disregarded in construing the language contained in such subdivisions. Unless the context otherwise requires, “including” and its grammatical variations mean “including without limitation”; “or” is not exclusive; words in the singular form shall be construed to include the plural and vice versa; words in any gender include all other genders; references in this Agreement to any instrument or agreement refer to such instrument or agreement as it may be from time to time amended or supplemented; and references in this Agreement to any Person include such Person’s successors and assigns. All references in this Agreement to exhibits refer to exhibits attached to this Agreement unless expressly provided otherwise. This Agreement has been drafted with the joint participation of the Parties and shall be construed neither against nor in favor of any particular Party but in accordance with the fair meaning thereof.

Section 16. COUNTERPART EXECUTION

This Agreement may be executed by signing an original or a counterpart thereof. If this Agreement is executed in counterparts, all counterparts taken together shall have the same effect as if all the Parties had signed the same instrument.

Section 17. GUARANTEE

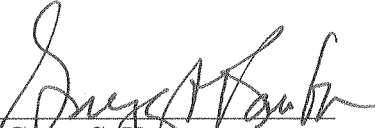
By its execution of this Agreement, NW Natural, the parent corporation of NW GR, fully guarantees the performance of NW GR, a wholly-owned subsidiary of NW Natural, of the terms and conditions of the Carry and Earning Agreement and related agreements, including the Gas Balancing Agreement, Marketing Agreement and Operating Agreement.

[Remainder of page intentionally left blank.]

This Agreement is executed as of the date set forth in the first paragraph of this Agreement and is effective on the Effective Date.


NW Natural:

Northwest Natural Gas Company

By: 
Gregg S. Kantor
Chief Executive Officer

NWN GR:

NWN Gas Reserves LLC

By: 
Gregg S. Kantor
Chief Executive Officer

Encana:

Encana Oil & Gas (USA) Inc.

By: _____
John Schopp
Vice President
North Rockies Business Unit

This Agreement is executed as of the date set forth in the first paragraph of this Agreement and is effective on the Effective Date.

NW Natural:

NWN GR:

Northwest Natural Gas Company

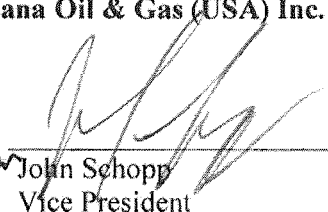
NWN Gas Reserves LLC

By: _____
Gregg S. Kantor
Chief Executive Officer

By: _____
Gregg S. Kantor
Chief Executive Officer

Encana:

Encana Oil & Gas (USA) Inc.

By: 
John Schopp
Vice President
North Rockies Business Unit

JCS
1/17/12

Exhibit A

Attached to and made a part of that
Agreement for Assignment of Carry and Earning Agreement
dated January __, 2013, by and between
Northwest Natural Gas Corporation, NWN Gas Reserves LLC, and
Encana Oil & Gas (USA) Inc.

Property

Updip Area: **Township 29 North, Range 108 West of the 6th P.M.**

Section 32: All

Section 33: All

Section 34: All

Downdip Area: **Township 29 North, Range 108 West of the 6th P.M.**

Section 9: All

Section 10: All

Section 11: SW/4

Section 14: All

Section 15: All

Section 16: All

Section 17: All

All within Sublette County, Wyoming.

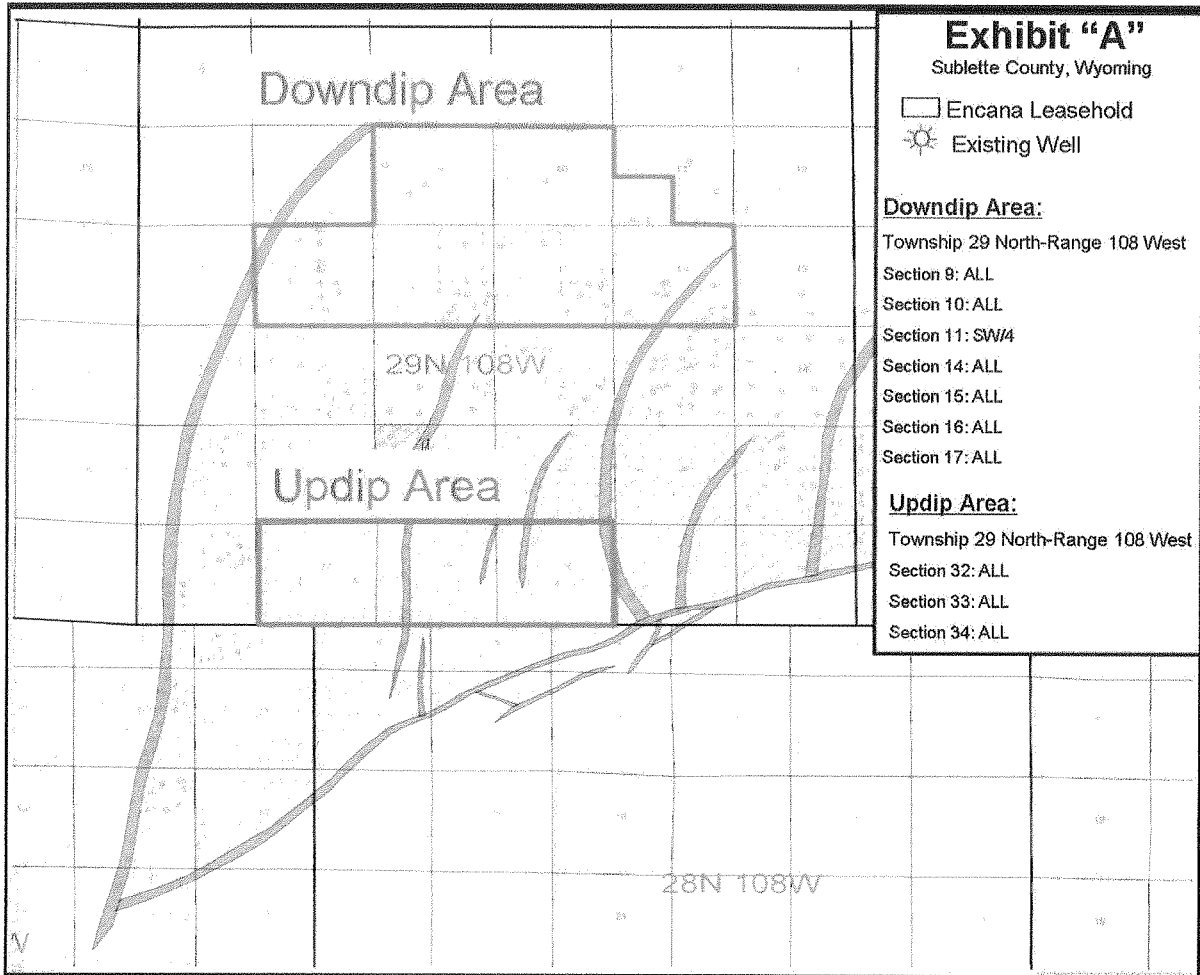


Exhibit B

Attached to and made a part of that
Agreement for Assignment of Carry and Earning Agreement
dated January __, 2013, by and between
Northwest Natural Gas Corporation, NWN Gas Reserves LLC, and
Encana Oil & Gas (USA) Inc.

Form of Memorandum of Assignment of Operating Agreement and Financing Statement

WHEN RECORDED
RETURN TO:

Eric L. Martin
Stoel Rives LLP
900 SW Fifth Ave., Suite 2600
Portland, OR 97204

**MEMORANDUM OF ASSIGNMENT OF OPERATING AGREEMENT
AND FINANCING STATEMENT**

This MEMORANDUM OF ASSIGNMENT OF OPERATING AGREEMENT AND FINANCING STATEMENT ("Memorandum") is made effective as of 7:00 a.m. Mountain Standard Time on the ___ day of _____, 2013 by and between NORTHWEST NATURAL GAS COMPANY, an Oregon corporation ("NW Natural") with an address of 220 NW Second Avenue, Portland, Oregon 97209-3991, and NWN GAS RESERVES LLC, an Oregon limited liability company ("NWN GR") with an address of 220 NW Second Avenue, Portland, Oregon 97209-3991. NW Natural and NWN GR are sometimes referred to in the Memorandum individually each as a "Party" and collectively as the "Parties."

A. Encana Oil and Gas (USA) Inc. ("Encana") and NW Natural entered into a modified A.A.P.L. Form 610-1989 Model Form Operating Agreement effective May 1, 2011 (the "Operating Agreement") covering the Leases described on attached Exhibit A and designating Encana as Operator.

B. The Operating Agreement provides for certain liens and/or security interests to secure the obligations of, and payment by the parties of their respective share of costs under, the Operating Agreement.

C. To perfect the liens and/or security interests provided for in the Operating Agreement and to place third parties on notice of Encana and NW Natural's rights and obligations under the Operating Agreement, (i) Encana and NW Natural executed a Memorandum of Operating Agreement and Financing Statement made and effective May 1, 2011, which memorandum was recorded on July 8, 2011, as Doc. No. 355681 in Book 146 of Oil & Gas at Page 135 in the official records of Sublette County, Wyoming, and (ii) NW Natural filed a UCC Financing Statement with the Delaware Secretary of State on May 31, 2011 as Filing No. 2011 2071317.

D. NW Natural has assigned, conveyed, and transferred its interest in the Operating Agreement, including without limitation its liens and security interests against Encana that arise under the Operating Agreement, to NWN GR by an Agreement for Assignment of Carry and Earning Agreement dated December __, 2012 and effective of even date herewith.

E. The purpose of this instrument is to place third parties on notice of the assignment of the perfected liens and/or security interests.

NOW THEREFORE, the Parties agree as follows:

1. NW Natural assigned, conveyed, and transferred its interest in the Operating Agreement, including without limitation its liens and security interests that arise under the Operating Agreement, to NWN GR effective _____.

2. Additional information regarding NW GR:

<u>Entity Name</u>	<u>Type</u>	<u>Jurisdiction</u>	<u>Organizational Number</u>
NWN Gas Reserves LLC	limited liability company	Oregon	[to be completed after formation]

3. All terms and conditions of, and liens and security interests that arise under, the Operating Agreement remain in full force and effect.

EXECUTED as of the date first written above.

NW Natural:

NWN GR:

Northwest Natural Gas Company

NWN Gas Reserves LLC

By: _____
Gregg S. Kantor
Chief Executive Officer

By: _____
Gregg S. Kantor
Chief Executive Officer

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on _____, 2013, by Gregg S. Kantor, as Chief Executive Officer of Northwest Natural Gas Company, an Oregon corporation, and as Chief Executive Officer of NWN Gas Reserves LLC, an Oregon limited liability company.

Notary Public for Oregon
My Commission expires:
Commission No.:

EXHIBIT A

Leases

All located in Sublette County, Wyoming

Updip Leases

A) Lessor: USA WYW 125944
Lessee: High Plains Energy Company
Effective Date: January 1, 1992
Recorded: Recorded April 27, 2000 in Book 115 of Oil and Gas, Page 36

Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 32: All
Section 33: All

B) Lessor: USA WYW 100902
Lessee: Eugene J. Wait, Jr.
Effective Date: August 1, 1986
Recorded: Recorded August 27, 1987, in Book 79 of Oil and Gas, Page 337 and rerecorded on October 2, 1997 in Book 105 of Oil and Gas, Page 545

Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 34: All

Downdip Leases

Limited to wellbores of "Carry Wells" drilled pursuant to the terms of that certain Carry and Earning Agreement dated May 1, 2011 between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company, and to the rights in and to the leases described herein insofar and only insofar as said leases are necessary to operate, maintain, produce, and plug and abandon the wells.

C) Lessor: USA WYW 128703
Lessee: McMurry Oil Company
Effective Date: March 1, 1993
Recorded: March 4, 1993, in Book 92 of Oil and Gas, Page 12

Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 10: NE/4, SW/4
Section 14: NE/4, N/2SW/4

D) Lessor: USA WYW 118154
Lessee: Home Petroleum Corporation
Effective Date: December 1, 1989
Recorded: December 7, 1989, in Book 84 of Oil and Gas, Page 574 and rerecorded on April 26, 1999 in Book 111 of Oil and Gas, Page 108

Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 9: NE/4, SW/4
Section 17: NE/4, SW/4

E) Lessor: USA WYW 144998
Lessee: McMurry Oil Company
Effective Date: May 1, 1992
Recorded: April 23, 1992 in Book 88 of Oil and Gas, Page 470, and rerecorded on April 28, 2000 in Book 115 of Oil and Gas, Page 124

Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 11: SW/4

F) Lessor: USA WYW 127749
Lessee: McMurry Oil Company
Effective Date: November 1, 1992
Recorded: Book 92 of Oil and Gas, Page 198

Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 15: NE/4, SW/4

G) Lessor: St WY 92 00196
Lessee: McMurry Oil Company
Effective Date: April 1, 1992
Recorded: Book 88 of Oil and Gas, Page 445

Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 16: NE/4, SW/4

Exhibit C

Attached to and made a part of that
Agreement for Assignment of Carry and Earning Agreement
dated January __, 2013, by and between
Northwest Natural Gas Corporation, NWN Gas Reserves LLC, and
Encana Oil & Gas (USA) Inc.

UCC Financing Statement Amendment

Exhibit D

Attached to and made a part of that
Agreement for Assignment of Carry and Earning Agreement
dated January __, 2013, by and between
Northwest Natural Gas Corporation, NWN Gas Reserves LLC, and
Encana Oil & Gas (USA) Inc.

Form of Assignment, Bill of Sale and Conveyance

WHEN RECORDED
RETURN TO:

Eric L. Martin
Stoel Rives LLP
900 SW Fifth Ave., Suite 2600
Portland, OR 97204

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

In this ASSIGNMENT, BILL OF SALE AND CONVEYANCE ("Assignment"), dated effective as of 7:00 a.m. Mountain Standard Time, on _____, 2013 (the "Effective Date"), Northwest Natural Gas Company, an Oregon corporation whose address is 220 N.W. Second Avenue, Portland, Oregon 97209-3991 ("Assignor"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, QUITCLAIM, AND CONVEY unto NWN Gas Reserves LLC, an Oregon limited liability company whose address is 220 N.W. Second Avenue, Portland, Oregon 97209-3991 ("Assignee") the following (collectively, the "Assigned Interests"):

- a. All of Assignor's right, title, and interest in the lands described in Part I of attached Exhibit A (the "Property"), including without limitation all rights and interests granted, bargained, sold, transferred, assigned, and conveyed to Assignor by the instruments listed in Part II of attached Exhibit A (the "Prior Assignments"). The Prior Assignments concerned (i) the oil gas Lease listed in Part III of attached Exhibit A and (ii) the wells and associated wellbores described in Part IV of attached Exhibit A (collectively, the "Wells") and the oil gas Leases listed in Part V of attached Exhibit A insofar and only insofar as the Leases listed in Part V are necessary to operate, maintain, produce and plug and abandon the Wells.
- b. All of Assignor's interest in and to the personal property and fixtures associated with all production wells on the Property, including without limitation the following: tubing, casing and other equipment in the wellbore, and wellhead equipment.
- c. All rights under the Gathering Agreement and Processing Agreement, insofar as they relate to the properties and interests described in paragraphs (a) through (b) above and were assigned to Assignor pursuant to the Letters of Attornment attached to the Carry and Earning Agreement.

- d. All surface and subsurface rights incident or appurtenant to the properties and interests described in paragraphs (a) through (b) above, and all of Assignor's right, title and interest in and to all easements, rights-of-way, permits, licenses, servitudes or other similar interests affecting the properties and interests described in paragraphs (a) through (b) above insofar as they are necessary for the production of gas from the Property.
- e. All of Assignor's right to use the Assets insofar as is necessary for the production, gathering and processing of gas produced from the Property.

Assignor and Assignee further agree as follows:

1. This Assignment is made and accepted subject to, and Assignee assumes the Permitted Encumbrances to which the Leases may be subject to, to the extent the Permitted Encumbrances cover and affect the Assigned Interests.
2. Assignee accepts the Assigned Interests subject to all of the express and implied covenants and obligations of the Leases, insofar as they relate to the Assigned Interests. Furthermore, Assignee accepts the Assigned Interests subject to the terms and conditions of all existing valid orders, rules, regulations and ordinances of federal, state and other governmental agencies if any, which cover and affect the Assigned Interests.
3. Assignor warrants title as against all parties claiming an interest in the Assigned Interests by, through or under Assignor. This Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties made or given by others before the Effective Date.
4. This Assignment is made in accordance with, and is subject to all the terms, provisions, and conditions of that certain Agreement for Assignment of Carry and Earning Agreement dated December __, 2012, by and between, Assignor, Assignee, and Encana. Capitalized terms not otherwise defined in this Assignment shall have the meanings provided in the Agreement for Assignment of Carry and Earning Agreement. However, this Assignment is neither intended as, nor shall it be deemed to accomplish, a merger of the terms and provisions directly set out in this Assignment and the terms and provisions of said Agreement for Assignment of Carry and Earning Agreement. Should there be any conflict between this Assignment and the Agreement for Assignment of Carry and Earning Agreement, the terms and conditions set out in the Agreement for Assignment of Carry and Earning Agreement shall prevail. This Assignment is subject to the terms of the First Amended and Restated Gas Gathering Agreement between Jonah Gas Gathering Company and Assignor dated March 21, 2007 but effective as of February 1, 2006.
5. This Assignment is made in accordance with and is subject to (i) that certain unrecorded Operating Agreement dated effective May 1, 2011 and attached as

Exhibit C to that certain Carry and Earning Agreement dated and effective as of May 1, 2011, by and between Encana Oil & Gas (USA) Inc. and Assignor, and (ii) that certain Memorandum of Operating Agreement and Financing Statement made and effective May 1, 2011, by and between Encana Oil & Gas (USA) Inc. and Assignor, which memorandum was recorded on July 8, 2011, as Doc. No. 355681 in Book 146 of Oil & Gas at Page 135 in the official records of Sublette County, Wyoming. Should there be any conflict between this Assignment and the foregoing Operating Agreement, the terms and conditions set out in this Assignment shall prevail.

6. The references in this Assignment to liens, encumbrances, burdens, defects, agreements and other matters shall not be deemed to recognize or create any rights in third parties or merge with, modify, or limit the rights of Assignor or Assignee, as between themselves.

TO HAVE AND TO HOLD the Assigned Interests unto Assignee and its successors and assigns, subject to all the express and implied covenants and obligations of the Leases and this Assignment.

EXECUTED this ___ day of _____, 2013, but effective as of the Effective Date.

Assignor:

Assignee:

Northwest Natural Gas Company

NWN Gas Reserves LLC

By: _____
Gregg S. Kantor
Chief Executive Officer

By: _____
Gregg S. Kantor
Chief Executive Officer

Exhibit A

Part I. Property

The Property consists of the following described lands in Sublette County, Wyoming:

Township 29 North, Range 108 West of the 6th P.M.

Section 9: All
Section 10: All
Section 11: SW/4
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 32: All
Section 33: All
Section 34: All

Part II. Prior Assignments

- A. Wellbore Assignment and Conveyance between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company recorded September 16, 2011, as Doc. No. 356821 in Book 146 of Oil & Gas at Page 422 in the official records of Sublette County, Wyoming.
- B. Assignment and Stipulation of Interest between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company recorded September 16, 2011, as Doc. No. 356822 in Book 146 of Oil & Gas at Page 428 in the official records of Sublette County, Wyoming.
- C. Assignment and Stipulation of Interest between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company recorded December 6, 2011, as Doc. No. 358069 in Book 146 of Oil & Gas at Page 741 in the official records of Sublette County, Wyoming.
- D. Wellbore Assignment and Conveyance between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company recorded December 6, 2011, as Doc. No. 358070 in Book 146 of Oil & Gas at Page 748 in the official records of Sublette County, Wyoming.
- E. Wellbore Assignment and Conveyance between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company recorded April 16, 2012, as Doc. No. 360180 in Book 147 of Oil & Gas at Page 394 in the official records of Sublette County, Wyoming.
- F. Assignment and Stipulation of Interest between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company recorded April 16, 2012, as Doc. No. 360182 in Book 147 of Oil & Gas at Page 401 in the official records of Sublette County, Wyoming.

- G. Assignment and Stipulation of Interest between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company recorded June 4, 2012, as Doc. No. 361029 in Book 147 of Oil & Gas at Page 640 in the official records of Sublette County, Wyoming.
- H. Wellbore Assignment and Conveyance between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company recorded June 4, 2012, as Doc. No. 361030 in Book 147 of Oil & Gas at Page 647 in the official records of Sublette County, Wyoming.
- I. Assignment and Stipulation of Interest between Encana Oil & Gas (USA) Inc. and Northwest Natural Gas Company recorded September 12, 2012, as Doc. No. 362501 in Book 148 of Oil & Gas at Page 172 in the official records of Sublette County, Wyoming.
- J. [Placeholder for Wellbore Assignment and Conveyance executed for interests earned in the third quarter of 2012]
- K. [Placeholder for Assignment and Stipulation of Interest executed for interests earned in the third quarter of 2012]

Part III. Updip Area Lease

Lessor: USA WYW 125944
 Lessee: High Plains Energy Company
 Effective Date: January 1, 1992
 Description: Only insofar as the lease covers
 Township 29 North, Range 108 West, 6th P.M.
 Section 32: All
 Section 33: All

Part IV. Downdip Area Wells

Stud Horse Butte 54-09
 API: 49-035-28060
 Lot 12, Section 9, Township 29 North, Range 108 West, 6th P.M.
 Sublette County, Wyoming

Stud Horse Butte 55-09
 API: 49-035-28059
 Lot 12, Section 9, Township 29 North, Range 108 West, 6th P.M.
 Sublette County, Wyoming

Stud Horse Butte 75-09
 API: 49-035-28089
 Lot 13, Section 9, Township 29 North, Range 108 West, 6th P.M.
 Sublette County, Wyoming

Stud Horse Butte 69-09

API: 49-035-28066

Lot 11, Section 9, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 76-09

API: 49-035-28086

Lot 13, Section 9, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 60-09

API: 49-035-28067

Lot 11, Section 9, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 58-09

API: 49-035-28057

Lot 12, Section 9, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 57-09

API: 49-035-28063

Lot 12, Section 9, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 113-09

API: 49-035-28107

Lot 12, Section 9, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 76-10

API: 49-035-28454

Lot 14, Section 10, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 33-15

API: 49-035-25961 (incorrectly identified as API 49-035-28357 in Exhibit A to the
Wellbore Assignment and Conveyance recorded April 16, 2012, in Book 147 of Oil &
Gas at Page 394 in Sublette County, Wyoming)

Lot 8, Section 15, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 58-15
API: 49-035-28357
Lot 12, Section 15, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 54-15
API: 49-035-28358
Lot 12, Section 15, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 92-15
API: 49-035-28351
Lot 8, Section 15, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 114-15
API: 49-035-28350
Lot 14, Section 15, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 124-15
API: 49-035-28421
Lot 13, Section 15, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 110-16
API: 49-035-27963
NWSW, Section 16, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 92X-17
API: 49-035-28640
Lot 1, Section 17, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 94-17
API: 49-035-28422
Lot 1, Section 17, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 83-17
API: 49-035-28630
Lot 2, Section 17, Township 29 North, Range 108 West, 6th P.M.
Sublette County, Wyoming

Stud Horse Butte 82-17

API: 49-035-28642

Lot 2, Section 17, Township 29 North, Range 108 West, 6th P.M.

Sublette County, Wyoming

Part V. DOWNDIP AREA LEASES

Lessor: USA WYW 128703
Lessee: McMurry Oil Company
Effective Date: March 1, 1993
Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 10: NE/4, SW/4
Section 14: NE/4, N/2SW/4

Lessor: USA WYW 118154
Lessee: Home Petroleum Corporation
Effective Date: December 1, 1989
Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 9: NE/4, SW/4
Section 17: NE/4, SW/4

Lessor: USA WYW 127749
Lessee: McMurry Oil Company
Effective Date: November 1, 1992
Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 15: NE/4, SW/4

Lessor: St WY 92 00196
Lessee: McMurry Oil Company
Effective Date: April 1, 1992
Description: Only insofar as the lease covers
Township 29 North, Range 108 West, 6th P.M.
Section 16: NE/4, SW/4