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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 31, 1998

OCCIDENTAL PETROLEUM CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	1-9210	95-4035997
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

10889 Wilshire Boulevard, Los Angeles, California 90024
(Address of principal executive offices) (ZIP code)

Registrant's telephone number, including area code:
(310) 208-8800

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Item 2. Acquisition or Disposition of Assets

1. Completion of MidCon Sale. Occidental Petroleum Corporation, a Delaware corporation ("Occidental" or the "Registrant"), completed the sale (the "Sale") of all of the issued and outstanding shares of common stock, \$.01 par value per share (the "Shares"), of MidCon Corp., a Delaware corporation ("MidCon"), through which the Registrant conducted its natural gas transmission and marketing business, to KN Energy, Inc., a Kansas corporation ("KN"), effective 11:59 p.m., C.S.T., on January 31, 1998 (the "Closing Date").

Occidental sold the Shares to KN in return for a cash payment of \$2,103,974,390. In connection with the Sale, KN issued a fixed-rate interest bearing note secured by letters of credit, payable January 4, 1999, to Occidental in the initial principal amount of \$1,394,846,122 (the "Note"), in exchange for a note previously issued to Occidental by the MidCon Corp. ESOP Trust (the "Trust"). KN also assumed responsibility for certain Texas intrastate pipeline lease obligations of MidCon with a 29 year term and average lease rentals of approximately \$30 million per year.

Concurrently with the closing of the Sale, Occidental effected the redemption of all 1,400,000 issued and outstanding shares of Occidental's Cumulative MidCon-Indexed Convertible Preferred Stock, par value \$1.00 per share (the "CMIC Preferred Stock"), which were issued to and held by the Trust. In addition to the Note, after payment of the redemption price for the CMIC Preferred Stock, taxes and certain other expenses of the Sale, the estimated net cash proceeds from the transaction were approximately \$1.7 billion.

As a result of these transactions, in the fourth quarter Occidental classified MidCon and its subsidiaries as a discontinued operation and took a charge against earnings of approximately \$750,000,000.

2. Completion of Elk Hills Naval Petroleum Reserve Acquisition. On February 5, 1998, Occidental acquired the U.S. government's 78.1 percent interest (the "Elk Hills Interest") in the Elk Hills Naval Reserve oil and gas fields for approximately \$3.5 billion. The acquisition of the Elk Hills Interest was funded using a portion of the proceeds from the divestiture of MidCon, together with the proceeds of commercial paper borrowings. The commercial paper will eventually be repaid from the proceeds of sales of other non-strategic assets or the issuance of other securities. The Elk Hills Field is about 35 miles west of Bakersfield, California and is approximately 15 miles long and 5 miles wide. The field produces premium, light (an average 31 degree API gravity), low -sulfur crude oil.

Occidental believes that production for the account of the Elk Hills Interest will increase from the application of improved drilling techniques. Occidental also expects that income from the Elk Hills Interest will be increased through various cost efficiencies. The Elk Hills Field has produced more than one billion barrels to date, making it one of the fourteen most productive fields in the United States.

Item 5. Other Events

Recent Developments.

1. Preferred Stock Redemption. The Registrant announced on February 4, 1998, that it will redeem on March 6, 1998, all 3,606,484 outstanding shares of its \$3.875 cumulative convertible voting preferred stock at a call price of \$51.9375 per share plus accumulated and unpaid dividends to the redemption date. Each share of \$3.875 voting preferred stock is currently convertible at the option of the holder, to the redemption date, into approximately 2.2 shares of common stock of Occidental. The closing price of the Occidental common stock on the New York Stock Exchange on February 3, 1998, was \$25.8125 per share. If all of the shares of \$3.875 voting preferred stock were converted into common stock, Occidental would issue approximately 7.9 million shares of common stock.

2. Share Repurchase Program. In late 1997 Occidental announced a 40 million share common stock repurchase program. Since then, approximately 9.9 million shares of Occidental common stock have been repurchased. Occidental expects to complete its share repurchase program by the end of 1998.

3. New Oil Field in Qatar. On December 10, 1997, Occidental announced the signing of a production-sharing agreement with state-owned Qatar General Petroleum Corporation to develop the Idd El Shargi South Dome ("ISSD") oil field offshore Qatar. The field is approximately 15 miles from the Idd El Shargi North Dome that has been operated by Occidental since late 1994. The ISSD development program calls for drilling 36 wells on three platforms, including 21 producers, 13 injectors and two water-disposal wells.

4. Completion of Venezuela Oil Operation Sale. On February 4, 1998, the Registrant sold 100 percent of the stock of Compania Occidental de Hidrocarburos, Inc., which held Occidental's interest in the DZO Block oilfield-development project in Venezuela, to Union Texas Petroleum Holdings for approximately \$204.5 million in cash plus contingent payments of up to \$90 million over six years, based on oil prices. Its interest produced an average of approximately 25,000 barrels of oil per day in 1997.

5. Legal Proceedings.

(a) In its Form 8-K filing on July 18, 1997, the Registrant reported that it had been informed that the Securities and Exchange Commission (the "SEC") would conduct a private, formal investigation as a result of certain matters described in a May 12, 1997, Wall Street Journal article concerning the Registrant's business dealings with several foreign consultants. According to the SEC, the purpose of its investigation is to determine whether the Registrant may have violated the federal securities laws, including the Foreign Corrupt Practices Act and the reporting requirements of the Securities Exchange Act of 1934, as amended. That investigation is currently ongoing. The Registrant has cooperated with the SEC and has produced documents in response to an SEC subpoena.

The Registrant is unable to predict how long the SEC investigation will take, what the results of the investigation may be or the specific impact that the SEC investigation, or any investigation relating to these matters by any other government agency, may have on the Registrant's business or financial position. However, based upon the information available to the Registrant, the Registrant does not believe that the results of any such investigation should have a material adverse effect upon the Registrant's consolidated financial position or results of operations in any given year.

(b) On January 28 and 29, 1998, two shareholder derivative actions were filed in Los Angeles Superior Court against the Board of Directors of Occidental and Occidental, as a nominal defendant, with respect to the payments made in 1997 to the Registrant's Chairman and President in connection with the restructuring of their respective employment agreements. The Teachers' Retirement System of Louisiana is the plaintiff in the first case, while Rita Edelson, Paul Klingenstein and Clayton J. Steenson are named as plaintiffs in the second action. Occidental is named as a nominal defendant in these derivative actions. No relief is sought against Occidental. The complaints allege, among other things, corporate waste, breach of fiduciary duty and unjust enrichment. The plaintiffs in both actions seek, among other things, compensatory damages and equitable and declaratory relief and seek to impose a constructive trust on the 1997 payments and request that the Occidental Board be ordered to rescind the payments. In addition, the plaintiffs in one of the actions seek a declaration that the restated and amended employment agreements are null and void and an order enjoining the receipt of remuneration under the amended and restated agreements. In both actions, the plaintiffs seek award of attorneys' fees and costs.

Item 7. Financial Statements and Exhibits

(a) Financial statements of businesses acquired.

1. To be filed by amendment.*

(b) Pro forma financial information.

1. Pro forma information with respect to the acquisition of the Elk Hills Field to be filed by amendment.*

2. The pro forma information with respect to the disposition of MidCon is not required, but restated financial statements for the past year, reflecting the treatment of MidCon as a discontinued operation, are included in Occidental's Current Report on Form 8-K, dated January 30, 1998, which was filed with the SEC on such date.

(c) Exhibits.

10.1. Stock Purchase Agreement dated as of December 18, 1997, by and among Occidental, as seller, and KN Energy, Inc., as buyer, together with the exhibits thereto.

10.2. Amendment No. 1 to Stock Purchase Agreement dated January 30, 1998, between Occidental, as seller, and KN Energy, Inc., as buyer, together with exhibit thereto.

10.3. Supplemental Agreement dated as of January 20, 1998, by and between Occidental and KN Energy, Inc., together with the exhibits thereto.

10.4. Grant of Option Agreement, executed October 5, 1997, between the U.S. Department of Energy and Occidental (filed as Exhibit 10.1 of the Quarterly Report on Form 10-Q of Occidental for the fiscal quarter ended September 30, 1997, File No. 1-9210, and incorporated herein by this reference).

* Financial statements and pro forma information with respect to the acquisition of the Interest in the Elk Hills field are to be filed by amendment not later than 60 days after the date that this report on Form 8-K is filed with the SEC.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION
(Registrant)

DATE: February 10, 1998

S. P. DOMINICK, JR.

S. P. Dominick, Jr., Vice
President and Controller
(Chief Accounting and Duly
Authorized Officer)

EXHIBIT 10.1

STOCK PURCHASE AGREEMENT

dated December 18, 1997

by and between

Occidental Petroleum Corporation,
as Seller

and

KN Energy, Inc.
as Buyer

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NUMBER	TITLE

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Schedule 2.9	MidCon Significant Subsidiaries
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	(ii) Number Of Shares Of Authorized Capital Stock
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	(iv) Name Of Holders Of Shares Of Each Class
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Schedule 2.13	Litigation of MidCon
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Schedule 2.16	Contracts of MidCon
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- 2.16.2 Agreements relating to Future Acquisitions or Dispositions in Excess of \$10,000,000
- 2.16.3 Affiliate Contracts
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Schedule 2.17	Undisclosed Liabilities
Schedule 2.18	Tax Matters
Schedule 3.3	Non-Contravention of the Buyer
Schedule 5.1.1	Exceptions to the Seller's Operations Covenant
Schedule 5.2.3	Seller Employee Obligations
Schedule 5.2.5	Commitments of MidCon
Exhibit 4.2.3	Opinion of Counsel to the Seller
Exhibit 4.3.4	Opinion of Counsel to the Buyer
Exhibit 5.1.5(a)	Insurance Release Agreement
Exhibit 5.1.5(b)	Insurance Novation Agreement
Exhibit 9.83	Form of Substitute Promissory Note
Exhibit 9.88	Form of Term Loan Assignment Agreement

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT, dated as of December 18, 1997, by and between Occidental Petroleum Corporation, a Delaware corporation (the "Seller"), and KN Energy, Inc., a Kansas corporation (the "Buyer"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in Article IX of this Agreement.

W I T N E S S E T H:
- - - - -

WHEREAS, the Seller owns all of the issued and outstanding Common Stock of MidCon; and

WHEREAS, the Seller desires to sell and the Buyer desires to purchase the Shares upon the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the Boards of Directors of the Seller and the Buyer have approved the acquisition of MidCon by the Buyer; and

NOW, THEREFORE, in consideration of, and subject to, the mutual covenants, agreements, terms and conditions herein contained, the Parties agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES

1.1 Sale and Purchase of Shares. Subject to and upon the terms and conditions set forth in this Agreement, including the Buyer's delivery of the Substitute Note, at the Closing, the Seller shall sell, assign, transfer and convey to the Buyer, and the Buyer shall purchase and acquire from the Seller, all of the Shares.

1.2 Purchase Price. The purchase price for the Shares (the "Purchase Price") shall be \$2,103,974,390 to be paid by the Buyer to the Seller at the Closing by wire transfer of immediately available funds to the bank account of the Seller which shall be designated by the Seller to the Buyer in writing not later than three (3) Business Days prior to the Closing Date.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Buyer as follows:

2.1 Organization and Qualification.

2.1.1 The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

2.1.2 MidCon is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. MidCon has all requisite corporate power to own, use or lease its properties and to carry on its business as it is now being conducted.

MidCon is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction where both (a) the character of its properties owned or held under lease or the nature of its activities makes such qualification necessary and (b) the failure to qualify would have a Material Adverse Effect on MidCon and its Subsidiaries, taken as a whole. The Seller has delivered to the Buyer a complete and correct copy of the Certificate of Incorporation and By-laws of MidCon, each as in effect on the date hereof.

2.2 Authority. The Seller has full corporate power to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby on the part of the Seller have been duly and validly authorized by the Seller's Board of Directors, and no other corporate proceedings on the part of the Seller are necessary, as a matter of law or otherwise, for the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Seller and is a valid and binding agreement of the Seller, enforceable against it in accordance with its terms.

2.3 Noncontravention. Except as provided on Schedule 2.3, the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the performance by the Seller of its obligations hereunder will not:

(a) conflict with or result in any breach of any provision of the Certificate of Incorporation or By-laws of the Seller, MidCon or any Significant Subsidiary;

(b) require any consent, approval, order, authorization or permit of, or registration, filing with or notification to, any Governmental Entity or any private third party, except for filings, consents, approvals, orders, authorizations or permits which (i) are required under the HSR Act; (ii) are required by the FERC; (iii) are required by the Texas Railroad Commission; (iv) are required by the Kansas Corporation Commission; (v) will not result in a Material Adverse Effect on MidCon and its Subsidiaries, taken as a whole; or (vi) will not prevent the consummation of the transactions contemplated hereby, if not made or acquired;

(c) result in any violation or breach of, or constitute a default under (or give rise to any right of termination, cancellation or acceleration or guaranteed payments under or to a loss of a material benefit or result in the creation or imposition of a lien under), any of the terms, conditions or provisions of any note, lease, mortgage, indenture, license, agreement or other instrument or obligation to which the Seller is a party or by which the properties or assets of the Seller may be bound, or, to the Seller's Knowledge, to which MidCon or any of its Significant Subsidiaries is a party or by which the properties or assets of MidCon or its Significant Subsidiaries may be bound, except for such violations, breaches, defaults, or rights of termination, cancellation or acceleration, or losses which would not result in a Material Adverse Effect on MidCon and its Subsidiaries, taken as a whole;

(d) violate the provisions of any order, writ, injunction, judgment, decree, statute, rule or regulation applicable to the Seller, or to the Seller's Knowledge, to MidCon or any of its Significant Subsidiaries, that would result in a Material Adverse Effect on MidCon and its Subsidiaries, taken as a whole; or

(e) result in the creation of any Encumbrance upon the Shares under any agreement or instrument to which the Seller is a party or by which the Seller is bound, or, to Seller's Knowledge, upon any of the properties or assets of MidCon or any of its Significant Subsidiaries under any agreement or instrument to which MidCon or its Significant Subsidiaries is a party or by which MidCon or its Significant Subsidiaries is bound.

2.4 MidCon's Capitalization. MidCon has an authorized capitalization consisting solely of 1,400,000 shares of common stock, par value \$.01 per share ("Common Stock"). There are 1,400,000 shares of Common Stock issued and outstanding, all of which are owned, beneficially and of record, by the Seller (the "Shares") free and clear of all Encumbrances except as set forth on Schedule 2.3. The Shares have been validly issued, are fully paid and nonassessable. No agreement or other document grants or imposes on any Shares any right, preference, privilege or restriction with respect to the transaction contemplated hereby (including, without limitation, any right of first refusal).

2.5 Utility Status. Neither the Seller, MidCon nor any of its Significant Subsidiaries is a "Holding Company" or a "Public Utility Company" or a "Gas Utility Company" as those terms are defined in the PUHCA.

2.6 Waiver by the MidCon ESOP Trust. The Seller has obtained a written waiver by the MidCon ESOP Trust of all its rights to exchange the CMIC Preferred Stock for, or to cause a third party to acquire, the Shares pursuant to the MidCon ESOP Agreements.

2.7 Finders and Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other similar fee or commission in connection with the transactions contemplated by this Agreement as a result of arrangements made by or on behalf of the Seller or MidCon other than (a) Merrill Lynch & Co. and Credit Suisse First Boston Corporation, the fees of whom will be paid by the Seller and (b) the agreements with the MidCon ESOP Trustee and its advisors, which fees and expenses will be paid by MidCon.

2.8 Investment Purpose. The Seller is acquiring the Substitute Note for its own account and not with a view to any sale or distribution thereof in violation of any securities laws. The Seller has no present intention of selling, distributing or otherwise disposing of any portion of the Substitute Note in violation of any such laws. The Seller acknowledges that the Substitute Note has not been registered or qualified under the Securities Act or any state securities laws and may not be sold, assigned, pledged or otherwise disposed of in the absence of such registration unless an exemption from such registration is available.

2.9 MidCon Significant Subsidiaries. Schedule 2.9 sets forth for each Significant Subsidiary (i) its name and jurisdiction of organization, (ii) the number of shares of authorized capital stock of each class of its capital stock, (iii) the number of issued and outstanding shares of each class of its capital stock, (iv) the names of the holders of shares of each class of stock and the number of shares held by such holder, and (v) the number of shares of its capital stock held in treasury. Each of the Significant Subsidiaries is a corporation, validly existing and in good standing under the laws of its jurisdiction of incorporation, is qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the character of such

Subsidiary's properties or the nature of its business makes such qualification necessary, except in jurisdictions, if any, where the failure to be so qualified would not result in a Material Adverse Effect on MidCon and its Subsidiaries, taken as a whole. Each of the Significant Subsidiaries has the requisite corporate power to own, use or lease its properties and to carry on its business as it is now being conducted. All the issued and outstanding shares of capital stock of each Significant Subsidiary have been duly authorized and are validly issued, fully paid and nonassessable; and except as set forth on Schedule 2.9, there are no outstanding or authorized rights of ----- any Person that could require any Significant Subsidiary to issue, sell or otherwise cause to become outstanding any of its capital stock.

2.10 Financial Statements. Schedule 2.10 sets forth the ----- audited consolidated financial statements of MidCon and its consolidated Subsidiaries (including any related notes and schedules) for each of the three years ended December 31, 1994, 1995 and 1996 and for the ten months ended October 31, 1997 (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis and present fairly in all material respects the consolidated financial position of MidCon and its consolidated Subsidiaries as of the date thereof, and the consolidated results of operations and cash flows of MidCon and its consolidated Subsidiaries for the periods presented therein (except as may be indicated in the notes thereto and subject, in the case of financial statements for the ten-month period ended October 31, 1997, to normal and recurring year-end adjustments and the absence of amounts for the comparable period in 1996).

2.11 Seller's SEC Reports. The Seller files reports, statements and schedules with the SEC pursuant to the Securities Exchange Act (collectively, the "SEC Reports"). None of the SEC Reports, to the extent they refer to MidCon and its Subsidiaries, contain, as of their respective dates, any untrue statement of a material fact, or omit, as of their respective dates, to state a fact required to be stated therein or necessary in order to make the statements made therein, in each case, as it relates to MidCon and its Subsidiaries, in light of the circumstances under which they were made, not misleading.

2.12 Absence of Certain Changes or Events. Except as contemplated by this Agreement, or as disclosed in the Financial Statements or Schedule 2.12, to the Seller's Knowledge, since October 31, 1997, (a) MidCon and its Significant Subsidiaries have conducted their respective businesses only in the ordinary course, consistent with past practice during the immediately preceding twelve month period, and (b) as of the date hereof there has not occurred or arisen any event that has had or, insofar as reasonably can be foreseen, is likely in the future to have, a Material Adverse Effect on MidCon and its Subsidiaries, taken as a whole, other than events or developments generally affecting the industry in which MidCon and its Subsidiaries operate.

2.13 Litigation. Except as recorded or disclosed in the Financial Statements or Schedule 2.13, to the Seller's Knowledge, as of the date hereof, no actions, suits, arbitration proceedings or governmental proceedings are pending or threatened against MidCon or any of its Significant Subsidiaries which would have a Material Adverse Effect on MidCon and its Subsidiaries, taken as a whole.

2.14 Compliance with Law. Except as recorded or disclosed in

the Financial Statements or Schedule 2.14, to the Seller's

Knowledge, neither MidCon nor any of its Significant Subsidiaries
is in violation of any federal, state, local or foreign law,
ordinance, regulation, judgment, order or decree, the violation
of which would have a Material Adverse Effect on MidCon and its
Subsidiaries, taken as a whole.

2.15 Employees and Employee Benefit Matters. To the Seller's

Knowledge, (i) each "employee benefit plan", as defined in
Section 3(3) of ERISA, maintained by MidCon or its Significant
Subsidiaries complies in all material respects with all
applicable requirements of ERISA and of the Code, and other
applicable laws; and (ii) neither MidCon nor any of its
Significant Subsidiaries, nor any of their respective directors,
officers, employees or agents has, with respect to any employee
benefit plan maintained by MidCon or its Significant
Subsidiaries, engaged in any "prohibited transaction," as such
term is defined in Section 4975 of the Code or Section 406 of
ERISA, which would result in any taxes or penalties on prohibited
transactions under Section 4975 of the Code or under
Section 502(i) of ERISA, which would have a Material Adverse
Effect on MidCon and its Subsidiaries, taken as a whole.

2.16 Contracts. Schedule 2.16 sets forth a true and complete

list of each of the following contracts that are currently in
effect and to which MidCon or any of its Significant Subsidiaries
is a party, or by which any of their assets or properties is
bound:

2.16.1 each contract which provides for (i) the
borrowing of money by MidCon or any of the Significant
Subsidiaries or (ii) the direct or indirect guarantee by MidCon
or any

of the Significant Subsidiaries of any obligation of any other Person for borrowed money that, in either case, exceeds \$10,000,000.

2.16.2 each contract which provides for the future disposition or acquisition by MidCon or any of the Significant Subsidiaries of any assets or properties of any Person or of any interest in any business enterprise (other than the disposition or acquisition of investments in the ordinary course of business and consistent with past practice) that involves consideration in excess of \$10,000,000.

2.16.3 each contract to which the Seller or any Affiliate of the Seller (other than MidCon and its Subsidiaries) is a party (including those relating to allocations of expenses, personnel, services, or facilities);

2.16.4 each contract to which MidCon or any of the Significant Subsidiaries is a party relating to its ownership in a joint venture or similar arrangement involving an investment by MidCon of \$5 million or more;

2.16.5 each contract not disclosed pursuant to the foregoing clauses 2.16.1 through 2.16.4 that involves a contractual commitment for the payment, pursuant to the terms of such contract, by or to MidCon or any of the Significant Subsidiaries of more than \$50,000,000.

To the Knowledge of the Seller, neither MidCon nor any of the Significant Subsidiaries nor any other Party to any such contract is currently in violation, breach or default under any such contract or, with or without notice or lapse of time or both, would be in violation or breach of

or default under any such contract, except such as would not have a Material Adverse Effect on MidCon and its Subsidiaries, taken as a whole.

2.17 No Undisclosed Liabilities. Except as set forth in Schedule 2.17, to the Seller's Knowledge, MidCon and its consolidated Subsidiaries have no liabilities or obligations that would be required to be recorded or disclosed in a consolidated balance sheet of MidCon and its consolidated Subsidiaries, or footnotes thereto, prepared as of the date that this representation is made, in accordance with GAAP, other than liabilities and obligations recorded or disclosed in the balance sheet included in or in footnotes to the Financial Statements, or incurred in the ordinary course of business since October 31, 1997.

2.18 Tax Matters. Except as provided on Schedule 2.18: (i) the Seller has filed, or has caused MidCon and its Subsidiaries to have timely filed, all Tax Returns the due date of which is on or prior to the Closing Date; (ii) MidCon and its Subsidiaries, or the Seller on their behalf, have timely paid all Taxes shown as due and payable on such Tax Returns; (iii) adequate accruals or provisions including current Tax liabilities, all in accordance with GAAP applied on a consistent basis for all Taxes due with respect to any period ending on or prior to December 31, 1997 will have been made in the 1997 Financial Statements; (iv) no assessment of Tax has been proposed in writing against MidCon or its Subsidiaries or any of their assets or properties; (v) neither MidCon nor any of its Subsidiaries has an outstanding agreement, waiver or arrangement extending any statute of limitations in respect of Taxes or has agreed to any extension of time with respect to a Tax assessment or deficiency except in all cases which would not have a Material Adverse Effect on MidCon and its Subsidiaries, taken

as a whole. The statute of limitations in respect of federal Taxes has expired through the period set forth on Schedule 2.18. Schedule 2.18 lists all federal Tax Returns that are currently the subject of audit.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Seller as follows:

3.1 Organization and Qualification. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of Kansas. The Buyer has all requisite corporate power to own, use or lease its properties and to carry on its business as it is now being conducted. The Buyer is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction where both the character of its properties owned or held under lease or the nature of its activities makes such qualification necessary and the failure to qualify would have a Material Adverse Effect on the Buyer and its Subsidiaries taken as a whole.

3.2 Authority. The Buyer has full corporate power to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby on the part of the Buyer have been duly and validly authorized by the Buyer's Board of Directors, and no other corporate proceedings on the part of the Buyer are necessary, as a matter of law or otherwise, for the consummation of the transactions contemplated hereby. This Agreement

has been duly and validly executed and delivered by the Buyer and is a valid and binding agreement of the Buyer, enforceable against it in accordance with its terms.

3.3 Noncontravention. Except as provided on Schedule 3.3, the execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the performance by the Buyer of its obligations hereunder will not:

(a) conflict with or result in any breach of any provision of the Buyer's Articles of Incorporation or By-laws;

(b) require any consent, approval, order, authorization or permit of, or registration, filing with or notification to, any Governmental Entity or any private third party, except for filings, consents, approvals, orders, authorizations or permits which (i) are required under the HSR Act; (ii) are required by the FERC; (iii) are required by the Texas Railroad Commission; (iv) are required by the Kansas Corporation Commission; (v) will not result in a Material Adverse Effect on the Buyer and its Subsidiaries, taken as a whole; or (vi) will not prevent the consummation of the transactions contemplated hereby, if not made or acquired.

(c) result in any violation of or the breach of or constitute a default under (or give rise to any right of termination, cancellation or acceleration or guaranteed payments under or to a loss of a material benefit or result in the creation or imposition of a lien under) any of the terms, conditions or provisions of any note, lease, mortgage, indenture, license, agreement or other instrument or obligation to which the Buyer or one of the Buyer's Subsidiaries is a party or by which the Buyer, any of the Buyer's Subsidiaries or any of their respective properties or

assets may be bound, except for such violations, breaches, defaults, or rights of termination, cancellation or acceleration, or losses which requisite waivers or consents have been obtained or which would not result in a Material Adverse Effect on the Buyer and its Subsidiaries taken as a whole;

(d) violate the provisions of any order, writ, injunction, judgment, decree, statute, rule or regulation applicable to the Buyer, that would result in a Material Adverse Effect on the Buyer and its Subsidiaries taken as a whole; or

(e) result in the creation of any Encumbrance upon any shares of capital stock, properties or assets of the Buyer or the Buyer's Subsidiaries under any agreement or instrument to which the Buyer or the Buyer's Subsidiaries is a party or by which the Buyer or the Buyer's Subsidiaries is bound.

3.4 Utility Status. Neither the Buyer nor any of its Subsidiaries is a "Holding Company" or a "Public Utility Company" or a "Gas Utility Company" as those terms are defined in the PUHCA.

3.5 Finders and Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other similar fee or commission in connection with the transactions contemplated by this Agreement as a result of arrangements made by or on behalf of the Buyer other than Morgan Stanley & Co. Incorporated, Petrie Parkman & Co., Inc. and Salomon Brothers Inc, the fees of whom will be paid by the Buyer.

3.6 Investment Purpose. The Buyer is acquiring the Shares and the ESOP Note for its own account and not with a view to any sale or distribution thereof in violation of any securities laws. The Buyer has no present intention of selling, distributing or otherwise disposing of any portion of the Shares or the ESOP Note in violation of any such laws. The Buyer acknowledges that the Shares and the ESOP Note have not been registered or qualified under the Securities Act or any state securities laws and may be sold, assigned, pledged or otherwise disposed of in the absence of such registration only pursuant to an exemption from such registration and in accordance with this Agreement.

ARTICLE IV

THE CLOSING

4.1 Time and Place of the Closing. Subject to the satisfaction or waiver of the conditions precedent set forth herein, the closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of the Seller, 10889 Wilshire Boulevard, Los Angeles, California, at 10:00 a.m. Los Angeles time on February 27, 1998, or at such later Business Day, place and time as the Seller shall specify, but no later than June 30, 1998.

4.2 Conditions Precedent to the Obligations of the Buyer. The obligation of the Buyer to consummate the transactions contemplated hereby shall be subject to satisfaction or waiver, at or prior to the Closing, of the conditions set forth in this Section 4.2.

4.2.1 Resolutions of the Board of Directors. The Seller shall have furnished the Buyer at the Closing with certified copies of resolutions duly adopted by the Board of Directors of the Seller, or a committee thereof, which resolutions shall authorize the execution, delivery and performance of this Agreement by the Seller.

4.2.2 Representations and Warranties to be True and Correct. The representations and warranties of the Seller contained in Article II (as amended or updated pursuant to Section 5.3.3) shall be true and accurate in all material respects (if not qualified as to materiality) and true and accurate (if so qualified) as of the Closing Date with the same force and effect as though made at and as of the Closing Date (except to the extent a representation or warranty speaks specifically as of an earlier date or except as contemplated by this Agreement). The Seller shall have furnished the Buyer at the Closing with certificates dated as of the Closing Date of two officers of the Seller, to the effect set forth above, and of two officers of MidCon, to the effect set forth above but only to the extent that the representations and warranties relate to MidCon or its Subsidiaries.

4.2.3 Opinion of Counsel to the Seller. The Buyer shall have received an opinion from counsel employed by the Seller, dated as of the Closing Date, to the effect set forth on Exhibit 4.2.3, subject only to customary qualifications and exceptions reasonably acceptable to the Buyer.

4.2.4 Obligations of the Seller to be Fulfilled. The Seller shall have performed and complied in all material respects with the covenants required by this Agreement to be performed and complied with by the Seller at or prior to the Closing. The Seller shall have

furnished the Buyer at the Closing with a certificate dated as of the Closing Date of two officers of the Seller to the effect set forth above.

4.2.5 Resignation of the Directors. All directors of MidCon and its Subsidiaries shall have tendered their written resignations, effective as of the Closing Date, or their term shall have expired prior thereto.

4.2.6 Transfer of Shares. The Seller shall have delivered to the Buyer the certificates which represent all the Shares, together with stock powers or other transfer documents duly endorsed in the name of the Buyer or its permitted assigns.

4.2.7 Intercompany Agreements. The Seller shall have taken or shall have caused its Subsidiaries to have taken the following actions with regard to the Intercompany Agreements:

(a) Contribution of Net Balance. The assignment, immediately prior to the Closing, of the right to receive all payments of principal of and interest on the Dividend Note other than the amount of interest accruing from December 31, 1997 through the Closing Date pursuant to the Dividend Note as a contribution to the capital of MidCon, which assignment shall occur before any distribution occurs pursuant to Section 5.1.2(a)(i);

(b) Services Agreement. The Services Agreement shall have been terminated as provided more fully in Section 5.3.5;

(c) Tax Sharing Agreement. The Tax Sharing Agreement shall have been terminated as provided more fully in Section 6.2.

4.3 Conditions Precedent to the Obligation of the Seller.

The obligation of the Seller to consummate the transactions contemplated hereby shall be subject to satisfaction or waiver, at or prior to the Closing of the conditions set forth in this Section 4.3.

4.3.1 Resolutions of the Board of Directors.

The Buyer shall have furnished the Seller at the Closing with certified copies of resolutions duly adopted by the Board of Directors of the Buyer, which resolutions shall authorize the execution, delivery and performance by the Buyer of this Agreement, the Substitute Note, and the Term Loan Assignment Agreement, the Buyer's Pipeline Lease Guaranty and related commitments to be provided pursuant to Section 5.3.6 and the Insurance Novation Agreement.

4.3.2 Representations and Warranties to be True and Correct.

The representations and warranties of the Buyer contained in Article III (as amended or updated pursuant to Section 5.3.3) shall be true and accurate in all material respects (if not qualified as to materiality) and true and accurate (if so qualified) as of the Closing Date with the same force and effect as though made at and as of the Closing Date (except to the extent a representation or warranty speaks specifically as of an earlier date or except as contemplated by this Agreement). The Buyer shall have furnished the Seller at the Closing with a certificate of two of its officers to the effect set forth in this Section 4.3.2.

4.3.3 Obligations of the Buyer to be Fulfilled.

The Buyer shall have performed and complied in all material respects with the covenants required by this Agreement to be performed and complied with by the Buyer at or prior to the Closing. The Buyer shall

have furnished the Seller at the Closing with a certificate of two of its officers to the effect set forth in this Section 4.3.3.

4.3.4 Opinion of Counsel to the Buyer. The Seller shall have received from counsel employed by the Buyer, an opinion, dated as of the Closing Date, to the effect set forth on Exhibit 4.3.4, subject only to customary qualifications and exceptions reasonably acceptable to the Seller.

4.3.5 Delivery of the Purchase Price. The Buyer shall have delivered the Purchase Price to the Seller at the Closing.

4.4 Conditions of Both Parties. The obligations of both Parties to consummate the transactions contemplated hereby shall be subject to satisfaction or waiver, at or prior to the Closing of the conditions set forth in this Section 4.4.

4.4.1 Consents. All Consents shall have been filed, occurred or been obtained and shall be in effect immediately prior to and as of the Closing, except where the failure to obtain such Consents will not result in a Material Adverse Effect on MidCon and its Subsidiaries, taken as a whole, will not materially impair the ability of either Party to perform its obligations under this Agreement and will not prevent the consummation of any of the transactions contemplated by this Agreement. Any applicable waiting period imposed by a Governmental Entity, including that imposed under the HSR Act, shall have expired or been terminated.

4.4.2 Litigation. No temporary restraining order, preliminary injunction or permanent injunction or other order precluding, restraining, enjoining, preventing or prohibiting the consummation of the Agreement and the transactions contemplated by this Agreement shall have been issued by any federal, state or foreign court or other Governmental Entity and remain in effect.

4.4.3 Statutory Requirements. No federal, state, local or foreign statute, rule or regulation shall have been enacted which prohibits the consummation of the transactions contemplated by this Agreement or would make the consummation of such transactions illegal.

ARTICLE V
COVENANTS

5.1 Covenants by the Seller.

5.1.1 Operation of Business. During the period from the date of this Agreement to the Closing Date, except as otherwise contemplated by this Agreement, after consultation with the Buyer if so provided below or consented to by the Buyer (which consent shall not be unreasonably withheld), the Seller will cause each of MidCon and its Significant Subsidiaries to:

(a) carry on its business only in the ordinary course consistent with past practice during the immediately preceding twelve-month period;

(b) not amend its Certificate of Incorporation or By-laws;

(c) not acquire by merging or consolidating with, or purchasing substantially all the assets of, or otherwise acquiring any business or any corporation, partnership, association or other business organization or division thereof which would be material, individually or in the aggregate, to the business, financial condition or results of operations of MidCon and its Subsidiaries taken as a whole;

(d) not, except in the ordinary course of business, sell, lease, or otherwise dispose of, nor voluntarily encumber, any of its assets (except as listed on Schedule 5.1.1) which are material, individually or in the aggregate, to the business or financial condition or results of operations of MidCon and its Subsidiaries taken as a whole;

(e) not declare, set aside, make or pay any dividend or other distribution (except as listed on Schedule 5.1.1), in respect of its capital stock (other than dividends and distributions payable to MidCon or its Subsidiaries) or purchase or redeem, directly or indirectly, any shares of its capital stock (other than for cash);

(f) not issue or sell any shares of its capital stock of any class (other than to MidCon or its Subsidiaries);

(g) not incur any indebtedness for borrowed money (other than from the Seller), or issue or sell any debt securities, other than in the ordinary course of business consistent with past practice during the immediately preceding twelve-month period or as described on Schedule 5.1.1;

(h) not (i) grant to any officer or director any increase in any compensation in any form, other than as is consistent with prior practice, or in any severance or termination pay, or (ii) enter into or amend any employment agreement with an officer, or (iii) amend the terms of any Employee Benefit Plans and Agreements (other than as may be required by applicable law or Governmental Entity) or (iv) adopt any new employee benefit plan or arrangement in each case for which MidCon or its Subsidiaries will be obligated after the Closing unless listed on Schedule 5.1.1;

(i) not, except for the transactions contemplated by this Agreement, directly or indirectly solicit proposals or offers from any person or initiate or participate in any discussions with any person relating to any acquisition or purchase of all or a material amount of the assets of, or any securities of, MidCon or any of its Significant Subsidiaries unless listed on Schedule 5.1.1;

(j) without prior consultation with the Buyer, not enter into any other contract or commitment having a value in excess of \$50 million;

(k) without prior consultation with the Buyer, (i) not enter into any fixed price purchases or sales of natural gas unless they are hedged nor (ii) enter into any commodity futures contracts, options or swaps unless the transactions are a hedge as defined in the Financial Accounting Standard Board Statement of Financial Accounting Standards No. 80 or unless the volume in aggregate at any time does not exceed two billion cubic feet.

(1) without prior consultation with the Buyer,
(i) not enter into any fixed price purchases or sales of electricity unless they are hedged nor (ii) enter into any commodity futures contract, options or swaps unless the transactions are a hedge as defined in the Financial Accounting Standard Board Statement of Financial Accounting Standards No. 80 or unless the volume in aggregate at any time does not exceed 16,800 MWhs.

Notwithstanding the foregoing or any other provisions of this Agreement, the Seller and MidCon may amend, modify, terminate or release any of the MidCon ESOP Agreements or obligations thereunder; provided, however, that the amount of outstanding principal of, and interest on, the ESOP Note will not be modified.

5.1.2 The Cash Management Agreement.

(a) Pre-closing Adjustment. The Seller shall,

and shall cause MidCon to, adjust the MidCon Loan and the OPC Loan balances immediately prior to the Closing as follows:

(i) An amount equal to the net amount, if any, by which the Current Assets of MidCon exceed the sum of (A) the Current Liabilities of MidCon plus (B) twenty million dollars (\$20 million) each as of December 31, 1997 as shown on the 1997 Financial Statements, shall be added to the balance of the C Facility Loans under the Cash Management Agreement thereby constituting a distribution by MidCon to the Seller evidenced as a payable by MidCon.

(ii) An amount equal to the net amount, if any, by which the sum of (A) the Current Liabilities of MidCon plus (B) twenty million dollars (\$20 million) exceed the Current Assets of MidCon each as at December 31, 1997 as shown on the 1997 Financial Statements, shall be added to the balance of the B Facility Loans under the Cash Management Agreement, thereby constituting a contribution to MidCon by the Seller evidenced as a receivable of MidCon.

In connection with determining Current Assets and Current Liabilities as of December 31, 1997, any and all adjustments in accordance with GAAP to reflect the consequences of the transactions pursuant to this Agreement shall be excluded; provided, however, the Current Liabilities at December 31, 1997 shall include all amounts payable by MidCon to the MidCon ESOP Trustee arising from the sale of the Shares and shall exclude the principal on the ESOP Note payable after December 31, 1997.

(b) Loan Balances at Closing. The balance of each of the OPC Loans and the MidCon Loans as at Closing shall be calculated by including all amounts accrued but not yet payable for the period elapsed up to the Closing Date, which amounts will include (i) the accrued interest on the Dividend Note although due after the Closing, (ii) the payment by, or on behalf of, MidCon to the MidCon ESOP Trustee and its advisors, and (iii) the amount of Taxes of all sorts accrued pursuant to Article VI.

(c) Payment for Loan Balances. Within 30 days after the Closing, the Seller shall pay the amount, if any, by which the OPC Loans outstanding as of the Closing exceed the MidCon Loans outstanding at such date (each determined in accordance with

Section 5.1.2(b)), plus accrued interest in accordance with the provisions of the Cash Management Agreement (subject to the modifications pursuant to the following) to the date of payment, as if a "Mandatory Prepayment" existed pursuant to Section 5.6 of the Cash Management Agreement. The Seller shall, and shall cause MidCon to, enter into an agreement that, except as provided in the preceding sentence, (i) shall, at the Closing, terminate each of the respective Facilities, all management of cash pursuant thereto and the covenants thereunder, and (ii) shall terminate the Cash Management Agreement fully upon completion of the foregoing payment so that it no longer governs the payment of any amounts payable after the Closing pursuant to the contracts, agreements or arrangements outstanding after the Closing Date by and between MidCon and its Subsidiaries on the one hand and the Seller and its Subsidiaries (other than MidCon and its Subsidiary) on the other hand and such amounts shall be payable as provided in the contract, agreement or arrangement governing such payment.

5.1.3 Intercompany Agreements. The Seller shall, and shall cause its Subsidiaries to, perform the Intercompany Agreements, as amended, which continue in effect after the Closing.

5.1.4 Originator Receivables Sales Agreement. Immediately prior to the Closing, the Seller shall cause its Subsidiaries to terminate the Originator Receivables Sales Agreement as to MidCon and its Subsidiaries and shall cause MidCon and its Subsidiaries to repurchase all of the receivables previously sold by MidCon and its Subsidiaries to Occidental Receivables, Inc. that have not been collected prior to the date of such repurchase.

5.1.5 Insurance. The Seller, at the Closing, shall cause MidCon and its Subsidiaries to enter into a release substantially in the form of Exhibit 5.1.5(a) (the "Insurance Release Agreement") with the Seller and its Subsidiary, OPCAL Insurance, Inc. ("OPCAL"), for the release of the Seller and OPCAL from any and all liability under policies underwritten by OPCAL and its predecessor, Piper Indemnity, as more fully described in the Insurance Release Agreement. At the Closing, the Seller, OPCAL and the insurance companies to be parties thereto shall enter into a novation agreement substantially in the form of Exhibit 5.1.5(b) (the "Insurance Novation Agreement") substituting the Buyer for the Seller as indemnitor of the insurance companies with regard to the specified fronting policies previously issued for MidCon and its Subsidiaries. Except as provided in the preceding two sentences, the Seller shall cause each of MidCon and its Subsidiaries to continue to have rights as an insured under the Seller's insurance policies, subject, however, to the terms and conditions set forth in each applicable insurance policy. MidCon and its Subsidiaries shall no longer be an insured under the Seller's insurance for any occurrence after the Closing.

5.1.6 1997 Financial Statements. The Seller shall cause MidCon to provide the Buyer with the audited consolidated financial statements of MidCon and its consolidated Subsidiaries (including any related notes and schedules) for the year ended December 31, 1997 (the "1997 Financial Statements") on or before February 15, 1998. The 1997 Financial Statements shall be prepared in accordance with GAAP applied on a consistent basis and present fairly in all material respects the consolidated financial position of MidCon and its consolidated Subsidiaries as at December 31, 1997, and the consolidated results of operations

and cash flow of MidCon and its consolidated Subsidiaries for the periods presented therein (except as may be indicated in the notes thereto).

5.2 Covenants by the Buyer.

5.2.1 Payment of the Loan Balance. Within 30 days after the Closing, the Buyer shall cause MidCon to pay the amount, if any, by which the MidCon Loans outstanding as of the Closing exceed the OPC Loans outstanding at such date (each determined in accordance with Section 5.1.2(b)), plus accrued interest in accordance with the provisions of the Cash Management Agreement (subject to the modification described in Section 5.1.2(c)) to the date of payment to be prepaid as if a "Mandatory Prepayment" existed pursuant to Section 5.6 of the Cash Management Agreement.

5.2.2 ESOP Note and MidCon ESOP Plan.

The Buyer agrees that it shall not demand repayment of, otherwise discharge, or permit any payment in respect of, the ESOP Note until a date after the Closing Date and thereafter shall cooperate with the Seller in the resolution of the MidCon ESOP Plan, including furnishing records necessary in its administration.

5.2.3 Employees and Employee Benefit Plans.

(a) Effective as of the Closing Date, the Buyer shall cause MidCon or its Subsidiaries to continue to compensate each Salaried Employee who remains an employee of the Buyer or its Subsidiaries at salaries or hourly rates, as the case may be, no lower than the lesser of (i) the salaries or hourly rates of MidCon or its Subsidiaries in effect immediately

prior to the Closing Date or (ii) the salaries or hourly rates payable to the Buyer's employees in either case in similar jobs and locations.

(b) Notwithstanding subpart (a), if the Buyer or any of its Subsidiaries terminates any Salaried Employee within three months of the Closing, the Buyer or its Subsidiaries shall pay the terminated Salaried Employee severance benefits no less than those provided under the Termination Allowance Plan in effect on the date of this Agreement, provided, however, that such severance benefits shall only be payable to the extent that such benefits would have been payable under such Termination Allowance Plan. After a three month period subsequent to the Closing, a Salaried Employee who is terminated shall be entitled to severance benefits not less than those provided to employees of the Buyer or its Subsidiaries with like job status and service.

(c) Except as provided in subsection (b) to this Section 5.2.3, as of the Closing Date, the Buyer shall provide to each Salaried Employee and each Former Salaried Employee with "Buyer Benefit Plans", which shall mean the benefit plans and programs under (i) Employee Plans and Agreements effective immediately prior to the Closing Date, (ii) the Buyer's benefit plans and programs applicable to employees of the Buyer in similar jobs, or (iii) a combination of Employee Plans and Agreements and the Buyer's plans and programs, the determination of which shall be at the sole discretion of the Buyer, provided however, that such combination of Employee Plans and Agreements and the Buyer's plans and programs shall be, at a minimum, comparable in type and aggregate value to those plans and programs provided by the Buyer's benefit plans and programs applicable to employees of the Buyer in

similar jobs. In addition, the Buyer shall cause such Buyer Benefit Plans to comply in form and operation in all material respects with the requirements of ERISA and the Code.

(d) From and after the Closing, each Salaried Employee and each Former Salaried Employee shall be eligible to participate in the Buyer Benefit Plans in accordance with the terms and conditions thereof. Under such Buyer Benefit Plans, which are Employee Welfare Benefit Plans, Salaried Employees and Former Salaried Employees and their eligible dependents, if a participant in any health, long term disability or life insurance plans, as applicable, of the Seller or its Subsidiaries immediately prior to the Closing (i) shall participate in such Buyer Benefit Plans as of the Closing Date, and (ii) shall be deemed to satisfy any pre-existing condition limitations under group medical, dental, life insurance or disability plans that shall be provided after the Closing Date. In addition, amounts paid by such Salaried Employees and Former Salaried Employees towards deductibles and copayment limitations under the health plans of the Seller or its Subsidiaries shall be counted toward meeting any similar deductible and copayment limitations under the health plans that shall be provided under the Buyer Benefit Plans.

(e) The Buyer and its Subsidiaries shall recognize all service credited for each of the Salaried Employees and Former Salaried Employees on the records of the Seller or its Subsidiaries for purposes of eligibility for benefits and vesting under the Buyer Benefit Plans and the level of benefits under the Buyer Benefit Plans, but specifically excluding any benefit accrual under any Buyer Benefit Plan that is a defined benefit pension plan.

(f) From and after the Closing, Salaried Employees shall be entitled to retain and take any vacation time accrued on MidCon's records as payable to any Salaried Employee for which vacation time has not been taken prior to the Closing Date.

(g) From and after the Closing, the Buyer shall, or shall cause MidCon or its Subsidiaries, as applicable, to, comply with all the terms, conditions, obligations, and benefits set forth in the Union Contract.

(h) From and after the Closing Date, MidCon and its Subsidiaries shall cease participation in any and all Employee Plans and Agreements sponsored or maintained by the Seller or its Subsidiaries. Except as set forth on Schedule 5.2.3, the Buyer agrees that it shall cause MidCon and its Subsidiaries, (i) to be solely responsible and to pay for, and (ii) to indemnify and hold the Seller and its Subsidiaries harmless from, any and all costs, damages, losses, expenses or other liabilities arising out of or relating to any and all claims for welfare benefits (including health care continuation coverage and retiree welfare benefits) under any of the Employee Plans and Agreements or otherwise by any Employee, Former Salaried Employee, Former Union Employee or dependent or beneficiary thereof, irrespective of when such claims were incurred.

(i) Representatives of the Buyer shall be entitled to meet with the Employees at mutually agreeable times prior to the Closing to explain and answer questions about the conditions, policies and benefits of employment by the Buyer or its Subsidiaries after the Closing. The Seller shall cooperate with the Buyer until Closing in communicating to such Employees any additional information concerning employment after the Closing which such

Employees may seek, or which the Buyer may desire to provide, and during normal business hours shall allow additional meetings by representatives of the Buyer with such Employees upon the reasonable requests of the Buyer. In addition, after the Closing, the Seller and the Buyer agree to furnish each other with appropriate records for each of the Employees as may be necessary to assist in proper benefit administration.

(j) The Buyer hereby assumes all liability for any alleged failure to give, or to cause MidCon or any of its Subsidiaries to give, all notices required by the U.S. Worker Adjustment and Retraining Notification Act of 1988, as amended (the "WARN Act"), and any similar state law or regulation by reason of events occurring after the Closing. The Buyer shall indemnify and hold harmless the Seller and its Affiliates with respect to any and all claims asserted under the WARN Act or any similar law or regulation because of a "plant closing" or "mass layoff" with respect to MidCon or any of its Subsidiaries occurring after the Closing. For purposes of this Agreement, the Closing Date shall be the "effective date" for purposes of the WARN Act.

5.2.4 Intercompany Agreements. After the Closing, the Buyer shall cause MidCon and its Subsidiaries to perform their obligations under any Intercompany Agreements which continue in effect after the Closing.

5.2.5 Substitution of Undertakings. At the Closing, the Buyer shall execute and deliver the Insurance Novation Agreement as more fully described in Section 5.1.5.

The Buyer will use all commercially reasonable efforts to cause to be terminated, released and discharged, on or prior to the Closing Date, in a manner reasonably satisfactory to the Seller, any commitments, guarantees and indemnities (including letters of credit, bonds, promissory notes, commitments, or obligations of whatsoever nature to any Governmental Entity or any other Person) of the Seller and each of its Affiliates for the direct and indirect benefit of MidCon or any of its Subsidiaries as set forth on Schedule 5.2.5 and all such other commitments, guarantees and indemnities provided by Seller in accordance with the Cash Management Agreement (collectively "Commitments"). For any Commitments for which the Buyer does not obtain a termination, discharge or obtain a release of Seller and its Affiliates at or prior to the Closing, the Buyer shall after the Closing cause MidCon to pay to the Seller the following (for purposes of this Section 5.2.5 initial capitalized terms not defined in this Agreement and "Letter of Credit" shall have the meaning set forth in the Cash Management Agreement):

(a) A fee in an amount equal to 0.5% per annum on the Average Balance of each outstanding Letter of Credit;

(b) A fee equal to 0.5% per annum on the Average Balance of each Guarantee;

(c) All costs and expenses incurred by the Seller under any Letters of Credit for MidCon Consol; and

(d) The amount of payments made by the Seller to or on behalf of MidCon Consol under any Guarantee or Letter of Credit.

Payments pursuant to clauses (a) through (c) shall be made within 10 days after the last day of the month in which such costs and expenses were paid or fees incurred and payments pursuant to clause (d) shall be made at the time such payment is made by the Seller.

The Buyer shall continue to use all commercially reasonable efforts to obtain, in a manner satisfactory to the Seller, all terminations, releases and discharges of any remaining Commitments as soon as practicable after the Closing. The Seller shall have no obligation to extend or replace any of the Commitments.

The Buyer agrees to cause MidCon to indemnify and hold harmless the Seller after the Closing from and against any and all claims, damages, losses, liabilities, costs or expenses (including, without limitation, attorneys' fees and costs) which the Seller may incur (or which may be claimed against the Seller by any Person whomsoever) by reason of or in connection with the guarantee, delivery or transfer of or payment under any Commitment, including any claims, damages, losses, liabilities, costs or expenses which the Seller may incur by reason of or in connection with the failure of any bank issuing any such Letter of Credit to fulfill or to comply with its obligations under any such Letter of Credit.

5.2.6 Indemnification.

(a) The Buyer agrees that all rights to indemnification or exculpation now existing in favor of the directors, officers, employees and agents of MidCon and each of

its Subsidiaries as provided in their respective Certificates or Articles of Incorporation or By-laws or otherwise, in each case, in effect as of the date hereof with respect to matters occurring prior to the Closing Date shall survive the Closing and shall continue in full force and effect. After the Closing Date, the Buyer shall cause MidCon to indemnify, defend and hold harmless the present and former officers, directors, employees and agents of MidCon and its Subsidiaries (each a "MidCon Indemnitee") against all losses, claims, damages, liabilities, fees and expenses (including reasonable fees and disbursements of counsel) and judgments, fines, losses, claims, liabilities and amounts paid in settlement (provided that any such settlement is effected with the prior written consent of the Buyer) arising out of actions or omissions occurring at or prior to the Closing Date to the full extent permitted by law, or MidCon's and each of its Subsidiaries Certificate or Articles of Incorporation or By-laws, in each case as in effect at the date hereof, including provisions therein relating to the advancement of expenses incurred in the defense of any action or suit; provided, that nothing herein shall impair any rights or obligations of any present or former directors or officers of MidCon or any of its Subsidiaries.

(b) The Buyer shall, or shall cause MidCon to, pay all expenses (including reasonable attorneys' fees), that may reasonably be incurred by the MidCon Indemnites in successfully enforcing the rights to which the MidCon Indemnites are entitled under this Agreement or MidCon's Certificate of Incorporation or By-laws or is otherwise entitled.

(c) In the event MidCon, the Buyer or any of their successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of MidCon or the Buyer, as the case may be, shall assume the obligations of MidCon and the Buyer set forth in this Section 5.2.6.

(d) The provisions of this Section 5.2.6 are intended to be for the benefit of, and shall be enforceable by, each MidCon Indemnitee, his or her heirs and representatives.

5.3 Covenants of Both Parties.

5.3.1 Access and Information. The Seller shall afford to the Buyer, and to the Buyer's accountants, counsel and other representatives, full access, during normal business hours during the period prior to the Closing Date, to all of MidCon's and its Subsidiaries' properties, books, contracts, commitments and records and, during such period, Seller shall furnish promptly to the Buyer (a) a copy of each report, schedule and other document filed or received by MidCon or its Subsidiaries during such period pursuant to the requirements of the FERC, and (b) all other information concerning the business, properties and personnel of MidCon and its Subsidiaries as the Buyer may reasonably request; provided, however, that such access shall be subject to the terms of any confidentiality agreements applicable to MidCon and its Subsidiaries.

5.3.2 Further Action, Reasonable Efforts; Consents

and Approvals. Upon the terms and subject to the conditions

hereof, each of the Parties hereto shall use its commercially
reasonable efforts to take, or cause to be taken, all appropriate
action, and to do, or cause to be done, all things necessary,
proper or advisable under applicable laws and regulations to
cause the conditions set forth in Section 4.2, Section 4.3 and
Section 4.4 to be satisfied and to consummate and make effective
the transactions contemplated hereby, including, without
limitation, using commercially reasonable efforts to obtain all
licenses, permits, orders, declarations, consents, approvals,
authorizations, certificates, qualifications and orders of, and
make all filings and required submissions with, all Governmental
Entities, and all shareholders, lenders and partners of, and
parties to contracts with, any of the Seller, the Buyer, MidCon
or any other Persons, in each case, as are necessary or desirable
for the consummation of the transactions contemplated hereby
(collectively "Consents"). The Seller shall, as soon as possible
after the date hereof, but in any event prior to the Closing,
deliver to the Buyer copies of all Consents obtained by the
Seller. The Buyer shall, as soon as possible prior to the
Closing, deliver to the Seller copies of all Consents obtained by
the Buyer. In case at any time after the Closing Date any
further action is necessary or desirable to carry out the
purposes of this Agreement, the Buyer and the Seller shall use
their commercially reasonable efforts to take all such action.
Prior to the Closing, each Party shall use its best efforts not
to take any action, or enter into any transaction, that would
cause any of its representations or warranties contained in this
Agreement to be untrue.

5.3.3 Notice of Revisions. A Party (the

"Notifying Party") may elect at any time prior to the Closing to
notify the other Party (the "Notified Party") of any revisions to

such Party's representations or warranties or a Schedule referred to therein. If the Notified Party does not terminate this Agreement pursuant to Section 7.1 within five (5) Business Days after receipt of such notice, such written notice will be deemed to qualify the representations and warranties, or amend the Schedules, contained in Article II or III, as applicable, and to have cured any misrepresentation or breach of representation, warranty or covenant that otherwise might have existed hereunder by reason of the matter covered by such revision. Notwithstanding the foregoing, if the Notifying Party delivers a notice of revision pursuant to this Section less than five (5) Business Days prior to the Closing Date, then the Closing Date automatically shall be extended to the date which is five (5) Business Days from the date of the notice of revision or if not a Business Day, then the Business Day immediately following that date.

5.3.4 Substitute Note. At the Closing, the Seller shall assign to the Buyer (a) the ESOP Note, and (b) by execution and delivery to the Buyer of the Term Loan Assignment Agreement, all of the Seller's rights and obligations under the Term Loan Agreement and, in exchange therefor, at the Closing the Buyer shall execute and deliver to the Seller the Term Loan Assignment Agreement and shall issue to the Seller either (i) a Substitute Note, the prompt and complete payment and performance in full of which shall be secured by Government Securities maturing as to principal and interest in such amounts and at such times as are sufficient (without consideration of any reinvestment of such interest and after payment of all Taxes or other charges or assessments in respect of such Government Securities payable by the Buyer) to provide U.S. legal tender to pay the principal of, and each installment of interest on, such Substitute Note at least one day before the date on which any such payment is

due and payable in accordance with the terms of such Substitute Note, (ii) a Substitute Note, the payment of all interest and principal of which is secured by one or more letters of credit, in form and substance satisfactory to the Seller, issued by a bank or group of banks with each such bank either (a) having an investment grade credit rating by either Standard & Poor's Corporation or Moody's Investors Service, Inc., so long as neither of the above rating agencies has provided a credit rating below investment grade, (b) having been agreed to by the Seller or (c) if a bank is not such an investment grade credit, its portion of the letter of credit can be fronted by a bank having such investment grade credit or (iii) any combination of the foregoing, as the Buyer may elect, provided that the aggregate original principal amount of all such Substitute Notes is equal to the sum of (x) the outstanding unpaid principal balance of the ESOP Note as of the Closing Date and (y) all accrued and unpaid interest on the ESOP Note to and including the Closing Date. If the Buyer elects to deliver a Substitute Note at the Closing that is secured by Government Securities, at the Closing, the Buyer shall execute and deliver to the Seller a security agreement and a control agreement, each in form and substance satisfactory to the Seller, which provide the Seller with a valid, perfected, first priority security interest in such Government Securities.

5.3.5 Interim Services Agreement. The Seller and -----
MidCon shall terminate the Services Agreement effective as of the Closing with amounts due thereunder accrued up to the Closing as provided in Section 5.1.2(b). The Seller and the Buyer shall negotiate to the extent desired by the Buyer an interim services agreement by and between the Seller and MidCon for the continuation of any of the services provided by the Seller to MidCon under the Service

Agreement upon terms and conditions which must be mutually acceptable to the Seller and to the Buyer, in their respective sole discretion.

5.3.6 Pipeline Lease and the Buyer's Pipeline Lease Guaranty. At the Closing, the Buyer shall execute and deliver to the Seller a written guaranty (the "Buyer's Pipeline Lease Guaranty"), pursuant to which the Buyer shall irrevocably and unconditionally guarantee to the Pipeline Lessor the full and timely performance, payment and discharge by the Pipeline Lessee of all obligations and liabilities of the Pipeline Lessee under the Pipeline Lease. The Buyer's Pipeline Lease Guaranty shall be substantially in the form of the Pipeline Lease Guaranty, with the Buyer as guarantor; provided, however that Section 11 thereof shall be of no force or effect as long as the Pipeline Lease Guaranty is in full force and effect. At the request of the Buyer, the Seller shall cause the Pipeline Lessor to agree to a termination of the Pipeline Lease Guaranty if, concurrently therewith, the Buyer's Pipeline Lease Guaranty is amended to include the Buyer's Pipeline Covenants for the benefit of the Pipeline Lessor.

At or prior to the Closing, the Seller shall cause the Pipeline Lessor and the Pipeline Lessee to amend the Pipeline Lease to:

(a) provide the Pipeline Lessee with an option to purchase the Leased Property at a price equal to its fair market value upon termination of the Pipeline Lease, and on other terms and conditions reasonably satisfactory to the Buyer and the Seller and set forth in such amendment. The fair market value of the Leased Property shall be determined by agreement between the Pipeline Lessor and the Pipeline Lessee or if the Pipeline Lessor and the Pipeline Lessee can not agree within a specific period before the date on which the Pipeline Lease is to

terminate, then by a team of three independent appraisers each having appropriate industry experience to make such a valuation, with one appraiser to be selected by each of the Pipeline Lessor and the Pipeline Lessee, and the third to be selected by the first two appraisers. The determination of the fair market value shall be the value agreed by at least two of the appraisers;

(b) permit assignment of the Pipeline Lease by the Pipeline Lessee if (i) no event of default under the Pipeline Lease, and no event that, with the giving of notice or the lapse of time or both, would be such an event of default, shall have occurred and be continuing, (ii) the Pipeline Lessee pays the costs and expenses of the Pipeline Lessor in reviewing such proposed assignment, and (iii) the Person to whom the Pipeline Lessee assigns its rights under the Pipeline Lease (the "Assignee") satisfies the following criteria: (x) fifty percent (50%) or more of the Assignee's outstanding equity and voting interests is owned, directly or indirectly, by the Pipeline Lessee or the Buyer; or (y) (1) the Assignee is not affiliated with the Pipeline Lessee or the Buyer, (2) the Assignee, or an entity that absolutely and unconditionally guarantees the Assignee's obligations under the Pipeline Lease (the "Assignee's Guarantor"), has a tangible net worth of not less than \$100,000,000, and either has an Above Investment Grade Credit Rating or, in the reasonable opinion of the Pipeline Lessor, satisfies the minimum financial criteria then in effect for an Above Investment Grade Credit Rating;

(c) provide that the Pipeline Lessee and the Buyer shall be fully discharged from their obligations under the Pipeline Lease and the Buyer's Pipeline Lease Guaranty, respectively, with respect to events and obligations occurring after the date of an assignment in

accordance with the foregoing clause (b) upon delivery to the Pipeline Lessor of an assumption agreement, in form and substance reasonably satisfactory to the Pipeline Lessor, pursuant to which the Assignee assumes all of the Pipeline Lessee's liabilities and obligations under the Pipeline Lease including, without limitation, all liability for the payment of any rent, termination values and any other amounts owing by the Pipeline Lessee under the Pipeline Lease, which assumption agreement shall include the Buyer's Pipeline Covenants for the benefit of the Pipeline Lessor unless the Assignee's Guarantor delivers to the Pipeline Lessor a written guaranty, in form and substance reasonably satisfactory to the Pipeline Lessor, that includes the Buyer's Pipeline Covenants for the benefit of the Pipeline Lessor.

"Buyer's Pipeline Covenants" shall mean financial covenants that are at least as restrictive as those contained in any indenture, bond, promissory note, loan or credit agreement or other evidence of indebtedness of the Buyer from time to time outstanding.

"Leased Property" shall have the meaning set forth in the Pipeline Lease.

"Investment Grade Credit Rating" means, with respect to any Person, that the credit rating assigned to such Person's senior unsubordinated long term indebtedness by at least two Rating Agencies is at least BBB- (or its equivalent) or better.

"Above Investment Grade Credit Rating" means, with respect to any Person, that the credit rating assigned to such Person's senior unsubordinated long term indebtedness by at least two Rating Agencies is at least Baa2 (or its equivalent) or better.

"Rating Agencies" shall mean any of Standard & Poor's Ratings Group, Duff & Phelps Credit Rating Co. and Moody's Investors Service.

Upon the incorporation by reference of covenants referred to in the preceding sentence, the Seller shall cause MidCon to be fully discharged from its obligations under the Pipeline Lease Guaranty.

5.3.7 MidCon Power Services Corp. Unless the Seller and the Buyer shall enter into mutually satisfactory arrangements with regard to the operations and contracts of MidCon Power Services Corp. on or before the Closing, the Seller shall cause (a) MidCon Gas Services Corp. to declare a dividend of, and transfer immediately prior to the Closing, all of the outstanding capital stock of MidCon Power Services Corp. to MidCon and (b) MidCon to declare a dividend of, and transfer immediately prior to the Closing, all of the outstanding capital stock of MidCon Power Services Corp. to the Seller after transferring all employees, any tangible assets and any cash of that corporation to MidCon Management Corp. The Seller and the Buyer hereby agree to transfer to the Buyer the capital stock so transferred to the Seller upon receipt of the FERC approval of the transfer of such capital stock ownership to the Buyer. As a result of any such transfer, MidCon Power Services Corp. shall be deleted from Schedule 2.9 and the Seller can amend the remaining Schedules to reflect the transactions between MidCon and its Subsidiaries and MidCon Power Services Corp. In the event, in the Seller's reasonable judgment FERC approval of any of the transactions contemplated by this Section 5.3.7 is necessary, which determination shall be made no later than December 31, 1997, the Seller shall advise the Buyer of such conclusion together with supporting basis therefor and the Parties agree to use their best efforts to agree whether such conclusion is

correct. If such approval is required the Parties agree to file the documents which are required to be filed with FERC as quickly as possible.

ARTICLE VI

TAXES

6.1 Section 338(h)(10) Election. There will be no election under Section 338(h)(10) of the Code with respect to the purchase and sale of the Shares.

6.2 Tax Sharing Agreement. The Seller shall cause the Tax Sharing Agreement between the Seller and MidCon to be terminated as of the Closing Date; provided, however, that notwithstanding such termination of the Tax Sharing Agreement, its provisions will remain in effect with respect to any period of time during the taxable year in which the termination occurs, for which period the income of MidCon and its Subsidiaries must be included in the federal Tax Returns or any state Tax Returns of the Seller. With respect to any matters covered by this Article VI, the provisions and conditions set forth in this Agreement shall control over any conflicting or contradicting provision or condition in the Tax Sharing Agreement.

6.3 Federal Income Tax Returns and Combined State Income Tax Returns for Periods Through the Closing Date. The Seller will include the income of MidCon and its Subsidiaries (including any deferred income triggered into income by Reg. Sec. 1.1502-13 and Reg. Sec. 1.1502-14 and any excess loss accounts taken into income under Reg. Sec. 1.1502-19) on the Seller's consolidated federal income Tax Return and each combined state income

Tax Returns for all periods through the Closing Date and pay any federal and state income Taxes attributable to such income. The allocation of such Tax liability between the Seller, on one hand, and MidCon and its Subsidiaries, on the other hand, will be governed by the provisions of the Tax Sharing Agreement. MidCon and its Subsidiaries will furnish Tax information to the Seller for inclusion in the Seller's federal consolidated income Tax Return and each combined state income Tax Return for the period which ends on the Closing Date in accordance with MidCon's past custom and practice, and the Buyer will bear the cost of complying with this provision. The income of MidCon and its Subsidiaries will be allocated between the period up to and including the Closing Date and the period after the Closing Date by closing the books of MidCon and its Subsidiaries as of the end of the Closing Date.

6.4 No Adjustment of MidCon Tax Liability for the Taxable Year Ending December 31, 1997. The liability of MidCon and its Subsidiaries for consolidated federal and combined state income Taxes with respect to the Taxable Year ending December 31, 1997, as recorded on the 1997 Financial Statements, shall not be adjusted to reflect the actual Tax liability reported on the applicable Tax Returns as filed, and the provisions of Section V of the Tax Sharing Agreement to the contrary shall not apply. For purposes of calculating the Tax liability of MidCon and its Subsidiaries under the Tax Sharing Agreement for any Tax year for which the Tax Sharing Agreement remains in effect under Section 6.2 of this Agreement, tax attributes which carry forward from the Tax year ending December 31, 1997, shall not be adjusted to reflect amounts reported on the applicable Tax Returns as filed.

6.5 Liability of MidCon and its Subsidiaries for Federal

and Combined State Income Tax. Within sixty (60) days after the

Closing Date, the Buyer shall cause MidCon and its Subsidiaries
to pay to the Seller a contribution toward the payment of Tax due
on the consolidated or combined Tax Return of the Seller
Affiliated Group for the taxable period ending on the Closing
Date, including any portion of deferred income triggered into
income by Reg. Sec. 1.1502-13 and Reg. Sec. 1.1502-14 and excess
loss accounts taken into income under Reg. Sec. 1.1502-19 to be
borne by MidCon and its Subsidiaries, with such amount to be
determined by applying the provisions of the Tax Sharing
Agreement.

6.6 Separate State, Local, Foreign Income Tax Returns. The

Seller shall file, or cause to be filed, all separate state,
local and foreign income Tax Returns for MidCon and its
Subsidiaries for which the Tax year ends on the Closing Date.
The Buyer will file, or cause to be filed, all separate state,
local and foreign income Tax Returns for MidCon and its
Subsidiaries for which the Tax year begins before and ends after
the Closing Date. The amount of any liability for taxes on or
measured by net income required to be reported on any state,
local or foreign Tax Return required to be filed by any of MidCon
and its Subsidiaries after the Closing Date which includes tax
items for a period which begins before and ends after the Closing
shall be allocated between the portion of such period ending on
the Closing Date and the portion of such period beginning on the
date after the Closing Date on the basis of the taxable income or
loss of MidCon and its Subsidiaries as determined from the books
and records of the relevant entity for such partial period.

6.7 Sales and Property Taxes. The amount of any liability for real and personal property taxes, business license taxes, ad valorem taxes or any similar taxes based on the ownership of property payable with respect to assets of the Business for a period which begins before and ends after the Closing Date shall be allocated between the portion of such period ending on the Closing Date and the portion beginning on the day after the Closing Date on a per diem basis. The amount of any liability for sales taxes, gross receipts taxes, ad valorem taxes, transfer taxes or other similar taxes based on the proceeds of identifiable transactions or units of production payable by any of MidCon and its Subsidiaries after the Closing Date for a period which begins before and ends after the Closing Date shall be apportioned between the portion of such period ending on the Closing Date and the portion of such period beginning on the day after the Closing Date on the basis of the actual activities of MidCon and its Subsidiaries as determined from the books and records of the relevant entity for such partial period.

6.8 State Franchise Taxes. The Buyer shall file, or cause to be filed, all separate state franchise Tax Returns for MidCon and its Subsidiaries for which the franchise tax measurement period begins before and ends after the Closing Date. The Seller shall be responsible for any liability attributable to that portion of such measurement period ending on the Closing Date. The Buyer shall be responsible for any franchise tax liability attributable to that portion of such measurement period commencing on the day immediately following the Closing Date and ending on the last day of such measurement period.

6.9 Adjustment Upon Leaving Consolidation. Section VII of the Tax Sharing Agreement is incorporated by reference and any payments thereunder shall be made within sixty (60) days after the filing of the applicable federal and state Tax Returns. Adjustments to or additional payments shall be made, as needed, by reason of amended returns, claims for refund or audits by a taxing authority with respect to any Tax year for which the Tax Sharing Agreement remains in effect after the Closing Date.

6.10 Sales and Transfer Taxes with Respect to this Transaction. All sales, gross receipts, or other similar transfer taxes, if any (including all stock transfer taxes, if any) incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the Buyer. The Buyer shall at its expense file all necessary tax returns and other documentation in respect to any such taxes.

6.11 Cooperation. The Seller and the Buyer shall (i) each provide the other, and the Buyer shall cause MidCon and its Subsidiaries to provide the Seller, with such assistance as may reasonably be requested by any of them in connection with the preparation of any Tax Return, audit or other examination by any taxing authority or judicial or administrative proceedings relating to liability for Taxes, (ii) each retain and provide the other with any material records or information which may be relevant to such Tax Return, audit or examination, proceeding or determination, and (iii) each provide the other with any amount required to be shown on any Tax Return of the other for any period. The Party requesting assistance hereunder shall reimburse the other for reasonable out-of-pocket expenses incurred in providing such assistance to the extent such expenses exceed an aggregate amount of

\$50,000. Without limiting the generality of the foregoing, the Buyer shall retain, and shall cause MidCon and its Subsidiaries to retain until the applicable statutes of limitations (including any extensions) have expired, copies of all Tax Returns, supporting work schedules and other records or information in its possession which may be relevant to such returns for all taxable periods from January 1, 1990 to the Closing Date, inclusive, and shall not destroy or otherwise dispose of any such records without first providing the Seller with an opportunity to review and copy the same. Following the Closing Date, the Seller shall forward to the Buyer all Tax statements received by the Seller with respect to the assets of the Business for any period that begins before and ends after the Closing Date within thirty (30) days after its receipt thereof.

6.12 Tax Proceedings. Following the Closing Date, the Seller shall control the conduct of all stages of any audit or other administrative or judicial proceeding with respect to Taxes reported on any Tax Return filed by the Seller or any Affiliate of the Seller or on any Tax Return filed by MidCon and its Subsidiaries for any taxable period ending on or prior to the Closing Date. The Buyer shall control the conduct of all other audits or administrative or judicial proceedings with respect to the Tax liability of any of MidCon and its Subsidiaries.

6.13 Carrybacks. Except for carrybacks into the Seller's consolidated Tax Return for the annual tax period ending December 31, 1997, the Seller shall within 30 days pay to the Buyer any Tax refund resulting from a carryback of a post-acquisition Tax attribute of any of MidCon and Subsidiaries into the Seller consolidated Tax Return in all cases where MidCon and Subsidiaries cannot elect to waive a carryback. Such Tax attributes will be considered to

produce a refund (or reduce Tax liability) only after all Tax attributes of the Seller and other members of the Seller Affiliated Group have been used or deemed used. The Seller shall cooperate with MidCon and its Subsidiaries in obtaining such refunds, including through the filing of amended Tax Returns or refund claims. The Buyer agrees to indemnify the Seller for any Taxes resulting from the disallowance of such post-acquisition Tax attribute on audit or otherwise.

6.14 Prior Year Tax Returns. The Seller shall not amend or restate prior year tax returns which have been filed prior to the date hereof as they relate specifically to MidCon without prior consultation with the Buyer.

6.15 Retention of Carryovers. The Seller will not retain any net operating loss carryovers or capital loss carryovers of MidCon and its Subsidiaries under Reg. Sec. 1.1502-20(g).

6.16 Indemnification for Post-Closing Transactions. The Buyer agrees to indemnify the Seller for any additional Tax owed by the Seller (including Tax owed by the Seller due to this indemnification payment) resulting from any transaction not in the ordinary course of business occurring on the Closing Date after the Buyer's purchase of the Shares.

ARTICLE VII

TERMINATION

7.1 Termination. The Parties may terminate this Agreement

before the Closing as follows:

(a) The Buyer and the Seller may terminate this Agreement by mutual written consent.

(b) Subject to the provisions of Section 7.2, (i) by the Seller if one or more of the conditions set forth in Section 4.3 or Section 4.4 shall not have been satisfied or waived by the Termination Date and (ii) by the Buyer if one or more of the conditions set forth in Section 4.2 or Section 4.4 shall not have been satisfied or waived by the Termination Date.

7.2 Effects of Termination. If this Agreement is terminated

pursuant to Section 7.1, all further obligations of the Parties under this Agreement will terminate, except that the obligations in Section 10.3 and Section 10.7 will survive. If this Agreement is terminated by a Party because of a breach of the Agreement by the other Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's breach of a representation or warranty or failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired; provided, however, that

(i) if this Agreement is terminated by the Seller because of the Buyer's failure to perform or comply with any covenant, or satisfy any condition, which is to be

performed or complied with or satisfied at or prior to the Closing, (including the failure to obtain any Consent from a Governmental Entity pursuant to the HSR Act), the Buyer shall pay the Seller the amount of \$100 million which the Parties agree reflects compensation for the Seller's loss of opportunity to sell the Shares to another person in a timely manner, and

(ii) if this Agreement is terminated by the Buyer because of the Seller's failure to perform or comply with any covenant, or satisfy any condition, which is to be performed or complied with or satisfied at or prior to the Closing (which shall not include the failure to obtain any necessary Consent from a Governmental Entity pursuant to the HSR Act or by the FEREC), the Seller shall pay the Buyer the amount of \$50 million which the Parties agree reflects compensation for the Buyer's loss of opportunity to purchase the Shares in a timely manner.

Each Party's right of termination under Section 7.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies except if the Party shall receive the compensation provided in the preceding sentence.

ARTICLE VIII

SURVIVAL & INDEMNITY

8.1 Survival of Representations and Warranties; Limitations

on Liability.

(a) The respective representations and warranties of the Parties set forth in this Agreement (except those in Section 2.18) shall survive up to and including the first

anniversary of the Closing; the representations and warranties of the Seller in Section 2.18 shall survive up to and including the second anniversary of the Closing; and after which respective survival periods, such representations and warranties shall terminate and be of no further force or effect.

(b) In the case of any claim arising out of or based upon any breach of any representation or warranty of a Party set forth in this Agreement, no claim may be made thereunder unless the other Party delivers a Claim Notice within the survival period under Section 8.1(a). If a Party delivers a Claim Notice as provided in Section 8.4.2 prior to the expiration of the survival period, then the survival period with respect to the matter or matters described in such Claim Notice shall be tolled until all such matters shall have been finally resolved and any remedial action required in connection therewith shall have been effected.

8.2 Indemnification by the Buyer. The Buyer shall indemnify, defend and hold harmless the Seller Indemnitees against and from, and shall reimburse the Seller Indemnitees for, any loss, claim, liability, damage, cost or expense incurred or suffered by any of the Seller Indemnitees, (a) caused by, arising out of, or based upon, any breach of any representation and warranty by the Buyer on its own behalf contained in this Agreement or any of the Related Agreements (to the extent that the Buyer, MidCon or its Subsidiaries are a party thereto), and (b) caused by, arising out of, based upon or relating to, any breach of any covenant or agreement by the Buyer on its own behalf or on behalf of MidCon or its Subsidiaries contained in this Agreement or any of the Related Agreements (to the extent that the Buyer, MidCon or its Subsidiaries is a party thereto), in each case, if and to the extent arising from or related to

occurrences or events that occurred after the Closing and, in each case, together with interest at a rate per annum equal to the Reference Rate from the date upon which such loss, claim, liability, damage, cost or expense was incurred or suffered to the date of payment.

8.3 Indemnification by the Seller.

8.3.1 The Seller shall indemnify, defend and hold harmless the Buyer Indemnitees against and from, and shall reimburse the Buyer Indemnitees for:

(a) any loss, claim, liability, damage, cost or expense incurred or suffered by any of the Buyer Indemnitees (i) caused by, arising out of, or based upon, any breach of any representation or warranty by the Seller contained in this Agreement or any of the Related Agreements, or (ii) caused by, arising out of, or based upon, any breach of any covenant or agreement (other than a representation or warranty) by the Seller contained in this Agreement or any Related Agreement;

(b) any loss, claim, damage, liability, cost or expense arising out of the obligations of MidCon or its Subsidiaries in respect of the MidCon ESOP Agreements (other than any liability or obligation to pay principal or interest arising under or pursuant to the ESOP Note, the Term Loan Agreement or the Term Loan Assignment Agreement), in each case, together with interest at a rate per annum equal to the Reference Rate from the date upon which such loss, claim, liability, damage, cost or expense was incurred or suffered to the date of payment;

(c) any Taxes with respect to any Tax year or portion thereof ending on or before the Closing Date (or for any Tax year beginning before and ending after the Closing Date to the extent allocable (determined in a manner consistent with Sections 6.3, 6.6, 6.7 and 6.8 of this Agreement) to the portion of such period beginning before and ending on the Closing Date), other than Taxes with respect to the taxable year in which Closing occurs to which the provisions of the Tax Sharing Agreement remain in effect after the Closing, consistent with Section 6.2 of this Agreement; provided, however, that Seller's obligation pursuant to this sentence shall not include any liability to indemnify and hold harmless the Buyer Indemnitee for Tax liabilities (i) to the extent such Taxes are included in or covered by any reserve for Tax liability recorded on the 1997 Financial Statements and (ii) unless the amount of a particular Tax liability shall exceed \$100,000 and then only to the extent the aggregate of all such Tax liabilities (exceeding \$100,000) shall exceed ten million dollars (\$10,000,000); and

(d) any loss, claim, damage, liability, cost or expense arising out of or relating to any claims by Persons which own interests in the assets assigned by MidCon Gas Services Corp. ("MGS") to MC Panhandle Inc. ("MCP") pursuant to the Assignment and Assumption Agreement dated December 31, 1996 by and between MGS and MCP, including those cases referred to on Schedule 2.13 but only to the extent such losses, claims, damages, liabilities, costs and expenses (i) relate to the liability of MidCon or its Subsidiaries in such matter and (ii) exceed \$10 million; provided, however, the Seller shall be entitled to defend, as more fully provided in Section 8.4.5, all actions, suits, proceedings or claims subject to this clause (d).

8.3.2 The Seller shall indemnify, defend and hold harmless MidCon and its Subsidiaries (collectively, the "Tax Indemnitees" and individually, a "Tax Indemnitee") against and from and shall reimburse the Tax Indemnitees from any liability that any of the Tax Indemnitees may suffer resulting from, arising out of, relating to, in the nature of, or caused by any increase in Tax liability arising out of or with respect to the ownership or disposition of, or investment in, Great Plains Gasifications Associates and MCN Coal Gasification Company.

8.4 Interpretation. The provisions of each of the foregoing Sections of this Article VIII shall be interpreted as follows:

8.4.1 The indemnity provided for by each of such Sections shall extend to, and the amount of any actual loss, liability, damage, cost or expense incurred or suffered by any Indemnified Person (whether a Seller Indemnitee or a Buyer Indemnitee) shall include, all losses, liabilities, damages, costs and expenses of such Indemnified Person, as the case may be, including amounts paid in settlement, costs of investigation and reasonable fees and expenses of attorneys, accountants or other agents and experts reasonably incident to matters indemnified against and the enforcement of such indemnity; provided, however, that neither Buyer Indemnities nor Seller Indemnities shall be entitled to indemnification hereunder for any loss of profits or other consequential damages. The losses, liabilities, damages, costs and expenses included in the indemnity provided for by each of the foregoing Sections of this Article VIII are herein collectively called "Damages".

8.4.2 The amount claimed by an Indemnified Person to be owing as described in each such Section, together with a list identifying to the extent reasonably possible each separate item of loss, liability, damage, cost or expense for which payment is so claimed, shall be set forth by such Person in a statement delivered to the indemnifying Party setting forth the details of and the basis for such claim ("Claim Notice") and shall be paid by such indemnifying Party, as and to the extent required herein, within 30 days after receipt of such Claim Notice or, if the indemnifying Party raises reasonable objection thereto within such 30 days, then whenever a determination as to whether the Indemnified Person is entitled to indemnification hereunder shall have occurred or shall have been mutually agreed to.

8.4.3 No payment on account of any actual loss, liability, damage, cost or expense pursuant to the provisions of Section 8.3.1(a) or Section 8.3.1(b) shall be required to be made by the Seller unless the Buyer Indemnitees shall have delivered to the Seller a Claim Notice therefor prior to the first anniversary of the Closing Date. No payment on account of any actual loss, liability, damage, cost or expense pursuant to the provisions of Section 8.3.1(c), Section 8.3.1(d) or Section 8.3.2 shall be required to be made by the Seller unless the Buyer Indemnitees or the Tax Indemnitees, respectively, shall have delivered to the Seller a Claim Notice therefor prior to the second anniversary of the Closing Date. No payment on account of any actual loss, liability, damage, cost or expense pursuant to the provisions of Section 8.2 (except for payments for breach of Buyer's covenants in Section 5.2 and Section 5.3 and Article VI) shall be required to be made by the Buyer unless the Seller's Indemnitee shall have delivered to the Buyer a Claim Notice therefor prior to the first anniversary of the Closing Date.

8.4.4 If any of the Buyer Indemnitees, the Tax Indemnitees, or Seller Indemnitees shall deliver a Claim Notice as provided in Section 8.4.3 prior to the applicable anniversary of the Closing Date, then the survival period with respect to each matter described in detail in such Claim Notice shall be tolled until such matter shall have been finally resolved and any remedial action required in connection therewith shall have been effected.

8.4.5 In the event that any action, suit or proceeding shall be brought against any Indemnified Person by any third party, which action, suit or proceeding, if determined adversely to the interests of such Indemnified Person, would entitle such Indemnified Person to indemnity pursuant to the provisions of Section 8.2 or Section 8.3, if the Claim Notice has been timely given pursuant to Section 8.4.3, such Indemnified Person shall reasonably promptly notify the indemnifying Party of the same in writing, but any failure to so notify shall not relieve the applicable indemnifying Party from any liability which it may have to such Indemnified Person under such Section 8.2 or Section 8.3 unless such failure would prejudice materially the rights of the Party entitled to receive such notification. The Person seeking indemnification pursuant to the provisions of this Article VIII shall have the right, at its sole cost and expense, to participate in any legal action for which indemnification shall be sought. However, the Party from whom indemnification shall be sought shall have the right to assume the defense thereof with counsel reasonably acceptable to the Person seeking indemnification and shall have the sole right to settle or otherwise dispose of such legal action in any manner it deems appropriate. The Person seeking indemnification shall make, at its sole cost and expense, personnel and records available to the indemnifying Party for the defense of claims or legal actions, as may be reasonably requested by the indemnifying Party, and shall take such

reasonable actions as may be necessary to mitigate its damages, which cost of mitigation shall be covered by the indemnity in this Article VIII.

8.5 Exclusive Remedy. The sole and exclusive liability of -----
the Seller to the Buyer Indemnitees or the Tax Indemnitees, and of the Buyer to the Seller Indemnitees, for Damages under or in connection with this Agreement or the transactions contemplated hereby (including without limitation, for any breach or inaccuracy of any representation or warranty or for any breach of any covenant required to be performed hereunder) and the sole and exclusive remedy of the Buyer Indemnitees or the Tax Indemnitees and the Seller Indemnitees with respect to any of the foregoing, shall be as expressly set forth in this Article VIII and the Seller and the Buyer hereby waive, release and agree not to assert any other remedy for Damages, including, without limitation, common law and statutory rights.

ARTICLE IX
DEFINITIONS

9.1 "Affiliate" shall mean, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with such Person.

9.2 "Affiliated Group" means any affiliated group within the meaning of Code Section 1504(a) or any similar group defined under a similar provision of state, local or foreign law.

9.3 "Agreement" shall mean this Stock Purchase Agreement, including its Exhibits and Schedules, as the same may be amended in writing from time to time in accordance with their respective terms.

9.4 "B Facility Loan" shall mean a loan by MidCon to the Seller as more fully set forth in the Cash Management Agreement.

9.5 "Business" shall mean the business and operations conducted by MidCon and its Subsidiaries as of the date hereof.

9.6 "Business Day" shall mean any day on which national banks in the City of New York, State of New York, are open for business.

9.7 "Buyer" shall mean KN Energy, Inc., a Kansas corporation.

9.8 "Buyer Benefit Plans" shall have the meaning set forth in Section 5.2.3(c).

9.9 "Buyer Indemnitees" shall mean the Buyer and each of its Affiliates and their respective officers, directors, employees and agents.

9.10 "Buyer's Pipeline Lease Guaranty" shall have the meaning set forth in Section 5.3.6.

9.11 "C Facility Loan" shall mean a loan by the Seller to MidCon as more fully set forth in the Cash Management Agreement.

9.12 "Cash Management Agreement" shall mean the Intercompany Cash Management Agreement, dated as of November 20, 1996, by and between the Seller and MidCon.

9.13 "Certificate of Designations" shall mean the Certificate of Designations of the CMIC Preferred Stock, as filed with the Secretary of State of the State of Delaware on November 20, 1996.

9.14 "Claim Notice" shall have the meaning set forth in Section 8.4.2.

9.15 "Closing" shall have the meaning set forth in Section 4.1.

9.16 "Closing Date" shall mean the Business Day on which the Closing shall occur.

9.17 "CMIC Preferred Stock" shall mean the Cumulative MidCon-Indexed Convertible Preferred Stock (Par Value \$1.00 Per Share) of the Seller.

9.18 "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

9.19 "Commitments" shall have the meaning set forth in Section 5.2.5.

9.20 "Common Stock" shall have the meaning set forth in Section 2.4.

9.21 "Consents" shall have the meaning set forth in Section 5.3.2.

9.22 "Control" (and its derivative terms "Controlled", "Controls" etc.) shall mean the power and right to direct the management and policies of another Person, whether by

ownership of voting securities, the ability to elect a majority of the board of directors or other managing board or committee, by management contract, or otherwise.

9.23 "Current Assets" shall mean assets that are reasonably expected to be realized in cash or sold or consumed within one year or less, determined in accordance with GAAP on a consistent basis.

9.24 "Current Liabilities" shall mean liabilities, indebtedness and obligations that are reasonably expected to be payable within one year or less, determined in accordance with GAAP on a consistent basis.

9.25 "Damages" shall have the meaning set forth in Section 8.4.1.

9.26 "Dividend Note" shall mean that certain Dividend Note, dated November 20, 1996, in the original principal amount of \$1,600,000,000, issued by MidCon to the Seller.

9.27 "Employee Plans and Agreements" shall mean each bonus, deferred compensation, incentive compensation, stock purchase, stock option, employment, consulting, severance or termination pay, hospitalization or other medical, life or other insurance, supplemental unemployment benefits, profit-sharing, pension or retirement plan, program, agreement or arrangement, and each other "employee benefit plan" (within the meaning of section 3(2) of ERISA), program, agreement or arrangement, whether formal or informal, written or oral, and whether legally binding or not, sponsored, maintained or contributed to or required to be contributed to by the Seller or MidCon or any of their Subsidiaries for the

benefit of any employee, former employee, consultant, officer, or director of MidCon or any of its Subsidiaries.

9.28 "Employees" shall mean collectively the Salaried Employees and the Union Employees.

9.29 "Employee Welfare Benefit Plan" shall have the meaning set forth in Section 3(1) of ERISA.

9.30 "Encumbrance" shall mean any lien, charge, encumbrance, conditional sale agreement, option, right of purchase, warrant, title retention agreement, pledge, restriction on transfer, voting trust, security interest or other adverse claim, whether arising by contract or law.

9.31 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

9.32 "ESOP Note" shall mean that certain Non-Recourse Promissory Note, dated November 20, 1996, in the amount of \$1,398,600,000, issued by the MidCon ESOP Trust to the Seller.

9.33 "Facilities" shall have the meaning set forth in the Cash Management Agreement.

9.34 "FERC" shall mean the Federal Energy Regulatory Commission.

9.35 "Financial Statements" shall have the meaning set forth in Section 2.10.

9.36 "Former Salaried Employees" shall mean the former nonunion employees of MidCon or any of its Subsidiaries (i) who retired, died, became disabled or otherwise terminated employment prior to the Closing Date and (ii) who are not immediately after the Closing in the active employment of the Seller or any of its Subsidiaries.

9.37 "Former Union Employees" shall mean the former employees of MidCon or any of its Subsidiaries who were represented by a collective bargaining unit represented by the Union, including such employees who, on the Closing Date and pursuant to the terms of the union contract in effect as of the date of such employee terminated from service, retired, died, became disabled or otherwise terminated employment prior to the Closing Date.

9.38 "GAAP" shall mean United States generally accepted accounting principles. GAAP relating to the Seller or MidCon shall be that applied on a basis consistent with the preparation of the Financial Statements.

9.39 "Governmental Entity" shall mean any federal, state, local or foreign governmental or regulatory authority or agency.

9.40 "Government Securities" means direct non-callable obligations of, or non-callable obligations timely payments of which are guaranteed by, the United States of America, for the payment of which guarantee or obligations the full faith and credit of the United States of America is pledged.

9.41 "HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

9.42 "Indemnified Person" shall mean one of the Seller Indemnitees or the Buyer Indemnitees as the case may be.

9.43 "Insurance Novation Agreement" shall mean the agreement substantially in the form of Exhibit 5.1.5(b).

9.44 "Insurance Release Agreement" shall mean the agreement substantially in the form of Exhibit 5.1.5(a).

9.45 "Intercompany Agreements" shall mean (i) the Services Agreement, (ii) the Cash Management Agreement, (iii) the Tax Sharing Agreement, (iv) the MidCon Restructuring Agreements, (v) the Dividend Note, (vi) the Pipeline Lease, (vii) the Pipeline Lease Guaranty and (viii) the Originator Receivable Sales Agreement.

9.46 "Knowledge" shall mean, with respect to any Party, the actual conscious awareness of factual information, without independent investigation, of officers of such Party.

9.47 "LIBO Business Day" shall mean any day not a Saturday, Sunday or legal holiday in the State of New York and on which banks and the Federal Reserve Bank of New York are open for business in New York City; provided, however, that the term "LIBO Business Day" shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London Interbank Market.

9.48 "LIBO Rate" shall mean, for any interest period, the interest rate per annum reflected in the Wall Street Journal under MONEY RATES London Interbank Offered Rates (LIBOR), or such independent source as shall be agreed by the Seller and the Buyer, for three

months, or such shorter period as may be applicable to the interest period, for the date that is two LIBO Business Days prior to the beginning of such interest period.

9.49 "Material Adverse Effect," with respect to any Person, shall mean an adverse effect, circumstance, condition, development or occurrence having (a) the effect in each individual case of a loss, liability, obligation or damages of more than twenty-five million dollars or (b) the effect in the aggregate of all losses, liability, obligation or damages of more than fifty million dollars, net in each case of any benefit arising from the event, liability, obligation, claim, litigation or violation giving rise to the adverse effect.

9.50 "MidCon" shall mean MidCon Corp., a Delaware corporation.

9.51 "MidCon ESOP" shall mean the MidCon Corp. Employee Stock Ownership Plan established by the Seller, effective as of November 20, 1996.

9.52 "MidCon ESOP Agreements" shall mean (i) the MidCon Corp. ESOP Trust Agreement by and between the Seller and U.S. Trust Company of California, N.A., as trustee, effective November 20, 1996, (ii) the MidCon ESOP, (iii) the Funding Agreement, dated November 20, 1996, by and between the Seller and U.S. Trust Company of California, N.A., in its capacity as trustee of the MidCon ESOP Trust; (iv) the Stock Purchase Agreement, dated November 20, 1996, by and between the Seller and the MidCon ESOP Trust; (v) the Pledge Agreement dated as of November 20, 1996, by and among the Seller, in its capacity as collateral agent, the Seller, in its individual capacity, MidCon and the MidCon ESOP Trust; (vi) the Stockholders' Agreement dated November 20, 1996 by and between the Seller and the

MidCon ESOP Trust, (vii) the Certificate of Designations; (viii) the ESOP Note and (ix) the Term Loan Agreement.

9.53 "MidCon ESOP Trustee" shall have the same meaning as "Trustee" in the MidCon ESOP. The MidCon ESOP Trustee is the U.S. Trust Company of California, N.A. as of the date of this Agreement.

9.54 "MidCon Indemnitees" shall have the meaning set forth in Section 5.2.6.

9.55 "MidCon Loans" shall mean loans made by the Seller to MidCon as more fully set forth in the Cash Management Agreement.

9.56 "MidCon Restructuring Agreements" shall mean all the agreements referred to in the definition of "MidCon Restructuring" in the Certificate of Designations.

9.57 "1997 Financial Statements" shall have the meaning set forth in Section 5.1.6.

9.58 "Notified Party" shall have the meaning set forth in Section 5.3.3.

9.59 "Notifying Party" shall have the meaning set forth in Section 5.3.3.

9.60 "OPC Loans" shall mean loans made by MidCon to the Seller as more fully set forth in the Cash Management Agreement.

9.61 "Originator Receivables Sale Agreement" shall mean the Originator Receivables Sale Agreement, dated as of October 29, 1992, by and among Occidental Receivables, Inc.,

Occidental Chemical Corporation and the MidCon subsidiaries listed as originators on the signature pages thereto, as amended.

9.62 "Party" or "Parties" shall mean the Seller or the Buyer, or both, as the case may be.

9.63 "Person" shall mean an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, business, government or political subdivision thereof, governmental agency or other entity.

9.64 "Pipeline Lease" shall mean the Intrastate Pipeline System Lease, dated as of December 31, 1996, by and between the Pipeline Lessor and the Pipeline Lessee.

9.65 "Pipeline Lease Guaranty" shall mean the Guaranty and Agreement, dated December 31, 1996, by MidCon in favor of the Pipeline Lessor with regard to the guaranty of the obligations in favor of the Pipeline Lessee.

9.66 "Pipeline Lessee" shall mean MidCon Texas Pipeline Operator, Inc., a Delaware corporation, and its successors and assigns.

9.67 "Pipeline Lessor" shall mean MidCon Texas Pipeline, L.P., a Delaware limited partnership, and its successors and assigns.

9.68 "PUHCA" shall mean the Public Utility Holding Company Act of 1935, as amended.

9.69 "Purchase Price" shall have the meaning set forth in Section 1.2.

9.70 "Reference Rate" shall mean the rate of interest announced from time to time by The Chase Manhattan Bank, N.A., as its reference rate. This rate of interest shall be applied to the actual elapsed days over the total days in the applicable calendar year.

9.71 "Related Agreements" shall mean (a) the Insurance Release Agreement, (b) the Insurance Novation Agreement, (c) the Term Loan Assignment Agreement, (d) an interim services agreement, if any, and (e) any security agreement and control agreement or any letter of credit issued pursuant to Section 5.3.4.

9.72 "Salaried Employees" shall mean all employees, including salaried, hourly employees of MidCon or any of its Subsidiaries who are not Union Employees and who are immediately prior to the Closing (i) in the active employment of MidCon or any of its Subsidiaries, or (ii) on sick leave, short term disability, long term disability, or other leave of absence approved by the Seller or any of its Subsidiaries.

9.73 "SEC" shall mean the Securities and Exchange Commission.

9.74 "SEC Reports" shall have the meaning set forth in Section 2.11.

9.75 "Securities Act" shall mean the Securities Act of 1933, as amended.

9.76 "Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

9.77 "Seller" shall mean Occidental Petroleum Corporation, a Delaware corporation.

9.78 "Seller Indemnitees" shall mean the Seller and each of its Affiliates and their respective officers, directors, employees and agents.

9.79 "Services Agreement" shall mean the Services Agreement dated November 20, 1996 by and between the Seller and MidCon.

9.80 "Shares" shall have the meaning set forth in Section 2.4.

9.81 "Significant Subsidiary" shall mean the following Subsidiaries of MidCon: mc2, Inc., MidCon Gas Products Corp., MidCon Gas Services Corp., MidCon Power Services Corp., MidCon Texas Pipeline Operator, Inc., Natural Gas Pipeline Company of America, NGPL Offshore Company, NGPL - Canyon Compression Co., NGPL - Trailblazer Inc., and Palo Duro Pipeline Company, Inc.

9.82 "Subsidiary" of any Person shall mean another Person, with respect to which such first Person owns, directly or indirectly, an amount of the voting securities or other voting ownership or partnership interests sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, more than 50% of its equity).

9.83 "Substitute Note" shall mean one or more notes payable to the order of the Seller, substantially in the form of Exhibit 9.83 hereto, which provides for interest at a rate equal to 0.3% plus the rate of interest (the "fixed rate equivalent") applicable to a promissory note with a fixed rate of interest that has the same present value as a promissory note that bears interest at the LIBO Rate applicable for each interest period, assuming that both notes have the

same original principal amount as such Substitute Note and pay interest and principal at the same times as such Substitute Note, which fixed rate equivalent shall be determined on the fifth Business Day prior to the Closing Date by reference to the implied forward LIBO Rates derived from the eurodollar futures market, which implied forward LIBO Rates are published by an independent source agreed to by the Buyer and the Seller, in accordance with a methodology previously agreed to by the Buyer and the Seller.

9.84 "Tax" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

9.85 "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

9.86 "Tax Sharing Agreement" shall mean the Tax Sharing Agreement dated as of November 20, 1996 by and between the Seller and MidCon.

9.87 "Term Loan Agreement" shall mean the Term Loan Agreement, dated as of November 20, 1996, by and among the Seller, MidCon Corp. ESOP Trust and MidCon.

9.88 "Term Loan Assignment Agreement" shall mean an agreement substantially in the form set forth in Exhibit 9.88.

9.89 "Termination Allowance Plan" shall mean the MidCon Corp. Termination Allowance Plan adopted by MidCon as amended from time to time.

9.90 "Termination Date" shall mean June 30, 1998 or such other date as the Parties may mutually agree in writing.

9.91 "Union" shall mean the United Steel Workers (Local 1445--2) representing certain hourly employees of MidCon.

9.92 "Union Contract" shall mean the collective bargaining agreement between Natural Gas Pipeline of America and the United Steel Workers Local 1445-2.

9.93 "Union Employees" shall mean all employees of MidCon or its Subsidiaries immediately prior to the Closing Date who are part of the collective bargaining unit represented by the Union, including such employees who, on the Closing Date and pursuant to the terms of the Union Contract, (i) are in the active employment of MidCon or any of its Subsidiaries, or (ii) are on layoff, sick leave or other leave of absence.

ARTICLE X
MISCELLANEOUS

10.1 Further Assurances. Subject to the terms and conditions herein provided, each of the Parties agrees to use all reasonable commercial efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including using all reasonable commercial efforts to obtain all necessary waivers, consents and approvals in connection with any governmental requirements set forth in Section 2.3 and Section 3.3 of the Agreement, and to effect all necessary registrations and filings. In case at any time after the Closing Date any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and/or directors of the Seller, the Buyer or MidCon shall take all such necessary action.

10.2 Preservation of Books and Records.

(a) Each Party agrees that for the period specified in subpart (b) such Party shall take all necessary action to ensure that all corporate books and records of MidCon and its Subsidiaries with respect to periods ending on or before the Closing Date in the possession or control of such Party or its Affiliates shall be open for inspection by representatives of the other Party at any time during regular business hours and that the other Party may during such statutory period at its expense make such excerpts therefrom as it may reasonably request.

(b) For the period of 10 years following the Closing Date or such longer period pursuant to Article VI, no Party or its Affiliates shall destroy or give up possession of any original or any copy of any of the books and records relating to any matter for which a Party shall have any continuing responsibility under this Agreement or any agreement contemplated by this Agreement without first offering to the other Party the opportunity, at its expense, to obtain such original or a copy thereof. During such period, the Party shall use reasonable commercial efforts to cooperate with the other Party and make such books and records available to the employees and representatives of the other Party to the extent that the other Party may reasonably require for its corporate and other business purposes.

10.3 Confidentiality. Each Party and its Affiliates shall, -----
and shall cause their respective employees, agents, accountants, legal counsel and other representatives to perform and comply with the two Confidentiality Agreements dated October 9, 1997 and December 16, 1997 respectively between the Parties.

10.4 Notices. All notices and other communications hereunder shall be -----
in writing and shall be deemed given upon personal delivery, facsimile transmission (which is confirmed) or delivery by an overnight express courier service (delivery, postage or freight charges prepaid), or on the fourth day following deposit in the United States mail (if sent by registered or certified mail, return receipt requested, delivery, postage or freight charges prepaid), addressed to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Seller:

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024

Attention: General Counsel

Facsimile Number: (310) 443-6195

(b) if to Buyer:

KN Energy, Inc.
P.O. Box 281304
370 Van Gordon
Lakewood, Colorado 80228-8304

Attention: Vice President

Facsimile Number: (303) 763-3115

10.5 Public Announcements. Prior to the Closing, the

Parties shall not, and shall not permit any of their respective
Affiliates to, issue any press release or other public
announcement concerning this transaction except (a) with the
prior approval of the other Party, or (b) when, on the advice of
legal counsel, such release or announcement is required by the
federal securities laws or the rules and regulations of any of
the national exchanges, in which case the Parties shall, to the
extent practicable, first consult with each other.

10.6 Successors and Assigns. No party to this Agreement may

assign any of its rights or obligations under this Agreement
without the express written consent of the other Party hereto.
Any assignment in violation of the foregoing shall be null and
void. Subject to the preceding sentences of this Section 10.6,
the provisions of this Agreement (and, unless

otherwise expressly provided therein, of any document delivered pursuant to or in connection with this Agreement) shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and assigns.

10.7 Expenses. Whether or not this Agreement is consummated, ----- all costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby and thereby shall be paid by the Party incurring such expense. Any brokerage, finders or other similar fees or commissions payable to Merrill Lynch & Co. or to Credit Suisse First Boston Corporation in connection with the transactions contemplated by this Agreement shall be paid by the Seller. Any brokerage, finder's or other similar fees payable to Morgan Stanley & Co. Incorporated, Petrie Parkman & Co., Inc. or to Salomon Brothers Inc in connection with the transactions contemplated by this Agreement shall be paid by the Buyer.

10.8 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against the applicable regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

10.9 Construction; Interpretation.

(a) When a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference shall be to an Article, Section, Exhibit or Schedule to this Agreement unless otherwise indicated.

(b) The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

(c) The information set forth in any Section or in any Schedule shall be deemed to qualify and relate to every provision of this Agreement.

(d) The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(e) The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

(f) Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all valid and enforceable rules and regulations promulgated thereunder, unless the context requires otherwise.

10.10 Entire Agreement; Third Party Beneficiaries. This Agreement, those certain Confidentiality Agreements by and between the Seller and the Buyer (including the documents and the instruments referred to herein and therein) as more fully described in Section 10.3 and that certain letter agreement from the Seller to the Buyer dated the date hereof regarding compensation of certain officers of MidCon (a) constitute the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, and (b) except as provided under Section 5.2.3, Section 5.2.6, Section 8.2 and Section 8.3, are not intended to confer upon any person other than the Parties any rights or remedies hereunder.

10.11 Amendment and Modification. This Agreement may not be amended, modified and supplemented, and no amendment to this Agreement shall be effective, unless evidenced by an instrument in writing signed by each Party.

10.12 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law.

10.13 Waiver of Jury Trial. Each of the Buyer and the Seller hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or actions of the Buyer and the Seller in the negotiation, administration, performance and enforcement hereof.

10.14 Consent to Jurisdiction and Forum Selection. Each Party hereby irrevocably agrees that any legal action or proceeding against it or any of its Affiliates arising out of this Agreement may be brought in the courts of the State of Delaware, or of the United States of America District Court for Delaware and does hereby irrevocably (a) designate, appoint and empower the Secretary of State of the State of Delaware to receive for and on behalf of it and its Affiliates service of process in the State of Delaware, and (b) consent to service of process outside the territorial jurisdiction of such courts in the manner permitted by law. In addition, each Party, on its own behalf and on behalf of its Affiliates, irrevocably waives (i) any objection which such Party or its Affiliates may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of, or relating to, this Agreement brought in any such court, (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum, and (iii) the right to object, with respect to any such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over such Party or any other Party.

10.15 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

IN WITNESS WHEREOF, the Seller and the Buyer have caused this Agreement to be signed by their respective officers thereunder duly authorized, all as of the date first written above.

OCCIDENTAL PETROLEUM CORPORATION
("Seller")

By: STEPHEN I. CHAZEN

Its:

[Corporate Seal]

KN ENERGY, INC.
("Buyer")

By: LARRY HALL

Its:

[Corporate Seal]

EXHIBIT 4.2.3

OPINION OF COUNSEL
TO SELLER

1. The Seller is a corporation validly existing and in good standing under the laws of the State of Delaware.
2. The Seller has the requisite corporate power and authority to enter into the Agreement, each Security Agreement, each Control Agreement, the Insurance Release Agreement, the Insurance Novation Agreement, and the Term Loan Assignment Agreement and the Letter Agreement referenced in Section 10.10 of the Agreement (together, the "Transaction Documents") and to perform its obligations thereunder.
3. The authorized capital stock of MidCon consists of 1,400,000 shares of common stock, par value \$.01 per share, all of which are outstanding. The Seller owns all of the outstanding Common Stock of record and beneficially, free and clear of all adverse claims.
4. The Board of Directors of the Seller has duly authorized the execution and delivery of the Transaction Documents by the Seller and the consummation of the transactions contemplated thereby, and no other corporate proceeding on the part of the Seller is necessary to authorize the execution and delivery of the Transaction Documents by the Seller and the consummation by it of the transactions contemplated thereby.
5. Each of the Transaction Documents has been duly executed and delivered by the Seller.
6. Assuming the due authorization, execution and delivery of each of the Transaction Documents by the parties thereto other than the Seller, each of the Transaction Documents is a valid and binding obligation of the Seller, enforceable against it in accordance with its terms, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally, and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding at law or in equity).
7. Neither the execution and delivery by the Seller of the Transaction Documents, nor the performance by the Seller of its obligations thereunder, will, as of the Closing Date, (i) violate or conflict with any provision of the Restated Certificate of Incorporation, as amended, or By-laws, as amended, of the Seller (ii) violate or constitute a material default under any provision of, or result in acceleration of any obligation under, or give rise to a right to any party to terminate its obligations under, any material contract, lease, undertaking, indenture, bond, debenture, mortgage, deed

of trust, note or other instrument or other agreement known to such counsel to which the Seller is a party.

8. No consent, approval, or authorization of any government or governmental instrumentality or court under any Seller Applicable Laws is required for the execution and delivery by the Seller of the Transaction Documents or the performance by the Seller of its obligations thereunder, except such as have been obtained. "Seller Applicable Laws" means the laws of the General Corporation Law of the State of Delaware and the federal laws of the United States of America that in the experience of such counsel are normally applicable to transactions of the type contemplated by the Transaction Documents.
9. Neither the Seller nor MidCon is a "holding company" or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," within the meaning of the PUHCA.

EXHIBIT 4.3.4

OPINION OF COUNSEL
TO BUYER

1. The Buyer is a corporation validly existing and in good standing under the laws of the State of Kansas.
2. The Buyer has the requisite corporate power and authority to enter into the Agreement, each Substitute Note, each Security Agreement, each Control Agreement, the Insurance Release Agreement, the Insurance Novation Agreement, the Term Loan Assignment Agreement and the Buyer's Pipeline Lease Guarantee (collectively, the "Buyer Transaction Documents") and to perform its obligations thereunder.
3. The Board of Directors of the Buyer has duly authorized the execution and delivery of the Buyer Transaction Documents by the Buyer and the consummation of the transactions contemplated thereby, and no other corporate proceeding on the part of the Buyer is necessary to authorize the execution and delivery of the Buyer Transaction Documents by the Buyer and the consummation by it of the transactions contemplated thereby.
4. Each of the Buyer Transaction Documents has been duly executed and delivered by the Buyer.
5. Assuming the due authorization, execution and delivery of each of the Buyer Transaction Documents by the parties thereto other than the Buyer, each of the Buyer Transaction Documents is a valid and binding obligation of the Buyer, enforceable against it in accordance with its terms, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally, and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding at law or in equity).
6. Neither the execution and delivery by the Buyer of the Buyer Transaction Documents, nor the performance by the Buyer of its obligations thereunder, will, as of the Closing Date, (i) violate or conflict with any provision of the certificate of incorporation, or by-laws, of the Buyer (ii) violate or constitute a material default under any provision of, or result in acceleration of any obligation under, or give rise to a right to any party to terminate its obligations under, any material contract, lease, undertaking, indenture, bond, debenture, mortgage, deed of trust, note or other instrument or other agreement known to such counsel to which the Buyer is a party.
7. No consent, approval, or authorization or certificate of any government or governmental instrumentality or court under any Applicable Laws is required for the execution and delivery by the Seller of the Transaction Documents or the performance by the Buyer

of its obligations thereunder, except such as have been obtained. "Buyer Applicable Laws" means the laws of the State of Kansas and the federal laws of the United States of America that in the experience of such counsel are normally applicable to transactions of the type contemplated by the Transaction Documents including, without limitation, the Federal Power Act and the Natural Gas Act.

8. The Seller has a valid, perfected, first priority security interest in securities account number _____ maintained with _____ in the name "_____" and all securities, funds and other property from time to time credited to such account and all security entitlements with respect thereto.*

*This opinion shall be given by [Simpson Thacher & Bartlett] and shall cover all collateral required to secure any Substitute Note issued pursuant to the Agreement.

EXHIBIT 5.1.5(a)

SETTLEMENT AGREEMENT
AND POLICY RELEASE

This SETTLEMENT AGREEMENT AND POLICY RELEASE (this "AGREEMENT") is entered into this ____ day of _____, 1998 between OPCAL INSURANCE, INC., a Hawaii corporation, on behalf of itself and its affiliates, parents, subsidiaries, agents, employees, predecessors, and successors (collectively "OPCAL"), and MIDCON CORP., a Delaware corporation and its subsidiaries, affiliates, agents, employees, predecessors, and successors (individually and collectively "MIDCON").

RECITALS:

WHEREAS, OPCAL issued to MIDCON certain insurance policies whereby OPCAL, in consideration of the payment of premiums, committed to insure certain risks of MIDCON (herein the "POLICIES") as listed on the attached schedule.

WHEREAS, OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("OCCIDENTAL") has agreed to sell all of the outstanding common stock of MIDCON to KN ENERGY, INC., a Kansas corporation.

WHEREAS, as part of OCCIDENTAL's sale of MIDCON's stock, its indirect subsidiary, OPCAL, and MIDCON desire fully and finally to settle and release all their respective rights, obligations and liabilities, whether known or unknown, as respects MIDCON's losses and expenses only, under the POLICIES.

AGREEMENTS:

NOW, THEREFORE, IT IS AGREED BY AND BETWEEN OPCAL AND MIDCON THAT:

1. In consideration of the sale of all of the outstanding common stock of MIDCON and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, OPCAL and MIDCON do hereby release and forever discharge one another and their respective predecessors, parents, affiliates, subsidiaries, agents, managing agents, officers, directors, shareholders, successors, assigns and all other persons, firms, corporations and other entities who may be deemed to act or have acted, or who may be deemed to act in the future, on their respective behalfts in connection with or with respect to the POLICIES from any and all present and future payment obligations, adjustments, executions, offsets, actions, causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, covenants, controversies, agreements, promises, damages, expenses (including, but not limited to, court costs and attorneys' fees), judgments, claims, demands, liabilities or losses whatsoever,

whether known or unknown, claimed or suspected, fixed or contingent, which OPCAL and MIDCON and their respective predecessors, successors and assigns ever had, now have, or hereafter may have, whether grounded in law or in equity, in contract or in tort, or otherwise, and whether obtained by subrogation, assignment or otherwise, by reason of any matter whatsoever arising under of the POLICIES or any claims handling thereunder, it being the intention of the parties that this AGREEMENT operate as a full and final settlement of all past, current and future liabilities, whether alleged or actual, to one another under the POLICIES to the fullest extent possible under the law, provided however, that nothing in this AGREEMENT shall affect any rights OPCAL may have with respect to any of its reinsurers.

2. MIDCON hereby agrees to indemnify OPCAL and to hold it harmless from and against, and pay on its behalf the amount of any judgment, payment award, loss, claim, expense, cost, damage or liability incurred by it arising out of, resulting from or in any way connected with any claim against OPCAL arising as a result of MIDCON having been an insured under the POLICIES.

3. MIDCON does hereby withdraw all requests, demands, and tenders for defense, indemnity or other reimbursement heretofore submitted to OPCAL, and does hereby covenant and agree to forever relinquish and abandon any and all rights, whether actual or alleged, known or unknown, accrued or unaccrued, under the POLICIES.

4. This AGREEMENT is not intended to and shall not be construed to confer any benefits on any other person or entity other than the signatories.

5. This AGREEMENT may be executed in multiple counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument and agreement.

6. This AGREEMENT contains the entire agreement between the parties as respects its subject matter. All discussions and agreements previously entertained between the parties concerning the subject matter of this AGREEMENT are merged into this AGREEMENT. This AGREEMENT may not be modified or amended, nor any of its provisions waived, except by an instrument in writing, signed by both parties hereto.

7. Should any part or provision of this AGREEMENT be determined invalid for any reason, both parties hereto understand and agree that the remaining portions hereof shall continue in effect.

8. Both parties hereto understand and agree that this AGREEMENT shall be governed by and interpreted and construed under the laws of the State of California which are effective this date.

IN WITNESS WHEREOF the parties hereto have executed this Settlement Agreement and Policy Release by their duly authorized representatives in duplicate as of the last date set forth below.

OPCAL INSURANCE, INC.
on behalf of itself and its predecessors,
affiliates, parents and subsidiaries

By: _____ Witness: _____
Title: _____
Date: _____

MIDCON CORP.
on behalf of itself and its predecessors,
affiliates, parents and subsidiaries

By: _____ Witness: _____
Title: _____
Date: _____

EXHIBIT 5.1.6(a)

ATTACHMENT

INCEPT.	EXPIR.	LAYER	COVERAGE	INSURED	POLICY #	INSURER	DEDUCTIBLES			CORP& SUBS
							OXYCHEM	OXYUSA	MIDCON	
11/1/95	11/1/96	\$10M PRIMARY	GENERAL/ PRODUCTS	OPC & Subs	96-4201	OPCAL INS., INC.	\$1MM/ OCC (2)	\$1MM/ OCC (2)	\$1MM/ OCC (2)	\$0
11/1/96	11/1/97	\$10M PRIMARY	GENERAL/ PRODUCTS	OPC & Subs	97-4201	OPCAL INS., INC.	\$1MM/ OCC (2)	\$1MM/ OCC (2)	\$1MM/ OCC (2)	\$0
10/15/92	10/15/93	\$10M PRIMARY	LIABILITY DEDUCTIBLES	OPC & Subs	92-93-28	OPCAL INS., INC.	\$250K/ OCC (1)	\$250K/ OCC (1)	\$250K/ OCC (1)	\$0
10/15/93	11/1/94	\$10M PRIMARY	LIABILITY DEDUCTIBLES	OPC & Subs	94-4210	OPCAL INS., INC.	\$250K/ OCC (2)	\$250K/ OCC (2)	\$250K/ OCC (2)	\$0
11/1/94	11/1/95	\$10M PRIMARY	LIABILITY DEDUCTIBLES	OPC & Subs	95-4210	OPCAL INS., INC.	\$250K/ OCC (2)	\$250K/ OCC (2)	\$250K/ OCC (2)	\$0
11/1/95	11/1/96	\$10M PRIMARY	LIABILITY DEDUCTIBLES	OPC & Subs	96-4210	OPCAL INS., INC.	\$1MM/ OCC (2)	\$1MM/ OCC (2)	\$1MM/ OCC (2)	\$0
11/1/96	11/1/97	\$10M PRIMARY	LIABILITY DEDUCTIBLES	OPC & Subs	97-4210	OPCAL INS., INC.	\$1MM/ OCC (2)	\$1MM/ OCC (2)	\$1MM/ OCC (2)	\$0
10/15/91	10/15/92	\$10M PRIMARY	PRIMARY MARINE LIAB.	OPC & Subs	ML90-13(II)	OPCAL INS., INC.	\$25K (ON) & \$100K (OFF)	\$25K (ON) & \$100K (OFF)		\$25K (ON) & \$100K (OFF)
10/15/92	11/1/93	\$10M PRIMARY	PRIMARY MARINE LIAB.	OPC & Subs	92-9303	OPCAL INS., INC.	\$25K (ON) & \$100K (OFF)	\$25K (ON) & \$100K (OFF)		\$25K (ON) & \$100K (OFF)
11/1/93	11/1/94	\$10M PRIMARY	PRIMARY MARINE LIAB.	OPC & Subs	94-2201	OPCAL INS., INC.	\$250K/OCC	\$250K/OCC		\$250K/ OCC
11/1/94	11/1/95	\$10M PRIMARY	PRIMARY MARINE LIAB.	OPC & Subs	95-2201	OPCAL INS., INC.	\$250K/OCC	\$250K/OCC		\$250K/ OCC
11/1/95	11/1/96	\$10M PRIMARY	PRIMARY MARINE LIAB.	OPC & Subs	96-2201	OPCAL INS., INC.	\$250K/OCC	\$250K/OCC		\$250K/ OCC
11/1/96	11/1/97	\$10M PRIMARY	PRIMARY MARINE LIAB.	OPC & Subs	97-2201	OPCAL INS., INC.	\$250K/OCC	\$250K/OCC		\$250K/ OCC
10/15/92	10/15/93	\$1M Statutory	WORKERS' COMP.	MidCon	92-93-95	OPCAL INS., INC.			\$0	
10/15/93	11/15/94	\$1M Statutory	WORKERS' COMP.	MidCon	94-4101	OPCAL INS., INC.			\$0	
11/1/94	11/1/95	\$1M Statutory	WORKERS' COMP.	MidCon	95-4101	OPCAL INS., INC.			\$0	
11/1/95	11/1/96	\$1M Statutory	WORKERS' COMP.	MidCon	96-4101	OPCAL INS., INC.			\$0	
11/1/96	11/1/97	\$1M Statutory	WORKERS' COMP.	MidCon	97-4101	OPCAL INS., INC.			\$0	

(1)IN ADDITION TO DEDUCTIBLE PRORATION OF EXPENSES BASED ON DEDUCTIBLE TO TOTAL SETTLEMENT

(2)STRAIGHT DEDUCTIBLE NO PRORATION OF EXPENSES

(3)POLICY DEDUCTIBLE EQUALS POLICY LIMITS, DIVISION DEDUCTIBLE ARE REFLECTED IN LIABILITY DEDUCTIBLE POLICIES.

(4)\$10MM PLUS ALL RELATED DEFENSE EXPENSES

THERE MAY BE OTHER POLICIES THAT WERE ERRONEOUSLY NOT INCLUDED. THE FAILURE TO INCLUDE THEM IS NOT A LIMITATION OF THE INDEMNITOR'S INDEMNIFICATION OBLIGATIONS UNDER THE AGREEMENT THIS ADDENDUM IS ATTACHED TO.

EXHIBIT 5.1.5(b)

NOVATION AGREEMENT

entered into by and between

National Union Fire Insurance Company of Pittsburgh, PA.
[Add names of National Union affiliates]
(herein the "Company")

and

KN Energy, Inc.
(herein "Purchaser")

and

Occidental Petroleum Corporation,
a Delaware corporation
(herein "Occidental")
and
its wholly-owned captive insurance company,
Opcal Insurance, Inc.,
a Hawaii corporation
(herein "Opcal")

WHEREAS, the Company and Occidental and Opcal have previously entered into the following Indemnity Agreements and Reinsurance Agreements, respectively, together with any Addenda, Policy and Funding Schedule(s) thereto (collectively the "Agreements"):

1. Faculative Reinsurance Agreement between National Union Fire Insurance Company of Pittsburgh, PA and Piper Indemnity Limited, effective April 1, 1980;
2. Faculative Reinsurance Agreement Restated as of July 1, 1987 between National Union Fire Insurance Company of Pittsburgh, PA and Piper Indemnity Limited;
3. Faculative Reinsurance Agreement Restated as of October 15, 1992 between Insurance Company of the State of Pennsylvania, National Union Fire Insurance Company of Pittsburgh, PA, Commerce and Industry Insurance Company, Birmingham Fire Insurance Company of Pennsylvania, American Home Assurance Company, Landmark Insurance Company and Piper Indemnity Limited;

4. Faculative Reinsurance Agreement Restated as of October 15, 1993 between Insurance Company of the State of Pennsylvania, National Union Fire Insurance Company of Pittsburgh, PA, Birmingham Fire Insurance Company of Pennsylvania, Illinois National Insurance Company and Opcal, Insurance Inc., Successor by Merger to Piper Indemnity Limited;
5. Faculative Reinsurance Agreement Restated as of November 1, 1994 between Insurance Company of the State of Pennsylvania, National Union Fire Insurance Company of Pittsburgh, PA, Birmingham Fire Insurance Company of Pennsylvania, Illinois National Insurance Company, American Home Assurance Company and Opcal, Insurance Inc.;
6. Faculative Reinsurance Agreement Restated as of November 1, 1995 between Insurance Company of the State of Pennsylvania, National Union Fire Insurance Company of Pittsburgh, PA, Birmingham Fire Insurance Company of Pennsylvania, American Home Assurance Company, Commerce & Industry and Opcal, Insurance Inc.;
7. Deductible Indemnity Agreement between National Union Fire Insurance Company of Pittsburgh, PA and Occidental Petroleum Corporation, effective July 1, 1987; and
8. Deductible Indemnity Agreement between National Union Fire Insurance Company of Pittsburgh, PA, Insurance Company of the State of Pennsylvania and Occidental Petroleum Corporation, effective October 15, 1992.

WHEREAS, Occidental, as Indemnitor, desires that it be replaced as the Client under the Indemnity Agreements, and Opcal desires that it be released and discharged by the Company under the Reinsurance Agreements, with respect to losses and expenses of Occidental's subsidiary, MidCon Corp., a Delaware corporation and of its various consolidated subsidiaries and affiliates, listed in Exhibit A hereto (collectively "MidCon"), arising under or relating to policies which are the subject of the respective Agreements (collectively "losses and expenses").

WHEREAS, Purchaser, a company organized and doing business under the laws of the State of Kansas, desires to indemnify the Company, in return for its release and discharge of indemnity and reinsurance obligations of Occidental and Opcal, respectively, under the Agreements, with respect to MidCon's losses and expenses only; and

WHEREAS, the Company consents to and accepts the Purchaser's indemnification in place of Occidental's and Opcal's respective obligations and liabilities under the Agreements, as to MidCon's losses and expenses only.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein the parties hereto agree as follows:

1. This Novation Agreement shall take effect as of the Closing, as defined in the Stock Purchase Agreement between Occidental and Purchaser, dated _____, 1997 (herein the "Effective Time"), at which time Occidental and Opcal hereby transfer, delegate, convey and assign to Purchaser all rights, duties, obligations and interests as Indemnitor or Reinsurer under the Agreements with respect to MidCon's losses and expenses only. Purchaser agrees to accept, assume, undertake and perform all such rights, duties and obligations under the Agreements with respect to MidCon's losses and expenses only:

(i) as if it were originally the Client (Indemnitor) or Reinsurer under the Agreements as to such losses and expenses; and

(ii) regardless of whether such losses and expenses or the rights, duties and obligations of the Client (Indemnitor) or Reinsurer arose before or after the Effective Time.

2. In consideration of Purchaser's assumption of the obligations and liabilities for MidCon's losses and expenses under the Agreements, at the Effective Time, the Company hereby releases and discharges Occidental and Opcal, their respective present and former subsidiaries and affiliates, directors, officers, employees and shareholders, from all present and future claims, costs, damages, penalties, demands, attorneys' fees, liabilities and obligations to the Company of whatsoever character, arising out of the Agreements but only with respect to MidCon's losses and expenses, regardless of whether such losses and expenses were incurred or attributed to claims noticed or asserted before or after the Effective Time, provided, however, that Occidental and Opcal shall otherwise remain liable to the Company under the Agreements with respect to all other losses and expenses.

3. Upon the release and discharge of Occidental and Opcal at the Effective Time, the Company shall look solely to Purchaser as its Indemnitor under the Agreements with respect to MidCon's losses and expenses only, regardless of whether such losses and expenses were incurred or attributable to claims noticed or asserted before or after the Effective Time.

4. The Company hereby represents and warrants that the list of Agreements set forth in the recital clause of this Novation Agreement comprise a complete list of all such agreements executed by the Company and Occidental or Opcal between _____, 19__ and the Effective Time with respect to the insureds listed in Exhibit A hereto

5. The parties hereto agree that not later than thirty (30) days after the Effective Time, Purchaser shall provide a letter of credit in favor of the Company to secure the indemnity obligations and liabilities which the Purchaser is hereby assuming from Occidental and Opcal, respectively. Such letter of credit will be issued and delivered to the Company in an amount and form as required by the Company, and from a bank acceptable to the Company.

6. This Novation Agreement may be executed in counterparts each of which shall be treated as an original and to form one and the same document.

7. The terms of the Agreements, except as amended herein, remain unchanged and in full force and effect.

8. This Novation Agreement shall be binding on the successors and assigns of the parties hereto.

9. This Novation Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law rules thereof.

/

IN WITNESS WHEREOF, the Company, Purchaser, Occidental and Opcal have caused this Novation Agreement to be executed by their duly authorized representatives on the date indicated below.

Dated: _____, 1997

NATIONAL UNION FIRE INSURANCE
COMPANY OF PITTSBURGH, PA

By: _____

Its: _____

[Add signature lines for National Union affiliates]

KN ENERGY, INC.

By: _____

Its: _____

OCCIDENTAL PETROLEUM
CORPORATION

By: _____

Its: _____

OPCAL INSURANCE, INC.

By: _____

Its: _____

EXHIBIT A

	% Owned by MidCon
MCN Coal Gasification Company (Delaware)	100%
MCN Gulf Processing Corp. (Delaware)	100%
MCN Overseas Inc. (Delaware)	100%
MCN Properties Corp. (Delaware)	100%
MidCon Business Services Corp. (Delaware)	100%
MidCon Gas Services Corp. (Delaware)	100%
MGS Marketing Corp. (Delaware)	100%
MidCon Development Corp. (Delaware)	100%
MidCon Exploration Company (Illinois)	100%
MidCon Gas Products Corp. (Delaware)	100%
MidCon Texas Gas Services Corp. (Delaware)	100%

	% Owned by MidCon
MidCon Gas Products of New Mexico Corp. (Delaware)	100%
MidCon NGL Corp. (Delaware)	100%
MidCon Power Services Corp. (Delaware)	100%
MidCon Texas Gas Limited, Inc. (Delaware)	100%
MidCon Texas Pipeline, L.P. * (Delaware)	49%
MidCon Texas Pipeline Operator, Inc. (Delaware)	100%
MidTex Pipeline Company (Delaware)	100%
Palo Duro Pipeline Company, Inc. (Delaware)	100%
mc2 Inc. (Delaware)	100%
MidCon Management Corp. (Delaware)	100%
MidCon Marketing Corp. (Delaware)	100%
MidCon Mexico Pipeline Corp. (Delaware)	100%

	% Owned by MidCon
MidCon Gas Natural de Mexico, S.A. de C.V. * (Mexico)	98%
MidCon Razorback Pipeline Corp. (Delaware)	100%
Natural Gas Pipeline Company of America (Delaware)	100%
MidCon Dehydration Corp. (Delaware)	100%
West Cameron Dehydration Company, L.L.C. * (Delaware)	50%
MidCon NGV Corp. (Delaware)	100%
NALOCO, Inc. (Del.) (Delaware)	100%
NATOCO, Inc. (Delaware)	100%
NGPL Independence Pipeline Company (Delaware)	100%
NGPL Offshore Company (Delaware)	100%
NGPL-Canyon Compression Co. (Delaware)	100%

	% Owned by MidCon
Canyon Creek Compression Company (Illinois)	70%
NGPL-Overthrust Inc. (Delaware)	100%
NGPL-TIPCO, Inc. (Delaware)	100%
NGPL-Trailblazer Inc. (Delaware)	100%
Occidental Energy Development Corp. (Delaware)	100%
MidCon Gas Natural de Mexico, S.A. de C.V. *	2%
United Texas Transmission Company (Delaware)	100%

*Multiple Parents

EXHIBIT 9.83
To Stock Purchase Agreement

KN ENERGY, INC.

PROMISSORY NOTE

[\$ Amount]

[Date]

1. Payment of Principal and Interest. FOR VALUE

RECEIVED, the undersigned, KN Energy, Inc., a Kansas corporation ("Obligor"), promises to pay to the order of Occidental Petroleum Corporation, a Delaware corporation (together with its successors and assigns, the "Lender"), the principal sum of _____ on the Maturity Date, and to pay interest on the unpaid principal amount hereof from time to time outstanding under this Promissory Note, at the rate of ___% per annum, from the date hereof, payable quarterly on each Interest Payment Date (commencing on the first Interest Payment Date that is at least 20 days subsequent to the date of this Promissory Note); provided, however, that if any Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day. Any amount of principal of, or interest on, this Promissory Note which is not paid when due (whether by acceleration or otherwise) shall be payable on demand and shall bear interest from the date when due until paid, at a rate per annum equal to the interest rate set forth above plus two percent (2%) per annum. All computations of interest under this Promissory Note shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) elapsed. All interest which shall be accrued under this Promissory Note shall become due and payable as set forth above and upon

the acceleration (as hereinafter set forth) of this Promissory Note. The rate of interest payable on this Promissory Note shall in no event exceed the maximum rate of interest permitted by applicable law.

2. Definitions. As used herein, the following terms shall have the following respective meanings:

"Business Day" shall mean any day not a Saturday, Sunday or legal holiday in the State of New York and on which banks and the Federal Reserve Bank of New York are open for business in New York City; provided, however, that the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London Interbank Market.

"Interest Payment Date" shall mean January 1, April 1, July 1 and October 1 of each year.

"Interest Period" shall mean each period commencing on the date of this Promissory Note or on the last day of the preceding Interest Period applicable to this Promissory Note and ending on the numerically corresponding day in the calendar month that is three (3) months later; provided, however, that the initial Interest Period shall end on the next succeeding Interest Payment Date that is at least twenty (20) days subsequent to the date of this Promissory Note; and provided, further, that if any Interest Period would end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day.

"Maturity Date" shall mean January 1, 1999; provided, however, that if such date is not a Business Day, the "Maturity Date" shall be the next succeeding Business Day.

3. Representations and Warranties. Obligor

represents and warrants as follows:

(a) Obligor is a corporation duly incorporated, validly existing and in good standing under the laws of the state of Kansas and has all requisite corporate power to issue and deliver this Promissory Note. The execution, delivery and performance by Obligor of this Promissory Note have been duly authorized by all necessary corporate action on the part of Obligor.

(b) Neither the issuance of this Promissory Note nor the performance by Obligor of its obligations hereunder will violate any provision of law, regulation, judgment or order or any contract, agreement, indenture, note or other instrument binding upon Obligor or its charter or by-laws or give cause for acceleration of any indebtedness of Obligor.

(c) No authority from, or approval by, any governmental body, commission or agency, state or federal, is required for the execution, delivery or performance by Obligor of this Promissory Note.

4. Security. The prompt and complete payment and

performance in full of this Promissory Note is secured by that certain [letter of credit dated _____ issued by _____ payable to Lender] [Security Agreement [describe] for the Government Securities and the Control Agreement [describe]].

5. Event of Default. The occurrence of any of the following events, acts or occurrences shall constitute an "Event of Default" hereunder:

(i) either (a) Obligor shall generally fail to pay, or admit in writing its inability to pay, its debts as they become due, or shall voluntarily commence any case or proceeding or file any petition under any bankruptcy, insolvency or similar law or seeking dissolution, liquidation or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, or shall file any answer admitting the jurisdiction of the court and the material allegations of any involuntary petition filed against it in any bankruptcy, insolvency or similar case or proceeding, or shall be adjudicated bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to, or acquiesce in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business, or (b) corporate action shall be taken by Obligor for the purpose of effectuating any of the foregoing, or

(ii) involuntary proceedings or an involuntary petition shall be commenced or filed against Obligor under any bankruptcy, insolvency or similar law or seeking the dissolution, liquidation or reorganization of Obligor or the appointment of a receiver, trustee, custodian or liquidator for Obligor or of a substantial part of the property, assets or business of Obligor, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of Obligor, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment,

execution or similar process shall not be released, vacated or fully bonded, within sixty (60) days after commencement, filing or levy, as the case may be; or

(iii) Obligor shall default in any payment of principal or interest under this Promissory Note and such default shall continue unremedied; or

(iv) Any representation by Obligor contained in this Promissory Note may prove at any time to be incorrect in any material respect when made; or

(v) Obligor shall default in the performance or observance of any other term, covenant or agreement contained in this Promissory Note and such default shall continue unremedied; or

(vi) The [describe the Letter of Credit or describe the Government Securities and Securities Agreement] securing this Note shall cease to be in full force and effect.

6. Notice of Event of Default. Obligor shall notify ----- the Lender within five (5) days after the occurrence of any Event of Default of which Obligor acquires knowledge.

7. Remedies. Upon the occurrence of an Event of Default hereunder (unless all Events of Default have been cured or waived by the Lender), the Lender may, at its option, (i) by written notice to Obligor, declare the entire unpaid principal balance of this Promissory Note, together with all accrued interest thereon, immediately due and payable regardless of any prior forbearance, and (ii) exercise any and all rights and remedies available to it under

applicable law, including, without limitation, the right to collect from Obligor all sums due under this Promissory Note.

8. Payments. Payments of the principal of, interest on, and any other sums owing under, this Promissory Note shall be made in lawful money of the United States of America in Federal Reserve Bank funds or other immediately available funds. All such payments shall be made at such place or places in the United States of America, and in such manner, as may be specified by Lender to Obligor in writing.

9. No Prepayments. Obligor may not prepay all or any part of any outstanding principal amount.

10. Obligations Absolute and Unconditional. The Obligor's obligations hereunder are absolute and unconditional and shall not be affected by any circumstances whatsoever. The Obligor hereby agrees to make or cause to be made all payments hereunder in full when due, whether in respect of principal, interest or any other amount owed hereunder without notice, demand, counterclaim, set-off, deduction, defense, abatement, suspension, limitation, deferment, diminution, recoupment or other right that the Obligor may have against the Lender or any other Person and hereby waives and agrees with respect to any payment hereunder not to assert any defense or right of counterclaim, set-off or recoupment, or other right that it may have against the Lender or any other Person.

11. Assignment, Etc. Without the consent of the

Obligor, the Lender may assign, pledge or grant to one or
more assignees, all or a portion of its interests and
rights under this Note.

12. Notices. All notices, demands and other

communications required or permitted by this Promissory Note
to be given to, or made upon, Obligor or Lender shall be in
writing and shall be personally delivered or sent by
registered or certified mail, postage prepaid, return
receipt requested, or by telecopier, to the following
address of Obligor or Lender, as the case may be, or to such
other address with respect to Obligor or Lender as Obligor
or Lender shall notify the other in writing:

If to Obligor:

KN Energy, Inc.
P.O. Box 281304
370 Van Gordon
Lakewood, Colorado 80228-8304
Attention: Treasurer
Facsimile No.: (303) [_____]

If to Lender:

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: Treasurer
Facsimile No.: (310) 443-6686

Each such notice, demand or other communication shall be
deemed to be given for the purposes of this Promissory Note
on the day on which such notice, demand or other
communication is delivered or sent to the intended recipient
thereof in accordance with the provisions of this Promissory
Note.

13. Fees and Expenses. In addition to, and not in

limitation of, any rights which Lender may have under this
Promissory Note, any agreement or applicable law, Obligor
agrees, subject only to any limitation imposed by applicable
law, to pay all expenses, including reasonable attorneys'
fees and legal expenses, paid or incurred by Lender in
endeavoring to collect any amounts payable hereunder which
are not paid when due, whether by acceleration or otherwise.

14. Waiver. The rights and remedies of the Lender

under this Promissory Note shall be cumulative and not
alternative. No waiver by the Lender of any right or remedy
under this Promissory Note shall be effective unless in a
writing signed by the Lender. Neither the failure nor any
delay in exercising any right, power or privilege under this
Promissory Note will operate as a waiver of such right,
power or privilege and no single or partial exercise of any
such right, power or privilege by the Lender will preclude
any other or further exercise of such right, power or
privilege or the exercise of any other right, power or
privilege. To the maximum extent permitted by applicable
law, (a) no claim or right of the Lender arising out of this
Promissory Note can be discharged by the Lender, in whole or
in part, by a waiver or renunciation of the claim or right
unless in a writing, signed by the Lender; (b) no waiver
that may be given by the Lender will be applicable except in
the specific instance for which it is given; and (c) no
notice to or demand on Obligor will be deemed to be a waiver
of any obligation of Obligor or of the right of the Lender
to take further action without notice or demand as provided
in this Promissory Note. Obligor hereby waives diligence,
presentment, demand, protest, notice of dishonor and protest
and any other notice of any kind whatsoever.

15. Severability. If any provision in this Promissory Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Promissory Note will remain in full force and effect. Any provision of this Promissory Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

16. Successors and Assigns. This Promissory Note shall bind Obligor and its successors and assigns.

17. Section Headings, Construction. The headings of Sections in this Promissory Note are provided for convenience only and will not affect its construction or interpretation. All words used in this Promissory Note will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the words "hereof" and "hereunder" and similar references refer to this Promissory Note in its entirety and not to any specific section or subsection hereof.

18. Governing Law. This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to principles of conflicts of laws.

KN ENERGY, INC.

By: _____
Name:
Title:

TERM LOAN ASSIGNMENT AGREEMENT

Term Loan Assignment Agreement, dated as of _____,
1998 (this "Agreement"), by and between Occidental Petroleum
Corporation, a Delaware corporation (the "Seller"), and KN
Energy, Inc., a Kansas corporation (the "Buyer").

RECITALS

Whereas, the Seller and the Buyer have entered into a
Stock Purchase Agreement, dated as of December ____, 1997
(the "Stock Purchase Agreement"), which provides for the
sale by the Seller of all of the outstanding common stock
(the "Shares") of MidCon Corp., a Delaware corporation
("MidCon") to the Buyer. Unless otherwise defined herein or
the context otherwise requires, initially capitalized terms
used herein have the meanings provided in the Stock Purchase
Agreement.

Whereas, the MidCon Corp. ESOP Trust (the "Trust") was
established pursuant to the Trust Agreement, dated November
20, 1996 by and

between U.S. Trust Company of California, N.A., not in its individual capacity but solely in its capacity as trustee (the "Trustee") and the Seller.

Whereas, the Seller, the Trust and MidCon entered into the Term Loan Agreement, dated as of November 20, 1996 (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Term Loan Agreement").

Whereas, pursuant to the Term Loan Agreement, the Trust has issued to the Seller a Non-Recourse Promissory Note, dated November 20, 1996, in an aggregate principal amount of US \$1,398,600,000 (the "ESOP Note") and MidCon has agreed to guarantee the obligations of the Trust under the ESOP Note and the Term Loan Agreement.

Whereas, to secure the obligations of the Trust under the ESOP Note and the Term Loan Agreement, the Seller (in its individual capacity and also as a collateral agent), the Trust and MidCon have entered into a Pledge Agreement, dated as of November 20, 1996 (the "Pledge Agreement").

Whereas, it is a condition to the Closing that the Buyer issue and deliver to the Seller the Substitute Note pursuant to Section 5.3.4 of the

Stock Purchase Agreement, that the Seller assign the ESOP Note to the Buyer and that the Buyer and the Seller enter into this Agreement.

NOW THEREFORE, in consideration of the foregoing and other consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Transfer of the ESOP Loan. Effective as of the Closing, the Seller hereby assigns to the Buyer all of the Seller's rights under the ESOP Note and the Term Loan Agreement including, without limitation, all unpaid interest with respect to the ESOP Note. The Seller shall deliver a copy of this Agreement to the Trustee on behalf of the Trust and the Buyer shall specify by written notice to the Trustee and MidCon the address notices shall thereafter be sent to Buyer in lieu of "Occidental".

2. Representations of the Buyer. The Buyer hereby represents and warrants that it is legally authorized to enter into this Agreement and acknowledges and confirms that it has received a copy of the Term Loan Agreement and the exhibits related thereto, and the Pledge Agreement and has received such other documents and information as it deems appropriate to enter into this Agreement.

3. Pledge Agreement. The Parties understand that the

Pledge Agreement may be terminated concurrent with the
execution of this Agreement.

4. Counterparts. This Agreement may be executed by

the Parties in separate counterparts, each of which when so
executed and delivered shall be deemed to be an original and
all of which taken together shall constitute one and the
same agreement.

OCCIDENTAL PETROLEUM CORPORATION
(The Seller)

By: _____
Name: _____
Title: _____

KN ENERGY, INC.
(The Buyer)

By: _____
Name: _____
Title: _____

AMENDMENT NO. 1 TO STOCK PURCHASE AGREEMENT

AMENDMENT NO. 1 TO STOCK PURCHASE AGREEMENT (this "Amendment"), dated January 30, 1998, by and between Occidental Petroleum Corporation, a Delaware corporation (the "Seller"), and KN Energy, Inc., a Kansas corporation (the "Buyer"), amending that certain Stock Purchase Agreement (the "Original SPA"), dated as of December 18, 1997, by and between the Seller and the Buyer. Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Original SPA.

W I T N E S S E T H:
- - - - -

WHEREAS, the Seller and the Buyer have entered into the Original SPA pursuant to which the Buyer is purchasing all of the issued and outstanding Common Stock of MidCon; and

WHEREAS, the Original SPA has previously been amended by that certain Supplemental Agreement dated January 20, 1998 (the "Supplemental Agreement"), between the Buyer and the Seller, providing for, among other things, the dividend of MPSC from MidCon to the Seller, on the terms and subject to the conditions provided therein (the Original SPA, as amended by the Supplemental Agreement and this Amendment is referred to herein as the "SPA");

WHEREAS, the Buyer and the Seller have agreed to amend the Original SPA as provided herein in order to resolve certain issues that have arisen under the SPA in view of the passage of time and certain interests of the Buyer and the Seller.

NOW, THEREFORE, in consideration of, and subject to, the mutual covenants, agreements, terms and conditions herein contained, the Parties hereto hereby agree as follows:

1. Delivery Date.

(a) Sections 1.2, 4.2 (excluding Sections 4.2.5 and 4.2.7), 4.3, 4.4, 5.2.5, 5.3.3 and 5.3.6 of the Original SPA are hereby amended by (i) deleting therefrom the words "at the Closing" and inserting, in lieu thereof, the words "on the Delivery Date," and (ii) after giving effect to the amendment provided for in the immediately preceding clause (i), deleting therefrom the words "Closing" and "Closing Date" and inserting, in lieu thereof, the words "Delivery Date."

(b) Section 4.1 of the Original SPA is hereby amended and restated in its entirety to read as follows:

"4.1 Time and Place of the Closing. Subject

to the satisfaction or waiver of the conditions precedent set forth herein, the closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of the Seller, 10889 Wilshire Boulevard, Los Angeles, California, at 11:59 p.m., Los Angeles time, on January 31, 1998."

(c) Section 4.2.7 of the Original SPA is hereby amended by deleting therefrom the words "Closing Date" and inserting, in lieu thereof, the words "Delivery Date."

(d) Section 9.16 of the Original SPA is hereby amended and restated in its entirety to read as follows:

"9.16 'Closing Date' shall mean January 31, 1998."

(e) Article IX of the Original SPA is hereby amended by inserting, immediately following Section 9.25, a new Section 9.25(a), which shall read in its entirety as follows:

"9.25(a) 'Delivery Date' shall mean the date immediately preceding the Closing Date."

2. Cash Management Agreement (Section 5.1.2(b)).

Section 5.1.2(b) of the Original SPA shall be deleted in its entirety and the following shall be substituted therefor:

"(b) Loan Balances at Closing. The balance

of each of the OPC Loans and the MidCon Loans as at the Closing shall be calculated by including all amounts accrued but not yet payable (other than cash payments which have been settled directly notwithstanding the terms of the Cash Management Agreement) for the period elapsed up to the Closing, which amounts will include (i) the payment by, or on behalf of, MidCon to the MidCon ESOP Trustee and its advisors, (ii) the amount of Taxes of all sorts accrued pursuant to Article VI, (iii) \$5,928,000, representing the amount by which (A) Taxes credited to MidCon during the calendar year ending December 31, 1997, exceed (B) the amount of Taxes which would have ultimately been credited to MidCon for the calendar year ending December 31, 1997, pursuant to the Tax Sharing Agreement, if it were not terminated and (iv) any tax benefit pursuant to the Tax Sharing Agreement for the period prior to the Closing resulting from the payment of \$5,970,000 under the Bonus Agreements referenced in the Letter Agreement dated December 18, 1997."

3. Revision to the Schedules to the SPA (Section 5.3.3).

The Buyer and the Seller have agreed to amend and restate all of the Schedules in their entirety as attached hereto and incorporated by this reference herein. The Schedules attached to the Original SPA shall have no further force or effect from and after the date hereof. The Buyer hereby waives any breach of the Seller's representations and warranties in Section 2.16 arising as a result of the contract between MidCon and Kamine/Besicorp ("Kamine") listed in clause (d) of Schedule 2.16.5, including Kamine's bankruptcy and failure to perform thereunder. The Buyer and the Seller hereby amend

Section 5.3.3 to delete the five (5) Business Days' notice requirement for any further Schedule revisions pursuant to Section 5.3.3 of the Original SPA.

4. Insurance Matters (Section 5.1.5). The Buyer and the Seller hereby agree that the Novation Agreement effective on the Closing, by and among National Union Fire Insurance Company of Pittsburgh, PA., acting on its own behalf and on behalf of its affiliated insurance companies (collectively, the "Insurer"), the Buyer and the Seller, together with the related Hold Harmless Agreement by and between the Insurer and the Buyer effective on the Closing, have been delivered in satisfaction of the requirement for a Novation Agreement, in substantially the form of Exhibit 5.1.5(b) to the Original SPA, and in satisfaction of the undertaking set forth in Section 5.1.5 of the Original SPA.

5. Substitute Note.

(a) Section 9.83 of the Original SPA is hereby amended and restated in its entirety to read as follows:

"9.83 'Substitute Note' shall mean a note substantially in the form of Exhibit 9.83 hereto."

(b) Exhibit 9.83 to the Original SPA is hereby amended and restated in its entirety to read as set forth on Exhibit 9.83 to this Amendment.

6. Financing Arrangements (Section 5.3.4). Section 5.3.4 of the Original SPA shall be deleted in its entirety and the following shall be substituted therefor:

"5.3.4 Substitute Note. On the Delivery Date, the Seller shall assign to the Buyer (a) the ESOP Note, and (b) by execution and delivery to the Buyer of the Term

Loan Assignment Agreement, all of the Seller's rights and obligations under the Term Loan Agreement and, in exchange therefor, on the Delivery Date the Buyer shall execute and deliver to the Seller the Term Loan Assignment Agreement and shall issue to the Seller a Substitute Note, which entitles the holder thereof to the benefit of one or more letters of credit that entitle the holder to draw up to \$1,418,434,132 in the aggregate in the event that the Buyer fails to make a payment of principal or interest under the Substitute Note, which letters of credit shall be in form and substance satisfactory to the Seller, and shall be issued by a bank or group of banks with each such bank either (a) having an investment grade credit rating by either Standard & Poor's Corporation ("S&P") or Moody's Investors Service, Inc. ("Moody's"), so long as neither of the above rating agencies has provided a credit rating below investment grade, (b) having been agreed to by the Seller or (c) if a bank is not such an investment grade credit, its portion of the letter of credit can be fronted by a bank having such investment grade credit."

7. MC Panhandle Indemnity (Section 8.3.1).

Section 8.3.1(d) of the Original SPA shall be deleted in its entirety and the following shall be substituted therefor:

"(d) any loss, claim, damage, liability, cost or expense arising out of or relating to any claims by Persons which own interests in the assets assigned by MidCon Gas Services Corp. ("MGS") to MC Panhandle Inc. ("MCP") pursuant to the Assignment and Assumption Agreement dated December 31, 1996 by and between MGS and MCP (the "Assignment"), including those cases referred to on Schedule 2.13, but only to the extent such losses, claims, damages, liabilities, costs and expenses (i) relate to the liability of MidCon or its Subsidiaries in such matter and (ii) exceed \$10 million; provided, however, that the Seller shall be entitled to defend, in accordance with the procedures set forth in Section 8.4.5, all actions, suits, proceedings or claims referenced in this clause (d). Notwithstanding anything to the contrary contained in this Agreement or in the Assignment, the Parties hereby agree that to avoid any dispute regarding the interpretation of any of the other relevant provisions of this Agreement or the Assignment, the Buyer shall, or shall cause MidCon or MGS to, pay for, and the Seller shall, or shall cause MCP to, charge MidCon or MGS for, all amounts payable to discharge all losses, claims, damages, liabilities, costs and expenses incurred by the Seller or its Subsidiaries, including MCP (in each case, directly or on behalf of MidCon and its subsidiaries), to defend, to discharge judgments and to pay the cash portion of settlements relating to or arising from the ownership or operation of the assets assigned pursuant to the Assignment, regardless of whether or not the payments are specifically made to discharge claims for the period prior to December 31, 1996; provided, however, that such amounts shall under no circumstances exceed \$10 million. The Buyer shall, or shall cause MidCon and MGS, to pay the foregoing amounts ten (10) days after receipt of information properly documenting that the amounts were incurred after the Closing. None of the obligations of the Buyer, MidCon or MGS to reimburse the Seller for such

amounts shall be terminated by reason of the limitations or survival provisions set forth in Section 8.1 of the SPA."

8. Orders of Federal Energy Regulatory Commission

Regarding the Complaint Filed by Amoco. The Buyer hereby waives

all claims it may have, now or in the future, against the Seller arising directly or indirectly from the penalties imposed by the FERC in its January 16, 1998, orders or the settlement of the Amoco matter identified in Schedule 2.13 to the SPA.

9. Financial Information (Section 10.1). From time to

time, the Seller may require financial information or other information regarding MidCon's business and operations through January 31, 1998, in order to (a) review the Loan Balances at the Closing, (b) prepare Tax returns including any periods ending on or prior to January 31, 1998, or (c) to satisfy legal or operational requirements, including financial reporting requirements, or to obtain any revenue or SIC Code information which may be required by the HSR Act. The Buyer hereby agrees that it shall promptly furnish such information upon the request of the Seller.

10. Entire Agreement; Third Party Beneficiaries (Section

10.10). This Amendment, taken together with (i) the Original

SPA, as amended by this Amendment and the Supplemental Agreement, (ii) those certain Confidentiality Agreements by and between the Seller and the Buyer (including the documents and the instruments referred to herein and therein) as more fully described in Section 10.3 of the SPA, (iii) those certain letter agreements from the Seller to the Buyer dated December 18, 1997, and the date hereof, respectively, regarding compensation of certain officers of MidCon and (iv) the Supplemental Agreement (a) constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, and (b) except as provided under

Section 5.2.3, Section 5.2.6, Section 8.2 and Section 8.3 of the SPA, are not intended to confer upon any person other than the Parties any rights or remedies hereunder.

11. Effect of Amendment and Modification. Except as

amended by this Amendment and the Supplemental Agreement, the Original SPA shall continue in full force and effect.

12. Counterparts. This Amendment may be executed in two or

more counterparts, each of which shall be deemed an original but all of which shall be considered one and the same agreement.

IN WITNESS WHEREOF, the Seller and the Buyer have caused this Amendment to be signed by their respective officers thereunder duly authorized, all as of the date first written above.

OCCIDENTAL PETROLEUM CORPORATION
("Seller")

By: STEPHEN I. CHAZEN

Name: Stephen I. Chazen
Title: Executive Vice
 President - Corporate
 Development

KN ENERGY, INC.
("Buyer")

By: LARRY D. HALL

Name: Larry D. Hall
Title: Chairman, President
 and Chief Executive
 Officer

EXHIBIT 9.83

To Amendment No. 1 To Stock Purchase Agreement

KN ENERGY, INC.

PROMISSORY NOTE

\$1,394,846,122

January 30, 1998

1. Payment of Principal and Interest. FOR VALUE RECEIVED, the undersigned, KN Energy, Inc., a Kansas corporation ("Obligor"), promises to pay to the order of Occidental Petroleum Corporation, a Delaware corporation (together with its successors and assigns, the "Lender"), the principal sum of one billion, three hundred ninety four million, eight hundred forty six thousand, one hundred and twenty two dollars (\$1,394,846,122) on the Maturity Date, and to pay interest on the unpaid principal amount hereof from time to time outstanding under this Promissory Note, at the rate of 5.798% per annum, from the date hereof, payable quarterly on each Interest Payment Date; provided, however, that if any Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day. Any amount of principal of, or interest on, this Promissory Note which is not paid when due (whether by acceleration or otherwise) shall be payable on demand and shall bear interest from the date when due until paid, at a rate per annum equal to the interest rate set forth above plus two percent (2%) per annum. All computations of interest under this Promissory Note shall be made on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) elapsed. All interest which shall be accrued under this Promissory Note shall become due and payable as set forth above and upon the acceleration (as hereinafter set forth) of this Promissory Note. The rate of interest payable on this Promissory Note shall in no event exceed the maximum rate of interest permitted by applicable law.

2. Definitions. As used herein, the following terms shall have the following respective meanings:

"Business Day" shall mean any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

"Interest Payment Date" shall mean January 1, April 1, July 1 and October 1 of each year.

"Maturity Date" shall mean January 4, 1999.

3. Representations and Warranties. Obligor represents and warrants as follows:

(a) Obligor is a corporation duly incorporated, validly existing and in good standing under the laws of the state of Kansas and has all requisite corporate power to issue and deliver this Promissory Note. The execution, delivery and performance by Obligor of this Promissory Note have been duly authorized by all necessary corporate action on the part of Obligor.

(b) Neither the issuance of this Promissory Note nor the performance by Obligor of its obligations hereunder will violate any provision of law, regulation, judgment or order or any contract, agreement, indenture, note or other instrument binding upon Obligor or its charter or by-laws or give cause for acceleration of any indebtedness of Obligor.

(c) No authority from, or approval by, any governmental body, commission or agency, state or federal, is required for the execution, delivery or performance by Obligor of this Promissory Note.

4. Security. In the event of any failure of Obligor to make any payment of interest under this Promissory Note, the Lender shall be entitled to draw on that certain Irrevocable Standby Letter of Credit No. S-868480, dated January 30, 1998, issued by Morgan Guaranty Trust Company of New York, or any letter or letters of credit issued in replacement thereof (such letter of credit and any such replacements, the "Interest Letter of Credit"). In the event of any failure of Obligor to make any payment of principal under this Promissory Note, the Lender shall be entitled to draw on those certain Irrevocable Standby Letter of Credit Nos. S-868479, C7345582, P-353345 and 950161, dated January 30, 1998, issued by Morgan Guaranty Trust Company of New York, Bank of America National Trust and Savings Association, The Chase Manhattan Bank and NationsBank N.A., respectively, or any letter or letters of credit issued in replacement thereof (such letter of credit and any such replacements, the "Principal Letter of Credit" and, together with the Interest Letter of Credit, the "Letters of Credit"). Under certain circumstances, including the consent of the Lender, Obligor may, from time to time, pledge collateral to secure payment of all or a portion of the payments of interest or principal required by Obligor under this Promissory Note (each such pledge, a "Pledge") pursuant to one or more security agreements or one or more securities account control agreements (each, a "Security Agreement").

5. Event of Default. The occurrence of any of the following events, acts or occurrences shall constitute an "Event of Default" hereunder:

(i) either (a) Obligor shall generally fail to pay, or admit in writing its inability to pay, its debts as they become due, or shall voluntarily commence any case or proceeding or file any petition under any bankruptcy, insolvency or similar law or seeking dissolution, liquidation or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a

substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, or shall file any answer admitting the jurisdiction of the court and the material allegations of any involuntary petition filed against it in any bankruptcy, insolvency or similar case or proceeding, or shall be adjudicated bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to, or acquiesce in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business, or (b) corporate action shall be taken by Obligor for the purpose of effectuating any of the foregoing; or

(ii) involuntary proceedings or an involuntary petition shall be commenced or filed against Obligor under any bankruptcy, insolvency or similar law or seeking the dissolution, liquidation or reorganization of Obligor or the appointment of a receiver, trustee, custodian or liquidator for Obligor or of a substantial part of the property, assets or business of Obligor, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of Obligor, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded, within sixty (60) days after commencement, filing or levy, as the case may be; or

(iii) Obligor shall default in any payment of principal or interest under this Promissory Note and such default shall continue unremedied; or

(iv) Any representation by Obligor contained in this Promissory Note may prove at any time to be incorrect in any material respect when made; or

(v) Obligor shall default in the performance or observance of any other term, covenant or agreement contained in this Promissory Note and such default shall continue unremedied; or

(vi) Either (a) the Principal Letter of Credit shall cease to be in full force and effect, other than as a result of the Letter of Credit Amount (as defined in the Principal Letter of Credit) being reduced to zero in accordance with the terms of paragraph 2 of the Principal Letter of Credit, or (B) the Interest Letter of Credit shall cease to be in full force and effect, other than as a result of the Letter of Credit Amount (as defined in the Interest Letter of Credit) being reduced to zero in accordance with the terms of paragraph 2 of the Interest Letter of Credit; or

(vii) Any Pledge or any Security Agreement relating thereto shall cease to be in full force and effect.

6. Notice of Event of Default. Obligor shall notify the Lender within five (5) days after the occurrence of any Event of Default of which Obligor acquires knowledge.

7. Remedies. Upon the occurrence of an Event of Default hereunder (unless all Events of Default have been cured or waived by the Lender), the Lender may, at its option, (i) by

written notice to Obligor, declare the entire unpaid principal balance of this Promissory Note, together with all accrued interest thereon, immediately due and payable regardless of any prior forbearance, and (ii) exercise any and all rights and remedies available to it under applicable law, including, without limitation, the right to collect from Obligor all sums due under this Promissory Note.

8. Payments. Payments of the principal of, interest on, and any other sums owing under, this Promissory Note shall be made in lawful money of the United States of America in Federal Reserve Bank funds or other immediately available funds. All such payments shall be made at such place or places in the United States of America, and in such manner, as may be specified by Lender to Obligor in writing.

9. No Prepayments. Obligor may not prepay all or any part of any outstanding principal amount.

10. Obligations Absolute and Unconditional. The Obligor's obligations hereunder are absolute and unconditional and shall not be affected by any circumstances whatsoever. The Obligor hereby agrees to make or cause to be made all payments hereunder in full when due, whether in respect of principal, interest or any other amount owed hereunder without notice, demand, counterclaim, set-off, deduction, defense, abatement, suspension, limitation, deferment, diminution, recoupment or other right that the Obligor may have against the Lender or any other Person and hereby waives and agrees with respect to any payment hereunder not to assert any defense or right of counterclaim, set-off or recoupment, or other right that it may have against the Lender or any other Person.

11. Assignment, Etc. Without the consent of the Obligor, the Lender may assign, pledge or grant to one or more assignees, all or a portion of its interests and rights under this Note.

12. Notices. All notices, demands and other communications required or permitted by this Promissory Note to be given to, or made upon, Obligor or Lender shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or by telecopier, to the following address of Obligor or Lender, as the case may be, or to such other address with respect to Obligor or Lender as Obligor or Lender shall notify the other in writing:

If to Obligor:

KN Energy, Inc.
P.O. Box 281304
370 Van Gordon
Lakewood, Colorado 80228-8304
Attention: Treasurer
Facsimile No.: (303) 763-3155

If to Lender:

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: Vice President and Treasurer
Facsimile No.: (310) 443-6661

Each such notice, demand or other communication shall be deemed to be given for the purposes of this Promissory Note on the day on which such notice, demand or other communication is delivered or sent to the intended recipient thereof in accordance with the provisions of this Promissory Note.

13. Fees and Expenses. In addition to, and not in limitation of, any rights which Lender may have under this Promissory Note, any agreement or applicable law, Obligor agrees, subject only to any limitation imposed by applicable law, to pay all expenses, including reasonable attorneys' fees and legal expenses, paid or incurred by Lender in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

14. Waiver. The rights and remedies of the Lender under this Promissory Note shall be cumulative and not alternative. No waiver by the Lender of any right or remedy under this Promissory Note shall be effective unless in a writing signed by the Lender. Neither the failure nor any delay in exercising any right, power or privilege under this Promissory Note will operate as a waiver of such right, power or privilege and no single or partial exercise of any such right, power or privilege by the Lender will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law: (a) no claim or right of the Lender arising out of this Promissory Note can be discharged by the Lender, in whole or in part, by a waiver or renunciation of the claim or right unless in a writing, signed by the Lender; (b) no waiver that may be given by the Lender will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on Obligor will be deemed to be a waiver of any obligation of Obligor or of the right of the Lender to take further action without notice or demand as provided in this Promissory

Note. Obligor hereby waives diligence, presentment, demand, protest, notice of dishonor and protest and any other notice of any kind whatsoever.

15. Severability. If any provision in this Promissory Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Promissory Note will remain in full force and effect. Any provision of this Promissory Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

16. Successors and Assigns. This Promissory Note shall bind Obligor and its successors and assigns.

17. Section Headings, Construction. The headings of Sections in this Promissory Note are provided for convenience only and will not affect its construction or interpretation. All words used in this Promissory Note will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the words "hereof" and "hereunder" and similar references refer to this Promissory Note in its entirety and not to any specific section or subsection hereof.

18. Governing Law. This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York.

KN ENERGY, INC.

By: _____
Name:
Title:

SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT, dated as of January 20, 1998, by and between Occidental Petroleum Corporation, a Delaware corporation (the "Seller"), and KN Energy, Inc., a Kansas corporation (the "Buyer").

W I T N E S S E T H:

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WHEREAS, the Seller and the Buyer have entered into a Stock Purchase Agreement dated as of December 18, 1997 (the "SPA"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the SPA;

WHEREAS, the Seller and the Buyer desire to supplement the SPA, including, but not limited to, Section 5.3.7 thereof, with regard to the transfer of MidCon Power Services Corp., a Delaware corporation ("MPSC"); and

WHEREAS, the Seller and the Buyer have agreed that the Seller shall cause a dividend to be paid to it of all the outstanding capital stock of MPSC and that the Seller shall transfer all the issued and outstanding shares of capital stock of MPSC to the

Buyer as more fully described in the Stock Transfer Agreement, substantially in the form of Exhibit I hereto; and

WHEREAS, the MidCon Corp. ESOP Trust has consented to and approved the dividend and separate transfer of the MPSC Shares (as defined in Section 1.2 below);

NOW, THEREFORE, in consideration of, and subject to, the mutual covenants, agreements, terms and conditions herein contained, the Parties agree as follows:

ARTICLE I
STOCK TRANSFER AGREEMENT

1. Sale of MPSC. The Seller and the Buyer agree to enter into the Stock Transfer Agreement concurrently with the execution of this Supplemental Agreement and the Seller shall cause the following to occur prior to the dividends contemplated by the Stock Transfer Agreement:

1.1 MidCon Gas Services Corp. (a Delaware corporation which is a wholly owned subsidiary of MidCon, which is the sole shareholder of MPSC and which is referred to herein as "MGS") shall contribute one million eight hundred thousand dollars to the capital of MPSC;

1.2 The Seller shall contribute to MidCon a cash amount equal to the book value of MGS's investment in all the issued and outstanding shares of Common Stock of MPSC ("MPSC Shares") determined in accordance with GAAP after giving effect to the contribution pursuant to Section 1.1.

1.3 Dennis Lawler, an employee of another MidCon Subsidiary, shall be transferred and become an employee of MPSC during a period commencing on the date hereof and ending on the earlier of the closing for the sale by the Seller of the MPSC Shares to the Buyer pursuant to the Stock Transfer Agreement (the "MPSC Closing") or the Termination Date;

1.4 After the dividend of the MPSC Shares to the Seller pursuant to the Stock Transfer Agreement, MPSC shall advance the cash contributed to MPSC by MGS to the Seller in accordance with the MidCon Power Cash Management Agreement which was entered into between the Seller and MPSC in accordance with Section 4.1.2 of the Stock Transfer Agreement.

ARTICLE II
COVENANTS

2.1 Covenants by the Seller.

2.1.1 Amendments to Intercompany Agreements.

The Seller shall enter into, and shall cause MidCon and MPSC to enter into, amendments or supplements to the following Intercompany Agreements to provide the following changes so as to have MPSC continue as an entity deemed to be a Subsidiary of MidCon for purposes of such Intercompany Agreements up to and including the Closing:

(a) Services Agreement. "MidCon Consol" as

defined in the Services Agreement shall continue to include MPSC, and the Seller shall cause MPSC to agree to be so included.

(b) Tax Sharing Agreement. The "MidCon

Group" as defined in the Tax Sharing Agreement shall continue to include MPSC, and the Seller shall cause MPSC to agree to be so included.

2.1.2 Intercompany Arrangements for the Period

Prior to the MPSC Closing. The Seller, with the Buyer's consent, shall, as soon as reasonably practicable, cause MidCon and MPSC to enter into an agreement similar to the Services Agreement pursuant to which MidCon shall provide office space and facilities and similar services to MPSC.

2.2 Covenants of Both Parties.

2.2.1 Modification of the SPA. The Seller and

the Buyer hereby agree to the following modifications to the SPA:

(a) Section 5.3.7 of the SPA. The Seller

and the Buyer agree that approval by the FERC shall be required for the transfer of MPSC to the Buyer and that the Parties shall file an application for such approval pursuant to Section 4.2.1 of the Stock Transfer Agreement. The SPA is hereby amended to delete MPSC from the definition of "Significant Subsidiary" and Section 5.3.7 of the SPA is amended to delete the requirement to transfer any employee, asset or cash of MPSC to the MidCon Management Corp.

(b) Section 5.2.3 of the SPA. The Seller

and the Buyer agree that the provisions of Section 5.2.3 of the SPA shall continue to apply to MidCon and its Subsidiaries and shall apply independently for all purposes of that Section and the definitions used therein to MPSC as if (i) the references to "MidCon" or "MidCon or its Subsidiaries" are references to MPSC and (ii) references to the "Closing" and the "Closing Date" are to the MPSC Closing and the Business Day on which the MPSC Closing shall occur ("MPSC Closing Date"), respectively.

(c) Article VI of the SPA. The Seller and the Buyer agree that for all purposes of Article VI of the SPA, MPSC shall be deemed to be a Subsidiary of MidCon at all times up to and including the Closing.

(d) Article VIII of the SPA. The Seller and the Buyer agree that for all purposes of Article VIII of the SPA MPSC shall be deemed to be a "Significant Subsidiary."

ARTICLE III
TERMINATION

3.1 Termination. The Parties may terminate this Supplemental Agreement before the MPSC Closing as follows:

(a) The Buyer and the Seller may terminate this Supplemental Agreement by mutual written consent.

(b) Either Party may terminate this Supplemental Agreement either (i) upon the termination of the SPA, or (ii) if the MPSC Closing shall not have occurred by the Termination Date.

3.2 Effects of Termination. If this Supplemental Agreement is terminated pursuant to Section 3.1, all further obligations of the Parties under this Supplemental Agreement and the Stock Transfer Agreement will terminate.

Each Party's right of termination under Section 3.1 is in addition to any other rights it may have under the SPA or otherwise, and the exercise of a right of termination will not be an election of remedies.

ARTICLE IV
MISCELLANEOUS

4.1 Preservation of Books and Records.

(a) Each Party agrees that for the period specified in subpart (b) such Party shall take all necessary action to ensure that all corporate books and records of MPSC with respect to periods ending on or before the MPSC Closing Date in the possession or control of such Party or its Affiliates shall be open for inspection by representatives of the other Party at any time during regular business hours and that the other Party may during such statutory period at its expense make such excerpts therefrom as it may reasonably request.

(b) For the period of 10 years following the Closing Date or such longer period pursuant to Article VI of the SPA, no Party or its Affiliates shall destroy or give up possession of any original or any copy of any of the books and records relating to any matter for which a Party shall have any continuing responsibility under this Supplemental Agreement or any agreement contemplated by this Supplemental Agreement without first offering to the other Party the opportunity, at its expense, to obtain such original or a copy thereof. During such period, the Party shall use reasonable commercial efforts to cooperate with the other Party and make such books and records available to the employees and representatives of the other Party to the extent that the other Party may reasonably require for its corporate and other business purposes.

4.2 Confidentiality. Each Party and its Affiliates shall, and shall cause their respective employees, agents, accountants, legal counsel and other representatives to perform and comply with the two Confidentiality Agreements dated October 9, 1997 and December 16, 1997 respectively between the Parties.

4.3 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given upon personal delivery, facsimile transmission (which is confirmed) or delivery by an overnight express courier service (delivery, postage or freight charges prepaid), or on the fourth day following deposit in the United

States mail (if sent by registered or certified mail, return receipt requested, delivery, postage or freight charges prepaid), addressed to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to the Seller:
Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: General Counsel
Facsimile Number: (310) 443-6195

(b) if to the Buyer:
KN Energy, Inc.
P.O. Box 281304
370 Van Gordon
Lakewood, Colorado 80228-8304
Attention: Vice President
Facsimile Number: (303) 763-3115

4.4 Successors and Assigns. No Party to this

Supplemental Agreement may assign any of its rights or obligations under this Supplemental Agreement without the express written consent of the other Party hereto. Any assignment in violation of the foregoing shall be null and void. Subject to the preceding sentences of this Section 4.4, the provisions of this Supplemental Agreement (and, unless otherwise expressly provided therein, of any document delivered pursuant to or in connection with this Agreement) shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and assigns.

4.5 Expenses. Whether or not this Supplemental Agreement is consummated, all costs and expenses (including legal fees and expenses) incurred in connection with this Supplemental Agreement and the transactions contemplated hereby and thereby shall be paid by the Party incurring such expense.

4.6 Severability. If any term, provision, covenant or restriction of this Supplemental Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against the applicable regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Supplemental Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

4.7 Construction; Interpretation.

(a) When a reference is made in this Supplemental Agreement to an Article, Section, Exhibit or Schedule, such reference shall be to an Article, Section, Exhibit or Schedule to this Supplemental Agreement unless otherwise indicated.

(b) The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

(c) The headings contained in this Supplemental Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Supplemental Agreement.

(d) The Parties agree that they have been represented by counsel during the negotiation and execution of this Supplemental Agreement and, therefore waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

(e) Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all valid and enforceable rules and regulations promulgated thereunder, unless the context requires otherwise.

4.8 Entire Agreement; Third Party Beneficiaries. This Supplemental Agreement, the Stock Transfer Agreement, the SPA, those certain Confidentiality Agreements by and between the Seller and the Buyer as more fully described in Section 4.2 (including the documents and the instruments referred to herein and therein) and that certain letter agreement from the Seller to the Buyer dated December 18, 1997 regarding compensation of certain officers of MPSC (a) constitute the entire agreement and supersedes all prior agreements and understandings, both written and oral, among

the Parties with respect to the subject matter hereof, and
(b) are not intended to confer upon any person other than
the Parties any rights or remedies hereunder.

4.9 Amendment and Modification. This Supplemental
Agreement may not be amended, modified or supplemented, and
no amendment to this Supplemental Agreement shall be
effective, unless evidenced by an instrument in writing
signed by each Party.

4.10 Governing Law. This Supplemental Agreement shall
be governed and construed in accordance with the laws of the
State of Delaware, without regard to principles of conflicts
of law.

4.11 Waiver of Jury Trial. Each of the Buyer and the
Seller hereby irrevocably waive all right to trial by jury
in any action, proceeding or counterclaim (whether based on
contract, tort or otherwise) arising out of or relating to
this Supplemental Agreement or actions of the Buyer and the
Seller in the negotiation, administration, performance and
enforcement hereof.

4.12 Consent to Jurisdiction and Forum Selection. Each
Party hereby irrevocably agrees that any legal action or
proceeding against it or any of its Affiliates arising out
of this Supplemental Agreement may be brought in the courts
of the State of

Delaware, or of the United States of America District Court for Delaware and does hereby irrevocably (a) designate, appoint and empower the Secretary of State of the State of Delaware to receive for and on behalf of it and its Affiliates service of process in the State of Delaware, and (b) consent to service of process outside the territorial jurisdiction of such courts in the manner permitted by law. In addition, each Party, on its own behalf and on behalf of its Affiliates, irrevocably waives (i) any objection which such Party or its Affiliates may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of, or relating to, this Supplemental Agreement brought in any such court, (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum, and (iii) the right to object, with respect to any such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over such Party or any other Party.

4.13 Counterparts. This Supplemental Agreement may be -----
executed in one or more counterparts, each of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

IN WITNESS WHEREOF, the Seller and the Buyer have caused this Supplemental Agreement to be signed by their respective officers thereunder duly authorized, all as of the date first written above.

OCCIDENTAL PETROLEUM CORPORATION
("Seller")

By: D. P. DE BRIER

Its: Executive Vice President

[Corporate Seal]
Attest
JOHN W. ALDEN
Assistant Secretary

KN ENERGY, INC.
("Buyer")

By: H. RICKEY WELLS

Its:

[Corporate Seal]
Attest
LINDA L. FINLEY
Assistant Secretary

EXHIBIT I

STOCK TRANSFER AGREEMENT

STOCK TRANSFER AGREEMENT, dated as of January 20, 1998,
by and between Occidental Petroleum Corporation, a Delaware
corporation (the "Seller"), and KN Energy, Inc., a Kansas
corporation (the "Buyer").

W I T N E S S E T H:
- - - - -

WHEREAS, the Seller and the Buyer have entered into a
Stock Purchase Agreement dated as of December 18, 1997, as
amended by the Supplemental Agreement dated this date
(herein collectively the "SPA"), for the sale of all the
issued and outstanding shares of capital stock of MidCon
Corp., a Delaware corporation ("MidCon");

WHEREAS, the Seller and the Buyer (herein,
individually, a "Party" and collectively the "Parties")
desire to transfer all the issued and outstanding capital
stock of MidCon Power Services Corp., a Delaware corporation
("MPSC"), from MidCon to the Seller and then, upon
satisfaction of certain conditions, from the Seller to the
Buyer as more fully described herein; and

NOW, THEREFORE, in consideration of, and subject to, the mutual covenants, agreements, terms and conditions herein contained, the Parties agree as follows:

ARTICLE I
DIVIDEND

1. Dividend of MPSC Shares. The Seller shall cause the following to occur as soon as practicable after the execution of this Stock Transfer Agreement:

1.1 MidCon Gas Services Corp. (a Delaware corporation which is a wholly owned subsidiary of MidCon, which is the sole shareholder of MPSC and which is referred to herein as "MGS") shall dividend to MidCon all of the issued and outstanding capital stock of MPSC ("MPSC Shares"); and

1.2 MidCon shall dividend the MPSC Shares to the Seller.

ARTICLE II
TRANSFER OF THE MPSC SHARES

2.1 Transfer of the MPSC Shares. Subject to, and upon the terms and conditions set forth in this Stock Transfer Agreement, at the MPSC Closing (as hereinafter defined in Section 3.1), the Seller shall assign, transfer and convey to the Buyer, and the Buyer shall acquire from the Seller, all of the MPSC Shares.

2.2 Payment of the Purchase Price. The Buyer shall pay to the Seller, as the purchase price for the MPSC Shares, an amount of cash equal to the book value of the Seller's investment in the MPSC Shares determined as of the date of this Stock Transfer Agreement in accordance with United States generally accepted accounting principles.

2.3 Payment of Loan Balances Following Transfer. The Buyer shall cause MPSC to pay to the Seller within 30 days of the MPSC Closing the amount, if any, determined to be payable by MPSC to the Seller in accordance with the MidCon Power Cash Management Agreement (as defined below). The Seller shall pay to MPSC within 30 days of the MPSC Closing the amount, if any, determined to be payable by the Seller to MPSC in accordance with the MidCon Power Cash Management Agreement.

2.4 Investment Purpose. The Buyer is acquiring the MPSC Shares for its own account and not with a view to any sale or distribution thereof in violation of any securities laws. The Buyer has no present intention of selling, distributing or otherwise disposing of any portion of the MPSC Shares in violation of any such laws. The Buyer acknowledges that the MPSC Shares have not been registered or qualified under the Securities Act of 1933, as amended, or any state securities laws and may be sold, assigned, pledged or otherwise disposed of in the absence of such registration only

pursuant to an exemption from such registration and in accordance with this Stock Transfer Agreement.

ARTICLE III
THE MPSC CLOSING

3.1 Time and Place of the MPSC Closing. Subject to the satisfaction or waiver of the conditions precedent set forth herein, the closing of the transactions contemplated by this Stock Transfer Agreement (the "MPSC Closing") shall take place at the offices of the Seller, 10889 Wilshire Boulevard, Los Angeles, California, at 10:00 a.m. Los Angeles time on February 27, 1998, or at such later Business Day, place and time as the Parties shall agree (the "MPSC Closing Date"), but no later than June 30, 1998 or such other date as the Parties may mutually agree in writing (the "Termination Date").

3.2 Conditions Precedent to the Obligation of the Buyer. The obligation of the Buyer to consummate the MPSC Closing shall be subject to satisfaction or waiver, at or prior to the MPSC Closing, of the conditions set forth in this Section 3.2.

3.2.1 Obligations of the Seller to be Fulfilled. The Seller shall have performed and complied in all material respects with the covenants required by this Stock Transfer Agreement to be performed and complied with by the Seller at or prior to the MPSC Closing. The Seller shall have furnished the Buyer at the MPSC Closing

with a certificate dated as of the MPSC Closing Date of two officers of the Seller to the effect set forth above.

3.2.2 Resignation of the Directors. All directors of MPSC shall have tendered their written resignations, effective as of the MPSC Closing Date, or their term shall have expired prior thereto.

3.2.3 Transfer of MPSC Shares. The Seller shall have delivered to the Buyer the certificates which represent all the MPSC Shares, together with stock powers or other transfer documents duly endorsed in the name of the Buyer or its permitted assigns.

3.3 Conditions Precedent to the Obligation of the Seller. The obligation of the Seller to consummate the MPSC Closing shall be subject to satisfaction or waiver, at or prior to the MPSC Closing, of the conditions set forth in this Section 3.3.

3.3.1 Obligations of the Buyer to be Fulfilled. The Buyer shall have performed and complied in all material respects with the covenants required by this Stock Transfer Agreement to be performed and complied with by the Buyer at or prior to the MPSC Closing. The Buyer shall have furnished the Seller at the MPSC Closing

with a certificate dated as of the MPSC Closing Date of two officers of the Buyer to the effect set forth above.

3.4 Conditions Precedent to the Obligations of Both Parties. The obligations of both Parties to consummate the MPSC Closing shall be subject to the satisfaction or waiver, at or prior to the MPSC Closing, of the conditions set forth in this Section 3.4.

3.4.1 FERC Approval. The Parties shall have received approval, pursuant to Section 203 of the Federal Power Act, from the Federal Energy Regulatory Commission ("FERC"), of the transfer by the Seller and acquisition by the Buyer of all of the MPSC Shares.

3.4.2 Consents. All Consents necessary for the consummation of the MPSC Closing shall have been filed, occurred or been obtained and shall be in effect immediately prior to and as of the MPSC Closing, except where the failure to obtain such Consents will not materially impair the ability of either Party to perform its obligations under this Stock Transfer Agreement and will not prevent the consummation of any of the transactions contemplated by this Stock Transfer Agreement. Any applicable waiting period imposed by a governmental entity, including that imposed under the HSR Act, shall have expired or been terminated.

3.4.3 Sale of MidCon Capital Stock. All the

issued and outstanding shares of capital stock of MidCon
have been sold by the Seller to the Buyer on or before the
MPSC Closing Date.

3.4.4 Litigation. No temporary restraining

order, preliminary injunction or permanent injunction or
other order precluding, restraining, enjoining, preventing
or prohibiting the consummation of the transactions
contemplated by this Stock Transfer Agreement shall have
been issued by any federal, state or foreign court or other
governmental entity and remain in effect.

3.4.5 Statutory Requirements. No federal,

state, local or foreign statute, rule or regulation shall
have been enacted which prohibits the consummation of the
transactions contemplated by this Stock Transfer Agreement
or would make the consummation of such transactions illegal.

ARTICLE IV
COVENANTS

4.1 Covenants by the Seller.

4.1.1 Operation of Business. During the

period from the date of this Stock Transfer Agreement to the
MPSC Closing Date, except as otherwise contemplated by this
Stock Transfer Agreement, after consultation with the Buyer
if so

provided below or consented to by the Buyer (which consent shall not be unreasonably withheld), the Seller will cause MPSC to:

(a) carry on its business only in the ordinary course consistent with past practice during the immediately preceding twelve-month period;

(b) not amend its Certificate of Incorporation or By-laws;

(c) not acquire by merging or consolidating with, or purchasing substantially all the assets of, or otherwise acquiring any business or any corporation, partnership, association or other business organization or division thereof which would be material, individually or in the aggregate, to the business, financial condition or results of operations of MPSC;

(d) not, except in the ordinary course of business, sell, lease, or otherwise dispose of, nor voluntarily encumber, any of its assets which are material, individually or in the aggregate, to the business or financial condition or results of operations of MPSC;

(e) except as provided for herein, not declare, set aside, make or pay any dividend or other distribution in respect of its capital stock or purchase or redeem, directly or indirectly, any shares of its capital stock (other than for cash);

(f) not issue or sell any shares of its capital stock of any class;

(g) not incur any indebtedness for borrowed money (other than from the Seller), or issue or sell any debt securities, other than in the ordinary course of business consistent with past practice during the immediately preceding twelve-month period;

(h) not (i) grant to any officer or director any increase in any compensation in any form, other than as is consistent with prior practice, or in any severance or termination pay, or (ii) enter into or amend any employment agreement with an officer, or (iii) amend the terms of any existing employee benefit plans and agreements (other than as may be required by applicable law or governmental entity) or (iv) adopt any new employee benefit plan or arrangement in each case for which MPSC will be obligated after the MPSC Closing unless otherwise agreed or unless necessary to place MPSC employees under the Seller's plans for the period between the date hereof and the MPSC Closing;

(i) not, except for the transactions contemplated by this Stock Transfer Agreement, directly or indirectly solicit proposals or offers from any person

or initiate or participate in any discussions with any person relating to any acquisition or purchase of all or a material amount of the assets of, or any securities of, MPSC;

(j) without prior consultation with the Buyer, not enter into any other contract or commitment having a value in excess of \$50 million;

(j) without prior consultation with the Buyer, (i) not enter into any fixed price purchases or sales of electricity unless they are hedged nor (ii) enter into any commodity futures contract, options or swaps unless the transactions are a hedge as defined in the Financial Accounting Standard Board Statement of Financial Accounting Standards No. 80 or unless the volume in aggregate at any time does not exceed 16,800 MWhs.

4.1.2 Cash Management.

Concurrent with the execution of this Stock Transfer Agreement, the Seller shall enter into, and shall cause MPSC to enter into an agreement substantially in the form of Exhibit A hereto, (the "MidCon Power Cash Management Agreement").

4.2 Covenants of Both Parties.

4.2.1 FERC Approval. The Parties agree to

cause MPSC and KN Marketing, Inc. to file an application for approval under Section 203 and Notice of Changes in Status under Section 205 of the Federal Power Act together with relevant documents with the FERC as soon as practicable following the execution of this Stock Transfer Agreement to obtain the required FERC approval of the transfer by the Seller and acquisition by the Buyer of the MPSC Shares.

4.2.2 Operation of MPSC's Business. All cash

and Deemed Payments (as defined in the MidCon Power Cash Management Agreement) required to cover costs, or expenses relating to, or arising from, MPSC's continued operation of its business, shall be provided in the manner set forth in the MidCon Power Cash Management Agreement. At the MPSC Closing, the Buyer shall provide substitute commitments, guarantees and indemnities, to replace any commitments, guaranties and indemnities entered into by the Seller to enable MPSC to perform its business operations. In connection with the foregoing, the Buyer shall indemnify and hold harmless the Seller for any liability or obligation that shall arise from the continued ownership of the MPSC Shares by the Seller at and after the sale by the Seller of all the issued and outstanding shares of capital stock of MidCon to the Buyer.

ARTICLE V
TERMINATION

5.1 Termination. The Parties may terminate this Stock

Transfer Agreement before the MPSC Closing as follows:

(a) The Buyer and the Seller may terminate this
Stock Transfer Agreement in accordance with their mutual
written agreement; or

(b) Either Party may terminate this Stock
Transfer Agreement if the MPSC Closing shall not have
occurred by the Termination Date.

5.2 Effects of Termination. If this Stock Transfer

Agreement is terminated pursuant to Section 5.1, all further
obligations of the Parties under this Stock Transfer
Agreement will terminate.

Each Party's right of termination under Section 5.1
will not be an election of remedies.

ARTICLE VI
MISCELLANEOUS

6.1 Further Assurances. Subject to the terms and

conditions herein provided, each of the Parties agrees to
use all reasonable commercial efforts to take, or

cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Stock Transfer Agreement, including using all reasonable commercial efforts to obtain all necessary waivers, consents and approvals in connection with any governmental requirements and to effect all necessary registrations and filings. In case at any time after the MPSC Closing Date any further action is necessary or desirable to carry out the purposes of this Stock Transfer Agreement, the proper officers and/or directors of the Seller, the Buyer or MPSC shall take all such necessary action.

6.2 Confidentiality. Each Party and its Affiliates

shall, and shall cause their respective employees, agents, accountants, legal counsel and other representatives to perform and comply with the two Confidentiality Agreements dated October 9, 1997 and December 16, 1997 respectively between the Parties.

6.3 Notices. All notices and other communications

hereunder shall be in writing and shall be deemed given upon personal delivery, facsimile transmission (which is confirmed) or delivery by an overnight express courier service (delivery, postage or freight charges prepaid), or on the fourth day following deposit in the United States mail (if sent by registered or certified mail, return receipt requested, delivery, postage or freight charges prepaid), addressed to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to the Seller:
Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: General Counsel
Facsimile Number: (310) 443-6195

(b) if to the Buyer:
KN Energy, Inc.
P.O. Box 281304
370 Van Gordon
Lakewood, Colorado 80228-8304
Attention: Vice President
Facsimile Number: (303) 763-3115

6.4 Successors and Assigns. No Party to this Stock

Transfer Agreement may assign any of its rights or
obligations under this Stock Transfer Agreement without the
express written consent of the other Party hereto. Any
assignment in violation of the foregoing shall be null and
void. Subject to the preceding sentences of this
Section 6.4, the provisions of this Stock Transfer Agreement
(and, unless otherwise expressly provided therein, of any
document delivered pursuant to or in connection with this
Stock Transfer Agreement) shall be binding upon and inure to
the benefit of the Parties and their respective legal
representatives, successors and assigns.

6.5 Expenses. Whether or not this Stock Transfer

Agreement is consummated, all costs and expenses (including
legal fees and expenses) incurred in

connection with this Stock Transfer Agreement and the transactions contemplated hereby and thereby shall be paid by the Party incurring such expense.

6.6 Severability. If any term, provision, covenant or -----
restriction of this Stock Transfer Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against the applicable regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Stock Transfer Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

6.7 Construction; Interpretation.

(a) When a reference is made in this Stock Transfer Agreement to an Article, Section, Exhibit or Schedule, such reference shall be to an Article, Section, Exhibit or Schedule to this Stock Transfer Agreement unless otherwise indicated.

(b) The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

(c) The headings contained in this Stock Transfer Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(d) The Parties agree that they have been represented by counsel during the negotiation and execution of this Stock Transfer Agreement and, therefore waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

(e) Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all valid and enforceable rules and regulations promulgated thereunder, unless the context requires otherwise.

6.8 Entire Agreement; Third Party Beneficiaries. This Stock Transfer Agreement, the MidCon Power Cash Management Agreement, the SPA, those certain Confidentiality Agreements by and between the Seller and the Buyer as more fully described in Section 6.2 (including the documents and the instruments referred to herein and therein) (a) constitute the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject

matter hereof, and (b) are not intended to confer upon any person other than the Parties any rights or remedies hereunder.

6.9 Amendment and Modification. This Stock Transfer Agreement may not be amended, modified and supplemented, and no amendment to this Stock Transfer Agreement shall be effective, unless evidenced by an instrument in writing signed by each Party.

6.10 Governing Law. This Stock Transfer Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law.

6.11 Waiver of Jury Trial. Each of the Buyer and the Seller hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Stock Transfer Agreement or actions of the Buyer and the Seller in the negotiation, administration, performance and enforcement hereof.

6.12 Consent to Jurisdiction and Forum Selection. Each Party hereby irrevocably agrees that any legal action or proceeding against it or any of its Affiliates arising out of this Stock Transfer Agreement may be brought in the courts of the State of Delaware, or of the United States of America District Court for Delaware and does

hereby irrevocably (a) designate, appoint and empower the Secretary of State of the State of Delaware to receive for and on behalf of it and its Affiliates service of process in the State of Delaware, and (b) consent to service of process outside the territorial jurisdiction of such courts in the manner permitted by law. In addition, each Party, on its own behalf, irrevocably waives (i) any objection which such Party may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of, or relating to, this Stock Transfer Agreement brought in any such court, (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum, and (iii) the right to object, with respect to any such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over such Party or any other Party.

6.13 Counterparts. This Stock Transfer Agreement may be executed in one or more counterparts, each of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

IN WITNESS WHEREOF, the Seller and the Buyer have caused this Stock Transfer Agreement to be signed by their respective officers thereunder duly authorized, all as of the date first written above.

OCCIDENTAL PETROLEUM CORPORATION
("Seller")

By: _____

Its:

[Corporate Seal]
Attest

KN ENERGY, INC.
("Buyer")

By: _____

Its:

[Corporate Seal]
Attest

EXHIBIT A

MIDCON POWER CASH MANAGEMENT AGREEMENT

MIDCON POWER CASH MANAGEMENT AGREEMENT, dated as of January 20, 1998 (this "Agreement") by and among OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Seller"), and MIDCON POWER SERVICES CORP., a Delaware corporation ("MPSC").

WHEREAS, MPSC is a wholly-owned Subsidiary of the Seller;

WHEREAS, the Seller currently provides certain financing, and cash management services to MidCon Corp. ("MidCon"), a Delaware corporation and formerly the indirect sole shareholder of MPSC;

WHEREAS, MPSC has requested the Seller to continue to provide financing and cash management services in connection with MPSC's ongoing business and financial needs;

WHEREAS, in consideration of the Seller's and MPSC's desire to memorialize their financing and cash management arrangements as more specifically set forth herein, the parties hereto have agreed to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

Definitions

1.1 Definitions. The following capitalized terms used in this Agreement shall have the meanings set forth below. Defined terms in this Agreement shall include in the singular number the plural and in the plural number the singular.

"Business Day" shall mean any day not a Saturday, Sunday or legal holiday or a day on which banking institutions are authorized or required by law or other government actions to close in New York City or Los Angeles, California; provided that the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollar Deposits in the London Interbank Market.

"Closing Date" shall mean the Business Day upon which the sale by the Seller of all of the issued and outstanding shares of capital stock of MidCon to KN Energy, Inc. shall occur.

"Concentration Account" shall mean the bank account of MPSC which reflects the net end-of-day cash balance of funds collected and disbursed by MPSC.

"Deemed Payments" shall mean payments deemed to be made under this Agreement (a) by MPSC to (i) the Seller and (ii) during the period up to, but excluding, the Closing Date, to MidCon Consol, or (b) to MPSC by the Seller, and (ii) during the period up to, but excluding, the Closing Date, by MidCon Consol, as the case may be.

"Facilities" shall mean, collectively, the X Facility and the Y Facility.

"Intercompany Cash Management Agreement" shall mean the Intercompany Cash Management Agreement dated as of November 20, 1996 by and among the Seller and MidCon.

"LIBOR Rate" shall mean, for any period, the one month London Interbank Offered Rate as reported in The Wall Street Journal for the last business day of the prior month on which day the London interbank market was open for dealings.

"Loans" shall mean, collectively, the X Facility Loans and the Y Facility Loans.

"MGSC" shall mean MidCon Gas Services Corp, a Delaware corporation.

"MidCon Consol" shall mean MidCon and all of its Subsidiaries which are part of its consolidated financial statements during the period after the date of this Agreement.

"MPSC Obligations" shall mean all amounts owing to the Seller from time to time under or in connection with this Agreement including, without

limitation, the net outstanding amount of the Y Facility Loans, together with all accrued and unpaid interest thereon.

"MPSC Closing Date" shall mean the Business Day on ----- which the MPSC Closing as defined in Section 3.1 of the Stock Transfer Agreement shall occur.

"Net Outstanding Balance" shall mean as of any ----- date and for any Loan the balance of such Loan, after giving effect to (i) the netting of payments and Deemed Payments under the X Facility and Y Facility against one another, as contemplated pursuant to Section 2.4, (ii) the recognition of the Loans in accordance with Sections 2.5 and 2.6 and (iii) if such date is the end of a month or the MPSC Closing Date, the Deemed Payments recognized in accordance with Sections 2.2, 2.3, 2.7 and 2.10.

"Oxy Consol" shall mean the Seller and all of its ----- consolidated Subsidiaries other than MidCon Consol.

"Seller's Obligations" shall mean all amounts ----- owing by the Seller to MPSC from time to time under or in connection with this Agreement including, without limitation, the net outstanding amount of the X Facility Loans, together with all accrued and unpaid interest thereon.

"Stock Transfer Agreement" shall mean the Stock ----- Transfer Agreement dated as of January [15], 1998 by and between the Seller and KN Energy, Inc.

"X Facility" shall mean the loan facility provided

to the Seller by MPSC pursuant to Section 2.2.

"X Facility Loans" shall mean loans by MPSC to the

Seller pursuant to Section 2.2.

"Y Facility" shall mean the loan facility provided

to MPSC by the Seller pursuant to Section 2.3.

"Y Facility Loans" shall mean loans by the Seller

to MPSC pursuant to Section 2.3.

ARTICLE 2

Facilities

2.1 On and after the date hereof until the earlier of the MPSC Closing or the termination of the Stock Transfer Agreement, MPSC hereby engages the Seller to provide, and the Seller hereby agrees to provide or cause to be provided to and for the benefit of MPSC the financing and cash management services the Seller currently provides to MidCon Consol.

2.2 X Facility Loans. (a) Commencing on the date hereof to but not on or after the MPSC Closing Date, MPSC agrees, subject to the terms and provisions of this Agreement, to make loans to the Seller (such loans, individually an "X Facility Loan" and collectively the "X Facility Loans"). MPSC shall make X Facility Loans on each Business Day in an aggregate principal amount which

equals (i) the net excess cash balance in the Concentration Account, if positive, (ii) any other amounts transferred to the Seller as of the close of business on each such Business Day and (iii) any Deemed Payments made from time to time by MidCon Consol (prior to the Closing) and by the Seller to MPSC. The Seller shall cause any interest bearing principal balance due to MPSC from MGSC as of the close of business on the last day prior to the date hereof to be deemed to be repaid as of the date of this Agreement, with MPSC deemed to have advanced such amount to the Seller as an X Facility Loan on such date. The X Facility Loans shall, for the period up to the Closing, include a Deemed Payment as at the end of each month and as at the MPSC Closing for all amounts which are Deemed Payments under the Intercompany Cash Management Agreement from MidCon Consol to Oxy Consol for amounts owed by MidCon Consol to MPSC. The Seller promises to repay all X Facility Loans from time to time owing to MPSC in accordance with the terms of this Agreement, and such X Facility Loans shall automatically be repaid by the application against such outstanding amount of any outstanding balance of the Y Facility Loans under the Y Facility. Notwithstanding the foregoing, the Net Outstanding Balance of the X Facility Loans shall be determined after the application of Section 2.4.

(b) The date and amount of each X Facility Loan made by MPSC to the Seller, and each payment or Deemed Payment made by the Seller to MPSC on account of any X Facility Loan, shall be recorded by the

Seller and MPSC on their respective books of account, it being understood, however that failure by the Seller or MPSC to make, or any error in making, any such record shall not (i) affect the Seller's liability hereunder in respect of any Seller's Obligations, or (ii) constitute the discharge of the Seller for any payment or Deemed Payment by the Seller to MPSC on account of any Seller's Obligation.

2.3 Y Facility Loans. (a) Commencing on the date hereof to, but not including, the MPSC Closing Date, the Seller agrees, subject to the terms and provisions of this Agreement, to make loans to MPSC (such loans, individually a "Y Facility Loan" and collectively the "Y Facility Loans"). The Seller shall make Y Facility Loans on each Business Day in an aggregate principal amount which equals (i) the amount of funds required to eliminate any negative balance in the Concentration Account in accordance with Section 2.6 and (ii) any Deemed Payments made from time to time from MPSC to the Seller or to MidCon Consol. The Seller shall cause any interest bearing principal balance due to MGSC from MPSC as of the close of business on the last day prior to the date hereof to be deemed to be repaid as of the date of this Agreement, with Seller deemed to have advanced such amount to MPSC as a Y Facility Loan on such date. The Y Facility Loans shall, for the period up to the Closing, include a Deemed Payment as at the end of each month and as at the MPSC Closing for all amounts which are Deemed Payments under the Intercompany Cash

Management Agreement from Oxy Consol to MidCon Consol for amounts owed by MPSC to MidCon Consol. MPSC irrevocably and unconditionally promises to repay all Y Facility Loans from time to time owing to the Seller in accordance with the terms of this Agreement.

(b) The date and amount of each Y Facility Loan made by the Seller to MPSC, and each payment made thereon, shall be recorded by the Seller and MPSC on their respective books of account, it being understood, however, that failure by the Seller or MPSC to make, or any error in making, any such record shall not (i) affect MPSC's liability hereunder in respect of any MPSC Obligations, or (ii) constitute the discharge of MPSC for any payment or Deemed Payment by MPSC to the Seller on account of any MPSC Obligation.

2.4 Right of Offset and Netting of Balances. In respect of the X Facility and the outstanding X Facility Loans and the Y Facility and the outstanding Y Facility Loans, the Seller and MPSC, as the case may be, shall have the right of offset, exercised at any time, against the other of any amounts owed by MPSC to the Seller, and by the Seller to MPSC, as the case may be, which offset shall be deemed a prepayment of outstanding amounts under such Facilities. Payments and Deemed Payments under the X Facility and the Y Facility will be netted against the other on a daily basis to provide a Net Outstanding Balance, if any, under one of such Facilities.

2.5 Payments to the Seller from the Concentration Account. (i) On each Business Day, MPSC agrees to direct its concentration bank to transfer the excess cash, if any, at the end of any Business Day from its Concentration Account to one or more accounts of the Seller at such bank or banks as may from time to time be designated by the Seller. All such funds so transferred, after giving effect to the application of such amounts against the amounts under Section 2.4, shall be deemed an X Facility Loan under this Agreement.

(ii) The Seller shall, on a daily basis, credit MPSC on its books of account for cash received from the Concentration Account. The Seller shall, consistent with its current practice, use the same standard of care with respect to all funds received by it from MPSC as the Seller uses for its own funds.

2.6 Payments to MPSC from the Seller. (i) On each Business Day, the Seller agrees to transfer funds to the Concentration Account to eliminate any negative balance, in such account at the end of any Business Day. All such funds so transferred, after giving effect to the application of such amounts against the amounts under Section 2.4 shall be deemed a Y Facility Loan under this Agreement.

(ii) MPSC shall, on a daily basis, credit the Seller on its books of account for cash received in its Concentration Account from the Seller. MPSC shall, consistent with its current practice, use the same standard of care with respect to all funds received by it on behalf of the Seller and MPSC uses for its own funds.

2.7 Repayment of Loans. (i) The net outstanding amount of each Loan shall become due and payable in full on the MPSC Closing Date.

(ii) Payment of the Loan Balance. Within 30 days after the MPSC Closing, MPSC shall pay the amount, if any, by which the Y Loans outstanding as of the MPSC Closing exceed the X Loans outstanding at such date, plus accrued interest in accordance with Section 2.9, and the Seller shall pay the amount, if any, by which the X Loans outstanding as of the MPSC Closing exceed the Y Loans outstanding at such date, plus accrued interest in accordance with Section 2.9

(iii) Application of Funds.

(a) Deemed Payments made on behalf of obligations due to and from the Seller and MPSC, including all amounts due under this

Agreement and cash flows to and from the Seller and MPSC, will in each case be reflected as X Facility Loans and Y Facility Loans. Deemed Payments shall be recognized on dates as required in this Agreement.

(b) Funds received by the Seller from MPSC under this Agreement will be applied, first, to repayment of amounts outstanding under the Y Facility, and second, as an X Facility Loan to the Seller under Section 2.2.

(c) Funds received by MPSC from the Seller under this Agreement will be applied, first, to repayment of amounts outstanding under the X Facility, and second, as a Y Facility Loan to MPSC under Section 2.3.

2.8 Evidence of Debt. (a) The Seller and MPSC shall maintain an account or accounts evidencing the indebtedness of MPSC to the Seller and of the Seller to MPSC, as the case may be, resulting from each Loan, from time to time, including the amounts of principal and interest payable and paid from time to time under this Agreement.

(b) The entries made in the accounts maintained pursuant to paragraph (a) of this Section 2.8 shall, to the extent permitted by

applicable law, be prima facie evidence of the existence of the Seller's Obligations and MPSC Obligations therein recorded; provided, however, that the failure of the Seller or MPSC to maintain such accounts or any error therein shall not in any manner affect the obligation to repay the Loans in accordance with their terms.

2.9 Interest Rate. Net outstanding amounts in respect of the Facilities shall accrue interest at the per annum rates set forth below:

(a) Net Outstanding Balance in respect of each X Facility Loan shall bear interest at a rate per annum equal to the LIBOR Rate plus 0.25%.

(b) Net Outstanding Balances in respect of each Y Facility Loan shall bear interest at a rate per annum equal to the LIBOR Rate plus 0.75%.

2.10 Calculation of Net Outstanding Balances. (a) Interest on Net Outstanding Balances in respect of the X Facility and the Y Facility shall be calculated on the weighted average daily Net Outstanding Balance, if any, of each such Facility.

(b) The amount of interest calculated for any Loan shall be paid as a Deemed Payment and included in the beginning outstanding balance of either an X Facility Loan or a Y Facility Loan, as applicable, as of the first day of the next succeeding month or the MPSC Closing Date, whichever is earlier.

2.11 Computation of Interest. Interest shall be computed, with respect to the LIBOR Rate, on the basis of a year of 360 days and actual days elapsed.

ARTICLE 3

Miscellaneous

3.1 Governing Law; Submission to Jurisdiction.

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

(b) Any legal action or proceeding with respect to this Agreement and any action for enforcement of any judgment in respect thereof may be brought in the courts of the state of New York or of the United States of America for the District of New York, and, by execution and delivery of this Agreement, MPSC hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts from any thereof. MPSC irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to MPSC at its address set forth opposite its signature below. MPSC hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue or any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of the Seller to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against MPSC in any other jurisdiction.

3.2 Assignment. Neither this Agreement nor any

right granted hereunder shall be assigned by either party
either voluntarily or by operation of

law without the other party's written consent, which may be granted or withheld in such party's sole discretion, and any attempted assignment without such consent shall be void and of no effect whatsoever.

3.3 Amendment, Waiver, Etc. This Agreement may be amended, waived or modified only by an instrument executed by all the parties hereto. No failure or delay on the part of the Seller in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the Seller. Any waiver of any departure by MPSC from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on MPSC in any case shall entitle MPSC to any other or further notice or demand in similar or other circumstances.

3.4 Headings. The section headings and subheadings contained in this Agreement are for reference purposes only and will not affect in any manner the meaning or interpretation of this Agreement.

3.5 Notices. Any notices or other communications provided for under this Agreement (and, unless otherwise expressly provided therein, under

any document delivered pursuant to this Agreement) shall be given in writing and shall be deemed duly given upon (a) transmitter's confirmation of receipt of a facsimile transmission, (b) confirmed delivery by a standard overnight carrier or when delivered by hand or (c) the expiration of five business days after the day when mailed by certified or registered mail, postage prepaid, addressed to the parties at the following addresses (or at such other address as the parties hereto shall specify by like notice):

(A) To the Seller:

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, CA 90024
Attention: General Counsel
Telecopier No: (310) 443-6684

(B) To MPSC:

MidCon Power Services Corp.
701 East 22nd Street
Lombard, IL 60148-5072
Attention: Vice President
Telecopier No: (630) _____

3.6 Counterparts. For the convenience of the parties, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.7 Severability. If any term, provision,

covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect to the fullest extent permitted by law and shall in no way be affected, impaired or invalidated.

3.8 Further Assurances. MPSC agrees that at any

time and from time to time, upon the request of the Seller, MPSC will execute and deliver to the Seller such further instruments and documents, and do such further acts and things, as the Seller may reasonably request in order to effectuate fully the purposes of this Agreement.

3.9 Entire Agreement. This Agreement and the

Stock Transfer Agreement constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior documents, understandings and agreements, oral or written, relating to this transaction. No promises, representations, warranties or covenants not included in this Agreement have been or are relied upon by any party hereto.

3.10 Binding Agreement. This Agreement shall

become effective when it shall have been executed by the Seller and MPSC and shall be binding

upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized officer to execute and deliver this Agreement as of the date first above written.

OCCIDENTAL PETROLEUM CORPORATION

By _____
Name:
Title:

MIDCON POWER SERVICES CORP.

By _____
Name:
Title: