



AIPN MODEL CONTRACT GAS SALES AGREEMENT

2006

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THIS AGREEMENT is made as of [] (“**Effective Date**”) between [], a company existing under the Laws of [] having registration/identification number [] (“**Seller**”) and [], a company existing under the Laws of [] having registration/identification number [] (“**Buyer**”), and is premised on the fact that:

- ◇ Seller pursuant to a [] [insert name of Seller’s Granting Instrument] dated [] with the [] [insert name of granting authority] of [] [insert name of country], has the right to produce and sell Gas;
- ◇ Buyer pursuant to a [] [insert name of Buyer’s Granting Instrument] dated [] with the [] [insert name of granting authority] of [] [insert name of country], has the right to buy and use Gas; and
- ◇ Seller desires to sell and Buyer desires to purchase all or part of Seller’s share of Gas pursuant to this Agreement.

In consideration of the premises set out above and the provisions set out below, the Parties agree as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context indicates otherwise, the capitalized and bolded words set out below shall have the corresponding meaning in this Agreement, including the recitals and Attachments:

Adjusted Annual Contract Quantity or **Adjusted ACQ** (“**AdjACQ**”) means for each Contract Year the quantity of Gas equal to the Annual Contract Quantity less the sum of the Scheduled Maintenance Quantities, Force Majeure Quantities, Shortfall Quantities, and if applicable less the Operational Flexibility Credit, determined using the following formula:

ALTERNATIVE 1

$$\text{AdjACQ} = \sum_{i=1}^n \text{DCQ}_{(i)} - \sum_{i=1}^n \text{SMQ}_{(i)} - \sum_{i=1}^n \text{FMQ}_{(i)} - \sum_{i=1}^n \text{SFQ}_{(i)}$$

Where:

- DCQ_(i) is the Daily Contract Quantity for Day “i” in such Contract Year,
- SMQ_(i) is the Scheduled Maintenance Quantity for Day “i” in such Contract Year,
- FMQ_(i) is the Force Majeure Quantity for Day “i” in such Contract Year,
- SFQ_(i) is the Shortfall Quantity for Day “i” in such Contract Year,
- i is each Day in such Contract Year, and
- n is the number of Days in such Contract Year.

ALTERNATIVE 2

$$\text{AdjACQ} = \sum_{i=1}^n \text{DCQ}_{(i)} - \sum_{i=1}^n \text{SMQ}_{(i)} - \sum_{i=1}^n \text{FMQ}_{(i)} - \sum_{i=1}^n \text{SFQ}_{(i)} - \text{OFC}$$

Where:

- DCQ_(i) is the Daily Contract Quantity for Day “i” in such Contract Year,
- SMQ_(i) is the Scheduled Maintenance Quantity for Day “i” in such Contract Year,

FMQ_(i) is the Force Majeure Quantity for Day “i” in such Contract Year,
SFQ_(i) is the Shortfall Quantity for Day “i” in such Contract Year,
OFC is the Operational Flexibility Credit for such Contract Year
i is each Day in such Contract Year, and
n is the number of Days in such Contract Year.

Affiliate means a legal entity which Controls, or is Controlled by, or is Controlled by an entity that Controls, a Party.

Agreed Interest Rate means interest compounded on a monthly basis, at the rate per year equal to the one (1) month term, London Interbank Offered Rate (“**LIBOR**”) for U.S. dollar deposits, as published in London by the Financial Times, or if not published by the Financial Times, then as published by The Wall Street Journal, plus [_____] percent (___%), applicable on the first Business Day before the due date of payment and after such date on the first Business Day of each succeeding Month. If such rate is contrary to any applicable usury Law, the rate of interest to be charged shall be the maximum rate permitted by such applicable Law.

Agreement means this document, together with the annexes, attachments, exhibits, and schedules attached to this document, and any extension, renewal or amendment of this document agreed to in writing by the Parties.

OPTION

Alternate Delivery Point means any Delivery Point listed on Attachment 11Alt, which may become a Delivery Point during the Term pursuant to Article 11.

Annual Actual Quantity (“AAQ”) means for each Contract Year during the Delivery Period the total quantity of Gas made available and taken under this Agreement determined using the following formula:

$$AAQ = \sum_{i=1}^n DAQ_{(i)}$$

Where:

AAQ is the Annual Actual Quantity
DAQ_(i) is the Daily Actual Quantity for Day (i) in such Contract Year,
i is each Day “i” in such Contract Year, and
n is the number of Days in such Contract Year.

Annual Amount Due (“AAD”) means the amount payable for any Contract Year pursuant to Article 17.2.20.

Annual Contract Quantity (“ACQ”) means for each Contract Year during the Delivery Period the quantity of Gas equal to the sum of the Daily Contract Quantities determined using the following formula:

$$ACQ = \sum_{i=1}^n DCQ_{(i)}$$

Where:

ACQ is the Annual Contract Quantity
DCQ_(i) is the Daily Contract Quantity for Day “i” in such Contract Year,

i is each Day “i” in such Contract Year, and
n is the number of Days in such Contract Year.

Annual Statement means for each Contract Year during the Commissioning Period and the Delivery Period the statement of the quantities and amounts specified in Article 17.2.

Approval means with respect to a Party any approval, authorization, certificate, consent, decision, decree, judgment, license, order, permit, or other endorsement of any kind (regardless of the formal nomenclature given to any of the foregoing) necessary or proper to be granted, delivered, issued, or promulgated by any Person relating to this Agreement, the performance of such Party’s obligations, the exercise of such Party’s rights, or the conduct of such Party’s business.

Area means the geographic area in the territory of [_____] [*specify country*], which is covered by and described in Seller’s Granting Instrument.

Base Price means [_____] [*specify currency and amount*] per [*insert unit of energy amount*], which is the price from which the Contract Price is determined.

OPTION

Billion Cubic Meters (“BCM”) means one billion (1,000,000,000) Cubic Meters.

OPTION

British Thermal Unit (“Btu”) means the amount of heat required to raise the temperature of one pound of pure water from fifty-nine degrees Fahrenheit (59°F) to sixty degrees Fahrenheit (60°F) at a constant pressure of fourteen decimal six nine six (14.696) pounds per square inch absolute.

Build-Up Period means the period of time determined pursuant to Article 5.3, during which the quantity of Gas made available and taken is generally increasing from the initial rate to the full contract rate during the Plateau Period.

Business Day means a Day on which the banks in [_____] [*specify country*] are customarily open for business.

Buyer means [_____].

Buyer’s Annual Deficiency Quantity (“BADQ”) means for any Contract Year in which Buyer does not take at least the Take or Pay Quantity, excluding, if applicable, any Excess Gas Quantities, the Take or Pay Quantity less the Annual Actual Quantity and, if applicable, less the sum of the Excess Gas Quantities determined using the following formula:

ALTERNATIVE 1

$$BADQ = TOPQ - \left(AAQ - \sum_{i=1}^n EGQ_{(i)} \right)$$

Where:

TOPQ is the Take or Pay Quantity for such Contract Year,

AAQ is the Annual Actual Quantity for such Contract Year,

EGQ_(i) is the Excess Gas Quantity for any Day “i” in such Contract Year,

i is each Day in such Contract Year, and

n is the number of Days in such Contract Year.

ALTERNATIVE 2

$$\text{BADQ} = \text{TOPQ} - \text{AAQ}$$

Where:

TOPQ is the Take or Pay Quantity for such Contract Year,

AAQ is the Annual Actual Quantity for such Contract Year,

i is each Day in such Contract Year, and

n is the number of Days in such Contract Year.

OPTION

Buyer's Annual Surplus Quantity ("BASQ") means for any Contract Year in which Buyer takes at least the Adjusted Annual Contract Quantity, excluding any Make-Up Quantities, and if applicable, any Excess Gas Quantities, a quantity of Gas equal to the Annual Actual Quantity less, if applicable, the sum of any Excess Gas Quantities and less any Make-Up Quantities and less the Adjusted Annual Contract Quantity determined using the following formula:

ALTERNATIVE 1

$$\text{BASQ} = \text{AAQ} - \sum_{i=1}^n \text{EGQ}_{(i)} - \sum_{i=1}^n \text{MUQ}_{(i)} - \text{AdjACQ}$$

Where:

AAQ is the Annual Actual Quantity for such Contract Year,

MUQ_(i) is the Make-Up Quantity recovered during any Day "i" in such Contract Year,

EGQ_(i) is the Excess Gas Quantity for any Day "i" in such Contract Year,

AdjACQ is the Adjusted Annual Contract Quantity for such Contract Year,

i is each Day in such Contract Year, and

n is the number of Days in such Contract Year.

ALTERNATIVE 2

$$\text{BASQ} = \text{AAQ} - \sum_{i=1}^n \text{MUQ}_{(i)} - \text{AdjACQ}$$

Where:

AAQ is the Annual Actual Quantity for such Contract Year,

MUQ_(i) is the Make-Up Quantity recovered during any Day "i" in such Contract Year,

AdjACQ is the Adjusted Annual Contract Quantity for such Contract Year,

i is each Day in such Contract Year, and

n is the number of Days in such Contract Year.

Buyer's Deficiency Payment ("BDP") means the total amount payable by Buyer to Seller, if any, in respect of Buyer's take or pay obligation under Article 12.6 for any Contract Year.

Buyer's Facilities means the installations, pipeline, equipment downstream of the Delivery Point, which

ALTERNATIVE 1

Buyer owns or controls to perform its obligations under this Agreement.

ALTERNATIVE 2

are specified on Attachment 1.1-BF.

OPTION

Carry Forward Aggregate ("CFA") means for any Contract Year a quantity of Gas equal to the sum of Buyer's Annual Surplus Quantities in prior Contract Years less the sum of the Carry Forward Quantity Credits applied in prior Contract Years and less the expired Carry Forward Aggregate determined using the following formula:

$$CFA = \sum_{j=1}^m \text{BASQ}_{(j)} - \sum_{j=1}^m \text{CFCQ}_{(j)} - \sum_{j=1}^m \text{ExpCFA}_{(j)}$$

Where:

CFA is the Carry Forward Aggregate for such Contract Year,

BASQ_(i) is Buyer's Annual Surplus Quantity for each Contract Year "j" before such Contract Year,

CFCQ_(i) is the Carry Forward Credit Quantity that was applied for each Contract Year "j" before such Contract Year,

ExpCFA_(i) is the quantity of Carry Forward Aggregate whose corresponding Carry Forward Period expired during each Contract Year "j" before such Contract Year,

j is each Contract Year "j" before such Contract Year, and

m is the number of Contract Years before such Contract Year.

OPTION

Carry Forward Credit Quantity ("CFCQ") means an equivalent quantity equal to all or a portion of the Carry Forward Aggregate applied pursuant to Article 12.8 in the calculation of

ALTERNATIVE 1

the Annual Contract Quantity for the applicable Contract Year.

ALTERNATIVE 2

Buyer's Deficiency Payment for the applicable Contract Year.

OPTION

Carry Forward Period means for each Buyer's Annual Surplus Quantity the period of [_____] (_____) Contract Years immediately following the Contract Year corresponding to such Buyer's Annual Surplus Quantity, within which a credit may be applied pursuant to Article 12.8.

Change in Laws means the occurrence of any of the following after the Effective Date:

- ◇ the enactment of any new Laws;
- ◇ the modification or repeal of any Laws;
- ◇ the commencement of any Laws that were not effective on the Effective Date;

- ◇ a change in the interpretation, application, or enforcement of any Laws;
- ◇ the imposition of a requirement for Approval of a Governmental Authority not required on the Effective Date;
- ◇ any Approval of a Governmental Authority not being granted on a timely basis where application for that Approval has been duly made; and
- ◇ after the grant of an Approval of a Governmental Authority, a revocation or termination of that Approval, a change in the terms or conditions of that Approval, an imposition of additional terms or conditions to that Approval, or if granted for a limited period, a failure to extend or renew that Approval on a timely basis after the timely submittal of an application for extension or renewal, or being renewed on terms or subject to conditions that are materially less favorable to the affected Party,

OPTION

including its contractors and agents, as the case may be,
other than those terms and conditions attached to the original Approval.

Claiming Party means a Party giving notice under Article 19 that such Party is affected by a Force Majeure Event.

Commissioning Period means the period of time determined pursuant to Article 5.2 during which each Party tests and brings its respective Facilities into operation.

Commissioning Procedures means all necessary and reasonable procedures pursuant to which each Party tests and brings its respective Facilities into operation, as determined pursuant to Article 7.2.

Conditions Precedent mean the conditions to the effectiveness of Seller's obligations to make Gas available and/or of Buyer's obligations to take Gas under this Agreement.

Confidential Information means all information and data of whatever nature, which any Party may from time to time receive or obtain (orally or in written or electronic form) as a result of entering into, or performing its obligations pursuant to, this Agreement (including geological, geophysical and engineering data, maps, models and interpretations, and commercial, contractual and financial information), and which

- ◇ relates in any manner to this Agreement or any other agreement or arrangement contemplated by this Agreement; or
- ◇ concerns the business, finances, assets, liabilities, dealings, transactions, know-how, customers, suppliers, processes or affairs of the other Party; or
- ◇ is expressly indicated to be confidential or is imparted by one Party to the other in circumstances creating an obligation of confidence and/or non-disclosure.

Consequential Loss means for this Agreement and operations conducted under this Agreement, any damages, costs, or liabilities, or any losses or deferments of revenue, profit, opportunity or use, regardless of cause or arising, which are not immediately and directly caused by the relevant act or omission, including:

- ◇ any indirect damage, cost, or liability arising out of any delay, reduction or loss of ability to produce, store, transport, process or dispose of petroleum or any products derived from petroleum;

- ◇ any indirect damage, cost, or liability associated with business interruption or increased cost of working during business interruption, including the incremental cost of overhead expenses incurred;
- ◇ any indirect, special or punitive damages and penalties of any kind; and
- ◇ any loss or deferment of revenue, profit, opportunity, use, bargain, contract, expectation or opportunity.

Contract Price (“CP”) means for each

ALTERNATIVE 1

Contract Year

ALTERNATIVE 2

Quarter

the price of Gas, in [_____] [*insert unit of currency*] per [_____] [*insert unit of energy amount*], delivered during such period.

Contract Year means:

- ◇ for the first Contract Year, the period commencing on the Effective Date and finishing on the following 1st Day of January;
- ◇ for each subsequent Contract Year other than the last Contract Year, the twelve (12) month period commencing on the 1st Day of January and finishing on the following 1st Day of January; and
- ◇ for the last Contract Year, the period commencing on the 1st Day of January and finishing when the Termination Date occurs.

Control means the ownership directly or indirectly of

ALTERNATIVE 1

more than fifty percent (50%)

ALTERNATIVE 2

fifty percent (50%) or more

of the voting rights in a legal entity. **“Controls”**, **“Controlled by”** and other derivatives shall be construed accordingly.

OPTION

Cubic Foot (“CF”) means the volume of gas that occupies one (1) cubic foot of space as measured at a temperature of sixty degrees Fahrenheit (60°F) and at the absolute pressure of fourteen decimal six nine six (14.696) pounds per square inch.

OPTION

Cubic Meter (“CM”) means the volume of gas that occupies one (1) cubic meter of space as measured at a temperature of zero degrees Celsius (0°C) and at the absolute pressure of one decimal zero three five six kilopascals (1.0356 kPA).

Daily Actual Quantity (“DAQ”) means for each Day during the Delivery Period the total quantity of Gas made available and taken under this Agreement.

ALTERNATIVE 1

Daily Contract Quantity (“DCQ”) means for each Day during the Delivery Period a quantity of Gas equal to [_____] (_____) [*insert unit of energy amount*].

ALTERNATIVE 2

Daily Contract Quantity (“DCQ”) means for each Day

- ◇ during the Build-Up Period a quantity of Gas equal to [_____] (_____) [*insert unit of energy amount*].

ALTERNATIVE 2A

- ◇ during the Plateau Period a quantity of Gas equal to [_____] (_____) [*insert unit of energy amount*].

ALTERNATIVE 2B

- ◇ during the Plateau Period a quantity of Gas equal to:
- ◇ [_____] (_____) [*insert unit of energy amount*] for the Months of _____, _____, and _____.
- ◇ [_____] (_____) [*insert unit of energy amount*] for the Months of _____, _____, and _____.
- ◇ [_____] (_____) [*insert unit of energy amount*] for the Months of _____, _____, and _____.
- ◇ [_____] (_____) [*insert unit of energy amount*] for the Months of _____, _____, and _____.

OPTION

- ◇ during the Decline Period a quantity of Gas determined pursuant to Article 9.1.4.

Daily Gas Value (“DGV”) means for each Day the total value of Gas made available and taken under this Agreement as determined pursuant to Article 16.

Day means a period of twenty-four (24) consecutive hours commencing at [_____] hours on each day and ending at [_____] hours on the following day.

OPTION

Decline Notice means a notice delivered by Seller to Buyer in which Seller, acting as a Reasonable and Prudent Operator, forecasts the Projected Last Month of the Plateau Period.

OPTION

Decline Period means the period of time determined pursuant to Article 5.5, during which the quantity of Gas made available and taken from time to time is generally decreasing from the full contract rate to cessation of deliveries.

Delivery Period means the period commencing on the Start Date, continuing through the Build-Up Period, the Plateau Period, and if applicable, the Decline Period including any extension, and ending on permanent cessation of delivery of Gas under this Agreement.

Delivery Point means the location where Gas passes the outlet flange of Seller’s Facilities and where custody to Gas transfers from Seller to Buyer, as indicated on Attachment 11.

Delivery Pressure means the pressure at which Seller makes available and Buyer takes Gas at the Delivery Point; **provided that** the pressure shall not be less than [____ (____)] [*insert pressure unit*] and shall not be more than [____ (____)] [*insert pressure unit*].

Delivery Tolerance Quantity (“DTQ”) means for each Day during the Delivery Period a quantity of Gas equal to

ALTERNATIVE 1

[____] percent (____%) [*e.g. three percent (3%)*] of the Properly Nominated Quantity for such Day.

ALTERNATIVE 2

[____ (____)] [*insert unit of energy amount*].

OPTION

Depletion Notice means a notice delivered by Seller to Buyer in which Seller, acting as a Reasonable and Prudent Operator, has determined that

ALTERNATIVE 1

the Reservoir is economically depleted.

ALTERNATIVE 2

Seller has delivered to Buyer Seller’s entire share of Economically Recoverable Reserves.

ALTERNATIVE 3

Seller has delivered to Buyer all of the Economically Recoverable Reserves attributable to this Agreement.

Dispute means any dispute, controversy, or claim of any kind or type, whether based on contract, tort, statute, regulation, or otherwise, arising out of, relating to, or connected with this Agreement, or the operations carried out under this Agreement, including any dispute concerning the existence, validity, interpretation, performance, breach, or termination of this Agreement.

Disputed Amount means all or a portion of the amount of a Monthly or an Annual Statement, which amount or portion Buyer disputes.

Economically Recoverable Reserves means at any point in time the estimated quantity of Gas that Seller, acting as a Reasonable and Prudent Operator, will be able to produce and save from the Reservoir and to conform to the Quality Specifications.

Effective Date means the date specified in the preamble to this Agreement.

Excess Gas Price (“EGP”) means the price, specified in Article 15.2.5, which will be invoiced and paid for any Gas designated as an Excess Gas Quantity.

Excess Gas Quantity (“EGQ”) means for any Day, on which Buyer requests an Excess Requested Quantity, the quantity of Gas delivered which is in excess of the Maximum Daily Quantity but is not more than the Excess Requested Quantity determined using the following formula:

$$EGQ = DAQ - (MaxDCQ + DTQ) \text{ but if } DAQ - (MaxDCQ + DTQ) > ERQ \text{ then } EGQ = ERQ$$

Where:

EGQ is the Excess Gas Quantity for such Day,

DAQ is the Daily Actual Quantity for such Day,
MaxDCQ is the Maximum Daily Contract Quantity for such Day,
DTQ is the Daily Tolerance Quantity for such Day,
ERQ is the Excess Requested Quantity for such Day.

Excess Requested Quantity (“ERQ”) means for each Day meeting the conditions of Article 10.1.4, if applicable, the quantity of Gas in excess of the Maximum Daily Quantity that Buyer requests Seller to make available.

Expert means the natural person selected under Article 23.4 to determine certain Disputes.

Facilities means Buyer’s Facilities or Seller’s Facilities, as the context requires.

FIFO means the methodology of ‘first in, first out’.

First Window Period means the period of time beginning [_____] [*insert date*] and ending [_____] [*insert date*], within which the Initial Delivery Date will occur.

Force Majeure Event means any event or circumstance the occurrence of which is beyond the reasonable control of the Claiming Party and results in the Claiming Party being unable to perform one or more of its obligations under this Agreement, which inability could not have been prevented or overcome by the Claiming Party exercising reasonable foresight, planning and implementation. To the extent that they satisfy the requirements set out in the preceding sentence and subject to the proviso to this definition, Force Majeure Events include the following events and circumstances:

- ◇ acts of war (whether declared or undeclared), armed conflict, civil unrest or insurrection, blockade, embargo, riot, sabotage, acts of terrorism or the specific threats of such acts or events, or conditions attributable to such acts or events;
- ◇ strike, work slow down, lockout or other industrial disturbance or labor dispute;
- ◇ epidemics or plague;
- ◇ fire, earthquake, cyclone, hurricane, flood, drought, lightning, storms, storm warnings, navigational and maritime perils, or other acts of God;

OPTION

- ◇ breakage, fire, freezing, explosion, mechanical breakdown or other damage or malfunction resulting in the partial or complete shutdown of the facilities of the Claiming Party;

OPTION

- ◇ a Change in Law, hindrance of government or other act or failure to act by any government claiming jurisdiction over this Agreement or the Parties;

OPTION

- ◇ failure of Gas Transporter to take delivery of and transport Gas, through the Transporter’s pipeline system for reasons that would constitute a Force Majeure Event as defined in this Agreement if Gas Transporter were a Party to this Agreement;

OPTION

- ◇ failure of [] [insert specified third party] to [] [insert specified actions] for reasons that would constitute a Force Majeure Event as defined in this Agreement if the [] [insert specified third party] were a Party to this Agreement;

provided that the following events and circumstances shall not constitute a Force Majeure Event:

- ◇ changes in market conditions, including changes that directly or indirectly affect the demand for or price of Gas or any commodity produced from or with Gas, such as loss of customers or loss of market share;
- ◇ financial hardship or the inability of a Party to make a profit or receive a satisfactory rate of return from its operations; or
- ◇ failure or inability to perform attributable to Contract Price or currency devaluation; or

OPTION

- ◇ breakage, fire, freezing, explosion, mechanical breakdown or other damage or malfunction resulting in the partial or complete shutdown of the facilities of the Claiming Party;

OPTION

- ◇ Change in Laws where the Claiming Party is owned or controlled by the Government and such Change in Laws was made by such Government; or

OPTION

- ◇ hindrance caused by the action or inaction of a Governmental Authority of the Government which owns or controls the Claiming Party; or

OPTION

- ◇ inability of Seller to economically recover Gas from the Reservoirs in the quantity and quality required to be supplied under this Agreement;

OPTION

- ◇ failure of Gas Transporter to take delivery of and transport Gas, through the Transporter's pipeline system for reasons that would constitute a Force Majeure Event as defined in this Agreement if Gas Transporter were a Party to this Agreement;

OPTION

- ◇ failure of [] [insert specified third party] to [] [insert specified actions] for reasons that would constitute a Force Majeure Event as defined in this Agreement if the [] [insert specified third party] were a Party to this Agreement.

Force Majeure Quantity ("FMQ") means for any Month or any Contract Year the quantity of Gas not made available or taken due to a Force Majeure Event determined using the following formula:

$$FMQ = \sum_{fm=1}^n \left(PNQ_{(fm)} - DTQ_{(fm)} - DAQ_{(fm)} \right)$$

Where:

FMQ is the Force Majeure Quantity which was not made available or taken for such Month or Contract Year due to a Force Majeure Event,

PNQ_(fm) is the Properly Nominated Quantity for Day “fm” in such Month or Contract Year,

DTQ_(fm) is the Delivery Tolerance Quantity for Day “fm” in such Month or Contract Year,

DAQ_(fm) is the Daily Actual Quantity for Day “fm” in such Month or Contract Year,

fm is each Day in such Month or Contract Year during which a quantity of Gas was not made available or taken due to a Force Majeure Event declared by Seller and/or Buyer,

n is the number of Days in such Month or Contract Year.

Gas means Natural Gas produced and saved from the Reservoir, which is not used in Seller’s operations and not lost,

OPTION

which is not used or not lost in Gas Transporter’s operations upstream of the Delivery Point, and which is made available to Buyer pursuant to the provisions of this Agreement.

OPTION

Gas Transporter means the owner and/or operator of the gas transportation system in which Gas is transported, other than Seller or Buyer.

OPTION

Gigajoule (“GJ”) means one billion (1,000,000,000) Joules.

Government means the government of [_____] [*specify country*] and any political subdivision, agency or instrumentality thereof, including [_____] [*specify the appropriate Government oil and/or gas company*], and/or any Affiliate.

Governmental Authority means any national or local government, any regulatory or administrative agency, commission, body or other authority, and any court or governmental tribunal, lawfully exercising jurisdiction over this Agreement or either of Buyer’s Facilities or Seller’s Facilities.

Granting Instrument means the concession, license, contract, charter or other authorization from the host government pursuant to which Seller has the right to produce, make available and sell Gas, or Buyer has the right to take and purchase Gas.

Gross Heating Value (“GHV”) means the quantity of heat, expressed in [_____] (_____) [*insert unit of energy amount per unit of volume*], produced by the complete combustion of one (1) [*insert unit of volume*] of Gas at the standard temperature and pressure, when all of the products of combustion are cooled to the temperature existing before combustion, the water vapor formed during combustion is condensed, and all the necessary corrections have been made.

Indemnified Party means the Party that receives the benefit of an indemnity pursuant to Article 22.1, together with such Party’s Affiliates and their directors, officers, and employees of such Party and its Affiliates.

Indemnifying Party means the Party that gives an indemnity pursuant to Article 22.1.

Index 1 means [_____] [*insert Index name*] value at [_____] [*insert location, if applicable*] as quoted in [_____] [*insert name of publication*] for [_____] [*insert appropriate month and Day*].

Index 2 means [_____] [insert Index name] value at [_____] [insert location, if applicable] as quoted in [_____] [insert name of publication] for [_____] [insert appropriate month and Day].

Index 3 means [_____] [insert Index name] value at [_____] [insert location, if applicable] as quoted in [_____] [insert name of publication] for [_____] [insert appropriate month and Day].

Industry Practices means as to Seller, the generally accepted practices of the international petroleum industry under similar circumstances and as to Buyer, the generally accepted practices of the international [_____] [insert industry applicable to Buyer: e.g. petroleum / power generation / natural gas transportation / natural gas liquefaction / etc] industry under similar circumstances.

Initial Delivery Date means the date within the Third Window Period, which

ALTERNATIVE 1

Seller

ALTERNATIVE 2

Buyer

specifies in a notice delivered to the other Party not less than [_____] (_____) Days before the beginning of the Third Window Period.

OPTION

Joule

ALTERNATIVE 1

has the meaning set out in ISO 1000: 1992.

ALTERNATIVE 2

means the amount of work done when the application of a force of one Newton is displaced a distance of one meter in the direction of the force.

ALTERNATIVE 3

means the amount of work required to accelerate a mass of one kilogram by one meter per second per second for a distance of one meter.

ALTERNATIVE 4

means the amount of work required to exert a force of one Newton for a distance of one meter, where a Newton is the force required accelerate a mass of one kilogram by one per second per second.

Law means any national or local constitution, charter, act, statute, law, ordinance, code, rule, regulation or order or other applicable legislative or administrative action of a Governmental Authority or a final decree, judgment or order of a court.

Make-Up Aggregate (“MUA”) means for any Contract Year a quantity of Gas equal to the sum of Buyer’s Annual Deficiency Quantities in prior Contract Years less the sum of the Make-Up Quantities taken in prior Contract Years and expired Make-Up Aggregate determined using the following formula:

$$MUA = \sum_{j=1}^m BADQ_{(j)} - \sum_{j=1}^m MUQ_{(j)} - \sum_{j=1}^m ExpMUA_{(j)}$$

Where:

MUA is the Make-Up Aggregate for such Contract Year,

BADQ⁽ⁱ⁾ is Buyer's Annual Deficiency Quantity for each Contract Year "j" before such Contract Year,

MUQ⁽ⁱ⁾ is the Make-Up Quantity that was nominated and taken for each Contract Year "j" before such Contract Year,

ExpMUA⁽ⁱ⁾ is the quantity of Make-Up Aggregate for which the corresponding Make-Up Period expired during each Contract Year "j" before such Contract Year,

j is each Contract Year "j" before such Contract Year, and

m is the number of Contract Years before such Contract Year.

Make-Up Gas Price ("MUP") means the price, specified in Article 15.2.7, which will be invoiced and paid for any Gas designated as a Make-Up Quantity.

Make-Up Period means for each payment for Buyer's Annual Deficiency Quantity the period of [____] (__) Contract Years immediately following the Contract Year corresponding to such Buyer's Annual Deficiency Quantity, within which Buyer has a right to make up pursuant to Article 12.7.

Make-Up Quantity ("MUQ") means for any Day in any Contract Year, in which Buyer takes a quantity of Gas pursuant to Article 12.7, the quantity so taken.

Maximum Daily Contract Quantity ("MaxDCQ") means for each Day during the Delivery Period a quantity of Gas equal to [____] percent (___%) of the applicable DCQ.

OPTION

MCF means one thousand (1,000) cubic feet.

OPTION

MCM means one thousand (1,000) cubic meters.

Measurement Equipment means that portion of the Metering Party's Facilities used to measure the quantity and quality of Gas, including a meter, gas chromatograph, temperature probe and other equipment necessary and incidental to accurate measurement in accordance with the standards, methods and procedures referred to in this Agreement.

Measurement Point means the location where Gas flows through the Measurement Equipment, which measures the quantity and quality of Gas delivered at the Delivery Point.

OPTION

Megajoule ("MJ") means one million (1,000,000) Joules.

Metering Party means the Party, designated in Article 14, that is responsible for installing, calibrating, verifying, testing, and maintaining the Measurement Equipment, and for operating the Measurement Equipment to measure and record the quantity and quality of Gas in accordance with the standards, methods and procedures referred to in this Agreement.

OPTION

Minimum Credit Rating means a rating of [____] [*insert applicable rating*] issued by [____] [*i.e. Standard & Poor's*] credit rating agency (or if [*Standard & Poor's*] has ceased to exist and has not been replaced then a reasonably equivalent credit rating agency, in which case the credit ratings referred to above shall be revised to an appropriate equivalent standard.

OPTION

Minimum Daily Contract Quantity (“MinDCQ”) means for each Day during the Delivery Period the minimum quantity that is required to operate

ALTERNATIVE 1A

Seller’s Facilities,

ALTERNATIVE 1B

Buyer’s Facilities,

ALTERNATIVE 2A

which is:

- ◇ during the Build-Up Period, [____ (____)] *[insert unit of energy amount]*;
- ◇ during the Plateau Period, [____ (____)] *[insert unit of energy amount]*; and
- ◇ during the Decline Period, if applicable, [____ (____)] *[insert unit of energy amount]*.

ALTERNATIVE 2B

which is [____] percent (____%) of the applicable DCQ.

OPTION

MMBtu means one million (1,000,000) BTUs.

OPTION

MMCFD means one million (1,000,000) cubic feet per Day.

OPTION

MMCMD means one million (1,000,000) cubic meters per Day.

Month means a period commencing on the first Day of a calendar month of the Gregorian calendar and ending on the first Day of the next calendar month of the Gregorian calendar.

Monthly Amount Due (“MAD”) means the total amount payable in respect of any Month pursuant to Article 17.1.9.

Monthly Gas Value (“MGV”) means the total of the Daily Gas Values for any Month under Article 17.1.4.

Monthly Statement means the statement of amounts due for each Month commencing with the Initial Delivery Date.

Natural Gas means

ALTERNATIVE 1

gaseous hydrocarbons, or a mixture of gaseous hydrocarbons and inert gases, whether wet or dry, produced from oil wells, including by-products and/or residue gas remaining after the extraction of liquid hydrocarbons, and may include gas from other sources.

ALTERNATIVE 2

gaseous hydrocarbons, or a mixture of gaseous hydrocarbons and inert gases, existing in the gaseous state or in solution in oil under reservoir conditions and includes Natural Gas associated with oil, Natural Gas dissolved in oil and Natural Gas not dissolved in oil.

ALTERNATIVE 3

gaseous hydrocarbons, or a mixture of gaseous hydrocarbons and inert gases, which at [_____] degrees [*insert unit of temperature*] (____°) and at the absolute pressure of [_____] (____) [*insert unit of pressure*] is in the gaseous state, including gas from gas wells, gas produced with crude oil and residue gas resulting from the processing of gas; but such term, when applied to Natural Gas to be delivered under this Agreement to Buyer at the Delivery Point, shall not include the separate constituents which Seller may or must under this Agreement, and does in fact, extract or cause to be extracted upstream of the Delivery Point.

OPTION

Newton means the unit of force required to accelerate a mass of one kilogram one meter per second per second.

Notice of Dispute means a notice of a Dispute delivered in accordance with this Agreement.

Off-Specification Gas means Gas made available for delivery at the Delivery Point which does not conform to the Quality Specifications.

Off-Specification Gas Price (“OSP”) means the price, specified in Article 15.2.4, which will be invoiced and paid for any Gas designated as an Off-Specification Quantity.

Off-Specification Quantity (“OSQ”) means for any Day during the Delivery Period a measured quantity of Gas that is Off-Specification Gas and that Buyer accepts pursuant to Article 13.

OPTION

Operational Flexibility Credit (“OFC”) means an equivalent quantity designated by Buyer in Buyer’s annual forecast for the next Contract Year to reduce the ACQ for such next Contract Year, which quantity shall not exceed the highest applicable DCQ during the such next Contract Year multiplied by [_____] (____) Days.

Over-Delivery Gas Price (“ODP”) means the price, specified in Article 15.2.2, which will be invoiced and paid for any Gas designated as an Over-Delivery Quantity.

Over-Delivery Quantity (“ODQ”) means for any Day during the Delivery Period:

- ◇ if Buyer requested an Excess Requested Quantity and if $DAQ > MaxDCQ + DTQ + ERQ$, then the delivered quantity of Gas equal to Daily Actual Quantity less the Maximum Daily Contract Quantity, the Delivery Tolerance Quantity and the Excess Requested Quantity determined using the following formula:

$$ODQ = DAQ - (MaxDCQ + DTQ + ERQ)$$

which Seller makes available and Buyer takes pursuant to Article 12.4.

- ◇ if Buyer did not request an Excess Requested Quantity, then the delivered quantity of Gas equal to the Daily Actual Quantity less the Properly Nominated Quantity and the Delivery Tolerance Quantity determined using the following formula:

$$ODQ = DAQ - (PNQ + DTQ)$$

which Seller makes available and Buyer takes pursuant to Article 12.4.

Where:

ODQ is the Over-Delivery Quantity for such Day,

DAQ is the Daily Actual Quantity for such Day,

ERQ is the Excess Requested Quantity for such Day,

PNQ is the Properly Nominated Quantity for such Day,
DTQ is the Delivery Tolerance Quantity for such Day,
MaxDCQ is the Maximum Daily Contract Quantity for such Day.

Party means Buyer or Seller individually, and “**Parties**” means Buyer and Seller collectively.

OPTION

Pascal means the pressure required to exert a force of one (1) Newton per square meter, where a Newton is the force required to accelerate a mass of one kilogram by one per second per second.

Person means any individual, partnership, corporation, association, trust, Governmental Authority, or other entity.

Plateau Period means the period of time determined pursuant to Article 5.4, during which the quantity of Gas made available and taken is generally the full contract rate on a steady basis.

Pre-Start Date Gas Price (“PGP”) means the price, specified in Article 15.2.1, which will be invoiced and paid for any Gas made available and taken before the Start Date.

Projected Last Month of the Plateau Period means the Month that Seller projects will be the last Month in which the quantity of Gas, conforming to the Quality Specifications, that Seller, acting as a Reasonable and Prudent Operator, will be able to make available at the Delivery Point on a consistent basis, will be equal to the MaxDCQ.

Proper Nomination means a nomination made under Article 10.1, or deemed to have been made under Article 10.2 or Article 10.4, or revised under Article 10.3.

Properly Nominated Quantity (“PNQ”) means for each Day the quantity of Gas specified in a Proper Nomination for such Day.

OPTION

PSIG means a unit of pressure expressed in pounds per square inch gauge.

Quality Specifications means that Delivery Pressure, temperature, quality and other specifications as set out in Attachment 13.

Quarter means a period of three (3) Months commencing January 1 and ending March 31, or commencing April 1 and ending June 30, or commencing July 1 and ending September 30, or commencing October 1 and ending December 31.

Reasonable and Prudent Operator means a Party using Reasonable Efforts to act in accordance with applicable Industry Practices under similar circumstances.

Reasonable Efforts means, for any action required to be made, attempted or taken by a Party under this Agreement, the efforts that a prudent Person would undertake to protect its own interests, including commercial interests, taking into account the conditions affecting such action, including the amount of notice to act, recognition of the need to act, the duration and type of the action, the competitive environment in which such action occurs, and the projected benefit, cost and risk to the Party required to take such action

OPTION

; **provided that** a Party shall not be required to expend funds in excess of amounts that it determines in its sole discretion to be appropriate.

Representative means as to each Party, and/or its Affiliates if applicable, the individual(s) designated by such Party and/or its Affiliates to give and receive notices under this Agreement and to exercise the rights of such Party in accordance with this Agreement.

Reservoir means the [_____] [*specify geologic zone*] producing intervals within the [_____] [*specify field*] field(s) from which Seller has the right under the Granting Instrument, and other applicable agreements if the field(s) has been unitized, to take and dispose of Natural Gas, and from which Seller has the obligation under this Agreement to make Gas available.

Review Month means the first Month of each

ALTERNATIVE 1

Contract Year.

ALTERNATIVE 2

Quarter.

Scheduled Maintenance means operations to maintain, repair, modify or replace Facilities.

Scheduled Maintenance Quantity (“SMQ”) means for any Contract Year a quantity of Gas equal to the quantities of Gas not made available or taken due Scheduled Maintenance determined using the following formula:

$$SMQ = \sum_{sm=1}^n \left(DCQ - DCQ_{(sm)} \right)$$

Where:

SMQ is the Scheduled Maintenance Quantity which was not made available due to Seller’s Scheduled Maintenance and/or not taken due to Buyer’s Scheduled Maintenance during such Contract Year,

DCQ is the Daily Contract Quantity that would apply but for Article 8.1.1,

DCQ_(sm) is the Daily Contract Quantity for each Day “sm” in such Contract Year determined pursuant to Article 8.1.1,

sm is each Day in such Contract Year for which Seller or Buyer has Scheduled Maintenance, other than in circumstances where such quantity was excused by any other provision of this Agreement including Article 19,

n is the number of Days in such Contract Year.

Second Window Period means the period of [_____] (_____) Days within the First Window Period, which

ALTERNATIVE 1

Seller

ALTERNATIVE 2

Buyer

specifies in a notice delivered to the other Party not less than [_____] (_____) Days’ before the beginning of the First Window Period.

Seller means [_____].

Seller’s Facilities means the wells, installations, pipelines, and equipment upstream of the Delivery Point, which

ALTERNATIVE 1

Seller owns or controls to perform its obligations under this Agreement.

ALTERNATIVE 2

are specified on Attachment 1.1-SF.

OPTION

Senior Executive means any individual who has authority to settle the Dispute for a Party.

Shortfall Gas Price (“SFP”) means the price, specified in Article 15.2.3, which will be invoiced and paid for any Gas designated as a Shortfall Quantity.

Shortfall Quantity (“SFQ”) means for any Day in the Delivery Period, during which Seller did not make available the Properly Nominated Quantity, including quantities not made available because Buyer rejected Gas pursuant to Article 13.3.4, other than in circumstances where Seller’s inability or failure to make the Properly Nominated Quantity available was attributable to Buyer’s inability or failure, for any reason, to take such Gas in accordance with this Agreement, or excused by any other provision of this Agreement including Article 8 or Article 19, the Properly Nominated Quantity less the Delivery Tolerance Quantity and less the Daily Actual Quantity determined using the following formula:

$$SFQ = (PNQ - DTQ) - DAQ$$

Where:

SFQ is the Shortfall Quantity which Seller did not make available for such Day,

PNQ is the Properly Nominated Quantity for such Day,

DTQ is the Delivery Tolerance Quantity for such Day,

DAQ is the Daily Actual Quantity for such Day.

Start Date means the Day immediately following:

ALTERNATIVE 1

the expiration of [_____] (___) Months from the Initial Delivery Date.

ALTERNATIVE 2

the end of the Commissioning Period

ALTERNATIVE 3

[_____] [specify event or date].

Take or Pay Gas Price (“TOPP”) means the price, specified in Article 15.2.6, which will be invoiced and paid for any Gas designated as a Buyer’s Annual Deficiency Quantity.

Take or Pay Quantity (“TOPQ”) means for each Contract Year during the Delivery Period a quantity of Gas equal to [_____] percent (___%) of the Adjusted Annual Contract Quantity for that Contract Year.

Tax or Taxes any tax, charge, fee, levy or other assessment imposed by any governmental authority, whether federal, state, local or otherwise; including all income, withholding, windfall profits, gross receipts, business, environmental, value added, capital gain, duties, capital stock, registration, excise, ad valorem, real property, personal property, land, local development, license, sales, production, occupation, use, service, service use, transfer, payroll, employment, social security (or similar), unemployment, travel, franchise, severance, bonus, or other tax of

any kind, as well as any charges and assessments (including any interest, penalties or additions to tax attributable to or imposed on or with respect to any such assessment, whether disputed or not, but excluding any royalties, over-riding royalties and like charges), and all stamp or documentary taxes and fees.

OPTION

TCF means one trillion (1,000,000,000,000) cubic feet.

Term means the period of time determined pursuant to Article 5.1.

Termination Date means the date determined pursuant to Article 5.7.

Third Party Claim means any claim, demand, investigation, action, suit or other legal proceeding made or instituted by any Person, other than Buyer or Seller.

Third Window Period means the period of [____ ()] Days within the Second Window Period, which

ALTERNATIVE 1

Seller

ALTERNATIVE 2

Buyer

specifies in a notice delivered to the other Party not less than [____ ()] Days' before the beginning of the Second Window Period.

OPTION

Total Contract Quantity ("TCQ") means for the Delivery Period a quantity of Gas equal to

ALTERNATIVE 1

[____ ()] *[insert unit of energy amount];*

ALTERNATIVE 2

the sum of the applicable DCQs during each Day of the Delivery Period.

Transfer means any sale, assignment, mortgage, lien, pledge, charge, encumbrance or other disposition by a Party of any rights or obligations derived from this Agreement, excluding any direct or indirect change in Control of a Party.

Week means seven (7) consecutive Days commencing on [_____].

Willful Misconduct and/or Gross Negligence means any act or failure to act (whether sole, joint or concurrent) by any Person, which was intended to cause, or which was in reckless disregard of or wanton indifference to, harmful consequences such Person knew, or should have known, such act or failure would have on the safety or property of another Person.

1.2 Interpretation

Within this Agreement, including the recitals and Attachments, except where expressly provided to the contrary:

- 1.2.1 in the event of a conflict, the provisions of the main body of this Agreement shall prevail over the provisions of the Attachments;
- 1.2.2 in the event of a conflict, a mathematical formula describing a concept or defining a term shall prevail over words describing such concept or defining such term;

- 1.2.3 words denoting the singular include the plural and vice versa, unless the context requires otherwise;
- 1.2.4 words denoting individuals or persons include all types of Persons, unless the context requires otherwise;
- 1.2.5 words denoting any gender include all genders, unless the context requires otherwise;
- 1.2.6 headings in this Agreement and in the Attachments are for ease of reference only and do not affect interpretation and shall be of no legal effect;
- 1.2.7 references to paragraphs, recitals, Articles and Attachments shall mean paragraphs of, recitals to, Articles of, and Attachments to this Agreement;
- 1.2.8 references to any other agreements or to any law, statute, rule or regulation shall mean the same as amended, modified or replaced from time to time;
- 1.2.9 references to any amount of money shall mean a reference to the amount in

ALTERNATIVE 1

US Dollars;

ALTERNATIVE 2

Euros;

ALTERNATIVE 3

[_____];

- 1.2.10 references to a time and date in connection with the performance of an obligation by a Party shall mean a reference to the time and the date in [_____] [*specify location e.g. time zone where Delivery Point is located*], even if the obligation is to be performed elsewhere;
- 1.2.11 references to a Party or any Person shall include its successors and permitted assigns;
- 1.2.12 references to any quantity of Gas shall mean a reference to the amount of heat energy in

ALTERNATIVE 1

Btu;

ALTERNATIVE 2

Joules;

ALTERNATIVE 3

[_____];

- 1.2.13 references to any volume of Gas shall mean a reference to

ALTERNATIVE 1

CF;

ALTERNATIVE 2

CM;

ALTERNATIVE 3

[];

- 1.2.14 the words “**include**” and “**including**” shall be deemed to be qualified by a reference to “**without limitation**”;
- 1.2.15 the expression “and/or” when used as a conjunction shall connote “**any or all of**”; and
- 1.2.16 words, phrases or expressions which are not defined in this Agreement but which have a generally accepted meaning in the practice of measurement and metering in the international businesses of production, transportation, distribution and sale of gas shall have that meaning in this Agreement.

ARTICLE 2 - SCOPE

2.1 Scope

The purpose of this Agreement is to establish the respective rights and obligations of the Parties concerning the sale and purchase of Gas. Subject to the provisions of this Agreement, the Seller shall sell and the Buyer shall buy Gas.

2.2 Reserved Rights

For greater certainty, the Parties confirm that any activities not specifically governed by this Agreement are outside of the scope of this Agreement.

OPTION

, including the following activities:

- 2.2.1 Notwithstanding anything to the contrary expressed or implied in this Agreement, Seller shall retain and Buyer shall have no control over the following rights:
 - 2.2.1.1 without prejudice to its obligations to make available Properly Nominated Quantities, the right to decide the manner in which Seller conducts its operations;
 - 2.2.1.2 the right to produce Natural Gas from the Reservoir for the payment of any royalties required to be paid in kind for production from the Reservoir, and/or for developing and operating Seller’s Facilities, including any uses incidental to the production, processing, and transportation of Natural Gas; **provided that** where a use relates both to Seller’s Facilities and to any other purpose, including producing, processing and transporting from any other field or reservoir, such use shall be limited to a fair and ratable proportion of the aggregate supply of Natural Gas required for such use;
 - 2.2.1.3 the right to flare, vent and/or reinject Natural Gas from the Reservoir, subject if applicable to Article 2.2.3;
 - 2.2.1.4 the right to process the Natural Gas from the Reservoir before making Gas available to Buyer for the extraction of any constituents, other than methane, except such minimum amounts of methane as are necessarily removed from Gas or consumed in extracting such other constituents; **provided that** the quality of Gas at the Delivery Point conforms to the Quality Specifications;
 - 2.2.1.5 the right to sell constituents extracted from the Natural Gas from the Reservoir to third parties;

- 2.2.1.6 the right to add constituents to Gas in order to conform to the Quality Specifications;
 - 2.2.1.7 the right to pool, combine or unitize all or any part of Seller's interest in the Reservoir with interests in any other granting instruments, as may be required by applicable Laws or to the extent necessary to enable the unitized production of Natural Gas that is naturally in communication in continuous gas phase with Natural Gas in the Reservoir; in such event, this Agreement shall extend and apply to the interest of Seller in such unit to the extent that such interest is derived from Seller's interest in the Reservoir;
 - 2.2.1.8 the right, subject always to conforming to the Quality Specifications, to commingle Gas with Natural Gas produced from any other fields, and to substitute Natural Gas produced from other fields or reservoirs for Gas;
 - 2.2.1.9 the right to arrange with third party transporters to transport Gas to the Delivery Point, and
 - 2.2.1.10 the right to make available and sell Natural Gas from the Reservoir to other buyers in compliance with the requirements of Seller's contracts with such other buyers.
- 2.2.2 Notwithstanding anything to the contrary expressed or implied in this Agreement, Buyer shall retain and Seller shall have no control over the following rights:
- 2.2.2.1 without prejudice to its obligations to take the Properly Nominated Quantities, the right to decide the manner in which it conducts its physical operations;
 - 2.2.2.2 the right to arrange transportation from the Delivery Point with third party transporters;
 - 2.2.2.3 the right to use, consume, sell, or otherwise dispose of Gas taken at the Delivery Point; and
 - 2.2.2.4 the right to take delivery of Natural Gas produced from other sources by other sellers in compliance with the requirements of Buyer's contracts with such other sellers.

OPTION

- 2.2.3 Except pursuant to Article 10.4.5 or Article 19.7, Buyer shall not purchase Natural Gas from any source other than the Reservoir, unless and to the extent that the quantity of Gas equal to the amount by which the quantities of Natural Gas projected to be produced (based on the most recent estimate of Economically Recoverable Reserves for the Reservoir, after adjustment to take into account the amount of Natural Gas produced since the date of such estimate), less the quantities of Natural Gas from the Reservoir projected to be used and delivered to third party purchasers under Seller's existing gas sales agreements would reasonably be expected to be less than the quantities of Gas that are required to allow Buyer to nominate and take the ACQ during each remaining Contract Year of the Delivery Period.

OPTION

- 2.2.4 Except pursuant to Article 10.4.4, Article 17.6.2 or Article 19.7, Seller shall not sell, flare or otherwise dispose of any portion of Gas, unless and to the extent that the quantity of Natural Gas equal to the amount by which the quantities of Natural Gas projected to be produced (based on the most recent estimate of Economically Recoverable Reserves for the Reservoir, after adjustment to take into account the amount of Natural Gas produced

since the date of such estimate), less the quantities of Natural Gas from the Reservoir projected to be used and delivered to third party purchasers under Seller's existing gas sales agreements would reasonably be expected to be more than [_____] percent (___%) of the quantities of Gas that are required to allow Seller to make available the ACQ during each remaining Contract Year of the Delivery Period.

OPTION

2.2.5 If Buyer wishes to purchase quantities of Natural Gas from sources other than the Reservoir, then before entering into a written agreement to purchase such quantities from a third party (whether or not such agreement is binding) Buyer shall send Seller notice of its intention and invite Seller to submit an offer to make available and sell such quantities. Seller shall have [_____] (___) Days from the date of such notification to deliver to Buyer an offer to sell. If Buyer notifies Seller that the offer presents an acceptable basis for negotiating a gas sales agreement, then Buyer and Seller shall have the next [_____] (___) Days in which to negotiate in good faith and execute the price, terms and conditions of a mutually acceptable gas sales agreement. If Buyer finds that Seller's offer is not an acceptable basis for negotiating a gas sales agreement, or if the above [_____] (___) Days elapse and Buyer in its sole discretion believes that a fully negotiated gas sales agreement based on Seller's offer is not imminent, then Buyer may for a period of [_____] (___) Days from the later of the expiration of the offer period or the expiration of the negotiation period, plus such additional period as may be necessary to secure Government Approvals, purchase such quantities of Natural Gas from a third party;

OPTION

provided that the price at the specified terms and conditions of any such purchase of Natural Gas must be more favorable to Buyer than the best price at comparable terms and conditions offered by Seller.

OPTION

2.2.6 If Seller is able to make available

ALTERNATIVE 1

additional quantities of Gas,

ALTERNATIVE 2

quantities of Natural Gas from sources in the Area other than the Reservoir,

ALTERNATIVE 3

additional quantities of Gas and/or quantities of Natural Gas from sources in the Area other than the Reservoir,

then before entering into a written agreement to sell such quantities to a third party Seller shall send Buyer notice of its intention and invite Buyer to submit an offer to take and purchase such quantities. Buyer shall have [_____] (___) Days from the date of such notification to deliver to Seller an offer to purchase. If Seller notifies Buyer that the offer presents an acceptable basis for negotiating a gas sales agreement, then Seller and Buyer shall have the next [_____] (___) Days in which to negotiate in good faith and execute the price, terms and conditions of a mutually acceptable gas sales agreement. If Seller finds that Buyer's offer is not an acceptable basis for negotiating a gas sales agreement, or if the above [_____] (___) Days elapse and Seller in its sole discretion believes that a fully negotiated gas sales agreement based on Buyer's offer is not

imminent, then Seller shall be entitled for a period of [_____] (____) Days from the later of the expiration of the offer period or the expiration of the negotiation period, plus such additional period as may be necessary to secure Government Approvals, sell such quantities of Gas and/or Natural Gas to a third party;

OPTION

provided that the price at the specified terms and conditions of any such sale of Gas and/or Natural Gas must be more favorable to Seller than the best price at comparable terms and conditions offered by Buyer.

ARTICLE 3 - CONDITIONS PRECEDENT

3.1 Seller's Conditions Precedent

Except as set out in Article 3.4 and Article 3.5, Seller is not obligated under this Agreement, unless and until Seller's Conditions Precedent set out below are satisfied or waived by Seller:

- 3.1.1 Seller has obtained all Approvals necessary for the development, production, and sale of Gas as contemplated in this Agreement.
- 3.1.2 Seller and its counterparties have signed and delivered each of the following agreements:
 - 3.1.2.1 [_____] [*Specify contracts for the acquisition of the site, if any, of Seller's Facilities*];
 - 3.1.2.2 [_____] [*Specify contracts for the construction, if any, of Seller's Facilities*];
 - 3.1.2.3 [_____] [*Specify any financing agreements in respect of Seller's Facilities*], with such financing agreements being in full force and effect and any conditions for such financing agreements having been fulfilled or waived, and any right of cancellation by any party to any such financing agreement having expired; and
 - 3.1.2.4 [_____] [*Specify contracts for the transportation, if any, of Gas to the Delivery Point*]; and

OPTION

in respect of each such agreement all of the conditions precedent for such agreement have been satisfied or waived in accordance with such agreement.

- 3.1.3 Seller has provided to Buyer a reserve report, prepared by [_____] [*insert name of consultant*], that sets out Seller's reserves in the Reservoir and Seller's ability to make available to Buyer the quantities of Gas set out in this Agreement, together with copies of the reserve data upon which the reserve report was based.

OPTION

- 3.1.4 Buyer has attained the Minimum Credit Rating, or has provided to Seller evidence of Buyer's creditworthiness and financial ability to fulfill its obligations under this Agreement in the form of:
 - 3.1.4.1 a guarantee or standby letter of credit issued by a bank;
 - 3.1.4.2 an on-demand bond issued by a surety corporation;
 - 3.1.4.3 a corporate or government guarantee; or

3.1.4.4 such other financial security as is agreed by Buyer and Seller, in an amount not less than [_____] (_____) [*insert currency and amount*]; **provided that** any bank, surety or corporation issuing the guarantee, standby letter of credit, bond or other security (as applicable) has a Minimum Credit Rating.

3.2 Buyer's Conditions Precedent

Except as set out in Article 3.4 and Article 3.5, Buyer is not obligated under this Agreement, unless and until Buyer's Conditions Precedent set out below are satisfied or waived by Buyer:

3.2.1 Buyer has obtained all Approvals necessary to purchase, receive, and use Gas acquired from Seller as contemplated in this Agreement.

3.2.2 Buyer and its counterparties have signed and delivered each of the following agreements:

3.2.2.1 [_____] [*Specify contracts for the acquisition of the site, if any, of Buyer's Facilities*];

3.2.2.2 [_____] [*Specify contracts for the construction, if any, of Buyer's Facilities*];

3.2.2.3 [_____] [*Specify any financing agreements in respect of Buyer's Facilities*], with such financing agreements being in full force and effect and any conditions for such financing agreements having been fulfilled or waived, and any right of cancellation by any party to any such financing agreement having expired; and

3.2.2.4 [_____] [*Specify contracts for the transportation, if any, of Gas from the Delivery Point*]; and

OPTION

in respect of each such agreement all of the conditions precedent for such agreement have been satisfied or waived in accordance with such agreement.

OPTION

3.2.3 Seller has attained the Minimum Credit Rating, or has provided to Buyer evidence of Seller's creditworthiness and financial ability to fulfill its obligations under this Agreement in the form of:

3.2.3.1 a guarantee or standby letter of credit issued by a bank;

3.2.3.2 an on-demand bond issued by a surety corporation;

3.2.3.3 a corporate or government guarantee; or

3.2.3.4 such other financial security as is agreed by Buyer and Seller,

in an amount not less than [_____] (_____) [*insert currency and amount*]; **provided that** any bank, surety or corporation issuing the guarantee, standby letter of credit, bond or other security (as applicable) has a Minimum Credit Rating.

OPTION

3.3 Gas Transporter's Conditions Precedent

The [_____] [*insert Seller or Buyer*] is not obligated to [_____] [*insert sell or buy*] Gas under this Agreement unless and until the Gas Transporter's Conditions Precedent set out below are satisfied or waived by the [_____] [*insert Seller or Buyer*]:

- 3.3.1 The Gas Transporter has obtained all Approvals necessary to transport Gas as contemplated in this Agreement.
- 3.3.2 The Gas Transporter and its counterparties have signed and delivered each of the following agreements:
- 3.3.2.1 [] [*Specify contracts for the acquisition of the right of way for and site of Gas Transporter's pipeline and facilities*];
- 3.3.2.2 [] [*Specify contracts for the construction of the Gas Transporter's pipeline and facilities*];
- 3.3.2.3 [] [*Specify any financing agreements in respect of the Gas Transporter's facilities*], with such financing agreements being in full force and effect and any conditions for such financing agreements having been fulfilled or waived, and any right of cancellation by any party to any such financing agreement having expired;

OPTION

and, in respect of each such agreement all of the conditions precedent for such agreement have been satisfied or waived in accordance with such agreement.

OPTION

- 3.3.3 The Gas Transporter has attained a Minimum Credit Rating, or has provided to

ALTERNATIVE 1

Buyer

ALTERNATIVE 2

Seller

evidence of the Gas Transporter's creditworthiness and financial ability to fulfill its obligations under this Agreement in the form of:

3.3.3.1 a guarantee or standby letter of credit issued by a bank;

3.3.3.2 an on-demand bond issued by a surety corporation;

3.3.3.3 a corporate or government guarantee; or

3.3.3.4 such other financial security as is agreed by Buyer and Seller,

in an amount not less than [] () [*insert currency and amount*]; **provided that** any bank, surety or corporation issuing the guarantee, standby letter of credit, bond or other security, as applicable, has a Minimum Credit Rating.

3.4 Satisfaction of Conditions Precedent

- 3.4.1 Each Party shall use Reasonable Efforts to satisfy or obtain the satisfaction of each Condition Precedent for which such Party is primarily responsible.
- 3.4.2 Each Party, on the request of the other Party and at such other Party's expense, shall use Reasonable Efforts to assist the other Party in satisfying each Condition Precedent for which such other Party is primarily responsible.
- 3.4.3 Both Parties, on the request of the Gas Transporter and at the Gas Transporter's expense, shall use Reasonable Efforts to assist the Gas Transporter in satisfying each of the Gas Transporter's Conditions Precedent.

- 3.4.4 The Parties shall from time to time discuss and coordinate their plans for the satisfaction of the Conditions Precedent, and each Party shall keep the other informed on a timely basis as to progress in relation to the satisfaction of the Conditions Precedent.
- 3.4.5 On satisfaction or waiver of a Condition Precedent, the Party responsible for the satisfaction of the Condition Precedent shall notify the other Party of its satisfaction or waiver. Such notice shall include the necessary supporting documentation to substantiate the satisfaction of the Condition Precedent. The other Party may by notice within [] Days dispute whether such Condition Precedent has been satisfied or waived.

OPTION

- 3.4.6 Satisfaction of any Condition Precedent may be waived only by the written

ALTERNATIVE 1

agreement of both Parties.

ALTERNATIVE 2

waiver of the Party entitled to satisfaction of such Condition Precedent.

3.5 Status of Agreement

ALTERNATIVE 1

Each of the Parties is bound by the provisions of this Agreement as of the Effective Date; **provided that** until the Conditions Precedent have been satisfied or waived in writing by the Parties, Seller is not obligated under Article 6 to construct Seller's Facilities or under Article 12 to make Gas available, and Buyer is not obligated under Article 6 to construct Buyer's Facilities or under Article 12 to take and/or pay for Gas.

ALTERNATIVE 2

Except for the undertakings set out in Article 3.4 – Satisfaction of Conditions Precedent, and the provisions of Article 1 - Definitions and Interpretation, Article 22 - Indemnities, Article 23 - Governing Law and Dispute Resolution, Article 24 - Transfer, Article 25 - Confidentiality, Article 26 - Notices, and Article 27 - General, none of the Parties are obligated by this Agreement until the Conditions Precedent have been satisfied or waived in writing by the Parties.

3.6 Failure to Satisfy Condition Precedent

- 3.6.1 If any of the Conditions Precedent have not been satisfied or waived by [] [*insert longstop date*] or another date as the Parties may agree, then

ALTERNATIVE 1

the Party entitled to satisfaction of such Condition Precedent

ALTERNATIVE 2

either Party

may terminate this Agreement with immediate effect by notice to the other Party.

- 3.6.2 On termination of this Agreement under this Article 3.6, the Parties shall be discharged from any further obligations or liabilities under this Agreement, without prejudice to any rights, obligations or liabilities which have accrued up to the date of termination

OPTION

including a claim arising from a Party's failure to fulfill a Condition Precedent.

ARTICLE 4 - REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Seller's Warranties as to Authority and Creditworthiness

4.1.1 Seller represents and warrants to Buyer, that as of the Effective Date:

4.1.1.1 Seller is a [] *[insert type of legal entity]* *[incorporated/organized]* in [] *[insert place of incorporation/organization]* and validly exists under the Laws of [] *[insert place of incorporation/organization]*;

4.1.1.2 Seller is duly qualified and in good standing in all jurisdictions where required for performance under this Agreement;

4.1.1.3 Seller has full power, authority, and legal right to own its assets and conduct its business as currently conducted and has taken all necessary *[corporate/company]* action to sign and deliver this Agreement and perform its obligations under this Agreement; and

4.1.1.4 this Agreement has been duly signed and delivered by Seller and forms a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

4.1.2 Seller represents and warrants to Buyer that Seller has furnished to Buyer certified resolutions, authenticated powers-of-attorney, or other corporate instruments necessary to authorize its signing, delivery and performance of this Agreement.

OPTION

4.1.3 Seller represents and warrants to Buyer that as of the Effective Date a credit rating at least equal to the Minimum Credit Rating has been issued in respect of Seller.

4.2 Buyer's Warranties as to Authority and Creditworthiness

4.2.1 Buyer represents and warrants to Seller, that as of the Effective Date:

4.2.1.1 Buyer is a [] *[insert type of legal entity]* *[incorporated/organized]* in [] *[insert place of incorporation/organization]* and validly exists under the Laws of [] *[insert place of incorporation/organization]*;

4.2.1.2 Buyer is duly qualified and in good standing in all jurisdictions where required for performance under this Agreement;

4.2.1.3 Buyer has full power, authority, and legal right to own its assets and conduct its business as currently conducted and has taken all necessary *[corporate/company]* action to sign and deliver this Agreement and perform its obligations under this Agreement; and

4.2.1.4 this Agreement has been duly signed and delivered by Buyer and forms a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

4.2.2 Buyer represents and warrants to Seller that Buyer has furnished to Seller certified resolutions, authenticated powers-of-attorney, or other corporate instruments necessary to authorize its signing, delivery and performance of this Agreement.

OPTION

4.2.3 Buyer represents and warrants to Seller that as of the Effective Date a credit rating at least equal to the Minimum Credit Rating has been issued in respect of Buyer.

4.3 Seller's Warranties as to Gas

Seller represents and warrants to Buyer that:

4.3.1 as of the Effective Date, Seller

ALTERNATIVE 1

has

ALTERNATIVE 2

has applied for

the right, pursuant to Seller's Granting Instrument and the applicable Laws, to produce Gas from the Area and to make available and sell Gas to Buyer in accordance with this Agreement;

OPTION

4.3.2 as of the date of this Agreement Seller's Facilities are designed to be, when completed, adequate to make available Gas at a sustainable rate of up to the MaxDCQ and at least the MinDCQ, if applicable;

4.3.3 for each Day during the Delivery Period Gas made available at the Delivery Point, shall be lawfully owned, or controlled, by Seller with full and undisputed right to transfer title, and be free from all liens, charges, encumbrances and adverse claims, which might prevent, impede, or prejudice Seller's right to sell and dispose of Gas; and

OPTION

4.3.4 as of the Effective Date,

ALTERNATIVE 1

the Economically Recoverable Reserves are not less than [_____].

ALTERNATIVE 2

any geological, geophysical and/or well data which Seller has supplied to Buyer in connection with this Agreement is materially accurate and complete.

4.4 Buyer's Warranties as to Gas

Buyer represents and warrants to Seller that:

4.4.1 as of the Effective Date, Buyer

ALTERNATIVE 1

has

ALTERNATIVE 2

has applied for

the right, in accordance with Buyer's Granting Instrument, if applicable, and the applicable Laws, to take Gas at the Delivery Point and pay Seller in accordance with this Agreement;

OPTION

- 4.4.2 Buyer's Facilities are designed to be, when completed, adequate to receive and use Gas at a sustainable rate of up to the MaxDCQ and at least the MinDCQ, if applicable; and
- 4.4.3 for each Day during the Delivery Period, Seller shall no longer have title to, and/or risk of loss for, Gas taken by Buyer at the Delivery Point.

4.5 Additional Representations and Warranties

Each Party represents and warrants to the other that, except as set out in Attachment 4.5, as of the Effective Date:

- 4.5.1 neither such Party, nor any of such Party's Affiliates or Representatives have made, offered or authorized with respect to the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through any other Person, to or for the use or benefit of any public official (e.g. any individual holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, public enterprise or public international organization) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate:
- 4.5.1.1 the applicable Laws of [] [*insert name of host country*];
- 4.5.1.2 the Laws of the country of formation of such Party or such Party's ultimate parent company or of the principal place of business of such ultimate parent company; or
- 4.5.1.3 the principles described in

ALTERNATIVE 1

the "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions", signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's Commentaries.

ALTERNATIVE 2

the United States Foreign Corrupt Practices Act of 1977.

OPTION

- 4.5.2 the signing and delivery of this Agreement by such Party do not and the performance of this Agreement will not:
- 4.5.2.1 violate any provision of its governing documents or any Laws presently in effect applicable to it or its properties or assets;
- 4.5.2.2 result in a breach of or constitute a default under any credit agreement or other agreement or instrument to or by which it or its properties or assets may be presently bound or affected; or
- 4.5.2.3 result in or require the creation or imposition of any encumbrance upon or of any of its properties or assets under any credit agreement, or other agreement or instrument;

OPTION

- 4.5.3 there are no suits, judicial or administrative actions, proceedings or investigations (including bankruptcy, reorganization, insolvency or similar actions, proceedings or investigations) pending or, to its knowledge, threatened against it before any court or by

or before any Governmental Authority that if decided adversely to its interest could materially adversely affect its ability to perform its obligations under this Agreement; and

OPTION

4.5.4 all Government Approvals and all other consents, approvals or permissions of, and notifications or filings with, any Person necessary for such Party's valid signing, delivery and performance of this Agreement have been obtained, are in full force and effect and are final and not subject to appeal.

4.6 Duration of Representations and Warranties

Each representation and warranty shall be true and accurate in all material respects when made and shall remain actionable

ALTERNATIVE 1

for [____ (___)] calendar years from the date made.

ALTERNATIVE 2

for the duration of this Agreement plus [____ (___)] calendar years.

ALTERNATIVE 3

for the period of the applicable statute of limitations under the Laws of the jurisdiction chosen under Article 23.1.

4.7 Disclaimer of Other Representations and Warranties

To the full extent permitted by applicable Law, except as expressly stated in this Agreement, the Parties negate any other representation or warranty, written or oral, express or implied, including any representation or warranty for merchantability, conformity to samples, or fitness for any particular purpose.

4.8 Seller's Covenants

Seller covenants with Buyer that at no cost to Buyer Seller shall:

4.8.1 use Reasonable Efforts to obtain all Seller Approvals, which are necessary for the construction, installation, testing, commissioning, and operation of Seller's Facilities, to enable Seller to produce Gas from the Reservoir and to make available and sell Gas to Buyer pursuant to this Agreement, to operate and maintain, and to repair or replace Seller's Facilities in accordance with Industry Practices, and to perform Seller's obligations under this Agreement and the transactions contemplated by this Agreement;

4.8.2 notify Buyer as soon as reasonably possible if any of such Seller Approvals are not granted, lapse and are not renewed, or are cancelled or terminated, or if any proceeding is initiated concerning any of such Seller Approvals;

OPTION

4.8.3 maintain Seller's security for payment and performance specified in Article 3.2.3;

OPTION

4.8.4 fulfill the

ALTERNATIVE 1

development plan for the Area,

ALTERNATIVE 2

appraisal and development plan for the Area,

a copy of which plan is attached as Attachment 4.8, including constructing, installing, testing, commissioning and operating Seller's Facilities to perform Seller's obligations under this Agreement and the transactions contemplated by this Agreement; and

OPTION

4.8.5 use Reasonable Efforts to maintain in full force and effect during the Term all Seller Approvals, which are necessary for Seller to make available and sell Gas in accordance with this Agreement, to operate and maintain and to repair or, if applicable, replace Seller's Facilities in accordance with Industry Practices, and to perform Seller's obligations under this Agreement and the transactions contemplated by this Agreement.

4.9 Buyer's Covenants

Buyer covenants with Seller that at no cost to Seller Buyer shall:

4.9.1 use Reasonable Efforts to obtain all Buyer Approvals, which are necessary for the construction, installation, testing, commissioning, and operation of Buyer's Facilities, to enable Buyer to take and purchase Gas in accordance with this Agreement, to operate and maintain, and to repair or replace Buyer's Facilities in accordance with Industry Practices, and to perform Buyer's obligations under this Agreement and the transactions contemplated by this Agreement;

4.9.2 notify Seller as soon as reasonably possible if any of such Buyer Approvals are not granted, lapse and are not renewed, or are cancelled or terminated, or if any proceeding is initiated concerning any of such Buyer Approvals;

OPTION

4.9.3 use Reasonable Efforts to maintain in full force and effect during the Term all Buyer Approvals, which are necessary or appropriate for Buyer to take and buy Gas in accordance with this Agreement, to use Gas, to re-sell Gas, to operate and maintain and to repair or, if applicable, replace Buyer's Facilities in accordance with Industry Practices, and to perform Buyer's obligations under this Agreement and the transactions contemplated by this Agreement; and

OPTION

4.9.4 maintain Buyer's Minimum Credit Rating and/or security for payment and performance specified in Article 3.1.4;

OPTION

If at any time during the Term Buyer's credit rating is revised to be below the Minimum Credit Rating, then Buyer shall within [] Days provide to Seller evidence of Buyer's creditworthiness and financial ability to fulfill its obligations under this Agreement in the form of:

4.9.4.1 a guarantee or standby letter of credit issued by a bank;

4.9.4.2 an on-demand bond issued by a surety corporation;

4.9.4.3 a corporate or government guarantee; or

4.9.4.4 such other financial security as is agreed by Buyer and Seller,

in an amount not less than [_____] (_____) [*insert currency and amount*]; **provided that** any bank, surety or corporation issuing the guarantee, standby letter of credit, bond or other security (as applicable) has a Minimum Credit Rating. If Buyer fails to provide evidence of creditworthiness when required pursuant to this Article 4.9.4, then Seller may at Seller's election, on giving Buyer not less than [_____] Days notice of its intention so to do, suspend the delivery of Gas to Buyer until Buyer provides such evidence of creditworthiness, and/or terminate this Agreement.

4.10 Mutual Covenants

Each Party covenants to the other that such Party:

- 4.10.1 will comply with all applicable Laws governing or relating to its performance under this Agreement.
- 4.10.2 will maintain its existence and good standing and its qualifications to do business in all jurisdictions where performance under this Agreement is required.
- 4.10.3 will maintain its corporate authority to perform its obligations under this Agreement.
- 4.10.4 neither such Party, nor such Party's Affiliates or Representatives will make, offer or authorize for the matters which are the subject of this Agreement, any payment, gift, promise or other advantage, whether directly or through any other Person, to or for the use or benefit of any public official (e.g., any individual holding a legislative, administrative or judicial office, including any individual employed by or acting on behalf of a public agency, public enterprise or public international organization) or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate:
 - 4.10.4.1 the applicable Laws of [_____] [*insert name of host country*];
 - 4.10.4.2 the Laws of the country of formation of such Party or such Party's ultimate parent company or of the principal place of business of such ultimate parent company;
or
 - 4.10.4.3 the principles described in

ALTERNATIVE 1

the "*Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*", signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's Commentaries.

ALTERNATIVE 2

the United States Foreign Corrupt Practices Act of 1977.

- 4.10.5 will maintain adequate internal controls, properly record and report all transactions, and comply with the Laws applicable to such Party. Each Party must rely on the other Party's system of internal controls, and on the adequacy of full disclosure of the facts, and of financial and other data regarding the deliveries of Gas under this Agreement. No Party is in any way authorized to take any action on behalf of another Party that would result in an inadequate or inaccurate recording and reporting of assets, liabilities or any transaction, or which would put such Party in violation of its obligations under the Laws applicable to the operations under this Agreement.
- 4.10.6 will on request of the other Party provide evidence of its compliance with such covenants within a reasonable period of time.

ARTICLE 5 - TERM AND TERMINATION

5.1 Term

The Term of this Agreement shall begin on the Effective Date, shall, subject to the provisions of this Agreement, continue in effect until the Termination Date, and shall be composed of the period before the Initial Delivery Date, the Commissioning Period, the Delivery Period, which is composed of the Build-Up Period, the Plateau Period, any Decline Period and any extension period. The termination of this Agreement shall be without prejudice to any rights, obligations and remedies arising out of or in connection with this Agreement, which have vested, matured or accrued to any Party before the date of such termination. Notwithstanding the preceding sentences the provisions of Article 1 - Definitions and Interpretation, Article 22 - Indemnities, Article 23 - Governing Law and Dispute Resolution, Article 24 - Transfer, Article 25 - Confidentiality, Article 26 - Notices, and Article 27 - General shall remain in effect until all rights, obligations and remedies have been finally extinguished, and all Disputes, including any financial audits carried out pursuant to this Agreement, have been finally resolved.

5.2 Commissioning Period

The Commissioning Period shall commence on the Initial Delivery Date and shall end on:

ALTERNATIVE 1

the date Seller's Facilities are commissioned and tested in accordance with the applicable Commissioning Procedures.

ALTERNATIVE 2

the date Buyer's Facilities are commissioned and tested in accordance with the applicable Commissioning Procedures.

ALTERNATIVE 3

the later of the date Seller's Facilities are commissioned and tested in accordance with the applicable Commissioning Procedures, or the date Buyer's Facilities are commissioned and tested in accordance with the applicable Commissioning Procedures.

ALTERNATIVE 4

the expiration of [____ (___)] Months from the Initial Delivery Date.

ALTERNATIVE 5

the later of the date Seller's Facilities are commissioned and tested in accordance with the applicable Commissioning Procedures, or the date Buyer's Facilities are commissioned and tested in accordance with the applicable Commissioning Procedures, but not later than the expiration of [____ (___)] Months after the Initial Delivery Date.

5.3 Build-Up Period

The Build-Up Period shall commence on the Start Date and shall end on

ALTERNATIVE 1

the expiration of [____ (___)] Months after the Start Date.

ALTERNATIVE 2

Seller's notice to Buyer that Seller has made available and Buyer has taken a quantity of Gas, conforming to the Quality Specifications, at least equal to the MaxDCQ for [____ ()] consecutive Days.

ALTERNATIVE 3

the earlier of the expiration of [____ ()] Months after the Start Date, or Seller's notice to Buyer that Seller has made available and Buyer has taken a quantity of Gas, conforming to the Quality Specifications, at least equal to the MaxDCQ for [____ ()] consecutive Days.

ALTERNATIVE 4

the occurrence of [____] [*insert a specific event*].

5.4 Plateau Period

The Plateau Period shall begin on the Day after the end of the Build-Up Period and shall end on

ALTERNATIVE 1

the date the Total Contract Quantity has been delivered.

ALTERNATIVE 2

the last Day of the Projected Last Month of the Plateau Period as specified in the Decline Notice. Without limiting the preceding sentence, Seller shall give the Decline Notice to Buyer, as soon as reasonably practicable but in no event less than [____ ()] [*e.g. twelve (12)*] Months before the Projected Last Month of the Plateau Period.

5.5 Decline Period

The Decline Period shall begin on the first Day of the Month following the Projected Last Month of the Plateau Period and shall end on the date specified in the Depletion Notice. Without limiting the foregoing, Seller shall give the Depletion Notice to Buyer, as soon as reasonably practicable but in no event less than [____ ()] [*e.g. six (6)*] Months before the Month that Seller projects will be the last Month in which the quantity of Gas (that conforms to the Quality Specifications and that Seller, acting as a Reasonable and Prudent Operator, will be able to produce and save from the Reservoir) will be sufficient to justify continuing to make Gas available under this Agreement.

5.6 Extension of Term

The Term of this Agreement may be extended by the Parties on terms and conditions that are agreed in writing by the Parties.

5.7 Termination Date

The Termination Date shall be the first to occur of the following:

- 5.7.1 the date specified in writing by the Parties terminating this Agreement; or
- 5.7.2 the date of expiration or termination of Seller's right to produce and sell Gas under Seller's Granting Instrument applicable to the Reservoir and/or Seller's Facilities, which expiration or termination is through no default of or surrender by Seller; or

OPTION

provided that if Seller's Granting Instrument expires or terminates as a result of Seller's default or surrender of its Granting Instrument, then Seller shall pay Buyer as liquidated damages [_____] [*insert amount or formula for determining liquidated damages*]; or

- 5.7.3 the date of expiration or termination of Buyer's right to take, buy and use Gas under Buyer's Granting Instrument applicable to Buyer's Facilities, which expiration or termination is through no default of or surrender by Buyer; or

OPTION

provided that if Buyer's Granting Instrument expires or terminates as a result of Buyer's default or surrender of its Granting Instrument, then Buyer shall pay Seller as liquidated damages [_____] [*insert amount or formula for determining liquidated damages*]; or

- 5.7.4 the date of expiration or termination of the transportation arrangements (other than transportation arrangements with Affiliates), which expiration or termination prevents, as the case may be,

5.7.4.1 Seller from making Gas available at the Delivery Point, which expiration or termination is through no default of or surrender by Seller, or

5.7.4.2 Buyer from taking Gas at the Delivery Point, which expiration or termination is through no default of or surrender by Buyer; or

- 5.7.5 the Day specified in a notice of early termination under Article 5.8; or

ALTERNATIVE 1 FOR SUPPLY AGREEMENTS

- 5.7.6 the Day after the date on which Seller shall have made available and Buyer shall have taken the Total Contract Quantity.

ALTERNATIVE 2 FOR SUPPLY AGREEMENTS

- 5.7.6 the date of expiration of [_____] (____) Contract Years after [_____] [*specify date, e.g. the Effective Date or the Start Date*].

ALTERNATIVE 3 FOR DEPLETION AGREEMENTS

- 5.7.6 the Day specified in the Depletion Notice.

5.8 Early Termination

- 5.8.1 Either Party shall have the right exercisable for [_____] (____) Days from the occurrence of any of the following events to give to the other Party a notice of early termination of this Agreement:

5.8.1.1 a prolonged Force Majeure Event is continuing pursuant to Article 19.7; or

5.8.1.2 the other Party fails or refuses to perform any of its obligations under this Agreement, which failure or refusal constitutes a material breach of this Agreement and is not remedied or cured within a period of [_____] (____) [*e.g. ninety (90)*] Days, or within such longer period as is reasonably required to effect such remedy or cure; or

5.8.1.3 the other Party voluntarily commences any proceeding, or files any petition seeking its liquidation, reorganization, dissolution, winding up, composition or other relief under any bankruptcy, insolvency, receivership or similar Laws applicable to such Party or consents to the commencement of any proceeding or the filing of any petition against it under any similar Law; or

- 5.8.1.4 the other Party makes an assignment for the benefit of its creditors or admits in writing its inability to pay its debts generally as they become due; or
 - 5.8.1.5 the other Party consents to the appointment of a receiver, trustee or liquidator over the other Party or any part of the other Party's Facilities; or
 - 5.8.1.6 a third party files a petition seeking the liquidation, reorganization, dissolution, winding-up, composition or other relief for the other Party pursuant to the provisions of any bankruptcy, insolvency, receivership or similar Laws applicable to such Party, and such petition is not dismissed within [_____] (_____) [e.g. sixty (60)] Days after such filing; or
 - 5.8.1.7 a court of competent jurisdiction enters an order or decree appointing a receiver, liquidator or trustee for the other Party or any of the other Party's Facilities, and such receiver, liquidator or trustee is not discharged within [_____] (_____) [e.g. sixty (60)] Days after the date of such order or decree; or
 - 5.8.1.8 a court of competent jurisdiction enters an order or decree adjudicating the other Party to be bankrupt or insolvent, and such order or decree is not stayed or discharged within [_____] (_____) [e.g. sixty (60)] Days after the date of such order or decree.
- 5.8.2 For [_____] (_____) Days after the occurrence of any of the following events Seller may give to Buyer a notice of early termination of this Agreement:
- 5.8.2.1 Buyer fails for any reason to fulfill its obligation to construct Buyer's Facilities to the extent and by the date specified in Article 6.2.1; or
 - 5.8.2.2 Buyer fails for any reason to cure any late payment within the period of time specified in Article 17.6.2; or

OPTION

- 5.8.2.3 Buyer fails for any reason to take at least [_____] percent (____%) of the AdjACQ for [_____] (_____) consecutive Contract Years.

OPTION

- 5.8.2.4 Buyer makes a Transfer, or if applicable has a change of Control, without satisfying the requirements of Article 24 and Seller, as the non-transferring Party, exercises its right to terminate this Agreement pursuant to Article 24.1.

- 5.8.3 For [_____] (_____) Days after the occurrence of any of the following events Buyer may give to Seller a notice of early termination of this Agreement:

- 5.8.3.1 Seller fails for any reason to fulfill its obligation to construct Seller's Facilities to the extent and by the date specified in Article 6.1.1; or

OPTION

- 5.8.3.2 the aggregate Shortfall Quantity over a period of over a period of [_____] (_____) consecutive Months is greater than [_____] percent (____%) of the aggregate of the Properly Nominated Quantities for such Months; or

OPTION

- 5.8.3.3 Seller fails for any reason to make available at least [_____] percent (____%) of the aggregate PNQ for [_____] (_____) consecutive Contract Years.

OPTION

- 5.8.3.4 Seller makes a Transfer, or if applicable has a change of Control, without satisfying the requirements of Article 24 and Buyer, as the non-transferring Party, exercises its right to terminate this Agreement pursuant to Article 24.1.
- 5.8.4 Without prejudice to any of its other rights in this Agreement, the Party giving the notice of early termination under this Article 5.8 shall specify the basis for early termination and a Termination Date not less than [_____] [e.g. *thirty (30)*] Days after the date of the notice of early termination. Unless before such specified Termination Date the Party receiving the notice of early termination remedies or cures the specified basis for early termination or disputes such early termination and initiates resolution of the Dispute pursuant to Article 23, this Agreement shall end on the designated Termination Date.
- 5.8.5 Without prejudice to Seller's rights under Article 17.4, Seller may suspend its obligations to make Gas available under this Agreement with immediate effect by giving Buyer a notice of early termination pursuant to this Article 5.8.

OPTION

- 5.8.6 Buyer may suspend its obligations to take and pay for, or pay for if not taken, Gas under this Agreement with immediate effect by giving Seller a notice of early termination pursuant to this Article 5.8; **provided that** Buyer shall remain liable for all Gas taken in accordance with this Agreement.

ARTICLE 6 - FACILITIES

6.1 Seller's Facilities

- 6.1.1 Seller shall construct, install, and commission, at no cost to Buyer, Seller's Facilities, necessary to enable Seller to make available at the Delivery Point by the Initial Delivery Date a quantity of Gas, which is at least equal to the quantity determined in Article 7.4, and commencing on the Start Date a quantity of Gas, which is at least equal to the applicable Maximum Daily Contract Quantity, for each Day during the remainder of the Delivery Period.
- 6.1.2 Commencing on [_____] [*insert date*] and continuing until the Start Date:
- 6.1.2.1 Seller shall provide to Buyer a Monthly written report reasonably informing Buyer of the progress on the construction of Seller's Facilities. Such Monthly reports shall include:
- (a) a summary of progress made since the prior report;
 - (b) the anticipated date that Seller's Facilities will be sufficiently complete to make Gas available; and
 - (c) the nature and extent of any circumstances reasonably likely to cause a delay in the construction of Seller's Facilities, including a delay in obtaining any Approval.
- 6.1.2.2 Buyer shall have the right, at reasonable times, on reasonable notice, and at Buyer's risk and cost, to inspect by itself or through its contractors, subcontractors or Representatives, Seller's Facilities to assure itself that Seller is in compliance with Article 6.1.1. In performing any such inspection, Buyer shall comply, and cause its contractors, subcontractors and Representatives to comply, with Seller's safety rules and procedures.

OPTION

6.1.3 During the Term, Seller, at no cost to Buyer, shall as a Reasonable and Prudent Operator:

6.1.3.1 construct, install, test, and commission Seller's Facilities; and

6.1.3.2 operate, maintain, repair and if applicable, replace Seller's Facilities, in a manner that will enable Seller to comply with its obligations under this Agreement.

OPTION

6.1.4 A copy of the design and plan of Seller's Facilities as of the Effective Date is attached as Attachment 6.1.

OPTION

6.1.5 The liability of Seller for any breach of the obligations set out in Article 6.1 shall be limited to Seller's liability under Article 12.5. If Seller has breached any of the obligations set out in Article 6.1, Seller shall not be entitled to rescind or terminate this Agreement.

6.2 Buyer's Facilities

6.2.1 Buyer shall construct, install, and commission, at no cost to Seller, Buyer's Facilities, necessary to enable Buyer to take at the Delivery Point by the Initial Delivery Date a quantity of Gas which is at least equal to the quantity determined in Article 7.4 and commencing on the Start Date a quantity of Gas which is at least equal to the applicable Maximum Daily Contract Quantity, for each Day during the remainder of the Delivery Period.

6.2.2 Commencing on [_____] *[insert date]* and continuing until the Start Date;

6.2.2.1 Buyer shall provide to Seller a Monthly written report reasonably informing Seller of the progress for the construction of Buyer's Facilities. Such Monthly reports shall include:

(a) a summary of progress made since the prior report;

(b) the anticipated date that Buyer's Facilities will be sufficiently complete to take Gas; and

(c) the nature and extent of any circumstances reasonably likely to cause a delay in the construction of Buyer's Facilities, including a delay in obtaining any Approval.

6.2.2.2 Seller shall have the right, at reasonable times, on reasonable notice, and at Seller's and cost, to inspect by itself or through its contractors, subcontractors or Representatives, Buyer's Facilities to assure itself that Buyer is in compliance with Article 6.2.1. In performing any such inspection, Seller shall comply, and cause its contractors, subcontractors and Representatives to comply, with Buyer's safety rules and procedures.

OPTION

6.2.3 During the Term, Buyer, at no cost to Seller, shall as a Reasonable and Prudent Operator:

6.2.3.1 construct, install, test, and commission Buyer's Facilities; and

6.2.3.2 operate, maintain, repair and, if applicable, replace Buyer's Facilities,

in a manner that will enable Buyer to comply with its obligations under this Agreement.

OPTION

6.2.4 A copy of the design and plan of Buyer's Facilities as of the Effective Date is attached as Attachment 6.2.

OPTION

6.2.5 The liability of Buyer for any breach of the obligations set out in Article 6.2 shall be limited to Buyer's liability under Article 12.6. If Buyer has breached any of the obligations set out in Articles 6.2, Buyer shall not be entitled to rescind or terminate this Agreement.

6.3 Design and Standards

Each Party shall at all times use standards which are no less stringent than Industry Practices in the design, construction, installation, testing, commissioning, operation, maintenance, repair and replacement of its respective Facilities.

6.4 Facility Interconnections

The Parties shall coordinate the design and construction of their respective Facilities to the extent necessary to complete, interconnect and start up their respective Facilities in a timely manner as required under this Agreement; **provided that** neither Party shall have the right to enter on the other Party's Facility site, or to work on the other Party's Facilities, until the Parties enter into a detailed arrangement to provide access, authorize work, coordinate timing of performance, and allocate liability.

ARTICLE 7 - COMMISSIONING OF FACILITIES

7.1 Commissioning Period

ALTERNATIVE 1

7.1.1 Seller shall give Buyer not less than [_____] (__) Days prior notice of its estimate of the date Seller's Facilities are expected to be commissioned, and shall as soon as reasonably possible give notice to Buyer of any change in such estimate.

ALTERNATIVE 2

7.1.1 Buyer shall give Seller not less than [_____] (__) Days prior notice of its estimate of the date Buyer's Facilities are expected to be commissioned, and shall as soon as reasonably possible give notice to Seller of any change in such estimate.

ALTERNATIVE 3

7.1.1 Seller and Buyer shall each give the other not less than [_____] (__) Days prior notice of its estimate of the date their respective Facilities are expected to be commissioned, and shall as soon as reasonably possible give notice to the other Party of any change in such estimate.

7.1.2 If the Commissioning Procedures are not successfully completed by the expiration of the Commissioning Period, then

ALTERNATIVE 1

the Start Date shall nonetheless be deemed to occur and the Build-Up Period shall commence.

ALTERNATIVE 2

the Commissioning Period shall be extended until the completion of the Commissioning Procedures, and each of the Parties shall use Reasonable Efforts to ensure that the Commissioning Procedures are carried out and successfully completed as soon as possible.

7.2 Commissioning Procedures

ALTERNATIVE 1

During the Commissioning Period, the Parties shall comply with the Commissioning Procedures set out in Attachment 7.2.

ALTERNATIVE 2

- 7.2.1 The Parties shall use Reasonable Efforts to agree upon the Commissioning Procedures at least [_____] () Days before the Initial Delivery Date.
- 7.2.2 The Commissioning Procedures shall consist of procedures and tests designed to demonstrate that Seller's Facilities and Buyer's Facilities, respectively, are capable of operating within the standards of performance and safety required by this Agreement.
- 7.2.3 If the Parties fail to agree on the Commissioning Procedures at least [_____] () Days before the Initial Delivery Date, then either Party may initiate an Expert determination pursuant to Article 23.4 to determine appropriate and reasonable Commissioning Procedures before commencing initial deliveries of Gas.

7.3 Quantities and Quality During Commissioning Period

- 7.3.1 Not less than [_____] () Days before the Initial Delivery Date:
- 7.3.1.1 Buyer shall notify Seller of its estimate of the quantities of Gas that it reasonably expects to need during the Commissioning Period and its estimate of the schedule; and
- 7.3.1.2 Seller shall notify Buyer of its estimate of the quantities of Gas that Seller reasonably expects to be able to make available during the Commissioning Period and its estimate of the schedule.
- 7.3.2 In the Monthly Statement for each Month during the Commissioning Period Seller shall invoice Buyer for the quantity of Gas made available and taken during such Month at the Pre-Start Date Gas Price, even if Gas fails to conform to the Quality Specifications.
- 7.3.3 Any quantities of Gas made available and taken before the Start Date shall not be included in any determination of Adjusted Annual Contract Quantity, Annual Actual Quantity, Excess Gas Quantity, Off-Specification Quantity, Over-Delivery Quantity, Shortfall Quantity, or Take or Pay Quantity.

7.4 Cooperation During Commissioning Period

During the Commissioning Period, the Parties shall cooperate with each other during the commissioning and testing of their respective Facilities, and in particular:

ALTERNATIVE 1

- 7.4.1 Seller shall use Reasonable Efforts to make available Gas that conforms to the Quality Specification in the quantities that Buyer requests to enable the Buyer to commission and test the Buyer's Facilities; and
- 7.4.2 Buyer shall use Reasonable Efforts to request and take delivery of a quantity of Gas as required to enable Seller to commission and test Seller's Facilities.

ALTERNATIVE 2

- 7.4.1 Seller shall use Reasonable Efforts to make available a quantity of Gas that conforms to the Quality Specification equal to [_____] percent (___%) of the DCQ applicable during the Plateau Period to enable Buyer to commission and test Buyer's Facilities; and
- 7.4.2 Buyer shall use Reasonable Efforts to take delivery of a quantity of Gas equal to [_____] percent (___%) of the DCQ applicable during the Plateau Period to enable Seller to commission and test Seller's Facilities.

ARTICLE 8 - MAINTENANCE OF FACILITIES

8.1 Scheduled Maintenance

- 8.1.1 Without prejudice to Article 6 and subject to this Article 8.1, during the Delivery Period, if Seller anticipates that Seller's Facilities will require Scheduled Maintenance or if Buyer anticipates that Buyer's Facilities will require Scheduled Maintenance, which in either case would reduce the amount of Gas that such Party is able to make available or take, as the case may be, on any Days during the upcoming Contract Year, then such Party shall notify the other Party, as part of its annual forecast pursuant to Article 9.1 or Article 9.2, of the Days or partial Days on which it proposes to conduct such Scheduled Maintenance, and of the applicable Daily Contract Quantity (DCQ_(sm)), if any, that such Party will be able to make available or take on such Days of Scheduled Maintenance, as determined in the exercise of such Party's reasonable judgment; **provided that:**

8.1.1.1 No Party shall perform Scheduled Maintenance during [____];

8.1.1.2 No Party shall be entitled to more than [____] (__) consecutive Days for Scheduled Maintenance during any Contract Year, or more than [____] (__) Days of Scheduled Maintenance in the aggregate during any Contract Year.

- 8.1.2 Within [____] (__) Days after the delivery of a notice pursuant to Article 8.1.1, the Parties shall use Reasonable Efforts to coordinate and agree on the periods of Scheduled Maintenance for the next Contract Year.

- 8.1.3 No Party may reduce its obligations to make available or take Gas under this Article 8.1, unless such Party has actually performed Scheduled Maintenance and then only to the extent of the duration of such Scheduled Maintenance.

8.2 Unscheduled Outages

If any sudden and unexpected event, other than a Force Majeure Event, results in Seller being unable to make available, or Buyer being unable to take, the Properly Nominated Quantity, then the affected Party shall promptly so notify the other Party and shall provide an estimate of the expected duration of the outage and the steps that are being taken to place its Facilities back in operation. Unscheduled outages shall not excuse the performance of either Party's obligations to nominate, make available and/or take Gas in accordance with this Agreement.

ARTICLE 9 - FORECASTS

9.1 Seller's Annual Forecasts

- 9.1.1 Not less than [_____] [e.g. six (6)] Months before the date on which Seller expects the Start Date to occur and thereafter on the first (1st) Day of [_____] [e.g. September] of each subsequent Contract Year, Seller shall

ALTERNATIVE 1

cause [_____] [*insert name of an independent petroleum engineering firm*] to furnish to Buyer an annual forecast that sets out:

ALTERNATIVE 2

furnish to Buyer an annual forecast that sets out:

- 9.1.1.1 A projection of the average daily quantity of Gas that the preparer of the forecast anticipates Seller would be able to make available in accordance with this Agreement during each Month of the Contract Year immediately following the date of the annual forecast.
- 9.1.1.2 A projection of the average daily quantity of Gas that the preparer of the forecast anticipates Seller would be able to make available in accordance with this Agreement during each Quarter of the [_____] [*e.g. second and third*] Contract Year(s) following the date of the annual forecast.
- 9.1.1.3 Seller's planned programs and operations that would affect Seller's ability to make Gas available in accordance with this Agreement during each Month of the Contract Year immediately after the date of the annual forecast, including information required by Article 8.1 concerning Scheduled Maintenance for Seller's Facilities, and information concerning the effect of Seller exercising its reserved rights under Article 2.2.1.

OPTION

ALTERNATIVE 1

- 9.1.1.4 a reserve report prepared by Seller that sets out Seller's estimate of the Economically Recoverable Reserves remaining at the time of the annual forecast, together with copies of the reserve data upon which such reserve report was based; **provided that**

ALTERNATIVE 2

- 9.1.1.4 a reserve report, prepared by [_____] [*insert name of consultant*], that sets out such consultant's estimate of the Economically Recoverable Reserves remaining at the time of the annual forecast, together with copies of the reserve data upon which the reserve report was based; **provided that**

ALTERNATIVE 1

Seller

ALTERNATIVE 2

Buyer

shall bear the cost of providing such reserve report.

- 9.1.2 If for any Contract Year, other than the first Contract Year, Seller does not furnish to Buyer the projection required by Article 9.1.1.1 by the date specified in Article 9.1.1, then Seller's projection of the average daily quantity for each Month in such Contract Year shall be deemed to be the same as the most recent projection furnished by Seller pursuant to Article 9.1.1.1.
- 9.1.3 Seller's most recent projection for any Contract Year will be deemed to be Seller's best projection of the quantity of Gas that Seller anticipates Seller would be able to make available in accordance with this Agreement in such Contract Year.

OPTION

- 9.1.4 As part of the annual forecast for the Contract Year in which the Decline Period begins and for each subsequent Contract Year of the Decline Period Seller shall:
- 9.1.4.1 specify the MaxDCQ, the calculated DCQ and if applicable the calculated MinDCQ, which Seller, acting as a Reasonable and Prudent Operator, projects can be made available from the then existing Seller's Facilities for each Month in the portion of Decline Period included in such annual forecast, together with all information reasonably necessary to support such projections.
- 9.1.4.2 If within [____ ()] [e.g. *fifteen (15)*] Days after receipt of such projections Buyer notifies Seller that Buyer accepts such DCQs or does not notify Seller of any objections to such DCQs, then the DCQ for each Month during such Contract Year shall be as specified in the annual forecast.
- 9.1.4.3 If within [____ ()] [e.g. *fifteen (15)*] Days after receipt of such projections Buyer notifies Seller of Buyer's objections to the projected DCQs for the portion of the Decline Period included in such annual forecast, then the Parties shall promptly meet and try to agree on the DCQ for each Month during such Contract Year.
- 9.1.4.4 If by the [____ ()] [e.g. *thirtieth (30th)*] Day after delivery of Buyer's notice of objection, the Parties have not agreed in writing for the DCQs for the portion of the Decline Period included in such annual forecast, then the matters not yet agreed may be referred by either Party to the Expert for determination pursuant to Article 23.4. In such event, and subject to Article 23.4, the Expert shall determine to the extent not already agreed:
- (a) the remaining Economically Recoverable Reserves; and
 - (b) the applicable DCQ for each Month in the portion of the Decline Period included in such annual forecast.
- 9.1.4.5 If Seller fails to provide to Buyer an annual forecast in respect of any Contract Year during the Decline Period, the DCQ in force for the last Month in the Contract Year immediately preceding such Contract Year shall remain in force until a new DCQ becomes effective pursuant to these provisions for determining the DCQ during the Decline Period.

9.2 Buyer's Annual Forecasts

- 9.2.1 No later than [____ ()] [e.g. *thirty (30)*] Days after Buyer's receipt of Seller's annual forecast pursuant to Article 9.1.1, but in no event later than the first (1st) Day of [_____] [e.g. *October*], Buyer shall furnish to Seller an annual forecast that sets out:

- 9.2.1.1 A projection of the average daily quantity of Gas that Buyer estimates Buyer would nominate and take in accordance with this Agreement in each Month of the Contract Year immediately following the date of the annual forecast.
- 9.2.1.2 A projection of the average daily quantity of Gas that Buyer estimates Buyer would nominate and take in accordance with this Agreement in each Quarter of the [____ (____)] [e.g. *second and third*] Contract Year(s) following the date of the annual forecast.
- 9.2.1.3 Buyer's planned programs and operations that would affect Buyer's ability to nominate and take for Gas in accordance with this Agreement in each Month of the Contract Year immediately following the date of the forecast, including information required by Article 8.1 concerning Scheduled Maintenance for Buyer's Facilities, and information concerning the effect of Buyer exercising its reserved rights under Article 2.2.2.

OPTION

- 9.2.1.4 The Operational Flexibility Credit applicable in the calculation of the AdjACQ for Contract Year immediately following the date of the annual forecast.
- 9.2.2 If for any Contract Year, other than the first Contract Year, Buyer does not furnish to Seller the projection required by Article 9.2.1.1 by the date specified in Article 9.2.1, then Buyer's projection of the average daily quantity in each Month of such Contract Year shall be deemed to be the same as the most recent projection furnished by Buyer pursuant to Article 9.2.1.1.
- 9.2.3 Buyer's most recent projection for any Contract Year will be deemed to be Buyer's best projection of the quantity of Gas that Buyer anticipates Buyer would be able to nominate and take in accordance with this Agreement in such Contract Year.

OPTION

9.3 Seller's Quarterly Forecasts

- 9.3.1 By the [____ (____)] [e.g. *fifteenth (15th)*] Day of the last Month of each Quarter, commencing with the Quarter preceding the Quarter in which the Start Date occurs, Seller shall furnish to Buyer a quarterly forecast that sets out:
 - 9.3.1.1 A projection of the quantity of Gas that Seller anticipates Seller would be able to make available in accordance with this Agreement in each Day of the Quarter immediately following the date of the quarterly forecast.
 - 9.3.1.2 Seller's planned programs and operations that would affect Seller's ability to make Gas available in accordance with this Agreement in each Day of the Quarter immediately following the date of the quarterly forecast, including information furnished under Article 9.1 concerning Scheduled Maintenance for Seller's Facilities, and information concerning the effect of Seller exercising its reserved rights under Article 2.2.1.
- 9.3.2 If for any Quarter, other than the first Quarter, Seller does not furnish to Buyer the projection required by Article 9.3.1.1 by the date specified in Article 9.3.1, then Seller shall be deemed to have made a projection that Seller anticipates Seller would be able to make available in accordance with this Agreement in each Day of such Quarter the quantity of Gas equal to

ALTERNATIVE 1

the applicable MaxDCQ.

ALTERNATIVE 2

the quantity Seller projected in its most recent quarterly forecast for each Day during the prior Quarter.

- 9.3.3 Seller's most recent projection for any Quarter will be deemed to be Seller's best projection of the quantity of Gas that Seller anticipates Seller would be able to make available in accordance with this Agreement in such Quarter.

OPTION

9.4 Buyer's Quarterly Forecasts

- 9.4.1 By the [_____] (_____) [e.g. *twentieth (20th)*] Day of the last Month of each Quarter, commencing with the Quarter preceding the Quarter in which the Start Date occurs, Buyer shall furnish to Seller a quarterly forecast that sets out:

9.4.1.1 A projection of the quantity of Gas that Buyer anticipates Buyer would be able to nominate and take in accordance with this Agreement in each Day of the Quarter immediately following the date of the quarterly forecast.

9.4.1.2 Buyer's planned programs and operations that would affect Buyer's ability to nominate and take Gas in accordance with this Agreement in each Day of the Quarter immediately following the date of the quarterly forecast, including information furnished under Article 9.2 concerning Scheduled Maintenance for Buyer's Facilities, and information concerning the effect of Buyer exercising its reserved rights under Article 2.2.2.

- 9.4.2 If for any Quarter, other than the first Quarter, Buyer does not furnish to Seller the projection required by Article 9.4.1.1 by the date specified in Article 9.4.1, then Buyer shall be deemed to have made a projection that Buyer anticipates Buyer would be able to nominate and take in accordance with this Agreement in each Day of such Quarter the quantity of Gas equal to

ALTERNATIVE 1

the applicable DCQ.

ALTERNATIVE 2

the quantity Buyer projected in its most recent quarterly forecast for each Day during the prior Quarter.

- 9.4.3 Buyer's most recent projection for any Quarter will be deemed to be Buyer's best projection of the quantity of Gas that Buyer anticipates Buyer would be able to nominate and take in accordance with this Agreement in such Quarter.

9.5 Forecasts Not Binding

- 9.5.1 Except for Scheduled Maintenance for which DCQs determined pursuant to Article 10.4.3 shall be binding on the Parties, and the Decline Period for which DCQs determined pursuant to Article 9.1.4 shall be binding on the Parties, all forecasts, projections, estimates, or plans provided by a Party under Articles 9.1, 9.2, 9.3, or 9.4 will be for information purposes only and will not be binding on any Party.

9.5.2 The Parties shall meet in the offices of

ALTERNATIVE 1

Seller

ALTERNATIVE 2

Buyer

within [____] (__) [e.g. five (5)] Days after either Party gives notice that it requests a meeting to clarify and discuss such forecasts, projections, estimates and plans, and to try to coordinate the timing of Scheduled Maintenance and other periods of interrupted or reduced deliveries.

ARTICLE 10 - NOMINATIONS

10.1 Nominations

10.1.1 Not later than [____] [e.g. 1100] hours local time on the [____] (__) [e.g. tenth (10th)] Day immediately preceding

ALTERNATIVE 1

each Month during the Delivery Period,

ALTERNATIVE 2

each Week during the Delivery Period,

Buyer shall notify to Seller the quantity of Gas that Buyer nominates and requires Seller to make available in accordance with this Agreement in each Day of such

ALTERNATIVE 1

Month.

ALTERNATIVE 2

Week.

10.1.2 Except as set out in this Article 10.1 or Article 10.4, Buyer shall have no right to nominate a quantity more than the greater of the MaxDCQ or the quantity of Gas Buyer is actually able to take, or less than the MinDCQ, if applicable.

10.1.3 If Buyer gives the Sell at least [____] (__) Days prior notice Buyer may nominate a zero (0) quantity. After any nomination of a zero (0) quantity Buyer shall give Seller at least [____] (__) Days prior notice of the date that Buyer will resume making nominations in excess of a zero (0) quantity.

OPTION

10.1.4 For any Day, for which the then current Properly Nominated Quantity under this Article 10 is the MaxDCQ, Buyer shall have the right exercisable by notice to Seller to request that Seller make available an Excess Requested Quantity, which Buyer commits to take on such Day pursuant to Article 12.3.

OPTION

10.1.5 Subject to Seller's consent, Buyer may request for any Day a quantity less than the MinDCQ. If Buyer so requests, then Seller shall use Reasonable Efforts to make

available such requested quantity, in which case the quantity of Gas actually made available and taken up to the MinDCQ shall be deemed to be a Properly Nominated Quantity.

10.2 Deemed Nominations

Subject to Article 10.4.2, if Buyer fails to make a Proper Nomination for any Day pursuant to Article 10.1, then Buyer shall be deemed to have nominated for each Day of such

ALTERNATIVE 1

Month

ALTERNATIVE 2

Week

the corresponding quantity for each Day of such period in Buyer's most recent Proper Nomination under Article 10.1.

10.3 Revised Nominations

10.3.1 Subject to the quantity limitations of Article 10.1 and Article 10.4.2, Buyer may to revise its Proper Nomination made under Article 10.1, or deemed to have been made under Article 10.2, or previously revised under this Article 10.3, in the manner and to the extent provided below.

10.3.2 Buyer shall give notice of revision to Seller specifying the revised quantity (**provided that** such revised quantity shall not be more than the MaxDCQ and shall not be less than the MinDCQ, if applicable) of Gas that Buyer requests Seller to make available in accordance with this Agreement for any Day

ALTERNATIVE 1

not less than [____ (___)] [*e.g. twenty-four (24)*] hours before such Day.

ALTERNATIVE 2

10.3.2.1 not less than [____ (___)] [*e.g. twenty-four (24)*] hours before such Day for any variation up to and including [____] percent (___%) [*e.g. five percent (5%)*] of the DCQ; and

10.3.2.2 not less than [____ (___)] [*e.g. twelve (12)*] hours before such Day for any variation up to and including [____] percent (___%) [*e.g. two percent (2%)*] of the DCQ.

10.3.3 If Seller receives the notice of revision within the relevant period set out in Article 10.3.2, then the Properly Nominated Quantity for such Day shall be the revised quantity set out in such notice.

10.3.4 If Seller does not receive the notice of revision within the relevant period set out in Article 10.3.2, then the Properly Nominated Quantity for such Day shall remain as the most recent Proper Nomination made under Article 10.1, or deemed to have been made under Article 10.2, or previously revised under Article 10.3. Seller shall use Reasonable Efforts to make the improperly revised quantity available and shall notify Buyer as soon as practicable, and in any event within [____ (___)] hours of receipt of Buyer's notice of revision, if and to what extent Seller will be able to make the improperly revised quantity available.

OPTION

10.3.5 Notwithstanding the other provisions of this Article 10.3, a revision may not increase or decrease the Properly Nominated Quantity by more than [_____] percent (___%) of the DCQ.

10.4 Periods of Inability

10.4.1 If during the Delivery Period a Party anticipates that for any Day such Party for any reason will not be able to make available or take, as the case may be, the Properly Nominated Quantity, then such Party shall as soon as practicable before the commencement of such Day notify the other Party of the quantity of Gas, if any, which such Party expects to make available or take, as the case may be, during such Day and the reason(s) for such inability.

10.4.2 If due to a Force Majeure Event, an unscheduled outage under Article 8.2, or Gas failing to conform to Quality Specifications during the Delivery Period, which results in Seller being unable to make the Properly Nominated Quantity available, or Buyer being unable to take the Properly Nominated Quantity,

10.4.2.1 then for the duration of period covered by the then current Proper Nomination, the Properly Nominated Quantity for each Day in such period shall continue to be the quantity specified in such Proper Nomination; and

10.4.2.2 if such inability continues after the end of the period covered by the then current Proper Nomination, then for the continuation of such inability the Properly Nominated Quantity for each Day in such continuation Buyer's nomination under Article 10.1 or 10.2, or Buyer's revision under 10.3 shall be limited to:

ALTERNATIVE 1

the DCQ.

ALTERNATIVE 2

the Take or Pay Quantity divided by the number of Days in such Contract Year.

ALTERNATIVE 3

the Properly Nominated Quantity for the Day immediately preceding the first Day of such underlying cause for such inability .

ALTERNATIVE 4

the average Properly Nominated Quantity for the [_____] (___) Days immediately preceding the first Day of such underlying cause for such inability.

ALTERNATIVE 5

the greater of

- (a) the average Properly Nominated Quantity for the [_____] (___) Days immediately preceding the first Day of such underlying cause for such inability, or
- (b) the equivalent quantity of the alternative fuel used, up to the MaxDCQ.

ALTERNATIVE 6

A quantity equal to the amount of the Take or Pay Quantity for the then current Contract Year less the total quantities delivered during the then current Contract Year divided by the number of Days remaining in the then current Contract Year.

10.4.3 If in its annual notice pursuant to Article 9.1 and/or Article 9.2 any Party specifies that during a designated period of Scheduled Maintenance such Party will not be able to make available or to take the applicable DCQ, then for each Day during such period of Scheduled Maintenance,

10.4.3.1 Buyer's nomination shall be made as though the reduced quantity ($DCQ_{(sm)}$) specified in such annual notice were the DCQ applicable to such Day; and

10.4.3.2 the quantity to be made available and taken shall be with reference to the Properly Nominated Quantity determined pursuant to Article 10.4.3.1.

OPTION

10.4.4 If, due to a Force Majeure Event, Scheduled Maintenance, or an unscheduled outage under Article 8.2, Buyer is unable to take delivery of Gas in accordance with this Agreement, then Seller may enter into gas sales arrangements with other buyers to sell Gas:

10.4.4.1 for a term ending before the date on which Buyer estimates it will be able to resume taking delivery of the relevant quantities of Gas; and

10.4.4.2 in quantities, which in total are equal to or less than the quantities that Buyer will be unable to take due to such Force Majeure Event, Scheduled Maintenance, an unscheduled outage under Article 8.2, or Gas failing to conform to Quality Specifications,

in each case by reference to Buyer's then most recent estimate notified to Seller. If Seller enters into a gas sales arrangement with another buyer pursuant to this Article 10.4.4, then as soon as is reasonably possible Seller shall notify Buyer of the term and firm quantities to be made available under that gas sales arrangement. Even if Buyer is able to resume taking delivery of the relevant quantities of Gas before the end of the term of any such arrangement, Seller may comply with the terms of such arrangement with the other buyer, and no part of the quantity of Gas delivered by Seller to the other buyer pursuant that arrangement shall constitute Shortfall Gas; **provided that** Seller shall use Reasonable Efforts to deliver the Properly Nominated Quantity to Buyer during that period.

OPTION

10.4.5 If due to a Force Majeure Event, Scheduled Maintenance, an unscheduled outage under Article 8.2, or Gas failing to conform to Quality Specifications, Seller is unable to make Gas available in accordance with this Agreement, then Buyer may enter into gas purchase arrangements with other sellers to buy Natural Gas produced from a source other than the Reservoir:

10.4.5.1 for a term ending before the date on which Seller estimates it will be able to resume making available the relevant quantities of Gas; and

10.4.5.2 in quantities, which in total are equal to or less than the quantities that Seller will be unable to make available due to the Force Majeure Event, Scheduled Maintenance, or an unscheduled outage under Article 8.2,

in each case by reference to Seller's then most recent estimate notified to Buyer. If Buyer enters into a gas purchase arrangement with another seller pursuant to this Article 10.4.5, then as soon as is reasonably possible Buyer shall notify Seller of the term and the firm quantities to be taken under that gas purchase arrangement. Even if Seller is able to resume making available the relevant quantities of Gas before the end of the term of any such arrangement, Buyer may comply with the terms of such arrangement with the other seller; **provided that** Buyer shall use Reasonable Efforts to take delivery of the [] [e.g. *Minimum Daily Quantity for each Day*] from Seller during that period.

ARTICLE 11 - DELIVERY POINT

11.1 Delivery Point

Except as otherwise provided in this Agreement, Seller shall make available, and Buyer shall take, all Properly Nominated Quantities within the range of the Delivery Pressure at the Delivery Point set out in Attachment 11.

OPTION

or at the Alternate Delivery Point set out in Attachment 11Alt. Seller shall make available and Buyer shall take

OPTIONAL ALTERNATIVE 1

the Properly Nominated Quantities specified in a Proper Nomination for each such location at the Delivery Point and the Alternate Delivery Point.

OPTIONAL ALTERNATIVE 2

Gas in such quantities as Seller makes available at each such location at the Delivery Point and the Alternate Delivery Point.

OPTIONAL ALTERNATIVE 3

Gas in such quantities as Buyer takes at each such location at the Delivery Point and the Alternate Delivery Point.

11.2 Title

Title to, and custody of Gas delivered under this Agreement shall pass from Seller to Buyer at the Delivery Point.

11.3 Risk of Loss

11.3.1 The risk of loss for all quantities of Gas to be delivered in accordance with this Agreement shall pass from Seller to Buyer at the Delivery Point. Subject to the provisions of Article 13.3 and Article 21.3, as between the Parties, Seller shall be responsible for any damage or injury caused by Gas until it has been delivered to Buyer at the Delivery Point, and Buyer shall be responsible for any damage or injury caused by Gas on and after it has been delivered to Buyer at the Delivery Point.

11.3.2 Seller shall indemnify, defend and hold Buyer harmless from and against all losses or damages arising from claims, demands, or causes of action by any Person relating to Gas prior to delivery at the Delivery Point. Except to the extent of Seller's liability under Article 13.3 for Gas that does not conform to Quality Specifications, Buyer shall to indemnify, defend and hold Seller harmless from and against all losses or damages

arising from claims, demands, or causes of action by any Person relating to Gas on and after delivery at the Delivery Point.

ARTICLE 12 - DELIVERY

12.1 Delivery Capacity and Delivery Rates

12.1.1 On each Day during the Delivery Period Seller shall maintain the capacity to make Gas available in accordance with this Agreement at a rate at least equal to the MaxDCQ.

OPTION

On each Day during the Delivery Period Buyer shall maintain the capacity to take Gas in accordance with this Agreement at a rate at least equal to the MinDCQ.

12.1.2 Subject to the Annual Actual Quantity taken in the then current Contract Year not exceeding the Annual Contract Quantity for the then current Contract Year and subject to the total of all Annual Actual Quantities not exceeding the Total Contract Quantity, if applicable, then:

12.1.2.1 Buyer may require Seller, unless excused by another provision of this Agreement, to make Gas available in accordance with this Agreement at any rate up to the MaxDCQ.

OPTION

12.1.2.2 Seller may require Buyer, unless excused by another provision of this Agreement to take Gas made available pursuant to Article 12.1.1 at a rate at least equal to the MinDCQ, and Buyer shall pay Seller in respect of such quantity of Gas in accordance with this Agreement.

12.1.3 Subject to Article 8.1 and Article 19 and except as otherwise provided in the applicable Proper Nomination, Seller shall make Gas available and Buyer shall take Gas during each Day at rates that are reasonably uniform and constant.

12.2 Daily Delivery

On each Day during the Delivery Period, Seller shall make available, and Buyer shall take, in accordance with this Agreement, the Properly Nominated Quantity of Gas, plus or minus the Delivery Tolerance Quantity, in respect of such Day.

12.3 Excess Gas Delivery

12.3.1 For any Day for which Buyer has requested an Excess Requested Quantity under Article 10.1.4, Seller

ALTERNATIVE 1

may in its sole discretion try to make such Excess Requested Quantity available; **provided that** Seller shall not be obligated to make all or any part of such Excess Requested Quantity available.

ALTERNATIVE 2

shall, acting as a Reasonable and Prudent Operator, try to make such Excess Requested Quantity available; **provided that** Seller shall not be obligated to make all or any part of such Excess Requested Quantity available.

- 12.3.2 If on such Day Seller makes available a quantity of Gas more than the MaxDCQ plus the DTQ, Buyer shall take delivery of such quantity up to the total of the MaxDCQ plus such Excess Requested Quantity plus the Delivery Tolerance Quantity for such Day, and may, but shall not be obligated to, take all or any portion of the quantity of Gas that is more than the total of the MaxDCQ plus such Excess Requested Quantity plus the Delivery Tolerance Quantity for such Day.
- 12.3.3 In the Monthly Statement for the Month for which such Excess Requested Quantity is requested, Seller shall invoice Buyer for the aggregate Excess Gas Quantity taken during such Month at the Excess Gas Price.

12.4 Over-Delivery

- 12.4.1 If for any Day Seller makes available a quantity of Gas that is more than the total of the Properly Nominated Quantity (including any Make-Up Quantity and any offset to a Shortfall Quantity), plus any Excess Requested Quantity, plus the Delivery Tolerance Quantity,

ALTERNATIVE 1

then Buyer may, but shall not be obligated to, take all or any portion of the Over-Delivery Quantity for such Day.

ALTERNATIVE 2

then Buyer shall use Reasonable Efforts to take all or any portion of the Over-Delivery Quantity for such Day.

- 12.4.2 To the extent Seller makes available and Buyer takes an Over-Delivery Quantity for any Day, then in the Monthly Statement for the Month in which such Over-Delivery Quantity is taken Seller shall invoice Buyer for the total of the Over-Delivery Quantities taken during such Month at the Over-Delivery Gas Price.
- 12.4.3 The remedy set out in this Article 12.4 shall be

ALTERNATIVE 1

the exclusive remedy available to Buyer for over-delivery of Gas.

ALTERNATIVE 2

without prejudice to any other remedies available to Buyer for over-delivery of Gas.

12.5 Shortfall Delivery

- 12.5.1 If for any Day Seller makes available a total quantity of Gas that is less than the Properly Nominated Quantity for such Day less the Delivery Tolerance Quantity, other than in circumstances where Seller's inability or failure to make the Properly Nominated Quantity available is:
- 12.5.1.1 attributable to Buyer's inability or failure, for any reason, to take such Gas in accordance with this Agreement; or
- 12.5.1.2 excused by any other provision of this Agreement including Article 8.1 or Article 19,

ALTERNATIVE 1

then in the Monthly Statement for the Month in which such under-delivery occurs Seller shall credit

OPTION

or if Seller has not made any Gas available in such Month Seller shall pay

Buyer for an amount equal to the total Shortfall Quantity attributable to such Month at the Shortfall Gas Price.

ALTERNATIVE 2

then within [_____] (___) Days after the end of the Month in which such under-delivery occurs Buyer may require Seller to make available to Buyer at the Delivery Point a quantity of Gas in excess of the Properly Nominated Quantity (subject to the quantity limitations of Article 10.1) equivalent to the total Shortfall Quantity attributable to such Month and to invoice Buyer for such total Shortfall Quantity at the Shortfall Gas Price.

ALTERNATIVE 3

and if, due to Seller's inability or failure to make available the Properly Nominated Quantity on such Day, Buyer purchases a quantity of

ALTERNATIVE 3A

Natural Gas produced from a source other than the Reservoir

ALTERNATIVE 3B

[_____] [*specify alternative fuel*]

ALTERNATIVE 3C

Natural Gas produced from a source other than the Reservoir plus [_____] [*specify alternative fuel*]

equivalent to the Shortfall Quantity, taking into account energy content and the operating characteristics of Buyer's Facilities, from an alternative supplier, then Buyer shall provide to Seller supporting documentation setting out Buyer's reasonable actual costs incurred in purchasing such alternative quantity, and within [_____] (___) Days after receiving such supporting documentation Seller shall reimburse Buyer for an amount equal to the excess, if any, of Buyer's reasonable actual costs for such alternative quantity less the Shortfall Quantity multiplied by the Contract Price.

12.5.2 Without prejudice to the remedies available under this Article 12.5, if Seller is unable to make available the Properly Nominated Quantity on any Day, Seller shall make available at the Delivery Point, or Alternative Delivery Point, if any, the maximum quantity of Gas that Seller, acting as a Reasonable and Prudent Operator, could make available from the Reservoir during such Day

OPTION

and shall use Reasonable Efforts to supply Natural Gas produced from [_____] [*specify an alternative source*].

OPTION

12.5.3 The remedies set out in this Article 12.5 shall be

ALTERNATIVE 1

the exclusive remedies available to Buyer for under-delivery of Gas.

ALTERNATIVE 2

without prejudice to any other remedies available to Buyer for under-delivery of Gas.

12.5.4 For the avoidance of doubt for any Day for which Buyer has requested an ERQ, the provisions of Article 12.5 shall not apply to the inability of Seller make all or any portion of the ERQ available.

12.6 Take or Pay Obligation

In each Contract Year Buyer shall be obligated to take and pay for, or to pay for if not taken, a quantity of Gas at least equal to the Take or Pay Quantity. If, in any Contract Year, there is a Buyer's Annual Deficiency Quantity, then Buyer shall pay Seller Buyer's Deficiency Payment determined using the following formula:

ALTERNATIVE 1

$$BDP = BADQ \times TOPP$$

Where:

BDP is Buyer's Deficiency Payment for such Contract Year,
BADQ is Buyer's Annual Deficiency Quantity for such Contract Year,
TOPP is Take or Pay Gas Price for such Contract Year.

ALTERNATIVE 2

$$BDP = \left(BADQ - CFCQ \right) \times TOPP$$

Where:

BDP is Buyer's Deficiency Payment for such Contract Year,
BADQ is Buyer's Annual Deficiency Quantity for such Contract Year,
CFCQ is the Carry Forward Credit Quantity, if any, for such Contract Year,
TOPP is Take or Pay Gas Price for such Contract Year.

12.7 Make-Up Right

12.7.1 In any Contract Year for which Buyer has Make-Up Aggregate Buyer shall have the

ALTERNATIVE 1

right

ALTERNATIVE 2

obligation

for any Day in such Contract Year after Buyer has taken delivery of at least

ALTERNATIVE 1&2A

the Adjusted Annual Contract Quantity attributable to such Contract Year, excluding Excess Gas Quantities taken during such Contract Year,

ALTERNATIVE 1&2B

the Adjusted Annual Contract Quantity attributable to such Contract Year, including Excess Gas Quantities taken during such Contract Year,

to designate in its nomination pursuant to Article 10 all or a portion of the Properly Nominated Quantity for such Day as Make-Up Quantity, but in no event more than the Make-Up Aggregate, and to take such Make-Up Quantity at the Make-Up Price.

- 12.7.2 A Make-Up Quantity nominated and taken shall be attributed on a FIFO basis to the specific Buyer's Annual Deficiency Quantities comprising the Make-Up Aggregate at the time.
- 12.7.3 In the determination of the Monthly Statement for the Month in which a Make-Up Quantity is taken Seller shall invoice Buyer for the aggregate Make-Up Quantity taken during such Month at the Make-Up Price.
- 12.7.4 If Buyer fails to exercise its right to make up a quantity equivalent to each such Buyer's Annual Deficiency Quantity within the corresponding Make-Up Period, the right to make up such equivalent quantity shall terminate, and Buyer shall forfeit any and all rights with respect to such Buyer's Annual Deficiency Quantity.
- 12.7.5 In the Annual Statement for each Contract Year Seller shall specify the Make-Up Quantity, if any, which was taken by Buyer during such Contract Year, the Make-Up Aggregate that expired, and the Make-Up Aggregate, if any, which is available to be taken by Buyer during the next Contract Year pursuant to this Article 12.7.
- 12.7.6 If at the end of the Delivery Period Buyer has failed to exercise its right to make up a quantity equivalent to the Make-Up Aggregate pursuant to Article 12.7.2, then

ALTERNATIVE 1

the right to make up such equivalent quantity shall terminate, and Buyer shall forfeit any and all rights for the Make-Up Aggregate.

ALTERNATIVE 2

Seller shall pay to Buyer an amount equal to the value of the Make-Up Aggregate multiplied by the Take or Pay Price in the Contract Year in which the Delivery Period expires.

ALTERNATIVE 3

this Agreement shall be extended for a period up to [____ ()] Months to enable Buyer to recover such Make-Up Aggregate.

OPTION

12.8 Carry Forward Right

- 12.8.1 In any Contract Year for which Buyer has Carry Forward Aggregate determined pursuant to Article 12.8.3, Buyer

ALTERNATIVE 1

may apply

ALTERNATIVE 2

shall apply

in accordance with this Agreement a Carry Forward Credit Quantity up to all or a portion of the Carry Forward Aggregate to reduce

ALTERNATIVE 1

the Annual Contract Quantity for the next Contract Year.

ALTERNATIVE 2

Buyer's Annual Deficiency Quantity in the calculation of Buyer's Deficiency Payment for such Contract Year.

OPTION

; **provided that** the amount of the Carry Forward Credit Quantity so applied shall not exceed [_____] percent (___%) of

ALTERNATIVE 1

the Annual Contract Quantity for the next Contract Year.

ALTERNATIVE 2

Buyer's Annual Deficiency Quantity for such Contract Year.

- 12.8.2 A Carry Forward Credit Quantity applied under Article 12.8.1 shall be attributed on a FIFO basis to the specific Buyer's Annual Surplus Quantities comprising the Carry Forward Aggregate at the time.
- 12.8.3 In the Annual Statement for each Contract Year Seller shall specify the Carry Forward Credit Quantity, if any, which was applied for such Contract Year, Buyer's Annual Surplus Quantities that expired, and the Carry Forward Aggregate (including the corresponding Carry Forward Period), if any, which will be available or may be applied during the next Contract Year pursuant to this Article 12.8.

ARTICLE 13 - QUALITY

13.1 Quality Specifications

- 13.1.1 All Gas that Seller makes available to Buyer at the Delivery Point shall conform to the Quality Specifications set out in Attachment 13.
- 13.1.2 The

ALTERNATIVE 1

Seller

ALTERNATIVE 2

Buyer

shall be responsible for continuously monitoring all parameters of the Quality Specifications to ensure that Gas made available at the Delivery Point conforms to the Quality Specifications.

13.2 Notification

If Seller reasonably anticipates that future deliveries of Gas may not meet the Quality Specifications, Seller shall notify Buyer as soon as practicable of the nature of the prospective non-conformance to the Quality Specifications and the estimated duration of such non-conformance. Seller shall use Reasonable Efforts to avoid or rectify such non-conformance as soon as reasonably practicable.

13.3 Failure to Meet Quality Specifications

- 13.3.1 The first Party to identify that Gas being made available at the Delivery Point does not conform to the Quality Specifications shall as soon as reasonably practicable notify the other Party of the type and degree of such non-conformance. Upon request of Buyer after a notification pursuant to this Article 13.3.1, Seller shall inform Buyer of the cause and nature of the non-conformance to Quality Specifications and provide an estimate of the duration of such non-conformance.
- 13.3.2 Seller shall use Reasonable Efforts to promptly remedy the non-conformance in order to make available Gas that conforms to the Quality Specifications.

OPTION

Notwithstanding its efforts to remedy the non-conformance, Seller in its sole discretion may without prior notice to Buyer cease making available Gas which does not conform to the Quality Specifications; **provided that** Seller shall as soon as possible after such cessation so notify Buyer.

- 13.3.3 Buyer

ALTERNATIVE 1

may take

ALTERNATIVE 2

shall use Reasonable Efforts to take

Off-Specification Gas; **provided that** doing so will not:

13.3.3.1 jeopardize the safe operation of Buyer's Facilities; or

OPTION

the safe operation of Buyer's customers' facilities; or

13.3.3.2 violate applicable Laws, regulations, environmental standards or any Buyer Approvals; or

13.3.3.3 result in a breach of, or have a significant negative impact upon, the warranties of Buyer's major equipment or Buyer's contracts with its major customers.

- 13.3.4 If Buyer is unwilling to take Off-Specification Gas for any of the reasons set out in Article 13.3.3, then despite Seller's efforts to remedy the non-conformance, Buyer in its sole discretion and without prior notice to Seller shall have the right

OPTION

, exercisable for a period of [_____] (____) hours from the giving or receiving of notice of non-conformance under Article 13.3.1,

to elect to reject Off-Specification Gas by

ALTERNATIVE 1

ceasing to take Off-Specification Gas, and concurrently giving Seller a notice requiring Seller to immediately cease making Off-Specification Gas available and setting out the reasons for Buyer's rejection of the Off-Specification Gas.

ALTERNATIVE 2

notifying Seller to immediately cease making Off-Specification Gas available and setting out the reasons for Buyer's rejection of the Off-Specification Gas.

- 13.3.5 If Buyer exercises its right to reject the Off-Specification Gas in a timely manner pursuant to Article 13.3.4, then Seller shall cease making Off-Specification Gas available as soon as possible under the circumstances,

ALTERNATIVE 1

Seller shall have no liability to Buyer, or Buyer's customers, for such Off-Specification Gas.

ALTERNATIVE 2

Seller shall be liable to Buyer for all reasonable costs and expenses that Buyer actually incurs in:

- 13.3.5.1 mitigating the damage to Buyer's Facilities,

OPTION

and Buyer's customers' facilities,

including taking actions to conform Off-Specification Gas to the Quality Specifications or to modify such facilities and operations to use the Off-Specification Gas; and

- 13.3.5.2 cleaning and clearing Buyer's Facilities

OPTION

and Buyer's customers' facilities,

and repairing damage to such facilities arising as a direct result of the Off-Specification Gas taken.

OPTION

and Buyer may exercise its right under Article 10.4.5 to acquire a temporary alternative source of supply.

- 13.3.6 If Buyer does not exercise its right to reject Off-Specification Gas in a timely manner pursuant to Article 13.3.4, then Buyer

ALTERNATIVE 1

shall take

ALTERNATIVE 2

may take

the Off-Specification Gas so long as the Off-Specification Gas does not vary adversely from the type and degree of non-conformance specified in the original notice pursuant to Article 13.3.1 and shall mitigate damages to Buyer's Facilities that may be caused by the Off-Specification Gas. Seller shall have no liability to Buyer for the Off-Specification Gas, other than those set out in Article 13.3.7.

- 13.3.7 If Seller makes Off-Specification Gas available, and Buyer takes such Off-Specification Gas,

ALTERNATIVE 1

then Seller shall have no liability to Buyer, or Buyer's customers, for such Off-Specification Gas; and Buyer shall indemnify, defend and hold Seller harmless from any and all losses or damages arising from claims, demands or causes of action by any Person relating to such Off-Specification Gas.

ALTERNATIVE 2

then Seller shall be liable to Buyer for all reasonable costs and expenses that Buyer actually incurs in:

13.3.7.1 mitigating the damage to Buyer's Facilities,

OPTION

and Buyer's customers' facilities,

including taking actions to conform Off-Specification Gas to the Quality Specifications or to modify such facilities and operations to use the Off-Specification Gas; and

13.3.7.2 cleaning and/or clearing Buyer's Facilities,

OPTION

and Buyer's customers' facilities,

and repairing damage to such facilities arising directly from the Off-Specification Gas taken;

OPTION

provided that in any Month Seller's total liability to Buyer under this Article 13.3.7 shall not exceed an amount equal to [_____] percent (___%) of the Off-Specification Quantity multiplied by the Off-Specification Gas Price.

13.3.8 In the Monthly Statement for the Month in which such Off-Specification Quantity is made available and taken, Seller shall invoice Buyer for the total of the Off-Specification Quantity taken in such Month at the Off-Specification Gas Price, and shall subtract the amount for which Seller is liable under Articles 13.3.5 and 13.3.7 from the amount due by Buyer in such Month.

ARTICLE 14 - MEASUREMENT AND VERIFICATION

14.1 Measurement Standards and Technology

14.1.1 All measurement methods and procedures shall be in accordance with

ALTERNATIVE 1

the edition of the standards set out in this Agreement which is in effect on the Effective Date, and all measurements shall be reducible to current international standards published by

ALTERNATIVE 1A

International Standards Organization ("ISO").

ALTERNATIVE 1B

American Gas Association (“**AGA**”).

ALTERNATIVE 1C

American Petroleum Institute (“**API**”).

ALTERNATIVE 2

the latest editions of the standards set out in this Agreement, and all measurements shall be reducible to international standards published by

ALTERNATIVE 2A

International Standards Organization (“**ISO**”).

ALTERNATIVE 2B

American Gas Association (“**AGA**”).

ALTERNATIVE 2C

American Petroleum Institute (“**API**”).

If new standards are published, the related methods and procedures shall be adopted where appropriate.

- 14.1.2 If new measurement technology becomes available the Parties may agree to replace all or part of the existing Measurement Equipment and to share the costs of such replacement.

14.2 Installation and Operation of Measurement Equipment

- 14.2.1 The Metering Party shall be the

ALTERNATIVE 1

Seller.

ALTERNATIVE 2

Buyer.

- 14.2.2 The Metering Party shall at its own cost install, operate and maintain the Measurement Equipment, shall periodically calibrate, verify, and if necessary recalibrate the Measurement Equipment, and shall be responsible for operating the Measurement Equipment to continuously measure and record in accordance with this Agreement and the measurement manual set out in Attachment 14 the quantity of Gas delivered and all parameters of the Quality Specifications. All measurements shall be based on Gas at the Delivery Point.

- 14.2.3 If either Party in its discretion determines that additional measurements at or near the Delivery Point are necessary for the proper operation of such Party’s Facilities and to enable such Party to fulfill its obligations, then

ALTERNATIVE 1

subject to obtaining the consent of the other Party, which consent shall not be unreasonably withheld, such Party may install the check measuring equipment necessary to perform such additional measurements.

ALTERNATIVE 2

subject to obtaining the consent of the other Party, such Party may install the check measuring equipment necessary to perform such additional measurements.

14.3 Accuracy of Measurement Equipment

14.3.1 The Metering Party shall be responsible for initially calibrating the Measurement Equipment and shall have the obligation to demonstrate that the total uncertainty of the Measurement Equipment does not exceed [] percent (%). For the tolerances of the measurements of quantity and quality the following international standard will be used [] [*Insert appropriate standard reference, e.g. ISO 5168 - Estimation of uncertainty of flow rate measurement*].

14.3.2 If the tolerance of any instrument comprising the Measurement Equipment is not covered by a standard, the Parties shall mutually agree upon such tolerance, or if the Parties are unable to so agree, then the tolerance shall be the limits prescribed by the manufacturer.

14.4 Verification of Measurement Equipment

14.4.1 The Metering Party shall be responsible for verifying all Measurement Equipment at least once each

ALTERNATIVE 1

Month.

ALTERNATIVE 2

Quarter.

Depending on the actual performance of the Measurement Equipment, the Parties may agree to adjust such interval.

14.4.2 If any verification test shows that any instrument comprising any of the Measurement Equipment is out of service or inaccurate in excess of the agreed tolerance or the limits prescribed by the manufacturer, the Metering Party shall use Reasonable Efforts to immediately recalibrate the relevant instrument to measure and record within such agreed tolerance or limits.

14.4.3 Any Party may require the Metering Party to carry out additional verification of the accuracy of the Measurement Equipment at any time. If after such additional verification, the Measurement Equipment is found to be measuring within the agreed tolerance or limits prescribed by the manufacturer and with a variance of less than or equal to [] percent (%) of the last preceding verification, then the costs of such additional verification shall be borne by the requesting Party. If however, the Measurement Equipment is found to be measuring outside the agreed tolerance or limits prescribed by the manufacturer or with a variance of more than [] percent (%) of the last preceding verification, then the costs of such additional verification shall be borne by the Metering Party.

14.4.4 If it is established that any instrument comprising any of the Measurement Equipment is at any time not capable of correct operation, the Metering Party shall at its cost either replace or repair such instrument as soon as practical.

14.4.5 If it is established that any instrument comprising any of the Measurement Equipment was out of service or inaccurate by an amount exceeding [] percent (%) during

the period since the last preceding verification and that the average rate of flow during such period was typical, then the results from the out of service or inaccurate instrument shall be disregarded for any period definitely known or agreed, or if not known or agreed for the lesser of [_____()] Days or one-half the elapsed time since the last preceding verification. The volume and/or Gross Heating Value of Gas delivered during such period shall be estimated:

14.4.5.1 if check measuring equipment is installed and registering accurately, then by using the measurements recorded by such check measuring equipment, or

14.4.5.2 if check measuring equipment is not installed or not registering accurately, then by correcting the error if the percentage of error is ascertainable by verification, calibration, or mathematical calculation, or

14.4.5.3 if neither method is feasible, then by estimating the volume and/or Gross Heating Value of Gas delivered based on deliveries during the preceding comparable period of time when the Measurement Equipment was registering accurately.

14.4.6 No correction for volume or Gross Heating Value shall be made for recorded inaccuracies of [_____] percent (___%) or less.

14.5 Administration

14.5.1 The Metering Party shall be responsible for the administration and reporting related to calibration, verification and recalibration of Measurement Equipment, including giving and receiving routine notices, scheduling and conducting tests, furnishing calibration and verification reports and making any corrections.

14.5.2 The Metering Party shall notify the other Party in a timely manner of all planned calibrations, verifications and recalibrations of the Measurement Equipment so that the other Party may arrange to have a representative present. The other Party may observe any measurement, test or adjustment to confirm that the Measurement Equipment is accurate within agreed tolerances and that the determination of the quantity and quality of Gas is carried out according to the standards, methods and procedures set out in this Agreement.

14.5.3 The Metering Party shall maintain all original test data, charts and other similar records generated by the Measurement Equipment for [_____()] Contract Years. The Metering Party shall provide to the other Party access during normal business hours to all such original test data, charts and other similar records.

14.6 Determination of Volume

14.6.1 The volume of Gas delivered shall be continuously measured and recorded. Depending on the installed Measurement Equipment the following international standards shall be applied [_____] [*Insert appropriate standard reference, e.g.*

ISO 5167, API 14.3, or AGA Report 3 - Flow measurements by orifice plates, nozzles and venturi tubes;

ISO 9951, or AGA Report 7 - Flow measurement by turbine meters;

ISO CD 12765, or AGA Report 9 - Flow measurement by ultrasonic meters].

14.7 Determination of Gross Heating Value

14.7.1 The Gross Heating Value of Gas delivered shall be continuously measured and recorded using the gas chromatographic method and shall be based on the following international standards [_____] [*Insert appropriate standard reference, e.g. ISO 6976 - Calculation of GHV and Wobbe Index from composition*].

14.7.2 If continuous Gross Heating Value measurements under Article 14.7.1 are not agreed or available, then the Metering Party shall collect samples of Gas at the Delivery Point at agreed intervals and shall analyze such samples. The Metering Party shall inform the other Party of the results of the analysis as soon as practicable.

14.7.2.1 Samples are to be collected by the appropriate technique according to ISO standards [_____] [*Insert appropriate standard reference, e.g.*

ISO/DIS 10715, API 14.1 - Sampling guidelines;

ISO 6141, 6142, 6143 - Calibration of gas mixtures].

14.7.2.2 The analyses shall specify the composition and physical properties of Gas.

14.7.2.3 If neither Party gives notice of objection to an analysis within thirty (30) Days of the date of receipt of the results, such analysis shall be deemed to be agreed. The results of analysis shall be applicable to the periods during which such samples were taken.

14.8 Determination of Energy Amount

The energy amount delivered shall be calculated from the volume, measured pursuant to Article 14.6, and the Gross Heating Value, measured pursuant to Article 14.7.

14.9 Determination of Composition

The composition of Gas, including hydrocarbons, water, sulfur and carbon dioxide, shall be measured and recorded at agreed intervals using the following international standards [_____] [*Insert appropriate standard reference, e.g.*

ISO 6570 - Determination of hydrocarbon liquid content;

ISO 10101 - Determination of water content;

ISO 6974 - Determination of hydrogen, inert gases and hydrocarbon up to C8 - gas chromatographic method;

ISO 6975 - Extended analysis –gas chromatographic method;

ISO 6326 - Determination of sulfur compounds].

ARTICLE 15 - PRICE

15.1 Contract Price And Index Adjustment To Base Price

In each Review Month, the Contract Price shall be calculated for the Contract Year or Quarter, as the case may be, beginning on the first Day of such Review Month using the formula set out below:

$$CP = BP \times \left[\left(WF_{(1)} \times \frac{Index1_{(p)}}{Index1_{(i)}} \right) + \left(WF_{(2)} \times \frac{Index2_{(p)}}{Index2_{(i)}} \right) + \dots + \left(WF_{(M)} \times \frac{IndexM_{(p)}}{IndexM_{(i)}} \right) \right]$$

Where:

CP = Contract Price

BP = Base Price

$WF_{(1)}$ = the weight factor for Index1, stated as a decimal

$Index1_{(p)}$ = the arithmetic average of the Monthly values of the [] Index for the [] () Months ending one (1) Month before the beginning of each Review Month

$Index1_{(i)}$ = []

$WF_{(2)}$ = the weight factor for Index2, stated as a decimal

$Index2_{(p)}$ = the arithmetic average of the Monthly values of the [] Index for the [] () Months ending one (1) Month before the beginning of each Review Month

$Index2_{(i)}$ = []

$WF_{(M)}$ = the weight factor for each IndexM, stated as a decimal

$IndexM_{(p)}$ = the arithmetic average of the Monthly values of the [] Index for the [] () Months ending one (1) Month before the beginning of each Review Month

$IndexM_{(i)}$ = []

M = each additional IndexM

15.2 Other Prices

15.2.1 The Pre-Start Date Gas Price for Gas made available and taken before the Start Date shall be [] percent (%) of the Contract Price.

15.2.2 The Over-Delivery Gas Price for the Over-Delivery Quantity referred to in Article 12.4.2 shall be [] percent (%) of the Contract Price.

15.2.3 The Shortfall Gas Price for Shortfall Quantities referred to in Article 12.5.1 shall be [] percent (%) of the Contract Price.

15.2.4 The Off-Specification Gas Price for Off-Specification Gas referred to in Article 13.3.8 shall be [] percent (%) of the Contract Price.

OPTION

15.2.5 The Excess Gas Price for Excess Gas Quantities referred to in Article 12.3 shall be [] percent (%) of the Contract Price.

15.2.6 The Take or Pay Gas Price for Buyer's Annual Deficiency Quantities referred to in Article 12.6 shall be

ALTERNATIVE 1

the arithmetic average of the Contract Price for each Month during such Contract Year.

ALTERNATIVE 2

the Contract Price for the last Month of such Contract Year.

ALTERNATIVE 3

[] percent (%) of the Contract Price for the last Month of such Contract Year.

15.2.7 The Make-Up Gas Price for Make-Up Gas Quantities referred to in Article 12.7 shall be [] percent (%) of the Contract Price.

15.3 VAT And Other Taxes

All prices stated in Article 15.1 and Article 15.2 are exclusive of all Taxes, based on or measured by the quantity, volume, content, value or price of Gas, which are imposed by the Government, or other taxing authority having jurisdiction, on the sale of Gas under this Agreement. If applicable, all such Taxes shall be in addition to the prices stated in Article 15.1 and Article 15.2, and shall be borne by the Party specified in Article 18.

15.4 Rounding

Calculations to determine the Contract Price for any period shall be made to at least five (5) decimal places, without rounding, and the final expression of Contract Price for any period shall be rounded to the fourth decimal place. When rounding, if the number in the fifth decimal place is four (4) or less then the number in the fourth decimal place shall remain the same, and if the number in the fifth decimal place is five (5) or more then the number in the fourth decimal place shall be rounded up to the next number.

15.5 Indices

When applying the pricing formula set out in Article 15.1, the value for each index, published in the relevant publication and for the relevant period specified in its definition, which is available on the last Day of the Review Month, shall be used, whether in final or provisional form.

15.6 Temporary Unavailability Of Index Or Error In Index

15.6.1 If, at the date when a value for an index is required to be used in the calculation of the Contract Price as described in Article 15.1, such value, in the opinion of both the Parties:

15.6.1.1 is temporarily not available from the relevant publication or source, but is likely to be available at a later date, then the Parties will jointly try to obtain and agree upon the relevant value from some other source; or

15.6.1.2 has been computed or published in an erroneous form, then, the Parties will jointly try to agree upon a corrected value.

15.6.2 To the extent that the Parties have been able to agree upon or, as the case may be, correct such value, the value shall be used in the said calculation, and the Contract Price determined from said calculation shall not subsequently be amended.

15.6.3 If, in either of the circumstances set out in Article 15.6.1.1 or Article 15.6.1.2, the Parties have been unable to obtain or agree upon any value, then the last available value not needing correction, or such other value as the Parties are jointly able to agree, shall be used in the said calculation to obtain a provisional Contract Price.

15.6.4 When the correct value becomes available from the specified publication or source, the Contract Price shall be recalculated using the correct value, and the amount of any resulting adjustment, together with interest at the Agreed Interest Rate, shall be included in the next Monthly Statement.

15.7 Permanent Unavailability Of Index

15.7.1 If, at the date when a value for an index is required to be used in the calculation of the Contract Price as described in Article 15.1, either Party is of the opinion that:

- 15.7.1.1 any required value for such index is permanently not available (or the Parties are unable to agree whether it is just temporarily unavailable); or
- 15.7.1.2 any required value or values for such index have been computed or published in an erroneous form; or
- 15.7.1.3 the basis of calculation (including, for the avoidance of doubt, the introduction of VAT or other taxes in the relevant index, where at the time of this Agreement they were not so included, or any change in the rates of VAT or other taxes included in the relevant index) of or the quality or type of commodity included in such index is changed so as to affect materially the validity of index comparison over time;

then the Party holding such opinion shall give notice to the other of such circumstances. The Parties will promptly meet and try to agree whether such opinion is valid and, if so, upon an appropriate amendment to or replacement of such index.

- 15.7.2 To the extent that the Parties have been able to agree upon or, as the case may be, correct such value or basis of calculation, it shall be used in the said calculation; and the Contract Price determined from said calculation shall not subsequently be amended.
- 15.7.3 If, in any of the circumstances set out in Article 15.7.1, the Parties have been unable to obtain or agree upon any value, then the last available value not needing correction, or such other value as the Parties are jointly able to agree, shall be used in the said calculation to obtain a provisional Contract Price.
- 15.7.4 If, within three (3) Months from the date of the said notice given in Article 15.7.1, no such agreement has been reached, then, at the request of either Party, the matter shall be referred to an Expert for determination.
- 15.7.5 The Expert shall determine a replacement index which will thereafter serve as the index. In selecting a replacement index, the Expert shall select a replacement index that will reflect as closely as possible the price behavior of the index which it replaces. The Expert shall have no power to change the weight factors in the formula in Article 15.1.

OPTION

15.8 Floor / Ceiling of Indices

ALTERNATIVE 1

In no event shall each index used in the calculation of the Contract Price as set out in Article 15.1 be greater than or less than the corresponding values set out below:

Index1 shall not be greater than [_____()] or less than [_____()];

Index2 shall not be greater than [_____()] or less than [_____()];

IndexM shall not be greater than [_____()] or less than [_____()].

ALTERNATIVE 2

15.8.1 If any index used in the calculation of the Contract Price as set out in Article 15.1 is greater than the prior Review Month index value by more than [_____] percent (___%), then the index value for the current Month shall be deemed equal to [_____] percent (___%) of the prior Review Month index.

15.8.2 If any index used in the calculation of the Contract Price as set out in Article 15.1 is less than its prior Review Month value by more than [_____] percent (___%), then the index

value for the current Month shall be deemed to be equal to [_____] percent (___%) of the prior Review Month index.

OPTION

15.9 Price Revision

ALTERNATIVE 1

15.9.1 If due to a Change in Laws Seller determines that in any Contract Year Seller has incurred an increase in Seller's costs or Taxes, or a decrease in Seller's revenues of more than [_____] percent (___%) of Seller's costs, Taxes or revenues, as the case may be:

15.9.1.1 reasonably projected by Seller as of the Effective Date in the case the Change in Laws occurs before the first anniversary of the Start Date; or

15.9.1.2 incurred in the preceding [_____(___)] Months in the case the Change in Laws occurs after the first anniversary of the Start Date,

then Seller may notify Buyer that Seller requests a revision of the Base Price to reflect any such increase in costs or Taxes or decrease in revenues, with the intent that the financial position of Seller shall remain unaffected by such Change in Laws; **provided that** Seller may not revise the Base Price more frequently than in each [_____] Contract Years.

15.9.2 Seller shall provide notice to Buyer of such request setting out the proposed amount of such change in the Base Price, together with the details and calculations relevant to its determination that the Base Price should be revised and the calculation of the proposed revised Base Price. In the event that Buyer wishes to verify any of the matters set out in Seller's notice, Buyer shall, at its own cost, procure the review of the prevailing Contract Price, and the proposed revision to the Base Price, by an independent auditor/consultant. Each Party shall extend necessary co-operation and assistance that is reasonably requested by the other Party in carrying out such review. Promptly, and in any event within [_____(___)] Days of receiving such request, Seller and Buyer shall discuss such proposed increase or decrease in good faith, and try to mutually agree on a revised Base Price within a period of [_____(___)] Days of the date of receipt of such request. In the event that the Parties fail to agree on a revision to the Base Price within such period, the matter shall be referred to an Expert pursuant to Article 23.4.

15.9.3 The Expert shall make a determination as to whether as a result of a Change in Laws a revision of the Base Price is required to reflect an increase in costs or Taxes or a decrease in revenues of Seller, with the intent that the financial position of Seller shall remain unaffected by such Change in Laws, and if so, what is an appropriate revision to the Base Price. The determination of the Expert shall be final and binding on the Parties. Any such revised Base Price shall be effective for the next Monthly Statement following

ALTERNATIVE 1A

the date of the Change of Laws that was the basis for the revision to the Base Price.

ALTERNATIVE 1B

the date of the notice requesting a revision of the Base Price.

ALTERNATIVE 2

15.9.1 If, after a period of [_____] (____) Contract Years, the Contract Price exceeds the Base Price by [_____] percent (____%) or is below the Base Price by [_____] percent (____%), then either Party may request that the Contract Price be redetermined; and the Parties shall meet to mutually redetermine the indexes used to determine the Contract Price; **provided that** the Parties may not revise the Contract Price more frequently than once in [_____] Contract Years.

15.9.2 If there is a dispute regarding the redetermination of the indexes pursuant to this Article 15.9, it shall be resolved by an Expert pursuant to Article 23.4.

ALTERNATIVE 3

If as a result of a Change in Laws Seller incurs an increase in its costs or Taxes, or a decrease in its revenues in any Contract Year, then Seller may revise the Base Price to reflect any such increase in costs or Taxes or decrease in revenues with the intent that the financial position of Seller shall remain unaffected by such Change in Laws; **provided that** Seller may not revise the Base Price more frequently than once in [_____] Contract Years.

OPTION

15.10 Additional Charges And Reimbursements

15.10.1 All third party transportation charges to transport Gas to the Delivery Point shall be paid by the

ALTERNATIVE 1

Seller.

ALTERNATIVE 1A

Seller shall include as an additional charge in the Monthly Amount Due for each Month the actual third party transportation charges Seller incurs for such Month. Seller shall furnish to Buyer documentation supporting such additional charge.

ALTERNATIVE 1B

All third party transportation charges are included in the Base Price.

ALTERNATIVE 2

Buyer.

ALTERNATIVE 2A

Buyer shall be entitled to apply as a credit against the Monthly Amount Due for each Month the actual third party transportation charges Buyer incurs for such Month. Buyer shall furnish to Seller documentation supporting such credit.

ALTERNATIVE 2B

All third party transportation charges are included in the Base Price.

15.10.2 All third party charges for treatment of Gas shall be paid by the

ALTERNATIVE 1

Seller.

ALTERNATIVE 1A

Seller shall include as an additional charge in the Monthly Amount Due for each Month the actual third party treatment charges Seller incurs for such Month. Seller shall furnish to Buyer documentation supporting such additional charge.

ALTERNATIVE 1B

All third party treatment charges are included in the Base Price.

ALTERNATIVE 2

Buyer.

ALTERNATIVE 2A

Buyer shall be entitled to apply as a credit against the Monthly Amount Due for each Month the actual third party treatment charges Buyer incurs for such Month. Buyer shall furnish to Seller documentation supporting such credit.

ALTERNATIVE 2B

All third party treatment charges are included in the Base Price.

ARTICLE 16 - DETERMINATION OF DAILY GAS VALUE

16.1 Pre-Start Date

For each Day before the Start Date the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Daily Actual Quantity (DAQ) multiplied by the Pre-Start Date Gas Price (PGP) determined using the following formula:

$$DGV = DAQ \times PGP$$

16.2 No Off-Specification Quantity (OSQ) And No Make-Up Quantity (MUQ)

For each Day following the Start Date where there was no Off-Specification Quantity (OSQ) and no Make-Up Quantity (MUQ):

16.2.1 if the Daily Actual Quantity (DAQ) is within the Delivery Tolerance Quantity (DTQ) of the Properly Nominated Quantity (PNQ),

$$\left(PNQ - DTQ \right) \leq DAQ \leq \left(PNQ + DTQ \right)$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Daily Actual Quantity (DAQ) multiplied by the Contract Price (CP) determined using the following formula:

$$DGV = DAQ \times CP$$

16.2.2 if the Daily Actual Quantity (DAQ) is more than the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ), and Buyer requested an Excess Requested Quantity (ERQ),

$$DAQ > \left(PNQ + DTQ \right), \text{ and } ERQ > 0$$

16.2.2.1 if the Daily Actual Quantity (DAQ) is more than the Maximum Daily Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) but less than or equal to the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) plus the Excess Requested Quantity (ERQ)

$$\left(\text{MaxDCQ} + \text{DTQ} \right) < \text{DAQ} \leq \left[\left(\text{MaxDCQ} + \text{DTQ} \right) + \text{ERQ} \right],$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the amount of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) multiplied by the Contract Price (CP), plus the Excess Gas Quantity (EGQ) multiplied by the Excess Gas Price (EGP) determined using the following formula:

$$\text{DGV} = \left[\left(\text{MaxDCQ} + \text{DTQ} \right) \times \text{CP} \right] + \left(\text{EGQ} \times \text{EGP} \right)$$

$$\text{Where: EGQ} = \left[\text{DAQ} - \left(\text{MaxDCQ} + \text{DTQ} \right) \right]$$

16.2.2.2 if the Daily Actual Quantity (DAQ) is more than the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) plus the Excess Requested Quantity (ERQ)

$$\text{DAQ} > \left[\left(\text{MaxDCQ} + \text{DTQ} \right) + \text{ERQ} \right],$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the amount of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) multiplied by the Contract Price (CP), plus the Excess Requested Quantity (ERQ) multiplied by the Excess Gas Price (EGP), plus the Over-Delivery Quantity (ODQ) multiplied by the Over-Delivery Gas Price (ODP) determined using the following formula:

$$\text{DGV} = \left[\left(\text{MaxDCQ} + \text{DTQ} \right) \times \text{CP} \right] + \left(\text{ERQ} \times \text{EGP} \right) + \left(\text{ODQ} \times \text{ODP} \right)$$

$$\text{Where: ODQ} = \left[\text{DAQ} - \left(\text{MaxDCQ} + \text{DTQ} \right) - \text{ERQ} \right]$$

16.2.3 if the Daily Actual Quantity (DAQ) is more than the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ), and Buyer did not request an Excess Requested Quantity (ERQ),

$$\text{DAQ} > \left(\text{PNQ} + \text{DTQ} \right), \text{ and ERQ} = 0$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the amount of the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ) multiplied by the Contract Price (CP), plus the Over-Delivery Quantity (ODQ) multiplied by the Over-Delivery Gas Price (ODP) determined using the following formula:

$$\text{DGV} = \left[\left(\text{PNQ} + \text{DTQ} \right) \times \text{CP} \right] + \left(\text{ODQ} \times \text{ODP} \right)$$

$$\text{Where: } ODQ = \left[DAQ - (PNQ + DTQ) \right]$$

- 16.2.4 if the Daily Actual Quantity (DAQ) is less than the Properly Nominated Quantity (PNQ) minus the Delivery Tolerance Quantity (DTQ)

$$DAQ < (PNQ - DTQ),$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Daily Actual Quantity (DAQ) multiplied by the Contract Price (CP), less the Shortfall Quantity (SFQ) multiplied by the Shortfall Gas Price (SFP) determined using the following formula:

$$DGV = (DAQ \times CP) - (SFQ \times SFP)$$

$$\text{Where: } SFQ = \left[(PNQ - DTQ) - DAQ \right]$$

16.3 Make-Up Quantity (MUQ) But No Off-Specification Quantity (OSQ)

For each Day following the Start Date where there was a Make-Up Quantity (MUQ) but there was no Off-Specification Quantity (OSQ):

- 16.3.1 if the Daily Actual Quantity (DAQ) is within the Delivery Tolerance Quantity (DTQ) of the Properly Nominated Quantity (PNQ),

$$(PNQ - DTQ) \leq DAQ \leq (PNQ + DTQ),$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the amount of the Daily Actual Quantity (DAQ) less the Make-Up Quantity (MUQ) multiplied by the Contract Price (CP), plus the Make-Up Quantity (MUQ) multiplied by the Make-Up Gas Price (MUP) determined using the following formula:

$$DGV = \left[(DAQ - MUQ) \times CP \right] + (MUQ \times MUP)$$

- 16.3.2 if the Daily Actual Quantity (DAQ) is more than the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ), and Buyer requested an Excess Requested Quantity (ERQ),

$$DAQ > (PNQ + DTQ), \text{ and } ERQ > 0$$

16.3.2.1 if the Daily Actual Quantity (DAQ) is more than the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ), but less than or equal to the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) plus the Excess Requested Quantity (ERQ)

$$\left(\text{MaxDCQ} + \text{DTQ} \right) < DAQ \leq \left[\left(\text{MaxDCQ} + \text{DTQ} \right) + \text{ERQ} \right],$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the amount of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery

Tolerance Quantity (DTQ) less the Make-Up Quantity (MUQ) multiplied by the Contract Price (CP), plus the Make-Up Quantity (MUQ) multiplied by the Make-Up Gas Price (MUP), plus the Excess Gas Quantity (EGQ) multiplied by the Excess Gas Price (EGP) determined using the following formula:

$$DGV = \left\{ \left[\left(\text{MaxDCQ} + \text{DTQ} \right) - \text{MUQ} \right] \times \text{CP} \right\} + \left(\text{MUQ} \times \text{MUP} \right) + \left(\text{EGQ} \times \text{EGP} \right)$$

$$\text{Where: EGQ} = \left[\text{DAQ} - \left(\text{MaxDCQ} + \text{DTQ} \right) \right]$$

16.3.2.2 if the Daily Actual Quantity (DAQ) is more than the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) plus the Excess Requested Quantity (ERQ)

$$\text{DAQ} > \left[\left(\text{MaxDCQ} + \text{DTQ} \right) + \text{ERQ} \right],$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the amount of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) less the Make-Up Quantity (MUQ) multiplied by the Contract Price (CP), plus the Make-Up Quantity (MUQ) multiplied by the Make-Up Gas Price (MUP), plus the Excess Requested Quantity (ERQ) multiplied by the Excess Gas Price (EGP), plus the Over-Delivery Quantity (ODQ) multiplied by the Over-Delivery Gas Price (ODP) determined using the following formula:

$$DGV = \left\{ \left[\left(\text{MaxDCQ} + \text{DTQ} \right) - \text{MUQ} \right] \times \text{CP} \right\} + \left(\text{MUQ} \times \text{MUP} \right) + \left(\text{ERQ} \times \text{EGP} \right) + \left(\text{ODQ} \times \text{ODP} \right)$$

$$\text{Where: ODQ} = \left[\text{DAQ} - \left(\text{MaxDCQ} + \text{DTQ} \right) - \text{ERQ} \right]$$

16.3.3 if the Daily Actual Quantity (DAQ) is more than the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ), and Buyer did not request an Excess Requested Quantity (ERQ),

$$\text{DAQ} > \left(\text{PNQ} + \text{DTQ} \right), \text{ and ERQ} = 0$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the amount of the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ) less the Make-Up Quantity (MUQ) multiplied by the Contract Price (CP), plus the Make-Up Quantity (MUQ) multiplied by the Make-Up Gas Price (MUP), plus the Over-Delivery Quantity (ODQ) multiplied by the Over-Delivery Gas Price (ODP) determined using the following formula:

$$DGV = \left\{ \left[\left(\text{PNQ} + \text{DTQ} \right) - \text{MUQ} \right] \times \text{CP} \right\} + \left(\text{MUQ} \times \text{MUP} \right) + \left(\text{ODQ} \times \text{ODP} \right)$$

$$\text{Where: ODQ} = \left[\text{DAQ} - \left(\text{PNQ} + \text{DTQ} \right) \right]$$

16.3.4 if the Daily Actual Quantity (DAQ) is less than the Properly Nominated Quantity (PNQ) minus the Delivery Tolerance Quantity (DTQ)

$$DAQ < (PNQ - DTQ), \text{ and}$$

16.3.4.1 if the Daily Actual Quantity (DAQ) is more than or equal to the Make-Up Quantity (MUQ)

$$DAQ \geq MUQ,$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the amount of the Daily Actual Quantity (DAQ) less the Make-Up Quantity (MUQ) multiplied by the Contract Price (CP), plus the Make-Up Quantity (MUQ) multiplied by the Make-Up Gas Price (MUP), less the Shortfall Quantity (SFQ) multiplied by the Shortfall Gas Price (SFP) determined using the following formula:

$$DGV = \left[(DAQ - MUQ) \times CP \right] + (MUQ \times MUP) - (SFQ \times SFP)$$

$$\text{Where: } SFQ = \left[(PNQ - DTQ) - DAQ \right]$$

16.3.4.2 if the Daily Actual Quantity (DAQ) is less than the Make-Up Quantity (MUQ)

$$DAQ < MUQ,$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Daily Actual Quantity (DAQ) multiplied by the Make-Up Gas Price (MUP), less the Shortfall Quantity (SFQ) multiplied by the Shortfall Gas Price (SFP) determined using the following formula:

$$DGV = (DAQ \times MUP) - (SFQ \times SFP)$$

$$\text{Where: } SFQ = \left[(PNQ - DTQ) - DAQ \right]$$

16.4 Off-Specification Quantity (OSQ) But No Make-Up Quantity (MUQ)

For each Day following the Start Date where there was an Off-Specification Quantity (OSQ) but there was no Make-Up Quantity (MUQ):

16.4.1 if the Daily Actual Quantity (DAQ) is within the Delivery Tolerance Quantity (DTQ) of the Properly Nominated Quantity (PNQ),

$$(PNQ - DTQ) \leq DAQ \leq (PNQ + DTQ),$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) multiplied by the Contract Price (CP), plus the amount of the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP) determined using the following formula:

$$DGV = \left[(DAQ - OSQ) \times CP \right] + (OSQ \times OSP)$$

- 16.4.2 if the Daily Actual Quantity (DAQ) is more than the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ), and Buyer requested an Excess Requested Quantity (ERQ),

$$DAQ > (PNQ + DTQ), \text{ and } ERQ > 0$$

- 16.4.2.1 if the Daily Actual Quantity (DAQ) is more than the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ), but less than or equal to the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) plus the Excess Requested Quantity (ERQ)

$$(MaxDCQ + DTQ) < DAQ \leq [(MaxDCQ + DTQ) + ERQ],$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the total of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Contract Price (CP), plus the Excess Gas Quantity (EGQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Excess Gas Price (EGP) determined using the following formula:

$$DGV = (OSQ \times OSP) + \left\{ \left(\frac{DAQ - OSQ}{DAQ} \right) \times \left[\left[(MaxDCQ + DTQ) \times CP \right] + (EGQ \times EGP) \right] \right\}$$

$$\text{Where: } EGQ = \left[DAQ - (MaxDCQ + DTQ) \right]$$

- 16.4.2.2 if the Daily Actual Quantity (DAQ) is more than the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) plus the Excess Requested Quantity (ERQ)

$$DAQ > [(MaxDCQ + DTQ) + ERQ],$$

then the Daily Gas Value for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the total of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Contract Price (CP), plus the Excess Requested Quantity (ERQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Excess Gas Price (EGP), plus the Over-Delivery Quantity (ODQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Over-Delivery Gas Price (ODP) determined using the following formula:

$$DGV = \left(OSQ \times OSP \right) + \left(\frac{DAQ - OSQ}{DAQ} \right) \times \left\{ \left[\left(\text{MaxDCQ} + DTQ \right) \times CP \right] + \left(ERQ \times EGP \right) + \left(ODQ \times ODP \right) \right\}$$

$$\text{Where: } ODQ = \left[DAQ - \left(\text{MaxDCQ} + DTQ \right) - ERQ \right]$$

- 16.4.3 if the Daily Actual Quantity (DAQ) is more than the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ), and Buyer did not request an Excess Requested Quantity (ERQ),

$$DAQ > \left(PNQ + DTQ \right), \text{ and } ERQ = 0$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the total of the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Contract Price (CP), plus Over-Delivery Quantity (ODQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Over-Delivery Gas Price (ODP) determined using the following formula:

$$DGV = \left(OSQ \times OSP \right) + \left(\frac{DAQ - OSQ}{DAQ} \right) \times \left\{ \left[\left(PNQ + DTQ \right) \times CP \right] + \left(ODQ \times ODP \right) \right\}$$

$$\text{Where: } ODQ = \left[DAQ - \left(PNQ + DTQ \right) \right]$$

- 16.4.4 if the Daily Actual Quantity (DAQ) is less than the Properly Nominated Quantity (PNQ) minus the Delivery Tolerance Quantity (DTQ)

$$DAQ < \left(PNQ - DTQ \right),$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) multiplied by the Contract price (CP), less the Shortfall Quantity (SFQ) multiplied by the Shortfall Gas Price (SFP) determined using the following formula:

$$DGV = \left(OSQ \times OSP \right) + \left[\left(DAQ - OSQ \right) \times CP \right] - \left(SFQ \times SFP \right)$$

$$\text{Where: } SFQ = \left[\left(PNQ - DTQ \right) - DAQ \right]$$

16.5 Off-Specification Quantity (OSQ) And Make-Up Quantity (MUQ)

For each Day following the Start Date where there was both an Off-Specification Quantity (OSQ) and a Make-Up Quantity (MUQ):

- 16.5.1 if the Daily Actual Quantity (DAQ) is within the Delivery Tolerance Quantity (DTQ) of the Properly Nominated Quantity (PNQ),

$$\left(\text{PNQ} - \text{DTQ} \right) \leq \text{DAQ} \leq \left(\text{PNQ} + \text{DTQ} \right), \text{ and}$$

16.5.1.1 if the Off-Specification Quantity (OSQ) is less than the Make-Up Quantity (MUQ)

$$\text{OSQ} < \text{MUQ}$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the Make-Up Quantity (MUQ) multiplied by the Make-Up Gas Price (MUP), plus the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) and the Make-Up Quantity (MUQ) multiplied by the Contract Price (CP) determined using the following formula:

$$\text{DGV} = \left(\text{OSQ} \times \text{OSP} \right) + \left(\text{MUQ} \times \text{MUP} \right) + \left\{ \left[\text{DAQ} - \left(\text{OSQ} + \text{MUQ} \right) \right] \times \text{CP} \right\}$$

16.5.1.2 if the Off-Specification Quantity (OSQ) is more than or equal to the Make-Up Quantity (MUQ)

$$\text{OSQ} \geq \text{MUQ}$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the total of the Daily Actual Quantity (DAQ) less the Make-Up Quantity (MUQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Contract Price (CP), plus the Make-Up Quantity (MUQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Make-Up Gas Price (MUP) determined using the following formula:

$$\text{DGV} = \left(\text{OSQ} \times \text{OSP} \right) + \left\{ \left(\frac{\text{DAQ} - \text{OSQ}}{\text{DAQ}} \right) \times \left\{ \left[\left(\text{DAQ} - \text{MUQ} \right) \times \text{CP} \right] + \left(\text{MUQ} \times \text{MUP} \right) \right\} \right\}$$

16.5.2 if the Daily Actual Quantity (DAQ) is more than the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ), and Buyer requested an Excess Requested Quantity (ERQ),

$$\text{DAQ} > \left(\text{PNQ} + \text{DTQ} \right), \text{ ERQ} > 0, \text{ and}$$

16.5.2.1 if the Daily Actual Quantity (DAQ) is more than the Maximum Daily Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ), but less than or equal to the Maximum Daily Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) plus the Excess Requested Quantity (ERQ)

$$\left(\text{MaxDCQ} + \text{DTQ} \right) < \text{DAQ} \leq \left[\left(\text{MaxDCQ} + \text{DTQ} \right) + \text{ERQ} \right], \text{ and}$$

(a) if the Off-Specification Quantity (OSQ) is less than the Make-Up Quantity (MUQ)

$$OSQ < MUQ$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the Make-Up Quantity (MUQ) multiplied by the Make-Up Gas Price (MUP), plus the total of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less total of the Off-Specification Quantity (OSQ) plus the Make-Up Quantity (MUQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Contract Price (CP), plus the Excess Gas Quantity (EGQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) less the Make-Up Quantity (MUQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Excess Gas Price (EGP) determined using the following formula:

$$DGV = (OSQ \times OSP) + (MUQ \times MUP) + \left\langle \left[\frac{DAQ - (OSQ + MUQ)}{DAQ} \right] \times \left\{ \left[(MaxDCQ + DTQ) \times CP \right] + (EGQ \times EGP) \right\} \right\rangle$$

$$\text{Where: } EGQ = \left[DAQ - (MaxDCQ + DTQ) \right]$$

- (b) if the Off-Specification Quantity (OSQ) is more than or equal to the Make-Up Quantity (MUQ)

$$OSQ \geq MUQ$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the total of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) less the Make-Up Quantity (MUQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Contract Price (CP), plus the Make-Up Quantity (MUQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Make-Up Gas Price (MUP), plus the Excess Gas Quantity (EGQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Excess Gas Price (EGP) determined using the following formula:

$$DGV = (OSQ \times OSP) + \left\langle \left(\frac{DAQ - OSQ}{DAQ} \right) \times \left\{ \left[(MaxDCQ + DTQ) - MUQ \right] \times CP \right\} + (MUQ \times MUP) + (EGQ \times EGP) \right\rangle$$

$$\text{Where: EGQ} = \left[\text{DAQ} - \left(\text{MaxDCQ} + \text{DTQ} \right) \right]$$

16.5.2.2 if the Daily Actual Quantity (DAQ) is more than the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) plus the Excess Requested Quantity (ERQ)

$$\text{DAQ} > \left[\left(\text{MaxDCQ} + \text{DTQ} \right) + \text{ERQ} \right], \text{ and}$$

- (a) if the Off-Specification Quantity (OSQ) is less than the Make-Up Quantity (MUQ)

$$\text{OSQ} < \text{MUQ}$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the Make-Up Quantity (MUQ) multiplied by the Make-Up Gas Price (MUP), plus the total of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) less the Make-Up Quantity (MUQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Contract Price (CP), plus the Excess Requested Quantity (ERQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) less the Make-Up Quantity (MUQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Excess Gas Price (EGP), plus the Over-Delivery Quantity (ODQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the total of the Off-Specification Quantity (OSQ) plus the Make-Up Quantity (MUQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Over-Delivery Gas Price (ODP) determined using the following formula:

$$\text{DGV} = \left(\text{OSQ} \times \text{OSP} \right) + \left(\text{MUQ} \times \text{MUP} \right) + \left\langle \left[\frac{\text{DAQ} - (\text{OSQ} + \text{MUQ})}{\text{DAQ}} \right] \times \left\{ \left[\left(\text{MaxDCQ} + \text{DTQ} \right) \times \text{CP} \right] + \left(\text{ERQ} \times \text{EGP} \right) + \left(\text{ODQ} \times \text{ODP} \right) \right\} \right\rangle$$

$$\text{Where: ODQ} = \left[\text{DAQ} - \left(\text{MaxDCQ} + \text{DTQ} \right) - \text{ERQ} \right]$$

- (b) if the Off-Specification Quantity (OSQ) is more than or equal to the Make-Up Quantity (MUQ)

$$\text{OSQ} \geq \text{MUQ}$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the total of the Maximum Daily Contract Quantity (MaxDCQ) plus the Delivery Tolerance Quantity (DTQ) less the Make-Up Quantity (MUQ) proportionately reduced (in the ratio that the amount of

$$\text{Where: } ODQ = \left[DAQ - (PNQ + DTQ) \right]$$

16.5.3.2 if the Off-Specification Quantity (OSQ) is more than or equal to the Make-Up Quantity (MUQ)

$$OSQ \geq MUQ$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the total of the Properly Nominated Quantity (PNQ) plus the Delivery Tolerance Quantity (DTQ) less the Make-Up Quantity (MUQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Contract Price (CP), plus the Make-Up Quantity (MUQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Make-Up Gas Price (MUP), plus the Over-Delivery Quantity (ODQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Over-Delivery Gas Price (ODP) determined using the following formula:

$$DGV = \left(OSQ \times OSP \right) + \left\langle \left(\frac{DAQ - OSQ}{DAQ} \right) \times \left[\left[\left(\left(PNQ + DTQ \right) - MUQ \right) \times CP \right] + \left(MUQ \times MUP \right) + \left(ODQ \times ODP \right) \right] \right\rangle$$

$$\text{Where: } ODQ = \left[DAQ - (PNQ + DTQ) \right]$$

16.5.4 if the Daily Actual Quantity (DAQ) is less than the Properly Nominated Quantity (PNQ) minus the Delivery Tolerance Quantity (DTQ)

$$DAQ < (PNQ - DTQ), \text{ and}$$

16.5.4.1 if the Daily Actual Quantity (DAQ) is more than or equal to the Make-Up Quantity (MUQ)

$$DAQ \geq MUQ, \text{ and}$$

(a) if the Off-Specification Quantity (OSQ) is less than the Make-Up Quantity (MUQ)

$$OSQ < MUQ$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the Make-Up Quantity (MUQ) multiplied by the Make-Up Gas Price (MUP), plus the total of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) less the Make-Up

Quantity (MUQ) multiplied by the Contract Price (CP), less the Shortfall Quantity (SFQ) multiplied by the Shortfall Gas Price (SFP) determined using the following formula:

$$DGV = \left(OSQ \times OSP \right) + \left(MUQ \times MUP \right) + \left\{ \left[DAQ - \left(OSQ + MUQ \right) \right] \times CP \right\} - \left(SFQ \times SFP \right)$$

$$\text{Where: } SFQ = \left[\left(PNQ - DTQ \right) - DAQ \right]$$

- (b) if the Off-Specification Quantity (OSQ) is more than or equal to the Make-Up Quantity (MUP)

$$OSQ \geq MUQ$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the total of the Daily Actual Quantity (DAQ) less the Make-Up Quantity (MUQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Contract Price (CP), plus the Make-Up Quantity (MUQ) proportionately reduced (in the ratio that the amount of the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) bears to the Daily Actual Quantity (DAQ)) multiplied by the Make-Up Gas Price (MUP), less the Shortfall Quantity (SFQ) multiplied by the Shortfall Gas Price (SFP) determined using the following formula:

$$DGV = \left(OSQ \times OSP \right) + \left(\frac{DAQ - OSQ}{DAQ} \right) \times \left\{ \left[\left(DAQ - MUQ \right) \times CP \right] + \left(MUQ \times MUP \right) \right\} - \left(SFQ \times SFP \right)$$

$$\text{Where: } SFQ = \left[\left(PNQ - DTQ \right) - DAQ \right]$$

- 16.5.4.2 if the Daily Actual Quantity (DAQ) is less than the Make-Up Quantity (MUQ)

$$DAQ < MUQ,$$

then the Daily Gas Value (DGV) for Gas delivered during such Day shall be the Off-Specification Quantity (OSQ) multiplied by the Off-Specification Gas Price (OSP), plus the Daily Actual Quantity (DAQ) less the Off-Specification Quantity (OSQ) multiplied by the Make-Up Gas Price (MUP), less the Shortfall Quantity (SFQ) multiplied by the Shortfall Gas Price (SFP) determined using the following formula:

$$DGV = \left(OSQ \times OSP \right) + \left[\left(DAQ - OSQ \right) \times MUP \right] - \left(SFQ \times SFP \right)$$

$$\text{Where: } SFQ = \left[\left(PNQ - DTQ \right) - DAQ \right]$$

Where:

CP is the Contract Price applicable for any Day in such Month,

DAQ is the Daily Actual Quantity made available and taken on any Day in such Month,
DGV is the Daily Gas Value calculated for each Day in such Month
DTQ is the Delivery Tolerance Quantity applicable for any Day in such Month,
EGP is the Excess Gas Price applicable for any Day in such Month,
EGQ is the Excess Gas Quantity for any Day in such Month,
ERQ is the Excess Requested Price for any Day in such Month,
MaxDCQ is the Maximum Daily Contract Quantity for any Day in such Month,
MUP is the Make-Up Gas Price applicable for any Day in such Month.
MUQ is the Make-Up Quantity for any Day in such Month,
ODP is the Over-Delivery Gas Price applicable for any Day in such Month,
ODQ is the Over-Delivery Quantity for any Day in such Month,
OSP is the Off-Specification Gas Price applicable for any Day in such Month,
OSQ is the Off-Specification Quantity for any Day in such Month,
PGP is the Pre-Start Date Gas Price for any Day in such Month,
PNQ is the Properly Nominated Quantity for any Day in such Month,
SFP is the Shortfall Gas Price applicable for any Day in such Month,
SFQ is the Shortfall Quantity for any Day in such Month,

ARTICLE 17 - BILLING AND PAYMENT

17.1 Monthly Statements

By the [_____] (____) [e.g. *tenth (10th)*] Day of each Month after the Initial Delivery Date, Seller shall send to Buyer a Monthly Statement in the form specified in Attachment 17.1 setting out:

- 17.1.1 for each Day during the previous Month, expressed in units of volume and energy amount:
 - 17.1.1.1 the Properly Nominated Quantity;
 - 17.1.1.2 any Excess Requested Quantity, if any;
 - 17.1.1.3 the Delivery Tolerance Quantity;
 - 17.1.1.4 the Daily Actual Quantity;
 - 17.1.1.5 the Over-Delivery Quantity, if any;
 - 17.1.1.6 the Shortfall Quantity, if any;
 - 17.1.1.7 the Off-Specification Quantity, if any;
 - 17.1.1.8 the Excess Gas Quantity, if any; and
 - 17.1.1.9 the Make-Up Quantity, if any.
- 17.1.2 the following prices in force during the previous Month, together with the applicable calculation of each such price:

- 17.1.2.1 the Contract Price;
 - 17.1.2.2 the Pre-Start Date Gas Price;
 - 17.1.2.3 the Over-Delivery Gas Price;
 - 17.1.2.4 the Shortfall Gas Price;
 - 17.1.2.5 the Off-Specification Gas Price;
 - 17.1.2.6 the Excess Gas Price; and
 - 17.1.2.7 the Make-Up Gas Price.
- 17.1.3 the calculation of the Daily Gas Value for each Day during such Month pursuant to Article 16.
- 17.1.4 the Monthly Gas Value payable by the Party determined pursuant to Article 17.1.10 to the other Party in respect of Gas delivered during such Month determined using the following formula:

$$MGV = \sum_{i=1}^n DGV_{(i)}$$

Where:

- MGV is the Monthly Gas Value for such Month,
- DGV_(i) is the Daily Gas Value for any Day “i” in such Month,
- i is each Day in such Month, and
- n is the number of Days in such Month.

- 17.1.5 any other amount due from Buyer to Seller under this Agreement for such Month (“OBA”);
- 17.1.6 any Taxes [] applicable to amounts due from Buyer to Seller for such Month, together with the applicable calculation (“TAOB”);
- 17.1.7 any other amount due from Seller to Buyer under this Agreement for such Month (“OSA”);
- 17.1.8 any Taxes [] applicable to amounts due from Seller to Buyer for such Month, together with the applicable calculation (“TAOS”);
- 17.1.9 the Monthly Amount Due under this Agreement in respect of such Month determined using the following formula:

$$MAD = \left[\left(MGV + TMG \right) + \left(OBA + TAOB \right) - \left(OSA + TAOS \right) \right]$$

Where:

- MAD is the Monthly Amount Due for such Month,
- MGV is the Monthly Gas Value for such Month,
- TMG are the Taxes attributable to the Monthly Gas Value for such Month due from Buyer to Seller,
- OBA is any other amount due from Buyer during such Month set out in Article 17.1.5,

TAOB are the Taxes attributable to other amounts due from Buyer during such Month set out in Article 17.1.6,

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OSA is any other amount due from Seller during such Month set out in Article 17.1.7,

TAOS are the Taxes attributable to other amounts due from Seller during such Month set out in Article 17.1.8.

17.1.10 If MAD is a positive number, Buyer shall pay the Monthly Amount Due for such Month to Seller. If MAD is a negative number, Seller shall pay the Monthly Amount Due for such Month to Buyer.

17.2 Annual Statements

By the [_____] (_____) [e.g. *thirtieth (30th)*] Day after the end of each Contract Year, Seller shall send to Buyer an Annual Statement in the form specified in Attachment 17.2 setting out:

- 17.2.1 the Annual Contract Quantity for such Contract Year, expressed in units of volume and energy amount, together with the applicable calculation;
- 17.2.2 the aggregate quantity of Scheduled Maintenance Quantities, if any, attributable to Gas not made available by Seller, or not taken by Buyer, during such Contract Year, expressed in units of volume and energy amount by Month;
- 17.2.3 the aggregate quantity of Force Majeure Quantities, if any, attributable to Gas not made available by Seller, or not taken by Buyer, during such Contract Year, expressed in units of volume and energy amount by Month;
- 17.2.4 the aggregate quantity of Shortfall Quantities, if any, attributable to Gas not made available by Seller during such Contract Year, expressed in units of volume and energy amount by Month;
- 17.2.5 the Operational Flexibility Credit, if any, designated in the annual forecast for such Contract Year, together with the applicable calculation;
- 17.2.6 the Adjusted ACQ for such Contract Year, expressed in units of volume and energy amount, together with the applicable calculation;
- 17.2.7 the Take or Pay Quantity for such Contract Year, expressed in units of volume and energy amount, together with the applicable calculation;
- 17.2.8 the Carry Forward Aggregate, if any, at the beginning of such Contract Year, and the total amount of Carry Forward Credit Quantity, if any, applied pursuant to Article 12.8 during such Contract Year, expressed in units of volume and energy amount;
- 17.2.9 the Annual Actual Quantity for such Contract Year, expressed in units of volume and energy amount by Month;
- 17.2.10 the aggregate quantity of Excess Gas Quantities, if any, taken by Buyer during such Contract Year, expressed in units of volume and energy amount by Month;
- 17.2.11 the Make-Up Aggregate, if any, at the beginning of such Contract Year, and the total amount of Make-Up Quantity, if any, taken pursuant to Article 12.7 during such Contract Year, expressed in units of volume and energy amount;
- 17.2.12 Buyer's Annual Deficiency Quantity, if any, for such Contract Year expressed in units of volume and energy amount, together with the applicable calculation;

- 17.2.13 Buyer's Annual Surplus Quantity, if any, for such Contract Year expressed in units of volume and energy amount, together with the applicable calculation;
- 17.2.14 the Take or Pay Gas Price for such Contract Year;
- 17.2.15 Buyer's Deficiency Payment, if any, for such Contract Year, together with the applicable calculation;
- 17.2.16 any other amount due from Buyer to Seller under this Agreement for such Contract Year ("AOBA");
- 17.2.17 any Taxes [] applicable to amounts due from Buyer to Seller for such Contract Year that have not been included in the Monthly Statements, together with the applicable calculation ("ATAOB");
- 17.2.18 any other amount due from Seller to Buyer under this Agreement for such Contract Year ("AOSA");
- 17.2.19 any Taxes [] applicable to amounts due from Seller to Buyer for such Contract Year that have not been included in the Monthly Statements, together with the applicable calculation ("ATAOS");
- 17.2.20 the Annual Amount Due under this Agreement in respect of such Contract Year determined using the following formula:

$$AAD = \left[\left(BDP + ATG \right) + \left(AOBA + ATAOB \right) - \left(AOSA + ATAOS \right) \right]$$

Where:

AAD is the annual amount due for such Contract Year,

BDP is Buyer's Deficiency Payment for such Contract Year,

ATG are the Taxes attributable to Buyer's Deficiency Payment for such Contract Year due from Buyer to Seller,

AOBA is any other amounts due from Buyer during such Contract Year set out in Article 17.2.16,

ATAOB are the Taxes attributable to other amounts due from Buyer during such Contract Year set out in Article 17.2.17,

AOSA is any other amount due from Seller during such Contract Year set out in Article 17.2.18,

ATAOS are the Taxes attributable other amounts due from Seller during such Contract Year set out in Article 17.2.19.

If AAD is a positive number, Buyer shall pay the Annual Amount Due for such Contract Year to Seller. If AAD is a negative number, Seller shall pay the Annual Amount Due for such Contract Year to Buyer;

- 17.2.21 the amount of the Make-Up Aggregate available for the then current Contract Year, if any, expressed in units of volume and energy amount, together with the applicable calculation;
- 17.2.22 the amount of the Carry Forward Aggregate available for the then current Contract Year, if any, expressed in units of volume and energy amount, together with the applicable calculation.

17.3 Payment

- 17.3.1 The due date for payment of each such statement shall be the later of the [_____] (____th) Day after receipt of such invoice or the last Day of the Month in which such statement is received.
- 17.3.2 If the due date for payment pursuant to Article 17.3.1 is not a Business Day then the due date for payment shall be the next Business Day.
- 17.3.3 All payments shall be made without set off of any amounts.

17.4 Disputed Amounts

- 17.4.1 If any portion or all of any amount in any statement is disputed, the Party that is obligated to pay such amount shall pay the:

ALTERNATIVE 1

undisputed amount on or before the due date for payment and the Parties shall seek to settle the Disputed Amount pursuant to Article 17.4.2.

ALTERNATIVE 2

total amount, which is not manifest error, set out in each such statement on or before the due date and the Parties shall seek to settle the Disputed Amount pursuant to Article 17.4.2.

ALTERNATIVE 3

undisputed amount on or before the due date for payment. The Disputed Amount shall be placed in an interest bearing escrow account to be mutually agreed to between the Parties until such dispute is resolved pursuant to Article 17.4.2 and/or Article 17.4.3.

- 17.4.2 The Parties shall try to resolve any Disputed Amount as quickly as possible, and any adjustments necessary to reconcile the resolution of the Dispute with the amount actually paid shall be paid within [_____] (____) Days following resolution of the Disputed Amount.
- 17.4.3 In the event such Disputed Amount cannot be resolved amicably, the matter may be referred to an Expert pursuant to Article 23.4 for resolution. All such adjustments, whether for over payment or under payment, shall bear interest pursuant to Article 17.6 from the date of over payment or under payment, as the case may be, until the date of payment.

17.5 Procedure For Payment

All payments under this Agreement shall be made in the currency specified in Article 1.2.9 by wire transfer in immediately available funds by deposit to the bank account nominated in writing by the Party receiving the payment. Any wire transfer charges shall be for the account of the

ALTERNATIVE 1

Party making the payment.

ALTERNATIVE 2

Buyer.

ALTERNATIVE 3

Seller.

If a Party elects to change the bank or account to which payments are to be made, that Party shall notify the other Party at least thirty (30) Days before the effective date of such change.

17.6 Late Payment

- 17.6.1 If the Party that is obligated to pay an amount due under this Agreement fails to pay all or part of such amount on or before the date on which such payment is due, then the amount remaining unpaid shall bear interest at the Agreed Interest Rate until payment is made.
- 17.6.2 If Buyer fails to make timely payment of any amount due under this Agreement and does not remedy such failure within [_____] (_____) Days after the due date

OPTION

and the aggregate of the amounts that Buyer has failed to pay is more than [_____] [*Specify currency and amount*],

then Seller may terminate this Agreement under Article 5.8.2.2.

17.7 Access To Information

The Parties shall have the right with reasonable notice to examine during normal business hours each other's books, records and charts relative to this Agreement to the extent necessary to verify the accuracy of any invoice, charge or computation made pursuant to this Article 17; **provided that:**

- 17.7.1 such books, records and charts, or any microfilm or computer record of such books, records and charts, need not be preserved for more than [_____] (_____) calendar years from the date of the recording, unless they relate to an outstanding Dispute, in which event they shall be maintained until such Dispute is resolved; and
- 17.7.2 if such examination establishes any inaccuracy in any billing theretofore made, the necessary adjustments in such billing and payments shall be made promptly without any interest charge.

ARTICLE 18 - TAXES

18.1 Upstream Royalties and Taxes

- 18.1.1 Seller shall be responsible to pay, or if applicable deliver in kind, to the Persons entitled to receipt, all royalties, overriding royalties or like charges against Gas arising from Seller's Granting Instrument or other agreements applicable to producing, gathering, transporting, processing and handling of Gas upstream of the Delivery Point .
- 18.1.2 Seller shall be responsible to pay or cause to be paid all Taxes arising from producing, gathering, transporting, processing and handling of Gas upstream of the Delivery Point, all Taxes arising in respect of Seller's Facilities, and all Taxes based on Seller's income, profits, and capital gains.

18.2 Delivery Point Taxes

ALTERNATIVE 1

Seller

ALTERNATIVE 2

Buyer

shall be responsible to pay or cause to be paid all Taxes arising from Gas sold at the Delivery Point.

18.3 Downstream Taxes

Buyer shall be responsible for and agrees to pay, or cause to be paid all Taxes arising from the transporting, processing, handling and use of Gas downstream of the Delivery Point, all Taxes arising in respect of Buyer's Facilities, and all Taxes based on Buyer's income, profits and capital gains.

ARTICLE 19 - FORCE MAJEURE

19.1 Nature Of Relief

Subject to Articles 19.2, 19.3 and 19.4, a Claiming Party shall be relieved from the duty to perform its obligations under this Agreement and any liability for failure to perform such obligations, in whole or in part, under this Agreement to the extent such non-performance is caused by the occurrence of a Force Majeure Event.

19.2 Exclusions From Relief From Force Majeure

Notwithstanding any other provision in this Article 19, a Party shall not be relieved of its obligations to make payments that have become due and payable under this Agreement.

19.3 Notification

A Claiming Party shall promptly notify the other Party, as soon as reasonably possible but no later than seven (7) Days after the non-performance, of the occurrence of the Force Majeure Event. This notice shall include reasonable details regarding the nature and effects of the Force Majeure Event. The Claiming Party shall keep the other Party reasonably informed regarding the steps that it is taking to overcome the effects of the Force Majeure Event and its current estimate as to when it will be able to resume performance of its obligations. The Claiming Party shall be relieved from its duty to perform and from liability under this Article 19 from the beginning of the Force Majeure Event not from notice by the Claiming Party.

OPTION

A Claiming Party shall not be entitled to relief pursuant to this Article 19, or having become entitled shall cease to be so entitled, and a Force Majeure Event shall cease to be treated as a Force Majeure Event, to the extent that the Claiming Party fails to comply with the requirements of this Article 19, unless such failure would itself qualify as a Force Majeure Event.

19.4 Remedy

The Claiming Party shall, as soon as practicable after the commencement of the Force Majeure Event, diligently proceed to do all things reasonably practicable at its own reasonable cost to expeditiously remedy and mitigate the Force Majeure Event causing the failure and to minimize the interruption of performance of its affected obligations, **provided that:**

19.4.1 A Claiming Party shall not be required to settle any labor dispute or industrial or public disturbance, except in such manner as it shall in its own judgment consider acceptable;

- 19.4.2 A Claiming Party shall not be required to bring into production any existing or potential reservoirs not already producing under this Agreement, unless such development of reserves is expressly specified in this Agreement and remains commercially reasonable despite the Force Majeure Event;
- 19.4.3 A Claiming Party shall not be required to incur any extraordinary costs or to act other than as a Reasonable and Prudent Operator for making investments, including investment in the development of reserves specified as supply sources;

OPTION

provided that if a Claiming Party's Facilities have been damaged or destroyed, then such Claiming Party shall repair or replace such Facilities to the extent of the proceeds from insurance required under Article 20;

OPTION

- 19.4.4 A Claiming Party shall not be required to buy Gas from, or sell Gas to, a third party;

19.5 Access

At the request of the other Party, the Claiming Party shall provide, or use Reasonable Efforts to procure, access to the areas and facilities affected by the Force Majeure Event, and to its records relating to that Force Majeure Event, for a reasonable number of representatives of the other Party, at that other Party's sole risk and expense, in order that those representatives may verify the impact of that Force Majeure Event on the Claiming Party's performance and the likely duration of its effects.

19.6 Allocations

- 19.6.1 If due to a Force Majeure Event, Seller is unable to make all or part of the Properly Nominated Quantity available, Seller shall:
- 19.6.1.1 first curtail all interruptible sales of Gas before curtailing any firm sales of Gas ;
and
 - 19.6.1.2 second, curtail firm sales of Gas; **provided that** firm sales of Gas under this Agreement shall be curtailed in the proportion that the MaxDCQ under this Agreement bears to the maximum daily delivery quantity under Seller's other arrangements for firm sales of Natural Gas from the Reservoir.
- 19.6.2 If due to a Force Majeure Event, Buyer is unable to take all or part of the Properly Nominated Quantity and/or any Excess Requested Quantity, Buyer shall:
- 19.6.2.1 first curtail all interruptible purchases for use and consumption of Natural Gas at Buyer's Facilities before curtailing any firm purchases of Natural Gas; and
 - 19.6.2.2 second curtail firm purchases of Natural Gas; **provided that** firm purchases of Gas under this Agreement shall be curtailed in the proportion that the MaxDCQ under this Agreement bears to the maximum daily delivery quantity under Buyer's other arrangements for firm purchases of Natural Gas.

19.7 Termination For Prolonged Force Majeure Event

If a Force Majeure Event, which prevents or substantially impairs the satisfaction of any material condition required to be satisfied under this Agreement or a Claiming Party's performance of any material obligation required to be performed under this Agreement, continues for a period of at least [_____] (___) consecutive Months, then either Party shall have the right, but not the

obligation, to terminate this Agreement pursuant to Article 5.8.1; **provided that** such material condition has not been completely satisfied and/or the performance of such material obligation has not been completely restored (insofar as may reasonably be determined by the Party giving notice of termination) as of the time such right of termination is exercised.

19.8 Extension Of Agreement For Force Majeure

Subject to the right of termination under Article 5.8.1, if a Force Majeure Event occurs, the duration of the relevant period and the Term shall be deemed to be automatically extended by a period of time equal to the duration of the Force Majeure Event; **provided that** such automatic extension shall not extend the relevant period or the Term beyond the term of the Granting Instrument of either Party, or the term of an essential transportation agreement, or in violation of any Law.

ARTICLE 20 - INSURANCE

20.1 Insurance For Facilities

During the Term, each Party shall obtain and maintain insurance for its respective Facilities consistent with the requirements of Attachment 20.1.

OPTION

20.1.1 The policies of insurance to be obtained and maintained by or for each Party pursuant to this Article 20 shall be obtained and maintained with insurers of sound financial reputation and shall each contain a waiver of subrogation for claims against the other Party, its Affiliates and their directors, officers, employees, agents and insurers.

OPTION

20.1.2 If a Party fails to obtain or maintain any policy of insurance required by this Article 20, then the other Party may obtain or maintain such policy of insurance on behalf of the failing Party and the costs such other Party incurs in doing so shall for the purposes of this Agreement be treated as an amount due from the failing Party to the other Party.

OPTION

20.1.3 Each Party shall in a timely manner properly file all claims against the policies of insurance obtained and maintained pursuant to this Article 20, shall take all necessary steps to collect any proceeds of such claims, and if a Reasonable and Prudent Operator would do so, shall use such proceeds, which relate to the loss of or damage to Buyer's Facilities (in the case of Buyer), or which relate to the loss of or damage to Seller's Facilities (in the case of Seller) as the case may be, to promptly reinstate such Facilities.

20.2 Certificates Of Insurance

Within [_____] (___) Days after the Conditions Precedent of both Parties have been satisfied or waived, each Party shall provide the other Party with certificates of insurance disclosing coverage consistent with the requirements of this Article 20. Such certificates shall include a statement that coverage will not be reduced or cancelled by the carrier without first providing at least [_____] (___) Days notice to the other Party.

20.3 Other Insurance

During the Term, each Party shall obtain and maintain policies of insurance as required by applicable Laws, and to the extent available, such Party shall require its insurers and underwriters to waive their rights of subrogation in favor of the other Party, its Affiliates, and their directors, officers, employees, agents and insurers.

ARTICLE 21 - LIABILITY

21.1 Limitation of Liability

Except as expressly provided in this Agreement, a Party shall not be liable to the other Party for Consequential Losses arising from any act or omission relating to this Agreement.

21.2 Limitation of Remedy

ALTERNATIVE 1

21.2.1 Seller's sole remedy for Buyer's failure to take the quantities of Gas required for fulfillment of its obligations under Article 12 shall be to enforce Buyer's obligation to pay to Seller Buyer's Deficiency Payment, and if applicable, to terminate this Agreement under Article 5.8.

ALTERNATIVE 2

21.2.1 Except for Buyer's obligation to take the Minimum Daily Quantity, if any, Seller's sole remedy for Buyer's failure to take the quantities of Gas required for fulfillment of its obligations under Article 12 shall be to enforce Buyer's obligation to pay to Seller Buyer's Deficiency Payment, and if applicable, to terminate this Agreement under Article 5.8.

21.2.2 Except as expressly provided for elsewhere in this Agreement, a Party's remedy against the other Party for non-performance or breach of this Agreement or for any other claim of whatsoever nature arising out of or in relation to this Agreement shall be in contract, and no Party shall be liable to the other Party (or its Affiliates and contractors and their respective directors, officers, employees and agents) in respect of any damages, losses or claims for any alleged breach of statutory duty, tortuous act or omission.

21.3 Mitigation Of Losses

Each Party shall use Reasonable Efforts to mitigate or avoid any loss or damage caused by the failure of the other Party to meet its obligations under this Agreement, whether or not such failure is the result of a Force Majeure Event.

OPTION

21.4 Willful Misconduct and Gross Negligence

To the extent that a Party's breach of its obligations under this Agreement results solely from such Party's Willful Misconduct and/or Gross Negligence, Article 21.1 and Article 21.2 shall not apply to limit the liability of such Party or the remedies available to the other Party.

ARTICLE 22 - INDEMNITIES

22.1 General Indemnity

Each of Seller and Buyer respectively, as an Indemnifying Party, shall indemnify, defend, and hold harmless the other Party, as an Indemnified Party, from and against all losses or damages relating to Third Party Claims arising from:

- 22.1.1 the breach of any representation, warranty, covenant or obligation of the Indemnifying Party under this Agreement; and
- 22.1.2 from any other act, omission or event for which the Indemnifying Party is liable pursuant to this Agreement.

22.2 Indemnification Procedures

- 22.2.1 The Indemnified Party shall promptly notify the Indemnifying Party of the assertion or commencement of any claim, demand, investigation, action, suit or other legal proceeding for which indemnity or defense is or may be sought under this Agreement; ***provided however***, that this notice requirement shall not apply to any claim, demand, investigation, action, suit or other legal proceeding in which the Parties are adversaries. The failure by the Indemnified Party to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations under this Article 22.2, except to the extent, if any, that it has been prejudiced by the lack of timely and adequate notice.
- 22.2.2 The Indemnifying Party shall at the Indemnified Party's request assume the defense or settlement of any Third Party Claim with legal counsel reasonably satisfactory to the Indemnified Party;

OPTION

provided however, that the Indemnifying Party shall not settle or compromise any Third Party Claim without the Indemnified Party's prior written consent to such settlement or compromise.

- 22.2.3 Notwithstanding the foregoing:
 - 22.2.3.1 the Indemnified Party shall have the right, at its option and expense, to participate fully in the defense or settlement of any Third Party Claim; and
 - 22.2.3.2 if the Indemnifying Party does not diligently defend or settle any Third Party Claim within a reasonable period of time (in the light of the circumstances) after it is notified of the assertion or commencement thereof, then:
 - (a) the Indemnified Party shall have the right, but not the obligation, to undertake the defense or settlement of such Third Party Claim for the account and at the risk of the Indemnifying Party; and
 - (b) the Indemnifying Party shall be bound by any defense or settlement that the Indemnified Party may make as to such Third Party Claim.
- 22.2.4 The Indemnified Party shall be entitled to join the Indemnifying Party in any Third Party Claim to enforce any right of indemnity under this Agreement. The Indemnified Party shall cooperate with the Indemnifying Party in the defense or settlement of any Third Party Claim and, at the expense of the Indemnifying Party, and subject to obligations of confidentiality to other Persons, the Indemnified Party shall furnish any and all materials in its possession and try to make any and all witnesses under its control available to the

Indemnifying Party for any lawful purpose relevant to the defense or settlement of the Third Party Claim.

ARTICLE 23 - GOVERNING LAW AND DISPUTE RESOLUTION

23.1 Applicable Law

USE ONE ALTERNATIVE.

ALTERNATIVE 1

The substantive Laws of [____], exclusive of any conflicts of Laws rules that could require the application of any other Law, shall determine all Disputes between or among Parties. The Parties agree that this Agreement is

ALTERNATIVE 2

The substantive Laws of [____], exclusive of any conflicts of Laws rules that could require the application of any other Laws and to the extent consistent with international law, as defined in Article 38 of the Statute of the International Court of Justice, shall determine all Disputes between or among Parties. To the extent the Laws of [____] are not consistent with international law, then general principles of law shall prevail. The Parties agree that this Agreement is

USE ONE ALTERNATIVE.

ALTERNATIVE 1

governed by the United Nations Convention on the International Sale of Goods.

ALTERNATIVE 2

not governed by the United Nations Convention on the International Sale of Goods.

23.2 Dispute Resolution - Arbitration

ALTERNATIVE 1

23.2.1 Any Dispute arising out of or relating to this Agreement shall be finally settled by binding arbitration by

ALTERNATIVE 1A

one arbitrator

ALTERNATIVE 1B

three arbitrators

in accordance with the [____] [*designate Arbitration Rules and Institution*]. The place of arbitration shall be [____]. The language of the arbitration shall be [____]. Judgment on an award may be entered by any court of competent jurisdiction.

ALTERNATIVE 2

23.2.1 Binding Arbitration. Any Dispute shall be resolved through final and binding arbitration.

23.2.2 Arbitration Rules. The arbitration shall be conducted in accordance with the

SELECT ONLY ONE ALTERNATIVE.

ADMINISTERED RULES

ALTERNATIVE 2A

International Arbitration Rules of the International Centre for Dispute Resolution of the American Arbitration Association (AAA) (the “Rules”).

ALTERNATIVE 2B

Rules of Arbitration of the International Chamber of Commerce (ICC) (the “Rules”).

ALTERNATIVE 2C

Arbitration Rules of the London Court of International Arbitration (LCIA) (the “Rules”).

ALTERNATIVE 2D

Arbitration Rules of the Singapore International Arbitration Centre (SIAC) (the “Rules”).

ALTERNATIVE 2E

Rules of the Arbitration Institute of the Stockholm Chamber of Commerce (SCC Institute) (the “Rules”).

NON-ADMINISTERED RULES

ALTERNATIVE 2F

CPR Institute for Dispute Resolution Rules for Non-Administered Arbitration of International Disputes (the “Rules”).

ALTERNATIVE 2G

United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules (the “Rules”). The appointing authority shall be [_____] [insert *Arbitral Institution*].

OPTIONAL PROVISION FOR NON-ADMINISTERED RULES

23.2.3 Administering Institution. The administering arbitral institution shall be [_____] .

23.2.4 Number of Arbitrators. The arbitration shall be conducted by three arbitrators, unless all Parties to the Dispute agree to a sole arbitrator within thirty (30) Days after commencement of the arbitration.

23.2.5 Multiple Parties - Method of Appointment of the Arbitrators. If the arbitration is to be conducted by three arbitrators and there are more than two Parties to the Dispute, then within thirty (30) Days of commencement of the arbitration, all claimants shall jointly appoint one arbitrator and all respondents shall jointly appoint one arbitrator, and the two arbitrators so appointed shall select the presiding arbitrator within thirty (30) Days after the two arbitrators have been appointed. If the party-appointed arbitrators fail to appoint the presiding arbitrator in a timely fashion, then the appointing authority designated by the Parties shall appoint the presiding arbitrator. If either all claimants or all respondents fail to make a joint appointment of an arbitrator, the appointing authority designated by the Parties shall appoint all three arbitrators.

23.2.6 Qualifications and Conduct of the Arbitrators. All arbitrators shall be and remain at all times independent and impartial, and, once appointed, no arbitrator shall have any ex parte communications with any of the Parties to the Dispute concerning the arbitration or the underlying Dispute other than communications directly concerning the selection of

the presiding arbitrator, when applicable. All arbitrators shall be qualified by education, training, or experience to resolve the Dispute.

OPTION USE IF DESIRED.

- 23.2.7 Nationality of Arbitrator. Whenever the Parties to the Dispute are of more than one nationality, the single arbitrator or the presiding arbitrator (as the case may be) shall not be of the same nationality as any of the Parties or their ultimate parent entities, unless the Parties to the Dispute otherwise agree.
- 23.2.8 Place of Arbitration. Unless otherwise agreed by all parties to the Dispute, the place of arbitration shall be [_____].
- 23.2.9 Language. The arbitration proceedings shall be conducted in the [English] language and the arbitrator(s) shall be fluent in the [_____] [e.g. *English*] language.
- 23.2.10 Entry of Judgment. The award of the arbitral tribunal shall be final and binding. Judgment on the award may be entered and enforced by any court of competent jurisdiction.
- 23.2.11 Interim Measures.

ALTERNATIVE 1

Subject to any requirements for alternative dispute resolution procedures as set out in Article 23.1, any Party to the Dispute may apply before the arbitral tribunal is appointed

ALTERNATIVE 2

Any Party to the Dispute may apply before the arbitral tribunal is appointed

ALTERNATIVE 3

Subject to any requirements for alternative dispute resolution procedures as set out in Article 23.1, any Party to the Dispute may apply at any time

ALTERNATIVE 4

Any Party to the Dispute may apply at any time

to a court for interim measures, including injunction, attachment, and conservation orders. The Parties agree that seeking and obtaining such court-ordered interim measures shall not waive the right to arbitration. The arbitrators (or in an emergency the presiding arbitrator acting alone in the event one or more of the other arbitrators is unable to be involved in a timely fashion) may grant interim measures including injunctions, attachments, and conservation orders in appropriate circumstances, which measures may be immediately enforced by court order. Hearings on requests for interim measures may be held in person, by telephone or video conference, or by other means that permit the Parties to the Dispute to present evidence and arguments. The arbitrators may require any Party to provide appropriate security in connection with such measures.

OPTION USE IF DESIRED.

- 23.2.12 ICC Pre-Arbitral Referee Procedure. Without limiting the generality of the foregoing, any party to the Dispute may have recourse to, and shall be bound by, the Pre-arbitral Referee Procedure of the International Chamber of Commerce.
- 23.2.13 Cost and Attorneys' Fees. The arbitral tribunal is authorized to award costs, attorneys' fees, and expert witness fees and to allocate them among the Parties to the Dispute.

- 23.2.14 Interest. The award may include interest, as determined by the arbitral tribunal, from the date of any default, breach, or other accrual of a claim until the arbitral award is paid in full.
- 23.2.15 Currency of Award. The arbitral award shall be made and payable in United States dollars, free of any tax or other deduction.
- 23.2.16 Exemplary and Consequential Damages. The Parties waive their rights to claim or recover, and the arbitral tribunal shall not award, any damages for Consequential Losses or any punitive, multiple, or other exemplary damages (whether statutory or common law) except to the extent such damages have been awarded to a third party and are subject to allocation among the Parties to the Dispute.

OPTION USE IF DESIRED.

ALTERNATIVE 1

- 23.2.17 Consolidation. If there exist multiple arbitrations (more than one) between or among the same Parties, the subject matters of which are related by common questions of law or fact and which could result in conflicting or inconsistent awards, then all such arbitrations may be consolidated into a single arbitration.

ALTERNATIVE 2

- 23.2.17 Consolidation. If there exist multiple arbitrations (more than one), the subject matters of which are related by common questions of law or fact and which could result in conflicting or inconsistent awards, then all such arbitrations may be consolidated into a single arbitration, even if the Parties in these arbitrations are not identical, so long as any third parties consent to consolidation.

OPTION

- 23.2.18 English Arbitration Act. The Parties agree that if any question of law arises in the course of the arbitral proceedings or arises out of an award, no application may be made or appeal brought to the High Court of England on such a question of law, and the Parties expressly waive their rights to make such an application or bring such an appeal under Articles 45 or 69 of the English Arbitration Act 1996 (or any amendment thereto).

23.3 Dispute Resolution – Multi-Step Options

- 23.3.1 Notification. A Party who desires to submit a Dispute for resolution shall commence the dispute resolution process by providing the other Parties to the Dispute a Notice of Dispute. The Notice of Dispute shall identify the Parties to the Dispute and contain a brief statement of the nature of the Dispute and the relief requested. The submission of a Notice of Dispute shall toll any applicable statutes of limitation or prescriptive periods related to the Dispute, pending the conclusion or abandonment of dispute resolution proceedings under this Agreement.

OPTION USE ARTICLE 23.3.2, IF DESIRED. REDESIGNATE THE FOLLOWING PARAGRAPH IF NOT SELECTED.

- 23.3.2 Senior Executive Negotiations. The Parties to the Dispute shall seek to resolve any Dispute by negotiations among Senior Executives. Within thirty (30) Days after the date of the receipt by each Party to the Dispute of the Notice of Dispute, which notice shall request negotiations among Senior Executives, the Senior Executives representing the Parties to the Dispute shall meet at a mutually acceptable time and place to exchange relevant information in an attempt to resolve the Dispute. If a Senior Executive intends to be accompanied at the meeting by an attorney, each other Party's Senior Executive

shall be given notice of such intention at least three (3) business Days in advance and may also be accompanied at the meeting by an attorney.

OPTION USE ARTICLE 23.3.3, IF DESIRED.

23.3.3 Mediation.

ALTERNATIVE 1

Subject to the requirements of negotiation between Senior Executives pursuant to Article 23.1.2, the Parties to the Dispute shall seek to resolve the Dispute by mediation. Within forty-five (45) Days after the date of the receipt by each Party to the Dispute of the Notice of Dispute,

ALTERNATIVE 2

The Parties to the Dispute shall seek to resolve the Dispute by mediation. Within thirty (30) Days after the date of the receipt by each Party to the Dispute of the Notice of Dispute

any Party to the Dispute may initiate such mediation pursuant to the [_____] [*select mediation rules*], as modified herein, by sending all other Parties to the Dispute a written request that the Dispute be mediated.

MEDIATION RULES

ALTERNATIVE 1

Commercial Mediation Rules of the American Arbitration Association.

ALTERNATIVE 2

CPR Mediation Procedure.

ALTERNATIVE 3

ADR Rules of the International Chamber of Commerce.

ALTERNATIVE 4

LCIA Mediation Procedure.

The Parties receiving such written request will promptly respond to the requesting Party so that all parties to the Dispute may jointly select a neutral mediator and schedule the mediation session. The mediator shall meet with the Parties to the Dispute to mediate the Dispute within thirty (30) Days after the date of receipt by the Parties to the Dispute of the written request for mediation.

USE IF ARBITRATION IS NEXT STEP IN DISPUTE RESOLUTION PROCESS:

23.3.4 Transition to Arbitration. In the event the Dispute is not resolved within [_____] Days of receipt by each Party to the Dispute of the Notice of Dispute, the Dispute shall be resolved by final and binding arbitration.

OPTION USE IF DESIRED

23.4 Expert Determination

For any Dispute referred to an Expert for determination, the Parties hereby agree that such determination shall be conducted expeditiously by an Expert selected unanimously by the Parties to the Dispute. The Expert is not an arbitrator of the Dispute and shall not be deemed to

be acting in an arbitral capacity. The Party desiring an Expert determination shall give the other Parties to the Dispute notice of the request for such determination. If the Parties to the Dispute are unable to agree upon an Expert within ten (10) Days after receipt of the notice of request for an Expert determination, then, upon the request of any of the Parties to the Dispute, the International Centre for Expertise of the International Chamber of Commerce (ICC) shall appoint such Expert and shall administer such Expert determination through the ICC's Rules for Expertise. All Parties agree to cooperate fully in the expeditious conduct of such Expert determination and to provide the Expert with access to all facilities, books, records, documents, information, and personnel necessary to make a fully informed decision in an expeditious manner. Before issuing a final decision, the Expert shall issue a draft report and allow the Parties to the Dispute to comment on it. The Expert shall try to resolve the Dispute within thirty (30) Days (but not later than sixty (60) Days) after his or her appointment, taking into account the circumstances requiring an expeditious resolution of the matter in dispute. The Expert's decision shall be final and binding on the Parties to the Dispute unless challenged in an arbitration pursuant to Article 23.1 within sixty (60) Days of the date the Expert's final decision is received by the Parties to the Dispute and until replaced by such subsequent arbitral award. In such arbitration

23.4.1 the Expert determination on the specific matter shall be entitled to a rebuttable presumption of correctness; and

23.4.2 the Expert shall not (without the written consent of the Parties to the Dispute) be appointed to act as an arbitrator or as adviser to the Parties to the Dispute.

OPTION

23.5 Confidentiality

All negotiations, mediation, arbitration, and Expert determinations relating to a Dispute (including a settlement resulting from negotiation or mediation, an arbitral award, documents exchanged or produced during a mediation or arbitration proceeding, and memorials, briefs or other documents prepared for the arbitration) are confidential and may not be disclosed by the Parties, their employees, officers, directors, counsel, consultants, and Expert witnesses, except to the extent necessary to enforce any settlement agreement, arbitration award, or Expert determination, to enforce other rights of a Party, as required by Law, or for a bona fide business purpose, such as disclosure to accountants, shareholders, or third-party purchasers; **provided, that**, that breach of this confidentiality provision shall not void any settlement, Expert determination, or award.

OPTION

23.6 Waiver Of Sovereign Immunity

Each Party recognizes and acknowledges that this Agreement constitutes a commercial transaction, and that its rights and obligations under this Agreement are of a commercial and not a governmental nature. To the fullest extent not prohibited by Law, each of the Parties hereby irrevocably waives on behalf of itself and its assets, any and all immunities for jurisdiction, enforcement and any other purpose whatsoever. For the avoidance of doubt this waiver includes immunity from (i) any Expert determination, mediation, or arbitration proceeding commenced pursuant to this Agreement; (ii) any judicial, administrative, or other proceedings to aid the Expert determination, mediation, or arbitration commenced pursuant to this Agreement; and (iii) any effort to confirm, enforce, or execute any decision, settlement, award, judgment, service of process, execution order, or attachment (including pre-judgment attachment) that

results from an Expert determination, mediation, arbitration, or any judicial or administrative proceedings commenced pursuant to this Agreement.

23.7 Notice

Any papers, notices, or process necessary or proper for an arbitration under this Agreement, or any court action in connection with an arbitration or an award, may be served on a Party by registered or certified mail, courier, facsimile transmission, e-mail, or any other means of communication that provides a record of the receipt thereof; **provided that** a reasonable opportunity to be heard with regard to the court action is or has been granted to the Party.

OPTION

23.8 Dispute Resolution - Courts

Any dispute

ALTERNATIVE 1

may be settled non-exclusively

ALTERNATIVE 2

may be settled exclusively

ALTERNATIVE 3

shall be settled non-exclusively

ALTERNATIVE 4

shall be settled exclusively

by the Courts of [_____] [*specify the jurisdiction*], and the Parties irrevocably attorn and submit to the personal jurisdiction of these Courts. The Parties irrevocably waive any objection to venue in these Courts and any objection based on the doctrine of *forum non conveniens* or similar grounds that these Courts are inconvenient for determination of a dispute

ARTICLE 24 - TRANSFER

24.1 Obligations

24.1.1 Any Transfer shall be effective only if, and a transferee shall not have any rights in this Agreement unless and until, the following requirements are satisfied:

24.1.1.1 the transferee expressly undertakes in an instrument reasonably satisfactory to the other Party to perform the obligations of the transferring Party under this Agreement, obtains any necessary Government approval for the Transfer and furnishes any guarantees required by the Government or this Agreement; and

24.1.1.2 except in the case of a Transfer to an Affiliate, the other Party has consented in writing to such Transfer, which consent shall be denied only if the transferee fails to establish to the reasonable satisfaction of each Party its technical and financial capability to perform its obligations under this Agreement.

24.1.2 No consent shall be required for a Transfer to an Affiliate, if the transferring Party agrees in an instrument reasonably satisfactory to the other Parties to remain liable for its Affiliate's performance of its obligations.

- 24.1.3 Notwithstanding any Transfer, both the transferring Party and the transferee shall be liable to the other Party for the transferring Party's obligations (financial or otherwise), which have vested, matured or accrued under the provisions of this Agreement before such Transfer.
- 24.1.4 If the transferring Party tries to make a Transfer without satisfying in all material respects the requirements of Article 24.1, then

ALTERNATIVE 1

the other Party shall be entitled to enforce specific performance of the requirements of this Article, in addition to any other remedies (including damages) to which it may be entitled. Each Party agrees that monetary damages alone would not be an adequate remedy for the breach of any Party's obligations under this Article.

ALTERNATIVE 2

the transferring Party shall pay to the other Party, as the exclusive remedy, liquidated damages in an amount equal to [_____] [*insert amount of liquidated damages or formula for calculating amount of liquidated damages*]. The Parties agree that it would be difficult if not impossible to determine accurately the actual amount of damages suffered by the other Party as a result of the failure to comply with the terms of this Article, and that these liquidated damages constitute a reasonable approximation of the damages that would be suffered by such other Parties.

ALTERNATIVE 3

the other Party shall have the right to terminate this Agreement.

OPTION

- 24.1.5 Seller shall not amend, supplement or transfer Seller's Granting Instrument and other agreements by which Seller has contracted for the disposition of Gas made available under this Agreement, without Buyer's prior written consent.
- 24.1.5.1 Buyer may only withhold its consent pursuant to this Article 24.1 where the amendment, supplement or transfer of Seller's Granting Instrument and other agreements by which Seller has contracted for the disposition of Gas made available under this Agreement, which is proposed by Seller, would in Buyer's reasonable opinion be materially prejudicial to the interests of Buyer in accordance with this Agreement.
- 24.1.5.2 If Seller proposes to amend, supplement or transfer Seller's Granting Instrument and other agreements by which Seller has contracted for the disposition of Gas made available under this Agreement, Seller shall give not less than [_____()] Days notice to Buyer of the submission of such documents.
- 24.1.5.3 Upon receipt of Seller's notice pursuant to Article 24.1.5.2, Buyer shall within [_____()] Days of such receipt give notice to Seller:
- (a) confirming Buyer's consent to the proposed amendment, supplement or transfer; or
 - (b) withholding such consent and specifying in reasonable detail the grounds upon which such consent is being withheld.
- 24.1.5.4 If Buyer fails to give notice to Seller pursuant to Article 24.1.5.3, then Buyer shall be deemed to have given notice to Seller confirming Buyer's consent.

OPTION

24.1.6 Buyer shall not amend, supplement or transfer any of Buyer's Granting Instrument and other agreements by which Buyer has contracted for the disposition of Gas taken under this Agreement, without Seller's prior written consent.

24.1.6.1 Seller may only withhold its consent pursuant to Article 24.1.6 where the amendment, supplement or transfer of Buyer's Granting Instrument and other agreements by which Buyer has contracted for the disposition of Gas taken under this Agreement, which is proposed by Buyer, would in Seller's reasonable opinion be materially prejudicial to the interests of Seller in accordance with this Agreement.

24.1.6.2 If Buyer proposes to amend, supplement or transfer any of Buyer's Granting Instrument and other agreements by which Buyer has contracted for the disposition of Gas taken under this Agreement, Buyer shall give not less than [_____] (__) Days prior notice to Seller of the submission of such documents.

24.1.6.3 Upon receipt of Buyer's notice pursuant to Article 24.1.6.2, Seller shall within [_____] (__) Days of such receipt give notice to Buyer:

- (a) confirming Seller's consent to the proposed amendment, supplement or transfer; or
- (b) withholding such consent and specifying in reasonable detail the grounds upon which such consent is being withheld.

24.1.6.4 If Seller fails to give notice to Buyer pursuant to Article 24.1.6.3, then Seller shall be deemed to have given notice to Buyer confirming Seller's consent.

OPTION

24.1.7 If during the Term there is a change of Control of a Party from the Control to which that Party was subject at the Effective Date, then the other Party may give a notice of early termination of this Agreement.

24.2 Successors and Assigns

Subject to the provisions of Article 24, this Agreement shall be binding upon and inure for the benefit of the respective successors in title and permitted transferees of each Party.

OPTION

24.3 Financing

Nothing contained in this Article 24 shall prohibit a Party from mortgaging, pledging, or otherwise encumbering its rights and benefits under this Agreement to a third party in order to provide security relating to finance, **provided that**:

24.3.1 any such security interest shall be subject to obtaining any necessary approval of the Government;

24.3.2 such Party shall remain liable for all of its obligations under this Agreement and relating to such security interest;

24.3.3 the security interest shall be expressly subordinated to the rights of the other Parties under this Agreement;

24.3.4 such Party shall ensure that any such security interest shall be expressed to be without prejudice to the provisions of this Agreement; and

OPTION

24.3.5 the third party lien holder shall first enter into and deliver a subordination agreement in favor of the other Party, substantially in the form attached to this Agreement as Attachment [].

ARTICLE 25 - CONFIDENTIALITY

25.1 Confidentiality

Subject to the provisions of this Article, the Parties shall keep all Confidential Information strictly confidential and shall not disclose Confidential Information during the term of this Agreement and for a period of [] () calendar years after the Termination Date to any Person not a Party to this Agreement, except pursuant to Article 25.2.

25.2 Exceptions

25.2.1 A Party may disclose the Confidential Information without the other Party's prior written consent to the extent such information:

25.2.1.1 is already known to such Party as of the date of disclosure under this Agreement;

25.2.1.2 is already in possession of the public or becomes available to the public other than through the act or omission of such Party or of any other Person to whom Confidential Information is disclosed pursuant to this Agreement;

25.2.1.3 is required to be disclosed by such Party and/or an Affiliate under applicable Law, stock exchange regulations or by an order, decree, regulation or rule of a Governmental Authority; **provided that** such Party shall use Reasonable Efforts to give prompt notice to the other Party before such disclosure;

25.2.1.4 is acquired independently from a third party that represents that it has the right to disseminate such information at the time it is acquired by such Party; or

25.2.1.5 is developed by such Party independently of the Confidential Information received from the other Party.

25.2.2 A Party may disclose Confidential Information without the other Party's prior written consent to an Affiliate; **provided that** such Party guarantees that its Affiliate shall adhere the terms of this Article 25.

25.2.3 A Party may disclose Confidential Information without the other Party's prior written consent to any of the following Persons to the extent that such Persons have a clear need to know the Confidential Information:

25.2.3.1 employees, officers and directors of such Party in order to enable such Party to perform its obligations;

25.2.3.2 employees, officers and directors of an Affiliate of such Party in order to enable such Party and/or an Affiliate to perform its obligations;

25.2.3.3 any consultant, agent or legal counsel retained by such Party or its Affiliate in order to enable such Party to perform its obligations;

25.2.3.4 any bona fide prospective transferee of a Party's rights and obligations under this Agreement (including a prospective transferee with whom a Party and/or its Affiliates are conducting bona fide negotiations directed toward a merger, consolidation or the sale of a majority of its or an Affiliate's shares), and any consultant retained by such prospective transferee, in order to enable such prospective transferee to assess such Party's rights and obligations;

25.2.3.5 any bank or other financial institution or entity funding or proposing to finance such Party and/or an Affiliate, including any consultant retained by such bank or other financial institution or entity;

OPTION

25.2.3.6 the Gas Transporter;

25.2.3.7 the co-venturers of Seller;

25.2.3.8 the co-venturers of Buyer;

25.2.3.9 any Person to whom Buyer sells or supplies any quantities of Gas, which Buyer has purchased from Seller in accordance with this Agreement.

25.2.4 Prior to making any such disclosures to Persons under Article 25.2.3.3, Article 25.2.3.4, or Article 25.2.3.5, the Party desiring to make such disclosure shall obtain an undertaking of strict confidentiality and non-disclosure and to use the Confidential Information solely for the stated purpose, enforceable by either Party, but otherwise substantially in the same form and content as this Agreement, from each such Person. With respect to outside legal counsel, a Party shall only be required to ascertain that such legal counsel is bound by an obligation of confidentiality.

ARTICLE 26 - NOTICES

26.1 Form of Notices

26.1.1 Except as otherwise specifically provided, all notices, requests, demands or other communications authorized or required between the Parties by any of the provisions of this Agreement shall be in writing in [] [e.g. *English*] and shall be deemed to have been properly given when addressed to the Party as set out below, and:

26.1.1.1 delivered in person or by recognized international courier maintaining records of delivery; or

26.1.1.2 transmitted by facsimile; **provided that** the sender can and does provide evidence of successful and complete transmission; or

26.1.1.3 transmitted by e-mail; **provided that** the recipient transmits a manual written acknowledgment of successful receipt, which the recipient shall have an affirmative duty to furnish promptly after successful receipt.

26.1.2 Oral communication does not constitute notice for any purposes of this Agreement, and telephone numbers for the Parties are listed below as a matter of convenience only. With respect to facsimile and/or e-mail communication automatic delivery receipts issued without direct human authorization shall not be evidence of effective notices for purposes of this Agreement.

If to Seller

If to Buyer

Name:	Name:
Address:	Address:
Telex:	Telex:
E-mail:	E-mail:
Facsimile:	Facsimile:
Attention:	Attention:

26.2 Delivery of Notices

A notice given pursuant to this Agreement shall be deemed delivered only when received by the Party to whom such notice is directed, and the time for such Party to deliver any notice in response to such originating notice shall run from the date the originating notice is received, which for purposes of giving notice under this Agreement shall mean actual delivery of the notice pursuant to Article 26.1; **provided that** any notice sent by facsimile or email after 5:00 p.m. on a Business Day or on a weekend or holiday of the receiving Party shall be deemed given on the next following Business Day of the receiving Party.

26.3 Change of Address

Each Party may change its address at any time and/or designate that copies of all such notices be directed to another individual at another address, by giving notice of such change to all Parties.

ARTICLE 27 - GENERAL

27.1 Conflicts of Interest

27.1.1 Each Party shall avoid any conflict of interest between its own interests (including the interests of Affiliates) and the interests of the other Parties in dealing with suppliers, customers and all other organizations or individuals doing or seeking to do business with the Parties in connection with activities contemplated under this Agreement.

27.1.2 The provisions of the preceding paragraph shall not apply to:

27.1.2.1 a Party's performance which is in accordance with the local preference Laws or policies of the Government; or

27.1.2.2 a Party's acquisition of products or services from an Affiliate, or the sale thereof to an Affiliate, made in accordance with this Agreement.

27.1.3 Unless otherwise agreed, the Parties and their Affiliates are free to engage or invest (directly or indirectly) in an unlimited number of activities or businesses, any one or more of which may be related to or in competition with the business activities contemplated under this Agreement, without having or incurring any obligation to offer any interest in such business activities to any Party.

27.2 No Reliance

Each Party confirms for itself and its Affiliates that in entering into this Agreement it has not relied on any representation or warranty or undertaking which is not contained in this Agreement. Without prejudice to any liability for fraudulent misrepresentation or fraudulent

misstatement, a Party shall not be liable for and shall have no remedy for any misrepresentation or untrue statement unless and to the extent that a claim lies under this Agreement.

27.3 Joint Preparation

Each provision of this Agreement shall be construed as though all Parties participated equally in negotiating and drafting this Agreement. The Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall not be applicable to this Agreement.

27.4 No Partnership

Nothing in this Agreement, in any document referred to in it or in any arrangement contemplated by it shall be deemed to make any of the Parties a partner of any other Party. The signing, completion and implementation of this Agreement shall not be deemed to empower any Party to bind or impose on the other Party any obligations to any third Persons or to pledge the credit of the other Party.

27.5 Further Assurances

Each of the Parties shall do all further acts and execute and deliver all further instruments, deeds and documents as shall be reasonably required in order to perform and carry out the provisions of this Agreement.

27.6 Waiver of Sovereign Immunity

Each Party recognizes and acknowledges that this Agreement constitutes a commercial transaction, and that its rights and obligations under this Agreement are of a commercial and not a governmental nature. To the fullest extent not prohibited by Law, each of the Parties hereby irrevocably waives on behalf of itself and its assets, any and all immunities from jurisdiction, from enforcement and for any other purpose whatsoever.

27.7 Waiver

27.7.1 No waiver of any term, provision or condition of this Agreement shall be effective unless it is in writing and signed by the waiving Party.

27.7.2 The waiver of any term, provision or condition of this Agreement or of any action pursuant to this Agreement on any occasion shall not constitute a waiver of:

27.7.2.1 any other term, provision, or condition of, or action pursuant to, this Agreement;
or

27.7.2.2 such terms, provisions or conditions of, or actions pursuant to, this Agreement on any future occasion.

27.8 No Third Party Beneficiaries

The interpretation of this Agreement shall exclude any rights under legislative provisions or court made law conferring rights under a contract to Persons not a party to that contract.

27.9 Severability

If any provision of this Agreement is finally determined to be illegal, invalid, void or unenforceable under applicable Law, then such provision shall be deemed to be deleted and the remaining provisions of this Agreement shall continue in full force and effect and if necessary,

be so amended as shall be necessary to give effect to the spirit and intent of this Agreement to the extent possible.

27.10 Amendments

This Agreement may be amended or modified only by written instrument duly executed by all Parties, except pursuant to Article 27.9.

OPTION

27.11 Language

For day-to-day administration of this Agreement and other general purposes among the Parties, the [] [*specify language*] and the [] [*specify language*] versions shall both be used to construe or interpret this Agreement and shall have equal weight and validity; **provided that** in case of controversy or Dispute regarding the interpretation of the two versions, the [] [*specify language*] version shall prevail.

27.12 Counterparts

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed an original Agreement for all purposes; **provided that** no Party shall be bound to this Agreement unless and until all Parties have executed a counterpart. For purposes of assembling all counterparts into one document, [] [*insert Seller or Buyer*] is authorized to detach the signature page from one or more counterparts and, attach each signed signature page to a counterpart.

27.13 Entire Agreement

Each of the Parties confirms that this Agreement, represents the entire understanding, and constitutes the whole agreement, between the Parties and supersedes all prior negotiations, representations and proposals, whether oral or written with respect to the subject matter of this Agreement.

IN WITNESS of their agreement each Party has caused its duly authorized representative to sign this instrument as of the Effective Date.

Seller

Buyer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____



ATTACHMENT 1.1-BF – BUYER’S FACILITIES

ATTACHMENT 1.1-SF – SELLER’S FACILITIES

ATTACHMENT 4.5 – EXCEPTIONS TO REPRESENTATIONS AND WARRANTIES

ATTACHMENT 4.8 – THE SELLER’S PLAN OF DEVELOPMENT

ATTACHMENT 6.1 – DESIGN OF THE SELLER’S FACILITIES

ATTACHMENT 6.2 – DESIGN OF THE BUYER’S FACILITIES

ATTACHMENT 7.2 – COMMISSIONING PROCEDURES

ATTACHMENT 11 - DELIVERY POINT

ATTACHMENT 13 – GAS QUALITY SPECIFICATIONS

Specification	Units	Minimum	Maximum
Gross Heating Value			
Temperature			
Wobbe Index			
Methane			
Ethane			
Propane			
Isobutane			
Normal Butane			
Pentanes+			
Hydrocarbon Dewpoint			
Water Content			
Water Dewpoint			
Carbon Dioxide			
Nitrogen			
Oxygen			
Hydrogen Sulfide			
Total Mercaptans			
Total Sulfur			
Mercury			
Delivery Pressure			

ATTACHMENT 14 – GAS MEASUREMENT

[Insert measurement manual, comprised of agreed procedures and references]

ATTACHMENT 17.1 – SAMPLE MONTHLY STATEMENT

Day	PNQ		ERQ		±DTQ		DAQ		SFQ		OSQ		EGQ		MUQ		DGV		USD
	MCF	MMBtu	MCF	MMBtu	MCF	MMBtu	MCF	MMBtu	MCF	MMBtu	MCF	MMBtu	MCF	MMBtu	MCF	MMBtu	MCF	MMBtu	
1																			
2																			
3																			
4																			
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31

The Contract Price = [] percent (%) of the Contract Price = [] () *[insert currency and amount]* per *[insert unit of energy amount]*

The Pre-Start Date Gas Price = [] percent (%) of the Contract Price = [] () *[insert currency and amount]* per *[insert unit of energy amount]*

The Over-Delivery Gas Price = [] percent (%) of the Contract Price = [] () *[insert currency and amount]* per *[insert unit of energy amount]*

The Shortfall Gas Price = [] percent (%) of the Contract Price = [] () *[insert currency and amount]* per *[insert unit of energy amount]*

The Off-Specification Gas Price = [] percent (%) of the Contract Price = [] () *[insert currency and amount]* per *[insert unit of energy amount]*

The Excess Gas Price = [] percent (%) of the Contract Price = [] () *[insert currency and amount]* per *[insert unit of energy amount]*

The Make-Up Gas Price = [] percent (%) of the Contract Price = [] () *[insert currency and amount]* per *[insert unit of energy amount]*

The Monthly Gas Value for such Month

Any other amount due from Buyer to Seller under this Agreement for such Month;

Any Taxes [] applicable to amounts due from Buyer to Seller for such Month, together with the applicable calculation;

Any other amount due from Seller to Buyer under this Agreement for such Month;

Any Taxes [] applicable to amounts due from Seller to Buyer for such Month;

The Monthly Amount Due under this Agreement in respect of such Month.

ATTACHMENT 17.2 – SAMPLE ANNUAL STATEMENT

The Annual Contract Quantity for such Contract Year, expressed in units of volume and energy amount, together with the applicable calculation;

The aggregate quantity of Scheduled Maintenance Quantities, if any, attributable to Gas not made available by Seller, or not taken by Buyer, during such Contract Year, expressed in units of volume and energy amount by Month;

The aggregate quantity of Force Majeure Quantities, if any, attributable to Gas not made available by Seller, or not taken by Buyer, during such Contract Year, expressed in units of volume and energy amount by Month;

The aggregate quantity of Shortfall Quantities, if any, attributable to Gas not made available by Seller during such Contract Year, expressed in units of volume and energy amount by Month;

The Operational Flexibility Credit, if any, designated in the annual forecast for such Contract Year, together with the applicable calculation;

The Adjusted ACQ for such Contract Year, expressed in units of volume and energy amount, together with the applicable calculation;

The Take or Pay Quantity for such Contract Year, expressed in units of volume and energy amount, together with the applicable calculation;

The Carry Forward Aggregate, if any, at the beginning of such Contract Year, and the total amount of Carry Forward Credit Quantity, if any, applied pursuant to Article 12.8 during such Contract Year, expressed in units of volume and energy amount;

The Annual Actual Quantity for such Contract Year, expressed in units of volume and energy amount by Month;

The aggregate quantity of Excess Gas Quantities, if any, taken by Buyer during such Contract Year, expressed in units of volume and energy amount by Month;

The Make-Up Aggregate, if any, at the beginning of such Contract Year, and the total amount of Make-Up Quantity, if any, taken pursuant to Article 12.7 during such Contract Year, expressed in units of volume and energy amount;

Buyer's Annual Deficiency Quantity, if any, for such Contract Year expressed in units of volume and energy amount, together with the applicable calculation;

Buyer's Annual Surplus Quantity, if any, for such Contract Year expressed in units of volume and energy amount, together with the applicable calculation;

The Take or Pay Gas Price for such Contract Year;

Buyer's Deficiency Payment, if any, for such Contract Year, together with the applicable calculation;

Any other amount due from Buyer to Seller under this Agreement for such Contract Year;

Any Taxes [] applicable to amounts due from Buyer to Seller for such Contract Year that have not been included in the Monthly Statements, together with the applicable calculation;

Any other amount due from Seller to Buyer under this Agreement for such Contract Year;

Any Taxes [_____] applicable to amounts due from Seller to Buyer for such Contract Year that have not been included in the Monthly Statements, together with the applicable calculation;

The Annual Amount Due under this Agreement in respect of such Contract Year;

The amount of the Make-Up Aggregate available for the then current Contract Year, if any, expressed in units of volume and energy amount, together with the applicable calculation;

The amount of the Carry Forward Aggregate available for the then current Contract Year, if any, expressed in units of volume and energy amount, together with the applicable calculation.

ATTACHMENT 20.1 – INSURANCE