

FORMS OF SERVICE AGREEMENT
INDEX

DESCRIPTION/TITLE

1. Forms of Service Agreement for Firm Services
 - 1.1 Form of FT-1 Service Agreement
 - 1.2 Form of FT-2 Service Agreement
2. Forms of Service Agreement for Interruptible Services
 - 2.1 Form of IT-1 Service Agreement
3. Forms of Service Agreement for Park and Loan Services
 - 3.1 Form of PAL Service Agreement
4. Miscellaneous Forms of Service Agreement
 - 4.1 Form of Capacity Release Umbrella Agreement
 - 4.2 Form of Reserve Commitment Agreement
 - 4.3 Forms of Service Agreement for the LINK® System
 - 4.4 Form of NGL Bank Agreement

FORMS OF SERVICE AGREEMENT
FOR FIRM SERVICES
INDEX

DESCRIPTION/TITLE

- 1.1 Form of FT-1 Service Agreement
 - 1.1.1 Form of Exhibit A to FT-1 Service Agreement
- 1.2 Form of FT-2 Service Agreement
 - 1.2.1 Form of Exhibit A to FT-2 Service Agreement
 - 1.2.2 Form of Exhibit B to FT-2 Service Agreement

FT-1 TRANSPORTATION SERVICE AGREEMENT

(For Use Under Rate Schedule FT-1)

Date: _____

Contract No. _____

THIS FT-1 TRANSPORTATION SERVICE AGREEMENT (Agreement) is made and entered into by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter" and _____, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

ARTICLE I DEFINITIONS

- 1.1 MAXIMUM DAILY QUANTITY (MDQ) - shall mean the maximum daily quantity of Gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each Day during each Year during the term hereof, which shall be specified in Exhibit A to this Agreement. Any limitations on the quantities to be received from each Primary Receipt Point and/or delivered at each Primary Delivery Point on a primary firm basis shall be as specified on Exhibit "A" attached hereto.
- 1.2 EQUIVALENT QUANTITY - shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II TRANSPORTATION

- 2.1 Subject to Force Majeure and the other terms and conditions of this Agreement, Transporter agrees to accept and receive daily on a firm basis, at the Receipt Point(s) from Shipper or for Shipper's account such quantity of Gas as Shipper makes available up to the Maximum Daily Quantity, and to deliver to or for the account of Shipper to the Delivery Point(s) an Equivalent Quantity of Gas.
- 2.2 Transporter shall not be obligated to accept Gas for transportation hereunder to any Delivery Point(s) at which the downstream pipeline has insufficient capacity, or is unable, to accept the Gas for delivery.

ARTICLE III RECEIPT AND DELIVERY POINT(S)

The Primary Receipt and Delivery Point(s) shall be those points specified on Exhibit "A" attached hereto.

ARTICLE IV FACILITIES

- 4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

-or-

- 4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]

- 4.2 Transporter's obligation to build or install New Facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all Gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

ARTICLE VI
RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the Transportation Service provided herein shall be in accordance with Transporter's Rate Schedule FT-1 and the General Terms and Conditions of Transporter's FERC Gas Tariff. Pursuant to Section 4.1 of Rate Schedule FT-1 of the Tariff, Transporter and Shipper may agree from time to time, upon a discounted rate(s) or a Negotiated Rate(s) in accordance with the provisions of Section 30 or Section 37, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff. Provisions governing such rate(s) shall be as specified in a Discount Confirmation or a Negotiated Rate agreement, as applicable.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-1, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII
BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule FT-1 and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

With at least five (5) Business Days advanced written notice to the other party, Shipper and Transporter have the right to examine the other party's records to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to or directly affecting this Agreement. Such right may be exercisable only during the other party's normal business hours and at the other party's place of business.

In the event an error is discovered (except as provided in Sections 4.6, 12.3 and 14.7 of the General Terms and Conditions of Transporter's FERC Gas Tariff) in the amount billed to Shipper in any billing statement issued by Transporter, such error shall be adjusted within thirty (30) days of the submittal

of a claim for the amount in error; provided, however, that the claim for the error shall have been made within fifteen (15) months from the first day of the year following the year of the date of the billing statement in question.

ARTICLE VIII GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-1 and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The Transportation Service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for Gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport Gas hereunder in the event any upstream or downstream transporter fails to receive or deliver Gas as contemplated by this Agreement.
 - (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.
- 11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII
TERM

- 12.1 This Agreement shall become effective on _____, _____, and shall remain in force and effect until _____, _____ ("Primary Term") and on a month to month basis thereafter unless and until terminated by either Party upon _____ prior written notice [at least thirty (30) Days for Agreements with a term one (1) Year or less; at least sixty (60) Days for Agreements with a term greater than one (1) Year] to the other Party.
- 12.2 Any portion of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of the Agreement.
- 12.3 This Agreement shall be subject to termination upon written notice from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accord with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 12.4 This Agreement shall be subject to termination upon twelve (12) months' prior written notice from Transporter in the event Transporter's Facility is determined by final order, no longer subject to appeal, to be not subject to the jurisdiction of the FERC under Section 1(b) of the Natural Gas Act.
- 12.5 The indemnification provisions and payment obligations hereof shall survive any termination of this Agreement relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

ARTICLE XIII
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the address of the Party intended to receive the same, as follows:

TRANSPORTER: GARDEN BANKS GAS PIPELINE, LLC
5400 Westheimer Court
HOUSTON, TEXAS 77056-5310

SHIPPER: _____

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV
ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder, to a company with which it is

affiliated; provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule FT-1 are met by the particular affiliated company.

- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV NONRECOURSE OBLIGATIONS

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE XVI MISCELLANEOUS

- 16.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.

- 16.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

- 16.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing or via Transporter's LINK® System.

- 16.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

- 16.5 Reservation of Processing Rights

Shipper shall retain title to the entire Gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's Gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the Gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, retrograde liquid hydrocarbons, liquefiable hydrocarbons and concomitant materials (i.e., sulfur, carbon dioxide, nitrogen, helium, etc.), herein called "Plant Products", and Transporter specifically agrees not to have Shipper's Gas processed without Shipper's express written consent. Any costs associated with Shipper exercising its Processing Rights shall not be borne by Transporter.

- 16.6 Shipper agrees to participate in the NGL Bank as provided in Section 28 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY:_____

BY:_____

TITLE:_____

TITLE:_____

DATE:_____

DATE:_____

FT-1 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT A DATED: _____, ____

TO TRANSPORTATION SERVICE AGREEMENT

DATED _____, ____

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

Exhibit A Effective Date: _____

Primary <u>Receipt Point(s)</u>	Maximum Daily Receipt Quantity (MDRQ) ____ (Mcf) ____	Max. Receipt Point <u>Pressure, PSIG</u>
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Primary <u>Delivery Point(s)</u>	Maximum Daily Delivery Quantity (MDDQ) ____ (Mcf) ____	Max. Delivery Point <u>Pressure, PSIG</u>
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GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Supersedes Exhibit A dated: _____, ____

FT-2 TRANSPORTATION SERVICE AGREEMENT

(For Use Under Rate Schedule FT-2)

Date: _____

Contract No. _____

THIS TRANSPORTATION SERVICE AGREEMENT (Agreement) is made and entered into by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter" and _____, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

ARTICLE I DEFINITIONS

- 1.1 MAXIMUM DAILY QUANTITY (MDQ) - shall mean the maximum daily quantity of Gas in Mcf which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each Day during the Delivery Period(s) specified on Exhibit "A" attached hereto. Any limitations on the quantities to be received from each Primary Receipt Point and/or delivered at each Primary Delivery Point on a primary firm basis shall be as specified on Exhibit "A" attached hereto.

Subject to available capacity on Transporter's Facility, Shipper shall have the right to increase the MDQs set forth on Exhibit "A" for production from Committed Block(s) by complying with the requirements of Section 6 of Rate Schedule FT-2.

The Maximum Daily Quantity set forth in Exhibit "A" hereto for any Delivery Period(s) specified therein may be increased, subject to available capacity and subject to compliance with the requirements of Section 6 of this Rate Schedule. The Maximum Daily Quantity set forth in Exhibit "A" hereto for any Delivery Period(s) specified therein, may be permanently reduced at any time and from time to time by any amount (including to zero) on three (3) months' notice (provided by Shipper's submission of a request for service to amend the Agreement via the LINK® System) to Transporter after compliance with Section 6 of this Rate Schedule. Such reduction shall be effective as of the first day of the first Delivery Period following the expiration of the three (3) months' prior online submission via the LINK® System.

- 1.2 EQUIVALENT QUANTITY - shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.3 COMMITTED BLOCK(S) - shall mean those Outer Continental Shelf (OCS) block(s) set forth on Exhibit "B" hereto which were committed to Transporter's System by Reserve Commitment Agreement dated _____.
- 1.4 DELIVERY PERIOD(S) - shall mean the Delivery Period(s) specified on Exhibit "A" attached hereto.
- 1.5 ***[If Shipper is dedicating any of the defined Auger Anchor Blocks, include the following as definition 1.5: "AUGER ANCHOR BLOCKS shall mean Garden Banks Blocks 341, 385, 386, 419, 420, 426, 427, 470, 471, 556, 559, and 602."]***

ARTICLE II TRANSPORTATION

- 2.1 Subject to Force Majeure and the other terms and conditions of this Agreement, Transporter agrees to accept and receive daily on a firm basis, at the Receipt Point(s) from Shipper or for Shipper's account such quantity of Gas as Shipper makes available up to the Maximum Daily Quantity for the applicable Delivery Period, and to deliver to or for the account of Shipper to the Delivery Point(s) an Equivalent Quantity of Gas.
- 2.2 Subject to available capacity, and the other terms and conditions of this Agreement, Transporter agrees to accept and receive daily, as Authorized Overrun Gas, such quantity of Gas as Shipper makes available, with Transporter's advance approval, in excess of the applicable Maximum Daily Quantity and to deliver to or for the account of Shipper to the Delivery Point(s) an Equivalent Quantity of Gas; provided that there is no adverse effect on Transporter's ability to transport quantities within the applicable Maximum Daily Quantities under Transporter's other FT-1 and FT-2 Transportation Service Agreements.
- 2.3 Transporter shall not be obligated to accept Gas for transportation hereunder to any Delivery Point(s) at which the downstream pipeline has insufficient capacity, or is unable, to accept the Gas for delivery.
- 2.4 Transporter shall have no obligation to accept any Gas for transportation under this Agreement other than Gas produced from Shipper's or its affiliate's working interest in the Committed Block(s).

ARTICLE III RECEIPT AND DELIVERY POINT(S)

The Primary Receipt and Delivery Point(s) shall be those points specified on Exhibit "A" attached hereto.

ARTICLE IV FACILITIES

- 4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

-or-

- 4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]
- 4.2 Transporter's obligation to build or install New Facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all Gas received, transported and delivered hereunder the Parties agree to the Quality specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

ARTICLE VI
RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the Transportation Service provided herein shall be in accordance with Transporter's Rate Schedule FT-2 and the General Terms and Conditions of Transporter's FERC Gas Tariff. Pursuant to Section 4.1 of Rate Schedule FT-2 of the Tariff, Transporter and Shipper may agree, from time to time upon a discounted rate(s) or a Negotiated Rate(s) in accordance with the provisions of Section 30 or Section 37, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff. Provisions governing such rate(s) shall be as specified in a Discount Confirmation or a Negotiated Rate agreement, as applicable.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-2, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII
BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule FT-2 and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

With at least five (5) Business Days' advanced written notice to the other party, Shipper and Transporter have the right to examine the other party's records to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to or directly affecting this Agreement. Such right may be exercisable only during the other party's normal business hours and at the other party's place of business.

In the event an error is discovered (except as provided in Sections 4.6, 12.3 and 14.7 of the General Terms and Conditions of Transporter's FERC Gas Tariff) in the amount billed to Shipper in any billing statement issued by Transporter, such error shall be adjusted within thirty (30) days of the submittal of a claim for the amount in error; provided, however, that the claim for the error shall have been made within fifteen (15) months from the first day of the year following the year of the date of the billing statement in question.

ARTICLE VIII
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-2 and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The Transportation Service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for Gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport Gas hereunder in the event any upstream or downstream transporter fails to receive or deliver Gas as contemplated by this Agreement.
 - (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.
- 11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII TERM

- 12.1 This Agreement shall become effective on _____ [enter the original effective date] ***[if the original Agreement has been amended, enter the effective date of the amendment and add the following phrase after the amendment's effective date: "restating and amending original Contract No. _____, dated _____, _____,"]*** and shall remain in force and effect ***[for an Agreement with Shipper who produces gas from the Committed Block(s), the following language will be inserted after the word "effect": "for the economic life of the Committed Block(s), as set out in that Reserve Commitment Agreement, dated _____, _____, by and between Transporter and Shipper, as may be revised from time to time] [for an Agreement with a Shipper whose affiliate produces the gas from the Committed Block(s)], the following language will be inserted after the word "effect": "until this Agreement is automatically***

terminated by either Party on ____ Days prior notice to the other Party or until this Agreement is automatically terminated by any of the conditions of Section 2.6 of Rate Schedule FT-2 not being met.”].

- 12.2 Any portion of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.
- 12.3 This Agreement shall be subject to termination upon written notice from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 12.4 This Agreement shall be subject to termination upon twelve (12) months' prior written notice from Transporter in the event Transporter's Facility is determined by final order, no longer subject to appeal, to be not subject to the jurisdiction of the FERC under Section 1(b) of the Natural Gas Act.
- 12.5 The indemnification provisions and payment obligations hereof shall survive any termination of this Agreement relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

ARTICLE XIII NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the address of the Party intended to receive the same, as follows:

TRANSPORTER: GARDEN BANKS GAS PIPELINE, LLC
5400 Westheimer Court
HOUSTON, TEXAS 77056-5310

SHIPPER: _____

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder, to any company to which Shipper assigns all or any portion of its interests in the Committed Block(s), provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate Schedule FT-2 are met by the assignee.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV
NONRECOURSE OBLIGATIONS

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE XVI
MISCELLANEOUS

- 16.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 16.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 16.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing or via Transporter's LINK® System.
- 16.4 Exhibits "A" and "B" attached hereto are incorporated herein by reference and made a part hereof for all purposes.
- 16.5 Shipper shall retain title to the entire Gas stream Shipper delivers to Transporter, including liquid hydrocarbons recovered from Shipper's Gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the Gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, retrograde condensate, liquid hydrocarbons, liquefiable hydrocarbons and constituent elements (e.g., sulfur, carbon dioxide, nitrogen, helium), herein called "Plant Products", and Transporter specifically agrees not to have Shipper's Gas processed without Shipper's express written consent. Any costs associated with Shipper exercising its processing rights shall not be borne by Transporter.
- 16.6 Shipper agrees to waive its rights to any revenues from a release of its FT-2 capacity pursuant to Section 19 of the General Terms and Conditions to the extent such revenues exceed the charges payable by Shipper under this Agreement.
- 16.7 Shipper agrees to participate in the NGL Bank as provided in Section 28 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

FT-2 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT "A"
 TO TRANSPORTATION SERVICE AGREEMENT
 DATED _____,
 BETWEEN
 GARDEN BANKS GAS PIPELINE, LLC
 AND
 [SHIPPER]

Exhibit A Effective Date: _____

[For a Shipper transporting the gas pursuant to the provisions of Section 2.6 of Rate Schedule FT-2, whose affiliate produces the gas from the Committed Block(s) set forth on Exhibit B, include the following additional language prior to referencing the MDQ information: "Shipper agrees that in the event of termination of this Agreement due to notice of termination or due to automatic termination as a result of any of the conditions of Section 2.6 of Rate Schedule FT-2 not being met, Shipper's MDQ referenced below shall automatically revert to 0 and Shipper's MDQ existing as of the date of the termination shall automatically transfer to [producing affiliate]."

[For a Shipper who produces the gas from the Committed Block(s) set forth on Exhibit B, but who has elected to have its affiliate transport Shipper's produced gas pursuant to the provisions of Section 2.6 of Rate Schedule FT-2, include the following additional language prior to referencing the MDQ information: "Shipper agrees that in the event of termination of Shipper's affiliate's FT-2 agreement where such Shipper's affiliate's FT-2 agreement is utilizing reserves committed under this Agreement due to notice of termination or due to automatic termination as a result of any of the conditions of Section 2.6 of Rate Schedule FT-2 not being met, Shipper's MDQ referenced below shall automatically revert to the MDQ of [Shipper's affiliate] existing as of the date of the termination."

Delivery Period Dates (1)		Maximum Daily Quantity (MDQ) Mcf/d (2)
Begin Date	End Date	
_____	_____	_____

Primary Receipt Point(s)

Begin Date	End Date	Primary Receipt Point(s)	Description	Maximum Daily Receipt Quantity (MDRQ)	Maximum Receipt Point Pressure PSIG
------------	----------	--------------------------	-------------	---------------------------------------	-------------------------------------

Primary Delivery Point(s)

Begin Date	End Date	Primary Delivery Point(s)	Description	Maximum Daily Delivery Quantity (MDDQ)	Maximum Delivery Point Pressure PSIG
------------	----------	---------------------------	-------------	--	--------------------------------------

[Add additional Delivery Periods, when applicable, as necessary]

- (1) No Delivery Period shall be less than 3 consecutive months.
- (2) The MDQ for each Delivery Period shall not be less than the lesser of (i) 5,000 Mcf per day or (ii) Shipper's share of production from the Committed Block(s). The MDQ must be supported by an estimated production forecast for the Committed Block(s).

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Supersedes Exhibit A dated: _____, _____

FT-2 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT "B"

DATED: _____, _____

TO TRANSPORTATION SERVICE AGREEMENT

DATED _____, _____

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

Exhibit B Effective Date: _____, _____

[For a Shipper whose affiliate produces the gas from the Committed Block(s), include the following additional language prior to referencing the Committed Block(s): "Shipper commits its purchase of 100% of the production of the following reserves dedicated by [producing affiliate] under Reserve Commitment Agreement No., _____, dated _____, which purchases are made by Shipper in its capacity as marketing affiliate of [producing affiliate] pursuant to the provisions of Section 2.6 of Rate Schedule FT-2".]

COMMITTED BLOCK(S)

Of

[SHIPPER OR SHIPPER'S AFFILIATE]

[For a Shipper who produces gas from the Auger Anchor Blocks, include the following additional language after referencing the Committed Block(s): "Shipper dedicates to Transporter 100% of any Natural Gas produced by or for the account of Shipper from the Auger Anchor Blocks that flows into the 12 inch line that begins at the Auger platform located in Garden Banks Block 426 and terminates at the Enchilada platform located in Garden Banks Block 128."]

[Include the following heading if Auger Blocks are being dedicated: "AUGER ANCHOR BLOCKS"]

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Supersedes Exhibit B dated: _____, _____

FORMS OF SERVICE AGREEMENT
FOR INTERRUPTIBLE SERVICES
INDEX

DESCRIPTION/TITLE

- 2.1 Form of IT-1 Service Agreement
 - 2.1.1 Form of Exhibit A to IT-1 Service Agreement

IT-1 TRANSPORTATION SERVICE AGREEMENT

(For Use Under Rate Schedule IT-1)

Date: _____

Contract No. _____

THIS IT-1 TRANSPORTATION SERVICE AGREEMENT (Agreement) is made and entered into by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter" and _____, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

ARTICLE I DEFINITIONS

- 1.1 MAXIMUM DAILY QUANTITY (MDQ) - shall mean the maximum daily quantity of Gas which Transporter agrees to receive and transport, subject to Article II herein, for the account of Shipper hereunder on each Day during each year during the term hereof which shall be specified in Exhibit "A" hereto.
- 1.2 EQUIVALENT QUANTITY - shall be as defined in Section 1 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II TRANSPORTATION

Transporter agrees to accept and receive daily on an interruptible basis, as determined in Transporter's sole opinion, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of Gas as Shipper makes available up to the Maximum Daily Quantity of Gas and deliver to or for the account of Shipper to the Delivery Point(s) an Equivalent Quantity of Gas.

ARTICLE III POINT(S) OF RECEIPT AND DELIVERY

The Receipt and Delivery Point(s) at which Transporter shall receive and deliver Gas shall be those points specified on Transporter's Master Location List as such list is revised and published by Transporter from time to time.

ARTICLE IV FACILITIES

- 4.1 [This Agreement shall not become effective and Transporter shall have no obligation or liability to Shipper hereunder until Transporter notifies Shipper in writing that all facilities are in place and ready to render the service provided for in this Agreement.]

-or-

- 4.1 [All facilities are in place and ready to render the service provided for in this Agreement.]
- 4.2 Transporter's obligation to build or install New Facilities to perform this service is subject to the provisions of Section 20 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE V
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all Gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

ARTICLE VI
RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of Gas for transportation hereunder, the rates, charges, and surcharges to be paid by Shipper to Transporter for the Transportation Service provided herein shall be in accordance with Transporter's Rate Schedule IT-1 and the General Terms and Conditions of Transporter's FERC Gas Tariff. Pursuant to Section 4.1 of Rate Schedule IT-1 of the Tariff, Transporter and Shipper may agree, from time to time, upon a discounted rate(s) or a Negotiated Rate(s) in accordance with the provisions of Section 30 or Section 37, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff. Provisions governing such rate(s) shall be as specified in a Discount Confirmation or a Negotiated Rate agreement, as applicable.
- 6.2 INCIDENTAL CHARGES – Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES – Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule IT-1, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII
BILLINGS AND PAYMENTS

Transporter shall bill in accordance with Section 5 of Rate Schedule IT-1 and Shipper shall pay all rates and charges in accordance with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

With at least five (5) Business Days advance written notice to the other party, Shipper and Transporter have the right to examine the other party's records to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to or directly affecting this Agreement. Such right may be exercisable only during the other party's normal business hours and at the other party's place of business.

In the event an error is discovered (except as provided in Sections 4.6, 12.3 and 14.7 of the General Terms and Conditions of Transporter's FERC Gas Tariff) in the amount billed to Shipper in any billing statement issued by Transporter, such error shall be adjusted within thirty (30) days of the submittal of a claim for the amount in error; provided, however, that the claim for the error shall have been made within fifteen (15) months from the first day of the year following the year of the date of the billing statement in question.

ARTICLE VIII
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule IT-1 and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX
REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The Transportation Service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X
RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for Gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE XI
WARRANTIES

- 11.1 In addition to the warranties set forth in the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper agrees to indemnify, defend and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
 - (b) Shipper agrees to indemnify, defend and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expense (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.
- 11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII
TERM

- 12.1 This Agreement shall become effective on _____ and shall remain in full force and effect on a month to month basis unless and until terminated by either Party upon at least thirty (30) days' prior written notice to the other Party.
- 12.2 Any portion of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive

the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

- 12.3 This Agreement shall be subject to termination upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 12.4 This Agreement shall be subject to termination upon written notice from Transporter in the event Transporter's Facility is determined by final order, no longer subject to appeal, to be not subject to the jurisdiction of the FERC under Section 1(b) of the Natural Gas Act.
- 12.5 The indemnification provisions and payment obligations hereof shall survive any termination of this Agreement relative to all losses, deaths, injuries, claims, billings, liens, demands and causes of action of every kind and character, discovered or undiscovered, arising out of, or in connection with, or as an incident to this Agreement.

ARTICLE XIII NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the address of the Party intended to receive the same, as follows:

TRANSPORTER: GARDEN BANKS GAS PIPELINE, LLC
5400 Westheimer Court
HOUSTON, TEXAS 77056-5310

SHIPPER: _____

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV ASSIGNMENTS

- 14.1 Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Shipper may, without relieving itself of its obligations under this Agreement, assign or any of its rights hereunder to a company with which it is affiliated provided that prior to the effective date of such assignment the provisions of Section 6.3 of Rate schedule IT-1 are met by the particular affiliated company.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV NONRECOURSE OBLIGATIONS

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d)

Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE XVI
MISCELLANEOUS

16.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.

16.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

16.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective unless agreed by the Parties in writing or via Transporter's LINK® System.

16.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

16.5 Reservation of Processing Rights

Shipper shall retain title to the entire gas stream Shipper delivers to Transporter, including liquid hydrocarbons covered from Shipper's gas by Transporter using conventional gravity separation facilities during transportation. Shipper hereby reserves the right at any time and from time to time to process the gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, retrograde liquid hydrocarbons, liquefiable hydrocarbons and concomitant materials (i.e., sulfur, carbon dioxide, nitrogen, helium, etc.), herein called "Plant Products", and Transporter specifically agrees not to have Shipper's gas processed without Shipper's express written consent. Any costs associated with Shipper exercising its Processing Rights shall not be borne by Transporter.

16.6 Shipper agrees to participate in the NGL Bank as provided in Section 28 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

IT-1 TRANSPORTATION SERVICE AGREEMENT

EXHIBIT "A"

DATED: _____, ____

TO TRANSPORTATION SERVICE AGREEMENT

DATED _____, ____

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

Exhibit A Effective Date: _____

Maximum Daily Quantity (MDQ) _____ Mcf

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Supersedes Exhibit A dated: _____

FORMS OF SERVICE AGREEMENT FOR
PARK AND LOAN SERVICES
INDEX

DESCRIPTION/TITLE

- 3.1 Form of PAL Service Agreement
 - 3.1.1 Form of Exhibit A to PAL Service Agreement

PARK AND LOAN SERVICE AGREEMENT
SERVICE UNDER RATE SCHEDULE PAL

Date: _____

Contract No. _____

SERVICE AGREEMENT

THIS AGREEMENT is entered into by and between

GARDEN BANKS GAS PIPELINE, LLC (hereinafter called "Transporter"),

and

_____ (hereinafter called "Shipper").

NOW THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, both Transporter and Shipper covenant and agree as follows:

1. Transporter shall deliver and Shipper shall take and pay for service pursuant to the terms of this Agreement. This Agreement and all terms for service hereunder are subject to the further provisions of Rate Schedule PAL and the General Terms and Conditions of Transporter's Tariff, as such may be modified supplemented, superseded or replaced generally or as to the service hereunder. Transporter reserves the right from time to time to unilaterally file and to make effective any such changes in the provisions of Rate Schedule PAL and the General Terms and Conditions, subject to the applicable provisions of the Natural Gas Act and the Commission's regulations thereunder. Such Rate Schedule and General Terms and Conditions, as may be changed from time to time, are by this reference incorporated in their entirety into this Agreement and made an integral part hereof.
2. Shipper shall initiate a request for each park or loan service transaction by executing one or more Exhibit(s) A, which will set forth the specific details of each park and loan transaction. Upon execution by Transporter, Customer's Exhibit(s) A shall be incorporated in and made a part hereof.
3. The Maximum Daily PAL Injection Quantity and Maximum Daily PAL Withdrawal Quantity, the Maximum Total Parking Quantity and/or Maximum Total Loan Quantity, the Parking Point(s) and/or Loan Point(s), and the method to be used to resolve a monthly Park Balance and/or a monthly Loan Balance, as applicable to each specific transaction, are identified in Exhibit(s) A to this Service Agreement. Shipper shall initiate a request for each park and/or loan service transaction by executing and delivering to Transporter an Exhibit A. All such Exhibits A are incorporated herein by reference and made a part hereof.
4. This Agreement shall become effective on _____ and shall continue for a term ending on and including _____ ("Primary Term"), and shall continue to be effective from _____ to _____ thereafter, unless terminated by either party by written notice 30 Days prior to the end of the Primary Term or any successive term thereafter.

Any portion of this Agreement necessary to correct or resolve a Park Balance or a Loan Balance under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such correction or resolution has been accomplished; provided, however, that Transporter notifies Shipper of such balance no later than twelve months after the termination of the Agreement.

This Agreement shall be subject to termination upon written notice from Transporter in the event Shipper fails to pay the amount of any bill for service rendered by Transporter hereunder in accord with Section 14 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

5. For the services provided or contracted for hereunder, Shipper agrees to pay Transporter the then-effective, applicable maximum rates and charges under Transporter's Rate Schedule PAL filed with the Commission, as such rates and charges and Rate Schedule PAL may hereafter be modified, supplemented, superseded, or replaced generally or as to the service hereunder. Transporter reserves the right from time to time to unilaterally file and to make effective any such changes in the terms or rate levels under Rate Schedule PAL and the applicability thereof, the General Terms and Conditions or any other provisions of Transporter's Tariff, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder.

From time to time, Shipper and Transporter may agree on a level of discount of the otherwise applicable maximum rates and charges hereunder pursuant to the effective applicable provisions of Rate Schedule PAL and subject to the regulations and orders of the Commission. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Agreement.

6. Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below. Shipper or Transporter may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

Pipeline:

Customer:

7. The interpretation and performance of this Agreement shall be in accordance with the laws of the state of _____, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
8. This Agreement supersedes and cancels, as of the effective date of this Agreement, the Agreement(s) between the parties hereto as described below:

[None or an appropriate description]

IN WITNESS WHEREOF, both Transporter and Shipper have caused this Agreement to be duly executed as of the date first hereinabove written.

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

GARDEN BANKS GAS PIPELINE, LLC
PARK AND LOAN (PAL) AGREEMENT
DATED _____

EXHIBIT A-____ DATED _____

Exhibit A-__ Effective Date: _____

TRANSPORTER: Garden Banks Gas Pipeline, LLC
5400 Westheimer Court
Houston, Texas 77056-5310

Attention: Marketing Department

SHIPPER: _____

Term of the PAL Transaction:

Commencement Date: _____

Termination Date: _____

Balance Resolution Method: _____ In-kind During the Term of the PAL Transaction
_____ Monthly Pursuant to Section 3.7 of Rate Schedule PAL

Park Point(s) of Transaction: _____

Loan Point(s) of Transaction: _____

Maximum Daily PAL Injection Quantity: _____

Maximum Daily PAL Withdrawal Quantity: _____

Maximum Park Quantity: _____

Maximum Loan Quantity: _____

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

MISCELLANEOUS FORMS OF SERVICE AGREEMENT
INDEX

DESCRIPTION/TITLE

- 4.1 Form of Capacity Release Umbrella Agreement
 - 4.1.1 Form of Addendum to Capacity Release Umbrella Agreement
- 4.2 Form of Reserve Commitment Agreement
 - 4.2.1 Form of Exhibit A to Reserve Commitment Agreement
- 4.3 Form of Service Agreement for the LINK® System
- 4.4 Form of NGL Bank Agreement
 - 4.4.1 Form of Exhibit A to NGL Bank Agreement
 - 4.4.2 Form of Exhibit B to NGL Bank Agreement

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT
UNDER RATE SCHEDULES FT-1 AND FT-2

THIS AGREEMENT (hereinafter referred to as the "Umbrella Service Agreement") is made and entered into as of the _____ day of _____, _____, by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter", and _____, hereinafter referred to as "Acquiring Shipper". Transporter and Acquiring Shipper may collectively be referred to herein as the "Parties".

WITNESSETH

WHEREAS, Transporter provides firm transportation services to Shippers under Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations and Transporter's Rate Schedule FT-1 of its FERC Gas Tariff or Rate Schedule FT-2 of its FERC Gas Tariff; and

WHEREAS, Shippers have the right to offer their firm transportation capacity under Rate Schedules FT-1 or FT-2 for release to other parties on a temporary basis pursuant to Section 19 of the General Terms and Conditions of Transporter's FERC Gas Tariff; and

WHEREAS, Acquiring Shipper will be bidding on offers of released transportation capacity, and to the extent Acquiring Shipper is successful in its bid(s), Transporter is willing to provide firm transportation service to Acquiring Shipper pursuant to the provisions of Rate Schedules FT-1 or FT-2, as applicable, Subpart G of Part 284 of the Commission's Regulations and this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the Parties hereby agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

This Umbrella Service Agreement is in all respects subject to and governed by Rate Schedules FT-1 and FT-2 and the General Terms and Conditions of Transporter's FERC Gas Tariff ("Tariff") as such rate schedules may be modified from time to time, and such are incorporated by reference. In the event that language of this Umbrella Service Agreement or any Exhibit conflicts with the Tariff, the language of the Tariff will control.

Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements pursuant to Section 34 of Transporter's General Terms and Conditions are met in order for Acquiring Shipper to be on Transporter's approved bidder list for capacity releases and execute this Umbrella Service Agreement pursuant to Section 19.6(e) of Transporter's General Terms and Conditions, and this Umbrella Service Agreement is effective, Acquiring Shipper may bid from time to time on proposed capacity releases under Rate Schedules FT-1 or FT-2 pursuant to the procedures set forth in Section 19 of Transporter's General Terms and Conditions. If at any time a bid submitted by Acquiring Shipper is deemed by Transporter to be the best bid with respect to a given offer to release firm transportation capacity, Transporter will promptly finalize by means of Transporter's LINK® System an Addendum to this Umbrella Service Agreement, in the format attached hereto. The parties agree that each Addendum is an integral part of this Umbrella Service Agreement as if executed by the parties hereto and fully copied and set forth herein at length and is binding on the parties hereto. Upon finalization of such Addendum, Acquiring Shipper and Transporter agree that Acquiring Shipper shall be considered for all purposes as a Shipper with respect to the released service.

Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule FT-1 or Rate Schedule FT-2, as applicable, Transporter agrees to provide

the released firm transportation service for Acquiring Shipper under the applicable rate schedule, provided that the Acquiring Shipper qualified under the financial evaluation and credit appraisal requirements set forth in Section 34 of Transporter's General Terms and Conditions at the time it submitted the bid Transporter accepted with respect to such release.

Acquiring Shipper hereby agrees to promptly provide any information necessary for Transporter to reevaluate Acquiring Shipper's credit appraisal under Section 34 of Transporter's General Terms and Conditions and to advise Transporter of any material change in the information previously provided by the Acquiring Shipper to Transporter.

ARTICLE II NOTICES

Except as herein otherwise provided or as provided in Transporter's General Terms and Conditions, any notice, request, demand, statement, bill or payment provided for in this Umbrella Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Transporter:

(b) Acquiring Shipper:

or such other address as either party shall designate by formal written notice.

ARTICLE III TERM OF AGREEMENT

The term of this Umbrella Service Agreement shall commence on _____ and shall continue in force and effect until _____ and _____ to _____ thereafter unless this Umbrella Service Agreement is terminated as hereinafter provided. If Transporter determines at any time that Acquiring Shipper fails to meet the financial standards or credit criteria of Section 34 of Transporter's General Terms and Conditions, Transporter may terminate this agreement and all Addenda attached hereto prospectively in accordance with Section 34 of the General Terms and Conditions.

This Agreement shall be subject to termination upon twelve (12) months' prior written notice from Transporter in the event Transporter's Facility is determined by final order, no longer subject to appeal, to be not subject to the jurisdiction of the FERC under Section 1(b) of the Natural Gas Act.

ARTICLE IV RATE SCHEDULE

This Umbrella Service Agreement does not have separate terms and conditions for particular services, but only provides a means for a Acquiring Shipper to utilize a service subject to the applicable provisions of the relevant Service Agreement and the terms and conditions for Rate Schedules FT-1 and/or FT-2, by finalization of a copy of an Addendum attached hereto and fully incorporated herein as a part of this Umbrella Service Agreement.

Acquiring Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedules FT-1 or FT-2; (b) the terms and conditions of the applicable rate schedule and this Umbrella Service Agreement, pursuant to which service hereunder is

rendered; or (c) any provision of the General Terms and Conditions applicable to applicable rate schedule and this Umbrella Service Agreement. Transporter agrees that Acquiring Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates and the Acquiring Shipper does not waive any rights it may have with respect to such filings.

ARTICLE V NONRECOURSE OBLIGATIONS

Acquiring Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Acquiring Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Acquiring Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE VI MISCELLANEOUS

This Umbrella Service Agreement and all related Addenda constitute the entire Agreement between the Parties and no waiver by either Party of any default under this Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

THE INTERPRETATION AND PERFORMANCE OF THIS UMBRELLA SERVICE AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.

Except for the Addenda generated by Acquiring Shipper's successful bids for released capacity, no modification of or supplement to the terms and provisions hereof shall be or become effective except by execution of a supplementary written agreement between the Parties.

This Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body of the federal or state government having or asserting jurisdiction herein.

Acquiring Shipper agrees to participate in the NGL Bank as provided in Section 28 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE VII RELATIONSHIP BETWEEN ACQUIRING SHIPPER AND RELEASING SHIPPER

The parties recognize that, pursuant to Commission orders, Releasing Shipper may require that the Acquiring Shipper agree that a breach of this Umbrella Service Agreement, including a failure to pay, or to pay timely, by Acquiring Shipper under this Umbrella Service Agreement, constitutes a breach of contract as between Acquiring Shipper and Releasing Shipper. The existence of such an agreement will be indicated on the appropriate Addendum to this Umbrella Service Agreement. If Acquiring Shipper fails to pay Transporter, fails to timely pay Transporter, or otherwise breaches this Agreement with Transporter: (a) both Acquiring Shipper and Releasing Shipper (except to the extent otherwise provided in Section 19.7 of the General Terms and Conditions and except with respect to penalties attributable to Acquiring Shipper's conduct) shall be liable to Transporter for such failure to pay or breach (it being understood that nothing in this Article VII relieves Releasing Shipper from responsibility to pay Transporter in accordance with its service agreements with Transporter) and (b) if, as a result of such

breach by Acquiring Shipper, Releasing Shipper is accordingly required to pay Transporter or otherwise perform, Releasing Shipper may have a cause of action for breach against Acquiring Shipper.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above by the Parties' respective duly authorized officers.

GARDEN BANKS GAS PIPELINE, LLC

(ACQUIRING SHIPPER)

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT
UNDER RATE SCHEDULES FT-1 and FT-2

Offer No.: _____
Garden Banks Addendum Contract No.: _____
Capacity Release Umbrella Agreement No.: _____

Addendum No. _____
Capacity Release
Rate Schedule ____

Acquiring Shipper: _____

Releasing Shipper: _____

Releasing Shipper's Contract No.: _____

Begin Date of Release: _____

End Date of Release: _____

Rates: Check all that apply:

Monthly reservation charge _____
Volumetric reservation charge _____
Volume commitment _____
Reservation charge prorated for days of recall _____

Reservation Charge (inclusive of reservation surcharge) \$ _____

Maximum Daily Quantity _____ (Mcf/day)

Volume Commitment _____ (MCF/Monthly Billing Period)

Primary Receipt Point(s):

M&R#	Maximum Daily Receipt Quantity (MDRQ), MCF/D	Effective From Date	Effective To Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Primary Delivery Point(s):

M&R#	Maximum Daily Delivery Quantity (MDDQ), MCF/D	Effective From Date	Effective To Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Is this capacity subject to right of recall? Yes___No___

Recall Conditions (if applicable):

Are there any restrictions on released capacity? Yes _____ No _____

Restrictions (if applicable):

Was Transporter's default bid evaluation criteria used? Yes _____ No _____

Evaluation Criteria (if applicable):

Were contingent bids accepted? Yes _____ No _____

Contingency comments (if applicable):

Other Terms and Conditions of Release: [e.g., restrictions on release, third party agent and terms of third party agency relationship, and agreements between Acquiring Shipper and Releasing Shipper]

This Addendum, entered into pursuant to Transporter's capacity release program and the executed Capacity Release Umbrella Agreement between Transporter and the Acquiring Shipper, is made a part of and subject to the aforementioned Capacity Release Umbrella Agreement.

FORM OF RESERVE COMMITMENT AGREEMENT

THIS RESERVE COMMITMENT AGREEMENT (Agreement) is made and entered into as of the _____ day of _____, _____, by and between GARDEN BANKS GAS PIPELINE, LLC, a Delaware limited liability company, hereinafter referred to as "Transporter" and _____, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties".

ARTICLE I DEFINITIONS

- 1.1 COMMITTED BLOCKS(S) - shall mean those Outer Continental Shelf ("OCS") blocks set forth on Exhibit "A" hereto.
- 1.2 AFFILIATE shall mean any person or entity which controls, is controlled by, or is under common control with the other person or entity.
- 1.3 Capitalized terms not defined herein shall have the meaning ascribed thereto in Transporter's FERC Gas Tariff.
- 1.4 ***[If Shipper is dedicating any of the defined Auger Anchor Blocks, include the following as definition 1.4: "AUGER ANCHOR BLOCKS shall mean Garden Banks Blocks 341, 385, 386, 419, 420, 426, 427, 470, 471, 556, 559, and 602."]***

ARTICLE II RESERVE DEDICATION

- 2.1 Subject to the provisions of Sections 2.3, 2.4 and 2.5 of this Agreement, Shipper hereby agrees to deliver into and transport through Transporter's Facility all Natural Gas produced by or for the account of Shipper from the Committed Block(s) for the economic life of the Committed Block(s).
- 2.2 In the event Shipper should transfer or assign any or all of its rights, title and/or interest in the Committed Block(s), Shipper agrees that any such transfer or assignment will be made subject to the terms of this Agreement, it being the intent of the parties hereto that the Committed Block(s) remain dedicated for purposes of transportation to Transporter's Facility for the economic life of the Committed Block(s). All of the provisions of this Agreement shall be applicable to assignees of Shipper's interests in the Committed Block(s) and such assignees shall receive a proportionate assignment of the rights and obligations hereunder with respect to the Committed Block(s) so assigned, to the extent that such assignee satisfies the requirements of Section 6.3 of Rate Schedules FT-1, FT-2 or IT-1, as applicable. Upon such assignment, Shipper shall be relieved of its obligations under this Agreement to the extent, and only to the extent, so assigned to a third party.
- 2.3 From the obligations in Section 2.1, Shipper expressly reserves unto itself, its successors and assigns, the following rights and quantities of production sufficient to satisfy such rights:
 - (a) The right to operate the Committed Block(s) free from any control by Transporter including, without limitation, the right (but never the obligation) to drill new wells, to repair and rework old wells, to plug and abandon any well and to renew, surrender, release or terminate any lease (in whole or in part) covering the affected lands;
 - (b) The right to deliver production to lessors of leases on such lands in quantities sufficient to fulfill lease obligations from time to time, including the right to take royalty in kind; and

- (c) The rights to use production for development and operations of such lands, including (but not limited to) the use of Gas for fuel, drilling (including Gas drilling), deepening, reworking, compressing, Gas lifting, processing, treating, cycling, re-pressuring or other supplemental recovery operations.

2.4 Temporary Release

- (a) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's production from the Committed Block(s) in excess of the capacity available on Transporter's Facility (i) under Shipper's existing Transportation Service Agreement(s), (ii) under Rate Schedule IT-1 and (iii) for commitment to firm service (referred to herein as "Excess Deliverability"). In the event of Excess Deliverability, Shipper shall be released from its obligations under Section 2.1 with respect to the Impacted Quantities (as defined in subsection 2.4(c)) pursuant to the provisions of subsection 2.4(d).
- (b) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's production from the Committed Block(s) up to the MDQ under Shipper's existing FT-1 or FT-2 Transportation Service Agreement(s) that Transporter is unable to accept for transportation (referred to herein as "Transporter Inability"). In the event of Transporter Inability, Shipper shall be released from its obligations under Section 2.1 with respect to the Impacted Quantities (as defined in subsection 2.4(c)) pursuant to the provisions of subsection 2.4(d).
- (c) For purposes of Sections 2.4 and 2.5, Impacted Quantities shall mean those quantities of Shipper's production from the Committed Block(s) in excess of the combined quantities that Transporter could transport for Shipper, on a firm or interruptible basis. The Impacted Quantities shall be deemed to be the last quantities produced, so that any release under Section 2.4 or 2.5 is applicable only to the daily production quantity in excess of the quantity that Transporter is able to accept into Transporter's Facility on a given day.
- (d) Shipper and Transporter shall discuss the cause and anticipated duration of any Transporter Inability or Excess Deliverability. Shipper will limit any commitment it makes to third parties to deliver the Impacted Quantities released under this Section 2.4 for a period to coincide with the anticipated duration of the Transporter Inability or Excess Deliverability; provided that in no event will the Impacted Quantities be returned for transportation under an FT-1, FT-2 or IT-1 Transportation Service Agreement later than the first day of the calendar month following thirty (30) days after receipt by Shipper of Transporter's notice that it is able to accept the Impacted Quantities tendered by Shipper.
- (e) Shipper shall be released from its obligations under Section 2.1 with respect to any quantities of Shipper's production from the Committed Block(s) up to the MDQ under Shipper's existing FT-2 Transportation Service Agreement(s) as long as Shipper's Affiliate has Transporter transport the production under an FT-2 Service Agreement for the Affiliate; provided, however, that: (1) the Affiliate remains the exclusive Shipper having Transporter transport Gas produced by Shipper from the Committed Block(s); and (2) the Affiliate has Transporter transport only Gas produced by Shipper from the Committed Block(s).

2.5 Permanent Release

In the event of excess Deliverability under Section 2.4(a) for more than 180 consecutive days or Transporter Inability under Section 2.4(b), Shipper may request in writing from Transporter a

prospective permanent release of the Impacted Quantities from the obligations under Section 2.1. Transporter shall have six (6) months from the date of receipt of Shipper's release request to take actions, including without limitation the installation of facilities, to enable Transporter to receive the Impacted Quantities from Shipper. To that end, within three (3) months following Shipper's release request, Transporter shall review with Shipper the steps or actions Transporter is taking, or proposes to take, to enable Transporter to receive the Impacted Quantities from Shipper. Within thirty (30) days after such review, Shipper must notify Transporter in writing if Shipper elects to implement the permanent release of the obligations under Section 2.1 with respect to the Impacted Quantities. Upon such notification and immediately after the end of the six (6) month period set forth above, Transporter will release the Impacted Quantities from the obligations under Section 2.1

ARTICLE III TRANSPORTATION

- 3.1 Shipper may request that its production from the Committed Block(s) be transported under Rate Schedules FT-1, FT-2 or IT-1, in accordance with the provisions of the applicable Rate Schedule.
- 3.2 Transporter agrees to accept and process Shipper's Requests for Service under Section 3.1 in accordance with the provisions of the applicable Rate Schedules. Transporter does not guarantee sufficient capacity to transport all of Shipper's production from Committed Block(s). In the event of insufficient capacity, Shipper's sole and exclusive remedy shall be as specified in Sections 2.4 and 2.5 above.
- 3.3 Transporter shall have no obligation to build or install New Facilities to provide Transportation Service for production from Committed Block(s).

ARTICLE IV REGULATION

This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations.

ARTICLE V TERM

This Agreement shall be effective _____, _____, and shall remain in force and effect for the economic life of the Committed Block(s).

ARTICLE VI NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the address of the Party intended to receive the same, as follows:

TRANSPORTER: GARDEN BANKS GAS PIPELINE, LLC
5400 Westheimer Court
HOUSTON, TEXAS 77056-5310

SHIPPER: _____

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE VII
NONRECOURSE OBLIGATIONS

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited liability company; (b) Shipper shall have no recourse against any member of Transporter with respect to Transporter's obligations under this Agreement and its sole recourse shall be against the assets of Transporter, irrespective of any failure to comply with applicable law or any provision of this Agreement; (c) no claim shall be made against any member of Transporter under or in connection with this Agreement; (d) Shipper shall have no right of subrogation to any claim of Transporter for any Capital Contribution from any member of Transporter; and (e) this representation is made expressly for the benefit of the members in Transporter.

ARTICLE VIII
MISCELLANEOUS

- 8.1 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 8.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

FORM OF RESERVE COMMITMENT AGREEMENT

EXHIBIT "A"

TO RESERVE COMMITMENT AGREEMENT

DATED _____, _____

BETWEEN

GARDEN BANKS GAS PIPELINE, LLC

AND

[SHIPPER]

Exhibit A Effective Date: _____, _____

COMMITTED OCS BLOCKS

[For a Shipper who produces gas from the Auger Anchor Blocks, include the following additional language after referencing the Committed Block(s): "Shipper dedicates to Transporter 100% of any Natural Gas produced by or for the account of Shipper from the Auger Anchor Blocks that flows into the 12 inch line that begins at the Auger platform located in Garden Banks Block 426 and terminates at the Enchilada platform located in Garden Banks Block 128."

[Include the following heading if Auger Blocks are being dedicated: "AUGER ANCHOR BLOCKS"]

GARDEN BANKS GAS PIPELINE, LLC

SHIPPER

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Supersedes Exhibit A dated: _____, _____

FORM OF SERVICE AGREEMENT
FOR THE LINK® SYSTEM

This LINK® System Agreement, executed this ____ day of _____, _____, by and between _____ (Service Requester Proprietary Number _____) (hereafter referred to as "LINK® System Subscriber"), and GARDEN BANKS GAS PIPELINE, LLC (hereafter referred to as "Transporter"), witnesseth that for and in consideration of the mutual covenants and provisions herein contained and subject to all of the terms, provisions and conditions herein set forth, LINK® System Subscriber and Transporter do hereby agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

- a. Transporter shall make available for use by LINK® System Subscriber Transporter's computerized electronic communication system; the LINK® Customer Interface System ("LINK® System"), to perform such functions as may be available on the LINK® System from time to time.
- b. Use of the LINK® System is subject to the General Terms and Conditions, as well as the provisions of any Rate Schedule and Service Agreement, as set forth in Transporter's currently effective FERC Gas Tariff, as effective from time to time, and which are hereby incorporated by reference.
- c. LINK® System Subscriber agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and to make changes effective in (a) the rates and charges applicable to service pursuant to this LINK® System Agreement; and (b) any provision of Transporter's FERC Gas Tariff related to this LINK® System Agreement. Transporter agrees that LINK® System Subscriber may protest or contest the aforementioned filings, and LINK® System Subscriber does not waive any rights it may have with respect to such filings.

ARTICLE II
TERM

The term of this LINK® System Agreement shall commence on the date of execution hereof and shall continue in full force and effect on a month to month basis until terminated by Transporter or LINK® System Subscriber, with thirty days prior written notice of such termination.

ARTICLE III
ADDRESSES

Except as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment pursuant to this LINK® System Agreement shall be in writing and shall be considered as duly delivered when received on-line via the LINK® System, or when received as registered, certified, or regular mail at the address of the parties hereto, as the case may be, as follows:

- (a) Transporter: Garden Banks Gas Pipeline, LLC
Attn: LINK® Services
5400 Westheimer Court
Houston, TX 77056-5310
- (b) LINK® System Subscriber:

[The address LINK® System Subscriber shall designate by submitting the on-line Contact Information as discussed in the Electronic Communications section of the General Terms and Conditions of Transporter's tariff.]

ARTICLE IV INTERPRETATION

The interpretation and performance of this LINK® System Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflicts of law.

This LINK® System Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter hereof, either State or Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE V AGREEMENTS BEING SUPERSEDED

When this LINK® System Agreement becomes effective, it shall supersede any LINK® System Agreement(s) between the parties hereto with an earlier execution date.

IN WITNESS WHEREOF, the parties hereto have caused this LINK® System Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

GARDEN BANKS GAS PIPELINE, LLC
By:
Title:
Signature

LINK® System Subscriber
By:
Title:
Signature

FORM OF NGL BANK AGREEMENT

This NGL Bank Agreement ("Agreement") is made and entered into this _____ day of _____, _____ between Southern Petroleum Laboratories ("Administrator") and _____ ("Shipper").

WHEREAS, Garden Banks Gas Pipeline, LLC ("Transporter") operates the Garden Banks Gas Pipeline ("Transporter's Facility"); and

WHEREAS, Shipper's natural gas is transported on Transporter's Facility pursuant to Transportation Service Agreement(s) or Service Agreement(s) for Temporary Release of Firm Transportation Capacity ("TSA") between Shipper and Transporter; and

WHEREAS, Transporter and Shipper desire to establish a NGL Bank for the benefit of all shippers on Transporter's Facility; and

WHEREAS, Administrator has agreed to administer such a NGL Bank for the benefit of all shippers on Transporter's Facility in accordance with the terms and conditions contained herein;

NOW THEREFORE, Administrator and Shipper agree as follows:

ARTICLE I PURPOSE

The purpose of the NGL Bank is to provide a mechanism by which to mitigate inequities that may occur between shippers on Transporter's Facility as a result of such shippers' natural gas streams containing different NGL (as defined herein) compositions being commingled in a pipeline with multiple delivery points located upstream of gas processing facilities. Transporter's obligation to accept natural gas tendered by Shipper at the Receipt Point and to deliver "equivalent quantities", as defined in Transporter's F.E.R.C. Gas Tariff, at the Delivery Points under the provisions of a TSA shall not be modified by any provision of this Agreement. Therefore, Shipper acknowledges that Transporter is not obligated to deliver to any shipper at a Delivery Point the same volume of liquefiable hydrocarbons as it received from the same shipper at a Receipt Point.

ARTICLE II DEFINITIONS

- 2.1 Natural Gas Liquids ("NGL") is a term that is sometimes used to refer to liquefiable hydrocarbons that are present in the vapor phase in natural gas streams and is sometimes used to refer to hydrocarbons in a liquid state after extraction or condensation from the gas stream, and shall, in either case, include natural gasoline (pentane plus heavier hydrocarbons), butanes, propane and ethane.
- 2.2 Production Point shall mean the producing field from which natural gas is produced that is located upstream of Transporter's Receipt Point.
- 2.3 Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in Transporter's F.E.R.C. Gas Tariff.

ARTICLE III TERM

Except as otherwise provided for in Article VIII herein, this Agreement shall be effective as of the effective date of the TSA between Transporter and Shipper, or June 1, 1998, whichever is later, and shall remain in force and effect for the term of such TSA. In the event that there is more than one (1) TSA between Transporter and Shipper, the effective date of this Agreement shall coincide with the earliest effective date of any of such TSA's, or June 1, 1998, whichever is later and shall remain in force and effect for a term to coincide with the latest of any of such TSA's to expire.

ARTICLE IV SHIPPER PARTICIPATION

- 4.1 Shipper agrees to (i) participate in the NGL Bank, either in person or through its agent, with the relevant agency agreement provided to Administrator prior to said agent's participation in the NGL Bank on behalf of Shipper, (ii) make settlements in accordance with the provisions of Article V of this Agreement, and (iii) pay the Administrative Fees billed by Administrator to Shipper, or its agent, for administration of the NGL Bank pursuant to Article V of this Agreement. Designation of an agent shall not relieve Shipper from any rights or responsibilities arising from this Agreement.
- 4.2 The Administrator shall establish the GBGP NGL Bank Advisory Group ("AG") to provide a forum to discuss and consider material NGL Bank issues if, and when, they arise. Each shipper shall appoint a single representative to serve on the AG. Administrator will chair the AG, convene meetings as needed, and retain third-party services as appropriate. Resolution of issues brought forward to the AG will be by simple majority vote of the respective representatives of the then shippers, with each representative having a single vote.

ARTICLE V SETTLEMENTS

- 5.1 Settlement Calculations. The NGL Bank settlement calculations to be performed by the Administrator shall involve a process that is intended to estimate the monthly theoretical gross processing margin economics for each Shipper's natural gas stream. For purposes of this Agreement, such monthly theoretical gross processing margin economics shall be calculated as follows:
- a) A shipper's revenue from theoretical processing shall be calculated by first determining the differences between such shipper's Production Point NGL components upstream from that Production Point's Receipt Point, adjusted for phase change attributable to Retrograde Condensate and injected condensate, if any, and the weighted average NGL components for all of the Production Points upstream of the various Receipt Points on Transporter's Facility, adjusted for phase change attributable to Retrograde Condensate and injected condensate, if any. The differences between a shipper's Production Point NGL components and the weighted average NGL components for all of the Production Points upstream from the various Receipt Points on Transporter's Facility shall then be adjusted by applying representative component recovery factors to provide a likely NGL volume which would be available after theoretical processing ("Theoretical NGL Recovery"). Such representative component recovery factors shall be determined by using the allocated recoveries from the allocation statements of the gas plants which process gas delivered from Transporter's Facility to interstate pipelines which, in turn, deliver the gas to the processing plants ("plants") and once such representative component recovery factors are determined, same shall be weighted according to the volume of gas delivered from Transporter's Facility to the Plants compared to the total volume of gas delivered from Transporter's Facility. Each month, new representative component recovery factors shall be calculated using the aforementioned procedure.

The Theoretical NGL Recovery for each individual NGL component shall then be multiplied by the representative Plant lease settlement basis and the representative sales price for each individual NGL component to yield a sum to be known as the "Theoretical Revenue" for each individual NGL component. For purposes of this Agreement, the representative Plant lease settlement basis shall be eighty percent (80%), which may be adjusted from time-to-time at the Administrator's reasonable discretion. For purposes of this Agreement, the representative sales price for each individual NGL component shall be determined as follows:

- i. The representative sales price for ethane shall be based on the average of the high and low Mt. Belvieu price quotes for Purity published by Oil Price Information Services (OPIS) for the last (2) two Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.
 - ii. The representative sales price for propane shall be based on the average of the high and low Mt. Belvieu price quotes for TET and NON-TET Propane published by OPIS for the last two (2) Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.
 - iii. The representative sales price for isobutane shall be based on the average of the high and low Mt. Belvieu price quotes for NON-TET Isobutane published by OPIS for the last two (2) Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.
 - iv. The representative sales price for normal butane shall be based on the average of the high and low Mt. Belvieu price quotes for NON-TET Normal Butane published by OPIS for the last two (2) Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.
 - v. The representative sales price for natural gasoline shall be based on the average of the high and low Mt. Belvieu price quotes for River Natural Gasoline published by OPIS for the last two (2) Business Days prior to the month of delivery and for the second and third Business Days of the month of delivery.
- b) NGL Bank settlements shall be calculated for each Receipt Point on Transporter's Facility for each shipper based upon the shipper's GPM (gallons per MCF of natural gas) at each Receipt Point relative to the weighted average GPM for all Receipt Points on Transporter's Facility, as further set forth on Exhibit "B", attached hereto and incorporated herein by reference. The total Theoretical Revenue for each shipper's NGL components at each Receipt Point shall be reduced by subtracting the "Shrinkage Cost" at each Receipt Point. For purposes of this Agreement, Shrinkage Cost shall be defined as the sum of the products derived when multiplying the "Heat Content" for each of the adjusted NGL components by the respective "Value of the BTU's" for each of the adjusted NGL components. For purposes of this Agreement, the Heat Content for the adjusted NGL components shall be as set forth under the heading "Gross Heating Value, Btu/gal, fuel as liquid" in the most current GPA Publication 2145, currently Publication 2145-96. For heptane and heavier hydrocarbons, however, the Heat Content shall be the sum of the products derived by multiplying the heptane Heat Content by 50% and by multiplying the hexane Heat Content by 50%. For purposes of this Agreement, the Value of the BTU's shall be determined monthly based on the numerical average of the Index Price quotes published in the first issue of Inside F.E.R.C.'s Gas Market Report for the month of production, under the heading "Prices of Spot Gas Delivered To Pipelines" for: (1) ANR Pipeline Co., Louisiana; (2) Columbia Gulf Transmission Co., Louisiana; (3) Tennessee Gas Pipeline Co. La. & Offshore (zone 1); (4) Transcontinental Gas Pipe Line Corp., Zone 3 (pooling points); and (5) Market Center Spot-Gas Prices, South Louisiana, Henry

Hub. From time-to-time, Administrator shall review the aforementioned Index Prices and make adjustments as reasonably necessary for purposes of determining the value of the Btu's.

- c) If, after performing the calculations described in Section 5.1.a (and its subsections) and Section 5.1.b, the monthly theoretical gross processing margin calculated for ethane is negative, then for purposes of making NGL Bank settlements to shippers, ethane will not be included for that particular month. This is representative of "ethane rejection" experienced in gas processing. If, after performing the calculations described in Section 5.1.a (and its subsections) and Section 5.1.b, the monthly theoretical gross processing margin calculated for propane is also negative, then no NGL Bank settlements will be made on any NGL components for that particular month, and only the fee for administering the NGL Bank will be charged by the Administrator as described in Section 5.3.
- d) In the event that any of the Plants issue revised allocation statements, any resulting NGL Bank settlement adjustments will be limited to instances where adjustments, either positive or negative, for all Plants collectively exceed \$20,000. Notwithstanding the above, no NGL Bank Settlement adjustments will be made for revised Plant allocation statements received more than two (2) years following the month of production.

5.2 Shipper Data Requirements. Shipper hereby agrees to provide, or require the point operator at the Receipt Points on Transporter's Facility used by Shipper to provide Administrator with each Production Point's volume (MCF), quality (Btu/CF), NGL composition data, C2+ GPM and any other information Administrator may reasonably require in the performance of this Agreement including, but not limited to, pipeline routing, gas plant destination and processing fee(s) for Shipper's gas for each Production Point, by the last day of the succeeding month for the previous month. Shipper agrees to indemnify and hold Administrator harmless from and against any and all claims that arise from Administrator's exclusive reliance on such data in the performance of this Agreement. Administrator shall have the right to audit any information supplied to Administrator by Shipper or the point operator in connection herewith including, but not limited to, viewing the facilities, equipment, and procedures used in supplying such information to Administrator. In the case of natural gas proportional to flow sampler failure, or associated like equipment, Administrator may use, at its reasonable discretion, a spot sample, the previous month's data, or some other reasonable estimate. All NGL composition data shall be converted to GPM factors by using volume factors from the most current GPA Publication 2145, currently Publication 2145-96, and adjusted to a 15.025 psia pressure base.

5.3 Administrative Fees. Total monthly payments due Administrator to administer the NGL Bank for the period beginning January 1, 2010, shall be (i) as further detailed on Exhibit A, attached hereto and incorporated herein by reference, for all months in which NGL Bank settlements are made by Administrator or (ii) \$1,500.00 per month, plus an additional \$100.00 per shipper or agent per month for all months in which no NGL Bank settlements are made by Administrator. The above monthly payments shall be charged pro-rata to each shipper based upon each shipper's total monthly quantity of natural gas, in Dekatherms ("Dth"), transported on Transporter's Facility as compared to the total monthly quantity of natural gas, in Dth, transported by all shippers on Transporter's Facility for such month.

Any additions or modifications to the model used to calculate the NGL Bank settlements as provided in Section 5.1, other than those relating to new shipper setup, shall be charged by Administrator at \$500/day, not to exceed \$1,000.00 per occurrence. Any such fees shall be charged to shippers based on the above allocation.

On and after October 1, 1999, each new shipper or agent on Transporter's Facility shall be charged a one-time fee of \$1,000.00 by Administrator in addition to the monthly pro-rated administrative fees noted above.

All fees provided for in this Section 5.3 shall be adjusted as of the first day of June each year commencing June 1, 2000. The adjustment shall be computed by multiplying the cost and/or fee then in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the Index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics. Such adjustment shall be effective June 1, and shall be applicable from said date until May 31 of the following year.

- 5.4 NGL Bank Billings and Payments. Administrator shall invoice Shipper or its designated agent for any net NGL bank settlement amounts due (if applicable) and NGL Bank administrative fees in the month following the month in which all necessary data is received by the Administrator to perform NGL Bank settlement calculations. If Administrator has not received such data by the time it receives the Bluewater Plant allocation, Administrator, at its sole discretion, may make reasonable approximations in lieu of late or missing data. Shipper agrees that it, or its designated agent, will abide by and will pay any such invoice in accordance with the provisions of Sections 14.2 through 14.7 of the General Terms and Conditions of Transporter's F.E.R.C. Gas Tariff ("GT&C"). If, for any month, Administrator is required to distribute NGL Bank settlement funds to Shipper, Administrator shall be entitled, in its sole discretion, to net the amount of any such NGL Bank settlement funds owed to Shipper against the administrative fees owed by Shipper to Administrator for such Month, in which case Administrator shall distribute to Shipper the excess (if any) of such NGL Bank settlement funds owed to Shipper over such administrative fees owed by Shipper to Administrator.

Designation of agent does not relieve Shipper from any rights or responsibilities arising from this Agreement. After receipt of such payments from shippers or their designated agents owing the NGL Bank, Administrator shall, during the next following month, remit payment from the NGL Bank to Shipper or its designated agents, if due, less any adjustments for administrative expenses related to the NGL Bank. To the extent that all monies due the NGL Bank for a particular month are not received in a timely manner from shippers or their designated agents owing the NGL Bank, Administrator shall pro-rate monies available for disbursement from the NGL Bank to shippers owed monies by the NGL Bank based upon the total amount owed any such shipper compared to the total amount owed to all shippers for that month. Administrator shall make appropriate adjustments in the succeeding months until any such shortfalls have been satisfied; provided, however, that the Administrator shall not be required to pay interest on the unpaid portion of any amount due any shipper. Notwithstanding anything else to the contrary herein, in no event shall the Administrator be obligated to pay out more funds from the NGL Bank than it has received from shippers, after adjustment for administrative expenses. Shipper will be charged interest on late payments or partial payments as stated in the Transporter's GT&C. Any interest collected by the Administrator hereunder attributable to payment shortfalls into the NGL Bank shall be pro-rated among those shippers owed money from the NGL Bank taking into consideration the amount owed and the length of time such amount has been owed.

Shipper acknowledges and agrees that Administrator shall not be obligated to disperse any NGL Bank settlement funds to Shipper unless and until Administrator has received sufficient settlement funds from other shippers to pay the amounts due Shipper. It is the intent of the parties hereto that Administrator shall act only as a conduit for NGL Bank settlement funds and shall have no personal obligation or liability for any settlements due Shipper.

- 5.5 Legal Action. Administrator shall, as to any and all shippers owing sums to the NGL Bank, make all reasonable efforts, including, but not limited to the institution of legal action or proceedings to

collect sums due the NGL Bank. If Administrator initiates legal action or proceedings to enforce the obligations of Shipper owing sums to the NGL Bank and prevails in any such action or proceedings, then in addition to any remedies awarded to Administrator, Administrator shall be entitled to reimbursement by such Shipper of costs and expenses (including, without limitation, reasonable attorney's fees and expenses, court costs and filing fees) incurred in bringing such action or proceeding. If Administrator undertakes to enforce the obligations of any third party shipper with respect to the NGL Bank, whether pursuant to the initiation of legal action or proceedings or otherwise, Shipper agrees to reimburse Administrator, within ten (10) days after Shipper's receipt of Administrator's invoice therefor, for Shipper's proportionate share of all costs and expenses (including attorney's fees and expenses, court costs, and filing fees) incurred by Administrator in the enforcement of the obligations of such third party shipper with respect to the NGL Bank, such proportionate share being equal to a fraction, the numerator of which is one (1) and the denominator of which is the total number of shippers participating in the NGL Bank which are not then in Default (as hereinafter defined) under their respective NGL Bank Agreements with Administrator. To the extent that Administrator is successful in enforcing the obligations of such third party shipper with respect to the NGL Bank, Administrator shall reimburse Shipper for Shipper's proportionate share (determined as provided in the preceding sentence of this Section 5.5) of any recovery received by Administrator for the costs and expenses (including, without limitation, attorney's fees and expenses, court costs, and filing fees) incurred by Administrator in connection with the enforcement of such obligations.

- 5.6 Default; Remedies. For purposes of this Agreement, the term "Default" means: (a) Shipper shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or have such a petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent; or (iv) be unable to pay its debts as they fall due; (b) the failure by Shipper to make, when due, any payment required under this Agreement if such failure is not remedied within ten (10) days after written notice of such failure is given by Administrator, provided the payment is not the subject of a good faith dispute; or (c) the failure by Shipper to perform any covenant set forth in this Agreement (other than an obligation to make payment), and such failure is not remedied within ten (10) days after written notice thereof by Administrator. Upon the occurrence of a Default, Administrator will have the right to exercise all rights and remedies available to it under this Agreement, at law, and in equity, including the rights: (a) to file suit to seek damages or equitable remedies; and (b) to suspend performance hereunder (including, without limitation, the withholding of any payments due hereunder) until the relevant Default has been remedied.

ARTICLE VI AUDITS

- 6.1 Shipper, upon sixty (60) days prior written notice to the Administrator and all other shippers, shall have the right, at reasonable times, to inspect and audit the accounts, records, documents and data of the Administrator pertaining to the NGL Bank, provided, however, that any such audit shall be performed within twenty-four (24) months following the end of the calendar year for which any such accounts, records, documents and data are in question. The cost of conducting the audit (including Administrator's costs) and resolving the exceptions and adjustments thereto shall be borne solely by the shipper(s) auditing the system records.
- 6.2 Should the audit result in a claim by a shipper, then a written response shall be made by the Administrator as soon as practical, but in no event later than one hundred and twenty (120) days from the date the Administrator's receipt of such claim. Any NGL Bank settlement adjustments determined to be due any shipper shall be made within sixty (60) days of determination thereof.

ARTICLE VII ASSIGNMENTS

- 7.1 Shipper may, without relieving itself of its obligations under this Agreement, assign its rights in this Agreement to any entity; provided, however, that any such assignment shall be subject to the assignment provision(s) of Shippers TSA(s).
- 7.2 Subsequent to May 1, 2004, Administrator may, without relieving itself of its obligations under this Agreement, assign its interest in this Agreement upon six (6) months prior written notice to all shippers; provided, however, that any assignment or transfer of Administrator's interest in this Agreement shall be subject to the approval of a simple majority of the shippers, with each shipper having a single vote.
- 7.3 Any party which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of either party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor-in-interest under this Agreement.

ARTICLE VIII REMOVAL OF ADMINISTRATOR

Subject to the approval of a simple majority of the shippers, with each shipper have a single vote, the Administrator may be removed hereunder and this Agreement shall terminate if:

- (i) Transporter decides to cease operation of Transporter's Facility their respective facilities for an indefinite period of time, or to sell or lease Transporter's Facility to a third party;
- (ii) Administrator becomes bankrupt or insolvent, commits or suffers any act of bankruptcy or insolvency, is placed in receivership, seeks debt or relief protection under any applicable legislation and such is not rectified within thirty (30) days of such event; or
- (iii) Administrator assigns or purports to assign its general powers and responsibility of supervision and management as Administrator hereunder in contravention of Article VII herein.

ARTICLE IX MISCELLANEOUS

- 9.1 SHIPPER AGREES THAT NEITHER ADMINISTRATOR OR TRANSPORTER SHALL HAVE ANY LIABILITY TO SHIPPER OR ITS DESIGNATED AGENT IN CONNECTION WITH THE OPERATION AND ADMINISTRATION OF THE NGL BANK AND SHIPPER HEREBY AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS ADMINISTRATOR AND TRANSPORTER FROM AND AGAINST ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LIABILITIES, JUDGMENTS, LOSSES, PENALTIES, FINES, DAMAGES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS) IN CONNECTION THEREWITH. IT IS THE INTENT OF THE PARTIES THAT THIS INDEMNITY BE WITHOUT MONETARY LIMIT AND WITHOUT REGARD TO THE CAUSE(S) THEREOF, INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OF THE INDEMNIFIED PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE OR THE STRICT LIABILITY OF THE INDEMNIFIED PARTY.
- 9.2 Shipper acknowledges and agrees that because other shippers' gas may have a different NGL content than that of Shipper, Transporter cannot and, therefore, is not obligated to deliver to each shipper at a Delivery Point the same volume of NGLs as received by Transporter from that

shipper at a Receipt Point. Shipper also acknowledges and agrees that the commingled gas stream may contain more or less NGLs than Shipper delivered to Transporter at Transporter's points of gas receipt.

- 9.3 Shipper recognizes that settlement conducted under this Agreement, while intended to mitigate the inequity caused by one shipper's natural gas stream with relatively low NGL content being enriched by another shipper's natural gas stream with relatively high NGL content when those gas streams are commingled, will not necessarily eliminate any or all such inequities.

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY CONTAINED HEREIN, SHIPPER HEREBY ACCEPTS THE NGL BANK "AS IS" AND "WITH ALL FAULTS". SHIPPER ACKNOWLEDGES THAT NEITHER TRANSPORTER OR ADMINISTRATOR HAS MADE, AND TRANSPORTER AND ADMINISTRATOR HEREBY EXPRESSLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES, EITHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, QUALITY, MERCHANTABILITY OR CONDITION WITH RESPECT TO THE NGL BANK. SHIPPER EXPRESSLY ASSUMES THE RISK OF ANY DEFECT IN OR FAILURE OF THE NGL BANK AND HEREBY FULLY RELEASES AND RELIEVES AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS TRANSPORTER AND ADMINISTRATOR WITH RESPECT TO ANY LIABILITY TO SHIPPER AS A RESULT THEREOF.

- 9.4 This Agreement is subject to Transporter's GT&C, as such may be modified or amended from time to time. In the event of a conflict between this Agreement and the GT&C, the provisions of this Agreement shall govern.
- 9.5 This Agreement shall be governed by and construed in accordance with the laws of the state of Texas without regard to principles concerning conflicts of laws.
- 9.6 Any notice, request, demand, statement, bill or payment provided for in this NGL Bank Agreement, or any notice which a party may desire to give to the other, shall be in writing and shall be considered as duly delivered when received by the other party at the following address:

(a) If to Shipper:

Address
City, State, Zip Code
Telephone:
Facsimile:
Attention:

(b) If to Administrator:

Address
City, State, Zip Code
Telephone:
Facsimile:
Attention:

- 9.7 It is recognized by the parties that the NGL Bank is a condition of service under Shipper's TSA with Transporter and the "Form of NGL Bank Agreement" is part of Transporter's Tariff. Accordingly, Administrator warrants to Shipper that at all times during the term of this Agreement it shall have such "Form of NGL Bank Agreement" in place with all such other shippers.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above, but effective for all purposes as of the earliest effective date of any TSA between Transporter and Shipper.

SHIPPER

ADMINISTRATOR

By: _____

By: _____

Title: _____

Title: _____

EXHIBIT A
TO
FORM OF NGL BANK AGREEMENT
INITIAL PAYMENTS DUE ADMINISTRATOR TO OPERATE
THE NGL BANK BEGINNING JANUARY 1, 2010

<u>Function/Activity</u>	<u>\$/month</u>
Allocation and NGL Bank Calculations	\$3,000.00 plus \$150.00 per shipper*
Administration, including data gathering and verification	\$850.00*
Billing/Invoicing and Bank Reconciliation, when applicable	\$2,000.00*
Issues Management and Third Party Services	Unknown but as incurred

*This number is adjusted annually, as specified in Section 5.3 of this Agreement.

EXHIBIT B TO FORM OF NGL BANK AGREEMENT

EXAMPLE OF REPRESENTATIVE SHIPPER'S RECEIPT SETTLEMENT

In this example calculation, Shipper 1 would receive a payment from the NGL Bank:

Receipts to NGL		Receipt Point 1		Receipt Point 2		Receipt Pt 3		Receipt Pt 4	
Bank		Shipper1	Shipper2	Shipper3	Shipper4	Shipper5	Shipper6	Average	
GPM C2		1.33	0.81	1.24	1.07	1.24	0.73	1.17	
GPM C3		0.74	0.45	0.69	0.60	0.69	0.40	0.65	
GPM IC4		0.24	0.14	0.22	0.19	0.22	0.13	0.21	
GPM NC4		0.21	0.13	0.19	0.17	0.19	0.11	0.18	
GPM C5+		0.44	0.27	0.41	0.36	0.41	0.24	0.39	
GPM Total		2.96	1.81	2.77	2.38	2.77	1.62	2.60	
Btu/CF		1160	1100	1150	1130	1150	1090	Total	
Volume (MMSCF/D)		100	50	50	50	100	10	360	
Btu/CF * MSCF/D		116000	55000	57500	56500	115000	10900	410900	
Shipper 1 Revenue		From Receipt Point 1							
Component	Shipper GPM	GPM Delta from Avg.	Recovery Fraction	Lease Settlement Fraction	NGL Bank Recovered GPM	NGL Price cents/gal	Revenue [\$ /month]		
C2	1.33	0.160	0.40	80%	0.051	23.50	\$36,088		
C3	0.74	0.089	0.92	80%	0.065	37.63	\$73,828		
IC4	0.24	0.028	0.98	80%	0.022	47.00	\$31,436		
NC4	0.21	0.025	0.98	80%	0.020	44.00	\$25,751		
C5+	0.44	0.053	0.85	80%	0.036	48.00	\$52,212		
Total	2.96	0.355			0.195		\$219,315		
Volume (MMSCFD)		100							
Shipper 1 Shrinkage		From Receipt Point 1							
Component	Shipper GPM	GPM Delta from Avg.	Recovery Fraction	BTU Factor (BTU/ Gal)	BTU Value (\$/MMBTU)	Shrinkage Cost (\$ /month]	Gross Margin [\$ /month]		
C2	1.33	0.160	0.40	65,869	\$2.50	\$31,610	\$4,478		
C3	0.74	0.089	0.92	90,830	\$2.50	\$55,696	\$18,132		
IC4	0.24	0.028	0.98	98,917	\$2.50	\$20,675	\$10,761		
NC4	0.21	0.025	0.98	102,913	\$2.50	\$18,822	\$6,929		
C5+	0.44	0.053	0.85	118,623	\$2.50	\$40,322	\$11,889		
Total	2.96	0.355				\$167,125	\$52,189		
Summary Shipper 1		Revenue		\$219,314.56					
From Receipt Point 1		Shrinkage Cost		\$167,125.29					
		Gross Margin		\$52,189.27					

AVERAGE NGL QUALITY

Receipts into bank above average NGL content - Shipper is paid.
Deliveries from the bank above average NGL content - Shipper pays.
Receipts into bank below average NGL content - Shipper pays.
Deliveries from the bank below average NGL content - Shipper is paid.