

Contract No. _____

OPERATIONAL BALANCING AGREEMENT
(For Use at Point(s) of Interconnection)

This Operational Balancing Agreement ("Agreement"), is made and effective as of _____, 20____, by and between ROVER PIPELINE, LLC ("Rover") and _____ ("_____") or (the "OBA Party"), collectively referred to as "Parties" or individually as a "Party."

WITNESSETH:

WHEREAS, the Parties operate certain pipeline facilities which interconnect at the interconnection point specified in Exhibit "A" attached hereto and incorporated herein by this reference (hereinafter referred to as the "Location"); and

WHEREAS, one or both Parties have entered into one or more transportation agreements with third party service requesters (hereinafter referred to as "Service Requester(s)) for the transportation of gas to or from the Location on their respective systems (said agreements hereinafter referred to as "Service Requester Agreements"); and

WHEREAS, from time to time, dekatherms of natural gas confirmed and scheduled by the Parties to be delivered to or received from the Location (said quantities hereinafter referred to as "Scheduled Quantities") may be greater than or less than the dekatherms of natural gas which are actually delivered at the Location, resulting in inadvertent over- or under-deliveries of the Service Requesters' Scheduled Quantities; and

WHEREAS, the Parties desire to implement an operational balancing agreement in order to facilitate more efficient operations, accounting, and systems management at the Location and on the Parties' respective systems.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
OPERATIONAL PARAMETERS

- 1.1 Prior to the date and time of flow at each Location, the Parties shall confirm and schedule Service Requester(s) nominations which will be delivered or received at each Location. Such confirmation between the Parties shall be made electronically via electronic

interface system (such as the Parties' Electronic Bulletin Boards or other successor systems), unless otherwise mutually agreed to by the Parties.

- 1.2 Until this Agreement is terminated pursuant to Article 2 below, Rover waives, with respect to OBA Party, the daily scheduling provisions in Section 5.1, and the monthly balancing provisions of Section 5.2, of General Terms and Conditions of its Federal Energy Regulatory Commission Gas Tariff (the "FERC Gas Tariff").
- 1.3 The Parties intend that the total dekatherms of natural gas actually delivered and received each gas day at each Location will equal the Scheduled Quantities for that Location. Each Party will allocate the dekatherms that have been delivered and received at each Location among the Service Requester Agreements on its system pursuant to the Scheduled Quantities at each Location. Any difference between the total physical flow of gas and the total of all Scheduled Quantities at each Location for such gas day is defined for the purposes of this Agreement as the "Daily Operational Imbalance". The sum of all unresolved Daily Operational Imbalances at any given time is defined for purposes of this Agreement as the "Cumulative Operational Imbalance". The Parties shall eliminate such Daily Operational Imbalance and Cumulative Operational Imbalance pursuant to this Agreement. The daily Operational Imbalance on any day shall not exceed _____ of the Scheduled Quantities for such day, and shall not exceed a cumulative volume of _____ Dth, unless otherwise mutually agreed to by both parties.
- 1.4 Estimated operating quantities flowing at each Location shall be used on a daily basis to determine the estimated Cumulative Operational Imbalance at the Location with physical flow adjustments to be made during that current period as mutually agreed to by both parties in order to maintain, reduce or eliminate any Cumulative Operational Imbalance.
- 1.5 Any Cumulative Operational Imbalance calculated pursuant to paragraph (1.3) above for said month shall be agreed to by electronic interface systems or in writing by the Parties prior to the fifteenth (15th) day of such month. Such Cumulative Operational Imbalance shall be resolved by the Parties pursuant to mutually agreed upon procedures, which shall be negotiated by the Parties on a not unduly discriminatory basis.
- 1.6 This agreement shall not limit Rover's rights to take action as may be required to adjust scheduled quantities under any Service Agreement to alleviate conditions which threaten the integrity of Rover's system as determined by Rover in Rover's sole discretion. Rover has the right to issue an operational flow order at the Location pursuant to the terms and conditions of its FERC Gas Tariff.

ARTICLE II
TERM AND EFFECTIVENESS

- 2.1 Upon the termination of this Agreement, the Parties agree to reconcile and eliminate any remaining Cumulative Operational Imbalance pursuant to the terms and conditions of this Agreement within thirty (30) days of termination of this Agreement or such other period of time which is mutually agreed upon by the Parties. Or, upon mutual agreement by the Parties, the Cumulative Operational Imbalance may be resolved by cash out according to the provisions of Rover's FERC Gas Tariff.
- 2.2 Subject to the provisions of this Article 2, this Agreement shall be effective as of the effective date and shall continue from month to month thereafter until terminated by either Party upon not less than thirty (30) days' prior written notice.
- 2.3 Notwithstanding the provisions of Paragraph (2.2), this Agreement can be terminated by either Party under the following conditions:
 - (a) Failure by either Party to immediately adjust the operations of its system when informed verbally, in writing or by electronic interface system of a critical operating condition(s) by the other Party. A critical operating condition is determined in the sole reasonable judgment of the Party claiming a critical operating condition.
 - (b) Failure of the Parties to agree in writing on the final adjusted Cumulative Operational Imbalance prior to the fifteenth (15th) day of the month following the last month gas was delivered; provided, however, if the Parties disagree on the final adjusted Cumulative Operational Imbalance but are diligently working towards a resolution, then this Agreement will not terminate.

ARTICLE III
MISCELLANEOUS

- 3.1 This Agreement and the terms and conditions herein are subject to all present and future valid laws, orders, rules and regulations established by a governmental body with jurisdiction that is applicable to the Parties and this Agreement.
- 3.2 In the event a conflict exists or arises between this Agreement and Rover's FERC Gas Tariff, as amended from time to time, it is agreed and understood that, except for Section 1.2 of this Agreement, the latter shall control. This agreement shall supersede any other agreements with respect to the handling of a Daily Operational Imbalance and the Cumulative Operational Imbalance at the Location.

- 3.3 This Agreement is for accounting and system management purposes only, and is entered into by the Parties with the understanding that the balancing activities provided for hereunder will not subject any non-jurisdictional entity to regulation by the Federal Energy Regulatory Commission as a “natural gas company” under the provisions of the Natural Gas Act. If, at any time, it should be determined that such balancing activities do result in such regulation, then this Agreement shall immediately terminate, and any remaining Cumulative Operational Imbalance shall be resolved pursuant to Paragraph (2.1) of this Agreement.
- 3.4 Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entity, of either Party, shall be subject to the obligations of its predecessor to this Agreement. No other assignment of this Agreement or of any of the rights or obligations hereunder shall be made.
- 3.5 This Agreement shall be construed in accordance with the laws of the State of Texas without regard to conflicts of law principles.
- 3.6 No waiver by either Party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or different character, or a waiver of each of the Parties’ obligations to eliminate a Daily Operational Imbalance or the Cumulative Operational Imbalance by adjusting nominations and, or, deliveries and receipts of gas at the Location, as provided herein.
- 3.7 The Parties intend that there shall be no third party beneficiary to this Agreement. Nothing in this Agreement shall entitle any persons other than OBA Party or Rover, to any claim, cause of action, remedy or right of any kind relating to the transaction(s) contemplated by this Agreement.

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ROVER PIPELINE, LLC
P. O. Box 4967
Houston, Texas 77210-4967

(OBA Party)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized representatives effective on the date set forth hereinabove.

ROVER PIPELINE, LLC

(OBA Party)

By:

By:

Printed Name:

Printed Name:

Title:

Title:

Contract No. _____

EXHIBIT "A"

To the Operational Balancing Agreement
Between
Rover Pipeline, LLC
and
_____ ("OBA Party")

Date: _____

LOCATION(S)

PARTY NAME	D-U-N-S NUMBER	LOCATION NUMBER	LOCATION NAME