FTA Agreement Instructions

The FTA Agreement is composed of two basic documents, which are Agreement #1 between the Producer, the WMBE and the Bank, and Agreement #2 between the Repurchaser and the WMBE. The Bank's administration of these documents occur at two different phases of each transaction, which are the Transaction Confirmation Phase of Exhibit A-1 and Exhibit A-2, and the Funds Transfer Phase.

Transaction Confirmation (see EXHIBIT A-1 and EXHIBIT A-2)

The Transaction Confirmation process should be completed by the end of the month preceding the month of Delivery. Therefore, the Producer will have received from the FTA Bank a fully executed Exhibit A-1 prior to the flow of gas on the first day of the Delivery month.

The Bank will verify eight (8) items on the Exhibit A-1 and eight (8) items on the Exhibit A-2, which are as follows:

1. (1) A-1 & (1) A-2 – the Transaction Confirmation number is the same on both Exhibits.
2. (2) A-1 & (2) A-2 – the Performance Obligation is the same, both "Firm Fixed" or both "Interruptible" on both Exhibits.
3. (3) A-1 & (3) A-2 – the Daily Quantity is the same on both Exhibits.
4. (4) A-1 & (4) A-2 – the Delivery Point is at the same place on both Exhibits.
5. (5) A-1 & (5) A-2 – the (5) A-2 price is greater than the (5) A-1 price, so that the deal is on at a positive profit margin.
6. (6) A-1 & (6) A-2 – the Delivery Period is for the same time period on both Exhibits.
7. (7) A-1 & (7) A-2 – both Exhibits have been signed by the Sellers, as provided for.
8. (8) A-1 & (8) A-2 – both Exhibits have been signed by the Buyers, as provided for.

After the above verification process has been completed, the Bank signs the bottom of the Exhibit A-2 and faxes it back to the Repurchaser and the WMBE, and then the Bank signs the bottom of the Exhibit A-1 and faxes it back to the Producer and the WMBE. This completes the Transaction Confirmation phase. This repeats once a year for one-year deals and once a month for one-month deals.

Flow of Funds of FTAA (see Flow of Funds diagram)

On the 25th of the month following the Delivery month, the Repurchaser will transfer funds into the "WMBE Account Controlled by Bank." On the next business day, the Bank will receive Payment Instructions and a copy of the Producer's Invoice from the WMBE, and will transfer to the Producer the indicated amount of funds. The remainder of the funds in the "WMBE Account Controlled by Bank" (i.e., the Profit Margin) will be transferred to the WMBE. This transfer of funds will occur each month following a month in which gas was delivered in accordance with the operative Exhibit A-1 and Exhibit A-2.

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TRANSACTION CONFIRMATION EXHIBIT A-1
FOR IMMEDIATE DELIVERY

Date:

Transaction Confirmation #: (1) A-1

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of Receipt unless otherwise specified in the Base Contract.

SELLER: *[Supplier]*	**BUYER:** *[Marketer]*
_____	_____
_____	_____
_____	_____
Attn: _____	Attn: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
Base Contract No.: _____	Base Contract No.: _____

Performance Obligation: _____ **Firm (Fixed)** _____ **Interruptible** (2) A-1

(3) A-1 Daily Quantity	(4) A-1 Delivery Point(s)	(5) A-1 Price $/MMBtu (Dth)	(6) A-1 Delivery Period

Special Condition: FTA Confirmation Statement

Seller: _____	**Buyer:** _____
By: _____ (7) A-1	By: _____ (8) A-1
Title: _____	Title: _____
Date: _____	Date: _____

BUYER AND SELLER AGREE THAT THE PAYMENT INSTRUCTIONS MAY NOT BE MODIFIED DURING THE OPERATIVE PERIOD OF THIS BINDING TRANSACTION CONFIRMATION.

FTA Confirmation Statement:
[Bank], as the Funds Transfer Agent (FTA), has reviewed the foregoing Transaction Confirmation and hereby confirms to Seller and Buyer that it shall make payment on behalf of Buyer to Seller for the gas delivered subject to this Transaction Confirmation pursuant to the terms and conditions to its FTA Agreement with Buyer and Seller. FTA further confirms that Buyer has contracted for the repurchase of a corresponding quantity of gas at the Delivery Point(s) identified above, under the same Performance Obligation and at a price greater than the price set out above, and that Buyer's Repurchaser has agreed to make payments for such gas directly to FTA.

[Bank] _____
Name: _____
Title: _____
Date: _____

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TRANSACTION CONFIRMATION EXHIBIT A-2
FOR IMMEDIATE DELIVERY

	Date: **Transaction Confirmation #:**

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____ _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of Receipt unless otherwise specified in the Base Contract.

SELLER: ***[Marketer]***	**BUYER:** ***[Repurchaser]***
_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No.: _____	_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No.: _____

Performance Obligation: _____ **Firm (Fixed)** _____ **Interruptible**

Daily Quantity	Delivery Point(s)	Price $/MMBtu (Dth)	Delivery Period

Special Condition: FTA Confirmation Statement

Seller: _____	**Buyer:** _____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

BUYER AND SELLER AGREE THAT THE PAYMENT INSTRUCTIONS MAY NOT BE MODIFIED DURING THE OPERATIVE PERIOD OF THIS BINDING TRANSACTION CONFIRMATION.

FTA Confirmation Statement:
[Bank], as the Funds Transfer Agent (FTA), has reviewed the foregoing Transaction Confirmation and confirms that Seller has contracted for delivery of a corresponding quantity of gas at the Delivery Point(s) identified above, under the same Performance Obligation and at a price no greater than the price set out above. FTA will accept payment from Buyer on behalf of Seller under the terms and conditions of the Base Contract.

[Bank] _____
Name: _____
Title: _____
Date: _____

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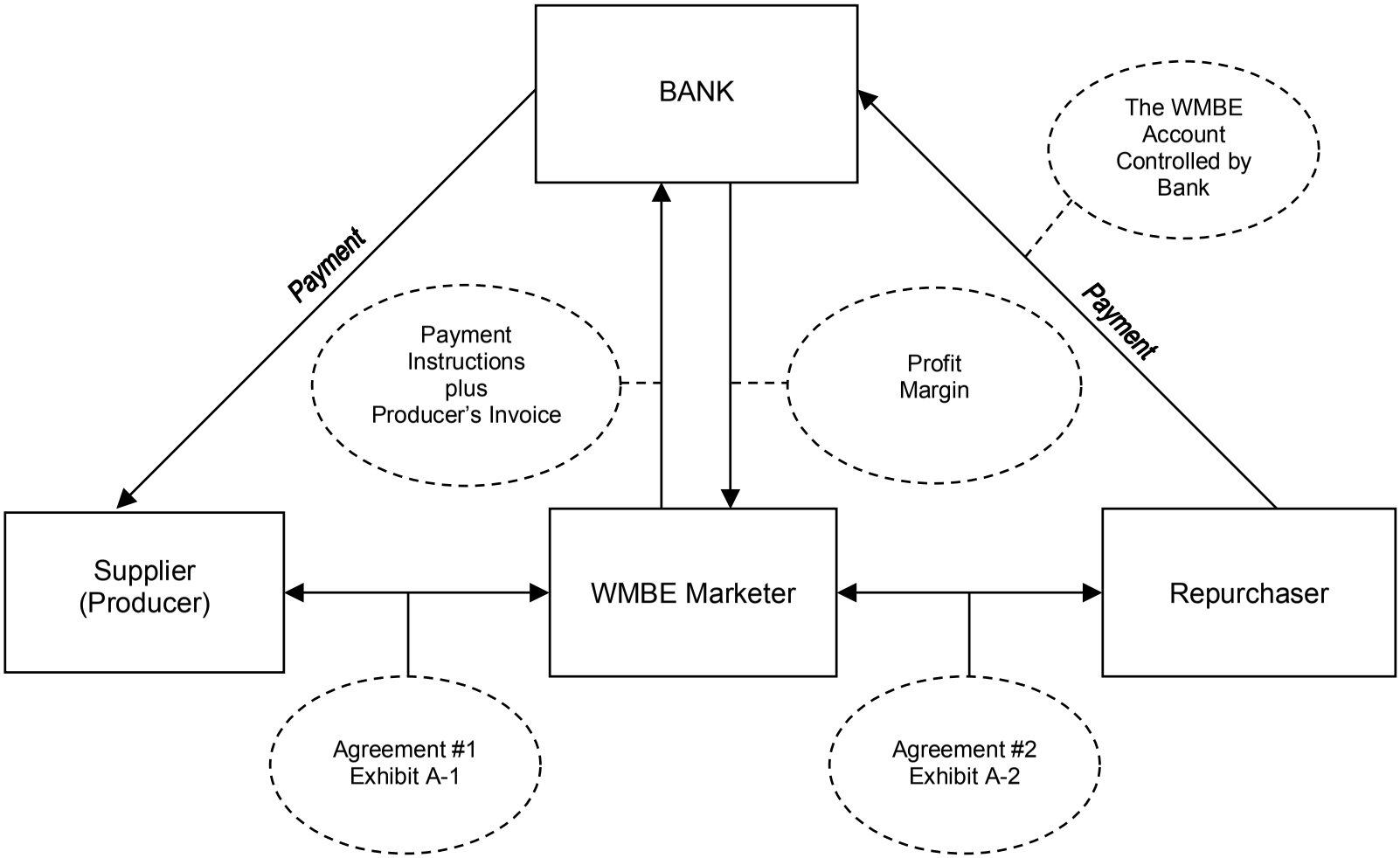
Flow of Funds of FTAA



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