

Subj: Proposed Modifications to Base Contract for Short-Term Sale and Purchase of Natural Gas
Date: 4/19/00 4:16:43 PM Central Daylight Time
From: matt.j.cross@exxon.com
To: GISB@AOL.COM
CC: kay.a.anderson@exxon.com, vernon.a.sevier@exxon.com

ExxonMobil Gas Marketing Company, a division of Exxon Mobil Corporation, submits the following proposed changes to the Short Term Base Contract for the consideration of the GISB Contracts Subcommittee.

1. Delete the first line of Section 3.2 (Cover Standard) and replace it with:
"The exclusive and".
2. Add the following at the end of Section 3.2 (Cover Standard):
"Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3.
3. Delete last 2 sentences of Section 4.3 and replace with the following:
"If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges, or reimburse Seller for such Imbalance Charges paid by Seller to the Transporter. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges, or reimburse Buyer for such Imbalance Charges paid by Buyer to the Transporter. "
4. Add the following to Section 7.2:
"For the purposes of this Contract, Automated Clearing House (ACH) is defined as ACH Credit. No ACH Debits are authorized for any transactions hereunder."
5. Insert the following paragraph as the new Section 8.5:
"EXCEPT FOR THE WARRANTIES CONTAINED IN SECTIONS 5. AND 8., SELLER MAKES NO OTHER WARRANTIES HEREUNDER AND EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE GAS DELIVERED HEREUNDER."
6. Add the following at the end of Section 10.2:
"Each party may setoff any amount owed it by the other party against any amount owed to the other party, whether under this Contract or any other agreement or arrangement between or among the parties to this Contract. If any amount owed is unliquidated or unascertainable, a party may setoff an amount estimated by it in good faith to be the amount owed."
7. Replace 3rd line of Section 11.5 with the following:
"Upon providing written notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or"
8. Add new Section 13.9 as follows:
"The heading and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract. This Contract was prepared jointly by the parties. The parties agree that any rule of construction that would construe ambiguities against the drafter shall not apply to this Contract."
9. Section 1.2 Written Transaction Procedure, 3rd sentence:
"Confirmation" should be plural.
10. Section 9.3, 3rd sentence:
Replace comma after "successful transmission" with a semicolon.