



**GAS INDUSTRY STANDARDS BOARD, INC.
BYLAWS ADDENDUM**

PRODUCER SEGMENT PROCEDURES

August 18, 1997

1.0: DEFINITIONS:

1.1 "GISB" means the Gas Industry Standards Board, Inc.

1.2 "Segment" means one of the co-equal membership segments of GISB representing the following five (5) segments of the natural gas industry: End-Users, Local Distribution Companies, Pipelines, Producers, and Services.

1.3 "Bylaws" means the corporate bylaws of GISB as amended from time to time.

1.4 "Board" means the Board of Directors of GISB.

1.5 "Director" means an individual serving on the Board.

1.6 "EC" means the Executive Committee of GISB.

1.7 "Segment Member" means an individual or entity (e.g., corporation, partnership) that satisfy the requirements for membership set forth in Article 5 of the Bylaws of GISB, and further satisfy the qualifications for Producer Segment membership set forth in Section 3.1 of these procedures. If the Segment Member is not an individual, the term Segment Member shall include that entity's representative (employee, officer, director, or partner) who is authorized to cast that Segment member's vote.

1.8 "Segment Membership" means the Segment Members collectively.

1.9 All other capitalized terms, if not defined in this Section 1.0, shall have the same definitions as specified in the Bylaws or Certificate of Incorporation.

2.0 DESCRIPTION OF PRODUCER SEGMENT:

The Producer Segment is one of the five (5) co-equal segments comprising GISB. The Producer Segment represents the interests of individuals and entities which produce natural gas.



3.0 **MEMBERSHIP REQUIREMENTS:**

3.1 Segment Members:

Any individual or entity (e.g., corporations, partnerships) producing natural gas may elect to become a member of the Producer Segment of GISB as long as that individual or entity pays the applicable membership fee required to be paid as set forth in Section 7.1 below. A segment Member's voting rights shall be suspended for any period during which the member is delinquent in the payment of its membership fee.

3.2 Meetings:

All meetings held in association with the GISB organization or the Producer Segment of GISB are open to any interested person or entity. Only Segment Members, however, shall have a right to vote at such meetings.

3.3 Chairperson:

The Segment Members shall elect a chairperson, who shall serve a term of one year (from January 1 to December 31) and shall preside over Producer Segment meetings.

4.0 **ELECTION, RESIGNATION, AND REMOVAL OF MEMBERS OF THE BOARD OF DIRECTORS**

4.1 Election of Directors

a. The Producer Segment will be represented on the Board by five (5) persons who shall be Segment Members.

b. In preparation for any election of Directors, other than the initial Directors, representing the Producer Segment, a Nominating Committee, which shall be comprised of five (5) Segment Members, shall select a slate of candidates from the Segment Membership. Other nominations may be made at or before the Producer Segment meeting at which the election shall occur. Segment Members shall cast votes for candidates in a number not exceeding the number of vacant directorships. The candidates receiving the greatest numbers of votes shall be elected.

c. All persons selected by the Nominating Committee, or whose nomination is made in any other manner, shall state in writing their willingness to accept the responsibility of serving as a Director prior to the submission of their names to the Segment Membership at the election.

4.2 Resignation of Directors



A Director may resign his or her directorship by submitting a letter to the Secretary of GISB with a copy to the Chairperson of the Producer Segment stating that he or she is resigning and giving the effective date of the resignation.

4/3 Removal:

A Director may be removed upon a majority vote of the Segment Members.

4.4 Vacancies other than Expiration of Term:

A Director shall cease to be a Director upon (1) the resignation of his or her Segment Membership or lapse of Director's Segment Membership for delinquency in payment of the membership fee (if the Director is an individual Segment Member); (2) the resignation or lapse (through a delinquency in payment of the membership fee) of the Segment Membership of the entity of which the Director is a partner, director, officer, or employee; or (3) the Director's resignation, removal, or death. A Director vacancy shall be filled for the remainder of that term in accordance with the procedures specified in Section 4.1 (b) above.

5.0 **ELECTION, RESIGNATION, AND REMOVAL OF MEMBERS OF THE EXECUTIVE COMMITTEE**

5.1 Election of Members of the Executive Committee:

a. The Producer Segment will be represented on the EC by five (5) persons who shall be individual Segment Members.

b. In preparation for any election of members of the EC, other than the initial members of the EC, representing the Producer Segment, a Nominating committee, which shall be comprised of five (5) Segment Members, shall select a slate of candidates from the Segment membership. Other nominations may be made at or before the Producer Segment meeting at which the election shall occur. Segment Members shall cast votes for candidates in a number not exceeding the number of vacant memberships on the EC. The candidates receiving the greatest numbers of votes shall be elected.

c. All persons selected by the Nominating committee, or whose nomination is made in any other manner, shall state in writing their willingness to accept the responsibility of serving as a member of the EC prior to the submission of their names to the Segment Membership at the election.

5.2 Resignation of Members of the Executive Committee:



A member of the EC may resign his or her position by submitting a letter to the Secretary of GISB with a copy to the Chairperson of the Producer Segment stating that he or she is resigning and giving the effective date of the resignation.

5.3 Removal:

A member of the EC may be removed upon a majority vote of the Segment Members.

5.4 Vacancies other than Expiration of Term:

A member of the EC shall cease to be a member of the EC upon (1) the resignation of his or her Segment Membership or lapse of his or her Segment Membership for delinquency in payment of the membership fee (if the member of the EC is an individual Segment Member); (2) the resignation or lapse (through a delinquency in payment of the membership fee) of the Segment Membership of the entity of which the member of the EC is a partner, director, officer, or employee; or (3) the member of the EC's resignation, removal, or death. A vacancy shall be filled for the remainder of that term in accordance with the procedures specified in Section 5.1(b) above.

6.0 **DESIGNATED ALTERNATES:**

6.1 Selection of Designated Alternates:

a. The Producers Segment will select not more than ten (10) Designated Alternates to attend and vote at meetings of the Executive Committee when one or more regular members of the Executive Committee are unable to attend a meeting of the Executive Committee.

b. In preparation for any election of Designated Alternates for the EC, other than the initial Designated Alternates for the EC, representing the Producer Segment, a Nominating Committee, which shall be comprised of five (5) Segment Members, shall select a slate of candidates from the Segment Membership. Other nominations may be made at or before the Producer Segment meeting at which the election shall occur. Segment Members shall cast votes for candidates in a number not exceeding the number of vacant positions for Designated Alternate for the EC. The candidates receiving the greatest numbers of votes shall be elected Designated Alternates.

c. All persons selected by the Nominating Committee, or whose nomination is made in any other manner, shall state in writing their willingness to accept the responsibility of serving as a Designated Alternate prior to the submission of their names to the Segment Membership at the election.



d. When designated by a member of the Executive Committee to attend a meeting of the EC, a Designated Alternate shall do so unless he or she is unable to attend, in which case, the Designated Alternate shall so advise the member of the EC, and the member of the EC shall select another Designated Alternate. When attending a meeting of the EC, the Designated Alternate shall have the full voting rights of the regular member of the EC, except as may be limited by that regular member's notice in writing to the Chair of the EC, the Secretary of GISB (or the person designated to serve as the secretary of the EC), and the Designated Alternate.

e. The Chairperson of the Producer Segment will advise GISB's Secretary in writing of the names, addresses, telephone and facsimile numbers of the Designated Alternates for the Producer Segment.

6.2 Resignation of Designated Alternates:

A Designated Alternated for the Executive Committee may resign his or her position by submitting a letter to the Secretary of GISB with a copy to the Chairperson of the Producer Segment stating that he or she is resigning and giving the effective date of the resignation.

6.3 Removal:

A Designated Alternate may be removed upon a majority vote of the Segment Members.

6.4 Vacancy:

A Designated Alternate shall cease to be a Designated Alternate upon (1) the resignation of his or her Segment Membership or lapse of his or her Segment Membership for delinquency in payment of the membership fee (if the Designated Alternate is an individual Segment Member); (2) the resignation or lapse (through a delinquency in payment of the membership fee) of the Segment Membership of the entity of which the Designated Alternate is a partner, director, officer, or employee; or (3) the Designated Alternate's resignation, removal, or death. A vacancy shall be filled for the remainder of that term in accordance with the procedures specified in Section 6.1(b) above.

7.0 **PRODUCER SEGMENT FUNDING**

7.1 Classes of Producer Segment Membership

For purposes of calculating each Segment Member's share of any Budget Deficit, the Producer Segment of GISB shall have four classes of Segment Membership based upon annual production. All classes of Segment Members shall pay a base fee as



designated by GISB's Board from time to time. In addition, each Segment Member shall pay its allocable share of the Producer Segment's portion of GISB's Budget Deficit based on the Segment Member's annual production according to the following schedule:

Class	Annual Production	Allocation Factor
A	300+Bcf	1.3 x B
B	200 - 300 Bcf	1.3 x C
C	100 - 200 Bcf	1.3 x D
D	Less than 100 Bcf	*

* The maximum funding requirement for Class D members shall not exceed \$1,500 per year (inclusive of base fee and calculated share of budget deficit).

Each Segment Member's allocable share shall be calculated as indicated in the table above until changed by a majority vote of the Segment Membership.

8.0 **COMMUNICATIONS PROCESSES:**

8.1 The producer Segment will rely upon the Natural Gas Supply Association ("NGSA") and the Independent Petroleum Association of America ("IPAA") to distribute various information and notices to the Segment Members of the Producer Segment, when issues are specific to the Producer Segment only.

9.0 **AMENDMENT OF PRODUCER SEGMENT PROCESSES:**

9.1 Procedure for Amendment:

The Directors representing the Producer Segment on the Board shall recommend to the Segment Membership amendments to these Procedures. Each proposed amendment shall be offered as a separate amendment, except in those situations in which an amendment will affect more than one section of these Procedures. If a proposed amendment will affect more than one section, then all affected sections will be identified.

A majority vote of the Segment Membership shall be required to approve an amendment to these procedures.

9.2 Determination of Quorum:



A quorum, for purposes of these procedures only, shall be the Segment Members present at any meeting for which prior notice has been given even if the number of Segment Members present is less than a majority of the Segment Members.

10.0 EXECUTIVE SUMMARY

10.1 To belong to the Producer Segment, and be entitled to one (1) vote in GISB matters, a person or entity must produce natural gas and pay the level of membership fees set out by GISB.

10.2 The Chairperson of the Producers Segment shall serve a term of one (1) calendar year.

10.3 Board, E. C., and Alternates shall be elected by the vote of the Segment membership. The slate of candidates shall be determined by a Nominating Committee made up of Segment members.

10.4 Producer Segment may have up to ten (10) Designated Alternates.

10.5 Should GISB determine that there is a budget deficit, the Producer Segment shall use a graduated scale based on production to collect the required monies.

10.6 Majority vote of segment membership is required to amend these procedures.

10.7 A quorum is defined as those present at any meeting of the Producer Segment