



North American Energy Standards Board

801 Travis, Suite 1675, Houston, Texas 77002

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Home Page: www.naesb.org

NAESB Base Contract Special Provisions Matrix Survey

Special Provision	Is the proposed Special Provision generally accepted by the Industry (Yes/No/leave to negotiation between parties)?
Coversheet	
(WGQ Contracts Subcommittee) Add the word "Coversheet" to the title of the coversheet	YES
Section 2	
(WGQ Contracts Subcommittee) Modify definition 2.4 to include reference to "Coversheet"	YES
(ConocoPhillips) Change the definition of "Transactional Cross Default" in Section 2.33 to read as follows: 2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to that a party, that it shall be in (i) defaults, however therein defined, under any Specified Transaction or any credit support arrangement relating to a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, such default results in a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction; or (ii) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment due on the last payment date of, or any payment on early termination of, a Specified Transaction (or, if there is no applicable notice requirement or grace period, such default continues for at least one Business Day).	NO
Section 6	
(Encana) Suggest adding the following language: "Notwithstanding anything to the contrary in the Base Contract or these Special Provisions and regardless of whether such Taxes are, or are deemed to be, due before, at, or after delivery, (1) the Contract Price is inclusive of all production, severance, ad valorem or similar Taxes levied on or with respect to the Gas, and all such Taxes shall be borne and paid exclusively by Seller, and (2) Buyer shall pay, cause to be paid, or reimburse Seller for the payment of, any Tax levied by any government or governmental subdivision or agency as a result of the consumption or use of Gas by Buyer, its customers, or consumers. Each party will, upon request, reasonably cooperate (including by the delivery of tax exemption certificates or other relevant documents) to enable the other party to eliminate or reduce the rate at which such other party must deduct or withhold	NO



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for or on account of any Tax in connection with any payment required under this Base Contract."	
Section 10	
(Encana) Section 10.3.3 - the last sentence is amended by replacing the words "in a commercially reasonable manner determined by the Non-Defaulting Party" with the words, "by applying the Present Value Discount Rate."	NO
Section 15	
(Encana) Delete the second sentence of Section 12 and replace it with the following: "The rights of either party pursuant to (i) Section 7.6, (ii) Section 10, (iii) Section 13, (iv) Section 15.10, (v) the obligations to make payment hereunder and (vi) the obligation of either party to indemnify the other pursuant hereto shall survive the termination of this Base Contract or any transaction." NOTE: Inclusion of Section 15.10 (confidentiality).	NO
(Encana) In Section 15.10, delete the words "Subject to Section 13," as they appear at the start of the fourth sentence. NOTE: Encana would like to discuss the above change in more detail. We consider the risk associated with a breach of confidentiality to be remote, however, we are seeing this change frequently in the Special Provisions received from our counterparties.	NO