

OPERATIONAL BALANCING AGREEMENT
(For Use at Delivery Point(s))

This Agreement dated and effective _____, 20__ is by and between Viking Gas Transmission Company (Company), and _____ (Balancing Party). Company and Balancing Party shall be collectively referred to as "Parties."

W I T N E S S E T H:

WHEREAS, Company transports natural gas to the delivery point(s) specified in Exhibit "A" attached hereto (Delivery Point(s)) and Balancing Party receives such gas from Company;

WHEREAS, the gas actually delivered at the Delivery Point(s) is at times different than the quantities nominated to be transported by Company from those point(s);

WHEREAS, Company and Balancing Party desire to aggregate all quantities delivered at all of the Delivery Point(s) for balancing purposes and to allocate the transportation of natural gas to the Delivery Point(s) based upon confirmed nominations and to allocate any difference between such confirmed nominations and actual deliveries at the Delivery Point(s) (Operational Imbalance) to this Agreement;

WHEREAS, Company and Balancing Party desire to correct the Operational Imbalances in subsequent periods in cash, unless the parties mutually agree otherwise; and

WHEREAS, Company and Balancing Party desire to implement operating rules designed to encourage conduct that maintains Company's system balance in a manner that facilitates the movement of gas for transportation purposes.

NOW THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties hereto agree as follows:

ARTICLE I
NOMINATIONS AND CONFIRMATIONS

- 1.1 Confirmation of Nominations - Prior to the beginning of the month in which service is to commence, Company and Balancing Party shall confirm the quantities nominated to be transported by Company at the Delivery Point(s) commencing on the first day of the month following confirmation. Any modification to such confirmed quantities shall be confirmed by Company and Balancing Party prior to the commencement of the revised service. Company shall provide evidence of such confirmations in writing within two (2) Business Days after such confirmation, unless mutually agreed to otherwise. Balancing Party shall notify Company of any errors in the confirmed nominations within two (2) Business Days of receipt of such written evidence from Company. If Balancing Party fails to respond to Company's request to confirm the quantities to be transported at any Delivery Point(s) in accordance with the above, then this Agreement shall terminate upon written notice from Company at the end of that calendar month.

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ARTICLE I
NOMINATIONS AND CONFIRMATIONS
(Continued)

- 1.2 Allocations Based on Confirmed Nominations - The Parties intend that the quantity actually delivered at the Delivery Point(s) will be equal to the confirmed nominations. Balancing Party shall use all reasonable efforts to ensure that the quantities actually delivered at the Delivery Point(s) are equal to the confirmed nominations. Unless prohibited by applicable law or regulation, all transportation services and/or gas provided by Company shall be allocated each Gas Day based upon the confirmed nominations set forth in Section 1.1 above, or by such other methods as may be mutually agreed to by both Parties.
- 1.3 Allocation of Variances - The difference on any Gas Day between the confirmed nominations set forth in Section 1.1 above and the actual quantity delivered at the Delivery Point(s) shall be the Daily Operational Imbalance and shall be allocated to this Agreement. The difference between the sum of the confirmed nominations set forth in Section 1.1 above during a calendar month and the total actual quantity delivered at the Delivery Point(s) during the calendar month shall be the Monthly Operational Imbalance. Any Operational Imbalances will be corrected in accordance with Article II.
- 1.4 Limitation on Takes - Upon notice by Company under an Operational Flow Order (OFO), Balancing Party shall conform its takes to the terms and conditions of the OFO. If Balancing Party fails to conform its takes to the terms and conditions of any applicable OFO, then the excess quantities shall be treated as unauthorized overruns under Rate Schedule LMS.
- 1.5 Reports on Actual Deliveries - The Balancing Party shall provide meter statements at such Delivery Point(s) within five (5) Business Days after the close of a calendar month. Nothing in the section will require Balancing Party to install metering devices where none currently exist. If the Balancing Party does not provide such information or meter statements at any Delivery Point(s), or the information provided contains significant inaccuracies as reasonably determined by Company, and such conditions continue for fifteen (15) days or more (whether or not such days are consecutive) after the first notice to the Balancing Party, then this Agreement shall terminate upon written notice from Company at the end of that calendar month (and such Delivery Point(s) will be deleted from Exhibit A upon written notice from Company at the end of that calendar month). Any Delivery Point which is deleted from this Agreement in accordance with this section, may be added to Exhibit A in the future if the Parties mutually agree.

ARTICLE II
CORRECTION OF OPERATIONAL IMBALANCES

- 2.1 Corrections in Flow Rates During a Day - Balancing Party will be able to request adjustments to actual deliveries at its Delivery Points at any time during the gas day by coordinating with Company's gas control department. Company will use best efforts to deliver those changed quantities when the operating conditions on Company's system permit, taking into consideration the nominations made by firm Shippers on Company's system.

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ARTICLE II
CORRECTION OF OPERATIONAL IMBALANCES
(Continued)

- 2.2 Corrections During the Month - Estimated metered quantities, or actual metered quantities where available, may be used by Company for purposes of adjustments under this Section on a daily basis during the production month to determine the estimated Operational Imbalance at all of the Delivery Point(s). Company shall make the estimated Daily and Monthly Operational Imbalance at each Delivery Point available to Balancing Party within three (3) Business Days after each production day. Adjustments in nominations and actual deliveries will be made by Balancing Party during the production month to adequately control imbalance levels. If Balancing Party fails to take such corrective action, Company may, upon forty-eight (48) hours notice, adjust the nominations and actual deliveries during the remainder of the production month to adequately control imbalance levels. Any such adjustments will be incorporated in the daily nominations confirmed between Company and Balancing Party.
- 2.3 Corrections in Subsequent Periods - As soon as practicable following the close of each month, Company will send Balancing Party a statement setting forth the Operational Imbalance existing at the end of the prior month. Any Monthly Operational Imbalance shall be corrected in cash in accordance with Rate Schedule LMS of Company's FERC Gas Tariff, unless the parties mutually agree otherwise.
- 2.4 Measurement of Operational Imbalance - Any gas received or delivered pursuant to this Agreement to correct an Operational Imbalance shall be adjusted for variation in Btu content. Measurement of gas for all purposes shall be in accordance with Company's FERC Gas Tariff.
- 2.5 Operational Integrity - Nothing in this Article II shall limit Company's right to take action as may be required to adjust deliveries of gas in order to alleviate conditions which threaten the integrity of its system.

ARTICLE III
TERM

- 3.1 Duration of Agreement - Subject to the other termination rights provided herein, this Agreement shall be in full force and effect from the date hereof for a primary term of _____ and shall continue thereafter on a month-to-month basis unless canceled by either Party upon thirty (30) days' prior written notice with the termination to be effective at the end of a calendar month. Notwithstanding the above, if any material problem arises as a result of the provisions of this Agreement, then the Parties will enter into good faith negotiations to amend this Agreement to resolve such problems. If the Parties are unable to resolve such problems as a result of such negotiations, then either Party may terminate this Agreement upon forty-eight (48) hours' prior written notice, with the termination to be effective at the end of a calendar month.

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ARTICLE III
TERM
(Continued)

- 3.2 Continuing Obligations - Following the termination of this Agreement, any remaining Operational Imbalance shall be corrected in cash in accordance with Rate Schedule LMS and Section 3 of these General Terms and Conditions of Company's FERC Gas Tariff Volume No. 1, unless the parties mutually agree otherwise.

ARTICLE IV
DAILY DEMAND QUANTITY

Daily Demand Quantity - shall mean swing service entitlement elected by the Balancing Party for use under Rate Schedule LMS at the Delivery Point(s) in Exhibit A hereto, on each day during each month during the term hereof, which shall be ____ Dth per day.

ARTICLE V
MISCELLANEOUS

- 5.1 Warranties - Balancing Party warrants (i) that as to any gas which it delivers or causes to be delivered to Company hereunder to correct an Operational Imbalance that it will have good title to such gas, free and clear of all liens, encumbrances and claims whatsoever; (ii) that it will at the time of delivery have the right to deliver or cause to be delivered such gas; (iii) that it has the right to allocate all deliveries from the Delivery Points in accordance with this Agreement, and (iv) that it will indemnify and save Company harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to said gas or to royalties, overriding royalties, taxes, or other charges thereon or with regard to the allocation of gas hereunder. Balancing Party represents and warrants to Company that all requisite authorizations, if any, have been obtained as to any gas which Balancing Party delivers or causes to be delivered hereunder. The Balancing Party of each Delivery Point will take the necessary corrective action requested by Company in accordance with this Agreement and shall perform all acts and duties required to nominate, confirm and deliver gas hereunder. If the Balancing Party fails to take such corrective action, then this Agreement shall terminate upon written notice from Company at the end of that calendar month (then such Delivery Point(s) will be deleted from Exhibit A upon written notice from Company at the end of the calendar month and shall no longer be subject to this Agreement). Company may act, and shall be fully protected in acting, in reliance upon any and all acts performed by Balancing Party to nominate, confirm and deliver gas hereunder.
- 5.2 Governing Bodies - This Agreement shall be subject to all applicable laws, Federal or State, and to all applicable rules and regulations of any duly authorized Federal, State or other government agency having jurisdiction.
- 5.3 Waivers - No waiver by either party of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of different character.
- 5.4 Billings and Payments - Company shall bill and Balancing Party shall pay for the correction of Operational Imbalances in cash in accordance with Section(s) 5 and 6, respectively, of the General Terms and Conditions specified in Company's FERC Gas Tariff.
- 5.5 Incorporation of Tariff - Unless otherwise stated herein, Rate Schedule LMS and the General Terms and Conditions specified in Company's FERC Gas Tariff are incorporated as part of this Agreement.

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ARTICLE V
MISCELLANEOUS
(Continued)

5.6 Notices - Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

COMPANY:

NOTICES: Viking Gas Transmission Company
ONEOK Plaza
100 West 5th Street
Tulsa, Oklahoma 74103
Attention: Customer Service

BILLINGS: Viking Gas Transmission Company
ONEOK Plaza
100 West 5th Street
Tulsa, Oklahoma 74103
Attention: Gas Accounting

BALANCING PARTY:

NOTICES: _____

Attention: _____

BILLINGS: _____

Attention: _____

(With regard to operational matters, Balancing Party/Supplier shall have the right to designate different personnel or locations to receive notices from Company for different periods of the week.)

5.7 Conflicts - If there is any conflict or discrepancy between this Agreement and any other agreement between Company and Balancing Party with regard to allocations of deliveries at Delivery Points, the terms of this Agreement shall govern and control. If there is any conflict or discrepancy between this Agreement and Rate Schedule LMS, the terms of Rate Schedule LMS shall govern. If there is any conflict or discrepancy between this agreement and the General Terms and Conditions specified in Company's FERC Gas Tariff, the General Terms and Conditions shall govern.

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The Parties' signatures below will evidence their agreement to this Operational Balancing Agreement.

BY: _____

VIKING GAS TRANSMISSION COMPANY

BY: _____

EXHIBIT A TO OPERATIONAL BALANCING AGREEMENT
(For Use at Delivery Point(s))

Delivery Point(s)

DRN
