

OPERATIONAL BALANCING AGREEMENT
(For Use at Receipt 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 from the receipt point(s) specified in Exhibit "A" attached hereto (Receipt Point(s));

WHEREAS, the gas actually delivered at the Receipt Point(s) is at times different than the quantities nominated to be purchased and/or transported by Company from those points;

WHEREAS, Company and Balancing Party desire to allocate the transportation and/or purchase of natural gas from the Receipt Point(s) based upon confirmed nominations and to allocate any difference between such confirmed nominations and actual deliveries at the Receipt 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, for good and valuable consideration, the receipt of which is hereby acknowledged, Company and Balancing Party covenant and 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 Receipt Point(s) commencing on the first day of the month following the confirmation. Any modification to such confirmed quantities shall be confirmed by Company and the Balancing Party prior to the commencement of the revised service. Company shall provide evidence of such confirmation in writing to Balancing Party 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 requests to confirm the

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ARTICLE I
NOMINATIONS AND CONFIRMATIONS
(Continued)

quantities to be transported at any Receipt Point(s) in accordance with the above, and such failure continues for fifteen (15) days or more (whether or not such days are consecutive) after 24-hour written notice to the Balancing Party by Company for each occurrence of Balancing Party's failure to respond, then this Agreement shall terminate upon written notice from Company at the end of that calendar month (and such Receipt 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). If, subsequent to the deletion of the Receipt Point from this Agreement, Balancing Party demonstrates to Company's satisfaction that Balancing Party will respond to confirmation requests in accordance with this Agreement, then the Receipt Point may be added to Exhibit A.

- 1.2 Allocations Based on Confirmed Nominations - The Parties intend that the quantity actually delivered at the Receipt 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 Receipt Point(s) are equal to the confirmed nominations. Unless prohibited by applicable law or regulation, all transportation services 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 total actual quantity delivered at the Receipt Point(s) as shown on Exhibit "A" shall be the Daily Operational Imbalance and shall be allocated to this Agreement. The differences 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 Receipt Point(s), as shown on Exhibit "A", during the calendar month shall be the Monthly Operational Imbalance. Any Operational Imbalances will be corrected in accordance with Article II.
- 1.4 Reports on Actual Deliveries - The Balancing Party shall provide meter statements within five (5) Business Days after the close of a calendar month at any Receipt Point(s) where Company does not operate the meter. If the Balancing Party does not provide such information or meter statements at any Receipt 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 Receipt Point(s) will be deleted from Exhibit A upon written notice from Company at the end of that calendar month). Any Receipt 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.

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ARTICLE I
NOMINATIONS AND CONFIRMATIONS
(Continued)

- 1.5 Unauthorized deliveries - Upon notice by Company under an Operational Flow Order (OFO), Balancing Party shall conform its deliveries to the terms and conditions of the OFO. If Balancing Party fails to conform its deliveries to the terms and conditions of the applicable OFO, the excess quantities will be treated as unauthorized deliveries and will be subject to a charge as set forth in Section 3 of the General Terms and Conditions of Company's FERC Gas Tariff.

ARTICLE II
CORRECTION OF OPERATIONAL IMBALANCES

- 2.1 Corrections During the Month - Estimated metered quantities, or actual metered quantities where available, shall 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 Receipt Point(s). Company shall make the estimated Daily and Monthly Operational Imbalance (at each Receipt Point) available to Balancing Party within three (3) Business Days after each production day. Adjustments in nominations and actual deliveries may be made by Company or 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 receipts 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.
- 2.2 Corrections in Subsequent Periods - As soon as practicable following the close of each month, Company will send Balancing Party a statement setting forth the Monthly 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 Volume No. 1, unless the parties mutually agree otherwise. For purposes of correcting imbalances in cash in accordance with Rate Schedule LMS, any difference between actual deliveries and confirmed nominations will be treated as "Excess Receipts."
- 2.3 Measurement of Operational Imbalance - Any gas received or delivered pursuant to this Agreement shall be adjusted for variation in Btu content. Measurement of gas for all purposes shall be in accordance with Company's FERC Gas Tariff.
- 2.4 Operational Integrity - Nothing in this Article II shall limit Company's right to take action as may be required to adjust receipts of gas in order to alleviate conditions which threaten the integrity of its system.

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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 terminated by either Party giving thirty (30) days, written notice, with the termination to be effective at the end of a calendar month. Notwithstanding the above, if any material problems arise 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.
- 3.2 Continuing Obligations - Following the termination of this Agreement, any remaining Operational Imbalance shall be corrected in cash in accordance with Section 3 of the General Terms and Conditions of Company's FERC Gas Tariff unless the Parties mutually agree otherwise.

ARTICLE IV
MISCELLANEOUS

- 4.1 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 (of its) deliveries from the Receipt 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 Receipt 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 Receipt 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.

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ARTICLE IV
MISCELLANEOUS
(Continued)

- 4.2 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.
- 4.3 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.
- 4.4 Billings and Payments - Company shall bill and Balancing Party shall pay for the correction of Operational Imbalances in cash in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Company's FERC Gas Tariff.
- 4.5 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.
- 4.6 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: _____

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ARTICLE IV
MISCELLANEOUS
(Continued)

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

- 4.7 Receipt Points - Subject to the provisions of Company's FERC Gas Tariff and the other provisions of this OBA, including without limitation, Articles 1.1, 1.4 and 4.1, Balancing Party may add or delete Receipt Point(s) to Exhibit "A" at its sole option.
- 4.8 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.

The Parties' signature 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 Receipt Point(s))

Receipt Point(s)

DRN
