

GATHERER'S GAS AND CONDENSATE SPECIFICATIONS

EXHIBIT to the GAS GATHERING AGREEMENT

All defined terms used herein shall have the same meaning as set forth in the Agreement.

GAS QUALITY

All Gas and Condensate delivered by Producer to Gatherer shall meet the most stringent of either the specifications of the downstream Transporter to which such Gas and Condensate are delivered or the following:

1. All Gas delivered by Producer to Gatherer, shall meet the following specifications:
 - a) Gross heating value of at least nine hundred sixty-seven (967) BTUs per cubic foot (Btu/CF) of and a maximum of one thousand one hundred and ten (1110) Btu/CF max at 14.73 psia saturated.
 - b) Contain a maximum of twenty (20) grains of total sulfur, and one-quarter (1/4) grain of hydrogen sulfide per one hundred (100) standard cubic feet of Gas.
 - c) Be commercially free of dust, gum, gum forming constituents, and solid matter.
 - d) Contain a maximum of two tenths of one percent (0.2%) by volume of oxygen. Every reasonable effort shall be made to keep the Gas free of oxygen.
 - e) Have a maximum temperature of one hundred twenty degrees Fahrenheit (120°F).
 - f) Contain a maximum of four percent (4%) by volume of a combined total of carbon dioxide and nitrogen compounds; provided, however, that the total carbon dioxide content shall not exceed three percent (3%) by volume.
 - g) Have a maximum of seven (7) pounds of entrained water per million cubic feet of Gas, unless such Gas is delivered upstream of the Johnson Bayou, Grand Chenier, Cocodrie or Pecan Island separation and dehydration facilities. Gas delivered upstream of such facilities may deliver saturated gas but shall not have any free water.
 - h) Be delivered to the Receipt Point(s) after standard mechanical separation by Producer for the removal of free water and free liquid hydrocarbons.
2. All Gas delivered by Producer to Gatherer upstream of a Gas Processing Plant, shall meet the following additional or alternative specifications:
 - a) Gas delivered upstream of and being processed by a Gas Processing Plant may deliver gas with Gross Heating Value in excess of 1110 Btu/CF, subject to the specifications of any intermediary pipeline. Gas Redelivered downstream of the Gas Processing Plant shall comply with any downstream pipeline's gas quality specifications.
 - b) Producer shall, subject to all the provisions of this Agreement, make reasonable efforts to deliver Gas with a Gross Heating Value in excess of 1000 BTU/CF but Producer shall not be required to treat such gas in order to raise the Gross Heating Value to 1000 BTU/CF.
3. The Parties recognize that the point of Gas measurement shall be the point at which Gas volume and thermal content determination shall be made, and where Gas quality shall be determined and enforced.

The Gas quality standards in this Exhibit may be amended by Gatherer upon five (5) business days' notice to the other Party and posting such changes to Gatherer's EBB.

PRODUCTION CONDENSATE QUALITY

1. Production Condensate injected hereunder shall conform to the following specifications:
 - a) be classified as a Condensate, have an API gravity of not less than 40° and not contain any asphalt or any other heavy organic fractions of crude oil;
 - b) not contain more than one percent (1%) S&W expressed as a fraction of the total measured stream as determined in accordance with API Standard 2542;
 - c) not include any soft or hard paraffin in a solid state, asphaltene, solid salts, metals or hazardous metals; sand shall be removed to the extent possible;
 - d) have a temperature of not more than 120° F and not less than 40° F;
 - e) when tested in accordance with ASTM Procedure No. D130, not exceed a 1A grouping;
 - f) not contain more than one-tenth of one percent (0.1%) by weight total sulfur;
 - g) not exceed 100 colonies of acid producing bacteria per milliliter of produced water or 100 colonies of sulfate reducing bacteria per milliliter of produced water as determined in accordance with the latest version of Gatherer's testing procedures for microbiologically influenced corrosion (MIC);
 - h) not contain polychlorinated biphenols (PCBs);
 - i) not contain any agents causing emulsions or foaming in the combined stream or that would create emulsions, foaming or operational problems at the onshore separation and dehydration facilities;
 - j) not contain any entrained gas that violates any specification for gas, if any, and/or gathering agreement or transportation agreement to the extent that such gas is not treated and/or corrected at the separation and dehydration facilities or gas processing plant downstream;
 - k) not damage or restrict flow in the pipeline or any related facilities;
 - l) be free of any other objectionable matter, regardless of the source or cause;
2. When the blended gas stream at the delivery to any downstream Gas Processing Plant or any interstate or intrastate pipeline exceeds such Gas Processing Plant's gas quality specifications or such Transporter's FERC Gas Tariff, or Gatherer experiences any operational problems from the excess CO₂ or nitrogen in the natural gas received at the meter station, Producer agrees that the Gas production may, at Gatherer's sole discretion and as directed by Gatherer, be immediately reduced or shut-in. The duration of any such reduction or cessation shall be for so long as any of these conditions exist.
3. The Parties recognize that the point of Production Condensate measurement shall be the point at which quality shall be determined and enforced.

The Production Condensate quality standards in this Exhibit may be amended by Gatherer upon five (5) business days' notice to the other Party and posting such changes to Gatherer's EBB.