

May 31, 2019

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Attention: Ms. Kimberly D. Bose, Secretary

Re: Billing and Payment Update and Housekeeping Filing;
TransColorado Gas Transmission Company LLC;
Docket No. RP19-

Commissioners:

TransColorado Gas Transmission Company LLC ("TransColorado") hereby tenders for filing and acceptance by the Federal Energy Regulatory Commission ("Commission") the tariff records listed on the attached Appendix A. Proposed with an effective date of July 1, 2019, these tariff records include a tolerance for *de minimis* interest amounts associated with overdue invoices, the removal of expired firm transportation service agreements ("TSAs"), and minor housekeeping modifications.

Reason for Filing

Billing and Payment Update

General Terms and Conditions ("GT&C") Section 13 of TransColorado's Tariff identifies the timing applicable to payments by customers. In the event a shipper does not submit payment of their invoice timely, interest on the unpaid balance accrues at the Commission-approved interest rate from the payment due date to the date of actual payment.

On invoices for smaller amounts or when payment is received following a minor delay, interest amounts can be minimal. Though minimal, such interest amounts can result in an administrative burden for shippers as well as for TransColorado. As a result, TransColorado is proposing to update GT&C Section 13 to include a tolerance for interest amounts less than \$10. Therefore, if a customer incurs interest that accrues to less than \$10, TransColorado would not invoice the customer for payment on that interest amount. As such, the late charge would not be reflected on the shipper's account. Accordingly, TransColorado will continue to maintain its reasonable billing practices and assess interest amounts (as necessary) when such interest amounts exceed the proposed tolerance level. However, the tolerance level will relieve administrative

burden and allow the parties to focus on more essential commercial discussions without the need to address *de minimis* amounts of late interest.

Housekeeping Matters

With this instant filing, TransColorado is also proposing various minor housekeeping revisions as described below. Among other things, these revisions include modifications to the footer on certain tariff records to support a consistent format and removal of expired TSAs. These proposed changes do not modify the intent or existing business practices relevant to such provisions.

Description of Filing

This filing is being made in accordance with the provisions of Subpart C of Part 154 of the Commission's regulations and is proposing revisions to certain tariff provisions, as described below.

The Title Page for TransColorado's Tariff and Book of Contracts is updated to display a format without a header and footer. Additionally, the contact information shown on each of these records has been updated to reference the current Vice President of Regulatory. Similarly, the majority of tariff records¹ submitted with this instant filing reflect an update to the footer format to display simply the "issued date" and "effective date" and to omit the inclusion of a representative from the regulatory department for TransColorado.² In this manner, TransColorado will retain the pertinent information on the tariff record without the necessity of monitoring personnel changes for its individual tariff records.

Four firm TSAs that have expired are removed from the Statement of Negotiated Rates in TransColorado's Tariff and from the Book of Contracts. These four agreements were with EnCana Marketing (USA), Inc., ConocoPhillips Company, Hillcorp San Juan L.P., and CCI Paradox Upstream LLC. In addition to being subject to a negotiated rate, EnCana's Agreement No. 552458 reflected non-conforming provisions and, consequently, was included on the list of Non-Conforming Agreements in TransColorado's Tariff. Accordingly, TransColorado is proposing to remove the agreement from the list shown on the relevant tariff

¹ The tariff records for GT&C Sections 19 and 26 also propose a housekeeping modification to capitalize the word "tariff".

² For TransColorado's Tariff, the footer format change is shown on the following tariff records: the title page, Preliminary Statement, Statement of Rates index, Statement of Rates – PAL, Negotiated Rates index, Non-Conforming Contracts index, Rate Schedules index, General Terms and Conditions index, GT&C Sections 10, 11, 13-20, 22, 24, 26, 28, 29, and the Service Agreements index. For TransColorado's Book of Contracts, the change is shown on the following tariff records: the Title Page, Table of Contents, Non-Conforming Contracts index, Non-Conforming Negotiated Rate Contracts index, Enterprise Gas Processing LLC K#556287, Negotiated Rate Contracts index, NRA – Reserved, NRA – Reserved.

record. Moreover, TransColorado is proposing to remove the Hillcorp and CCI agreements from the Book of Contracts and to reserve those tariff records for future use.

TransColorado is proposing to update the billing and payment procedures found in GT&C Section 13³ by including a provision for a \$10 tolerance level for interest payments. Additionally, TransColorado is updating the language that reflects NAESB WGQ Standard No. 3.3.15 in GT&C Section 13.6 given that the phrase “or misrepresentation” was found to be absent upon recent review.

Section 154.204 Discussion

Pursuant to Section 154.204 of the Commission’s regulations, TransColorado states the following:

- (a) TransColorado does not anticipate any increase in costs as a result of these tariff changes.
- (b) TransColorado is not aware of any filings pending before the Commission that may significantly affect this filing.

Procedural Matters

Inasmuch as this filing is fully described herein, the statement of the nature, the reasons and the basis for the instant tariff filing required by Section 154.7(a)(6) of the Commission's regulations is omitted.

In accordance with the applicable provisions of Part 154 of the Commission's regulations, TransColorado is submitting an eTariff XML filing package, which includes the following:

- a) a transmittal letter;
- b) Appendix A, a list of the proposed tariff records;
- c) Appendix B, clean and marked versions of the tariff records proposed for inclusion in the Third Revised Volume No. 1 Tariff; and
- d) Appendix C, clean and marked versions of the tariff records proposed for inclusion in the Book of Contracts.

TransColorado respectfully requests the Commission accept the tendered tariff records for filing and permit them to become effective July 1, 2019, which is not less than 30 days following the date of this filing. With respect to any tariff provisions the Commission allows to go into effect without change,

³ The proposed tariff record also reflects a minor housekeeping change to capitalize the term “month”, as it is defined in TransColorado’s Tariff.

TransColorado hereby moves to place the tendered tariff provisions in to effect at the end of the suspension period.

Correspondence and communications concerning this filing should be directed to:

Mr. Francisco Tarin
Director, Regulatory Affairs
TransColorado Gas Transmission
Company LLC
Post Office Box 1087
Colorado Springs, CO 80944
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These persons have been designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure.

The undersigned hereby certifies that he has read this filing and knows (i) the contents of such filing and the attachments; (ii) that the contents as stated in the filing and in the attachments are true to the best of his knowledge and belief; and (iii) that he possesses full power and authority to sign this filing.

Respectfully submitted,

TRANSCOLORADO GAS TRANSMISSION
COMPANY LLC

By _____ /s/ _____
Francisco Tarin
Director, Regulatory

Enclosures

Certificate of Service

I hereby certify that I have this day caused a copy of the foregoing document to be served upon all shippers on TransColorado's pipeline system and interested state regulatory commissions, in accordance with the requirements of Sections 154.208 and 385.2010 of the Commission's Rules of Practice and Procedures.

Dated at Colorado Springs, Colorado as of this 31st day of May 2019.

/s/

Francisco Tarin

Post Office Box 1087
Colorado Springs, CO 80944
(719) 667-7517

TRANSCOLORADO GAS TRANSMISSION COMPANY LLC
Billing and Payment Update and Housekeeping Filing

Third Revised Volume No. 1 Tariff

Title Page	Version 3.0.0
Preliminary Statement	Version 2.0.0
<u>Rates</u>	Version 1.0.0
Statement of Rates – PALS	Version 5.0.0
Negotiated Rates	Version 7.0.0
<u>Non-Conforming Contracts</u>	Version 4.0.0
<u>Rate Schedules</u>	Version 1.0.0
<u>General Terms and Conditions</u>	Version 1.0.0
Section 10 Measurement	Version 1.0.0
Section 11 Quality of Gas	Version 1.0.0
Section 13 Billing and Payment	Version 3.0.0
Section 14 Force Majeure	Version 2.0.0
Section 15 Responsibility for Gas	Version 1.0.0
Section 16 Warranty	Version 1.0.0
Section 17 Assignments	Version 1.0.0
Section 18 Creditworthiness	Version 1.0.0
Section 19 Shippers Fail to Comply	Version 1.0.0
Section 20 System Operation	Version 2.0.0
Section 22 Accounting Depreciation	Version 1.0.0
Section 24 Annual Charge Adjustment Surcharge	Version 2.0.0
Section 26 Incidental Purchase/Sale	Version 1.0.0
Section 28 Segmentation	Version 1.0.0
Section 29 Discounting	Version 1.0.0
<u>Service Agreements</u>	Version 1.0.0

TRANSCOLORADO GAS TRANSMISSION COMPANY LLC
Billing and Payment Update and Housekeeping Filing

The Book of Contracts

Title Page	Version 1.0.0
Table of Contents	Version 7.0.0
<u>Non-Conforming Contracts</u>	Version 1.0.0
<u>Non-Conforming Negotiated Rate Contracts</u>	Version 1.0.0
Enterprise Gas Processing LLC, K#556287	Version 2.0.0
<u>Negotiated Rate Contracts</u>	Version 1.0.0
NRA – Reserved	Version 3.0.0
NRA – Reserved	Version 2.0.0

Appendix B

Clean Tariff Sections

FERC GAS TARIFF
THIRD REVISED VOLUME NO. 1
of
**TRANSCOLORADO GAS
TRANSMISSION COMPANY LLC**
filed with the
FEDERAL ENERGY REGULATORY COMMISSION

Communications regarding this Tariff should be addressed to:

William D. Wible, Vice President, Regulatory
TransColorado Gas Transmission Company LLC
Post Office Box 1087
Colorado Springs, Colorado 80944

2 North Nevada Avenue
Colorado Springs, Colorado 80903

Telephone: (719) 520-3778
Facsimile: (719) 520-4697

e-mail: william_wible@kindermorgan.com

PRELIMINARY STATEMENT

TransColorado Gas Transmission Company LLC, hereinafter referred to as "TransColorado," is a "natural gas company" as defined by the Natural Gas Act (52 Stat. 821, 15 U.S.C. 717-717w) and, as such, is subject to the jurisdiction of the Federal Energy Regulatory Commission, hereinafter referred to as "FERC" or "Commission." As used herein, "TransColorado" shall not include any of TransColorado's affiliates.

TransColorado is a limited liability company organized and existing under the laws of the state of Delaware. The TransColorado System extends from a point of interconnection with various pipelines at two hubs: the Greasewood and Meeker Hubs located in Rio Blanco County, Colorado, and then southward to a point of interconnection with various pipelines at the Blanco Hub located in San Juan County, New Mexico.

This Federal Energy Regulatory Commission Gas Tariff, Volume No. 1, includes general terms and conditions, rate schedules, and forms of agreements for the transportation service provided by TransColorado according to 18 C.F.R. Part 284, Subparts B and G.

STATEMENT OF RATES

PARK AND LOAN SERVICE – PALS

STATEMENT OF RATES (Rates per Dth per \$)		
Rate Schedule/ Type of Charge	Base Tariff Rate	
	Minimum	Maximum
Initial Rate	\$0.0000	\$0.3239
Park/Loan Balance Rate	\$0.0000	\$0.1620
Completion Rate	\$0.0000	\$0.3239
Authorized Overrun ^{1/}		
Initial Park/Loan Balance and Completion Rates	\$0.0000	\$0.3239

OTHER CHARGES:

Marketing Fee: As negotiated between TransColorado and Shipper when TransColorado actively markets Shipper's released capacity.

Balancing Charges: Refer to Section 12 of the General Terms and Conditions.

^{1/} Each of PALS three rate components are billed at the same level under Authorized Overrun Service. Refer to Section 6.2 of the PALS Rate Schedule for the Unauthorized Overrun Charge.

Statement of Negotiated Rates

STATEMENT OF NEGOTIATED RATES							
(Rates per Dth/d)							
Shipper	Contract No. (Rate Schedule)	Term of Contract	Dth/d	Reservation Charges	Usage Charges	Primary Receipt Points	Primary Delivery Points
Enterprise Gas Processing LLC	556287 (FT)	12-1-10 Through 11-30-20	60,000	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>

^{1/} This information is set out in the negotiated rate agreement filed with the Commission on March 31, 2011 at Docket No. RP11-1950.

NON-CONFORMING AGREEMENTS

The Commission has directed that the following Agreements be filed with the Commission because they contain provisions which do not conform to TransColorado's pro forma service agreements.

1. Enterprise Gas Processing LLC, Transportation Rate Schedule FTS Agreement, filed with the Commission on November 30, 2010 (Contract No. 556287).

Rate Schedules

General Terms and Conditions

10. MEASUREMENT

10.1 Unit of Measurement and Metering Base. The volumetric measurement base shall be one cubic foot of gas at a pressure base of 14.73 psia, at a temperature base of 60 degrees Fahrenheit, without adjustment for water vapor.

10.2 Atmospheric Pressure. For the purpose of measurement, the atmospheric pressure shall be the barometric pressure calculated for the elevation at the point of measurement.

10.3 Temperature. The temperature of the gas shall be determined at the points of measurement by means of a properly installed recording thermometer or continuous electronic transducer input to a computer that conforms to A.P.I. Standard 21.1 installed in accordance with the recommendations contained in ANSI/API 2530 (Orifice Metering of Natural Gas), as amended from time to time. The arithmetic average of temperatures for each day shall be used in computing temperatures of the gas during such day for conventional chart measurement. When electronic computer measurement is used, average daily temperature will be computed as a running average of data determined by computer scan.

10.4 Determination of Gross Heating Value and Specific Gravity. Where TransColorado elects to install electronic computer measurement equipment and field chromatographs, the determination of gross heating value and specific gravity shall be made from the composition by calculation using physical gas constants for gas compounds as outlined in GPA Standard 2145 (Table of Physical Constants of Paraffin Hydrocarbons and Other Components of Natural Gas) with any subsequent amendments or revisions that TransColorado may adopt.

Where TransColorado elects to install conventional chart measurement, the arithmetic average of the hourly heating value and specific gravity recorded during periods of flow each day by a recording calorimeter and gravitometer or recording chromatograph, if installed, shall be considered as the gross heating value and specific gravity of the gas delivered during each day. If a continuous gas sampling device is used, determinations shall be made not less than once every month. Such determinations shall be considered as the gross heating value and specific gravity of all gas delivered during the applicable sampling period.

Gross heating values and specific gravities determined from spot samples will be used in calculating gas delivered for the day on which the test is made and all following days until the next test is made.

10.5 Supercompressibility. All orifice meter volumes shall be corrected for deviations from the ideal gas laws in accordance with the applicable American Gas Association reports. Where displacement meters are used, the square of the orifice meter supercompressibility factor shall be applied.

10.6 Measuring Equipment. Unless otherwise agreed upon, TransColorado will install, maintain and operate or cause to be installed, maintained and operated measuring stations equipped with flow meters and other necessary metering and measuring equipment by which volumes of gas received and equivalent volumes delivered shall be determined. Operator may install check measuring equipment at its own cost and expense; provided such equipment shall be installed in a manner not to interfere with the operations of TransColorado.

TransColorado and Operator, in the presence of each other, shall have access to the

other's measuring equipment at all reasonable times but the reading, calibrating and adjusting electronic computer components and/or mechanical recording instruments and the changing of charts shall be done only by the equipment owner or such owner's representative, unless otherwise agreed upon.

Both TransColorado and Operator shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment; provided, however, failure of either TransColorado or Shipper to witness such an operation shall not affect the validity of such operation in any way.

The records from such measuring equipment shall remain the property of the party owning the equipment, but within 10 days of a request, each will submit to the other for inspection its records and charts, together with related calculations. All records and charts shall be returned within 30 days after receipt.

The measurement equipment of Shipper shall be for check purposes only and, except as expressly provided in these General Terms and Conditions, shall not be used in the measurement of gas.

10.7 Orifice Meters. All orifice meters shall be installed and gas volumes computed in accordance with the standards prescribed in ANSI/API 2530 (Orifice Metering of Natural Gas), which incorporates Gas Measurement Committee Report #3 of the American Gas Association, September 1992, revised and reprinted, and any subsequent amendments TransColorado may adopt.

10.8 Non-Interference. In order to avoid interference with the operation of the primary measurement facilities, custody transfer meter run taps will not be shared or used for other than custody transfer by the operating company.

10.9 Square Root Error. Pulsation filters or other remedial equipment may be required by TransColorado or the Operator upon the occurrence of unacceptable square root error ("SRE") or gauge line error. Unacceptable SRE is defined to be equal to or greater than 0.5% SRE.

In the event of a disagreement between TransColorado and the Operator on the source and degree of error, Southwest Research Institute, or a mutually agreeable replacement, will be requested to determine the source and degree of error. The party deemed responsible for the pulsation source will incur all costs for the consultation, along with the installation and remedial devices or filtering equipment as necessary.

10.10 Electronic Flow Computers. TransColorado may install electronic flow computers to permit the direct computation of gas flows without the use of charts.

10.11 New Measurement Techniques. If, at any time, a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted by TransColorado. TransColorado shall promptly inform all shippers of any new techniques adopted.

10.12 Calibration and Test of Meters. The accuracy of all measuring equipment shall be verified by TransColorado at reasonable intervals, and if requested, in the presence of a representative of Shipper, but neither Shipper nor TransColorado shall be required to verify the accuracy of such equipment more frequently than once in a 30-day period. If either party at any time desires a special test of any measuring

equipment, it will promptly notify the other, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. Shipper shall bear the costs of any special test requested by Shipper unless the measuring equipment is found to be inaccurate by 2% or more.

10.13 Correction of Metering Errors. If, upon any test, any measuring equipment is found to be inaccurate, such equipment shall be adjusted immediately to measure accurately. If, upon any test, the measuring equipment in the aggregate is found to be inaccurate by two percent (2%) or more at a recording corresponding to the average hourly rate of gas flow for the period since the last preceding test, any payments based upon inaccurate measurement shall be corrected pursuant to Section 13 of these General Terms and Conditions at the rate of such inaccuracy for any period that is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one half of the time elapsed since the date of the last test.

10.14 Failure of Measuring Equipment. In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test, or by previous recordings, receipts or deliveries through such equipment shall be estimated and agreed to by the parties upon the first of the following methods that is feasible:

- (a) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation, or, in the absence of (a);
- (b) By using the registration of any check meter or meters, if installed and accurately registering, or, in the absence of (a) and (b); and
- (c) By estimating the quantity of gas received or delivered based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

10.15 Preservation of Records. Operator and TransColorado shall preserve for a period of at least three years, or for such longer period as may be required by appropriate authority, test data, charts or other similar records.

10.16 Pressure Requirements.

- (a) Operator shall deliver gas to TransColorado at the receipt points at a pressure sufficient to allow the gas to enter TransColorado's pipeline as such pressure shall vary from time to time. TransColorado shall not be required to compress natural gas into its pipeline. Shipper shall provide equipment at each receipt point that is acceptable to TransColorado to prevent overpressuring TransColorado's pipeline.
- (b) TransColorado shall deliver gas at each delivery point at the pressure that is available from time to time in TransColorado's pipeline after required measurement, flow control or regulation. However, TransColorado and Shipper may mutually agree to a specific delivery pressure or range of delivery pressures for a stated period at any delivery point or points on a non-discriminatory basis. If TransColorado and Shipper agree to a specific delivery pressure or range of delivery pressures for a stated period, such delivery pressure(s) will be specified in TransColorado's applicable Form of Transportation Service Agreement in the blank spaces provided. TransColorado will not enter into agreements containing a specific delivery

pressure or a range of delivery pressures at delivery point(s) if such specific delivery pressure or range of delivery pressures will a) threaten the safe operations or system integrity of TransColorado's pipeline system or b) adversely impact TransColorado's ability to meet its firm service obligations to an existing Shipper.

11. QUALITY OF GAS

All natural gas received by TransColorado shall conform to the following specifications and must be, in TransColorado's reasonable judgment, otherwise merchantable.

11.1 Heat Content. The gas shall have a heating value of not less than 967 Btu per cubic foot.

11.2 Liquids. The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered. The gas shall in no event contain water vapor in excess of seven (7) pounds per million standard cubic feet.

11.3 Hydrocarbon Dew Point. The hydrocarbon dew point of the gas delivered shall not exceed twenty degrees Fahrenheit (20°F) at a pressure of 600 psig.

11.4 Total Sulfur. The gas shall not contain more than three-quarters (0.75) grain of total sulfur per one hundred (100) standard cubic feet, which includes hydrogen sulfide, carbonyl sulfide, carbon disulfide, mercaptans, and mono-, di- and poly-sulfides. The gas shall also meet the following individual specifications for hydrogen sulfide, mercaptan sulfur or organic sulfur:

(a) Hydrogen Sulfide. The gas shall not contain more than one-quarter (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet.

(b) Mercaptan Sulfur. The mercaptan sulfur content shall not exceed more than three-tenths (0.3) grain per one hundred (100) standard cubic feet.

(c) Organic Sulfur. The organic sulfur content shall not exceed five-tenths (0.5) grain per one hundred (100) standard cubic feet, which includes mercaptans, mono-, di- and poly-sulfides, but it does not include hydrogen sulfide, carbonyl sulfide or carbon disulfide.

11.5 Oxygen. The oxygen content shall not exceed two-tenths of one percent (0.2%) by volume and every reasonable effort shall be made to keep the gas delivered free of oxygen.

11.6 Dust, Gums and Solid Matter. The gas shall be commercially free from solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with the intended purpose or merchantability of the gas, or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow.

11.7 Temperature. The gas shall be delivered at temperatures not in excess of one hundred five degrees Fahrenheit (105°F) nor less than fifty degrees Fahrenheit (50°F) except where, due to normal operating conditions and ambient temperatures on the pipeline System, the temperature may periodically drop below such lower limit.

11.8 Deleterious Substances. The gas shall not contain any toxic or hazardous substance in concentrations which, in the normal use of the gas, may be hazardous to health, injurious to pipeline facilities or be a limit to merchantability.

11.9 Inert Substances. The gas shall not contain inert substances (carbon dioxide, nitrogen, helium, oxygen, and any other diluent compound) of more than three percent by volume of which not more than two percent shall be CO₂; provided that TransColorado may post on its Interactive Website that it will from time to time

accept gas from Paradox Basin receipt points which contains inert substances of up to five percent by volume, of which not more than two percent shall be CO₂.

11.10 Operators Failure to Meet Specifications. If, at any time, gas tendered by Shipper for transportation shall fail to substantially conform to any of the applicable quality specifications set forth in this Section and TransColorado notifies Shipper of such deficiency and Shipper fails to remedy any such deficiency within a reasonable period of time (immediately in those situations which threaten the integrity of TransColorado's system), TransColorado may, at its option, refuse to accept delivery pending correction of the deficiency by Shipper or continue to accept delivery and make such changes necessary to cause the gas to conform to such specifications, in which event Shipper shall reimburse TransColorado for all reasonable expenses incurred by TransColorado in effecting such changes, including operational and gas costs associated with purging and/or venting the pipeline. Failure by Shipper to tender quantities that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the obligations of Shipper existing under any other provisions of the executed Transportation Service Agreement. In the event natural gas is delivered into TransColorado's system that would cause the natural gas in a portion of TransColorado's pipeline to become unmerchantable, then TransColorado is permitted to act expediently to make the gas merchantable again by any and all reasonable methods, including, without limitation, to venting the pipeline of whatever quantity of natural gas necessary to achieve a merchantable stream of gas. Shipper shall reimburse TransColorado for all reasonable expenses incurred by TransColorado to obtain merchantable natural gas again, including operational and gas costs associated with venting the pipeline. In such cases, TransColorado shall promptly notify Shipper of the non-conforming supply and any steps taken to protect the merchantability of the gas.

11.11 Quality of TransColorado's Deliveries. TransColorado shall deliver to Shipper or for Shipper's account gas that is of merchantable quality.

11.12 Commingling. Gas received from Shipper will be commingled with the gas of other Shippers in the System. Accordingly, the gas of Shipper shall be subject to such changes in gross heating value per cubic foot and other specifications as may result from such commingling.

13. BILLING AND PAYMENT

13.1 On or before the ninth business day of each month, TransColorado shall furnish to Shipper a monthly statement of the transportation charge in effect and of the total payment due for the transportation of gas during the preceding month (including any other applicable charges). TransColorado shall provide a schedule showing quantities of gas and heat content received and delivered, including equivalent quantities, Fuel, L&U and any imbalance under Section 12. TransColorado may furnish an estimated statement and make appropriate adjustments in the statement rendered for the next succeeding Month.

13.2 When information necessary for billing purposes is in the control of Shipper or the Operator, it shall be furnished to TransColorado on or before the fifth business day of the Month with respect to deliveries of gas during the previous Month.

13.3 Shipper and TransColorado shall have the right to examine, at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation made under or pursuant to any of the provisions.

13.4 Payment to TransColorado shall be due at its general office, or at such other address as TransColorado shall designate, within ten days from the date the bill was issued by TransColorado. If the 10th day falls on a weekend or holiday, then the due date shall be extended to the first business day thereafter. Shipper shall submit supporting documentation and TransColorado will apply payment per supporting documentation provided by Shipper. If payment differs from invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two business days of the payment due date.

13.5 Should Shipper fail to pay all of the amount of any bill when such amount is due, TransColorado shall collect interest on the unpaid portion of the bill in the manner and at the rate prescribed by 18 C.F.R. Section 154.501(d). In the event interest accrues to an amount less than \$10, TransColorado will not invoice the interest amount and such amount shall not be reflected on Shipper's account. If Shipper's failure to pay continues for 30 days after payment is due, TransColorado, in addition to any other remedy it may have, after giving Shipper 15 days written notice, may suspend further receipt and/or delivery of gas for Shipper until such amount is paid. If Shipper in good faith shall dispute the amount of any such bill, Shipper shall nevertheless pay to TransColorado the amount of such bill and, at any time thereafter within 30 days of a demand made by Shipper, TransColorado shall furnish a good and sufficient surety bond guaranteeing refund to Shipper upon such bills after a final determination by agreement, by determination of regulatory agencies having jurisdiction, or by judgment of the courts, as may be the case. Payment of the disputed portion shall not be deemed a waiver of the right to contest such disputed portion in any forum having jurisdiction. Alternatively, shipper may, if invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for dispute. (NAESB WGQ Standard No. 3.3.19)

13.6 If it is determined that Shipper has been overcharged, and Shipper has paid the statement containing the overcharge then, within 30 days after the final determination, TransColorado shall refund the amount overcharged. If it is determined that Shipper has been undercharged, Shipper shall pay the amount undercharged with appropriate interest within 30 days of notice by TransColorado of the amount. Prior period adjustment time limits should be six Months from the date of the initial transportation invoice with a three month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ Standard No. 3.3.15)

14. FORCE MAJEURE

14.1 A force majeure event includes without limitation by this recital: acts of God, including fires, explosions, earthquakes or volcanic eruptions, storms, floods, washouts and extreme cold or freezing weather; necessity for compliance with any court order, law, regulation or ordinance promulgated by any governmental authority having jurisdiction, either federal, Indian, state or local, civil or military; acts of a public enemy; wars and civil disturbances; strikes, lockouts or other industrial disturbances; shutdowns for purposes of necessary repairs, relocations, or construction of facilities, breakage or accident to machinery or lines of pipe; the necessity for testing (as required by governmental authority or as deemed necessary for safe operation by the testing party); inability to obtain necessary materials, supplies, permits, or labor to perform or comply with any obligation or condition of this Tariff; inability to obtain rights of way; and any other causes that are not reasonably in the control of the party claiming suspension. An event associated with compliance with any court order, law, regulation or ordinance promulgated by any governmental authority having jurisdiction, either federal, Indian, state or local, civil or military and/or the necessity for testing (as required by governmental authority or as deemed necessary for safe operation by the testing party) shall be considered a force majeure event only when the event is outside of TransColorado's control.

14.2 If because of a force majeure event either TransColorado or Shipper is rendered unable, wholly or in part, to perform its obligations under a service agreement incorporating these General Terms and Conditions, other than to make payments when due, and if such party gives notice of such event within a reasonable period of time and provides full particulars of the event in writing or by electronic communication (other than telephone), nonperformance of the party giving such notice shall be excused during the continuance of such event and to the extent its performance is affected by such event. The party claiming force majeure shall use due diligence to remedy its nonperformance with all reasonable dispatch, including the making of provision for such alternate performance as may be economical and practical.

14.3 No force majeure event affecting the performance by TransColorado or Shipper shall relieve such party of liability in the event of failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch. Nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments as mutually agreed under the applicable rate schedule.

Any force majeure event that results in TransColorado's inability to transport all or any portion of Shipper's gas or that results in Shippers' inability to tender gas to TransColorado for transportation shall not operate to suspend or otherwise affect in any way Shipper's obligation to pay the applicable reservation charge except as provided in Section 8.4 of these General Terms and Conditions. During any period when receipts are suspended in whole or in part due to a force majeure event, TransColorado may use resulting excess capacity created to transport or exchange any other volumes of gas made available to it. Such use of excess capacity shall not interfere with Shipper's right to have its gas transported.

15. RESPONSIBILITY FOR GAS

15.1 As between Shipper and TransColorado, Shipper shall be responsible for its gas until it has been delivered to TransColorado at the points of receipt.

TransColorado shall be responsible for the gas while it is in its system between the point of receipt and the point of delivery. After gas has been delivered to or for the account of Shipper by TransColorado at the point of delivery specified in the service agreement, Shipper shall again be responsible for the gas. The party that shall be responsible for the gas shall bear liability for all injury or damage caused by it. Notwithstanding anything to the contrary stated in these General Terms and Conditions, Shipper shall indemnify TransColorado for all injury, damage, loss or liability of TransColorado caused by Shipper's delivery of off-specification gas contrary to Section 11 of these General Terms and Conditions.

15.2 TransColorado shall purchase, own and be responsible for line pack-gas sufficient to operate its system.

15.3 All substances, whether or not of commercial value, including all liquid hydrocarbons of whatever nature, except substances expressly reserved for Shipper, that TransColorado recovers in the course of transporting the quantities of natural gas tendered hereunder to Shipper shall be TransColorado's sole property and TransColorado shall not be obligated to account to Shipper for any value, whether or not realized by TransColorado, that may attach or be said to attach to such substances.

16. WARRANTY

Shipper warrants that it will have at the time of delivery of gas for transportation good title or good right to deliver the gas. Shipper warrants that the gas it delivers shall be free and clear of all liens, encumbrances, and claims; that it will indemnify TransColorado and hold it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from any adverse claims of any person to the gas or to royalties, taxes, license fees, or charges that are applicable to such delivery of gas; and that it will indemnify TransColorado and hold it harmless from all taxes or assessments that may be levied and assessed upon such delivery and that are by law payable by the party making delivery.

17. ASSIGNMENTS

TransColorado may pledge or charge its interest under a service agreement under the provisions of any mortgage, deed of trust, indenture, security agreement, loan agreement, or similar instrument that it executes. Shipper shall not assign any of its rights under a service agreement incorporating these General Terms and Conditions, except as provided for in Section 6.

Shipper may not pledge or charge its interest under a service agreement under the provisions of any mortgage, deed of trust, indenture, security agreement, loan agreement or similar instrument that it executes without the consent in writing of TransColorado. No person succeeding by purchase, merger or consolidation to the properties of Shipper shall be entitled to any part of the interest of Shipper under its service agreement without the written consent of TransColorado.

18. CREDITWORTHINESS

18.1 TransColorado shall not be required to initiate, perform or to continue any transportation service under any rate schedule for Shipper if Shipper is or has become insolvent or fails within 30 days of TransColorado's request for credit information to demonstrate creditworthiness.

18.2 Shipper must demonstrate evidence of creditworthiness by providing the following:

- (a) Primary bank references;
- (b) Shipper's year-end audited financial statement and its last quarterly report;
- (c) A credit report from a credit reporting agency that shows that Shipper pays its commercial obligations within a reasonable period.

18.3 Notwithstanding subparagraph 18.2(c), if Shipper is found to lack creditworthiness, Shipper may receive service if it prepays for such service or furnishes a letter of credit or other good and sufficient security, as determined by TransColorado in its reasonable discretion, in an amount equal to the cost of performing the service requested by Shipper for up to a three-month period.

18.4 The inability of Shipper to pay for the requested service or insolvency of Shipper may be evidenced by the filing by Shipper or any parent or affiliated company (collectively referred to in this paragraph as "Shipper") of a petition in bankruptcy or the entry of a decree or order by a court of competent jurisdiction adjudging Shipper bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of Shipper's debts under the federal Bankruptcy Act or any other applicable federal or state law, or the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the assets of Shipper or the winding-up or liquidation of Shipper's affairs.

19. SHIPPER'S FAILURE TO COMPLY WITH TERMS

TransColorado shall not be required to perform service under any transportation rate schedule included in this Tariff if Shipper fails to comply with the terms of its Transportation Service Agreement and the General Terms and Conditions of this Tariff.

20. SYSTEM OPERATION

20.1 General.

A. TransColorado shall endeavor to maintain adequate pressure throughout its system and to preserve the overall operational integrity of its system; provided, however, that TransColorado shall not be obligated to buy or sell gas or to install additional compression or otherwise modify its system for these purposes. Operating personnel for Shippers and other entities that are physically taking delivery of gas from TransColorado or tendering gas to TransColorado shall cooperate with TransColorado in furtherance of this Section. Each Shipper shall designate the e-mail, telephone and fax numbers of one or more persons (but not more than two (2) primary and two (2) backup persons) for TransColorado to contact on operating matters (including the receipt of Operational Flow Orders and notices of a Critical Time consistent with Section 20.5) at any time, on a 24-hour a day, 365-days a year basis. Such contact persons must have adequate authority and expertise to deal with such operating matters.

B. For the purpose of these General Terms and Conditions, the overall operational integrity of TransColorado's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of gas delivered.

C. TransColorado shall post a Monthly Maintenance Schedule on its Interactive Website each month prior to bid-week for the subsequent month that contains a list of scheduled maintenance activities TransColorado anticipates conducting in the subsequent month which are likely to result in curtailment or outages on the pipeline. Such Monthly Maintenance Schedule posting shall include the facilities anticipated to be impacted by the project, an estimate of the date each project will be conducted, and the name and amount of estimated curtailment for each segment anticipated to be impacted by the project. If it is necessary for TransColorado to perform a new maintenance project in the subsequent month that was not previously included in the Monthly Maintenance Schedule posting, and that TransColorado could not reasonably anticipate would be necessary to perform in the subsequent month when the Monthly Maintenance Schedule was posted, TransColorado shall post an update to the Monthly Maintenance Schedule on its Interactive Website specific to the new maintenance project before the end of the current month in which the Monthly Maintenance Schedule posting was made.

20.2 Facility Control. TransColorado shall maintain actual physical and operational control of all transmission and other facilities on its system.

20.3 Operational Control Sequence. In the event TransColorado's observations or projections indicate that a situation is or may be developing in which adequate pressures may not be maintained or the overall operational integrity of its system (or any portion thereof) could be threatened, or in the event that such a situation actually occurs, TransColorado is authorized by this Section to take action to

alleviate this situation. In responding to such a situation, TransColorado shall first apply the Advisory Actions procedures of Section 20.4. If such measures are not sufficient in TransColorado's judgment to address the situation fully, TransColorado shall next employ the Critical Time procedures set out in Section 20.5. Finally, TransColorado may take unilateral action as provided in Section 20.6. The procedures set out in such provisions, and their sequencing, are intended to be applied only to the extent any of the specific actions indicated, or such sequencing, would be anticipated to alleviate the situation to be addressed. In issuing Advisory Actions consistent with Section 20.4 or a Critical Time consistent with Section 20.5, TransColorado shall describe the conditions and the specific responses required from the affected parties.

To the extent that specific actions are reasonably identifiable, TransColorado shall direct its actions hereunder to Shippers creating or anticipated to create the situation to be addressed and shall act consistent with Section 20.7. Nothing herein shall preclude TransColorado from bypassing any of the above procedures if, in its judgment, the situation so requires. TransColorado will keep Shippers advised through TransColorado's Interactive Website on the status of the situation.

20.4 Advisory Actions

In the event TransColorado determines that action is required to alleviate or forestall a situation in which system pressure is not maintained or when the overall operational integrity of the system or any portion of the system is jeopardized, TransColorado may take the Advisory Actions set out herein to alleviate or forestall the development of such a situation.

A. TransColorado may request Shippers or other entities affecting its system to take any of the following actions, or other similar actions, to the extent such actions would tend to alleviate the situation, on a voluntary basis:

- (i) Shift receipts to obtain better capacity balance;
- (ii) Change Receipt or Delivery Points;
- (iii) Change usage patterns (e.g., end users switch to alternate fuels);
- (iv) Provide assistance from market area resources;
- (v) Activate pre-negotiated voluntary arrangements under which gas is diverted from one Shipper to another or from a non-Shipper to a Shipper (which arrangements may specify appropriate compensation);
- (vi) Reconcile transportation imbalances; and/or
- (vii) Such other voluntary action as would tend to alleviate or forestall the situation.

B. TransColorado may also take actions within its control that might tend to alleviate or forestall the situation. Such actions may include the following:

- (i) Advise any Shipper which is not maintaining receipts and deliveries in balance that such imbalances must not continue;
- (ii) Curtail or require adjustments or supply shifts in IT service; and/or

(iii) Take such other actions as are within TransColorado's control and discretion to alleviate or forestall the situation.

20.5 Critical Time Notice.

A. A Critical Time may be declared (1) when the total physical receipts to all or a portion of the system are approaching or expected to approach a level that is in excess of the total physical deliveries; (2) when the total physical deliveries from all or a portion of the system are approaching or expected to approach, a level that is in excess of the total physical receipts; (3) when system pressure on one or more pipeline segments is falling and approaching a level or is expected to fall and approach a level that is at or below the minimum that TransColorado considers necessary for system integrity or to fulfill its firm contractual obligations; (4) when system pressure on one or more pipeline segments is rising and approaching a level or is expected to rise and approach a level that is at or above the maximum pressure at which TransColorado's facilities may be safely operated; or (5) at other times when TransColorado is unable or anticipates it may not be able to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of TransColorado's system. A Critical Time may not be declared on all or a portion of the system for the purpose of maintaining interruptible services on that portion of the system, but interruptible gas may flow at times or on portions of the system when such flow would not violate any operational control restrictions or provisions of this Tariff. TransColorado shall notify Shippers on TransColorado's Interactive Website as to the reason(s) why a Critical Time was declared.

B. TransColorado shall advise Shippers on its system if it is declaring a Critical Time, as described in Section 20.5A above, and shall specify the nature of the situation creating the Critical Time.

C. TransColorado may issue OFOs as described in this Section 20.5 during a Critical Time.

D. All quantities tendered on a net contract basis to TransColorado and/or taken by Shipper on a daily basis in violation of TransColorado's OFOs issued during a Critical Time shall constitute unauthorized receipts or deliveries for which a charge of \$25 per Dth plus the San Juan Basin spot price of gas, as determined in Section 12.3 of these General Terms and Conditions, for the days the OFO is in place shall be assessed and the resulting imbalance will be reduced to zero.

E. Notice of a Critical Time will be posted on TransColorado's Interactive Website, and will be the first information item shown on the informational postings portion of the website. TransColorado will endeavor to post the notice its Interactive Website before 4:00 p.m. CCT or otherwise will endeavor to notify Shippers via the Interactive Website by 4:00 p.m. CCT that they should check the Interactive Website again at a specified later time to see whether a Critical Time will be in effect for the next day. TransColorado must attempt to give actual notice of a Critical Time via e-mail, fax or telephone (provided a Shipper has given the numbers to TransColorado as required in this Section) at least four (4) hours prior to the start of the day before a Critical Time will be effective as to a Shipper. Such notice shall specify the anticipated duration of the Critical Time and whether other

charges will apply to over-receipts and under-deliveries vis-à-vis confirmed nominations or to under-receipts and over-deliveries vis-à-vis confirmed nominations. If reasonably possible, a Critical Time will be effective at the start of a day and will continue until the end of the day and through the end of successive days until TransColorado notifies Shippers via TransColorado's Interactive Website that there is no longer a Critical Time.

F. In the event that, in TransColorado's judgment, the Advisory Actions under Section 20.4 are not sufficient to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of TransColorado's system or to maintain operations required to provide efficient and reliable firm service, TransColorado is authorized to issue OFOs.

Notwithstanding the foregoing, TransColorado shall take reasonable actions to minimize the issuance and the adverse impact of OFOs, or of any other measure taken under this Section in response to adverse operational events on TransColorado's system. TransColorado will issue OFOs only if necessary, in its reasonable judgment, to maintain the pressure of its system within the range of normal operating parameters or, to respond to or prevent facility outages or other conditions which could have a detrimental impact on system reliability or service integrity on its system. OFOs shall be lifted as soon as practicable when such conditions no longer prevail.

Such OFOs may, subject to Section 20.9, require a Shipper to take any of the following actions, or similar actions, to the extent such actions would tend to alleviate the situation to be addressed:

- (i) Commence or increase deliveries into TransColorado's system at specific points, or shift such deliveries (in whole or in part) to different points;
- (ii) Cease or reduce deliveries into TransColorado's system at specific points;
- (iii) Commence or increase deliveries of gas from TransColorado's system from specific points, or shift deliveries to different points;
- (iv) Cease or reduce deliveries from TransColorado's system or at specific points;
- (v) Reconcile transportation imbalances;
- (vi) Requiring that deliveries under all of TransColorado's rate schedules be made on a uniform hourly rate effective three (3) hours after issuance of an OFO; and/or
- (vii) Such other actions as are within Shipper's control that would tend to alleviate the situation to be addressed;

No Shipper will be required under an OFO to exceed its total firm maximum daily quantity under its Agreements with TransColorado under Part 284 of the Commission's Regulations. Nor will a Shipper be required to accept delivery of gas that the Shipper cannot use at its delivery points.

G. In issuing OFOs to correct problems with either too much gas or insufficient gas being received vis-à-vis deliveries, TransColorado will generally follow the following sequence, to the extent there is sufficient time:

- (i) TransColorado will require all Shippers out of balance to the detriment of the system to balance their Agreements;
- (ii) TransColorado will seek voluntary action from Shippers, subject to the Shipper and TransColorado negotiating adequate compensation;
- (iii) TransColorado will interrupt interruptible services if doing so will restore system flexibility prior to issuance of generally applicable OFOs or curtailment of firm services. This step will be taken when Shippers are failing to comply with previously issued OFOs or when TransColorado cannot identify which Shippers are creating the problem.

H. In the event receipts in segments of TransColorado's system exceed scheduled receipts so that high system pressures back off scheduled receipt quantities, TransColorado may issue an OFO to all Shippers in the affected segment of the system stating that a high pressure condition exists. All such Shippers will be required to check their deliveries into receipt points on the affected portion of the system. Those Shippers who are delivering more than their scheduled volumes will have four (4) hours to make needed adjustments, or enter the penalty situation. An OFO issued pursuant to this Section 20.5H. will be canceled by TransColorado when the high pressure condition described above has been corrected and the imbalances created by the high pressure condition have been reasonably resolved.

I. In the event there is a need for TransColorado to engage in routine and normal maintenance of the system, to undertake repairs and replacements of lines of pipe, to schedule DOT compliance activities, to install taps, to make pig runs, to test equipment, to check or change compressor internals, or to engage in other similar actions affecting the capacity of any portions of the system, TransColorado may issue OFO's pursuant to this Section 20.5I, which will contain an estimate of the time, duration, and impact of the activity. An event of force majeure may affect deliveries, but not trigger the need for an OFO pursuant to this Section 20.5I. An order issued pursuant to this Section 20.5I shall be canceled when such planned maintenance or other activities have been completed.

J. Notice and posting shall include but not be limited to (i) mandated specific actions, (ii) indication of voluntary actions, (iii) identification of the parties subject to the OFO, (iv) the time the OFO will become effective, (v) the estimated duration of the OFO, (vi) whether TransColorado is overdelivered or underdelivered, (vii) whether actual net receipts need to be equal to or greater than actual deliveries or actual deliveries need to be equal to or greater than actual net receipts, (viii) whether or not authorized overruns are acceptable and (ix) 24 hour contact number for TransColorado during the duration of the OFO.

K. In addition to the OFOs described in subsections (A-J) above, TransColorado may issue OFOs as follows:

- (i) In order to improve system operations, TransColorado may require any Shipper that has a variance of twenty percent(20%) or more between actual deliveries to TransColorado at a Receipt Point and the confirmed nomination at that Receipt Point to conform the

deliveries to the confirmed nomination as of the day that commences with the effectiveness of the OFO.

(ii) TransColorado may also require Shippers to keep any variances between actual flows and confirmed nominations at all of the Receipt Points or Delivery Points under each Shipper's Agreements, which are to the detriment of TransColorado's system, within a ten percent (10%) tolerance. If a Shipper agrees to keep all other Shippers at a Delivery Point whole with their nominations (Swing Shipper), such other Shippers' confirmed nominations and actual takes at that point will be included in the total confirmed nominations and the total actual deliveries of the Swing Shipper at all Delivery Points for the purposes of determining the Swing Shipper's variance.

(iii) A Shipper shall not be subject to overrun penalties and charges from TransColorado or imbalance charges with respect to any action taken in conformance with an OFO issued by TransColorado during a Critical or non-Critical Time.

20.6 Unilateral Action. In the event that the actions under Sections 20.3 through 20.5 are inadequate or there is insufficient time to carry out such procedures, TransColorado may periodically have to take unilateral action to maintain system pressure and preserve the overall operational integrity of TransColorado's system (or any portion thereof). TransColorado is authorized to use all the resources of its system to such ends, through the integrated operation of line pack, and supply received into TransColorado's system, even though gas may be owned by a person other than the entity receiving delivery. TransColorado shall not, however, be responsible as a supplier of gas to any Shipper.

20.7 Applicability of Actions. In exercising its authority pursuant to Sections 20.3 through 20.6, TransColorado shall generally direct its actions to Shippers in the following sequence, to the extent such actions and/or sequencing will tend to alleviate the situation to be addressed:

- A. First, to any Shipper that has been identified to take action and is causing disruption due to its failure to maintain receipts and deliveries in balance or to match physical flows with nominated receipts or deliveries;
- B. Second, to any Shipper that has been identified to take action and has failed or is failing to take action to anticipate a change in demand (i.e., a temperature sensitive LDC or end user failing to respond to changes in weather);
- C. Third, to any Shipper that has been identified to take action and is operating in a manner that conflicts with sound operational practices in relation to TransColorado's system; and
- D. Lastly, to all other Shippers.

20.8 Refund of Penalty Amounts. All amounts collected by TransColorado for OFO penalties shall be refunded consistent with Section 12.11 of these General Terms and Conditions.

20.9 Standards.

- A. In issuing OFOs or taking other operational control action under this

Section, TransColorado shall apply consistent and objective engineering and operational criteria to define the overall operational integrity of the system and acceptable pressure levels to be maintained, to evaluate the imminent nature of any threat to these factors, and to determine what steps are necessary to preserve such factors. Such criteria may be changed from time to time as operating experience indicates.

B. In applying this Section, TransColorado shall operate its system on a non-discriminatory manner, without regard to the source of supply, the identity or nature of any Shipper or the identity of any entity tendering or receiving gas except as otherwise explicitly provided herein.

20.10 Liability.

A. TransColorado shall not be liable to any person for the manner in which it operates its system, or for any diversion of gas or capacity rights or any other adverse consequences to such person that may result from its actions, provided that TransColorado's actions were undertaken in furtherance of and in accordance with this Section 20 and provided further that such adverse consequences are not attributable to TransColorado's negligence or misfeasance.

B. Compliance with the OFOs and the other terms and conditions of TransColorado's FERC Gas Tariff is essential to provide deliveries and services under all rate schedules. A failure by one or more Shippers to comply with the OFOs may affect TransColorado's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, TransColorado will, except for negligence or undue discrimination, have no liability.

C. In the event a Shipper's gas supplies are diverted to another Shipper or retained by TransColorado as a result of an OFO, the party receiving such gas supplies shall compensate the Shipper whose gas was diverted or retained at the San Juan Basin spot price of gas, as determined in Section 12.3 of these General Terms and Conditions. Should reduced deliveries result from the issuance of an OFO, TransColorado shall provide reservation charge credits to Shippers reflecting such reduced deliveries.

20.11 Reporting. Within 90 days after an OFO has been lifted, TransColorado will post on its Interactive Website a report that describes the specific operational factors which caused the OFO to be issued and then lifted.

20.12 Unauthorized Gas.

TransColorado will notify operators by approximately the 15th of each month of their level of Unauthorized gas for the preceding calendar month. TransColorado will post on its Interactive Website by approximately the 15th of each month quantities of Unauthorized gas in the preceding month which cannot be attributed to any Shipper. Any Operator who delivers unscheduled natural gas onto TransColorado's system will be given sixty (60) days from the date TransColorado provides notice to the Operator that such gas has been received, to deliver it off the system or schedule it for delivery, or it will become the property of TransColorado at the end of the 60 day period. If the Shipper who delivered such gas onto TransColorado's system is not known, the gas will become the property of TransColorado sixty (60) days after it was received by TransColorado.

22. ACCOUNTING DEPRECIATION

TransColorado has used a depreciation method in establishing its rates that differs from the traditional straight-line method. Shippers will pay rates under their transportation agreements that will incorporate TransColorado's methodology.

24. ANNUAL CHARGE ADJUSTMENT SURCHARGE ("ACA")

24.1 Purpose. This Section 24 establishes an Annual Charge Adjustment Surcharge ("ACA") which will permit TransColorado to recover from its Shippers such ACA unit charge, as calculated by the Commission, which shall be applicable to Transporter's transportation Rate Schedules.

24.2 Applicable Customers. The ACA shall be applicable to all transportation rate schedules contained in this Tariff. For those rate schedules with a two-part rate, the ACA unit charge shall only apply to the usage component of such rate. Such ACA Surcharge shall be the unit charge shown on the Commission website, as revised and posted annually. Such surcharge is incorporated by reference into Transporter's currently effective FERC Gas Tariff.

24.3 Effective Date of Charge. The effective date of charges pursuant to this section shall be October 1.

24.4 Accounting for Annual Charges Paid Under Part 382. TransColorado shall account for annual charges paid by charging the amount to Account No. 928, Regulatory Commission Expenses, of the Commission's Uniform System of Accounts. Any annual charges recorded in Account No. 928 shall not be recovered by TransColorado, as recorded in FERC Account 928, in a Natural Gas Act Section 4 rate case.

26. INCIDENTAL PURCHASE AND SALE

TransColorado is not providing a supply service under any Rate Schedule of this Tariff, but may buy and sell gas in connection with the provision of transportation services. Without limitation of the foregoing, TransColorado may buy and sell gas to the extent necessary to maintain system pressure, to manage system integrity, to maintain line pack and provide additional line pack for new facilities, to implement the cashout imbalance procedures under Section 12.6, and to perform other functions of TransColorado in connection with transportation services. Nothing herein shall impose on TransColorado any obligation to provide a supply function to any of its Shippers.

TransColorado will sell gas at any point on the system on a non-discriminatory basis. Buyer will be required to arrange with TransColorado the necessary transportation agreements from the point of sale.

The availability of gas for sale or interest in purchasing gas will be posted on TransColorado's Interactive Website to the extent feasible at least twenty-four (24) hours prior to the actual purchase or sale.

28. SEGMENTATION

28.1 A Shipper may segment its firm capacity to the extent operationally feasible. In addition, any Shipper may segment its firm capacity in releasing to a Replacement Shipper to the extent operationally feasible. A Shipper segmenting its own firm capacity shall effectuate such segmentation through the nomination process under this Section 28. A Shipper may release firm capacity on a segmented basis to the extent consistent with this Section 28 by following the procedures set out in Section 6 of these General Terms and Conditions.

28.2 For the purposes of this Section 28, a segmentation of firm capacity (whether of Shipper's own capacity or on release) shall be deemed operationally feasible unless: (i) the segmentation would result in an increase in firm contractual obligation by TransColorado on any segment or portion of its system; or (ii) the segmentation would result in a physical haul in a direction opposite to the primary path under the Agreement being segmented, absent a determination by TransColorado, which determination will be made within ten (10) Business Days of the request, that it can physically perform the segmentation as requested.

28.3 In the event a path is segmented under this Section, the upstream path segment shall receive priority at all secondary points upstream of the break point and the downstream path segment shall receive priority at all secondary points downstream of the break point.

28.4 Shippers may request to segment outside their primary path to the extent that such a request to segment does not adversely impact TransColorado's ability to perform its contractual obligations to all Shippers. If TransColorado determines that it may perform such segmentation, Shippers shall have priority of service in accordance with Section 8.1(a)(ii)(2) of these General Terms and Conditions.

28.5 If TransColorado determines that it is operationally feasible, the Shipper (or Replacement Shipper in the case of a release) may nominate service at Receipt and Delivery Points for the path segment that results in a reverse flow from the original path, subject to the discount policy stated in Section 28.7 below. If TransColorado determines that it is operationally feasible, TransColorado will permit segmentation transactions consisting of forward hauls up to contract demand and backhauls up to contract demand to the same point at the same time.

28.6 Subject to the availability of firm capacity at the primary points, a Shipper, a Replacement Shipper or a Subreplacement Shipper may change the primary Receipt or Delivery Points listed in the Service Agreement to new primary point(s) if the Shipper (or in the case of a release, the Original Shipper) agrees to amend the Service Agreement to change the primary Receipt or Delivery Point accordingly. TransColorado shall not be obligated to reserve firm capacity to reinstate the former primary points upon expiration of the segmentation or the capacity release.

28.7 Discounts for segmented transportation may be granted according to the procedures set out in Section 9.7 of these General Terms and Conditions.

28.8 To the extent segmentation results in an increase of a Shipper's or Replacement Shipper's firm contract rights and TransColorado schedules and confirms that increase in firm contract rights, the Shipper or Replacement Shipper that caused such increase in firm contract rights overlap will be subject to the applicable overrun charge pursuant to each rate schedule in TransColorado's Tariff. If a capacity release occurs during the day and the releasing Shipper has already submitted a nomination,

the original Shipper may incur the applicable overrun charge.

28.9 TransColorado reserves the right to evaluate and disallow segmentation on its system on a case-by-case basis for those situations that are not operationally feasible and not already described in this Section 28. Disallowance of segmentation requests will be made on a non-discriminatory basis. TransColorado will post on its Interactive Website within 10 Business Days the explanation for any disallowance of segmentation not specifically described in this Tariff.

29. DISCOUNTING

29.1 Rate Discount Order

If and when TransColorado discounts the rates and charges applicable for service under any Rate Schedule, the components of the currently applicable Maximum Rate shall be discounted in the following order: the first item of the overall charge discounted will be any surcharge, followed by the base rate charge. Any other surcharges will be attributed in accordance with the applicable section of these General Terms and Conditions that provides for the surcharge as established in individual proceedings.

29.2 Types of Discounts

If TransColorado agrees to a discounted rate under TransColorado's Rate Schedules, the following terms may be agreed to without constituting a material deviation from TransColorado's applicable pro forma Service Agreement; provided, however, any such rate or component thereof shall not be less than TransColorado's applicable minimum rate, nor greater than TransColorado's applicable maximum rate.

Such rate may apply:

- (1) to specified quantities under Shipper's Service Agreement(s);
- (2) to quantities above or below a certain level, or all quantities if quantities exceed a certain level;
- (3) in a specified relationship to quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to the quantities actually transported);
- (4) during specified periods of the year or over specifically defined periods of time;
- (5) to specified receipt points, delivery points, zones, pooling areas, transportation routes, markets or other defined geographical areas;
- (6) to production reserves, gas supplies or markets committed by Shipper;
- (7) if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate due to a change in TransColorado's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed upon overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission Order accepts revised tariff sections; and/or
- (8) if the rate is based on published index prices for specific receipt or delivery points or other agreed-upon pricing reference points for price determination, which indices conform to Commission policy and standards. Such discounted rate may be based on the differential between published index prices or arrived at by formula. Such discounted rate: (1) shall not change the underlying rate design; (2) shall not include any minimum bill or

minimum take provision that has the effect of guaranteeing revenue; and (3) shall in each agreement entered into pursuant hereto, specify the rate component(s) to be discounted and the extent thereof.

Forms of Service Agreements

Marked Tariff Sections

FERC GAS TARIFF
THIRD REVISED VOLUME NO. 1
of
**TRANSCOLORADO GAS
TRANSMISSION COMPANY LLC**
filed with the
FEDERAL ENERGY REGULATORY COMMISSION

Communications regarding this Tariff should be addressed to:

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PRELIMINARY STATEMENT

TransColorado Gas Transmission Company LLC, hereinafter referred to as "TransColorado," is a "natural gas company" as defined by the Natural Gas Act (52 Stat. 821, 15 U.S.C. 717-717w) and, as such, is subject to the jurisdiction of the Federal Energy Regulatory Commission, hereinafter referred to as "FERC" or "Commission." As used herein, "TransColorado" shall not include any of TransColorado's affiliates.

TransColorado is a limited liability company organized and existing under the laws of the state of Delaware. The TransColorado System extends from a point of interconnection with various pipelines at two hubs: the Greasewood and Meeker Hubs located in Rio Blanco County, Colorado, and then southward to a point of interconnection with various pipelines at the Blanco Hub located in San Juan County, New Mexico.

This Federal Energy Regulatory Commission Gas Tariff, Volume No. 1, includes general terms and conditions, rate schedules, and forms of agreements for the transportation service provided by TransColorado according to 18 C.F.R. Part 284, Subparts B and G.

STATEMENT OF RATES

PARK AND LOAN SERVICE – PALS

STATEMENT OF RATES (Rates per Dth per \$)		
Rate Schedule/ Type of Charge	Base Tariff Rate	
	Minimum	Maximum
Initial Rate	\$0.0000	\$0.3239
Park/Loan Balance Rate	\$0.0000	\$0.1620
Completion Rate	\$0.0000	\$0.3239
Authorized Overrun ^{1/}		
Initial Park/Loan Balance and Completion Rates	\$0.0000	\$0.3239

OTHER CHARGES:

Marketing Fee: As negotiated between TransColorado and Shipper when TransColorado actively markets Shipper's released capacity.

Balancing Charges: Refer to Section 12 of the General Terms and Conditions.

^{1/} Each of PALS three rate components are billed at the same level under Authorized Overrun Service. Refer to Section 6.2 of the PALS Rate Schedule for the Unauthorized Overrun Charge.

Statement of Negotiated Rates

STATEMENT OF NEGOTIATED RATES							
(Rates per Dth/d)							
Shipper	Contract No. (Rate Schedule)	Term of Contract	Dth/d	Reservation Charges	Usage Charges	Primary Receipt Points	Primary Delivery Points
EnCana Marketing (USA), Inc	552458 (FT)	11-1-07 Through 7-31-14	100,000	1/	1/	1/	1/
ConocoPhillips Company	551663 (FT)	1-1-08 Through 12-31-17	11,000	2/	2/	2/	2/
Hilcorp San Juan L.P.	213621-FTSTCG (FT)	11-1-17 Through 12-31-17	250,000	2/	2/	2/	2/
Enterprise Gas Processing LLC	556287 (FT)	12-1-10 Through 11-30-20	60,000	<u>13/</u>	<u>13/</u>	<u>13/</u>	<u>13/</u>
CCI Paradox Upstream LLC	558299 (FT)	4-1-13 Through 3-31-15	9,000 4-1-13 to 3-31-14 8,000 4-1-14 to 3-31-15	4/	4/	4/	4/

~~1/~~—This information is set out in the executed service agreement currently on file with the FERC. The service agreement deviates from the form of service agreement found in this Tariff.

~~2/~~—This information is set out in the executed service agreement currently on file with the FERC.

13/ This information is set out in the negotiated rate agreement filed with the Commission on March 31, 2011 at Docket No. RP11-1950.

~~4/~~—This information is set out in the negotiated rate agreement filed with the Commission on April 23, 2013 at Docket No. RP13-_____.

NON-CONFORMING AGREEMENTS

The Commission has directed that the following Agreements be filed with the Commission because they contain provisions which do not conform to TransColorado's pro forma service agreements.

- ~~1. EnCana Marketing (USA), Inc., Transportation Rate Schedule FTS Agreement, filed with the Commission on October 31, 2007(Contract No. 552458).~~
- ~~2. Enterprise Gas Processing LLC, Transportation Rate Schedule FTS Agreement, filed with the Commission on November 30, 2010 (Contract No. 556287).~~

Rate Schedules

General Terms and Conditions

10. MEASUREMENT

10.1 Unit of Measurement and Metering Base. The volumetric measurement base shall be one cubic foot of gas at a pressure base of 14.73 psia, at a temperature base of 60 degrees Fahrenheit, without adjustment for water vapor.

10.2 Atmospheric Pressure. For the purpose of measurement, the atmospheric pressure shall be the barometric pressure calculated for the elevation at the point of measurement.

10.3 Temperature. The temperature of the gas shall be determined at the points of measurement by means of a properly installed recording thermometer or continuous electronic transducer input to a computer that conforms to A.P.I. Standard 21.1 installed in accordance with the recommendations contained in ANSI/API 2530 (Orifice Metering of Natural Gas), as amended from time to time. The arithmetic average of temperatures for each day shall be used in computing temperatures of the gas during such day for conventional chart measurement. When electronic computer measurement is used, average daily temperature will be computed as a running average of data determined by computer scan.

10.4 Determination of Gross Heating Value and Specific Gravity. Where TransColorado elects to install electronic computer measurement equipment and field chromatographs, the determination of gross heating value and specific gravity shall be made from the composition by calculation using physical gas constants for gas compounds as outlined in GPA Standard 2145 (Table of Physical Constants of Paraffin Hydrocarbons and Other Components of Natural Gas) with any subsequent amendments or revisions that TransColorado may adopt.

Where TransColorado elects to install conventional chart measurement, the arithmetic average of the hourly heating value and specific gravity recorded during periods of flow each day by a recording calorimeter and gravitometer or recording chromatograph, if installed, shall be considered as the gross heating value and specific gravity of the gas delivered during each day. If a continuous gas sampling device is used, determinations shall be made not less than once every month. Such determinations shall be considered as the gross heating value and specific gravity of all gas delivered during the applicable sampling period.

Gross heating values and specific gravities determined from spot samples will be used in calculating gas delivered for the day on which the test is made and all following days until the next test is made.

10.5 Supercompressibility. All orifice meter volumes shall be corrected for deviations from the ideal gas laws in accordance with the applicable American Gas Association reports. Where displacement meters are used, the square of the orifice meter supercompressibility factor shall be applied.

10.6 Measuring Equipment. Unless otherwise agreed upon, TransColorado will install, maintain and operate or cause to be installed, maintained and operated measuring stations equipped with flow meters and other necessary metering and measuring equipment by which volumes of gas received and equivalent volumes delivered shall be determined. Operator may install check measuring equipment at its own cost and expense; provided such equipment shall be installed in a manner not to interfere with the operations of TransColorado.

TransColorado and Operator, in the presence of each other, shall have access to the

other's measuring equipment at all reasonable times but the reading, calibrating and adjusting electronic computer components and/or mechanical recording instruments and the changing of charts shall be done only by the equipment owner or such owner's representative, unless otherwise agreed upon.

Both TransColorado and Operator shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment; provided, however, failure of either TransColorado or Shipper to witness such an operation shall not affect the validity of such operation in any way.

The records from such measuring equipment shall remain the property of the party owning the equipment, but within 10 days of a request, each will submit to the other for inspection its records and charts, together with related calculations. All records and charts shall be returned within 30 days after receipt.

The measurement equipment of Shipper shall be for check purposes only and, except as expressly provided in these General Terms and Conditions, shall not be used in the measurement of gas.

10.7 Orifice Meters. All orifice meters shall be installed and gas volumes computed in accordance with the standards prescribed in ANSI/API 2530 (Orifice Metering of Natural Gas), which incorporates Gas Measurement Committee Report #3 of the American Gas Association, September 1992, revised and reprinted, and any subsequent amendments TransColorado may adopt.

10.8 Non-Interference. In order to avoid interference with the operation of the primary measurement facilities, custody transfer meter run taps will not be shared or used for other than custody transfer by the operating company.

10.9 Square Root Error. Pulsation filters or other remedial equipment may be required by TransColorado or the Operator upon the occurrence of unacceptable square root error ("SRE") or gauge line error. Unacceptable SRE is defined to be equal to or greater than 0.5% SRE.

In the event of a disagreement between TransColorado and the Operator on the source and degree of error, Southwest Research Institute, or a mutually agreeable replacement, will be requested to determine the source and degree of error. The party deemed responsible for the pulsation source will incur all costs for the consultation, along with the installation and remedial devices or filtering equipment as necessary.

10.10 Electronic Flow Computers. TransColorado may install electronic flow computers to permit the direct computation of gas flows without the use of charts.

10.11 New Measurement Techniques. If, at any time, a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted by TransColorado. TransColorado shall promptly inform all shippers of any new techniques adopted.

10.12 Calibration and Test of Meters. The accuracy of all measuring equipment shall be verified by TransColorado at reasonable intervals, and if requested, in the presence of a representative of Shipper, but neither Shipper nor TransColorado shall be required to verify the accuracy of such equipment more frequently than once in a 30-day period. If either party at any time desires a special test of any measuring

equipment, it will promptly notify the other, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. Shipper shall bear the costs of any special test requested by Shipper unless the measuring equipment is found to be inaccurate by 2% or more.

10.13 Correction of Metering Errors. If, upon any test, any measuring equipment is found to be inaccurate, such equipment shall be adjusted immediately to measure accurately. If, upon any test, the measuring equipment in the aggregate is found to be inaccurate by two percent (2%) or more at a recording corresponding to the average hourly rate of gas flow for the period since the last preceding test, any payments based upon inaccurate measurement shall be corrected pursuant to Section 13 of these General Terms and Conditions at the rate of such inaccuracy for any period that is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one half of the time elapsed since the date of the last test.

10.14 Failure of Measuring Equipment. In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test, or by previous recordings, receipts or deliveries through such equipment shall be estimated and agreed to by the parties upon the first of the following methods that is feasible:

- (a) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation, or, in the absence of (a);
- (b) By using the registration of any check meter or meters, if installed and accurately registering, or, in the absence of (a) and (b); and
- (c) By estimating the quantity of gas received or delivered based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

10.15 Preservation of Records. Operator and TransColorado shall preserve for a period of at least three years, or for such longer period as may be required by appropriate authority, test data, charts or other similar records.

10.16 Pressure Requirements.

- (a) Operator shall deliver gas to TransColorado at the receipt points at a pressure sufficient to allow the gas to enter TransColorado's pipeline as such pressure shall vary from time to time. TransColorado shall not be required to compress natural gas into its pipeline. Shipper shall provide equipment at each receipt point that is acceptable to TransColorado to prevent overpressuring TransColorado's pipeline.
- (b) TransColorado shall deliver gas at each delivery point at the pressure that is available from time to time in TransColorado's pipeline after required measurement, flow control or regulation. However, TransColorado and Shipper may mutually agree to a specific delivery pressure or range of delivery pressures for a stated period at any delivery point or points on a non-discriminatory basis. If TransColorado and Shipper agree to a specific delivery pressure or range of delivery pressures for a stated period, such delivery pressure(s) will be specified in TransColorado's applicable Form of Transportation Service Agreement in the blank spaces provided. TransColorado will not enter into agreements containing a specific delivery

pressure or a range of delivery pressures at delivery point(s) if such specific delivery pressure or range of delivery pressures will a) threaten the safe operations or system integrity of TransColorado's pipeline system or b) adversely impact TransColorado's ability to meet its firm service obligations to an existing Shipper.

11. QUALITY OF GAS

All natural gas received by TransColorado shall conform to the following specifications and must be, in TransColorado's reasonable judgment, otherwise merchantable.

11.1 Heat Content. The gas shall have a heating value of not less than 967 Btu per cubic foot.

11.2 Liquids. The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered. The gas shall in no event contain water vapor in excess of seven (7) pounds per million standard cubic feet.

11.3 Hydrocarbon Dew Point. The hydrocarbon dew point of the gas delivered shall not exceed twenty degrees Fahrenheit (20°F) at a pressure of 600 psig.

11.4 Total Sulfur. The gas shall not contain more than three-quarters (0.75) grain of total sulfur per one hundred (100) standard cubic feet, which includes hydrogen sulfide, carbonyl sulfide, carbon disulfide, mercaptans, and mono-, di- and poly-sulfides. The gas shall also meet the following individual specifications for hydrogen sulfide, mercaptan sulfur or organic sulfur:

(a) Hydrogen Sulfide. The gas shall not contain more than one-quarter (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet.

(b) Mercaptan Sulfur. The mercaptan sulfur content shall not exceed more than three-tenths (0.3) grain per one hundred (100) standard cubic feet.

(c) Organic Sulfur. The organic sulfur content shall not exceed five-tenths (0.5) grain per one hundred (100) standard cubic feet, which includes mercaptans, mono-, di- and poly-sulfides, but it does not include hydrogen sulfide, carbonyl sulfide or carbon disulfide.

11.5 Oxygen. The oxygen content shall not exceed two-tenths of one percent (0.2%) by volume and every reasonable effort shall be made to keep the gas delivered free of oxygen.

11.6 Dust, Gums and Solid Matter. The gas shall be commercially free from solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with the intended purpose or merchantability of the gas, or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow.

11.7 Temperature. The gas shall be delivered at temperatures not in excess of one hundred five degrees Fahrenheit (105°F) nor less than fifty degrees Fahrenheit (50°F) except where, due to normal operating conditions and ambient temperatures on the pipeline System, the temperature may periodically drop below such lower limit.

11.8 Deleterious Substances. The gas shall not contain any toxic or hazardous substance in concentrations which, in the normal use of the gas, may be hazardous to health, injurious to pipeline facilities or be a limit to merchantability.

11.9 Inert Substances. The gas shall not contain inert substances (carbon dioxide, nitrogen, helium, oxygen, and any other diluent compound) of more than three percent by volume of which not more than two percent shall be CO₂; provided that TransColorado may post on its Interactive Website that it will from time to time

accept gas from Paradox Basin receipt points which contains inert substances of up to five percent by volume, of which not more than two percent shall be CO₂.

11.10 Operators Failure to Meet Specifications. If, at any time, gas tendered by Shipper for transportation shall fail to substantially conform to any of the applicable quality specifications set forth in this Section and TransColorado notifies Shipper of such deficiency and Shipper fails to remedy any such deficiency within a reasonable period of time (immediately in those situations which threaten the integrity of TransColorado's system), TransColorado may, at its option, refuse to accept delivery pending correction of the deficiency by Shipper or continue to accept delivery and make such changes necessary to cause the gas to conform to such specifications, in which event Shipper shall reimburse TransColorado for all reasonable expenses incurred by TransColorado in effecting such changes, including operational and gas costs associated with purging and/or venting the pipeline. Failure by Shipper to tender quantities that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the obligations of Shipper existing under any other provisions of the executed Transportation Service Agreement. In the event natural gas is delivered into TransColorado's system that would cause the natural gas in a portion of TransColorado's pipeline to become unmerchantable, then TransColorado is permitted to act expediently to make the gas merchantable again by any and all reasonable methods, including, without limitation, to venting the pipeline of whatever quantity of natural gas necessary to achieve a merchantable stream of gas. Shipper shall reimburse TransColorado for all reasonable expenses incurred by TransColorado to obtain merchantable natural gas again, including operational and gas costs associated with venting the pipeline. In such cases, TransColorado shall promptly notify Shipper of the non-conforming supply and any steps taken to protect the merchantability of the gas.

11.11 Quality of TransColorado's Deliveries. TransColorado shall deliver to Shipper or for Shipper's account gas that is of merchantable quality.

11.12 Commingling. Gas received from Shipper will be commingled with the gas of other Shippers in the System. Accordingly, the gas of Shipper shall be subject to such changes in gross heating value per cubic foot and other specifications as may result from such commingling.

13. BILLING AND PAYMENT

13.1 On or before the ninth business day of each month, TransColorado shall furnish to Shipper a monthly statement of the transportation charge in effect and of the total payment due for the transportation of gas during the preceding month (including any other applicable charges). TransColorado shall provide a schedule showing quantities of gas and heat content received and delivered, including equivalent quantities, Fuel, L&U and any imbalance under Section 12. TransColorado may furnish an estimated statement and make appropriate adjustments in the statement rendered for the next succeeding Mmonth.

13.2 When information necessary for billing purposes is in the control of Shipper or the Operator, it shall be furnished to TransColorado on or before the fifth business day of the Mmonth with respect to deliveries of gas during the previous Mmonth.

13.3 Shipper and TransColorado shall have the right to examine, at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation made under or pursuant to any of the provisions.

13.4 Payment to TransColorado shall be due at its general office, or at such other address as TransColorado shall designate, within ten days from the date the bill was issued by TransColorado. If the 10th day falls on a weekend or holiday, then the due date shall be extended to the first business day thereafter. Shipper shall submit supporting documentation and TransColorado will apply payment per supporting documentation provided by Shipper. If payment differs from invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two business days of the payment due date.

13.5 Should Shipper fail to pay all of the amount of any bill when such amount is due, TransColorado shall collect interest on the unpaid portion of the bill in the manner and at the rate prescribed by 18 C.F.R. Section 154.501(d). In the event interest accrues to an amount less than \$10, TransColorado will not invoice the interest amount and such amount shall not be reflected on Shipper's account. If ~~such~~ Shipper's failure to pay continues for 30 days after payment is due, TransColorado, in addition to any other remedy it may have, after giving Shipper 15 days written notice, may suspend further receipt and/or delivery of gas for Shipper until such amount is paid. If Shipper in good faith shall dispute the amount of any such bill, Shipper shall nevertheless pay to TransColorado the amount of such bill and, at any time thereafter within 30 days of a demand made by Shipper, TransColorado shall furnish a good and sufficient surety bond guaranteeing refund to Shipper upon such bills after a final determination by agreement, by determination of regulatory agencies having jurisdiction, or by judgment of the courts, as may be the case. Payment of the disputed portion shall not be deemed a waiver of the right to contest such disputed portion in any forum having jurisdiction. Alternatively, shipper may, if invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for dispute. (NAESB WGQ Standard No. 3.3.19)

13.6 If it is determined that Shipper has been overcharged, and Shipper has paid the statement containing the overcharge then, within 30 days after the final determination, TransColorado shall refund the amount overcharged. If it is determined that Shipper has been undercharged, Shipper shall pay the amount undercharged with appropriate interest within 30 days of notice by TransColorado of the amount. Prior period adjustment time limits should be six ~~m~~Months from the date of the initial transportation invoice with a three month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. (NAESB WGQ Standard No. 3.3.15)

14. FORCE MAJEURE

14.1 A force majeure event includes without limitation by this recital: acts of God, including fires, explosions, earthquakes or volcanic eruptions, storms, floods, washouts and extreme cold or freezing weather; necessity for compliance with any court order, law, regulation or ordinance promulgated by any governmental authority having jurisdiction, either federal, Indian, state or local, civil or military; acts of a public enemy; wars and civil disturbances; strikes, lockouts or other industrial disturbances; shutdowns for purposes of necessary repairs, relocations, or construction of facilities, breakage or accident to machinery or lines of pipe; the necessity for testing (as required by governmental authority or as deemed necessary for safe operation by the testing party); inability to obtain necessary materials, supplies, permits, or labor to perform or comply with any obligation or condition of this Tariff; inability to obtain rights of way; and any other causes that are not reasonably in the control of the party claiming suspension. An event associated with compliance with any court order, law, regulation or ordinance promulgated by any governmental authority having jurisdiction, either federal, Indian, state or local, civil or military and/or the necessity for testing (as required by governmental authority or as deemed necessary for safe operation by the testing party) shall be considered a force majeure event only when the event is outside of TransColorado's control.

14.2 If because of a force majeure event either TransColorado or Shipper is rendered unable, wholly or in part, to perform its obligations under a service agreement incorporating these General Terms and Conditions, other than to make payments when due, and if such party gives notice of such event within a reasonable period of time and provides full particulars of the event in writing or by electronic communication (other than telephone), nonperformance of the party giving such notice shall be excused during the continuance of such event and to the extent its performance is affected by such event. The party claiming force majeure shall use due diligence to remedy its nonperformance with all reasonable dispatch, including the making of provision for such alternate performance as may be economical and practical.

14.3 No force majeure event affecting the performance by TransColorado or Shipper shall relieve such party of liability in the event of failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch. Nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments as mutually agreed under the applicable rate schedule.

Any force majeure event that results in TransColorado's inability to transport all or any portion of Shipper's gas or that results in Shippers' inability to tender gas to TransColorado for transportation shall not operate to suspend or otherwise affect in any way Shipper's obligation to pay the applicable reservation charge except as provided in Section 8.4 of these General Terms and Conditions. During any period when receipts are suspended in whole or in part due to a force majeure event, TransColorado may use resulting excess capacity created to transport or exchange any other volumes of gas made available to it. Such use of excess capacity shall not interfere with Shipper's right to have its gas transported.

15. RESPONSIBILITY FOR GAS

15.1 As between Shipper and TransColorado, Shipper shall be responsible for its gas until it has been delivered to TransColorado at the points of receipt.

TransColorado shall be responsible for the gas while it is in its system between the point of receipt and the point of delivery. After gas has been delivered to or for the account of Shipper by TransColorado at the point of delivery specified in the service agreement, Shipper shall again be responsible for the gas. The party that shall be responsible for the gas shall bear liability for all injury or damage caused by it. Notwithstanding anything to the contrary stated in these General Terms and Conditions, Shipper shall indemnify TransColorado for all injury, damage, loss or liability of TransColorado caused by Shipper's delivery of off-specification gas contrary to Section 11 of these General Terms and Conditions.

15.2 TransColorado shall purchase, own and be responsible for line pack-gas sufficient to operate its system.

15.3 All substances, whether or not of commercial value, including all liquid hydrocarbons of whatever nature, except substances expressly reserved for Shipper, that TransColorado recovers in the course of transporting the quantities of natural gas tendered hereunder to Shipper shall be TransColorado's sole property and TransColorado shall not be obligated to account to Shipper for any value, whether or not realized by TransColorado, that may attach or be said to attach to such substances.

16. WARRANTY

Shipper warrants that it will have at the time of delivery of gas for transportation good title or good right to deliver the gas. Shipper warrants that the gas it delivers shall be free and clear of all liens, encumbrances, and claims; that it will indemnify TransColorado and hold it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from any adverse claims of any person to the gas or to royalties, taxes, license fees, or charges that are applicable to such delivery of gas; and that it will indemnify TransColorado and hold it harmless from all taxes or assessments that may be levied and assessed upon such delivery and that are by law payable by the party making delivery.

17. ASSIGNMENTS

TransColorado may pledge or charge its interest under a service agreement under the provisions of any mortgage, deed of trust, indenture, security agreement, loan agreement, or similar instrument that it executes. Shipper shall not assign any of its rights under a service agreement incorporating these General Terms and Conditions, except as provided for in Section 6.

Shipper may not pledge or charge its interest under a service agreement under the provisions of any mortgage, deed of trust, indenture, security agreement, loan agreement or similar instrument that it executes without the consent in writing of TransColorado. No person succeeding by purchase, merger or consolidation to the properties of Shipper shall be entitled to any part of the interest of Shipper under its service agreement without the written consent of TransColorado.

18. CREDITWORTHINESS

18.1 TransColorado shall not be required to initiate, perform or to continue any transportation service under any rate schedule for Shipper if Shipper is or has become insolvent or fails within 30 days of TransColorado's request for credit information to demonstrate creditworthiness.

18.2 Shipper must demonstrate evidence of creditworthiness by providing the following:

- (a) Primary bank references;
- (b) Shipper's year-end audited financial statement and its last quarterly report;
- (c) A credit report from a credit reporting agency that shows that Shipper pays its commercial obligations within a reasonable period.

18.3 Notwithstanding subparagraph 18.2(c), if Shipper is found to lack creditworthiness, Shipper may receive service if it prepays for such service or furnishes a letter of credit or other good and sufficient security, as determined by TransColorado in its reasonable discretion, in an amount equal to the cost of performing the service requested by Shipper for up to a three-month period.

18.4 The inability of Shipper to pay for the requested service or insolvency of Shipper may be evidenced by the filing by Shipper or any parent or affiliated company (collectively referred to in this paragraph as "Shipper") of a petition in bankruptcy or the entry of a decree or order by a court of competent jurisdiction adjudging Shipper bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of Shipper's debts under the federal Bankruptcy Act or any other applicable federal or state law, or the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the assets of Shipper or the winding-up or liquidation of Shipper's affairs.

19. SHIPPER'S FAILURE TO COMPLY WITH TERMS

TransColorado shall not be required to perform service under any transportation rate schedule included in this ~~T~~ariff if Shipper fails to comply with the terms of its Transportation Service Agreement and the General Terms and Conditions of this Tariff.

20. SYSTEM OPERATION

20.1 General.

A. TransColorado shall endeavor to maintain adequate pressure throughout its system and to preserve the overall operational integrity of its system; provided, however, that TransColorado shall not be obligated to buy or sell gas or to install additional compression or otherwise modify its system for these purposes. Operating personnel for Shippers and other entities that are physically taking delivery of gas from TransColorado or tendering gas to TransColorado shall cooperate with TransColorado in furtherance of this Section. Each Shipper shall designate the e-mail, telephone and fax numbers of one or more persons (but not more than two (2) primary and two (2) backup persons) for TransColorado to contact on operating matters (including the receipt of Operational Flow Orders and notices of a Critical Time consistent with Section 20.5) at any time, on a 24-hour a day, 365-days a year basis. Such contact persons must have adequate authority and expertise to deal with such operating matters.

B. For the purpose of these General Terms and Conditions, the overall operational integrity of TransColorado's system shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of gas delivered.

C. TransColorado shall post a Monthly Maintenance Schedule on its Interactive Website each month prior to bid-week for the subsequent month that contains a list of scheduled maintenance activities TransColorado anticipates conducting in the subsequent month which are likely to result in curtailment or outages on the pipeline. Such Monthly Maintenance Schedule posting shall include the facilities anticipated to be impacted by the project, an estimate of the date each project will be conducted, and the name and amount of estimated curtailment for each segment anticipated to be impacted by the project. If it is necessary for TransColorado to perform a new maintenance project in the subsequent month that was not previously included in the Monthly Maintenance Schedule posting, and that TransColorado could not reasonably anticipate would be necessary to perform in the subsequent month when the Monthly Maintenance Schedule was posted, TransColorado shall post an update to the Monthly Maintenance Schedule on its Interactive Website specific to the new maintenance project before the end of the current month in which the Monthly Maintenance Schedule posting was made.

20.2 Facility Control. TransColorado shall maintain actual physical and operational control of all transmission and other facilities on its system.

20.3 Operational Control Sequence. In the event TransColorado's observations or projections indicate that a situation is or may be developing in which adequate pressures may not be maintained or the overall operational integrity of its system (or any portion thereof) could be threatened, or in the event that such a situation actually occurs, TransColorado is authorized by this Section to take action to

alleviate this situation. In responding to such a situation, TransColorado shall first apply the Advisory Actions procedures of Section 20.4. If such measures are not sufficient in TransColorado's judgment to address the situation fully, TransColorado shall next employ the Critical Time procedures set out in Section 20.5. Finally, TransColorado may take unilateral action as provided in Section 20.6. The procedures set out in such provisions, and their sequencing, are intended to be applied only to the extent any of the specific actions indicated, or such sequencing, would be anticipated to alleviate the situation to be addressed. In issuing Advisory Actions consistent with Section 20.4 or a Critical Time consistent with Section 20.5, TransColorado shall describe the conditions and the specific responses required from the affected parties.

To the extent that specific actions are reasonably identifiable, TransColorado shall direct its actions hereunder to Shippers creating or anticipated to create the situation to be addressed and shall act consistent with Section 20.7. Nothing herein shall preclude TransColorado from bypassing any of the above procedures if, in its judgment, the situation so requires. TransColorado will keep Shippers advised through TransColorado's Interactive Website on the status of the situation.

20.4 Advisory Actions

In the event TransColorado determines that action is required to alleviate or forestall a situation in which system pressure is not maintained or when the overall operational integrity of the system or any portion of the system is jeopardized, TransColorado may take the Advisory Actions set out herein to alleviate or forestall the development of such a situation.

A. TransColorado may request Shippers or other entities affecting its system to take any of the following actions, or other similar actions, to the extent such actions would tend to alleviate the situation, on a voluntary basis:

- (i) Shift receipts to obtain better capacity balance;
- (ii) Change Receipt or Delivery Points;
- (iii) Change usage patterns (e.g., end users switch to alternate fuels);
- (iv) Provide assistance from market area resources;
- (v) Activate pre-negotiated voluntary arrangements under which gas is diverted from one Shipper to another or from a non-Shipper to a Shipper (which arrangements may specify appropriate compensation);
- (vi) Reconcile transportation imbalances; and/or
- (vii) Such other voluntary action as would tend to alleviate or forestall the situation.

B. TransColorado may also take actions within its control that might tend to alleviate or forestall the situation. Such actions may include the following:

- (i) Advise any Shipper which is not maintaining receipts and deliveries in balance that such imbalances must not continue;
- (ii) Curtail or require adjustments or supply shifts in IT service; and/or

(iii) Take such other actions as are within TransColorado's control and discretion to alleviate or forestall the situation.

20.5 Critical Time Notice.

A. A Critical Time may be declared (1) when the total physical receipts to all or a portion of the system are approaching or expected to approach a level that is in excess of the total physical deliveries; (2) when the total physical deliveries from all or a portion of the system are approaching or expected to approach, a level that is in excess of the total physical receipts; (3) when system pressure on one or more pipeline segments is falling and approaching a level or is expected to fall and approach a level that is at or below the minimum that TransColorado considers necessary for system integrity or to fulfill its firm contractual obligations; (4) when system pressure on one or more pipeline segments is rising and approaching a level or is expected to rise and approach a level that is at or above the maximum pressure at which TransColorado's facilities may be safely operated; or (5) at other times when TransColorado is unable or anticipates it may not be able to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of TransColorado's system. A Critical Time may not be declared on all or a portion of the system for the purpose of maintaining interruptible services on that portion of the system, but interruptible gas may flow at times or on portions of the system when such flow would not violate any operational control restrictions or provisions of this Tariff. TransColorado shall notify Shippers on TransColorado's Interactive Website as to the reason(s) why a Critical Time was declared.

B. TransColorado shall advise Shippers on its system if it is declaring a Critical Time, as described in Section 20.5A above, and shall specify the nature of the situation creating the Critical Time.

C. TransColorado may issue OFOs as described in this Section 20.5 during a Critical Time.

D. All quantities tendered on a net contract basis to TransColorado and/or taken by Shipper on a daily basis in violation of TransColorado's OFOs issued during a Critical Time shall constitute unauthorized receipts or deliveries for which a charge of \$25 per Dth plus the San Juan Basin spot price of gas, as determined in Section 12.3 of these General Terms and Conditions, for the days the OFO is in place shall be assessed and the resulting imbalance will be reduced to zero.

E. Notice of a Critical Time will be posted on TransColorado's Interactive Website, and will be the first information item shown on the informational postings portion of the website. TransColorado will endeavor to post the notice its Interactive Website before 4:00 p.m. CCT or otherwise will endeavor to notify Shippers via the Interactive Website by 4:00 p.m. CCT that they should check the Interactive Website again at a specified later time to see whether a Critical Time will be in effect for the next day. TransColorado must attempt to give actual notice of a Critical Time via e-mail, fax or telephone (provided a Shipper has given the numbers to TransColorado as required in this Section) at least four (4) hours prior to the start of the day before a Critical Time will be effective as to a Shipper. Such notice shall specify the anticipated duration of the Critical Time and whether other

charges will apply to over-receipts and under-deliveries vis-à-vis confirmed nominations or to under-receipts and over-deliveries vis-à-vis confirmed nominations. If reasonably possible, a Critical Time will be effective at the start of a day and will continue until the end of the day and through the end of successive days until TransColorado notifies Shippers via TransColorado's Interactive Website that there is no longer a Critical Time.

F. In the event that, in TransColorado's judgment, the Advisory Actions under Section 20.4 are not sufficient to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of TransColorado's system or to maintain operations required to provide efficient and reliable firm service, TransColorado is authorized to issue OFOs.

Notwithstanding the foregoing, TransColorado shall take reasonable actions to minimize the issuance and the adverse impact of OFOs, or of any other measure taken under this Section in response to adverse operational events on TransColorado's system. TransColorado will issue OFOs only if necessary, in its reasonable judgment, to maintain the pressure of its system within the range of normal operating parameters or, to respond to or prevent facility outages or other conditions which could have a detrimental impact on system reliability or service integrity on its system. OFOs shall be lifted as soon as practicable when such conditions no longer prevail.

Such OFOs may, subject to Section 20.9, require a Shipper to take any of the following actions, or similar actions, to the extent such actions would tend to alleviate the situation to be addressed:

- (i) Commence or increase deliveries into TransColorado's system at specific points, or shift such deliveries (in whole or in part) to different points;
- (ii) Cease or reduce deliveries into TransColorado's system at specific points;
- (iii) Commence or increase deliveries of gas from TransColorado's system from specific points, or shift deliveries to different points;
- (iv) Cease or reduce deliveries from TransColorado's system or at specific points;
- (v) Reconcile transportation imbalances;
- (vi) Requiring that deliveries under all of TransColorado's rate schedules be made on a uniform hourly rate effective three (3) hours after issuance of an OFO; and/or
- (vii) Such other actions as are within Shipper's control that would tend to alleviate the situation to be addressed;

No Shipper will be required under an OFO to exceed its total firm maximum daily quantity under its Agreements with TransColorado under Part 284 of the Commission's Regulations. Nor will a Shipper be required to accept delivery of gas that the Shipper cannot use at its delivery points.

G. In issuing OFOs to correct problems with either too much gas or insufficient gas being received vis-à-vis deliveries, TransColorado will generally follow the following sequence, to the extent there is sufficient time:

- (i) TransColorado will require all Shippers out of balance to the detriment of the system to balance their Agreements;
- (ii) TransColorado will seek voluntary action from Shippers, subject to the Shipper and TransColorado negotiating adequate compensation;
- (iii) TransColorado will interrupt interruptible services if doing so will restore system flexibility prior to issuance of generally applicable OFOs or curtailment of firm services. This step will be taken when Shippers are failing to comply with previously issued OFOs or when TransColorado cannot identify which Shippers are creating the problem.

H. In the event receipts in segments of TransColorado's system exceed scheduled receipts so that high system pressures back off scheduled receipt quantities, TransColorado may issue an OFO to all Shippers in the affected segment of the system stating that a high pressure condition exists. All such Shippers will be required to check their deliveries into receipt points on the affected portion of the system. Those Shippers who are delivering more than their scheduled volumes will have four (4) hours to make needed adjustments, or enter the penalty situation. An OFO issued pursuant to this Section 20.5H. will be canceled by TransColorado when the high pressure condition described above has been corrected and the imbalances created by the high pressure condition have been reasonably resolved.

I. In the event there is a need for TransColorado to engage in routine and normal maintenance of the system, to undertake repairs and replacements of lines of pipe, to schedule DOT compliance activities, to install taps, to make pig runs, to test equipment, to check or change compressor internals, or to engage in other similar actions affecting the capacity of any portions of the system, TransColorado may issue OFO's pursuant to this Section 20.5I, which will contain an estimate of the time, duration, and impact of the activity. An event of force majeure may affect deliveries, but not trigger the need for an OFO pursuant to this Section 20.5I. An order issued pursuant to this Section 20.5I shall be canceled when such planned maintenance or other activities have been completed.

J. Notice and posting shall include but not be limited to (i) mandated specific actions, (ii) indication of voluntary actions, (iii) identification of the parties subject to the OFO, (iv) the time the OFO will become effective, (v) the estimated duration of the OFO, (vi) whether TransColorado is overdelivered or underdelivered, (vii) whether actual net receipts need to be equal to or greater than actual deliveries or actual deliveries need to be equal to or greater than actual net receipts, (viii) whether or not authorized overruns are acceptable and (ix) 24 hour contact number for TransColorado during the duration of the OFO.

K. In addition to the OFOs described in subsections (A-J) above, TransColorado may issue OFOs as follows:

- (i) In order to improve system operations, TransColorado may require any Shipper that has a variance of twenty percent(20%) or more between actual deliveries to TransColorado at a Receipt Point and the confirmed nomination at that Receipt Point to conform the

deliveries to the confirmed nomination as of the day that commences with the effectiveness of the OFO.

(ii) TransColorado may also require Shippers to keep any variances between actual flows and confirmed nominations at all of the Receipt Points or Delivery Points under each Shipper's Agreements, which are to the detriment of TransColorado's system, within a ten percent (10%) tolerance. If a Shipper agrees to keep all other Shippers at a Delivery Point whole with their nominations (Swing Shipper), such other Shippers' confirmed nominations and actual takes at that point will be included in the total confirmed nominations and the total actual deliveries of the Swing Shipper at all Delivery Points for the purposes of determining the Swing Shipper's variance.

(iii) A Shipper shall not be subject to overrun penalties and charges from TransColorado or imbalance charges with respect to any action taken in conformance with an OFO issued by TransColorado during a Critical or non-Critical Time.

20.6 Unilateral Action. In the event that the actions under Sections 20.3 through 20.5 are inadequate or there is insufficient time to carry out such procedures, TransColorado may periodically have to take unilateral action to maintain system pressure and preserve the overall operational integrity of TransColorado's system (or any portion thereof). TransColorado is authorized to use all the resources of its system to such ends, through the integrated operation of line pack, and supply received into TransColorado's system, even though gas may be owned by a person other than the entity receiving delivery. TransColorado shall not, however, be responsible as a supplier of gas to any Shipper.

20.7 Applicability of Actions. In exercising its authority pursuant to Sections 20.3 through 20.6, TransColorado shall generally direct its actions to Shippers in the following sequence, to the extent such actions and/or sequencing will tend to alleviate the situation to be addressed:

- A. First, to any Shipper that has been identified to take action and is causing disruption due to its failure to maintain receipts and deliveries in balance or to match physical flows with nominated receipts or deliveries;
- B. Second, to any Shipper that has been identified to take action and has failed or is failing to take action to anticipate a change in demand (i.e., a temperature sensitive LDC or end user failing to respond to changes in weather);
- C. Third, to any Shipper that has been identified to take action and is operating in a manner that conflicts with sound operational practices in relation to TransColorado's system; and
- D. Lastly, to all other Shippers.

20.8 Refund of Penalty Amounts. All amounts collected by TransColorado for OFO penalties shall be refunded consistent with Section 12.11 of these General Terms and Conditions.

20.9 Standards.

- A. In issuing OFOs or taking other operational control action under this

Section, TransColorado shall apply consistent and objective engineering and operational criteria to define the overall operational integrity of the system and acceptable pressure levels to be maintained, to evaluate the imminent nature of any threat to these factors, and to determine what steps are necessary to preserve such factors. Such criteria may be changed from time to time as operating experience indicates.

B. In applying this Section, TransColorado shall operate its system on a non-discriminatory manner, without regard to the source of supply, the identity or nature of any Shipper or the identity of any entity tendering or receiving gas except as otherwise explicitly provided herein.

20.10 Liability.

A. TransColorado shall not be liable to any person for the manner in which it operates its system, or for any diversion of gas or capacity rights or any other adverse consequences to such person that may result from its actions, provided that TransColorado's actions were undertaken in furtherance of and in accordance with this Section 20 and provided further that such adverse consequences are not attributable to TransColorado's negligence or misfeasance.

B. Compliance with the OFOs and the other terms and conditions of TransColorado's FERC Gas Tariff is essential to provide deliveries and services under all rate schedules. A failure by one or more Shippers to comply with the OFOs may affect TransColorado's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, TransColorado will, except for negligence or undue discrimination, have no liability.

C. In the event a Shipper's gas supplies are diverted to another Shipper or retained by TransColorado as a result of an OFO, the party receiving such gas supplies shall compensate the Shipper whose gas was diverted or retained at the San Juan Basin spot price of gas, as determined in Section 12.3 of these General Terms and Conditions. Should reduced deliveries result from the issuance of an OFO, TransColorado shall provide reservation charge credits to Shippers reflecting such reduced deliveries.

20.11 Reporting. Within 90 days after an OFO has been lifted, TransColorado will post on its Interactive Website a report that describes the specific operational factors which caused the OFO to be issued and then lifted.

20.12 Unauthorized Gas.

TransColorado will notify operators by approximately the 15th of each month of their level of Unauthorized gas for the preceding calendar month. TransColorado will post on its Interactive Website by approximately the 15th of each month quantities of Unauthorized gas in the preceding month which cannot be attributed to any Shipper. Any Operator who delivers unscheduled natural gas onto TransColorado's system will be given sixty (60) days from the date TransColorado provides notice to the Operator that such gas has been received, to deliver it off the system or schedule it for delivery, or it will become the property of TransColorado at the end of the 60 day period. If the Shipper who delivered such gas onto TransColorado's system is not known, the gas will become the property of TransColorado sixty (60) days after it was received by TransColorado.

22. ACCOUNTING DEPRECIATION

TransColorado has used a depreciation method in establishing its rates that differs from the traditional straight-line method. Shippers will pay rates under their transportation agreements that will incorporate TransColorado's methodology.

24. ANNUAL CHARGE ADJUSTMENT SURCHARGE ("ACA")

24.1 Purpose. This Section 24 establishes an Annual Charge Adjustment Surcharge ("ACA") which will permit TransColorado to recover from its Shippers such ACA unit charge, as calculated by the Commission, which shall be applicable to Transporter's transportation Rate Schedules.

24.2 Applicable Customers. The ACA shall be applicable to all transportation rate schedules contained in this Tariff. For those rate schedules with a two-part rate, the ACA unit charge shall only apply to the usage component of such rate. Such ACA Surcharge shall be the unit charge shown on the Commission website, as revised and posted annually. Such surcharge is incorporated by reference into Transporter's currently effective FERC Gas Tariff.

24.3 Effective Date of Charge. The effective date of charges pursuant to this section shall be October 1.

24.4 Accounting for Annual Charges Paid Under Part 382. TransColorado shall account for annual charges paid by charging the amount to Account No. 928, Regulatory Commission Expenses, of the Commission's Uniform System of Accounts. Any annual charges recorded in Account No. 928 shall not be recovered by TransColorado, as recorded in FERC Account 928, in a Natural Gas Act Section 4 rate case.

26. INCIDENTAL PURCHASE AND SALE

TransColorado is not providing a supply service under any Rate Schedule of this Tariff, but may buy and sell gas in connection with the provision of transportation services. Without limitation of the foregoing, TransColorado may buy and sell gas to the extent necessary to maintain system pressure, to manage system integrity, to maintain line pack and provide additional line pack for new facilities, to implement the cashout imbalance procedures under Section 12.6, and to perform other functions of TransColorado in connection with transportation services. Nothing herein shall impose on TransColorado any obligation to provide a supply function to any of its Shippers.

TransColorado will sell gas at any point on the system on a non-discriminatory basis. Buyer will be required to arrange with TransColorado the necessary transportation agreements from the point of sale.

The availability of gas for sale or interest in purchasing gas will be posted on TransColorado's Interactive Website to the extent feasible at least twenty-four (24) hours prior to the actual purchase or sale.

28. SEGMENTATION

28.1 A Shipper may segment its firm capacity to the extent operationally feasible. In addition, any Shipper may segment its firm capacity in releasing to a Replacement Shipper to the extent operationally feasible. A Shipper segmenting its own firm capacity shall effectuate such segmentation through the nomination process under this Section 28. A Shipper may release firm capacity on a segmented basis to the extent consistent with this Section 28 by following the procedures set out in Section 6 of these General Terms and Conditions.

28.2 For the purposes of this Section 28, a segmentation of firm capacity (whether of Shipper's own capacity or on release) shall be deemed operationally feasible unless: (i) the segmentation would result in an increase in firm contractual obligation by TransColorado on any segment or portion of its system; or (ii) the segmentation would result in a physical haul in a direction opposite to the primary path under the Agreement being segmented, absent a determination by TransColorado, which determination will be made within ten (10) Business Days of the request, that it can physically perform the segmentation as requested.

28.3 In the event a path is segmented under this Section, the upstream path segment shall receive priority at all secondary points upstream of the break point and the downstream path segment shall receive priority at all secondary points downstream of the break point.

28.4 Shippers may request to segment outside their primary path to the extent that such a request to segment does not adversely impact TransColorado's ability to perform its contractual obligations to all Shippers. If TransColorado determines that it may perform such segmentation, Shippers shall have priority of service in accordance with Section 8.1(a)(ii)(2) of these General Terms and Conditions.

28.5 If TransColorado determines that it is operationally feasible, the Shipper (or Replacement Shipper in the case of a release) may nominate service at Receipt and Delivery Points for the path segment that results in a reverse flow from the original path, subject to the discount policy stated in Section 28.7 below. If TransColorado determines that it is operationally feasible, TransColorado will permit segmentation transactions consisting of forward hauls up to contract demand and backhauls up to contract demand to the same point at the same time.

28.6 Subject to the availability of firm capacity at the primary points, a Shipper, a Replacement Shipper or a Subreplacement Shipper may change the primary Receipt or Delivery Points listed in the Service Agreement to new primary point(s) if the Shipper (or in the case of a release, the Original Shipper) agrees to amend the Service Agreement to change the primary Receipt or Delivery Point accordingly. TransColorado shall not be obligated to reserve firm capacity to reinstate the former primary points upon expiration of the segmentation or the capacity release.

28.7 Discounts for segmented transportation may be granted according to the procedures set out in Section 9.7 of these General Terms and Conditions.

28.8 To the extent segmentation results in an increase of a Shipper's or Replacement Shipper's firm contract rights and TransColorado schedules and confirms that increase in firm contract rights, the Shipper or Replacement Shipper that caused such increase in firm contract rights overlap will be subject to the applicable overrun charge pursuant to each rate schedule in TransColorado's Tariff. If a capacity release occurs during the day and the releasing Shipper has already submitted a nomination,

the original Shipper may incur the applicable overrun charge.

28.9 TransColorado reserves the right to evaluate and disallow segmentation on its system on a case-by-case basis for those situations that are not operationally feasible and not already described in this Section 28. Disallowance of segmentation requests will be made on a non-discriminatory basis. TransColorado will post on its Interactive Website within 10 Business Days the explanation for any disallowance of segmentation not specifically described in this Tariff.

29. DISCOUNTING

29.1 Rate Discount Order

If and when TransColorado discounts the rates and charges applicable for service under any Rate Schedule, the components of the currently applicable Maximum Rate shall be discounted in the following order: the first item of the overall charge discounted will be any surcharge, followed by the base rate charge. Any other surcharges will be attributed in accordance with the applicable section of these General Terms and Conditions that provides for the surcharge as established in individual proceedings.

29.2 Types of Discounts

If TransColorado agrees to a discounted rate under TransColorado's Rate Schedules, the following terms may be agreed to without constituting a material deviation from TransColorado's applicable pro forma Service Agreement; provided, however, any such rate or component thereof shall not be less than TransColorado's applicable minimum rate, nor greater than TransColorado's applicable maximum rate.

Such rate may apply:

- (1) to specified quantities under Shipper's Service Agreement(s);
- (2) to quantities above or below a certain level, or all quantities if quantities exceed a certain level;
- (3) in a specified relationship to quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to the quantities actually transported);
- (4) during specified periods of the year or over specifically defined periods of time;
- (5) to specified receipt points, delivery points, zones, pooling areas, transportation routes, markets or other defined geographical areas;
- (6) to production reserves, gas supplies or markets committed by Shipper;
- (7) if one rate component, which was at or below the applicable maximum rate at the time the discount agreement was executed, subsequently exceeds the applicable maximum rate due to a change in TransColorado's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed upon overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission Order accepts revised tariff sections; and/or
- (8) if the rate is based on published index prices for specific receipt or delivery points or other agreed-upon pricing reference points for price determination, which indices conform to Commission policy and standards. Such discounted rate may be based on the differential between published index prices or arrived at by formula. Such discounted rate: (1) shall not change the underlying rate design; (2) shall not include any minimum bill or

minimum take provision that has the effect of guaranteeing revenue; and (3) shall in each agreement entered into pursuant hereto, specify the rate component(s) to be discounted and the extent thereof.

Forms of Service Agreements

Appendix C

Clean Tariff Sections

FERC GAS TARIFF

Original Volume - The Book of Contracts

TransColorado Gas Transmission LLC

Filed with the
Federal Energy Regulatory Commission

Communications regarding this Tariff should be addressed to:

William D. Wible, Vice President, Regulatory
TransColorado Gas Transmission Company LLC
2 North Nevada Avenue
Colorado Springs, CO 80903

TransColorado Gas Transmission Company LLC
P.O. Box 1087
Colorado Springs, CO 80944

Telephone: (719) 520-3778
Facsimile: (719) 520-4697
e-mail: william_wible@kindermorgan.com

Table of Contents

List of Non-Conforming Contracts Found in This Tariff

Shipper Name	Contract No.	Section Name

List of Non-Conforming, Negotiated Rate Contracts Found in This Tariff

Shipper Name	Contract No.	Section Name
Enterprise Gas Processing LLC	556287	Enterprise K# 556287

List of Negotiated Rate Contracts Found in This Tariff

Shipper Name	Contract No.	Section Name

Non-Conforming Contracts

Non-Conforming Negotiated Rate Contracts

Contract No: 556287

FORM OF TRANSPORTATION SERVICE AGREEMENT
 APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
 RATE SCHEDULE FT

In consideration of the representations, covenants and conditions contained below, TransColorado Gas Transmission Company LLC ("TransColorado") and Shipper agree, as of November 1, 2010, that TransColorado will provide transportation service for Shipper on a firm basis in accordance with the provisions contained in this Transportation Service Agreement. This Agreement includes, and incorporates by reference as a part hereof, all of the terms and conditions of TransColorado's FERC Gas Tariff, Volume No. 1, as revised from time-to-time, and the terms, conditions and signatures of Shipper's electronic agreement with TransColorado.

1. THIS AGREEMENT IS: (Check one)
 - effective 10 Years: Commencing on the earlier of the In-service Date of the TCGT/Enterprise Inlet Rio Blanco PIN #45314 Interconnect or January 1, 2011 and is the original contract.
 - effective _____ and amends and restates (Amendment No. _____) FT Contract No. _____ effective _____.

2. SHIPPER'S NAME AND ADDRESS:
 - ENTERPRISE GAS PROCESSING LLC
 - BILL BRADLEY
 - 370 17TH STREET
 - SUITE 3500
 - DENVER, CO 80202

3. TERM OF SERVICE: 10 Years; Commencing on the earlier of the In-service Date of the TCGT/Enterprise Inlet Rio Blanco PIN #453174 Interconnect or January 1, 2011.

4. SHIPPER'S STATUS:
 - Local Distribution Company
 - Intrastate Pipeline Company
 - Interstate Pipeline Company
 - Other: PROCESS

5. TRANSPORTATION ON BEHALF OF:
 - Local Distribution Company
 - Intrastate Pipeline Company
 - Interstate Pipeline Company
 - Other: Shipper

6. RATE SCHEDULE FT Maximum Daily Quantity (MDQ):

(Date, Period	
<u>Of Time or Event)</u>	<u>MDQ</u>
10 Years; Commencing on the earlier of the In-service Date of the TCGT/Enterprise Inlet Rio Blanco PIN #45314 Interconnect or January 1, 2011	60000

7. PRIMARY RECEIPT POINTS & MAXIMUM DAILY RECEIPT QUANTITY (MDRQ):

(Date, Period			
<u>Of Time or Event)</u>	<u>PIN #</u>	<u>PIN NAME</u>	<u>MDRQ</u>
10 Years; Commencing on the earlier of the In-service Date of the TCGT/Enterprise Inlet Rio Blanco PIN #45314 Interconnect or January 1, 2011	36100	QPC/TRANSCOL GREASEWOOD RIO BLANCO	60000

8. PRIMARY DELIVERY POINTS & MAXIMUM DAILY DELIVERY QUANTITY (MDDQ):

<u>(Date, Period</u>	<u>PIN #</u>	<u>PIN NAME</u>	<u>MDDQ</u>
<u>Of Time or Event)</u>			
10 Years; Commencing on	45314	ENTPROC/TRANSCOL HORSE DRAW RIO BLA	60000
the earlier of the In-service			
Date of the TCGT/Enterprise Inlet			
Rio Blanco PIN #45314 Interconnect or			
January 1, 2011			

Contract No: 556287

FORM OF TRANSPORTATION SERVICE AGREEMENT
 APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
 RATE SCHEDULE FT

9. RATES:

Reservation Rate: (Pursuant to Section 3.1(a) of Rate Schedule FT of this Tariff)
 Maximum applicable rate per Tariff as revised from time-to-time, unless otherwise
 agreed to in writing as a discount or negotiated rate pursuant to Sections 29 and 23,
 respectively, of the General Terms and Conditions of this Tariff.

Usage Charge: (Pursuant to Section 3.1(b) of Rate Schedule FT of this Tariff)
 Maximum applicable rate per Tariff as revised from time-to-time, unless otherwise
 agreed to in writing as a negotiated rate pursuant to Section 23 of the General Terms
 and Conditions of this Tariff.

Fuel Reimbursement Charge:
 (Pursuant to Section 3.1(c) of Rate Schedule FT of this Tariff)
 Maximum applicable rate per Tariff as revised from time-to-time, unless otherwise
 agreed to in writing as a negotiated rate pursuant to Section 23 of the General Terms
 and Conditions of this Tariff.

Additional Facilities Charges:

(Pursuant to Section 3.1(e) of Rate Schedule FT of this Tariff)

None
 Lump-sum payment of _____
 Monthly fee of _____ through _____ (date, period of time or event).

10. NOTICES TO TRANSCOLORADO UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

TransColorado Gas Transmission Company LLC
 Attn: Marketing
 370 Van Gordon Street
 P.O. Box 281304
 Lakewood, CO 80228-8304
 Email: WRGP@kindermorgan.com

11. ADDITIONAL TERMS PERMITTED BY TARIFF:

Any or all of the following negotiable provisions are permitted under the Tariff and may be included in this agreement in the space below:

No additional terms have been negotiated. Applicable terms shall be as set forth in the Tariff, as revised from time-to-time.

#	Provision	Tariff Section	Excerpt of Provision Language
i.	Rollover Rights	7.1 B.	TransColorado and Shipper under a firm contract may agree that Shipper shall have the right to extend the term...pursuant to a negotiated contractual rollover provision...
ii.	ROFR Rights	7.2 A.	TransColorado and a Shipper under a firm contract may agree...to extend the term...contract pursuant to a negotiated contractual right of first refusal provision...
iii.	Delivery Pressure	10.16(b)	TransColorado and Shipper may mutually agree to a specific delivery pressure or range of delivery pressures for a stated period of any delivery point or points on a non-discriminatory basis...

SHIPPER:ENTERPRISE GAS PROCESSING LLC
LLC

TRANSPORTER: TRANSCOLORADO GAS TRANSMISSION COMPANY

SIGNATURE: ²_____

SIGNATURE: ¹_____

TITLE: _____

⁴TITLE: ³_____

DATE: _____

DATE: _____

March 29, 2011

Mr. Bill Bradley
Enterprise Gas Processing, LLC
370 17th St Ste 3560
Denver, CO 80202

Re: AMENDED AND RESTATED Negotiated Rate Agreement effective April 1, 2011 for
FTS Agreement No. 556287

Mr. Nielsen,

This letter sets forth the agreement between TransColorado Gas Transmission Company LLC a Delaware limited liability company ("Transporter") and Enterprise Gas Processing LLC ("Shipper") a Delaware limited liability company regarding the following "negotiated rates" to be charged for service provided by Transporter to Shipper under the referenced Firm Transportation Service Agreement ("FTS Agreement"):

Negotiated Rate Term: 10 Years; **Commencing on December 1, 2010.**

FTS Agreement Number: 556287

FTS Agreement Contract: 60,000 Dth/day MDQ:

Eligible Primary
Receipt Point(s)
and Point MDRQ: QPC GREASEWOOD (PIN 36100) - 60,000 Dth/day

Eligible Secondary
Receipt Point(s): WILLIAMS GREASEWOOD (PIN 36101)
EXXONMOBIL GREASEWOOD (PIN 40237)
CIG DARK CANYON GREASEWOOD (PIN 41781)
WIC YELLOW JACKET PASS GREASEWOOD (PIN 42223)

Eligible Primary
Delivery Point(s)
and Point MDDQ: TCGT / ENTERPRISE INLET RIO BLANCO (PIN 45314) -
60,000 Dth/day

**Eligible Secondary
Delivery Point(s):**

Negotiated reservation rate to Secondary Delivery Points shall be in Transporter's sole discretion. The following Secondary Delivery Points are authorized effective April 1, 2011, and shall be authorized until such time as Transporter provides ten (10) days prior notice prior to the first of any Month in which it will terminate Secondary Delivery Point rights hereunder.

**CIG DARK CANYON GREASEWOOD (PIN 41781)
WIC YELLOW JACKET PASS GREASEWOOD (PIN 42223)
REX LOVE RANCH RIO BLANCO (PIN 42235)**

Eligible Firm

Transportation Quantity: 60,000 Dth/day

Reservation Rate:

\$1.5208 per Dth per Month times the Firm Transportation Quantity as a Negotiated Base Reservation Rate, commencing as of the effective date set forth in Section 1 of the FTS Agreement.

Subject to the rate provided below in the Section captioned "Negotiated Commodity Rate: Incompatible Operating Pressures", the Negotiated Base Reservation Rate shall apply to service provided by Transporter to Shipper for the Negotiated Rate Term, notwithstanding any otherwise applicable maximum or minimum reservation rate set forth in Transporter's Federal Energy Regulatory Commission ("FERC") Gas Tariff, as may be revised from time to time. Transporter shall not be required to refund to Shipper any amounts collected for service to which the Negotiated Base Reservation Rate applies, notwithstanding any otherwise applicable maximum or minimum rate set forth in Transporter's FERC Gas Tariff, as may be revised from time to time.

Commodity Rate:

Except as provided below, Shipper shall pay a negotiated commodity rate of **Zero for deliveries to the primary delivery point. The Tariff rate, as revised from time to time, shall be applicable for deliveries to all secondary points.**

Authorized Overrun Rate:

\$0.03 per Dth up to a maximum authorized overrun quantity of 140,000 Dth/d for deliveries to the primary delivery point. **The Tariff rate, as revised from time to time, shall be applicable for deliveries to all secondary points.**

Negotiated Commodity Rate: Incompatible Operating Pressures

For any period or periods during the Negotiated Rate Term, set forth above, that the maximum allowable operating pressure (MAOP) of the segment of Transporter's pipeline that connects to the Eligible Primary Delivery Point is decreased to a level that is not compatible with deliveries into Shipper's facilities at that point as contemplated in the Facilities Interconnect Agreement between Transporter and Shipper at the time of its execution, in lieu of the Negotiated Base Reservation Rate, Shipper shall pay a Negotiated Commodity Rate of \$0.05 per Dth.

General Negotiated Rate Limitations

The Negotiated Reservation Rate shall apply only to: (i) service provided to Shipper by Transporter under the FTS Agreement from the Eligible Receipt Points (Primary or Secondary) to the Eligible Delivery Points during the Negotiated Rate Term; and (ii) a maximum daily firm transportation quantity equal to the Eligible Firm Transportation Quantity set forth above, for all quantities transported on a firm basis under the FTS Agreement and any associated capacity release replacement agreements. Shipper shall be charged the 100% load factor daily equivalent of the applicable maximum monthly base reservation rate set forth in Transporter's FERC Gas Tariff, as may be revised from time to time, for any aggregate quantities transported on any day on a firm basis for Shipper and any associated capacity release replacement shippers which: (i) are in excess of the Eligible Firm Transportation Quantity, or (ii) involve any receipt or delivery points which are not Eligible Receipt or Delivery Points; provided that the negotiated Authorized Overrun Rate shall apply as set forth above.

Applicable Maximum Rates, Charges, and Surcharges

In addition to the Negotiated Base Reservation Rate or the Negotiated Commodity Rates (as may be applicable from time to time), and the Authorized Overrun Rate set forth above, and unless otherwise expressly provided in this Agreement or agreed to in writing by Transporter, for all service provided to Shipper, Shipper shall also pay Transporter all other applicable maximum rates, charges, surcharges, and penalties of any nature set forth in Transporter's FERC Gas Tariff, as may be revised from time to time, including without limitation all applicable maximum: (i) L&U charges; (ii) authorized overrun charges for authorized overruns in excess of 140,000 Dth/d; (iii) unauthorized overrun charges; (iv) other generally applicable reservation charges and surcharges that may be authorized by FERC from time to time; and (v) ACA surcharges.

Creditworthiness

During the Negotiated Rate Term, Shipper shall have and maintain its creditworthiness for the Contract MDQ under the FTS Agreement, as reasonably determined by Transporter in accordance with Transporter’s FERC Gas Tariff. If Shipper is otherwise unable to satisfy Transporter’s creditworthiness standards as set forth in its FERC Gas Tariff, Shipper shall provide Transporter with credit support in an amount equal to twenty-four (24) months of Shipper’s reservation charges for the Contract MDQ under the FTS Agreement for the first twenty-four (24) months of the Negotiated Rate Term and an amount equal to three (3) months of Shipper’s reservation charges for the Contract MDQ under the FTS Agreement for the remainder of the Negotiated Rate Term. The available forms of credit support are set forth in Transporter’s FERC Gas Tariff. Within five (5) business days after receipt by Shipper of Transporter’s notice that Shipper is not creditworthy, Shipper shall provide credit support as set forth herein.

Conditions Precedent

Shipper and Transporter understand and agree that this Negotiated Rate Agreement shall be subject to any and all applicable conditions precedent under Transporter’s FERC Gas Tariff and the regulations and policies of the FERC, including without limitation any requirements for Transporter to file for and receive FERC approval of the rates set forth in this Negotiated Rate Agreement and any requirements for Transporter to file for and receive FERC approvals necessary to provide service under the FTS Agreement and Negotiated Rate Agreement.

Transporter will provide Shipper with two (2) originals of this Negotiated Rate Agreement for execution. Please execute these agreements and return them to Transporter. Following execution by Transporter, one original of each fully-executed agreement will be returned to you for your records.

Should you have any questions, please feel free to call me at (303) 914-4540. We look forward to working with you in the future.

Sincerely,

Randy Holstlaw
Vice President – Business Management
Kinder Morgan West Region Gas Pipelines

TransColorado Gas Transmission
Company LLC

Enterprise Gas Processing, LLC

Signature: _____

Signature: _____

TransColorado Gas Transmission Company LLC

FERC Gas Tariff

Original Volume - The Book of Contracts

Enterprise Gas Processing LLC, K# 556287

Section Version: 2.0.0

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Negotiated Rate Contracts

Reserved

Reserved

Marked Tariff Sections

FERC GAS TARIFF

Original Volume - The Book of Contracts

TransColorado Gas Transmission LLC

Filed with the
Federal Energy Regulatory Commission

Communications regarding this Tariff should be addressed to:

[William D. Wible](#)~~Robert F. Harrington~~, Vice President, Regulatory Affairs
TransColorado Gas Transmission Company LLC
[2 North Nevada Avenue](#)~~370 Van Gordon Street~~
[Colorado Springs, Lakewood](#), CO 80903~~228-8304~~

[TransColorado Gas Transmission Company LLC](#)
[P.O. Box 1087](#)

[Colorado Springs, CO 80944](#)

Telephone: ~~(719)303 520763-37783258~~

[Facsimile: \(719\)- 520-4697](#)

e-mail: williamrobert_wibleharrington@kindermorgan.com

Table of Contents

List of Non-Conforming Contracts Found in This Tariff

Shipper Name	Contract No.	Section Name
New Mexico Gas Company, Inc.	211355-FTSTCG	New Mexico Gas K#211355-FTSTCG

List of Non-Conforming, Negotiated Rate Contracts Found in This Tariff

Shipper Name	Contract No.	Section Name
Enterprise Gas Processing LLC	556287	Enterprise K# 556287

List of Negotiated Rate Contracts Found in This Tariff

Shipper Name	Contract No.	Section Name
CCI Paradox Upstream LLC	558299	CCI Paradox K# 558299
Hilcorp San Juan L.P.	213621- FTSTCG	Hilcorp San Juan L.P. K#213621- FTSTCG

Non-Conforming Contracts

Non-Conforming Negotiated Rate Contracts

Contract No: 556287

FORM OF TRANSPORTATION SERVICE AGREEMENT
 APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
 RATE SCHEDULE FT

In consideration of the representations, covenants and conditions contained below, TransColorado Gas Transmission Company LLC ("TransColorado") and Shipper agree, as of November 1, 2010, that TransColorado will provide transportation service for Shipper on a firm basis in accordance with the provisions contained in this Transportation Service Agreement. This Agreement includes, and incorporates by reference as a part hereof, all of the terms and conditions of TransColorado's FERC Gas Tariff, Volume No. 1, as revised from time-to-time, and the terms, conditions and signatures of Shipper's electronic agreement with TransColorado.

1. THIS AGREEMENT IS: (Check one)
 - effective 10 Years: Commencing on the earlier of the In-service Date of the TCGT/Enterprise Inlet Rio Blanco PIN #45314 Interconnect or January 1, 2011 and is the original contract.
 - effective _____ and amends and restates (Amendment No. _____) FT Contract No. _____ effective _____.

2. SHIPPER'S NAME AND ADDRESS:
 - ENTERPRISE GAS PROCESSING LLC
 - BILL BRADLEY
 - 370 17TH STREET
 - SUITE 3500
 - DENVER, CO 80202

3. TERM OF SERVICE: 10 Years; Commencing on the earlier of the In-service Date of the TCGT/Enterprise Inlet Rio Blanco PIN #453174 Interconnect or January 1, 2011.

4. SHIPPER'S STATUS:
 - Local Distribution Company
 - Intrastate Pipeline Company
 - Interstate Pipeline Company
 - Other: PROCESS

5. TRANSPORTATION ON BEHALF OF:
 - Local Distribution Company
 - Intrastate Pipeline Company
 - Interstate Pipeline Company
 - Other: Shipper

6. RATE SCHEDULE FT Maximum Daily Quantity (MDQ):

(Date, Period	
<u>Of Time or Event)</u>	<u>MDQ</u>
10 Years; Commencing on the earlier of the	60000
In-service Date of the TCGT/Enterprise Inlet	
Rio Blanco PIN #45314 Interconnect or	
January 1, 2011	

7. PRIMARY RECEIPT POINTS & MAXIMUM DAILY RECEIPT QUANTITY (MDRQ):

(Date, Period			
<u>Of Time or Event)</u>	<u>PIN #</u>	<u>PIN NAME</u>	<u>MDRQ</u>
10 Years; Commencing on	36100	QPC/TRANSCOL GREASEWOOD RIO BLANCO	60000
the earlier of the In-service			
Date of the TCGT/Enterprise Inlet			
Rio Blanco PIN #45314 Interconnect or			
January 1, 2011			

8. PRIMARY DELIVERY POINTS & MAXIMUM DAILY DELIVERY QUANTITY (MDDQ):

<u>(Date, Period</u>	<u>PIN #</u>	<u>PIN NAME</u>	<u>MDDQ</u>
<u>Of Time or Event)</u> 10 Years; Commencing on the earlier of the In-service Date of the TCGT/Enterprise Inlet Rio Blanco PIN #45314 Interconnect or January 1, 2011	45314	ENTPROC/TRANSCOL HORSE DRAW RIO BLA	60000

Contract No: 556287

FORM OF TRANSPORTATION SERVICE AGREEMENT
 APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
 RATE SCHEDULE FT

9. RATES:

Reservation Rate: (Pursuant to Section 3.1(a) of Rate Schedule FT of this Tariff)
 Maximum applicable rate per Tariff as revised from time-to-time, unless otherwise
 agreed to in writing as a discount or negotiated rate pursuant to Sections 29 and 23,
 respectively, of the General Terms and Conditions of this Tariff.

Usage Charge: (Pursuant to Section 3.1(b) of Rate Schedule FT of this Tariff)
 Maximum applicable rate per Tariff as revised from time-to-time, unless otherwise
 agreed to in writing as a negotiated rate pursuant to Section 23 of the General Terms
 and Conditions of this Tariff.

Fuel Reimbursement Charge:
 (Pursuant to Section 3.1(c) of Rate Schedule FT of this Tariff)
 Maximum applicable rate per Tariff as revised from time-to-time, unless otherwise
 agreed to in writing as a negotiated rate pursuant to Section 23 of the General Terms
 and Conditions of this Tariff.

Additional Facilities Charges:

(Pursuant to Section 3.1(e) of Rate Schedule FT of this Tariff)

None
 Lump-sum payment of _____
 Monthly fee of _____ through _____ (date, period of time or event).

10. NOTICES TO TRANSCOLORADO UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

TransColorado Gas Transmission Company LLC
 Attn: Marketing
 370 Van Gordon Street
 P.O. Box 281304
 Lakewood, CO 80228-8304
 Email: WRGP@kindermorgan.com

11. ADDITIONAL TERMS PERMITTED BY TARIFF:

Any or all of the following negotiable provisions are permitted under the Tariff and may be included in this agreement in the space below:

No additional terms have been negotiated. Applicable terms shall be as set forth in the Tariff, as revised from time-to-time.

#	Provision	Tariff Section	Excerpt of Provision Language
i.	Rollover Rights	7.1 B.	TransColorado and Shipper under a firm contract may agree that Shipper shall have the right to extend the term...pursuant to a negotiated contractual rollover provision...
ii.	ROFR Rights	7.2 A.	TransColorado and a Shipper under a firm contract may agree...to extend the term...contract pursuant to a negotiated contractual right of first refusal provision...
iii.	Delivery Pressure	10.16(b)	TransColorado and Shipper may mutually agree to a specific delivery pressure or range of delivery pressures for a stated period of any delivery point or points on a non-discriminatory basis...

SHIPPER:ENTERPRISE GAS PROCESSING LLC
LLC

TRANSPORTER: TRANSCOLORADO GAS TRANSMISSION COMPANY

SIGNATURE: ²_____

SIGNATURE: ¹_____

TITLE: _____

⁴TITLE: ³_____

DATE: _____

DATE: _____

March 29, 2011

Mr. Bill Bradley
Enterprise Gas Processing, LLC
370 17th St Ste 3560
Denver, CO 80202

Re: AMENDED AND RESTATED Negotiated Rate Agreement effective April 1, 2011 for
FTS Agreement No. 556287

Mr. Nielsen,

This letter sets forth the agreement between TransColorado Gas Transmission Company LLC a Delaware limited liability company ("Transporter") and Enterprise Gas Processing LLC ("Shipper") a Delaware limited liability company regarding the following "negotiated rates" to be charged for service provided by Transporter to Shipper under the referenced Firm Transportation Service Agreement ("FTS Agreement"):

Negotiated Rate Term: 10 Years; **Commencing on December 1, 2010.**

FTS Agreement Number: 556287

FTS Agreement Contract: 60,000 Dth/day MDQ:

Eligible Primary
Receipt Point(s)
and Point MDRQ: QPC GREASEWOOD (PIN 36100) - 60,000 Dth/day

Eligible Secondary
Receipt Point(s): WILLIAMS GREASEWOOD (PIN 36101)
EXXONMOBIL GREASEWOOD (PIN 40237)
CIG DARK CANYON GREASEWOOD (PIN 41781)
WIC YELLOW JACKET PASS GREASEWOOD (PIN 42223)

Eligible Primary
Delivery Point(s)
and Point MDDQ: TCGT / ENTERPRISE INLET RIO BLANCO (PIN 45314) -
60,000 Dth/day

Eligible Secondary**Delivery Point(s):**

Negotiated reservation rate to Secondary Delivery Points shall be in Transporter's sole discretion. The following Secondary Delivery Points are authorized effective April 1, 2011, and shall be authorized until such time as Transporter provides ten (10) days prior notice prior to the first of any Month in which it will terminate Secondary Delivery Point rights hereunder.

**CIG DARK CANYON GREASEWOOD (PIN 41781)
WIC YELLOW JACKET PASS GREASEWOOD (PIN 42223)
REX LOVE RANCH RIO BLANCO (PIN 42235)**

Eligible Firm

Transportation Quantity: 60,000 Dth/day

Reservation Rate:

\$1.5208 per Dth per Month times the Firm Transportation Quantity as a Negotiated Base Reservation Rate, commencing as of the effective date set forth in Section 1 of the FTS Agreement.

Subject to the rate provided below in the Section captioned "Negotiated Commodity Rate: Incompatible Operating Pressures", the Negotiated Base Reservation Rate shall apply to service provided by Transporter to Shipper for the Negotiated Rate Term, notwithstanding any otherwise applicable maximum or minimum reservation rate set forth in Transporter's Federal Energy Regulatory Commission ("FERC") Gas Tariff, as may be revised from time to time. Transporter shall not be required to refund to Shipper any amounts collected for service to which the Negotiated Base Reservation Rate applies, notwithstanding any otherwise applicable maximum or minimum rate set forth in Transporter's FERC Gas Tariff, as may be revised from time to time.

Commodity Rate:

Except as provided below, Shipper shall pay a negotiated commodity rate of **Zero for deliveries to the primary delivery point. The Tariff rate, as revised from time to time, shall be applicable for deliveries to all secondary points.**

Authorized Overrun Rate:

\$0.03 per Dth up to a maximum authorized overrun quantity of 140,000 Dth/d for deliveries to the primary delivery point. **The Tariff rate, as revised from time to time, shall be applicable for deliveries to all secondary points.**

Negotiated Commodity Rate: Incompatible Operating Pressures

For any period or periods during the Negotiated Rate Term, set forth above, that the maximum allowable operating pressure (MAOP) of the segment of Transporter's pipeline that connects to the Eligible Primary Delivery Point is decreased to a level that is not compatible with deliveries into Shipper's facilities at that point as contemplated in the Facilities Interconnect Agreement between Transporter and Shipper at the time of its execution, in lieu of the Negotiated Base Reservation Rate, Shipper shall pay a Negotiated Commodity Rate of \$0.05 per Dth.

General Negotiated Rate Limitations

The Negotiated Reservation Rate shall apply only to: (i) service provided to Shipper by Transporter under the FTS Agreement from the Eligible Receipt Points (Primary or Secondary) to the Eligible Delivery Points during the Negotiated Rate Term; and (ii) a maximum daily firm transportation quantity equal to the Eligible Firm Transportation Quantity set forth above, for all quantities transported on a firm basis under the FTS Agreement and any associated capacity release replacement agreements. Shipper shall be charged the 100% load factor daily equivalent of the applicable maximum monthly base reservation rate set forth in Transporter's FERC Gas Tariff, as may be revised from time to time, for any aggregate quantities transported on any day on a firm basis for Shipper and any associated capacity release replacement shippers which: (i) are in excess of the Eligible Firm Transportation Quantity, or (ii) involve any receipt or delivery points which are not Eligible Receipt or Delivery Points; provided that the negotiated Authorized Overrun Rate shall apply as set forth above.

Applicable Maximum Rates, Charges, and Surcharges

In addition to the Negotiated Base Reservation Rate or the Negotiated Commodity Rates (as may be applicable from time to time), and the Authorized Overrun Rate set forth above, and unless otherwise expressly provided in this Agreement or agreed to in writing by Transporter, for all service provided to Shipper, Shipper shall also pay Transporter all other applicable maximum rates, charges, surcharges, and penalties of any nature set forth in Transporter's FERC Gas Tariff, as may be revised from time to time, including without limitation all applicable maximum: (i) L&U charges; (ii) authorized overrun charges for authorized overruns in excess of 140,000 Dth/d; (iii) unauthorized overrun charges; (iv) other generally applicable reservation charges and surcharges that may be authorized by FERC from time to time; and (v) ACA surcharges.

Creditworthiness

During the Negotiated Rate Term, Shipper shall have and maintain its creditworthiness for the Contract MDQ under the FTS Agreement, as reasonably determined by Transporter in accordance with Transporter’s FERC Gas Tariff. If Shipper is otherwise unable to satisfy Transporter’s creditworthiness standards as set forth in its FERC Gas Tariff, Shipper shall provide Transporter with credit support in an amount equal to twenty-four (24) months of Shipper’s reservation charges for the Contract MDQ under the FTS Agreement for the first twenty-four (24) months of the Negotiated Rate Term and an amount equal to three (3) months of Shipper’s reservation charges for the Contract MDQ under the FTS Agreement for the remainder of the Negotiated Rate Term. The available forms of credit support are set forth in Transporter’s FERC Gas Tariff. Within five (5) business days after receipt by Shipper of Transporter’s notice that Shipper is not creditworthy, Shipper shall provide credit support as set forth herein.

Conditions Precedent

Shipper and Transporter understand and agree that this Negotiated Rate Agreement shall be subject to any and all applicable conditions precedent under Transporter’s FERC Gas Tariff and the regulations and policies of the FERC, including without limitation any requirements for Transporter to file for and receive FERC approval of the rates set forth in this Negotiated Rate Agreement and any requirements for Transporter to file for and receive FERC approvals necessary to provide service under the FTS Agreement and Negotiated Rate Agreement.

Transporter will provide Shipper with two (2) originals of this Negotiated Rate Agreement for execution. Please execute these agreements and return them to Transporter. Following execution by Transporter, one original of each fully-executed agreement will be returned to you for your records.

Should you have any questions, please feel free to call me at (303) 914-4540. We look forward to working with you in the future.

Sincerely,

Randy Holstlaw
Vice President – Business Management
Kinder Morgan West Region Gas Pipelines

TransColorado Gas Transmission
Company LLC

Enterprise Gas Processing, LLC

Signature: _____

Signature: _____

TransColorado Gas Transmission Company LLC

FERC Gas Tariff

Original Volume - The Book of Contracts

Enterprise Gas Processing LLC, K# 556287

Section Version: 2.0.0

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Negotiated Rate Contracts

~~Reserved~~ — ~~Agreement No. 213621-FTSTCG~~

~~FIRM TRANSPORTATION SERVICE AGREEMENT
RATE SCHEDULE FT~~

~~between~~

~~TRANSCOLORADO GAS TRANSMISSION COMPANY LLC~~

~~and~~

~~HILCORP SAN JUAN L.P.
(Shipper)~~

~~DATED: October 27, 2017~~

~~Agreement No. 213621-FTSTCG~~

~~Transportation Service Agreement Rate Schedule FT~~

~~Dated: October 27, 2017~~

~~The Parties identified below, in consideration of their mutual promises, agree as follows:~~

~~1. **Transporter:** TransColorado Gas Transmission Company LLC~~

~~2. **Shipper:** HILCORP SAN JUAN L.P.~~

~~3. **Applicable Tariff and Incorporation by Reference:** TransColorado's FERC Gas Tariff Third Revised Volume No. 1, as the same may be amended or superseded from time to time ("Tariff"). This Agreement in all respects shall be subject to and shall incorporate as if set forth herein the provisions of the Tariff as filed with, and made effective by, the FERC as same may change from time to time. Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Tariff.~~

~~4. **Changes in Rates and Terms.** Transporter shall have the right to propose to the FERC changes in its rates and terms of service, and this Agreement shall be deemed to include any changes which are made effective pursuant to FERC Order or regulation or provisions of law, without prejudice to Shipper's right to protest the same.~~

~~5. **Transportation Service:** Transportation Service at and between Primary Receipt and Delivery Point(s) shall be on a firm basis. Receipt and delivery of quantities at alternate receipt point(s) and/or alternate delivery point(s) shall be in accordance with the Tariff.~~

~~6. **Receipt and Delivery Points:** Shipper agrees to tender gas for transportation service and TransColorado agrees to accept receipt quantities at the primary receipt point(s) identified in Exhibit A. TransColorado agrees to provide transportation service and deliver gas to Shipper (or for Shipper's account) at the primary delivery point(s) identified in Exhibit A. Minimum and maximum receipt and delivery pressures, as applicable, are listed on Exhibit A.~~

~~7. As set forth in Exhibit B, Shipper shall pay the applicable maximum tariff rate unless otherwise provided. TransColorado and Shipper may mutually agree to a discounted rate pursuant to Section 29 of the General Terms and Conditions. Upon mutual agreement, the parties may also enter into a separate letter agreement or an electronic contract specifying any discount applicable to the Agreement.~~

~~**Negotiated Rate:** Yes No~~

~~**Contract Demand:**~~

~~**Effective Date**~~

~~November 1, 2017-~~

~~**Term of Firm Transportation Service:** Beginning: November 1, 2017~~

~~Ending: December 31, 2017~~

~~Agreement No. 213621-FTSTCG~~

~~**Notices, Statements, and Bills:**~~

~~**To Shipper:**~~

~~**Invoices:**~~

~~HILCORP SAN JUAN L.P.~~

~~111 Travis St.~~

~~Houston, TX 77002 Attn: Michael Guerra~~

~~All Notices:~~

~~HILCORP SAN JUAN L.P.~~

~~111 Travis St.~~

~~Houston, TX 77002 Attn: Michael Guerra~~

~~To Transporter:~~

~~TransColorado Gas Transmission Company LLC Attn: Marketing Department~~

~~P.O. Box 1087~~

~~Colorado Springs, Colorado 80944~~

~~E-mail: #KMWestMarketing@KinderMorgan.com~~

~~**Effect on Prior Agreement(s):** None, however, this capacity was obtained through a permanent release of capacity by CONOCOPHILLIPS, Transporter Agreement No. 552108, per FERC order Docket No. RP17-857-000.~~

~~**13. Governing Law:** TransColorado and Shipper expressly agree that the laws of the State of Colorado shall govern the validity, construction, interpretation and effect of this Agreement and of the applicable Tariff provisions. This Agreement is subject to all applicable rules, regulations, or orders issued by any court or regulatory agency with proper jurisdiction.~~

~~_____ **IN WITNESS WHEREOF**, the Parties have executed this Agreement. This Agreement may be executed by electronic means and an electronic signature shall be treated in all respects as having the same effect as a handwritten signature.~~

~~**TRANSPORTER: _____ SHIPPER:**~~

~~TRANSCOLORADO GAS TRANSMISSION LLC HILCORP SAN JUAN L.P.~~

By _____

By _____

~~WILL W. BROWN~~ NAME:

~~VP BUSINESS MANAGEMENT~~ TITLE:

~~Agreement No. 213621-FTSTCG~~

~~EXHIBIT A~~

~~to~~

~~— FIRM TRANSPORTATION SERVICE AGREEMENT RATE SCHEDULE FT~~

~~Between~~

~~TRANSCOLORADO GAS TRANSMISSION COMPANY LLC~~

~~(Transporter)~~

~~and~~

~~HILCORP SAN JUAN L.P.~~

~~(Shipper)~~

~~Dated: October 27, 2017~~

~~Shipper's Contract Demand: (See ¶19) Effective Dates: (See ¶19)~~

~~————— Maximum Daily Receipt Quantity~~

~~Primary Receipt Point(s) (1) ————— (MDRQ)~~

~~(Dth per Day) (2)~~

~~48300 CONOCOPH/TRANSCOL NATURAL ARCH 250,000~~

~~————— Maximum
Daily Delivery Quantity~~

~~Primary Delivery Point(s) (1) ————— (MDDQ) (Dth per Day) (3)~~

~~42235 REX/TRANSCOL LOVE RANCH RIO-BLANCO 250,000~~

~~Notes:~~

~~Information regarding receipt and delivery point(s), including legal descriptions;~~

~~measuring parties, and interconnecting parties, shall be posted on TransColorado's Interactive Website. TransColorado shall update such information from time to time to include additions, deletions, or any other revisions deemed appropriate by TransColorado.~~

~~Each receipt point quantity may be increased by an amount equal to TransColorado's Fuel Reimbursement percentage. Shipper shall be responsible for providing such Fuel Reimbursement at each receipt point on a pro rata basis based on the quantities received on any Day at a receipt point divided by the total quantity delivered at all delivery points under this Agreement.~~

~~The sum of the delivery quantities at all delivery point(s) shall be equal to Shipper's Contract Demand.~~

~~Agreement No. 213621-FTSTCG~~

~~EXHIBIT B~~

~~to~~

~~FIRM TRANSPORTATION SERVICE AGREEMENT~~

~~RATE SCHEDULE FT~~

~~Between~~

~~TRANSCOLORADO GAS TRANSMISSION COMPANY LLC~~

~~(Transporter)~~

~~and~~

~~HILCORP SAN JUAN L.P.~~

~~(Shipper)~~

~~Dated: October 27, 2017~~

~~Primary Receipt Point(s) Primary Delivery Point(s) Effective Reservation Usage
Authorized Fuel Surcharges
Dates Rate (4) Rate (4) Overrun~~

~~See Exhibit A See Exhibit A (See ¶ 9) (1a) (1) (1) (2) (3)~~

~~Primary and Alternate Primary and Alternate Effective Reservation Usage
Fuel Surcharges~~

~~Receipt Point(s) Delivery Point(s) Dates Rate (4) Rate (4)~~

~~48300
CONOCOPH/
TRANSCOL
NATURAL ARCH~~

~~42235
REX/TRANSCOL
LOVE RANCH RIO
BLANCO~~

~~36100
DEQ/TRANSCOL
GREASEWOOD
RIO BLANCO~~

~~36100
DEQ/TRANSCOL
GREASEWOOD
RIO BLANCO~~

~~(See
¶ 9)~~

~~36103-RED-CEDA/
TRANSCOL
COYOTE-GULCH~~

~~36105
EPNG/TRANSCOL
BLANCO-SAN
JUAN~~

~~36105
EPNG/TRANSCOL
BLANCO-SAN
JUAN~~

~~36106
TRNSWEST/
TRANSCOL~~

36106 TRNSWEST/	BLANCO-SAN JUAN
TRANSCOL BLANCO-SAN JUAN	39798 PSCG/TRANSCOL WHITEWATER
42051 RMNG/TRANSCOL ROAN-CLIFFS	40379-SO-TRLS /TRANSCOL HARE-CANYON
42235 REX/TRANSCOL LOVE-RANCH-RIO BLANCO	43886 WRH/TRANSCOL RYAN-GULCH RIO-BLANCO
43886 WRH/TRANSCOL RYAN-GULCH-RIO BLANCO	46794-NMGASCO/ TRANSCOL WILMOUTH SAN-JUAN 48300 CONOCOPH/ TRANSCOL NATURAL-ARCH

~~—ALL— ALL— (See ¶ 9)— (1) (1)— (2)— (3)~~

Notes:

~~Unless otherwise agreed by the parties in writing, the rates for service shall be TransColorado's maximum rates for service under Rate Schedule FT or other superseding Rate Schedules; as such rates may be changed from time to time. Reservation rate(s) shall be payable regardless of quantities transported.~~

~~(1a) As provide in Section 23 of the General Terms and Conditions of TransColorado's Tariff, the parties agree to the following negotiated rate(s) \$2.813540 which shall be payable regardless of quantities transported.~~

~~Fuel Reimbursement shall be assessed pursuant to Rate Schedule FT of TransColorado's Tariff, as they may be changed from time to time, unless otherwise agreed between the parties.~~

EXHIBIT B

(CONT.)

Notes:

Surcharges if applicable:

~~All applicable surcharges, unless otherwise specified, shall be the maximum surcharge rate as stated on the Statement of Rates in the Tariff, as they may be changed from time to time, unless otherwise agreed to by the parties.~~

~~ACA:~~

~~The ACA Surcharge shall be assessed pursuant to Section 24 of the General Terms and Conditions of the Tariff.~~

~~Quantities scheduled by Transporter from/to primary and/or alternate, and/or segmented point(s) on any acquired capacity held by TransColorado shall be subject to the Acquired Capacity charges as described on TransColorado's Interactive Website and/or pursuant to Section 27 of the General Terms and Conditions of TransColorado's Tariff.~~

~~Reserved Contract No: 558299~~

**~~FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FT~~**

~~In consideration of the representations, covenants and conditions contained below, TransColorado Gas Transmission Company LLC ("TransColorado") and Shipper agree, as of March 29, 2013, that TransColorado will provide transportation service for Shipper on a firm basis in accordance with the provisions contained in this Transportation Service Agreement. This Agreement includes, and incorporates by reference as a part hereof, all of the terms and conditions of TransColorado's FERC Gas Tariff, Volume No. 1, as revised from time to time, and the terms, conditions and signatures of Shipper's electronic agreement with TransColorado.~~

~~1. **THIS AGREEMENT IS:** (Check one)~~

~~effective April 1, 2013 and is the original contract;
 effective _____ and amends and restates (Amendment No. _____)
FT Contract No. _____ effective (Date) _____.~~

~~2. **SHIPPER'S NAME AND ADDRESS:**~~

~~CCI PARADOX UPSTREAM LLC
RUSSELL WILLIAMSON
811 Main Street Suite 3500
Houston, TX 77002~~

~~3. **TERM OF SERVICE:** April 1, 2013 to March 31, 2015.~~

~~4. **SHIPPER'S STATUS:**~~

~~Local Distribution Company
Intrastate Pipeline Company
Interstate Pipeline Company
 Other: PRODUCER~~

~~5. **TRANSPORTATION ON BEHALF OF:**~~

~~_____ Local Distribution Company
_____ Intrastate Pipeline Company
_____ Interstate Pipeline Company
 Other: Shipper _____.~~

~~6. **RATE SCHEDULE FT Maximum Daily Quantity (MDQ):**~~

(Date, Period Of Time or Event)	MDQ
April 1, 2013 to March 31, 2015	
April 1, 2013 thru March 31, 2014	9000
April 1, 2014 thru March 31, 2015	8000

~~7. **PRIMARY RECEIPT POINTS & MAXIMUM DAILY RECEIPT QUANTITY (MDRQ):**~~

~~(Date, Period)~~

Of Time or Event)	PIN #	PIN NAME	MDRQ
1. 4/1/2013 - 3/31/2014	41897	PATARA/TRANSCOL QUINN DRAW SAN MIGU	9000
2. 4/1/2014 - 3/31/2015	41897	PATARA/TRANSCOL QUINN DRAW SAN MIGU	8000

~~8. PRIMARY DELIVERY POINTS & MAXIMUM DAILY DELIVERY QUANTITY (MDDQ):~~

Of Time or Event	PIN #	(Date, Period) PIN NAME	MDDQ
1. 4/1/2013 - 3/31/2014	36105	EPNG/TRANSCOL BLANCO SAN JUAN	9000
2. 4/1/2014 - 3/31/2015	36105	EPNG/TRANSCOL BLANCO SAN JUAN	8000

~~9. RATES:~~

~~**Reservation Rate:** (Pursuant to Section 3.1(a) of Rate Schedule FT of this Tariff)
Maximum applicable rate per Tariff as revised from time to time, unless otherwise agreed to in writing as a discount or negotiated rate pursuant to Sections 29 and 23, respectively, of the General Terms and Conditions of this Tariff.~~

~~**Usage Charge:** (Pursuant to Section 3.1(b) of Rate Schedule FT of this Tariff)
Maximum applicable rate per Tariff as revised from time to time, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 23 of the General Terms and Conditions of this Tariff.~~

~~**Fuel Reimbursement Charge:**~~

~~(Pursuant to Section 3.1(c) of Rate Schedule FT of this Tariff)
Maximum applicable rate per Tariff as revised from time to time, unless otherwise agreed to in writing as a negotiated rate pursuant to Section 23 of the General Terms and Conditions of this Tariff.~~

~~**Additional Facilities Charges:**~~

~~(Pursuant to Section 3.1(e) of Rate Schedule FT of this Tariff)
 None
Lump sum payment of _____
Monthly fee of _____ through _____ (date, period of time or event):~~

~~10. NOTICES TO TRANSCOLORADO UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:~~

~~TransColorado Gas Transmission Company LLC
Attn: Marketing
2 North Nevada Avenue
Colorado Springs, CO 80903
Email: #KMWestMarketing@kindermorgan.com~~

~~11. ADDITIONAL TERMS PERMITTED BY TARIFF:~~

~~Any or all of the following negotiable provisions are permitted under the Tariff and may be included in this agreement in the space below:~~

~~No additional terms have been negotiated. Applicable terms shall be as set forth in the Tariff, as revised from time to time.~~

#	Provision	Section	Tariff	Excerpt of Provision Language
i.	Rollover Rights	7.1 B.	TransColorado and Shipper under a firm contract may agree that Shipper shall have the right to extend the term...pursuant to a negotiated contractual rollover provision...	
ii.	ROFR Rights	7.2 A.	TransColorado and a Shipper under a firm contract may agree...to extend the term...contract pursuant to a negotiated contractual right of first refusal provision...	
iii.	Delivery Pressure	10.16(b)	TransColorado and Shipper may mutually agree to a specific delivery pressure or range of delivery pressures for a stated period of any delivery point or points on a non-discriminatory basis...	

~~SHIPPER NAME: CCI PARADOX UPSTREAM LLC~~

~~SIGNATURE: _____~~

~~TITLE: _____~~

~~DATE: _____~~

~~TRANSPORTER: TransColorado Gas Transmission Company LLC~~

~~SIGNATURE: _____~~

~~TITLE: _____~~

~~DATE: _____~~



**FIRM TRANSPORTATION
NEGOTIATED RATE AGREEMENT**

This Firm Transportation Negotiated Rate Agreement ("Agreement") is made and entered into this 29th day of March 2013, by and between ~~TransColorado Gas Transmission Company LLC ("TransColorado") and CCI Paradox Upstream, L.L.C. ("Shipper").~~ This Agreement shall be effective for the Discount Term set forth in Section 1.1 below, and hereby amends, restates, cancels and supersedes, as of the beginning date of the Discount Term, any and all prior firm transportation rate discount agreements between the parties hereto and applicable to the Transportation Agreement identified in Section 1.2 below.

In accordance with the provisions of TransColorado's Federal Energy Regulatory Commission ("FERC") Gas Tariff, TransColorado and Shipper are entering into this Agreement to provide for a "negotiated rate" in connection with certain natural gas transportation services to be provided by TransColorado to Shipper under the Transportation Agreement referenced in Section 1.2 below, subject to the terms and conditions set forth herein and the requirements of the FERC pertaining to negotiated rate transactions.

**ARTICLE 1
NEGOTIATED RATE PARAMETERS**

~~1.1 — **Negotiated Rate Term:** April 1, 2013 through March 31, 2015~~

~~1.2 — **Transportation Agreement:** Rate Schedule FT, Agreement No. **558299** effective April 1, 2013 with a Contract Demand ("CD") of:~~

~~April 1, 2013 — March 31, 2014: 9,000 Dth/d~~

~~April 1, 2014 — March 31, 2015: 8,000 Dth/d~~

~~This Negotiated Rate Agreement is incorporated by reference as part of the Transportation Agreement for all purposes.~~

~~1.3 — **Negotiated Rates**~~

~~Shipper shall pay a Fixed Negotiated Reservation Rate of \$5.1708 per Dth per month for service under the Transportation Agreement for the Negotiated Rate Term.~~

~~Shipper shall pay the Fixed Negotiated Reservation Rate based upon the CD except as set forth below. If on any day during any month of this Agreement TransColorado's option to accept gas which contains inert substances of up to 5% as set forth in Section 11.9 of the General Terms & Conditions of TransColorado's~~

~~FERC Gas Tariff from the Patara-Quinn Draw (PIN 41897) and RMNG-Naturita Creek (PIN 39626) receipt points is not in effect and Shipper has volume curtailed due to its inability to meet the gas quality specification for inert substances at the Eligible Primary Receipt Point, then Shipper's Fixed Negotiated Monthly Reservation Rate will convert to a Negotiated Daily Volumetric Reservation Rate of \$0.17 per Dth (the "Conversion"). This Negotiated Daily Volumetric Reservation Rate will be charged on daily quantities nominated and confirmed for the day upon which the Conversion occurs and will continue to be charged on daily quantities nominated and confirmed for the balance of that month. On the first day of the month immediately following the Conversion, the Fixed Negotiated Monthly Reservation Rate will be reinstated and the conditions noted above for conversion to a Negotiated Daily Volumetric Reservation Rate will continue to apply.~~

Pursuant to Sections 11.9 and 11.10 of the General Terms & Conditions of TransColorado's FERC Gas Tariff, TransColorado reserves the right to curtail receipts at the Patara Quinn Draw (PIN 41897) and RMNG Naturita Creek (PIN 39626) points from time to time for issues associated with an elevated Inert Substances component in any portion of the system, which is caused in whole or in part by gas received at the Patara Quinn Draw (PIN 41897) and RMNG Naturita Creek (PIN 39626) points as deemed necessary by TransColorado to maintain operational integrity. All gas tendered to TransColorado at these points must comply with the gas quality specifications set forth in TransColorado's tariff, as revised from time to time.

1.4 Eligible Firm Transportation Quantity:

~~April 1, 2013 - March 31, 2014: 9,000 Dth/d~~
~~April 1, 2014 - March 31, 2015: 8,000 Dth/d~~

1.5 Eligible Primary Receipt Point(s):

<u>NAME</u>	<u>PIN</u>	<u>TERM</u>	<u>ELIGIBLE POINT CD (Dth/d)</u>
Patara Quinn Draw	41897	April 1, 2013 - March 31, 2014	9,000
Patara Quinn Draw	41897	April 1, 2014 - March 31, 2015	8,000

1.6 Eligible Secondary Receipt Point(s):

<u>NAME</u>	<u>PIN</u>
RMNG Naturita Creek	39626
El Paso Blanco	36105
Transwestern Blanco	36106
CIG Dark Canyon	41781
WIC Yellow Jacket	42223
REX Love Ranch	42235
White River Ryan Gulch	43886

The point(s) listed in Section 1.6 are for rate treatment clarification only. Use of the Eligible Secondary Receipt Points listed above, up to the Eligible Firm Transportation Quantity, shall result in discounting of incremental reservation or authorized overrun charges to achieve the negotiated reservation rate stated in Section 1.3. Unauthorized overrun charges are not discounted under this agreement and will be applied per TransColorado's FERC Gas Tariff, as revised from time to time. Further, use of any receipt points not listed in Sections 1.5 or 1.6 will result in incremental reservation charges pursuant to Sections 2.1 and 2.2 below.

1.7 Eligible Primary Delivery Point(s):

<u>NAME</u>	<u>PIN</u>	<u>TERM</u>	<u>ELIGIBLE POINT CD (Dth/d)</u>
El Paso Blanco	36105	April 1, 2013 - March 31, 2014	9,000
El Paso Blanco	36105	April 1, 2014 - March 31, 2015	8,000

1.8 Eligible Secondary Delivery Point(s):

<u>NAME</u>	<u>PIN</u>
Transwestern Blanco	36106
Southern Trails Blanco	40379
CIG Dark Canyon	41781
WIC Yellow Jacket	42223

REX Love Ranch	42235
White River Ryan Gulch (by displacement only)	43886

~~The point(s) listed in Section 1.9 are for rate treatment clarification only. Use of the Eligible Secondary Delivery Points listed above, up to the Eligible Firm Transportation Quantity, shall result in discounting of incremental reservation or authorized overrun charges to achieve the negotiated reservation rate stated in Section 1.3. Unauthorized overrun charges are not discounted under this agreement and will be applied per TransColorado's FERC Gas Tariff, as revised from time to time. Further, use of any delivery points not listed in Sections 1.8 or 1.9 will result in incremental reservation charges pursuant to Sections 2.1 and 2.2 below.~~

ARTICLE 2
NEGOTIATED RATE TERMS AND CONDITIONS; OTHER CHARGES

- ~~2.1 **General Negotiated Rate Limitations.** The Fixed Negotiated Monthly Reservation Rate(s), as set forth in Section 1.3 above, shall apply only to: (i) service provided by TransColorado under the Transportation Agreement from the Eligible Receipt Points to the Eligible Delivery Points during the Negotiated Rate Term; and (ii) a maximum daily firm transportation quantity equal to the Eligible Firm Transportation Quantity set forth in Section 1.4 above for all quantities transported on a firm basis under the Transportation Agreement and any associated capacity release replacement agreements. For any aggregate quantities transported on a firm basis under the Transportation Agreement for Shipper and any associated capacity release replacement shippers which: (i) are in excess of the Eligible Firm Transportation Quantity; or (ii) involve any receipt or delivery points which are not Eligible Receipt or Delivery Points, Shipper shall pay TransColorado a reservation rate equal to the greater of: (a) the Fixed Negotiated Monthly Reservation Rate for the applicable transportation; and (b) the applicable maximum reservation rate set forth in TransColorado's FERC Gas Tariff for the applicable transportation, as may be revised from time to time.~~
- ~~2.2 **Applicable Maximum Rates, Charges, and Surcharges.** Unless otherwise expressly provided in this Agreement or agreed to in writing by TransColorado, all applicable maximum rates, charges, surcharges, and penalties of any nature set forth in TransColorado's FERC Gas Tariff, as may be revised from time to time, shall apply to service provided under the Transportation Agreement, including without limitation all applicable: (i) Fuel and Loss Reimbursement charges; (ii) authorized and unauthorized overrun charges; (iii) reservation charges and surcharges; (iv) commodity rates, charges and surcharges; and (v) ACA surcharges.~~

~~TransColorado and Shipper have caused their duly authorized representatives to execute this Agreement effective as of the date first set forth above.~~

TRANSCOLORADO GAS TRANSMISSION _____
COMPANY LLC _____ CCI Paradox Upstream, L.L.C
("TransColorado") _____ ("Shipper")

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____