

Agreement for Delivery of House Gas and Overburn Gas

Hay Exploration, Inc., 1544 Winchester Avenue Suite 1108, Ashland, KY 41101, is the operator of the [IDENTIFY WELL] (the “Well”) and [] (the “Landowner” or “you”) have entered into an agreement that you may purchase natural gas from the Well.

You have advised that you wish to exercise your right to purchase gas. Please note that the gas coming directly from the wellhead that you wish to connect likely has impurities or liquids, which present a risk to your using the gas.

Hay Exploration, Inc., as operator of the Well, is concerned that your use of the gas presents safety issues you should be aware of. This agreement is to advise you of the following:

1. Hay Exploration, Inc. does not warrant or represent that the gas from the Well is safe for your use;
2. The gas you receive from the Well may have liquids and impurities which would not be found in gas you receive from your local utility;
3. The gas you receive from the Well does not meet your manufacturer’s specifications for use in your heaters, stoves, dryers or other type of equipment you may connect to the Well;
4. Your use of the gas from the Well is subject to the availability of such gas. Your use of the gas from the Well shall be limited to you laying a line to the Well and taking up to two hundred thousand (200,000) cubic feet of gas per year for your domestic use in one dwelling on your land at your own risk and expenses. All overburn gas (gas in excess of the annual 200,000 cubic feet of gas limit) from the Well shall be paid for by you at the current established rate paid to Hay Exploration, Inc. in your area; and
5. Your use of the gas from the Well is subject to the limits and restrictions set forth in this agreement. Your use of the gas from the Well is subject to the use and right of abandonment of the Well by Hay Exploration, Inc.
6. It is your responsibility and duty to provide, install, and incur the cost of all equipment needed and necessary to properly and safely install house gas; including but not limited to all regulators, valves, drips, and installation/maintenance labor.

It is our opinion and recommendation that you do not use the gas from the Well for domestic purposes. If you use gas from the Well, you do so **at your sole risk** and **Hay Exploration, Inc. does not warrant the gas to be safe** for any use in your connection to the Well. If, after receipt

of this agreement, you elect to use the gas from the Well, Hay Exploration, Inc. shall not be liable for any claims, liabilities, suits, losses, damages or costs which may arise out of, or be related to, your connection to and use of gas from the Well.

If, in spite of our concerns, you elect to exercise your right to the gas from the Well, Hay Exploration, Inc. has prepared the Safety Regulations (attached as Exhibit A to this agreement), which, by execution of this agreement, in the manner provided for below, you agree to abide by. Your use of gas from the Well is contingent upon your agreement to operate in accordance with the Safety Regulations set out on Exhibit A.

If you choose to ignore our warnings, please be advised that, as set out above, you do so **at your sole risk. Please acknowledge receipt of this agreement**, and if you intend to take gas from the Well, **please acknowledge your agreement to comply with this agreement, including the attached Safety Regulations, by signing and returning one copy of this agreement as set out below.**

The undersigned, their successors, assigns or other end users of the gas as contemplated in the Oil and Gas Lease and this agreement, hereby indemnify and hold Hay Exploration, Inc., its successors, and assigns harmless and free from any claims, liability, damages, etc. related to the use of gas from the Well.

Sincerely,

By: _____

Name: _____

Title: _____

Enclosures: Safety Regulations

Accepted and agreed to this _____ day of _____, 2018.

Exhibit A
Safety Regulations for Landowner Use of Produced Natural Gas
Prepared by Hay Exploration, Inc.
_____, 2018

1. Scope

These safety regulations apply to Landowner use of produced natural gas from the well described in the agreement to which this exhibit is attached. All capitalized terms not defined herein shall have the meaning set forth in said document.

2. Codes and Standards

Landowner natural gas piping and equipment shall meet the requirements of all local, state and federal statutes and regulations related to gas pipeline safety.

3. Gas Quality and Quantity

Produced natural gas may fail to meet conventional quality standards for gas distribution for domestic use. Landowner is responsible for bringing the gas up to such standards or providing equipment suitable for use of substandard gas. The quantity of natural gas available for Landowner use is subject to limitations of the Oil and Gas Lease, and may be interrupted by well operation, maintenance or lack thereof under the terms of the Oil and Gas Lease.

4. Gas Piping and Valves

Landowner piping and valves shall meet the requirements described in Paragraph 2, and shall be properly sized and rated for gas usage rates, pressures and temperature. Valves shall be located to allow isolation of equipment for maintenance purposes. An easily accessible valve shall be located on piping entering any Landowner structure for emergency shutoff purposes. Metallic piping and components shall be coated for corrosion protection.

5. Liquid Separation and Filtration

Produced gas may contain particulates and water vapor or heavy hydrocarbons that will condense into free liquids at low temperatures. Landowner shall provide liquid filter-separator(s) with positive shutoff device(s) to prevent liquid carryover to the meter or gas-fired equipment. The filter-separator(s) shall be properly sized and rated for gas usage rates, pressures and temperatures. Landowner removal and disposal of solids and liquids accumulated in the filter-separator(s) shall meet applicable state and local safety and environmental regulations.

6. Gas Measurement

Landowner shall provide a gas meter properly sized and rated for gas usage rates, pressures and temperatures. The meter shall include a totalizing index, corrected for pressure and temperature, and shall be accurate to within one percent of actual gas flow. Landowner shall submit meter specifications to Hay Exploration, Inc. approval prior to purchase and installation.

7. Pressure Regulation

Produced gas will be provided to the Landowner at a maximum pressure of 100psig and a minimum pressure of 10 psig. Landowner shall provide pressure regulator(s), properly sized and rated for gas usage rates, inlet pressures and temperatures, to reduce gas pressures to safe levels for Landowner's piping and equipment.

8. Overpressure Protection

Landowner shall provide overpressure protection devices (monitor regulators, relief valves, or safety shutoff valves) to protect downstream piping and equipment in cases of pressure regulator failure.

9. Gas-Fired Equipment

Landowner gas-fired equipment shall be equipped with safety devices to protect against fire or explosion in case of pilot or igniter failure, service outages, or other conditions.

10. Installation, Testing, Operation and Maintenance

All Landowner natural gas piping and equipment shall be installed, tested, operated and maintained in good working order in accordance with the requirements described in Paragraph 2. Outdoor metallic piping and equipment shall be kept painted to protect against corrosion.