## NATURAL GAS PURCHASE AGREEMENT

Between

ORBIT GAS COMPANY (SISK SCHOOL) SELLER

and

WESTERN KENTUCKY GAS COMPANY,
A Division Of
ATMOS ENERGY CORPORATION
BUYER

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### NATURAL GAS PURCHASE AGREEMENT

THIS NATURAL GAS PURCHASE AGREEMENT, hereinafter "Agreement", is hereby made and entered into this the 1st day of November, 2000 and between ORBIT GAS COMPANY, (SISK SCHOOL), hereinafter referred to as "Orbit" or "Seller", and WESTERN KENTUCKY GAS COMPANY, a division of ATMOS ENERGY CORPORATION, a Texas corporation, hereinafter referred to as "Western" or "Buyer."

## WITNESSETH:

WHEREAS, Seller owns and/or controls certain valid natural gas interests by virtue of deeds, leases or other forms of agreements, underlying certain lands which are productive of natural gas and located entirely within the Commonwealth of Kentucky, hereinafter "Commonwealth"; and,

WHEREAS, Western desires to acquire a supply of natural gas for resale through its natural gas transmission and distribution system located in the Commonwealth: and.

WHEREAS, Seller desires to sell natural gas to Western in those amounts and upon the terms and conditions herein set forth, and represents that it can and will so deliver, or cause to be delivered, said natural gas to Western;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do covenant and agree as follows:

### ARTICLE I

## Definitions

Section 1.1. The following terms shall respectively have the meanings as set forth below:

- (a) The term "day" shall mean a period of twenty-four (24) consecutive hours, beginning at 9:00 a.m. and ending at 9:00 a.m. Central Clock Time ("CCT") of the next succeeding day. CCT shall adjust for daylight saving time.
- (b) The term "month" shall mean a period beginning at 9:00 a.m., CCT, on the first day of a calendar month and ending at 9:00 a.m., CCT, on the first day of the next succeeding calendar month.
- (c) The term "dedicated area" shall mean the lands and/or leasehold estates covered and affected by this Agreement as set out in Article II hereof.

- (d) The term "committed gas reserves" shall mean the gas reserves committed and dedicated to the performance of this Agreement as set out in Article II hereof, presently owned or as hereinafter may be acquired by Seller.
- (e) The term "gas" shall mean all natural gas, including gas well gas, oil well gas, and residue gas resulting from processing either gas well gas or oil well gas which conforms to the standards of quality set out in Article IV hereof.
- (f) The term "cubic foot of gas", when used in relation to a volume of gas, shall mean that volume of gas as determined in accordance with the provisions set out in Article V hereof; the term "Mcf" shall mean one thousand (1,000) cubic feet of gas.
- (g) The term "British Thermal Unit", hereinafter "Btu", shall mean the quantity of heat that must be added to one pound of pure water to raise its temperature from fifty-eight and five-tenths degrees (58.5°) Fahrenheit to fifty-nine and five-tenths degrees (59.5°) Fahrenheit under standard pressure conditions as set forth on Page 158 of the 1963 edition of the American Gas Association publication, "AGA Gas Measurement Manual", and the term "MMBtu" shall mean one million (1,000,000) Btu's expressed on a 'dry' basis unless otherwise stated herein as being expressed on a 'saturated' basis.

(h) The term "MMBtu" shall mean one million British Thermal Units (1,000,000 Btu or 1 MMBtu).

(i) The term "Point of Delivery" shall mean the point(s) specified in Article VIII hereof.

### ARTICLE II

## Committed Gas Reserves

## Section 2.1.

(a) Subject to Section 2.2 hereof, Seller hereby commits and dedicates to the performance of this Agreement all of Seller's interest in and to the gas reserves which Seller presently owns or as hereinafter may be acquired by Seller, which are located in the proximity of the Seller's gathering system applicable to gas made available for sale pursuant to this contract in Hopkins County, Kentucky.

(b) Subject to the provisions of Section 16.3 hereof, Seller agrees to proceed with due diligence to construct or cause to be constructed, or arrange for the use of, within sixty (60) days such gas gathering and/or transportation facilities as may be required to enable it to deliver, at the Point of Delivery, the gas covered by this Agreement.

Section 2.2. In addition to any and all other rights and obligations conferred upon Seller by this Agreement, Seller hereby expressly reserves unto itself and its successors and assigns, the following:

- (a) That quantity of gas as Seller may need or require to meet the requirements of its obligations under (i) the deeds, leases and/or agreements in the dedicated area as described in Subsection 2.1(a) above and (ii) any pipeline right-of-way agreements;
- (b) That quantity of gas as Seller may need or require for the development of its properties situated within the dedicated area, including but not limited to, the use of gas for fuel, drilling, developing and operating said properties, for the production of oil, gas or other minerals, but Seller shall otherwise endeavor to preserve and save the gas dedicated hereunder for sale to Western;
- (c) The sole and exclusive right to operate the properties covered by this Agreement free from any and all control by Western in such manner as Seller, in its sole discretion, deems advisable including without limitation the right to drill new wells, to repair or rework old wells, to renew in whole or in part the leasehold estates, if any, covered by this Agreement and to abandon

any well not deemed by Seller capable under normal methods of operation of producing gas in commercial quantities;

(d) The sole and exclusive right to unitize any of the lands and/or leases covered by this Agreement with other properties owned and/or controlled by it or others in which event this Agreement shall extend and apply to the interest of Seller in the newly formed property to the extent that such interest is derived from the existing property described in this Article II. Seller shall give notice in writing to Western of any change contemplated under this Subsection (d) and Article II hereof shall be considered as having been amended accordingly upon receipt by Western of said notice.

### ARTICLE III

## Quantity of Gas

Section 3.1. Seller agrees, after completion of any facilities to be constructed hereunder by it or others, to sell and deliver to Western, and Western agrees to purchase and receive, such quantities of gas as Seller shall nominate on any day up to a quantity which, when stated on a monthly basis, equates to a maximum of 500 MMBtu per day, subject, however, to the limitations of Western's market and pipeline operating conditions. Both parties

15,000/mo

Both parties agree to endeavor to give the other at least eight (8) hours verbal notification prior to scheduled or planned changes in or interruption of gas deliveries hereunder.

Section 3.2. Seller dedicates to the performance of this Agreement and agrees to sell and deliver to Western, subject to the provisions of Section 3.1 hereof, all quantities of gas from the committed gas reserves as provided in Article II hereof, and Seller further agrees that in no event shall Western be obligated to purchase during subsequent summer months (April-October) monthly gas volumes in excess of the monthly average of volumes made available for sale by the Seller during the preceding winter months (November-March).

Section 3.3. If at any time during the term of this Agreement, the delivery of gas by Seller to Western averages less than 50% of the maximum daily quantity stated in Section 3.1 hereof during any period of sixty (60) or more consecutive days for any reason other than force majeure as described in Article XI hereof, Western, at its sole option, may terminate and cancel this Agreement by giving Seller thirty (30) days prior written notice of such termination and cancellation.

#### ARTICLE IV

## Quality of Gas

- Section 4.1. The gas to be delivered hereunder by Seller at the Point of Delivery shall comply at all times with the following quality specifications:
- (a) <u>Heating Value</u>: The gas shall have a total (gross) heating value of not less than nine hundred fifty (950) Btu's per cubic foot and not more than one thousand fifty (1,050) Btu's per cubic foot, each being expressed on a "dry basis".
- (b) <u>Hydrogen Sulfide</u>: The hydrogen sulfide content shall not exceed one-quarter (1/4) grain per one hundred (100) cubic feet of gas.
- (c) <u>Mercaptans</u>: The mercaptan content shall not exceed one (1) grain per one hundred (100) cubic feet of gas.
- (d) <u>Total Sulphur</u>: The total sulphur content, including hydrogen sulfide and mercaptans, shall not exceed ten (10) grains per one hundred (100) <u>cubic feet of gas.</u>
- (e) <u>Carbon Dioxide</u>: The carbon dioxide content shall not exceed two percent (2%) by volume.
- (f) Oxygen: The oxygen content shall not exceed two-tenths of one percent (0.2 of 1%) by volume, and Seller shall make every reasonable effort to maintain the gas totally free from oxygen.

- (g) <u>Nitrogen</u>: The nitrogen content shall not exceed three percent (3%) by volume.
- (h) Other: The gas shall contain no carbon monoxide, halogens or unsaturated hydrocarbons and no more than four hundred parts per million (400 ppm) of hydrogen.
- (i) <u>Liquids</u>: The gas shall be free from water and hydrocarbons in liquid form at the temperature and pressure at which the gas is delivered and, further provided, the gas shall not contain any hydrocarbons which may condense to the liquid state under normal pipeline operating conditions and shall in no event contain water vapor in excess of seven (7) pounds per one million (1,000,000) cubic feet of gas.
- (j) Freedom From Objectionable Matter: The gas shall be commercially free from objectionable odors, sand, dust, gums or other solid, liquid or gaseous matters including any additives or diluents which may be injurious to conventional pipeline materials or which may otherwise interfere with the transmission, distribution or commercial utilization of said gas.
- (k) <u>Temperature</u>: The gas shall not be at a temperature of less than forty degrees (40°) Fahrenheit nor more than one hundred twenty degrees (120°) Fahrenheit.

(1) <u>Negative Pressure</u>: The gas shall not be produced at or encounter before delivery a pressure of less than atmospheric pressure.

Section 4.2. If any of the gas delivered by Seller hereunder shall fail to conform to the quality specifications set forth in Section 4.1 above, Western, at its sole option, and in addition to any other remedies it may have, may refuse to accept further delivery of any gas hereunder until Seller shall remedy such quality nonconformity to Western's satisfaction.

Section 4.3. Further, Seller agrees to indemnify, defend, and hold Western harmless from and against any loss, damage, liability, or expense of any kind and character arising out of or relating to any adverse claims asserted by third parties with respect to the quality of any gas delivered hereunder.

## ARTICLE V

# Measurement and Tests

Section 5.1. The sales unit of the gas delivered hereunder shall be one MMBtu. A MMBtu of gas shall be determined by multiplying the measured volume of gas expressed in Mcf times the total (gross) heating value (expressed in Btu, dry basis) and then dividing this product by one thousand (1,000). A Mcf of gas shall

be determined by dividing the measure volume of gas by one thousand (1,000).

Section 5.2. The volume of the gas delivered hereunder shall be measured at Western's meter at the Point of Delivery. Each Orifice Meter Tube and associated recording device shall be installed, operated, maintained and have the volume computed in accordance with the 1984 or later edition of the American Gas Association publication, "Orifice Metering of Natural Gas: A.G.A. Report No. 3". Each Diaphragm, Rotary or Turbine Meter shall be installed, operated, maintained and have the volume computed in accordance with the 1984 or later edition of the American Gas Association publication, "A.G.A. Gas Measurement Manual, Part 2: Displacement Measurement" and "AGA No. 7 Turbine Measurement Manual.

Section 5.3. The unit of volume of the gas delivered hereunder for the purpose of measurement shall be one (1) cubic foot of gas at a temperature base of sixty degrees (60°) Fahrenheit and at an absolute base pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch, atmospheric pressure being assumed at fourteen and four-tenths (14.4) pounds per square inch absolute. The gas delivered hereunder shall be measured according to Boyle's Law for the measurement of gas under varying

pressures, with corrections for deviations therefrom, determined by use of the tables and formulae in accordance with the most recent edition of the American Gas Association publication, "Par Research Project NX-19".

Section 5.4. The temperature of the gas delivered hereunder may be determined each month by a mercurial thermometer of standard manufacture or by the use of a recording type thermometer of standard manufacture to be installed, operated and maintained by Western at the Point of Delivery. If monthly determinations are made, the most recent determination shall be used for the ensuing month to make the proper correction in volume computations. If a recording thermometer is installed, then the arithmetic average of the daily temperature readings from said thermometer for the entire period that gas was flowing through the meter shall be deemed to be the gas temperature for that period and shall be used to make the proper correction in volume computation.

Section 5.5. The specific gravity of the gas delivered hereunder shall be determined once each quarter by a gravitometer or chromatograph of standard manufacture or by the use of a recording type gravitometer of standard manufacture to be installed, operated and maintained by Western at the Point of Delivery. If quarterly determinations are made, the most recent

determination shall be used for the ensuing quarter to make the proper correction in volume computations. If recording gravitometer is installed, then the arithmetic average of the daily specific gravity readings from said gravitometer for the entire period that gas was flowing through the meter shall be deemed to be the specific gravity for that period and shall be used to make the proper correction in volume computations.

Section 5.6. The total or gross heating value of the gas delivered hereunder is the total caloric value, expressed in British Thermal Units, obtained by the complete combustion, at constant pressure, of that amount of gas which would occupy a volume of one (1) cubic foot at a temperature of sixty degrees (60°) Fahrenheit, free from water vapor ("dry" basis) and at an absolute pressure equivalent to that of fourteen and seventy-three hundredths (14.73) pounds per square inch and under standard gravitational force (980.665 centimeter per second squared), with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air and when the water formed by combustion is condensed to the free liquid state. The heating value shall be determined from time to time by Western or, at the request of Seller, by submitting a sample of the gas to a competent testing laboratory of Seller's

choice or by using the heating value as determined by Daniel Chromatograph or any equally efficient recording calorimeter of Western.

Section 5.7. Seller may install, operate, maintain and remove such check measuring equipment as it desires, provided that such check measuring equipment shall be installed so as not to interfere with the operation of Western's equipment through which Western receives gas at the Point of Delivery.

Section 5.8. In the event of any of Western's measuring equipment is out of service or registering inaccurately, the volume of gas delivered hereunder shall be estimated by (i) using the registration of any check measuring equipment if installed and accurately registering, (ii) correcting the error if the percentage of error is ascertainable by calibration test or mathematical calculation or (iii) estimating the quantity of gas delivered by comparison with deliveries during a period under similar conditions when the measuring equipment was known to be registering accurately. The choice as to which of the above estimated methods shall be used shall be made by Western.

Section 5.9. The accuracy of Western's measuring equipment shall be verified by Western at reasonable intervals, but Western shall not be required to routinely verify the accuracy of such

equipment more frequently than once in any thirty (30) day period. In the event either party shall notify the other that it desires a special test of any measuring equipment, the parties shall cooperate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test called for by Seller shall be borne by the Seller if inaccuracy found is less than a two percent (2%) error. If inaccuracy is found to be two percent (2%) or more in favor of Western, then Western shall bear the expense.

Section 5.10. If upon any test any measuring equipment is found to be no more than two percent (2%) slow or fast, previous readings of such equipment shall be considered correct in computing deliveries of gas hereunder, but such equipment shall be adjusted at once to read accurately. If upon any test any measuring equipment is found to be inaccurate by any amount exceeding two percent (2%) at a reading corresponding to the average rate of flow for the period since the last preceding test, such equipment shall be adjusted at once to read accurately and any previous reading of such equipment shall be corrected to zero error for any period which 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 (1/2) of the time elapsed

since the date of the last test but not to exceed a correction period of more than sixteen (16) days.

Section 5.11. Seller shall have the right to be represented at and to participate in all tests of the gas delivered hereunder or of any equipment used in measuring or determining the nature or quality of such gas and to inspect at any time during normal business hours any and all equipment of western used for the measurement or determination of the nature or quality of the gas hereunder.

Section 5.12. It is the expectation of the parties hereto that all test data, gas analyses, meter readings, charts and similar records shall be preserved by Western for a period of at least one (1) year and shall on the request of Seller be available for inspection during normal business hours at Western's place of business.

#### ARTICLE VI

### Pressure

Section 6.1. The gas sold under the terms of this Agreement shall be delivered or caused to be delivered by Seller into Western's pipeline system at the Point of Delivery at a pressure sufficient to effect delivery against the pressures prevailing

therein from time to time. If the operating pressure of Seller's pipeline shall become insufficient to deliver the gas at the Point of Delivery at a pressure sufficient to enter Western's pipeline, then Seller shall have the right, but shall be under no obligation, to compress such gas to the pressure referred to above upon receiving prior written consent of Western, which consent shall not be unreasonably withheld; provided, however, if initial deliveries of gas hereunder are known to require compression, such consent shall not be required. If Seller elects not to compress the gas to meet the pressure conditions called for herein and cannot otherwise provide the pressure herein specified, Western has the right to compress the gas at Western's expense or to terminate this Agreement. Elections under this paragraph shall be by prior written notice as provided in Section 16.1 hereof.

### ARTICLE VII

## Term of Agreement

Section 7.1. Subject to the provisions set out in Section 16.3 hereof, this Agreement shall become effective as of November 1, 2000, and shall continue in full force and effect until November 1, 2001.

#### ARTICLE VIII

## Point of Delivery

Section 8.1. The Point of Delivery of the gas delivered by Seller to Western hereunder shall be at Buyer's 4-inch Sisk School-Madisonville Transmission Line No. 129, in Hopkins County, Kentucky.

Section 8.2. Seller shall have title to the gas deliverable hereunder until the same shall have been delivered to Western at the Point of Delivery, after which delivery, title to such gas shall pass to Western and, as between the parties hereto solely, Western shall be deemed to be in exclusive control and possession thereof and responsible therefor. During the time the gas deliverable hereunder is in Seller's possession, as between the parties hereto solely, Seller shall be deemed to be in exclusive control and possession thereof and responsible therefor and Western shall not be responsible for any damage or injury caused by such gas.

### ARTICLE IX

### Price

Section 9.1. The price to be paid for the gas delivered to Western hereunder shall be a monthly price based on the simple

arithmetic average of all four indices listed below to establish a per unit price for all the requirements:

- 1) The average of the weekly <u>Natural Gas Week</u> postings for Texas Gas Transmission Corporation, Zone 1,

  North Louisiana, during the applicable month;
- The average of the daily midpoint <a href="Gas Daily">Gas Daily</a> postings for Texas Gas Transmission Corporation, Zone 1, "East Texas, North Louisiana Area," during the applicable month;
- The Index Price as quoted in <u>INSIDE FERC's</u> "Gas Market Report," under the heading, "Prices of Spot Gas Delivered to Pipelines," for the first-of-the-month Index for deliveries into Texas Gas Transmission Corporation,

  Zone 1;
- The closing price of the New York Mercantile Exchange
  National Gas Futures Price ("NYMEX Gas Futures")

  as reported in the Wall Street Journal under Natural Gas
  "settle" column for the last trading day of the
  applicable month.

### ARTICLE X

## Payment and Statements

Section 10.1. Payment shall be made by check payable to the order of Seller, on or before the last day of each month for all gas sold and delivered during the preceding calendar month.

Section 10.2. With respect to the gas referred to in Article IX, Western shall not be liable for any royalties or taxes, any sums due on production, gathering, handling, extracting, dehydrating, compressing or transporting, hereinafter "production costs"; or any similar charges for such gas delivered by Seller to Western at the Point of Delivery. Western will collect or cause to be collected the Kentucky Severance Tax, if applicable, levied by the Commonwealth and remit or cause to be remitted to the Kentucky Department of Revenue, said tax being deductible from the amount due Seller during each payment period.

Section 10.3. With respect to all gas delivered hereunder, Seller agrees to indemnify and hold Western harmless (including reasonable attorneys' fees) from and against any and all loss, damage, liability, and expense of every kind and character on account of any third party claim arising out of, resulting from, or relating to the nonpayment or mistaken payment of any and all

royalties, taxes, production costs or similar charges, fees, and payments applicable to or relating to the gas sold and delivered to Western pursuant to this Agreement.

### ARTICLE XI

## Force Majeure

Section 11.1. In the event of any party being rendered unable, in whole or in part, by force majeure or other causes herein specified, to carry out its obligations under this Agreement, it is agreed that on such party's giving notice and reasonably detailed particulars of such force majeure event in writing or by telecopy to the other party within a reasonable time after the occurrence of the cause relied on, then the obligations of the party giving notice, so far as and to the extent that they are affected by such force majeure or other causes herein specified, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch.

Section 11.2. The term "force majeure" as used herein shall mean any cause not reasonably within the control of the party claiming suspension, including, but not limited to, acts of God, strikes, lockouts or other industrial disturbances; acts of the

public enemy, wars, blockades, insurrections, riots, civil disturbances, epidemics, landslides, lightning, earthquakes, fires, storms, floods and washouts; arrests and restraints of governmental authorities, either federal or state, including civil or military; explosions, breakage or accidents of machinery or lines of pipe and freezing of wells or lines of pipe; inability of any party hereto to obtain necessary materials, supplies, permits or approvals; loss of market due to existing or future rules, regulations, orders, laws or proclamations of governmental authorities, either federal or state, including civil or military; any act or omission on the part of any purchaser or purchasers of gas from Western by reason of force majeure affecting such purchaser or purchasers; and interruption of transportation service by third party transporters. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure event shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

#### ARTICLE XII

## Waiver

Section 12.1. No waiver by either party of one or more defaults in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default, whether of a like or different character.

### ARTICLE XIII

## Warranty Under the Natural Gas Act

Section 13.1. Seller represents and warrants that the gas to be sold hereunder shall be produced wholly from within the Commonwealth and Section 1(b) of the Natural Gas Act does not apply to said gas as provided by Section 601 (a)(1)(B) of the NGPA, as amended.

### ARTICLE XIV

## Warranty of Title

Section 14.1. Seller hereby warrants that is has good and clear title to the gas sold hereunder and that it has the exclusive right to sell the same and that all such gas is free from all liens and adverse claims including liens to secure payment of production

taxes, severance taxes and other taxes. Seller agrees to indemnify Western and save it harmless from any and all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all entities to said gas or to royalties, taxes, license fees or charges thereon which are applicable to the gas sold to Western hereunder or which may be levied and assessed upon or as a result of the sale thereof to Western. In the event any adverse claim of any character whatsoever is asserted with respect to any of such gas, Western may retain as security for the performance of Seller's obligations with respect to such claim under this section monies then or thereafter payable to Seller under this Agreement until such claim has been finally determined or until Seller shall have furnished bond to Western in an amount satisfactory to Western.

### ARTICLE XV

## Regulatory Bodies

Section 15.1. This Agreement shall be subject to all valid applicable federal, state and local laws, rules and regulations and the approval, if necessary, of the Commission. All such laws, rules and regulations shall be presumed by both parties to be valid

unless and until a court of competent jurisdiction shall hold otherwise with respect thereto.

### ARTICLE XVI

## Agreement Interpretations and Miscellaneous

Section 16.1. Any notice, request, demand, payment, statement or bill provided for in this Agreement shall be in writing and shall be addressed to the post office address of each of the parties hereto as the case may be, as follows:

Buyer: WESTERN KENTUCKY GAS COMPANY,

A Division Of

Atmos Energy Corporation

P. O. Box 650205

Dallas, Texas 75265-0205 Attention: Mr. John Hack

Seller: ORBIT GAS COMPANY

600 Barrett Boulevard

Henderson, Kentucky 42420

P. O. Box 2100

Henderson, Kentucky 42420

Attention: Mr. Benjamin C. Cubbage, Jr.,

President

or to such other address as either party shall from time to time designate for that purpose by certified letter addressed to the

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other party. The date of service of such notice, request, demand, payment, statement or bill shall be the date the same is delivered by registered or certified mail by the party giving same. Routine communications, including monthly invoices and payments may be mailed by regular mail and are deemed delivered when hand-delivered or deposited in the U.S. Mail, postage prepaid, and addressed to the above-designated name and address.

Section 16.2. Seller may not sell or assign either the properties which are the subject of this Agreement or this Agreement without the prior written consent of Western, such consent not to be unreasonably withheld. If for any reason said consent should not be given, Western shall have the right to terminate this Agreement upon thirty (30) days prior written notice.

Section 16.3. Seller shall with due diligence proceed in an expeditious manner to complete construction of facilities as may be required for the sale and delivery and the purchase and receipt of gas delivered under the terms of this Agreement and this Agreement shall be subject to such approvals and completion of facilities. Pursuant to such facilities, if construction of new facilities is required, the cost of the new facilities shall be the responsibility of Seller. Notwithstanding the foregoing, the

measurement and regulator station will be owned and operated by Western upon completion of construction.

Section 16.4. This Agreement may be executed in a number of counter parts each of which shall be considered an original.

Section 16.5. This Agreement is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties shall be relevant to supplement or explain any term used in this Agreement. Acceptance or acquiescence in a course of performance rendered under this Agreement shall not be relevant in determining the meaning of this Agreement even though the accepting or acquiescing party has the knowledge of the nature of the performance and opportunity for objection.

Section 16.6. This Agreement may be modified, amended, rescinded or terminated only in writing and signed by Western and Seller or their duly authorized agents.

Section 16.7. The parties agree that the place of execution of this Agreement is Daviess County, Kentucky. WESTERN AND SELLER AGREE THAT THIS AGREEMENT SHALL BE CONSTRUED ACCORDING TO THE LAWS OF THE COMMONWEALTH OF KENTUCKY, NOTWITHSTANDING THE COMMONWEALTH'S CHOICE OF LAW PROVISIONS.

Section 16.8. Nothing herein is intended to create any rights in any person or entity who is not a party to this Agreement.

IN WITNESS WHEREOF, this instrument is executed as of the date first hereinabove written.

SELLER: ORBIT GAS COMPANY (SISK SCHOOL)

TAXPAYER I.D. NUMBER: 61-1211161

By: Chifle (phhase)

Title: Lendent

BUYER:

WESTERN KENTUCKY GAS COMPANY,

A Division Of

ATMOS ENERGY CORPORATION

Bv:

Gordon J. Ro

Title: Vice President