

AMENDMENT NO. 2 TO NATURAL GAS CONTRACT

DATED

THIS AMENDMENT NO. 2 to that certain Natural Gas Contract by and between{ hereinafter "NSA", and TEXAS AMERICAN ENERGY CORPORATION, by and through its unincorporated division, Western Kentucky Gas Company, hereinafter "Western", dated hereinafter "Agreement", attached hereto and marked Exhibit "A", is hereby made and entered into this{

W I T N E S S E T H:

That for and in consideration of the mutual covenants hereinafter set out, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto and Western do hereby covenant and agree as follows:

A. and Western agree to modify paragraphs three (3) and four (4) of the Agreement to read as follows:

3. This contract shall apply only to the utilization, quantities and location specified as follows:

(a) Base Period Volumes

Priority No. 5

November  
December  
January  
February  
March

Total Winter

April  
May  
June  
July  
August  
September  
October

Total Summer

- (b) Utilization: Aluminum process
- (c) Maximum Hourly Demand - Priority 5:
- (d) Maximum Daily Demand - Priority 5:
- (e) Delivery Pressure: 60 pounds
- (f) Location and Address:
- (g) Total Connected Load: (est.)

4. This contract shall apply to and be binding upon the heirs, successors and assigns of both the SELLER and BUYER, and shall remain in full force and effect for a primary term period ending 7:59 a.m., local time, After the expiration of the primary term as set out above, either the BUYER or SELLER may cancel this contract by giving notice in writing to the other of its intention to do so ninety (90) days in advance of

the time that such cancellation shall become effective. Notwithstanding the foregoing, either the BUYER or SELLER may, after terminate this contract by giving notice in the same manner as set out in the most immediately preceding sentence.

IN TESTIMONY WHEREOF, witness the hands of the parties this the day and date first hereinabove written.

WITNESS:

By: \_\_\_\_\_

By: \_\_\_\_\_  
Title: Vice President

WITNESS:

By: \_\_\_\_\_

By: C. R. Hayes  
Title: Vice President  
Gas Utility Operations

EXHIBIT A  
NATURAL GAS CONTRACT

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and between WESTERN KENTUCKY GAS COMPANY, a division of TEXAS AMERICAN ENERGY CORPORATION, of Owensboro, Kentucky, hereinafter referred to as "SELLER", and \_\_\_\_\_ of \_\_\_\_\_ hereinafter referred to as "BUYER".

WITNESSETH:

WHEREAS, the SELLER owns and operates a distribution system for the transportation and sale of natural gas, and the BUYER desires to purchase natural gas from SELLER for utilization hereinafter specified:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereof, the SELLER and BUYER have agreed and do hereby covenant and agree, each with the other, as follows, to wit:

1. The SELLER agrees to deliver and sell to the BUYER, and the BUYER agrees to receive and purchase from the SELLER, the gas fuel requirements as hereinafter specified, subject to the provisions of the Rate Schedule of G-2/G-3 and the terms and conditions herein.

2. RATE SCHEDULE: AS SPECIFIED IN TARIFF.

2(a) RATE ALLOCATION:

RATE G-1 \_\_\_\_\_ MCF PER DAY  
RATE G-2/G-3 \_\_\_\_\_ MCF PER DAY

Note: Rate may shift between Rate G-2 and G-3 dependent on annual volumes purchased. BUYER must maintain a twelve month cumulative minimum volume of 200,000 Mcf to qualify for Rate G-3.

Periodic notice of (1) revisions of rates in accordance with the Purchased Gas Adjustments as herein described and (2) allocation revisions shall become an integral part of this contract.

Any Federal, State or other legal taxes which apply now or may hereafter be imposed shall be paid by the BUYER in addition to the rates as specified.

3. This contract shall apply only to the utilization, quantities and location specified as follows:

(a) Base Period Volumes

	Priority No. _____	Priority No. <u>5</u>	
November			Mcf
December			Mcf
January			Mcf
February			Mcf
March			Mcf
Total Winter			Mcf
April			Mcf
May			Mcf
June			Mcf
July			Mcf
August			Mcf
September			Mcf
October			Mcf
Total Summer			Mcf

(b) Utilization

(c) Maximum Hourly Demand - Priority 5  
(d) Maximum Hourly Demand - Priority \_\_\_\_\_ Mcf  
(e) Maximum Daily Demand - Priority 5  
(f) Maximum Daily Demand - Priority \_\_\_\_\_ Mcf

(g) Delivery Pressure 35#

(h) Location and Address \_\_\_\_\_

(i) Total Connected Load \_\_\_\_\_

4. This contract shall apply to and be binding upon the heirs, successors and assigns of both the SELLER and the BUYER, and shall remain in full force and effect for a period of one year from date, and thereafter until cancelled by either SELLER or BUYER, as hereinafter provided. After the expiration of the original term as specified, either the BUYER or SELLER may cancel this contract by giving notice in writing to the other of its intention so to do ninety (90) days in advance of the time that such cancellation shall become effective.

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed in triplicate, by their respective duly authorized officials or individuals, with signatures properly witnessed, as of the day and year first above written,

WESTERN KENTUCKY GAS COMPANY, a division of TEXAS AMERICAN ENERGY CORPORATION  
SELLER

Witness

By \_\_\_\_\_  
President

BUYER

Witness

By X \_\_\_\_\_  
(Show Title)  
Vice President

## ADDITIONAL TERMS AND CONDITIONS OF THIS CONTRACT

1. This contract shall become effective as of the date of the first deliveries of gas, or as specified.
2. All bills for gas sold and delivered under this contract are due and payable at the office of the SELLER or his specified agent within ten (10) days after rendition.

Should any industrial customer fail to pay all of the amount of any bill within ten (10) days after such bill is rendered, interest on the unpaid portion of the bill shall accrue, at the then effective prime interest rate (Citizens Fidelity Bank and Trust Company, Louisville, Kentucky) from the due date, until the date of payment.

3. The rates as specified herein shall be subject to revisions in accordance with the SELLER'S Purchased Gas Adjustment Clause.
4. In addition to the regular monthly billing for gas delivered, BUYER agrees to pay any applicable deficiency due under the MINIMUM SEASONAL BILL requirements, and for any applicable amount to cover any penalty for unauthorized overrun as included herein and in the Rate Schedule. (See 5. and 14. Below) The Minimum Seasonal Bill requirements will be in effect only upon prior notification by SELLER, in writing, a minimum of thirty (30) days prior to the applicable season.
5. In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its daily contract demand or a quantity in excess of any temporary authorization whether a Curtailment Order is in effect or not, the customer shall pay for the unauthorized gas so used at the rate of \$15.00 per Mcf. Billing of this penalty shall be made within ninety (90) days of the date of violation and shall be due and payable within twenty (20) days of billing.

If at the end of any seasonal period a buyer exceeds its Adjusted Seasonal Volumes for that period the BUYER shall pay a penalty as described in Section 29 of the Company's Rules and Regulations.

The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company. The excess usage over Adjusted Seasonal Volumes provision will be in effect only upon prior notification by SELLER, in writing, a minimum of thirty (30) days prior to the applicable season.

6. In addition to the above described monthly and seasonal curtailment provisions, the daily interruptible provisions contained in the gas tariffs of the BUYER, shall remain in full force and effect.
7. The SELLER shall have the right, after reasonable notice to discontinue the gas supply of any BUYER that fails to comply with a valid curtailment order and the Rules and Regulations of the SELLER.
8. Necessary regulating and metering equipment constructed to SELLER'S specifications shall be installed for delivery of the gas as specified herein, and the BUYER shall install additional regulating equipment to provide suitable pressure and operation at the various points of utilization. A suitable location for the regulating and metering equipment shall be provided by the BUYER without charge, and the SELLER shall have the right to operate, maintain and alter this equipment as is necessary or desirable.
9. The point of delivery of all gas is at the outlet of the meter where title passes to BUYER and, thereafter, all responsibility for same is assumed by the BUYER.
10. The volume of gas delivered by the SELLER to BUYER shall be calculated on a pressure base of four (4) ounces (14.65 pounds per square inch absolute) and a base temperature of sixty (60) degrees Fahrenheit.
11. It shall be the responsibility of the BUYER to provide and maintain adequate auxiliary fuel, and proper equipment to utilize same, as may be necessary to protect its fuel requirements and to assure continuous operations, with the interruptible terms and conditions of this contract considered.
12. Interruption of gas deliveries in whole or in part due to the inability of SELLER to deliver or BUYER to receive gas shall not be the basis of claims for any damages sustained by either the SELLER or BUYER when due to acts of God, acts of an alien enemy, the elements, labor troubles, riots and civil commotion, fires, accidents, breakage or repair of pipe lines, equipment or machinery, requirements of domestic and commercial customers, excessive peak loads and demands on the gas distribution system, outside restriction or curtailment, or other causes or contingencies beyond the control of, and occurring without negligence, on the part of the SELLER or BUYER. SELLER shall resume delivering and BUYER shall resume receiving gas when such causes or contingencies cease to be operative.
13. This contract shall be subject to the orders, rules and regulations of all duly constituted authorities having jurisdiction over either or both the SELLER and BUYER, and in the event any revisions in rates, terms or conditions are made or approved by the Public Service Commission, such revisions as applicable shall be effective as of the date so made or approved.
14. Minimum Bill:

A minimum seasonal bill shall apply and shall be computed as follows:

- (1) A minimum summer seasonal bill shall apply to the period April 1 through October 31.
- (2) A minimum winter seasonal bill shall apply to the period November 1 through March 31.
- (3) The minimum seasonal bill shall be calculated as the product of 80% of the adjusted seasonal volumes times the rate per Mcf in effect on the last day of the season.
- (4) Any billing for a deficiency under the seasonal minimum bill shall be made within 60 days of the end of the month of the season and shall be due and payable on or before the 20th of the following month.
- (5) The minimum bill requirement will be adjusted to make allowance for any time that gas was not available, and for any causes due to force majeure, which includes acts of God, strikes, lockouts, civil commotion, riots and fires.