

SALES AGREEMENT

AGREEMENT made and entered into as of the 18th day of April, 1969, by and between COLUMBIA GAS OF KENTUCKY, INC., a Kentucky corporation (hereinafter called Seller), and ESTILL SAND CORPORATION, a Kentucky corporation (hereinafter called Buyer).

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Gas to be Sold. Seller hereby agrees to sell and deliver and Buyer hereby agrees to purchase and receive, during the months of April through November, natural gas on an interruptible basis only for use in Buyer's plant at or near Irvine, Kentucky, in quantities up to five hundred (500) Mcf of gas per day. Seller shall have the right to curtail or interrupt deliveries of gas hereunder whenever and to the extent necessary such curtailment or interruption in the sole judgment of Seller may be required for the protection of other service.

Seller also reserves the right to interrupt deliveries hereunder, whenever and to the extent necessary, to prevent Seller from taking from its supplier on any one day a volume of gas in excess of Seller's then effective Contract Demand.

Seller shall give Buyer as much advance notice as possible of curtailment or interruption hereunder.

Buyer shall not use gas purchased hereunder as boiler fuel in an amount exceeding two thousand (2,000) Mcf on any one day; provided,

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however, that this limitation shall not apply to gas used to provide space heating or air conditioning.

Gas to be sold under this Agreement is pursuant to the terms and conditions stated herein and subject to the rules and regulations of the Public Service Commission of Kentucky, or of Seller, filed from time to time with such Commission and any subsequent revisions thereof and to other lawful orders of regulatory authorities having jurisdiction.

Section 2. Rate. Buyer agrees to pay for all gas purchased by it hereunder each month the following rates:

First 800 Mcf per Month @ \$.5225 per Mcf

All Over 800 Mcf per Month @ \$.4375 per Mcf

Minimum Monthly Charge. A minimum charge of \$414.72 per month shall be made for each billing month during the term of the contract for gas delivered or the right of Buyer to receive the same.

In the event of curtailment or interruption in the delivery of gas by Seller, or complete or partial suspension of operation by Buyer due to strikes, fires, floods, explosions, or other catastrophe, the minimum charge shall be reduced in direct proportion to the ratio which the number of days of curtailed service or complete or partial suspension of operation bears to the total number of days in the Billing Month.

Purchased Gas Adjustment. The rates prescribed above are subject to such increase or decrease as may be authorized by the Public Service Commission of Kentucky pursuant to the Purchased Gas Adjustment

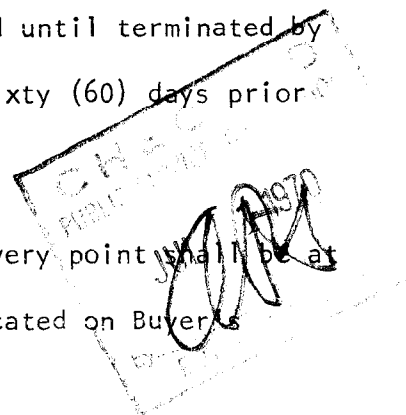
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provision contained in Seller's Rate Schedule 1-1 heretofore prescribed by Orders issued in Case No. 4402. The Purchased Gas Adjustment applicable to this Agreement shall be in the same amount and effective at the same time as any adjustments hereafter authorized by the Public Service Commission of Kentucky of Seller's rates in its Rate Schedule 1-1 or any superseding Rate Schedule filed with the Commission made, from time to time, pursuant to the Purchased Gas Adjustment provisions of said Rate Schedule 1-1.

Section 3. Measurement Base. The unit of measurement shall be that quantity of gas which will occupy one cubic foot at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute (thirty (30) inches of mercury), a temperature base of sixty degrees (60°) Fahrenheit, (520°F absolute) and without adjustment for water vapor content. To determine the volume of gas delivered, factors, such as those required for pressure, temperature, specific gravity and deviation from the laws for ideal gases shall be applied.

Section 4. Term. This Agreement shall become effective on April 1, 1969, and shall continue in effect for a period of one (1) year and thereafter from year to year unless and until terminated by written notice given by either party at least sixty (60) days prior to the end of such yearly period.

Section 5. Delivery Point. The delivery point shall be at the outlet of the Seller's measuring station located on Buyer's premises, or near Irvine, Kentucky.



Section 6. Delivery Pressure. The delivery pressure of gas delivered hereunder shall be at the varying pressures prevailing from time to time in the lines from which the deliveries are made.

Section 7. Notices. Notices to Seller under this Agreement shall be addressed to it at 1700 MacCorkle Avenue, S.E., Charleston, West Virginia, and notices to Buyer shall be addressed to it at Post Office Box 220, Frankfort, Kentucky, until either party shall change its address and give written notice thereof to the other party.

Section 8. Cancellation of Previous Contracts. This Agreement supersedes and cancels, as of the effective date hereof, all contracts and agreements between the parties hereto, whether oral or written, for the sale of gas by Seller to Buyer at said plant.

The parties hereto have accordingly and duly executed this Agreement.

COLUMBIA GAS OF KENTUCKY, INC.

BY T. P. Peyton
T. P. Peyton

TITLE Vice President

ESTILL SAND CORPORATION

BY C. David Cheek
C. David Cheek

TITLE President
President

[Handwritten signature and stamp]