

Service Agreement No. _____

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO ISS RATE SCHEDULE)**

THIS AGREEMENT, made and entered into this ____ day of _____, _____, by and between WORSHAM-STEED GAS STORAGE, LLC (“Worsham-Steed”) and _____ (“Shipper”), pursuant to the following recitals and representations. Worsham-Steed and Shipper are each individually referred to as “Party” and collectively referred to as “Parties.”

WITNESSETH, that in consideration of the mutual covenants herein contained, the Parties hereto agree as follows:

Section 1. Service to be Rendered. Worsham-Steed shall perform and Shipper shall receive Service in accordance with the provisions of the effective ISS Rate Schedule and applicable General Terms and Conditions of Worsham-Steed’s Statement of Operating Conditions, (“SOC”), on file with the Federal Energy Regulatory Commission (“Commission”), as the same may be amended or superseded from time to time. Worsham-Steed shall store quantities of Gas for Shipper up to, but not exceeding, Shipper’s Maximum Interruptible Storage Capacity as specified in Exhibit “A”, as the same may be amended from time to time by agreement between Shipper and Worsham-Steed, or in accordance with the rules and regulations of the Commission. Service provided hereunder shall be subject in all respects solely to regulation by the Commission pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 (“NGPA”) and the rules and regulations promulgated by the Commission in respect thereof, including, but not limited to, the rules and regulations set forth at 18 C.F.R. Part 284, Sub-Part C. Terms capitalized herein and not defined shall have the meaning as set forth in the applicable SOC.

The Services provided under this Service Agreement are subject to Section 311(a)(2) of the Natural Gas Policy Act of 1978 (the “NGPA”), subpart C of Part 284 of the FERC regulations, and the provisions of Worsham-Steed’s Statement of Operating Conditions, which are incorporated herein by reference, as if fully set forth herein. Shipper represents and warrants that:

- (i) the storage of Gas hereunder will be on behalf of either: (a) an “interstate pipeline” as defined in Section 2(15) of the NGPA, or a “local distribution company,” as defined in Section 2(17) of the NGPA, served by an interstate pipeline; and
- (ii) said interstate pipeline, or local distribution company, whichever the case may be, will at some point either: (a) have physical custody of and transport the Gas stored by Worsham-Steed hereunder; or (b) hold title to the subject Gas for a purpose related to its status and functions as an interstate pipeline or local distribution company served by an interstate pipeline; and
- (iii) Shipper has arranged for the delivery and/or receipt by any necessary third party transporter(s) of the Gas to be stored hereunder.

Shipper hereby indemnifies and holds harmless Worsham-Steed from all suits, actions, losses, expenses (including attorneys’ fees), and regulatory proceedings arising out of or in connection with a breach of the representations and warranties made by Shipper above.

Section 2. Receipt and Delivery Points. The point(s) at which the Gas is tendered by Shipper to Worsham-Steed under this Service Agreement and the point(s) at which the Gas is tendered by Worsham-Steed to Shipper under this Service Agreement shall be at the point(s) located on Worsham-Steed’s system designated on Exhibit “A” hereto.

Section 3. Rates. Shipper shall pay Worsham-Steed the charges calculated in accordance with the ISS Rate Schedule and as specified in Exhibit “A” of this Service Agreement.

Section 4. Term. Service under this Agreement shall commence as of the first Day of the first Month specified in Exhibit "A" and shall continue in full force and effect until the date specified in Exhibit "A."

Section 5. Notices. Notices shall be provided pursuant to Section 18 of the SOC. Notices to Worsham-Steed under this Agreement shall be addressed to 1201 Louisiana, Ste. 700, Houston, Texas 77002, [@nortexasgasstorage.com](mailto:info@nortexasgasstorage.com), Attention: Vice President of Marketing, and notices to Shipper shall be addressed to _____, Attention: _____, until changed by either Party by written notice.

Section 6. Prior Agreements Cancelled. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements:

Section 7. Law of Agreement. THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.

Section 8. Warehousemen's Lien.

(a) SHIPPER HEREBY ACKNOWLEDGES THAT WORSHAM-STEED SHALL BE ENTITLED TO, AND WORSHAM-STEED HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY WORSHAM-STEED FROM SHIPPER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY WORSHAM-STEED, AS PROVIDED IN SECTION 7-209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, SHIPPER HEREBY ACKNOWLEDGES THAT WORSHAM-STEED SHALL BE ENTITLED TO, AND WORSHAM-STEED HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

(b) IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202(2) OF THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

(i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY WORSHAM-STEED TO SHIPPER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN WORSHAM-STEED'S SOC, SHALL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO ARTICLE 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THIS SERVICE AGREEMENT IS RECEIVED,

(ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN SECTION 1.10 OF THE GENERAL TERMS AND CONDITIONS, EXHIBIT "A" OF THIS AGREEMENT, THE MONTHLY STATEMENT (AS DESCRIBED IN SECTION 12.1 OF THE GENERAL TERMS AND CONDITIONS) AND SECTION 1.18 OF THE GENERAL TERMS AND CONDITIONS,

(iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED,

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THIS SERVICE AGREEMENT, AND

(v) THE SIGNATURE OF WORSHAM-STEED ON THIS SERVICE AGREEMENT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their proper officers thereunto duly authorized as of the date first hereinabove written.

SHIPPER

WORSHAM-STEED GAS STORAGE, LLC

By _____

By _____

Title _____

Title _____

Date _____

Date _____

EXHIBIT "A"

**DEAL
CONFIRMATION**

Date:

Agreement ID:	Deal ID:
Firm Injection Period:	Firm Withdrawal Period:
Firm Max. Daily Injection Qty (MDIQ) (MMBtu/Day):	Firm Max. Daily Withdrawal Qty (MDWQ) (MMBtu/Day):
Firm Max. Hourly Injection Qty (MHIQ) (MMBtu/Hr):	Firm Max. Hourly Withdrawal Qty (MHWQ) (MMBtu/Hr):
Interruptible Injection Period:	Interruptible Withdrawal Period:
Interruptible Daily Injection Qty (MMBtu/Day):	Interruptible Daily Withdrawal Qty (MMBtu/Day):
Interruptible Hourly Injection Qty (MMBtu/Hr):	Interruptible Hourly Withdrawal Qty (MMBtu/Hr):
Injection Fee (\$/MMBtu):	Withdrawal Fee (\$/MMBtu):
Monthly Reservation Charge (\$):	Maximum Storage Qty (MSQ) (MMBtu)
Injection Fuel (%):	Withdrawal Fuel (%):
Title Transfer Fee (\$/MMBtu):	Title Transfer Qty (MMBtu):
Receipt Point(s):	Delivery Point(s):
Special Provisions (if any):	

This confirmation is being provided pursuant to and in accordance with the above referenced gas storage agreement between Shipper and Worsham-Steed Gas Storage, LLC (the "Agreement") and constitutes part of and is subject to all of the provisions of the agreement.

If no email objection to this Confirmation is received by Worsham-Steed Gas Storage, LLC as provided in Section 5 herein, from Shipper by 5:00 p.m., Houston, Texas, time, within two Business Days after delivery of this Deal Confirmation to Shipper (unless otherwise specified in the ISS Agreement), then this Deal Confirmation shall be the final expression of all the terms hereof and shall be binding and enforceable against Worsham-Steed and Shipper regardless of whether executed by Shipper.

Shipper

By:

Name:

Title:

Date:

Worsham-Steed Gas Storage, LLC

By:

Name:

Title:

Date: