

DEFINITIONS

EXHIBIT

to the

GAS GATHERING AGREEMENT

(Note – Not all definitions are used in each Agreement.)

“**Affiliate or Affiliated**” means, with respect to any specified Person, any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

“**Blending Fee**” shall have the meaning set forth in an Exhibit to the Gathering Agreement.

“**Blending Services**” shall have the meaning set forth in an Exhibit to the Gathering Agreement.

“**Btu**” shall mean one British thermal unit, which is the quantity of heat required to raise one pound avoirdupois of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute.

“**Business Day**” shall mean a day other than Saturday or Sunday, on which the commercial banks are open for business in Houston, Texas.

“**Central Clock Time and CCT**” shall mean central daylight time when daylight savings is in effect and central standard time when daylight savings time is not in effect.

“**Component**” shall mean those hydrocarbon and non-hydrocarbon molecular constituents which are definable in mole percent as set forth in the GPA Hydrocarbon Standards 2145-3 by industry standards and procedures. Such Components as used in this Agreement shall be:

N2 - Nitrogen
CO2 - Carbon Dioxide
H2S - Hydrogen Sulfide
C1 - Methane
C2 - Ethane
C3 - Propane
iC4 - Iso-butane
nC4 - Normal Butane
iC5 - Iso-pentane
nC5 - Normal Pentane
C6+ - Hexanes and Heavier Compounds

“**Condensate**” shall mean the liquid hydrocarbon that is separated from a gas stream as part of the separation process at S&D Plants located on or downstream of the Gathering System and shall include Production Condensate and Pipeline Condensate. Notwithstanding the foregoing, for the purposes of this Agreement, all hydrocarbon liquids measured at an injection point shall be considered and treated as Production Condensate.

“**Condensate Delivery Points**” shall mean the outlet flange of the barge loading facilities, liquids pipelines, or truck loading facilities at the S&D Plant(s) or into the Transporter’s system if the Condensate is not recovered at a S&D Plant(s) located on the Gathering System.

“**Condensate Fees**” shall have the meaning set forth on an Exhibit to the Gathering Agreement.

“**COPAS Index**” shall mean the Wage Index Adjustment as published by the United States Department of Labor, Bureaus of Labor Statistics and further published by the Council of Petroleum Accountants Society.

“**Current Nomination**” shall mean change(s) to nominations which occur subsequent to the Initial Nomination submitted prior to the first Gas Day of a Month.

“**Daily Volume**” shall mean the Gas volumes nominated, scheduled, and confirmed daily resulting in an equal balance between receipts and deliveries of Producer’s Gas or Producer’s Aggregator’s [G]as on a daily basis.

“**Decatherm**” or “**Dth**” shall mean one million (1,000,000) Btus.

“**Dehydrating**” or “**Dehydration**” shall mean the removal of entrained water from the Gas such that the Gas contains no more than seven (7) pounds of water per million cubic feet, at a pressure base of 14.73 pounds per square inch and a temperature of sixty (60) degrees Fahrenheit.

“**Dehydration Fee**” shall have the meaning set forth in the Fees section of the Agreement or Exhibit F.

“**Delivery Point(s)**” shall mean the Gas Delivery Point or the Condensate Delivery Point as applicable.

“**Electronic Gas Scheduling System**” or “**EGS**” shall mean Gatherer’s electronic gas scheduling system used by Producer or Producer’s Aggregator to nominate Gas, make Gas processing elections, and balance Producer’s or Producer’s Aggregator’s account.

“**EGM**” shall mean the electronic gas measurement equipment, including pressure and temperature transmitters, gas flow computers and communication equipment.

“**Effective Date**” shall mean the later to occur of: a) 9:00 a.m. CCT on the day that Gatherer acquires ownership of the Gathering System; and, b) the date the authorized representatives of both Parties have executed the Agreement.

“**Escalation Date**” shall mean January 1, 2016 and each January 1st thereafter during the Term.

“**Force Majeure**” shall have the meaning set forth in that section of the Agreement.

“**Fuel and Loss**” shall mean the actual gas volumes used or consumed in the operation of the Individual Pipeline System, which shall include, but shall in no way be limited to, (i) gas used as fuel for dehydration, compression, conditioning, blending, treating, or recompression, (ii) gas vented during operations, (iii) lost and unaccounted for gas, and (iv) any Liquefiable Hydrocarbons that become separated from the gas while the gas is in the Individual Pipeline System unless otherwise allocated to the Producer pursuant to a measurement, allocation or other similar agreement.

“**Gas**” shall mean natural gas which is owned or controlled by Producer or Producer’s Aggregator and produced from lands within the Gathering Area, including casinghead gas produced with crude oil, gas from gas wells produced in association with crude oil (associated gas), and gas from condensate wells (non-associated gas), and shall include any other gaseous hydrocarbons contained therein.

“**Gas Day**” shall mean a period of twenty-four (24) consecutive hours beginning and ending at nine o’clock a.m. Central Clock Time.

“**Gas Delivery Points**” shall mean the point(s) of interconnect between the Individual Pipeline System on which the Gas first flows and the Transporter receiving Producer’s Gas, which existing Gas Delivery Point(s) are

listed on Exhibit B which is attached hereto and made a part hereof for all purposes and which will be modified by Gatherer from time to time as additional downstream Transporters are connected to the Individual Pipeline System.

“**Gas Processing Plant**” shall mean any plant located on or downstream of the Gathering System for the purpose of extracting Liquefiable Hydrocarbons from the Gas received by the Gathering System.

“**Gathering Area**” shall mean the blocks and/or meters listed on Exhibit A, including the lands or leases pooled or unitized therewith, connected to the Gathering System, which may be amended from time to time by mutual written agreement of the Parties.

“**Gathering Fee**” shall have the meaning set forth in the Fees section of the Agreement and Exhibit H.

“**Gatherer Group**” shall have the meaning set forth in in the indemnity section of the Agreement.

“**Gathering Service**” shall mean the service provided by Gatherer to Producer (or Producer’s Aggregator) for the gathering of Producer’s Gas and Condensate on a not unduly discriminatory basis and subject to the terms and conditions of this Agreement and applicable Law.

“**Gathering System**” shall have the meaning set forth in Exhibit E.

“**GPM**” shall mean gallons per thousand cubic feet.

“**Governmental Authority**” shall mean the United States and any state, county, parish, city or other political subdivision, agency, court or instrumentality having jurisdiction.

“**Individual Pipeline System**” shall mean those individual groups of pipelines as described and listed on Exhibit E.

“**Law**” means any law, statute, code, ordinance, order, determination, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization or other directive or requirement of (i) the United States of America including the United States Department of Interior and United States Department of Transportation, (ii) any state, county, parish, municipality, or other governmental subdivision within the United States of America, and (iii) any court or any governmental department, commission, board, bureau, agency, or other instrumentality of the United States of America or of any state, county, parish, municipality, or other governmental subdivision within the United States of America.

“**Liquefiable Hydrocarbons**” shall mean ethane, propane, iso-butanes, normal butanes, iso-pentanes, normal pentanes, hexanes and heavier hydrocarbons, and incidental methane, or any mixtures thereof, which may be recovered or extracted from the Gas.

“**MOP**” shall mean the maximum operating pressure of an Individual Pipeline System.

“**MCF**” shall mean 1,000 standard cubic feet of gas.

“**MMBtu**” shall mean 1,000,000 Btus.

“**MMCF**” shall mean 1,000,000 standard cubic feet of gas.

“**MMCFD**” shall mean 1,000,000 standard cubic feet of gas per Gas Day.

“**Month**” shall mean the period beginning at nine o’clock a.m. on the first Gas Day of a calendar month and ending at nine o’clock a.m. on the first Gas Day of the next succeeding calendar month.

“**Nomination**” shall mean Producer’s notification to Gatherer to set out the quantity of Gas (in MMBtus) to be delivered to Gatherer at the Receipt Point(s), that Producer, Producer’s Aggregator, or Producer’s Transporter or nominee are to accept at the Gas Delivery Point(s), report Gas processing elections, and deliver any Gas necessary to balance Producer’s or Producer’s Aggregator’s account.

“**OBA**” shall mean any operational balancing agreement or similar agreement executed between Gatherer and a Transporter as may be amended from time to time.

“**OPP**” shall mean the overpressure protection equipment installed to protect Gatherer’s pipeline system from exceeding the MOP.

“**Person**” means any natural person, corporation, limited liability company, partnership, joint venture, association, cooperative, Governmental Authority, or other entity.

“**Pipeline Condensate**” shall mean that hydrocarbon liquid which condenses from the gas in a pipeline as pipeline conditions change from the gas injection point(s) to facilities at the S&D Plant(s), and is recovered as a liquid at the S&D Plant(s).

“**Producer’s Aggregator**” shall mean a Person which purchases Gas and Liquefiable Hydrocarbons at the wellhead from the Producer and moves such Gas and Liquefiable Hydrocarbons on the Gathering System to a Gas Processing Plant or to a Transporter.

“**Production Condensate**” shall mean the liquid hydrocarbon that is separated from a gas stream as part of the separation process and injected as a liquid into the Gathering System.

“**Producer’s Gas**” means Gas owned or controlled by Producer (including lift gas attributable to Gas owned or controlled by Producer) lawfully produced from wells now or hereafter drilled on the lands within the Gathering Area or lands, areas, or leases pooled or unitized therewith).

“**Producer Group**” shall have the meaning set forth in the Indemnity section of the Agreement.

“**psia**” shall mean pounds per square inch absolute.

“**psig**” shall mean pounds per square inch gauge.

“**Plant Thermal Reduction**” or “**PTR**” shall mean the reduction in the thermal content of the Gas (Btu) resulting from the recovery of Liquefiable Hydrocarbons at a Gas Processing Plant.

“**Receipt Point(s)**” shall mean the inlet flange of the first point of connection to Gatherer’s Individual Pipeline System on which the Gas is nominated to flow located near or downstream of each of Producer’s wells, or at meters owned by Gatherer, and located within the Gathering Area or such other point as may be mutually agreed upon by the Parties. The existing Receipt Point(s) are identified by the designated Gas meter number listed on Exhibit A to this Agreement which is attached hereto and made a part hereof for all purposes and which may be amended from time to time to reflect the addition or deletion of a Receipt Point.

“**Redeliver**” Gas or Condensate shall be deemed to have been Redelivered to Producer, Producer’s Aggregator or representative, or to the nominated Transporter on Producer’s behalf at the Gas Delivery Point(s) or Condensate Delivery Point(s), and deemed to have passed through Delivery Point(s), when it passes through the upstream flange of the metering facility at the Delivery Point(s) or such other point designated by Gatherer as the custody transfer point.

“REGARDLESS OF FAULT” SHALL MEAN HOWSOEVER CAUSED, INCLUDING THE UNSEAWORTHINESS OR UNAIRWORTHINESS OF ANY CRAFT, OR THE NEGLIGENCE (WHETHER SOLE OR CONCURRENT, GROSS, ACTIVE OR PASSIVE) OR OTHER LEGAL FAULT (INCLUDING STRICT LIABILITY AND ANY PRE-EXISTING DEFECT).

“**Scheduler**” shall mean the Person identified by each Party to provide electronic or verbal Gas flow information to the other Party in accordance with Gatherer’s policy and procedures and the terms and conditions of this Agreement.

“**SCF**” or “standard cubic foot of gas” shall mean the amount of gas necessary to fill a cubic foot of space when the gas is at a pressure of 14.65 pounds per square inch absolute and a temperature of 60 degrees Fahrenheit.

“**S&D Plant(s)**” shall mean the separation and dehydration plants located in Cameron, Vermilion, Lafourche, and Plaquemines Parishes, Louisiana, which may include, but are not limited to separators, dehydrators, meters, surge tank, storage tanks, safety controls, valve regulators, flare lines, drain lines, skimmer tank, slug catcher, pumps, flash gas recovery and compression, LACT meters, piping, valves, and fittings installed on the surface lease, including all auxiliary or incidental equipment used in connection therewith, and all additional equipment that may be installed and which is required for the sole purpose of separating, stabilizing, storing, and Redelivering the Condensate and dehydrating the Gas.

“**Senior Officers**” shall have the meaning set forth in the Dispute Resolution section of the Agreement.

“**Separation**” shall mean the removal and handling of Condensate from the Gas stream, in accordance with applicable Law, such that the Gas stream is free from liquid hydrocarbons and, where Gatherer allows the injection of Condensate into the Gathering System, the Condensate complies with liquid quality specifications applicable to the S&D Plant(s) where such Condensate is removed from the Gas.

“**Term**” shall have the meaning set forth in the Preamble to the Agreement or the Term Section of the Agreement as the case may be.

“**Third Party**” shall mean any Person not a member of Gatherer’s Group or Producer’s Group.

“**Transporter**” shall mean the receiving pipeline(s) downstream of the Gathering System into which the Gas and Condensate gathered hereunder is to be delivered at the Delivery Point(s).

