



C03006

REQUEST FOR CLARIFICATION OR INTERPRETATION

Date: September 5, 2003

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NAESB Standard Number: 6.3.1

Clarification or interpretation request:

Section 14.10 of Base Contract for Sale and Purchase of Natural Gas states permits disclosure of information related to calculation of a published gas price index. Does this information include the identity of the counterparty?

Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, or **(iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index.** Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

This form is to be submitted to the NAESB office, both in electronic and written form.

9/5/03 DRAFT



Possible interpretations or clarifications, if known:

Generally, I have no preference other than that this becomes known. The notion of providing counterparty information is not widely accepted and at this date, is voluntary. My suggestion is that the language of the Contract remain unchanged but that the FAQ's document provide a default answer with an explanation that a special term and condition providing language counter to the default may provided.