

**AMENDMENT TO
PRODUCTION ENHANCEMENT AGREEMENT**

THIS AGREEMENT made this _____ day of _____, 2010 by and between PEOPLES NATURAL GAS COMPANY, LLC, a Pennsylvania limited liability company, with its main office at 1201 Pitt Street, Pittsburgh, PA 15221 (“PEOPLES”) and ***** with a business address of ***** (“PRODUCER”).

WHEREAS, PEOPLES and PRODUCER entered into a Production Enhancement Agreement effective with the production period of April 2005; and

WHEREAS, PEOPLES and PRODUCER wish to modify the terms of said Agreement,

NOW, THEREFORE, for and in consideration of mutual covenants, the parties hereto agree to the following:

1. The following sentence shall be added at the end of paragraph 2:
“Beginning with April 2011 production period, PRODUCER shall pay PEOPLES, or its agent, the appropriate production enhancement program fee identified in the attached **Fee Schedule** (Appendix “B-1”) for each Mcf of PRODUCER’S gas that passes through PRODUCER’S measurement points and/or metering equipment identified on **Appendix “A”** to this Agreement.

2. **Fee Schedule** (Appendix “B-1”), which is attached hereto, shall be attached to the original Production Enhancement Agreement being modified hereby.

3. The following language shall replace paragraph 7:

“This Agreement shall take effect as of the production month of April 2005 (the “Effective Date”) and shall continue in effect until March 31, 2015. This Agreement shall renew automatically for successive additional twelve-month terms, upon the same terms and conditions, unless either party shall have cancelled the Agreement by giving to the other ninety (90) days’ written notice prior to the end of the initial term or ninety (90) days’ written notice prior to the expiration of any subsequent twelve-month term.”

4. Paragraph 21 shall be modified to replace the name, address and telephone number set forth therein with the following:

Frank Milfeit, Director, Operations-Engineering
PEOPLES NATURAL GAS COMPANY, LLC
1201 Pitt Street
Pittsburgh, PA 15221
Phone: 412-244-7164
Fax: 412-244-2546

5. The following language shall be added as new paragraph 27:

“27. Beginning with August 2008 production period, PEOPLES shall retain 0.25% for each Mcf of PRODUCER’S gas that passes through PRODUCER’S measurement points and/or metering equipment identified on **Appendix “A”** to this Agreement, which retainage percentage shall be reviewed periodically and, if appropriate, modified to reflect updated data. If PEOPLES enters into a contract with DTI for firm transportation service at Truittsburg, PRODUCER shall pay PEOPLES, or its agent, the sum of \$0.014 per Mcf. This rate will be reviewed periodically and, if appropriate, modified to reflect updated costs.

Additionally, beginning with the production period during which PEOPLES shall be first able to deliver locally produced natural gas into DTI’s new interconnection at Rural Valley, Pennsylvania, PRODUCER shall pay PEOPLES, or its agent, the sum, to be determined by PEOPLES based on the actual construction cost of DTI’s new interconnection at Rural Valley (currently estimated to be \$0.12 per Mcf), per Mcf and PEOPLES shall retain 0.8% for each Mcf of PRODUCER’S gas that passes through PRODUCER’S measurement points and/or metering equipment identified on **Appendix “A”** to this Agreement, which dollar amount and retainage percentage shall be reviewed periodically and, if appropriate, modified to reflect updated costs. The fee shall remain in effect for a period equal to the initial term of the agreement between PEOPLES and DTI for firm transportation service at the Rural Valley interconnection. Producer’s obligation to pay this fee shall survive this Agreement.”

6. In all other respects, the Agreement shall remain the same.

IN WITNESS WHEREOF, the parties have duly executed this Amendment to Production Enhancement Agreement to be effective as of the day and year first written above.

PEOPLES NATURAL GAS
COMPANY, LLC

ATTEST:

By _____

By _____

Its _____

Its _____

ATTEST:

By _____

By _____

Its _____

Its _____

Appendix B-1

Fee Schedule

Gas entering Peoples' Gathering and Distribution systems

Production Enhancement Fee: \$0.32 per mcf¹

Gas entering Peoples' Transmission systems (above 200 psi operating pressure)

Production Enhancement Fee: \$0.17 per mcf¹

¹ Production Enhancement Fee includes an Administrative Fee of \$0.01 per Mcf of PRODUCER'S gas that passes through PRODUCER'S measurement points and/or metering equipment identified on **Appendix "A"** to this Agreement, which shall be retained by the Association for arranging and administering the production enhancement program.