

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4213
Danny D. Echols
Vice President
Natural Gas Department



September 10, 1979

Mr. J. H. Welsh, Jr.
Texas Gas Transmission Corporation
1100 Milam Bldg., Suite 1533
Houston, Texas 77002

Gentlemen:

ARCO Oil and Gas Company, a Division of Atlantic Richfield Company, and Texas Gas agree that they will enter into negotiations towards execution of a Gas Purchase Contract providing for the sale by ARCO Oil and Gas Company and purchase by Texas Gas for a primary term of twenty years of a daily volume of gas production attributable to an undivided twelve percent (12%) of ARCO's working interest in the Prudhoe Bay (Permo-Triassic) Reservoir. Title shall pass at a mutually agreeable delivery point in the field at or near the inlet of any required gas conditioning facility. The contract price shall be negotiated but shall not be less than the price set forth in Section 109 of the NGPA of 1978 plus severance taxes and reimbursement of any other costs incurred by Seller and allowed under Sections 110 and 502 (c) of the NGPA. Customary deregulation and price escalation provisions permitted by any future statute or regulation will be included.

The parties hereto agree to begin as soon as mutually convenient, but in any event within 90 days after the date of this letter, negotiations to conclude a definitive Gas Purchase Contract. If the parties, after good faith negotiations, fail to finalize the Gas Purchase Contract by May 1, 1980, either party may terminate this agreement by giving written notice thereof to the other party.

This agreement shall be of no force and effect unless executed by both parties within 15 days of the date first above written.

Very truly yours,

Danny D. Echols
Vice President

DDE:nm

ACCEPTED AND AGREED this _____
day of September, 1979

TEXAS GAS TRANSMISSION CORPORATION

By _____

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4213

Danny D. Echols
Vice President
Natural Gas Department



September 10, 1979

Mr. D. L. Smith
United Gas Pipe Line Company
Post Office Box 1478
Houston, Texas 77001

Gentlemen:

ARCO Oil and Gas Company, a Division of Atlantic Richfield Company, and United Gas agree that they will enter into negotiations towards execution of a Gas Purchase Contract providing for the sale by ARCO Oil and Gas Company and purchase by United Gas for a primary term of twenty years of a daily volume of gas production attributable to an undivided fifteen percent (15%) of ARCO's working interest in the Prudhoe Bay (Permo-Triassic) Reservoir. Title shall pass at a mutually agreeable delivery point in the field at or near the inlet of any required gas conditioning facility. The contract price shall be negotiated but shall not be less than the price set forth in Section 109 of the NGPA of 1978 plus severance taxes and reimbursement of any other costs incurred by Seller and allowed under Sections 110 and 502 (c) of the NGPA. Customary deregulation and price escalation provisions permitted by any future statute or regulation will be included.

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This agreement shall be of no force and effect unless executed by both parties within 15 days of the date first above written.

Very truly yours,

Danny D. Echols
Vice President

DDE
EJK

DDE:nm

ACCEPTED AND AGREED this _____
day of September, 1979

UNITED GAS PIPE LINE COMPANY

By _____

ARCO Oil and Gas Company

Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4213

Danny D. Echols
Vice President
Natural Gas Department



September 10, 1979

Mr. G. H. Ewing
Texas Eastern Transmission Corporation
Post Office Box 2521
Houston, Texas 77001

Gentlemen:

ARCO Oil and Gas Company, a Division of Atlantic Richfield Company, and Texas Eastern agree that they will enter into negotiations towards execution of a Gas Purchase Contract providing for the sale by ARCO Oil and Gas Company and purchase by Texas Eastern for a primary term of twenty years of a daily volume of gas production attributable to an undivided ten percent (10%) of ARCO's working interest in the Prudhoe Bay (Permo-Triassic) Reservoir. Title shall pass at a mutually agreeable delivery point in the field at or near the inlet of any required gas conditioning facility. The contract price shall be negotiated but shall not be less than the price set forth in Section 109 of the NGPA of 1978 plus severance taxes and reimbursement of any other costs incurred by Seller and allowed under Sections 110 and 502 (c) of the NGPA. Customary deregulation and price escalation provisions permitted by any future statute or regulation will be included.

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This agreement shall be of no force and effect unless executed by both parties within 15 days of the date first above written.

Very truly yours,

Danny D. Echols
Vice President

REK
EPC

DDE:nm

ACCEPTED AND AGREED this _____
day of September, 1979

TEXAS EASTERN TRANSMISSION CORPORATION

By _____

ARCO Oil and Gas Company

Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4213

Danny D. Echols
Vice President
Natural Gas Department



September 10, 1979

Mr. G. H. Ewing
Transwestern Pipeline Company
Post Office Box 2521
Houston, Texas 77001

Gentlemen:

ARCO Oil and Gas Company, a Division of Atlantic Richfield Company, and Transwestern agree that they will enter into negotiations towards execution of a Gas Purchase Contract providing for the sale by ARCO Oil and Gas Company and purchase by Transwestern for a primary term of twenty years of a daily volume of gas production attributable to an undivided ten percent (10%) of ARCO's working interest in the Prudhoe Bay (Permo-Triassic) Reservoir. Title shall pass at a mutually agreeable delivery point in the field at or near the inlet of any required gas conditioning facility. The contract price shall be negotiated but shall not be less than the price set forth in Section 109 of the NGPA of 1978 plus severance taxes and reimbursement of any other costs incurred by Seller and allowed under Sections 110 and 502 (c) of the NGPA. Customary deregulation and price escalation provisions permitted by any future statute or regulation will be included.

The parties hereto agree to begin as soon as mutually convenient, but in any event within 90 days after the date of this letter, negotiations to conclude a definitive Gas Purchase Contract. If the parties, after good faith negotiations, fail to finalize the Gas Purchase Contract by May 1, 1980, either party may terminate this agreement by giving written notice thereof to the other party.

This agreement shall be of no force and effect unless executed by both parties within 15 days of the date first above written.

Very truly yours,

Danny D. Echols

Danny D. Echols
Vice President *add
c9K*

DDE:nm

ACCEPTED AND AGREED this _____
day of September, 1979

TRANSWESTERN PIPELINE COMPANY

By _____

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4213

Danny D. Echols
Vice President
Natural Gas Department



September 10, 1979

Mr. R. C. Dixon
Panhandle Eastern Pipe Line Company
Post Office Bx 1642
Houston, Texas 77005

Gentlemen:

ARCO Oil and Gas Company, a Division of Atlantic Richfield Company, and Panhandle Eastern agree that they will enter into negotiations towards execution of a Gas Purchase Contract providing for the sale by ARCO Oil and Gas Company and purchase by Panhandle Eastern for a primary term of twenty years of a daily volume of gas production attributable to an undivided twenty percent (20%) of ARCO's working interest in the Prudhoe Bay (Permo-Triassic) Reservoir. Title shall pass at a mutually agreeable delivery point in the field at or near the inlet of any required gas conditioning facility. The contract price shall be negotiated but shall not be less than the price set forth in Section 109 of the NGPA of 1978 plus severance taxes and reimbursement of any other costs incurred by Seller and allowed under Sections 110 and 502 (c) of the NGPA. Customary de-regulation and price escalation provisions permitted by any future statute or regulation will be included.

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This agreement shall be of no force and effect unless executed by both parties within 15 days of the date first above written.

Very truly yours,

Danny D. Echols

Danny D. Echols
Vice President *RDM*
e JK

DDE:nm

ACCEPTED AND AGREED this _____
day of September, 1979

PANHANDLE EASTERN PIPE LINE COMPANY

By _____

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4213

Danny D. Echols
Vice President
Natural Gas Department



September 12, 1979

Pacific Interstate Transmission Co.
Harry L. Lepape, President
720 West Eighth Street
Los Angeles, California 90017

Gentlemen:

ARCO Oil and Gas Company, a division of Atlantic Richfield Company, and Pacific Interstate agree that they will enter into negotiations towards execution of a Gas Purchase Contract providing for the sale by ARCO Oil and Gas Company and purchase by Pacific Interstate for a primary term of twenty years of a daily volume of gas production attributable to an undivided thirty-three percent (33%) of ARCO's working interest in the Prudhoe Bay (Permo-Triassic) Reservoir. Title shall pass at a mutually agreeable delivery point in the field at or near the inlet of any required gas conditioning facility. The contract price shall be negotiated but shall not be less than the price set forth in Section 109 of the NGPA of 1978 plus severance taxes and reimbursement of any other costs incurred by Seller and allowed under Sections 110 and 502 (c) of the NGPA. Customary deregulation and price escalation provisions permitted by any future statute or regulation will be included.

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This agreement shall be of no force and effect unless executed by both parties within 15 days of the date first above written.

Very truly yours,

Danny D. Echols

Danny D. Echols
Vice President *EJK*

DDE:bb

ACCEPTED AND AGREED this _____
day of September, 1979

PACIFIC INTERSTATE TRANSMISSION CO.

By _____
Harry L. Lepape, President