Ruby Pipeline
Transportation Precedent Agreement

This Transportation Precedent Agreement (TPA) dated June 20, 2008, is between Ruby Pipeline, LLC, a Delaware limited liability company (Transporter), and BP Energy Company, a Delaware corporation (Shipper). In consideration of the mutual promises of the parties, Transporter and Shipper agree as follows:

WHEREAS, Transporter proposes to construct, own, and operate a new interstate natural gas transmission pipeline commencing at the Opal Hub in southwest Wyoming and terminating at the Malin Hub at the California-Oregon border which will connect additional gas supplies from the Rocky Mountain supply basins to western U.S. markets (hereinafter referred to as the "Ruby Pipeline"); and

WHEREAS, Shipper desires to obtain firm transportation capacity on the Ruby Pipeline contingent on its ability to secure acceptable capacity upstream of Opal to move its gas to Ruby; and

WHEREAS, subject to the execution of sufficient binding precedent agreements with other prospective shippers and the satisfaction of the other conditions contained herein, Transporter is willing to commit to the construction and operation of the Ruby Pipeline and to providing firm transportation service to Shipper on the Ruby Pipeline; and

WHEREAS, Transporter and Shipper wish to agree that, upon satisfaction of certain conditions precedent set forth below, the parties will enter into a Firm Transportation Service Agreement providing for firm interstate natural gas transportation service to be provided by Transporter for Shippers on the Ruby Pipeline;

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and intending to be legally bound, Transporter and Shipper agree as follows:

1. **Definitions**. The capitalized terms used in this TPA have the meaning set forth in the attached Exhibit A or as defined within this TPA.

2. **Ruby Pipeline Scope.**

(a) Pipeline Route and Points of Receipt and Delivery. It is anticipated that the Ruby Pipeline will commence at the Opal Hub in Wyoming (with Points of Receipt at that location with the Colorado Interstate Gas Company system, the Rendezvous Pipeline, the facilities of Questar Overthrust Pipeline Company, the Williams Opal Plant, and the Enterprise Pioneer Plant) and will extend westward from that point to a western terminus at the Malin Hub in Section 2, Township 41 South, Range 12 East, Lake County, Oregon (with Points of Delivery at that location or along the route with the facilities of Pacific Gas and Electric Company, Gas Transmission Northwest Corporation, Paiute Pipeline Company and Tuscarora Gas Transmission Company). Additional interconnects will be pursued if such interconnects are requested by shippers as Primary Points of Receipt or Delivery, provided that: (i) the cost of such interconnects are acceptable to Transporter in its sole discretion; and (ii) Transporter is able to negotiate and execute mutually agreeable interconnection agreements with the interconnecting parties.

(b) Pipe Size. The pipeline diameter shall be either 36" or 42". The final pipeline diameter and throughput capacity will be determined based upon the level of acceptable shipper capacity commitments. All interconnects will be sized at least as large as the lesser of the capacity of the Ruby Pipeline or the interconnecting pipeline at the point of interconnection.

3. **Certain Transporter and Shipper Obligations.**

(a) Efforts Regarding Approvals. Transporter agrees to work in good faith and exercise reasonably diligent efforts to: (i) obtain from all governmental and regulatory authorities having jurisdiction over the Ruby Pipeline (including but not limited to the FERC), the authorizations and/or exemptions Transporter determines are necessary for the construction and operation of the Ruby Pipeline and approval of the Negotiated Rate and the FTSA described in this TPA; (ii) complete the construction of and have the Ruby Pipeline ready for service by no later than March 31, 2011 (the "In-Service Target Date"); and (iii) provide Shipper, as conditioned herein, with firm transportation as set forth herein and in the FTSA. Transporter shall use commercially reasonable efforts to keep Shipper informed regarding regulatory matters and other permitting/approval matters that are determined to materially affect Transporter's ability to achieve the In-Service Target Date.

(b) Shipper's Rights to Contest Filings. Upon request by Transporter, and subject to this Section 3(b), Shipper agrees to support any initial notification, application or certificate filing made to the FERC or any other governmental body to obtain any necessary authorizations to construct or operate the Ruby Pipeline or to provide services as set out herein and the FTSA. At least 60 days prior to the filing of the Certificate Application for the Ruby Pipeline, Shipper will be provided a *pro forma* Tariff and afforded the opportunity to provide comments to Transporter on the development of the Tariff. Transporter will work with the Shipper in good faith to resolve any concerns prior to the filing of such Tariff. In the event Shipper and Transporter are unable to resolve all of the Shipper's concerns prior to the filing of such Tariff, Shipper will, within ten (10) business days of a written request by Transporter, provide Transporter a written summary of Shipper's unresolved concerns regarding the pro forma Tariff. Shipper agrees to limit any protests of the initial Tariff filing to: (i) matters which were not specifically addressed in this TPA; (ii) those unresolved items addressed in Shipper's written summary to Transporter; and (iii) any items related to deviations between the pro forma Tariff provided by Transporter to Shipper and the as filed version of the Tariff, which in each case are inconsistent or otherwise conflict with the terms of this TPA or the FTSA. Nothing herein shall be construed to limit or waive Shipper's rights to intervene or protest any filing by Transporter subsequent to FERC's approval of the initial Tariff and issuance of an initial Certificate for the Ruby Pipeline

4. **Gas Tariff and Quality.**

(a) Form of Tariff and Treatment of Revenues from Short Term Firm and Interruptible Transportation Services. Transporter shall provide service pursuant to a Tariff consistent with the terms and conditions of service described in this TPA and, except as specified below, otherwise modeled after the existing FERC Gas Tariff of Cheyenne Plains Gas Pipeline Company, LLC ("CP"), including, but not limited to the provisions of that tariff relating to or incorporating: "postage stamp" rate design; the use of secondary points of receipt and delivery; segmentation of capacity; release of capacity; and the use of off-system capacity. The gas quality specifications of the CP tariff will not be adopted and those gas quality standards described in subpart (b) of this Section will be proposed in their place. In addition, the provisions of the CP Tariff relating to the sharing of IT and short term firm revenues with recourse rate shippers may not be adopted, and Transporter may instead elect to allocate a portion of its cost-of-service to such services, and the provisions of the CP Tariff relating to the sharing of IT and short term firm revenues with the negotiated rate shippers will not be adopted.

(b) Quality. Gas tendered to the Ruby Pipeline for transportation at Points of Receipt and by Transporter at Points of Delivery must satisfy the gas quality specification attached hereto as Exhibit B, subject to any modifications to those gas quality specifications that are approved by the FERC.

5. **Shipper's Rates, MDQ, and Receipt and Delivery Points.**

(a) Term. Transporter's and Shipper's capacity commitments will commence on the first day of the month following the month in which In-Service Date for any portion of the Ruby Pipeline facilities occurs and will continue for a term of 10 years (the "Initial Term"). During any partial month following the In-Service Date, Shipper shall have the rights to use the capacity up to Shipper's MDQ at a commodity-only rate equal on a 100% load factor basis to the Shipper's Rate established herein. Transporter shall use commercially reasonable efforts to keep Shipper informed of the anticipated In-Service Date.

(b) Maximum Daily Quantity ("MDQ"). Shipper's Initial Term MDQ shall be 95,000 Dth/day.

(c) Shipper's Rates and Surcharges.

(i) Rate. Shipper shall pay (select one):

Transporter's Maximum Recourse Reservation and Commodity Rates; or

[x] Ten Year Negotiated Rate for a capacity commitment of less than 200 MDthd - A negotiated monthly reservation rate of $28.8958/Dth ($0.95/Dth when calculated on a 100% load factor basis). This Negotiated Rate will be applicable to all Primary and Secondary Points of Receipt and Delivery.

Ten Year Negotiated Rate for a capacity commitment of 200 MDthd or greater - A negotiated monthly reservation rate of $27.6791/Dth ($0.91/Dth when calculated on a 100% load factor basis). This Negotiated Rate will be applicable to all Primary and Secondary Points of Receipt and Delivery

Fifteen Year Negotiated Rate - A negotiated monthly reservation rate of $26.7666/Dth ($0.88/Dth when calculated on a 100% load factor basis). This Negotiated Rate will be applicable to all Primary and Secondary Points of Receipt and Delivery.

In the event that Ruby enters into binding capacity commitments totaling 1,350 MDth/day or more for terms of at least ten (10) years prior to filing for a FERC certificate, and the total initial construction cost of the Ruby Pipeline (as reported in its Statement of Actual Cost of Facilities Constructed filed pursuant to Section 157.20(c)(3) of the Commission's Regulations Under the Natural Gas Act)) is less than $2,700,000,000, the negotiated rates stated above shall be reduced by $0.05/Dth when calculated on a 100% load factor basis. In the event the total initial construction cost is more than $2,700,000,000 but less than $2,750,000,000 the amount of the rate reduction will be $0.025/Dth. In the event there are any such rate reductions, they will be made retroactive to the In-Service Date of the Ruby Pipeline and negotiated rate shippers shall receive refunds or credits for payments made at the higher rates.

(ii) Fuel and Lost and Unaccounted-For Gas ("L&U") and Other Surcharges; Usage/Reservation Charges. In addition to the negotiated rate, Shipper shall pay those applicable fuel and L&U and other surcharges which are approved by the FERC in the initial Certificate Application proceeding or pursuant to any subsequent fuel/L&U filing. Transporter anticipates use of both electric and gas driven compression facilities and proposes a fuel recovery mechanism whereby natural gas used as fuel and lost and unaccounted for gas will be recovered in-kind from shippers and electric power costs used for compression will be recovered through an electric fuel surcharge. The use of electric compression will reduce the amount of gas used for compression and the electric fuel surcharge will pass through to shippers only the cost of electricity purchased for operation of compression facilities. In the event any portion of the cost of electricity used for compression must be recovered through the recourse rates, all negotiated rates shall be adjusted to permit the recovery of such amount and the amount of the electric fuel surcharge will be reduced by an equivalent amount. When stated as the natural gas equivalent of the combined gas and electric fuel recovery amounts (including any amount recovered in recourse rates or the adjustment to the negotiated rate described above), the initial fuel rates are anticipated to be between 0.9% and 1.26% assuming that the natural gas volumetric equivalent of the combined gas and electric cost recovery amounts is based on: (i) the projected annual energy use for the alternative pipeline designs assuming the pipeline is operated at a 90% load factor and assuming an overall average consumption of 8000BTU/HP hour; and (ii) converting electric power consumption to natural gas volumes at the rate of 1,000,000 BTU/Dth. An initial Lost and Unaccounted For ("L&U) charge of 0.15% is anticipated. Shipper shall also pay ACA, and all other FERC-approved surcharges applicable to transportation on the Ruby Pipeline under the Tariff. Shipper's Negotiated Rate shall not include any commodity or usage charge, unless Transporter is required by FERC to assess such a commodity charge, in which case the commodity charge shall be set at the minimum permissible level and the reservation rate shall be reduced to a level that causes the combined commodity and reservation rates to equal the selected Negotiated Rate, stated on a 100% load factor basis

(iii) Future Carbon Tax or Greenhouse Gas Assessments. In the event any carbon emissions tax or other greenhouse gas assessment is imposed on Transporter with respect to Ruby Pipeline, or if Transporter is required to incur additional expense to comply with any greenhouse gas laws, rules or regulations with respect to Ruby Pipeline, such amount may be recovered through a FERC approved surcharge applicable to all shippers on the Ruby Pipeline. If such amounts are recoverable only through Transporter's FERC approved recourse rates, and provided that the recourse rates do not provide Transporter with full recovery and that all other shippers with negotiated rates are paying their ratable share in the same manner, Shipper shall agree to modify its Negotiated Rate to include Shipper's ratable share of such amount, to the extent necessary to provide full recovery of such amount for Transporter. Notwithstanding anything to the contrary contained in this TPA or the FTSA, Shipper shall have the right to intervene or protest any FERC filing by Transporter with respect to such amounts described in this subsection 5(c)(iii).

(d) Points of Receipt and Delivery; Pressure

(i) Primary Point(s) of Receipt. The Primary Point(s) of Receipt shall be:

Primary Receipt Point	MDQ (Quantity in Dth)
CIG at Opal	20,000
Opal Plant Tailgate	50,000 from in-service date of Ruby through January 31, 2015
Overthrust at Opal	25,000 from in-service date of Ruby through January 31, 2015 and then 75,000 from February 1, 2015 through the end of the initial term of this Agreement
TOTAL	95,000

(ii) Primary Point of Delivery. The Primary Point(s) of Delivery shall be:

Primary Delivery Point	MDQ (Quantity in Dth)
PG&E at Malin	95,000
TOTAL	95,000

(iii) Pressure at Point(s) of Receipt. Gas tendered to the Ruby Pipeline shall be at a pressure sufficient to enter the pipeline, which shall not exceed 700 psig at Opal. In no event shall

Shipper deliver gas at a pressure in excess of the MAOP of the pipeline facilities.

(iv) Pressure at Points of Delivery. Transporter shall deliver the gas to such interconnects at sufficient pressure to enter the interconnecting pipelines, but not in excess of the MAOP of the interconnecting facilities.

(v) Shipper may from time to time request a permanent change from its initial primary receipt and delivery point(s) to any other receipt and delivery points, including but not limited to any new interconnects. Transporter shall evaluate the request as promptly as possible and shall grant such changes if capacity is available and the change can be made without adversely affecting system operations or other firm obligations at the new or existing Primary Point(s). Any changes in receipt and/or delivery point(s) shall result in a corresponding one-for-one reduction in quantities at the original receipt and/or delivery point(s). Shipper retains no rights to the reduced original points. Transporter shall provide Shipper with written notice of any such additional interconnect within 15 days of Transporter's execution of the agreement for such interconnect.

(e) Interim Service. If portions of the Ruby Pipeline including some of the Primary Points of Receipt and Primary Points of Delivery are completed and authorized to be placed into service prior to other Primary Points of Receipt or Delivery under this TPA are placed into service, then Shipper shall be charged a Reservation Charge only for those quantities associated with the Primary Points of Receipt and Delivery that are in service, and Shipper shall be charged the per Dth equivalent of the Reservation Rate for any additional quantities of gas actually transported by Ruby Pipeline for Shipper up to Shipper's MDQ up to the date all of the Primary Points of Receipt and Delivery under this TPA are placed into service.

6. **Shipper Right Of First Refusal (ROFR), Renewal and Most Favored Nation (MFN) Rights.**

(a) ROFR Rights. If Shipper contracts for capacity at the maximum recourse Shipper shall be entitled to a regulatory right of first refusal ("ROFR"), exercisable pursuant to provisions of the Ruby Pipeline tariff in a manner similar to that contained in the tariff for CP. If Shipper contracts for capacity at the Negotiated Rate, Shipper shall have a ROFR at the end of the Initial Term, and any extension thereof pursuant to Section 6(b) below, to be applicable to any portion of Shipper's MDQ in effect at that time and exercisable in accordance with the notice provisions to be included in Transporter's Tariff.

(b) Renewal Provisions. Shipper shall be provided one renewal right to extend the term of its transportation services agreement at the initial rate for any portion of the MDQ for an additional five years, upon at least one year's notice prior to the scheduled termination of the transportation agreement unless such rate was established pursuant to the exercise of the MFN rate protections described below, in which case the rate for the extension period shall be Shipper's initial rate.

(c) MFN Rights. Pursuant to this "Most Favored Nation" provision, if Shipper contracts for capacity at the Negotiated Rates described above, Shipper's rate shall not be greater than the lowest equivalent negotiated or discounted rate to which Transporter contractually commits with any other shipper on the Ruby Pipeline contracting for an MDQ equal to or less than Shipper's service agreement for a term equal to or shorter than the term of Shipper's service agreement, excluding rates applicable to (i) short-term transactions (i.e., fewer than 12 consecutive months); and (ii) seasonal transactions (*i.e.,* transactions involving that firm transportation capacity that is available only during winter season operating conditions). Provided however that, in the event Ruby Pipeline provides a discount of greater than that specified in the attached Exhibit C for the contract terms and volume provided therein, Shipper shall be offered such rate for the remaining term of its contract. For purposes of this provision the term "rates" shall include the Reservation Charge, the Commodity Charge and all reservation and commodity surcharges. Rates for services using capacity release, discounts granted to secondary points or rates resulting from the exercise of a ROFR will not trigger any rights or obligations under this Section 6(c).

In the event the Most Favored Nation Rate adjustment provision is triggered, the Negotiated Rate established in this Agreement shall be reduced to the same level as such other negotiated or discounted rates, for the applicable term of the triggering rate in the service agreement with the other shipper. Shipper's Most Favored Nation rate protections shall continue throughout the Initial Term and for Shipper's initial MDQ, but shall not continue for any extensions thereof through the exercise of a ROFR or renewal right.

In any future expansion of the Ruby Pipeline, if Ruby proposes to roll-in the fuel associated with the expansion capacity into the base fuel rate and the filed post expansion 90% load factor annual average fuel rate, stated as a natural gas equivalent fuel rate and based on conditions at the time of the expansion certificate application (hereinafter the "Filed Expansion Fuel Rate") exceeds the greater of 1.1% or the Filed Initial Fuel Rate (calculated in the same manner) (hereinafter the "Baseline Fuel Rate") (when calculated as a natural gas equivalent using the process described herein), then if Shipper has selected a negotiated rate, the Shipper's Negotiated Rate shall be reduced by the value of any difference between the Filed Expansion Fuel Rate and the Baseline Fuel Rate. This value will be determined using the average of the forecasted monthly price of gas at the Opal Hub for the 60 months following the close of the Open Season for the expansion.

7. **FTSA.**

Shipper agrees to execute one or more interim Firm Transportation Service Agreements ("FTSA") that is/are consistent with the terms of this TPA within thirty (30) days of tender by Transporter. The interim FTSA tendered by Transporter shall conform to the *pro forma* FTSA contained in the proposed tariff submitted by Transporter for FERC's approval as part of the Certificate Application and shall be modeled after the form of service agreement contained in the tariff of CP. All unexpired provisions from this TPA shall be included in the interim FTSA. Once Ruby Pipeline is placed in service, the Parties will execute a final replacement FTSA which shall remove any remaining conditions precedent that no longer apply.

8. **Conditions Precedent to Transporter's Obligations.**

Transporter's obligations under this TPA and the FTSA(s) are expressly made subject to the following conditions precedent, which are solely for the benefit of Transporter and only Transporter shall have the right to waive such conditions precedent:

(a) The receipt by Transporter of evidence of Shipper creditworthiness as set forth in Section 10.

(b) The compliance by Shipper with the terms of this TPA and the FTSA;

(c) The receipt by Transporter of the Certificate as well as all other authorizations and permits required for the construction and operation of the Ruby Pipeline, all on terms satisfactory to Transporter in its sole discretion;

(d) The approval of the terms of this TPA by Transporter's or Transporter's parent corporation's (or successor entity's) Board of Directors or equivalent management structure, as applicable, by June 30, 2008;

(e) The execution by other shippers and Transporter of such additional firm transportation commitments which are sufficient, in Transporter's sole discretion, to support the construction of the Ruby Pipeline by June 12, 2008;

(f) As of October 31, 2008 the transportation precedent agreement between Transporter and Pacific Gas and Electric Company for transportation capacity on the Ruby Pipeline of 375,000 Dth/day (the "PG&E Agreement") has been approved by the California Public Utility Commission and Pacific Gas and Electric Company has accepted all terms and conditions of such approval.

9. **Conditions Precedent to Shipper's Obligations.**

Shipper's obligations under this TPA and the FTSAs are expressly made subject to the following conditions precedent, which are solely for the benefit of Shipper and only Shipper shall have the right to waive such conditions precedent:

(a) The filing by Transporter of a Certificate Application at FERC for the Ruby Pipeline by June 30, 2009 unless such delay is pursuant to a request or suggestion of the FERC staff that such a delay would benefit the overall processing time for the Certificate Application in which event Transporter will promptly notify Shipper of the earliest date on which FERC has suggested or requested that the Certificate Application be filed, which new date shall replace the June 30, 2009 as the deadline for filing the Certificate Application;

(b) The commencement by Transporter of construction of the Ruby Pipeline within sixty (60) days of FERC's issuance of a project-wide Notice To Proceed and the satisfaction of any conditions or exceptions to Transporter's ability to commence construction that are contained in the Notice To Proceed;

(c) The occurrence of the In-Service Date within sixteen (16) months of FERC's issuance of the Notice to Proceed (as described above), provided however, that if construction activities are at any time halted pursuant to a court or agency order, this time period shall be tolled for the duration of any such court or agency order, and - regardless of the amount of the 16 month period described above which remains after the release of the court or agency order - Transporter shall have at least one month to place the Ruby Pipeline into service without triggering Shipper's termination rights in Section 14 of this TPA.

(d) Shipper's receipt of all necessary approvals of the terms of this TPA by Shipper's Senior Management and/or Board of Directors or similar governing body on or before June 12, 2008.

(e) Transporter or its affiliate has provided acceptable transportation, by June 30, 2008, to transport Shipper's gas from the Echo Springs Plant for delivery to Ruby Pipeline for the full term of Shipper's commitment to Ruby.

(f) Transporter has committed to construct the Ruby Pipeline from Opal to Malin with a capacity of at least 1.2 BCF/day by June 30, 2008.

(g) Transporter has ordered steel sufficient to construct the Ruby Pipeline by June 26, 2008.

(h) Transporter has ordered pipe sufficient to construct the Ruby Pipeline by January 15, 2009.

(i) Transporter shall have executed an Interconnection Agreement with PG&E that states that gas delivered to PG&E at the interconnect point under such Agreement shall meet the quality specifications and requirements as provided in the General Terms and Conditions of the Ruby Pipeline FERC Gas Tariff, as amended from time to time.

10. **Credit.** Shipper shall maintain sufficient evidence of satisfaction of creditworthiness throughout the term of the TPA and the FTSA, as follows:

(a) A demonstration that: (i) Shipper's senior unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") or Baa3 by Moody's Investor Service ("Moody's") or Shipper's long term issuer rating is at least A- by S&P or A3 by Moody's (in the event Shipper is rated differently by multiple agencies, the lowest rating shall be used); and (ii) Shipper is not under review for possible downgrade by S&P and/or Moody's; and (iii) a sum of 12 months of anticipated charges under the FTSA is less than 10% of Shipper's tangible net worth; or

(b) If Shipper or its parent entity(ies) is not rated by S&P or Moody's, a demonstration that the sum of 60 months of anticipated charges is less than 10% of Shipper's tangible net worth, and a demonstration that the Shipper's credit and financial history and outlook are acceptable to Transporter. Such determination shall be based upon Transporter's evaluation of: (i) Shipper's financial statements and auditors notes, annual report to shareholders, and annual report to regulators; (ii) trend analysis of financial ratios; (iii) bank and trade references or other information obtained that is relevant to Shipper's current and future financial strength and its ability to pay its obligations in a timely manner; (iv) Shipper's payment history to Transporter for services provided to Shipper; (v) whether Shipper is subject to any proceedings under any laws pertaining to bankruptcy, insolvency, liquidation, or debt reduction procedures and (vi) whether Shipper is subject to any recently filed substantial litigation either against Shipper or affecting Shipper's business prospects.

(c) As an alternative Shipper may satisfy its creditworthiness obligation by providing and maintaining, at its option: (i) an irrevocable, unconditional guarantee acceptable to Transporter issued by another person or entity which satisfies the creditworthiness standards set forth in this section: (ii) a cash deposit or an irrevocable letter of credit acceptable to Transporter equal to three years of the anticipated charges; or (iii) such other credit arrangements which are mutually agreed to by Transporter and Shipper, and which are accepted by Transporter on a nondiscriminatory basis.

Upon request by Transporter, Shipper shall promptly provide evidence to Transporter of creditworthiness which the Transporter may share with its lenders or creditors.

11. **Notice.**

All notices required or permitted under this TPA shall be in writing and sent by fax, hand delivered, or overnight delivery service, with all charges fully prepaid, and addressed to the parties hereto, respectively, as follows:

To Transporter:
Ruby Pipeline, LLC
2 North Nevada Avenue
Colorado Springs, Colorado 80903
Attention: Thomas L. Price
Fax: (719) 520-4810

To Shipper:
BP Energy Company
501 Westlake Park Blvd.
Houston, Texas 77079
Attention: Gary L. Potter

Each party hereto has the right to change its address for all purposes of this TPA by notifying the other party thereof in writing. For all purposes of this TPA, notices shall be deemed given when received on a business day by the receiving party. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a business day or is after five p.m. on a business day, then such facsimile shall be deemed to have been received on the next following business day. Notice by overnight mail or courier shall be deemed to have been received on the next business day after it was sent or such earlier time as is confirmed by the receiving party.

12. **Assignment.** Prior to the In-Service Date Shipper may assign all or a portion of its rights and obligations under this TPA to any third party, provided (i) such third party satisfies the creditworthiness provisions set forth in Section 10 of this TPA or (ii) Shipper continues to provide credit support which satisfies the creditworthiness provisions set forth in Section 10 of this TPA for such third party's obligations under this TPA. In the event that Shipper partially assigns its rights and obligations hereunder, Transporter and Shipper agree to amend this TPA to reflect such partial assignment and Transporter shall enter into a new TPA with such third party in the same form as this TPA which reflects the portions of Shipper's rights and obligations assigned. Following such assignment, if the capacity commitment of Shipper and/or such third party assignee are less than the level required to qualify for the Negotiated Rate, the Negotiated Rate shall be adjusted to the level applicable to the level of Shipper's and assignee's capacity commitments. In addition, either Transporter or Shipper may assign their rights and obligations under the TPA to a trustee or trustees, individual or corporate, as security for bonds or other financing arrangements, obligations or securities. In the event of such an assignment, the non-assigning party shall execute such consents or acknowledgements of the assignment as may be reasonably necessary to support the financing arrangements provided, however, that Shipper or Transporter shall not be required to provide in such consents or acknowledgements any rights materially different from those set forth in this TPA. Other than as so provided herein, any other assignment by Transporter shall require the written consent of the Shipper, which consent shall not be unreasonably withheld. After the In-Service Date any transfer of capacity rights must be accomplished through the capacity release provisions of the Ruby Tariff.

13. **Term and Termination.** This TPA shall be effective on the date hereof and, unless terminated earlier in accordance with the terms hereof, shall remain in effect until the execution of the FTSA. If any of the conditions precedent set forth in Section 8 or 9 have not been fully satisfied or waived by Transporter or Shipper, as applicable, by the applicable dates specified therein, then – except as provided in the following sentence - either Transporter or Shipper may thereafter terminate this TPA, without liability of any kind to the other party hereto, by giving sixty (60) days' advance written notice of such termination, as provided in Section 11 of this Agreement. If the relevant condition precedent is met or waived after a party provides the 60-day, advance written notice described above but before the 60-day period set in motion by such notice has completely run, then such notice shall be deemed null and void with respect to that condition precedent.

14. **Applicable Law.** THIS TPA AND THE LEGAL RELATIONS BETWEEN THE PARTIES WITH RESPECT TO SUCH TPA ARE SUBJECT TO ALL APPLICABLE LAWS, RULES, AND REGULATIONS AND SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO WITHOUT REGARD TO THE RULES OF THAT STATE CONCERNING CONFLICTS OF LAW.

15. **Limitation of Liability. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY UNDER THIS TPA OR UNDER THE FTSA TO BE EXECUTED PURSUANT TO THIS TPA FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY NATURE, OR FOR ANY LOST PROFITS, HOWEVER ARISING, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES OR LOST PROFITS.**

16. **Further Assurance.** Transporter and Shipper shall enter into such additional agreements as may be necessary in furtherance of this TPA.

17. **Non-Waiver.** No waiver by either party of any one or more defaults by the other in the performance of any of the provisions of this TPA shall operate or be construed as a waiver of any other existing or future defaults, whether of a like or different character.

18. **Counterparts**. This TPA may be executed in counterparts and delivered by facsimile, and each such counterpart shall have the same legal effect as an original.

Executed as of the date first above written.

Transporter:

Ruby Pipeline, LLC

By: ______________________

Thomas L. Price
Vice President

Shipper:

BP Energy Company

By: ______________________ 9K

Kim W. Colburn
VP-Transportation & Operations

Exhibit A - Defined Terms

In addition to those terms defined in the TPA, the following terms used in the TPA have the meanings indicated:

Certificate means a certificate of public convenience and necessity issued by the FERC for the construction and operation of the Ruby Pipeline, as such certificate may be amended or superseded, from time to time.

Certificate Application means the application for a certificate of public convenience and necessity, including a proposed tariff and *pro forma* service agreements, that Ruby Pipeline is required to submit to FERC under Section 7(c) of the Natural Gas Act in order to obtain FERC's approval under that Act for Ruby Pipeline's construction and eventual operation of a FERC-jurisdictional interstate natural gas pipeline.

FERC means the Federal Energy Regulatory Commission.

FTSA is a Firm Transportation Service Agreement pursuant to the Tariff for firm transportation service on Ruby Pipeline.

In-Service Date is the date the Ruby Pipeline is completed and ready for service and Transporter is authorized to place the Ruby Pipeline into service. To the extent any portion of the facilities necessary to provide firm service to a shipper are not ready for service at the time the Ruby Pipeline is placed into service, that shipper shall not be assessed a reservation charge for the affected portion of the shipper's MDQ unless and only to the extent that shipper utilizes that portion of its MDQ (in which case the reservation charge shall be assessed only on a volumetric basis on the quantities actually transported).

MDQ means, in Dth/Day, the maximum daily quantity Ruby is obligated to deliver for Shipper under the FTSA.

Psig – Pounds per square inch, gauge

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government (or agency or political subdivision thereof).

Tangible Net Worth means total assets – (liabilities + intangible assets).

Tariff means the FERC Gas Tariff governing transportation for the Ruby Pipeline, as the same may be amended or superseded from time to time. While the parties anticipate that the tariff applicable to the Ruby Pipeline will be modeled after the tariff for CP, the parties understand that the rates, services, terms and conditions of the Ruby Pipeline will be subject to the review and approval of the FERC.

Exhibit B – Gas Quality Specification

QUALITY OF GAS

Gas Quality Specifications. The gas which Shipper delivers to Transporter at a receipt point for transport and the gas Transporter delivers to Shipper at a delivery point shall comply with the following requirements:

(a) Heating Value – The gas shall contain a gross Heating Value of not less than 995 Btu per standard cubic foot or more than 1080 Btu per cubic foot. However, Transporter may accept gas as low as 950 Btu per standard cubic foot or as high as 1150 Btu per standard cubic foot provided the commingled gas stream can be delivered within the base 995 Btu per standard cubic foot to 1080 Btu per standard cubic foot range;

(b) Dust, Gums and Solid Matter – The gas shall be commercially free from dust, gums, gum-forming constituents, dirt, impurities, or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the pipelines, regulators, meters, or other equipment of Transporter;

(c) Total Sulfur – The gas shall not contain more than 1 grain of total sulfur (including the sulfur in hydrogen sulfide and mercaptans) per 100 standard cubic feet. The gas shall also meet the following individual specifications:

  (i) Hydrogen Sulfide - Shall not contain more than .25 grain of hydrogen sulfide per 100 standard cubic feet of gas;

  (ii) Mercaptan Sulfur – The mercaptan sulfur content shall not exceed more than .3 grain per 100 standard cubic feet; and

  (iii Organic Sulfur – The organic sulfur content shall not exceed .75 grain per 100 standard cubic feet, which includes mercaptan, mono-, di- and poly-sulfides, but it does not include hydrogen sulfide, carbonyl sulfide or carbon disulfide.

(d) Oxygen - The gas shall not at any time have an oxygen content in excess of 1,000 parts per million by volume and the parties hereto shall make every reasonable effort to keep the gas free of oxygen;

(e) Temperature

  (i) At Receipt Points - The gas shall be received at a temperature not to exceed 120 degrees Fahrenheit or less than 20 degrees Fahrenheit;

  (ii) At Delivery Points - The gas shall be delivered at a temperature not to exceed 100 degrees Fahrenheit or less than 45 degrees Fahrenheit, except in the case of extreme weather conditions where Transporter may deliver gas below 45 degrees Fahrenheit for short periods of time;

(f) Carbon Dioxide - The gas shall not contain more than 2 percent by volume of carbon dioxide but Transporter may accept up to 3 percent carbon dioxide as long as the commingled gas stream can be delivered at no more than 2 percent carbon dioxide;

(g) Water Vapor – The gas shall not contain water vapor in excess of 5 pounds per million standard cubic feet of gas;

(h) Diluents - The gas shall not at any time contain in excess of four percent (4%) total diluents (the total combined carbon dioxide, nitrogen, helium, oxygen, and any other diluent compound) by volume;

(i) Deleterious Substances - The gas shall not contain deleterious substances in concentrations that are hazardous to health, injurious to pipeline facilities, or adversely affect merchantability. Such substances include, but are not limited to bacteria and pathogens; and

(j) Hydrocarbon Dew Point – The gas shall not have a hydrocarbon dew point exceeding 25 degrees Fahrenheit as calculated from the gas composition at pressures between 100 p.s.i.a. and the maximum allowable operating pressures of Transporter's transmission facility.

Notwithstanding any other provisions in this Section, Transporter shall not be required to receive gas at any receipt point which is of a quality inferior to that required by Shipper or Operator. Transporter shall not be liable to Shipper or any third party for any damages incurred as a result of Transporter's refusal to receive gas as a result of this provision.

Exhibit C – MFN Provisions

Term of Contract (Years)	Under 200,000 MMBTU/day Commitment ($/MMBTU)	Under 375,000 MMBTU/day but at least 200,000 MMBTU/day Commitment ($/MMBTU)
1 and less than 11	$0.950	$0.910
11 and less than 12	$0.936	$0.904
12 and less than 13	$0.922	$0.898
13 and less than 14	$0.908	$0.892
14 and less than 15	$0.894	$0.886
15 and less than 16	$0.880	$0.880
16 and less than 17	$0.866	$0.860
17 and less than 18	$0.852	$0.840
18 and less than 19	$0.838	$0.820
19 and less than 20	$0.824	$0.800
20 and less than 21	$0.810	$0.780
21 and less than 22	$0.796	$0.760
22 and less than 23	$0.782	$0.740
23 and less than 24	$0.768	$0.720
24 and less than 25	$0.754	$0.700
25 or greater	$0.740	$0.680