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March 8, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

RE: Application of Pentex Pipeline Company for Approval to Amend its Existing Certificate of Public Convenience to Begin to Offer, Render, Furnish, or Supply Natural Gas Gathering or Conveying Services by Pipeline to its Existing Customer and to the Public in the Townships of Wyalusing, Herrick, Terry, Tuscarora, Stevens and Wilmot in Bradford County, Pennsylvania; Docket No. A-2011-_____

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") is the Application to Amend the Certificate of Public Convenience of Pentex Pipeline Company, in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp an extra copy of this transmittal letter and Application, and kindly return them for our filing purposes. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By

Carl J. Zwick

Counsel to Pentex Pipeline Company

CJZ/sds

Enclosures

c: Certificate of Service

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CERTIFICATE OF SERVICE

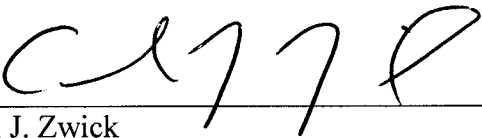
I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

VIA HAND DELIVERY

Irwin A. Popowsky Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Johnnie E. Simms, Esq.
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

William R. Lloyd Jr., Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101



Carl J. Zwick

Counsel to Pentex Pipeline Company

Dated this 8th day of March, 2011, at Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

APPLICATION OF PENTEX PIPELINE :
COMPANY FOR APPROVAL TO AMEND :
ITS EXISTING CERTIFICATE OF PUBLIC :
CONVENIENCE TO BEGIN TO OFFER, :
RENDER, FURNISH, OR SUPPLY NATURAL : Docket No. A-2011-_____ :
GAS GATHERING OR CONVEYING :
SERVICES BY PIPELINE TO ITS EXISTING :
CUSTOMER AND TO THE PUBLIC IN :
THE TOWNSHIPS OF WYALUSING, :
HERRICK, TERRY, TUSCARORA, STEVENS :
AND WILMOT IN BRADFORD COUNTY, :
PENNSYLVANIA :

APPLICATION TO AMEND CERTIFICATE OF PUBLIC CONVENIENCE

Pentex Pipeline Company ("Pentex" or "Applicant"), pursuant to Sections 1102 and 1103 of the Public Utility Code, 66 Pa. C.S. §§ 1102, 1103, and Sections 5.11-5.14 of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") regulations, 52 Pa. Code §§ 5.11-5.14, submits this Application to the PUC for approval to amend its Certificate of Public Convenience that is currently on file with the Commission. Specifically, Pentex seeks approval to add natural gas gathering services to the services performed for its existing transportation customer (Cargill Meat Solutions Corporation ("Cargill")) and for local producers in the Townships of Wyalusing, Herrick, Terry, Tuscarora, Stevens and Wilmot in Bradford County, Pennsylvania. The natural gas transported for producers will be used to serve Cargill or injected into the interstate pipeline system through Pentex's existing interconnection point. In support of this Application, Pentex respectfully states as follows:

1. The name of Applicant is the Pentex Pipeline Company. The address of Applicant is:

15455 Dallas Parkway, Suite 350
Addison, TX 75001-4690

2. The Applicant's attorneys, upon whom all documents should be served, are:

Pamela C. Polacek (Pa. I.D. No. 78276)
Carl J. Zwick (Pa. I.D. No. 306554)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: 717.232.8000
Fax: 717.237.5300
ppolacek@mwn.com
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A. DESCRIPTION AND BACKGROUND OF APPLICANT

3. Pentex is a Texas corporation authorized to do business in the Commonwealth of Pennsylvania. On June 24, 1988, Pentex filed an application with the Commission seeking the issuance of a Certificate of Public Convenience granting Pentex the right to begin to offer, render, furnish, or supply natural gas transportation services by pipeline in the County of Bradford, Pennsylvania, which was docketed at Docket No. A-140325. On November 10, 1988, the Commission issued to Pentex the requested Certificate of Public Convenience. Pentex obtained the Certificate of Public Convenience to enable it to fulfill an agreement with Taylor Packing, Inc. ("Taylor Packing"), of Wyalusing Township, Bradford County, to construct a pipeline and transport natural gas from Tennessee Gas Pipeline ("Tennessee") to the Taylor Packing Plant. In 2002, Taylor Packing was acquired by Cargill. Pentex continues to serve Cargill under an agreement similar to the one entered into with Cargill's predecessor-in-interest, Taylor Packing. Under the agreement, Pentex transports natural gas acquired by Cargill from the Tennessee interconnection to Cargill's plant in Wyalusing Township, Bradford County,

Pennsylvania. Although it had no other customers at the time, Pentex also requested and was granted authorization to transport natural gas for other persons or businesses requesting service up to the capacity of the pipeline. Currently, Cargill remains Pentex's sole customer.

B. NATURE AND LOCATION OF APPLICANT'S PROPOSED SERVICES

4. The purpose of this Application is to obtain Commission approval to amend Pentex's current Certificate of Public Convenience to allow Pentex to provide gathering or conveying services, in addition to transportation services, to Cargill and local producers of natural gas in the Townships of Wyalusing, Herrick, Terry, Tuscarora, Stevens and Wilmot in Bradford County, Pennsylvania.

5. Pentex is proposing to construct a natural gas gathering system in Bradford County, Pennsylvania, in the Townships of Wyalusing, Herrick, Terry, Tuscarora, Stevens and Wilmot, to tie-in with the Pentex pipeline and, ultimately, with Tennessee if the locally gathered volumes exceed Cargill's needs. A map depicting the general location of the proposed gathering system is attached as Exhibit "A." As described *infra*, the Pentex gathering system will be constructed to: (a) transport gas from wells owned by Cargill or under a contract with Cargill; and (b) transport gas from wells that have been and will be drilled by unaffiliated natural gas producers with which Pentex will enter into gathering and transportation agreements, subject to the mutual agreement of Cargill regarding the use of the pipeline for non-Cargill supplies.

6. A portion of the natural gas gathered through the system will be used to serve Cargill, with the remainder being backhauled to Tennessee if the volumes exceed Cargill's needs.¹ Pentex anticipates that this will occur via the existing interconnection point between its pipeline and Tennessee. Except for Cargill, which Pentex is currently authorized to serve, there

¹ If the local volume does not exceed Cargill's needs at the Taylor Packing Plant, Cargill will continue to purchase interstate pipeline supplies for the incremental gas needed by the plant.

will be no direct sales from Pentex's gathering system to the consuming public before delivery into interstate facilities. In addition, consistent with the current contract, Pentex will provide only gathering and transportation service and will not, at any time, take title to the gas supplied to Cargill.

7. Pentex and Cargill have agreed to the terms and conditions for this service. A copy of the Amended and Restated Natural Gas Pipeline Construction and Transportation Agreement negotiated between Pentex and Cargill is attached as Exhibit "B." Upon approval of this Application by the Commission, Pentex proposes to file a replacement tariff effective on one-day's notice incorporating the revised contract into Tariff Gas-Pa. P.U.C. No. 2, which replaces and supersedes Pentex's Tariff Gas-Pa. P.U.C. No. 1. A copy of the pro forma Tariff is attached as Exhibit "C."

8. In addition to Cargill, Pentex intends to serve natural gas producers operating in the Townships of Wyalusing, Herrick, Terry, Tuscarora, Stevens and Wilmot in Bradford County, Pennsylvania. The Commission has previously recognized that service to local producers and other shippers of petroleum products can constitute the provision of a public utility service "to or for the public." See Application of Ardent Resources, Inc. for approval of the right to offer, render, furnish, or supply natural gas transporting or conveying service by pipeline to the public in Jordan and Chest Townships, Clearfield County, Pennsylvania, Docket No. A-140005, (Order entered Apr. 16, 2007); Pa. Pub. Util. Comm'n v. Allegheny Land and Exploration, Inc., Docket No. A-2008-2029743, (Order entered Oct. 14, 2008).

9. The rates for all gathering services provided to Cargill or local producers will be mutually negotiated based on the investment needed to install the lines and the operating costs. Such negotiated arrangements may include volumetric rates, minimum duration requirements,

and minimum volume requirements. Pages 23 through 27 of the proposed Tariff memorialize this new service.

C. APPLICANT'S FACILITIES

10. Pentex will construct, operate and maintain its gathering system and facilities in accordance with pipeline safety regulations promulgated by the United States Department of Transportation ("U.S. DOT"), as required by the Section 59.33 of the Commission's regulations, 52 Pa. Code § 59.33. Depending on the quantity and characteristics of the gas, Pentex may be required to install dehydration or other facilities to ensure that interstate pipeline specifications are met. Any such equipment will be installed at the interconnection with Tennessee or in close proximity to the existing Pentex pipeline. Pentex will determine a route for its initial facilities based on the location of wells subscribing to the service. Pentex will not install facilities until specific arrangements are agreed to between Pentex and Cargill or the local producer.

D. OTHER SERVICE PROVIDERS

11. Pentex is unaware of any other company furnishing similar services in the proposed service territory. Pentex will not object to the authorization of additional entities to provide gathering services in the proposed territory.

E. FINANCIAL INFORMATION

12. Pentex is an active natural gas transportation utility based on the existing agreement with Cargill. Pentex incorporates by reference the various filings and reports submitted to the PUC demonstrating its fitness.

F. RATES, REVENUES AND EXPENSES

13. With the addition of a gathering service, Pentex will be required to change the rates, terms and conditions of service set forth in Pentex's tariff, Gas-Pa. P.U.C. No. 1. Specifically, Pentex proposes to negotiate the rates based on the specific project to construct or

extend the gathering systems. Cargill's rates for transporting interstate pipeline gas will remain the same. Cargill has agreed to the revised contract set forth in Exhibit "B" to address the gathering service. Pentex anticipates that gathering rates with additional producers in the service area will be negotiated, as will be provided in Pentex's tariff. A copy of the proposed Tariff is attached as Exhibit "C."

G. ANTICIPATED DATE OF SERVICE

14. Pentex anticipates that it will begin to furnish gathering services to Cargill and operators in the service territory in the Spring of 2011, following the issuance of a Certificate of Public Convenience by the PUC.

H. PUBLIC NECESSITY

15. The significant gas exploration and development in the Marcellus Shale formation in Pennsylvania and substantial additional well drilling planned for the near future necessitates the construction and operation of gathering and transporting systems, such as Pentex's proposed gathering system and existing transportation system. These systems are needed to collect and transport gas to the interstate pipelines for redelivery to markets in the northeastern portion of the United States. In this instance, Cargill, a major employer in the county, will be able to take advantage of the local resources. Given the dramatic increase in natural gas production in Pennsylvania as result of the Marcellus Shale development and the corresponding need for gathering and transportation services, Pentex's proposed service will provide the public with a substantial benefit. Pentex has discussed this project with several well drillers that are interested in using the proposed gathering system to get their gas to the market. In addition, the proposed gathering services will generate economic activity in Pennsylvania and foster the production of Pennsylvania's natural resources.

16. All annual and other reports, tariffs, certificates and other documents filed with the Commission by Pentex are made part hereof by reference.

17. The Applicant has paid the special and general assessments levied by the Commission pursuant to the Public Utility Code and the Commission's regulations. Any and all lawful future assessments of the Commission, special and general, will be paid.

CONCLUSION

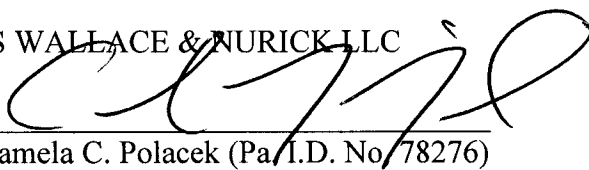
WHEREFORE, Pentex Pipeline Company respectfully requests the Commission to adopt and enter an Order that:

- (1) amends Pentex Pipeline Company's existing Certificate of Public Convenience authorizing the gathering or conveying services described in this Application; and
- (2) provides any additional relief that is just and reasonable under the circumstances.

Respectfully submitted,

McNEES WALLACE & MURICK LLC

By


Pamela C. Polacek (Pa. I.D. No. 78276)
Carl J. Zwick (Pa. I.D. No. 306554)
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ppolacek@mwn.com
czwick@mwn.com

Counsel to Pentex Pipeline Company

Dated: March 8, 2011

VERIFICATION

I, Mark D. Casaday, President and Chief Executive Officer, Pentex Pipeline Company, hereby state that the facts above set forth in the Application are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

2/12/2011
Date


Signature

EXHIBIT A

Exhibit A - Pentex Territory

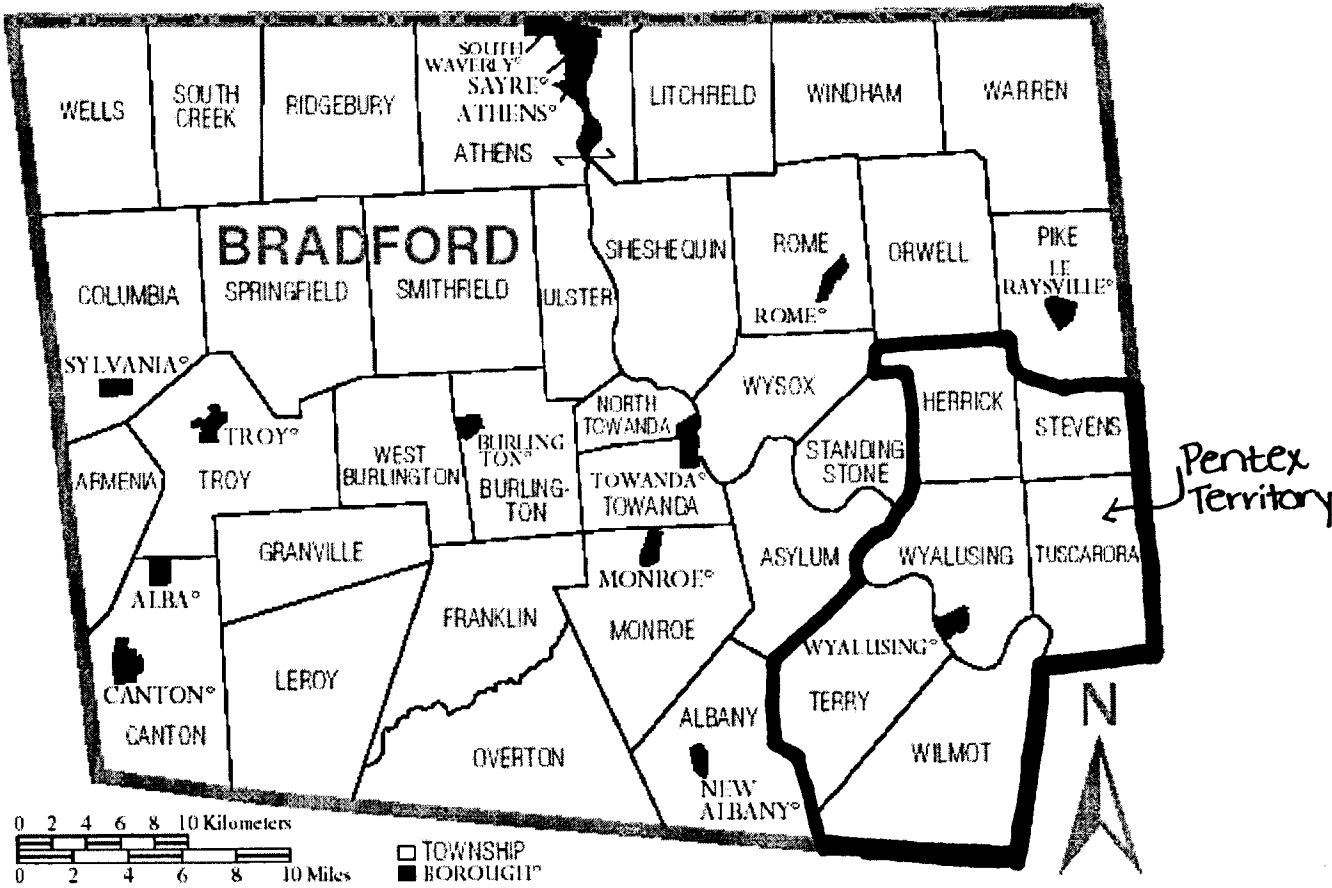


EXHIBIT B

NATURAL GAS PIPELINE CONSTRUCTION
AND TRANSPORTATION AGREEMENT

Made this 1st day of January 2011, by and between PENTEX PIPELINE COMPANY, a Texas corporation with offices located at 579 Brighton Way, Phoenixville, Pennsylvania 19460 and 15455 Dallas Parkway, Suite 350, Addison, Texas 75001 (hereafter "Pentex")

AND

CARGILL MEAT SOLUTIONS CORPORATION, a Delaware corporation (hereafter "Cargill") with offices located at P.O. Box 188, R.D. #1, Wyalusing, Pennsylvania, 18853.

Pentex and Cargill shall collectively be referred to hereafter as "Parties".

WHEREAS, Pentex entered into a Natural Gas Pipeline Construction and Transportation Agreement with Taylor Packing Co., Inc. (hereafter "Taylor") dated June 21, 1988 (the "Agreement"), a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, Pentex and Taylor Amended the Agreement by Letter Agreement dated November 22, 1994; a copy of which is attached hereto as Exhibit "B"; and

WHEREAS, Pentex and Taylor further amended the Agreement by Letter Agreement dated August 22, 2006, a copy of which is attached hereto as Exhibit "C".

WHEREAS, Taylor was the owner of a processing plant and related facilities, situated near R.D. #1, Wyalusing, Pennsylvania (hereafter the "Taylor Plant"); and

WHEREAS, Pentex proposed and constructed a natural gas pipeline capable of delivering natural gas to the Taylor Plant; and

WHEREAS, Cargill purchased the Taylor Plant on February 22, 2002; and was merged into Cargill effective June 1, 2005 (hereafter "Cargill Plant"); and

WHEREAS, the Parties are now properly named Cargill Meat Solutions Corporation ("Cargill") and Pentex Pipeline Company ("Pentex"); and

WHEREAS, The Cargill Plant receives natural gas deliveries hereunder from Pentex;
and

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

1. Construction, Operation and Maintenance of the Pipeline.

(a) Pentex constructed and placed into operation a natural gas pipeline, extending from a point of interconnection with the pipeline facilities of Tennessee Gas Pipeline Company, (hereafter "Tennessee"), to the Cargill Plant. The pipeline, together with all above ground and below ground valves, fittings, meters, regulators and related equipment and appurtenances constructed and operated by Pentex, is hereafter referred to as the "Pipeline".

(b) The Pipeline shall be of adequate design and sufficient diameter to deliver one thousand five hundred (1,500) thousand cubic feet (Mcf) of natural gas per day to the Point of Redelivery (hereafter defined) and shall be constructed, tested, operated and maintained in compliance with all applicable federal, state and local laws, ordinances, rules and regulations including, but not limited to, the current regulations of the United States Department of Transportation. At such time in the future that either party hereto desires to increase the size of the Pipeline to provide for greater capacity or increase access to natural gas supply, both parties hereto covenant and agree to engage in good faith negotiations to accomplish such objective.

(c) Cargill agrees to grant to Pentex right-of-way and easement rights on an appropriate, recordable form of agreement, covering the real property of Cargill in the vicinity of the Cargill Plant. Pentex acknowledges that it shall be solely responsible for securing the necessary rights-of-way from all real property owners other than Cargill.

(d) The portion of the Pipeline situate upon the real property of Cargill and located downstream of the Pentex meter shall be and remain the property of Cargill, and the remaining portion of the Pipeline shall be and remain the property of Pentex, at all times during and after the term of this Agreement. The portions of the Pipeline which shall become the property of

Cargill are hereafter referred to as the "Cargill Service Lines".

(e) Following the completion, testing and placing into operation of the Pipeline and the Cargill Service Lines, all costs of maintenance, repair and replacement of the Pipeline, excluding the Cargill Service Lines, shall be borne by Pentex, and all costs of maintenance, repair and replacement of the Cargill Service Lines shall be borne by Cargill.

(f) The Cargill Service Lines shall be and remain subject to all terms and conditions of this Agreement, throughout the term of this Agreement.

(g) Pentex shall operate the Pipeline, excluding the Cargill Service Lines, at its sole cost and expense, throughout the term of this Agreement. Pentex will be vested with sole and exclusive discretion throughout the term of this Agreement on all matters pertaining to the operation, maintenance, repair and replacement of all portions of the Pipeline, excluding the Cargill Service Lines.

(h) Pentex shall not be required to install any compression facilities upon the Pipeline at anytime.

(i) In the event that heating facilities are required to be installed upon the Pipeline, Pentex shall bear the cost of such facilities and their installation. Cargill shall bear all cost of the fuel required for the operation of said heating facilities.

(j) The Pipeline shall be used for the transportation of natural gas by Pentex for the account of Cargill, unless otherwise agreed by written terms and conditions executed by both Parties.

(k) Pentex shall undertake its best efforts to increase access to natural gas supply, specifically from natural gas produced locally from wells in the townships of Wyalusing, Herrick, Terry, Tuscarora and Stevens in Bradford County, Pennsylvania, into the Pipeline and/or the Cargill Service Lines.

(l) Any natural gas agreements negotiated between Cargill and local producers shall be referred to as "Cargill Gas". Cargill shall be solely responsible for negotiating purchase of

Cargill Gas.

(m) Pentex may install facilities to locally produced natural gas wells that are not under arrangement with Cargill; such gas may be comingled with Cargill Gas provided it meets Tennessee pipeline quality standards, and subject to mutual agreement by both Parties as provided in Section 1(j).

2. Deliveries.

(a) Point of Delivery: Pentex shall receive gas owned by Cargill into the Pipeline at the outlet flange of the meter of Tennessee for natural gas purchased by Cargill on Tennessee, or at a wellhead meter for Cargill Gas as otherwise agreed; either or both points into the Pipeline are hereby defined as the Point of Delivery.

(b) Point of Redelivery: Pentex shall redeliver said gas at the Cargill Plant, at the outlet flange of the meter of Pentex, which point is hereby defined as the Point of Redelivery.

(c) Title to Gas: Title to all gas transported hereunder by Pentex for the account of Cargill shall be vested in Cargill at all times.

(d) Warranty: The transportation service performed by Pentex hereunder is performed without warranty, express or implied, as to title to gas, and as to quantities of gas to be delivered.

3. Transportation Charges.

(a) Rate per Mcf.

(i) Cargill shall pay to Pentex a fee of Twenty-five Cents (\$.25) for all gas transported hereunder.

(ii) If Cargill requests Pentex to construct or extend the Pipeline to enable Cargill to purchase Cargill Gas, Pentex and Cargill shall negotiate a rate to apply to all Mcf of gas transported over the facilities. The terms and conditions of such arrangements shall be memorialized in a separate agreement for extension.

(b) Facilities Service Charge: In any calendar month which Cargill has caused Pentex to transport through the Pipeline a total quantity of less than three thousand (3,000) Mcf, Cargill shall pay to Pentex, in addition to the Rate per Mcf, a Facilities Service Charge in the amount of Five Hundred Dollars (\$500).

(c) Tennessee Transportation Charge: In addition to any other charges provided for in this Agreement, Cargill will pay directly or to Pentex all actual charges, for the transportation, by Tennessee of gas owned by Cargill.

(d) Governmental Regulation: The rates and charges set forth in this paragraph 3 may be subject to adjustment in the event that a governmental entity of competent jurisdiction determines that such rates and charges are not fair and equitable and/or otherwise authorized, and directs that the rates and charges shall be different from those set forth herein.

4. Reimbursement of Costs: Cargill shall be under no obligation to reimburse Pentex in any amount for additional construction or extension of facilities to obtain locally produced natural gas, unless specifically negotiated by separate agreement.

5. Quantity.

(a) Maximum Volumes: In no event shall Cargill cause to be transported through the Pipeline volumes in excess of one thousand five hundred (1,500) thousand cubic feet (Mcf) of natural gas per twenty-four (24) hour day, unless Cargill secures the prior consent of Pentex.

(b) Extensions: In the event that Cargill is unable to have Pentex transport gas hereunder because of a lack of available capacity on the pipeline system owned by Tennessee, and such inability remains in effect for a continuous period of two (2) consecutive calendar months, then beginning in the first month following the second month of such inability, the obligation of Cargill to pay Pentex the Minimum Payments provided for at paragraph 5(b) above shall be delayed. Said obligation shall continue to be delayed until Cargill regains available capacity on the Tennessee system. In the event that said inability of Cargill has occurred and has remained in effect for a continuous period of six (6) months, Cargill shall become obligated to resume payments of the then applicable Minimum Payment subject to termination provisions provided in paragraph 13(b).

6. Quality.

Pentex shall redeliver to Cargill at the Point of Redelivery, without material alteration, the natural gas consistent with Tennessee pipeline quality standards.

7. Measurement.

(a) The unit of volume for the measurement of natural gas hereunder shall be one (1) cubic foot of natural gas at a pressure of fourteen and seventy-three one hundredths (14.73) pounds per square inch absolute and a temperature of sixty (60) degrees Fahrenheit.

(b) All natural gas delivered hereunder shall be measured by a pressure and temperature-compensated orifice or displacement meter or any other measuring device of equal accuracy.

(c) At least once in each six (6) months, the accuracy of Pentex's measuring equipment shall be verified by and at the expense of Pentex. If Cargill notifies Pentex that Cargill desires a special test of Pentex's meter, Pentex shall cooperate to secure an immediate verification of the accuracy of such meter and joint observation of any adjustments. If any such test shall be requested by Cargill, and upon such test the measuring equipment shall be found to be registering within two percent (2%) of accuracy, the cost of such test shall be charged to Cargill. Otherwise, the cost of all such tests shall be borne by Pentex.

(d) If, upon test, any measuring equipment shall be found inaccurate by two (2%) percent or less, previous readings of such equipment shall be considered correct in computing the deliveries of gas hereunder, but such equipment shall immediately be adjusted to record accurately. If, upon test, any measuring equipment shall be found to be inaccurate by more than two (2%) percent of the average rate of flow since the last test, then and in that event any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period covering one-half of the time elapsed since the last test, but not to exceed a correction period of sixteen (16) days.

8. Invoicing and Payments.

(a) Pentex shall submit to Cargill monthly an invoice itemizing the total quantity of natural gas measured by Pentex's meter at the Point of Redelivery, the applicable Rate per Mcf and Facilities Service Charge, and the total amount due. Each invoice shall be addressed to:

Cargill Meat Solutions Corporation
Financial Services Center
P.O. Box 6034
Fargo, North Dakota 58108-6034
ATTN: 11166-50975603

(b) No later than the fifteenth (15th) day after receipt of each such invoice, Cargill shall forward its check for the amount so invoiced, as follows, or to such other transferee as Pentex may from time to time specify:

JPMorgan Chase Bank, N.A.
420 Throckmorton
Suite 300
Fort Worth, Texas 76102
R/T (ABA) Number: 021 000 021
Credit Account Number: 157 662 2060

9. Taxes.

Cargill shall reimburse Pentex, the amount of all taxes currently in force or which may be imposed in the future, whether federal, state or local, upon the transportation of natural gas for Cargill hereunder, the amount of which taxes shall be shown as a separate item on each invoice submitted pursuant to the provisions of paragraph 8 above.

10. Indemnification.

Pentex hereby indemnifies, defends and agrees to hold harmless, Cargill, its successors and assigns, and their respective agents, employees, officers, directors, subcontractors, material men and any other person or persons whose actions or omissions to act may impute to Cargill (all of the fore-going being included in any reference in this Paragraph to "Cargill") of and from any and all actions, manner of actions, causes of actions, suits, debts, dues, expenses, fees, costs, judgments, contracts, obligations, liabilities, agreements, and all other claims and demands of any nature whatsoever, including, without limitation, all attorneys' fees, witness fees

and related costs of litigation, incurred by Cargill in relation to defending any indemnified claim or in obtaining indemnification hereunder, whether at law or in equity, whether by virtue of tort, contract, product liability or any other nature of liability, whether resulting from personal injury, death, property damage, economic harm, or other loss, and whether arising as a result of the prior or contemporary negligence of Cargill, and all rights to and claims for contribution and indemnification from Cargill as a result thereof (all of the foregoing being hereinafter referred to as "claims of loss or harm"), arising from or relating to any of the following:

(a) any accidents, leakage, slippage, explosion, or other casualty or mishap relating to or arising out of the construction, existence, maintenance, or operation of the Pipeline or the transportation of natural gas therein; provided, however, that Cargill shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Cargill to comply with its obligations under this Agreement as to maintenance and repair of the Cargill Service Lines; or

(b) Cargill shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Cargill to comply with its obligations under this Agreement as to maintenance and repair of the Cargill Service Lines; or

(c) any loss or harm arising from or relating to any failure of the Pipeline or any portion of or fixture to it, whether in its construction, maintenance or operation, to comply in all respects with all applicable laws, statutes and regulations, including without limitation all liabilities for loss or harm related to any fines, fees, expenses or damages arising out of any environmental or pollution related problem; provided, however, that Cargill shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Cargill to comply with its obligations under this Agreement as to maintenance and repair of the Cargill Service Lines. Pentex represents that the comprehensive general liability insurance referred to in Paragraph 11 of this Agreement includes contractual liability coverage which to the extent of the limits set forth in such Paragraph include liability under this Indemnification.

11. Insurance.

Pentex shall maintain at its own expense comprehensive general liability insurance in the

amounts of not less than Five Hundred Thousand Dollars (\$500,000) in respect of injury to or death of one person and One Million Dollars (\$1,000,000) in respect of injury to or death of more than one person in any one occurrence and in an amount not less than One Million Dollars (\$1,000,000) in respect of damage to property.

12. Force Majeure.

Failure of or delay in compliance with the terms and conditions of this Agreement by any party shall be excused if said failure is occasioned by or in consequence of any acts of God, strikes, lockouts, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming the failure or delay and which by the exercise of due diligence such party is unable to prevent or overcome.

13. Term and Termination.

(a) The term of this Agreement shall commence on the date hereof and shall continue through September 30, 2011. Unless terminated at the end of the initial term pursuant to Paragraph 13(b), this Agreement shall automatically renew for successive one-year periods. Further, the Agreement may be extended upon mutual agreement of the Parties, including as part of the negotiation related to construction or extension of the Pipeline for access to locally produced natural gas.

(b) Either party hereto may terminate this Agreement at any time by providing one-year days prior written notice to the other party. Cargill

14. Sale of Pipeline and Assignment of Agreement.

(a) Pentex may assign its rights in this Agreement and may sell its portion of the Pipeline to any parent, subsidiary or affiliated company, as it may elect. Pentex shall not assign its rights in this Agreement nor sell its portion of the Pipeline to any party which is not a parent, subsidiary or affiliated company, without the prior, written consent of Cargill, which consent shall not be unreasonably withheld.

(b) Cargill may assign its rights in this Agreement to any party as it may elect, provided, however, that no such assignment by Cargill shall relieve Cargill of its obligations hereunder. Following any such assignment by Cargill, Cargill shall remain primarily liable to Pentex with regard to said obligation.

15. Notice.

(a) Notice hereunder shall be given by registered or certified mail as,

If to Cargill to:
Cargill Meat Solutions Corporation
P.O. Box 188
Wyalusing; Pennsylvania 18853

If to Pentex to:
Pentex Pipeline Company
579 Brighton Way
Phoenixville, Pennsylvania 19460

With a copy to:
Pentex Pipeline Company
ATTN: Pat Matyastik
C/O Muse Stancil & Co.
15455 Dallas Parkway
Suite 350
Addison, Texas 75001-4690

(b) Either party may change its address for purposes of notice by written notice of such change to the other.

16. Compliance with Law.

Notwithstanding any terms or provisions of this Agreement which may be interpreted or construed to the contrary, the provision of transportation service hereunder by Pentex to Cargill shall at all times be subject to and in compliance with the applicable provisions of the Pennsylvania Public Utility Code and all related statutory and regulatory requirements.

17. Choice of Law.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

18. Entire Agreement.

This Agreement shall constitute the entire and only Agreement between the Parties pertaining to the Pipeline and there are no other or further agreements between the parties outstanding not specifically mentioned herein; provided, however, that the Parties may, by agreement, amend and supplement this Agreement in writing from time to time.

19. Execution in Counterparts.


This Agreement may be executed in one or more counterparts, but in such event each counterpart shall constitute an original and all of such counterparts shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ATTEST:

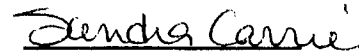
PENTEX PIPELINE COMPANY

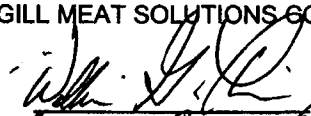
By: 
Title: Paralegal

By: 
Title: President & CEO

ATTEST:

CARGILL MEAT SOLUTIONS CORPORATION

By: 
Title: Gen. Admin Assst.

By: 
Title: PRESIDENT CARGILL REGIONAL BEEF

PENTEX NATURAL GAS COMPANY

August 22, 2006

Mr. Greg White
Cargill Meat Solutions Corporation
P.O. Box 188
Wyalusing, PA 18853

RE: Notice of change in Natural Gas Transportation Charges

Dear Mr. White:

In accordance with the terms in the Natural Gas Pipeline Construction and Transportation Agreement between Pentex Pipeline Company ("Pentex") and Taylor Packing Co., Inc. ("Taylor"), dated June 21, 1988, and amended October 1994, identified as PGTEA #1021, Pentex proposes to increase the Transportation Charges provided for under Section 3. a. iii from \$0.25 per Mcf to \$0.50 per Mcf effective October 1, 2006. There will be no change to the Pipeline Interconnection fee of \$0.05 per Mcf paid to Pentex Natural Gas Company. Cargill Meat Solutions Corporation (Cargill) will accept and storage the mercaptan for odorizing and Pentex will apply said mercaptan into the injection tank as needed. All other Terms and Conditions of PGTEA #1021 shall remain in effect.

In the event that Cargill wishes to amend PGTEA #1021 by changing the Term to a five (5) year term with annual renewals thereafter, the Transportation Charge for the initial five year term would be \$0.45 per Mcf, effective October 1, 2006, and continuing through September 30, 2011.

Sincerely,

PENTEX PIPELINE COMPANY



Thomas P. Muse
Vice President

AGREED AND ACCEPTED THIS 12 DAY OF ~~SEPTEMBER~~ ^{OCTOBER}, 2006.

CARGILL MEAT SOLUTIONS CORPORATION

BY: 

Printed Name: Andrew S. Ristic

Title: General Manager

5 yrs @ MCF

**CONFIRMATION OF NATURAL GAS PIPELINE CONSTRUCTION
AND TRANSPORTATION AGREEMENT, AS AMENDED**

The undersigned, duly authorized representatives of PENTEX PIPELINE COMPANY, a Texas corporation, with offices located at 579 Brighten Way, Phoenixville, Pennsylvania 19460 and 15455 Dallas Parkway, Suite 200, Addison, Texas 75001-4690 ("Pentex") and TAYLOR PACKING CO., INC. a Pennsylvania corporation with offices located at Post Office Box 188, R.D. #1, Wyalusing, Pennsylvania 18853.

Witnesseth:

Whereas, Taylor and Pentex entered into a Natural Gas Pipeline Construction and Transportation Agreement on June 21, 1988, a true and correct copy of which is attached hereto as Exhibit "A"; and,

Whereas, Taylor and Pentex amended the June 21, 1988 Natural Gas Pipeline Construction and Transportation Agreement by Letter Agreement dated November 22, 1994, a true and correct copy of said Letter being attached hereto as Exhibit "B"; and,

Whereas, Pentex and Taylor now wish to place the Natural Gas Pipeline Construction and Transportation Agreement, as amended, of record in the Office of the Recorder of Deeds in and for Bradford County, Pennsylvania,

Now, therefore, in consideration of the mutual covenants contained in said Natural Gas Pipeline Construction and Transportation Agreement, as amended, and intending to be legally bound thereby, the parties hereby confirm that the attached are true and correct copies of the Natural Gas

Pipeline Construction and Transportation Agreement, as amended, executed by said parties on the dates set forth therein.

This confirmation may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

In witness whereof, the parties have caused this confirmation to be executed this 21st day of February, 2002.

Feater Pipeline Company

Witness/Attest:

By: _____
Name: _____
Its: _____

Taylor Packing Company, Inc.

Attest:

Barbara Hugo

By: Kenneth H. Taylor, Jr.
Kenneth H. Taylor, Jr., President

STATE OF PENNSYLVANIA :
 : : SS:
COUNTY OF BRADFORD :

ON THIS the 21st day of February, 2002, before me, the undersigned officer, personally appeared Kenneth H. Taylor, Jr., who acknowledged himself to be the President of the TAYLOR PACKING CO., INC., and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and notarial seal the day and year aforesaid.

Mary Anne Zener
NOTARY PUBLIC

Notarial Seal
Mary Anne Zener, Notary Public
Wyalusing Twp., Bradford County
My Commission Expires May 5, 2003
Member, Pennsylvania Association of Notaries

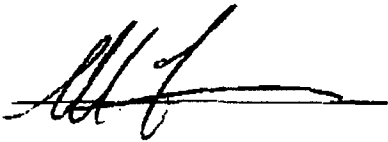
Pipeline Construction and Transportation Agreement, as amended, executed by said parties on the dates set forth therein.

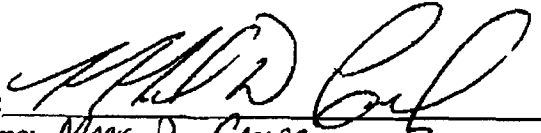
This confirmation may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

In witness whereof, the parties have caused this confirmation to be executed this 22 day of February, 2002.

Pentex Pipeline Company

Witness/Attest:



By: 
Name: MARK D CANARY
Its: President & CEO

Taylor Packing Company, Inc.

Attest:

By: _____
Kenneth H. Taylor, Jr., President

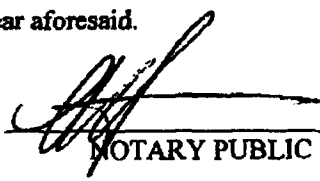
STATE OF Pa

COUNTY OF Chester

SS:

ON THIS the 21 day of Feb., 2002, before me, the undersigned officer, personally appeared Mark D. Casaday, who acknowledged himself/herself to be the President of PENTEX PIPELINE COMPANY, and that he/she as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself/herself as such officer.

WITNESS my hand and notarial seal the day and year aforesaid.



NOTARY PUBLIC

NOTARIAL SEAL
ROBB S. FREES, Notary Public
Phoenixville, Chester Co., PA
My Commission Expires August 13, 2004

EXHIBIT "A"

NATURAL GAS PIPELINE CONSTRUCTION
AND TRANSPORTATION AGREEMENT

Made this 21st day of June 1988, by and between PENTEX PIPELINE COMPANY, a Texas corporation with offices located at 412 Summerfield Commons, 2589 Washington Road, Pittsburgh, Pennsylvania 15241 and 600 Landmark Center, 1801 North Lamar, Dallas, Texas 75207 (hereafter "Pentex")

AND

TAYLOR PACKING CO., INC., a Pennsylvania corporation with offices located at P.O. Box 188, R.D. #1, Wyalusing, Pennsylvania 18853.

WHEREAS, Taylor Byproducts Co., Inc., a Pennsylvania corporation with offices at the same address, is affiliated with Taylor Packing Co., Inc., and is or will be receiving service hereunder from Pentex (both corporations being hereafter collectively referred to as "Taylor"); and

WHEREAS, Taylor is the owner of a processing plant and related facilities, situate near R.D. #1, Wyalusing, Pennsylvania (hereafter the "Taylor Plant"); and

WHEREAS, Pentex has proposed to construct a natural gas pipeline capable of delivering natural gas to the Taylor Plant, and Taylor desires to have Pentex construct said pipeline.

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

1. Construction, Operation and Maintenance of the Pipeline.

(a) Pentex shall undertake its best efforts to construct and to place into operation a natural gas pipeline, extending from a point of interconnection with the pipeline facilities of Tennessee Gas Pipeline Company, ("Tennessee"), to the Taylor Plant, all of which are more fully shown on the plat attached hereto and made a part hereof, and marked Exhibit A. The pipeline, together with all above ground and below ground valves, fittings, meters, regulators and related equipment and appurtenances to be constructed and operated by Pentex, is hereafter referred to as the "Pipeline". Pentex shall be under no obligation to construct the Pipeline until such time as Pentex has commenced construction of the Pipeline and/or has ordered materials specifically to be utilized on the Pipeline.

(b) The Pipeline shall be of adequate design and sufficient diameter to deliver one thousand five hundred (1,500) thousand cubic feet (Mcf) of natural gas per day to the Point of Redelivery (hereafter defined) and shall be constructed, tested, operated and maintained in compliance with all applicable federal, state and local laws, ordinances, rules and regulations including, but not limited to, the current regulations of the United States Department of Transportation. At such time in the future that either party hereto desires to increase the size of

the Pipeline to provide for greater capacity, both parties hereto covenant and agree to engage in good faith negotiations to accomplish such objective.

(c) Taylor agrees to grant to Pentex right-of-way and easement rights on an appropriate, recordable form of agreement, covering the real property of Taylor in the vicinity of the Taylor Plant. Pentex acknowledges that it shall be solely responsible for securing the necessary rights-of-way from all real property owners other than Taylor.

(d) The portion of the Pipeline situate upon the real property of Taylor and located downstream of the Pentex meter shall be and remain the property of Taylor, and the remaining portion of the Pipeline shall be and remain the property of Pentex, at all times during and after the term of this Agreement. The portions of the Pipeline which shall become the property of Taylor are hereafter referred to as the "Taylor Service Lines".

(e) Following the completion, testing and placing into operation of the Pipeline and the Taylor Service Lines, all costs of maintenance, repair and replacement of the Pipeline, excluding the Taylor Service Lines, shall be borne by Pentex, and all costs of maintenance, repair and replacement of the Taylor Service Lines shall be borne by Taylor.

(f) The Taylor Service Lines shall be and remain subject to all terms and conditions of this Agreement, throughout the term of this Agreement.

(g) Pentex shall operate the Pipeline, excluding the Taylor Service Lines, at its sole cost and expense, throughout the term of this Agreement. Pentex will be vested with sole and exclusive discretion throughout the term of this Agreement on all matters pertaining to the operation, maintenance, repair and replacement of all portions of the Pipeline, excluding the Taylor Service Lines.

(h) Pentex shall not be required to install any compression facilities upon the Pipeline at any time.

(i) In the event that heating facilities are required to be installed upon the Pipeline, Pentex shall bear the cost of such facilities and their installation. Taylor shall bear all cost of the fuel required for the operation of said heating facilities.

(j) The Pipeline shall be used for the transportation of natural gas by Pentex on behalf of Tennessee for the account of Taylor.

2. Deliveries.

(a) Point of Delivery. Pentex shall receive gas owned by Taylor into the Pipeline at the outlet flange of the meter of Tennessee which point is hereby defined as the Point of Delivery.

(b) Point of Redelivery. Pentex shall redeliver said gas at the Taylor Plant, at the outlet flange of the meter of Pentex, which point is hereby defined as the Point of Redelivery.

(c) Title to Gas. Title to all gas transported hereunder by Pentex for the account of Taylor shall be vested in Taylor at all times.

(d) Warranty. The transportation service performed by Pentex hereunder is performed without warranty, express or implied, as to title to gas, and as to quantities of gas to be delivered.

3. Transportation Charges.

(a) Rate per Mcf.

(i) First through Twelfth Month. Subject to extensions as provided for at paragraph 5 below, Taylor shall pay to Pentex for the transportation of natural gas hereunder, a fee of Seventy Cents (\$.70) per thousand cubic feet (Mcf) for the Minimum Contract Quantity (hereafter defined) of 9,000 Mcf per calendar month, during the first through the twelfth month of this Agreement. During any month during said period, the rate per Mcf for volumes of gas which Pentex transports for the account of Taylor which are in excess of the Minimum Contract Quantity, shall be Twenty-five cents (\$.25) per Mcf.

(ii) Thirteenth through Twenty-Fourth Month.

Subject to extensions as provided for at paragraph 5 below, Taylor shall pay to Pentex for the transportation of natural gas hereunder, a fee of Sixty Cents (\$.60) per thousand cubic feet (Mcf) for said Minimum Contract Quantity of 9,000 Mcf per calendar month, during the thirteenth through the twenty-fourth month of this Agreement. During any month during said period, the rate per Mcf for volumes of gas which Pentex transports for the account of Taylor which are in excess of the Minimum Contract Quantity, shall be Twenty-five cents (\$.25) per Mcf.

(iii) Twenty-Fifth Month and Thereafter.

Subject to extensions as provided for at paragraph 5 below, Taylor shall pay to Pentex a fee of Twenty-five Cents (\$.25) for all gas transported hereunder following the twenty-fourth month of this Agreement.

(b) Facilities Service Charge. In any calendar month following the first 24 months of deliveries hereunder, subject to extensions as provided for at paragraph 5 below, in which Taylor has caused Pentex to transport through the Pipeline a total quantity of less than three thousand (3,000) Mcf, Taylor shall pay to Pentex, in addition to the Rate per Mcf, a Facilities Service Charge in the amount of Five Hundred Dollars (\$500).

(c) Tennessee Transportation Charge. As agent for Taylor, Pentex will arrange transportation of Taylor's gas on the Tennessee interstate pipeline, and if necessary, convenient and appropriate, other interstate pipelines, from the point where gas is delivered for the account of Taylor into the interstate pipeline, to the Point of Delivery. In addition to any other charges provided for in this Agreement, Taylor will pay to Pentex all actual charges, with no additional charges added thereto by Pentex, incurred by Pentex for the transportation, by Tennessee and other interstate pipelines, of gas owned by Taylor.

(d) Governmental Regulation. The rates and charges set forth in this paragraph 3 may be subject to adjustment in the event that a governmental entity of competent jurisdiction determines that such rates and charges are not fair and equitable and/or otherwise authorized, and directs that the rates and charges shall be different from those set forth herein. In the event that it is so determined that the rates and charges set forth herein are excessive, with the result that Pentex is precluded from charging and collecting said rates and charges as regularly filed and approved rates and charges, the parties hereto agree to amend the Monthly Contract Quantity (hereafter defined) and any other terms and conditions of this Agreement necessary to enable Pentex to receive the sums contemplated by this Agreement within the subject period of twenty-four (24) months, more fully set forth below.

4. Reimbursement of Costs.

(a) Taylor shall be under no obligation to reimburse Pentex in any amount, until such time as Pentex has commenced construction of the Pipeline or has ordered materials specifically to be utilized on the Pipeline.

(b) In the event that Pentex has commenced construction of the Pipeline and/or has ordered materials specifically to be utilized on the Pipeline, and prior to the completion of the Pipeline is involuntarily restrained, enjoined or otherwise restricted from completing the Pipeline or placing it into operation, then Taylor shall reimburse Pentex in an amount equal to fifty percent (50%) of Pentex's actual costs. The actual costs for which Pentex shall be reimbursed shall be: (1) costs of all labor, including services of field engineers, foremen, mechanics, laborers and all others necessary for the proper conduct of the work, but not including salaries of any of Pentex's executive officers or any persons employed in the general office of Pentex's business; (2) all costs of materials required for the Pipeline; and (3) all equipment, tool and machinery expenses, including loading and unloading expenses, incurred in the construction, installation and testing of the Pipeline. In the event that sums become due by Taylor to Pentex under this paragraph 4(b), Taylor shall tender payment to Pentex within thirty (30) days of Taylor's receipt of Pentex's invoice and supporting documentation. Taylor shall become obligated to reimburse Pentex

hereunder only in the event that Pentex's involuntary restraint, injunction or restriction is based upon regulatory matters of a jurisdictional nature, including by way of illustration, a determination that Pentex must secure a certificate from a federal administrative agency. Matters which will not obligate Taylor to reimburse Pentex hereunder are those matters which relate to physical construction or operation matters, including by way of illustration, occupancy or crossing permit matters.

(c) At such time as the Pipeline, including the Taylor Service Lines, has been completed, tested and is operational, Taylor shall be obligated to have transported, or to pay for if not transported, the quantities of gas more fully set forth at paragraph 5 below.

(d) Pentex shall provide written notice to Taylor of the date of commencement of construction or of ordering materials for the Pipeline, and the date of completion of construction and testing of the Pipeline.

(e) Following the completion, testing and placing into operation of the Taylor Service Lines, Pentex shall execute and deliver to Taylor an appropriate bill of sale which shall vest Taylor with title to the Taylor Service Lines. Upon the transfer of the Taylor Service Lines to Taylor, Pentex shall warrant to Taylor the proper construction and installation of the Taylor Service Lines, and shall agree to indemnify and hold Taylor harmless from and against all claims and loss for personal

injury or property damage arising from Pentex's construction and installation thereof. Said warranties and indemnification shall remain in effect for a period of one (1) year from the date of said transfer.

5. Quantity.

(a) Monthly Contract Quantity. Taylor shall cause Pentex to transport through the Pipeline for the account of Taylor, a minimum quantity of nine thousand (9,000) Mcf per calendar month (hereafter the "Monthly Contract Quantity"), during each of the first twenty-four (24) months of deliveries pursuant to the terms of this Agreement.

(b) Minimum Payments. In the event that Taylor shall cause Pentex to transport through the Pipeline less than the Monthly Contract Quantity, during any of the first twenty-four (24) months, Taylor shall nonetheless pay Pentex as if such Monthly Contract Quantity had been transported. In such case, Taylor shall be entitled to recover any sums paid for volumes not actually transported by applying said sums against volumes transported following the said first twenty-four (24) months. Any sums paid for volumes of gas not actually transported must be recovered by Taylor on or before the end of the thirtieth (30th) month following the month in which the sum was paid.

(c) Maximum Volumes. In no event shall Taylor cause to be transported through the Pipeline volumes in excess of eight hundred (800) Mcf per twenty-four (24) hour day, unless Taylor shall have secured the prior consent of Pentex.

(d) Extensions. In the event that Taylor is unable to have Pentex transport gas hereunder because of a lack of available capacity on the pipeline system owned by Tennessee, and such inability remains in effect for a continuous period of two (2) consecutive calendar months, then beginning in the first month following the second month of such inability, the obligation of Taylor to pay Pentex the Minimum Payments provided for at paragraph 5(b) above shall be delayed. Said obligation shall continue to be delayed until Taylor regains available capacity on the Tennessee system. In the event that said inability of Taylor has occurred and has remained in effect for a continuous period of six (6) months, Taylor shall become obligated to resume payments of the then applicable Minimum Payment.

6. Quality.

Pentex shall redeliver to Taylor at the Point of Redelivery, without material alteration, the natural gas which Pentex has received from Tennessee at the Point of Delivery.

7. Measurement.

(a) The unit of volume for the measurement of natural gas hereunder shall be one (1) cubic foot of natural gas at a pressure of fourteen and seventy-three one hundredths (14.73) pounds per square inch absolute and a temperature of sixty (60) degrees Fahrenheit.

(b) All natural gas delivered hereunder shall be measured by a pressure- and temperature-compensated orifice or displacement meter or any other measuring device of equal accuracy.

(c) At least once in each six (6) months, the accuracy of Pentex's measuring equipment shall be verified by and at the expense of Pentex. If Taylor notifies Pentex that Taylor desires a special test of Pentex's meter, Pentex shall cooperate to secure an immediate verification of the accuracy of such meter and joint observation of any adjustments. If any such test shall be requested by Taylor, and upon such test the measuring equipment shall be found to be registering within two percent (2%) of accuracy, the cost of such test shall be charged to Taylor. Otherwise, the cost of all such tests shall be borne by Pentex.

(d) If, upon test, any measuring equipment shall be found inaccurate by two (2%) percent or less, previous readings of such equipment shall be considered correct in computing the deliveries of gas hereunder, but such equipment shall immediately be adjusted to record accurately. If, upon test, any measuring equipment shall be found to be inaccurate by more than two

(2%) percent of the average rate of flow since the last test, then and in that event any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period covering one-half of the time elapsed since the last test, but not to exceed a correction period of sixteen (16) days.

8. Invoicing and Payments.

(a) Pentex shall submit to Taylor monthly an invoice itemizing the total quantity of natural gas measured by Pentex's meter at the Point of Redelivery, the applicable Rate per Mcf and Facilities Service Charge, and the total amount due. Each invoice shall be addressed to:

Taylor Packing Co., Inc.
P.O. Box 188
Wyalusing, Pennsylvania 18853
Attention: Accounts Payable

(b) No later than the fifteenth (15th) day after receipt of each such invoice, Taylor shall forward its check for the amount so invoiced, as follows:

InterFirst Bank Dallas N.A.
1401 Elm Street
Dallas, Texas 75203
Account Number: 08-2973-9

or to such other transferee as Pentex may from time to time specify.

9. Taxes.

Taylor shall reimburse Pentex, the amount of all taxes currently in force or which may be imposed in the future, whether federal, state or local, upon the transportation of natural gas for Taylor hereunder, the amount of which taxes shall be shown as a separate item on each invoice submitted pursuant to the provisions of paragraph 8 above.

10. Indemnification:

Pentex hereby indemnifies, defends and agrees to hold harmless, Taylor, its successors and assigns, and their respective agents, employees, officers, directors, subcontractors, materialmen and any other person or persons whose actions or omissions to act may impute to Taylor (all of the foregoing being included in any reference in this Paragraph to "Taylor") of and from any and all actions, manner of actions, causes of actions, suits, debts, dues, expenses, fees, costs, judgments, contracts, obligations, liabilities, agreements, and all other claims and demands of any nature whatsoever, including, without limitation, all attorneys' fees, witness fees and related costs of litigation, incurred by Taylor in relation to defending any indemnified claim or in obtaining indemnification hereunder, whether at law or in equity, whether by virtue of tort, contract, product liability or any other nature of liability, whether re-

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sulting from personal injury, death, property damage, economic harm, or other loss, and whether arising as a result of the prior or contemporary negligence of Taylor, and all rights to and claims for contribution and indemnification from Taylor as a result thereof (all of the foregoing being hereinafter referred to as "claims of loss or harm"), arising from or relating to any of the following:

(a) any accidents, leakage, slippage, explosion, or other casualty or mishap relating to or arising out of the construction, existence, maintenance, or operation of the Pipeline or the transportation of natural gas therein; provided, however, that Taylor shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Taylor to comply with its obligations under this Agreement as to maintenance and repair of the Taylor Service Lines; or

(b) any property damage, economic loss or harm, cost or expense of any person other than Taylor arising from or related to the construction, existence, maintenance or operation of the Pipeline or the transportation of natural gas therein; provided, however, that Taylor shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Taylor to comply with its obligations under this Agreement as to maintenance and repair of the Taylor Service Lines; or

(c) any loss or harm arising from or relating to any failure of the Pipeline or any portion of or fixture to it, whether in its construction, maintenance or operation, to comply in all respects with all applicable laws, statutes and regulations, including without limitation all liabilities for loss or harm related to any fines, fees, expenses or damages arising out of any environmental or pollution related problem; provided, however, that Taylor shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Taylor to comply with its obligations under this Agreement as to maintenance and repair of the Taylor Service Lines.

Pentex represents that the comprehensive general liability insurance referred to in Paragraph 11 of this Agreement includes contractual liability coverage which to the extent of the limits set forth in such Paragraph include liability under this Indemnification.

11. Insurance.

Pentex shall maintain at its own expense comprehensive general liability insurance in the amounts of not less than Five Hundred Thousand Dollars (\$500,000) in respect of injury to or death of one person and One Million Dollars (\$1,000,000) in respect of injury to or death of more than one person in any one occurrence and in an amount not less than One Million Dollars (\$1,000,000) in respect of damage to property.

12. Force Majeure.

Failure of or delay in compliance with the terms and conditions of this Agreement by any party shall be excused if said failure is occasioned by or in consequence of any acts of God, strikes, lockouts, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming the failure or delay and which by the exercise of due diligence such party is unable to prevent or overcome.

13. Term and Termination.

(a) The term of this Agreement shall commence on the date hereof and shall extend for a period of four (4) years. The Agreement may be extended upon mutual agreement of the parties.

(b) Either party hereto may terminate this Agreement at any time by providing thirty (30) days prior written notice to the other party; provided, however, that Pentex's termination shall be related to jurisdictional matters as more fully discussed at paragraph 4(b) above; and provided further that Taylor shall not be relieved of its obligation to have transported, or to pay for if not transported, the Monthly Contract

Quantity during each of the first twenty-four (24) months of deliveries under this Agreement, by its termination or attempted termination of this Agreement.

14. Sale of Pipeline and Assignment of Agreement.

(a) Pentex may assign its rights in this Agreement and may sell its portion of the Pipeline to any parent, subsidiary or affiliated company, as it may elect. Pentex shall not assign its rights in this Agreement nor sell its portion of the Pipeline to any party which is not a parent, subsidiary or affiliated company, without the prior, written consent of Taylor, which consent shall not be unreasonably withheld.

(b) Taylor may assign its rights in this Agreement to any party as it may elect, provided, however, that no such assignment by Taylor shall relieve Taylor of its obligation to have transported, or to pay for if not transported, the Monthly Contract Quantity, more fully set forth in paragraph 5 above. Following any such assignment by Taylor, Taylor shall remain primarily liable to Pentex with regard to said obligation.

15. Notice.

(a) Notice hereunder shall be given by registered or certified mail, if to Taylor to:

Taylor Packing Co., Inc.

P.O. Box 188

Wyalusing, Pennsylvania 18853

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PAGE:021

and if to Pentex to:

Pentex Pipeline Company
412 Summerfield Commons
2589 Washington Road
Pittsburgh, Pennsylvania 15241;

with a copy to:

Pentex Pipeline Company
Twelfth Floor
Lock Box 47
8080 North Central Expressway
Dallas, Texas 75206.

(b) Either party may change its address for purposes of notice by written notice of such change to the other.

16. Compliance With Law. Notwithstanding any terms or provisions of this Agreement which may be interpreted or construed to the contrary, the provision of transportation service hereunder by Pentex to Taylor shall at all times be subject to and in compliance with the applicable provisions of the Pennsylvania Public Utility Code and all related statutory and regulatory requirements.

17. Choice of Law.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

18. Entire Agreement.

This Agreement shall constitute the entire and only Agreement between the parties pertaining to the Pipeline and there are no other or further agreements between the parties outstanding not specifically mentioned herein; provided, however, that the parties may, by agreement, amend and supplement this Agreement in writing from time to time.

19. Execution in Counterparts. This Agreement may be executed in one or more counterparts, but in such event each counterpart shall constitute an original and all of such counterparts shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ATTEST:

PENTEX PIPELINE COMPANY

By: _____
Title: _____

By: Michael D. Ramsey
Title: Vice President

ATTEST:

TAYLOR PACKING, INC.

By: Thomas J. Taylor
Title: Vice President

By: Kenneth H. Taylor, Jr.
Title: President

EXHIBIT "B"

Pentex Pipeline Company
8080 N. Central Expressway
Suite 1200
Dallas, Texas 75206
(214) 691-5536

November 22, 1994

Taylor Packing Company, Inc.
P.O. Box 188
Wyalusing, Pennsylvania 18853
Attention: Gary Matson

Re: Natural Gas Pipeline Construction and Transportation Agreement by and between Pentex Pipeline Company ("Pentex") and Taylor Packing Company, Inc. ("Taylor") dated June 21, 1988 ("Agreement").

Dear Mr. Matson:


This letter agreement when executed by both parties shall modify the above agreement. For consideration of the premises and mutual covenants contained in this letter and intending to be legally bound, Taylor and Pentex agree to amend the Agreement as follows:

Subparagraph (a) and (b) of Paragraph 13 (Term and Termination) is deleted in its entirety and the following is substituted in lieu thereof:

- (a) The term of this Agreement shall commence on the date hereof and shall extend through October 31, 2004. The Agreement may be extended upon mutual agreement of the parties.

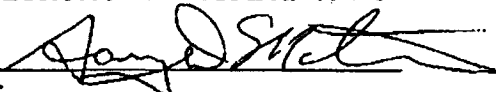
Please return one fully executed copy to Pentex.

Very truly yours,


Robert L. Cavnar
Senior Vice President &
Chief Financial Officer

Agreed and accepted to this 1st day of ~~November~~ December, 1994.

TAYLOR PACKING COMPANY, INC.

By: 
Title: _____
Date: _____

November 22, 1994

Taylor Packing Company, Inc.
P.O. Box 188
Wyalusing, Pennsylvania 18853
Attention: Gary Matson

Robert L. Cavnar
Senior Vice President
Chief Financial Officer
& Treasurer

Dear Mr. Matson:

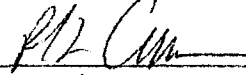
This letter agreement ("Agreement") shall set forth the agreement between Cornerstone Gas Resources, Inc. ("Cornerstone") and Taylor Packing Company, Inc. ("Taylor") effective November 1, 1994 and shall run concurrently as long as that Natural Pipeline Construction and Transportation Agreement dated June 21, 1988 by and between Pentex Pipeline Company ("Pentex") and Taylor Packing Company, Inc. and amended November 22, 1994 ("Transportation Contract") is in effect.

For consideration of the premises and mutual covenants in this Agreement, Taylor agrees to pay Cornerstone a fee of \$.05 per Mcf of gas transported on the Pentex Pipeline Company pipeline serving Taylor's processing plant near Wyalusing, Pennsylvania. Cornerstone will bill each month Taylor for the volumes of gas measured at Pentex's meter in the Transportation Contract, and Taylor shall pay to Cornerstone within 15 days after receipt of invoice. Taylor also agrees to reimburse Cornerstone the amount of any taxes that might be levied upon Cornerstones fees charged to Taylor.

This Agreement shall be binding upon the successors and assign of all parties.


Please return one fully executed copy to Pentex.

CORNERSTONE GAS RESOURCES, INC.



Robert L. Cavnar
Senior Vice President &
Chief Financial Officer

TAYLOR PACKING COMPANY, INC.

By: 
Title: _____
Date: 12/1/94



AK-21-96 TUE 08:56

CORNERSTONE GAS RES. INC FAX NO. 4128338980

P. 02

Pentex Pipeline Company

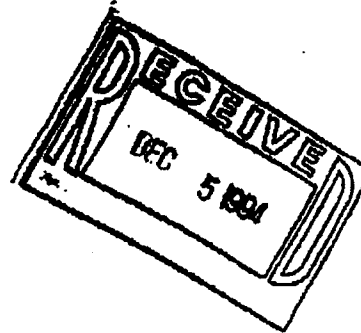
8080 N. Central Expressway

Suite 1200

Dallas, Texas 75206

(214) 691-5536

821-4714



November 22, 1994

Taylor Packing Company, Inc.
P.O. Box 188
Wyalusing, Pennsylvania 18853
Attention: Gary Matson

Re: Natural Gas Pipeline Construction and Transportation Agreement by and between Pentex Pipeline Company ("Pentex") and Taylor Packing Company, Inc. ("Taylor") dated June 21, 1988 ("Agreement").

Dear Mr. Matson:


This letter agreement when executed by both parties shall modify the above agreement. For consideration of the premises and mutual covenants contained in this letter and intending to be legally bound, Taylor and Pentex agree to amend the Agreement as follows:

Subparagraph (a) and (b) of Paragraph 13 (Term and Termination) is deleted in its entirety and the following is substituted in lieu thereof:


- (a) The term of this Agreement shall commence on the date hereof and shall extend through October 31, 2004. The Agreement may be extended upon mutual agreement of the parties.

Please return one fully executed copy to Pentex.

Very truly yours,


Robert L. Cavnar
Senior Vice President &
Chief Financial Officer

Agreed and accepted to this 1st day of December, 1994.

~~TAYLOR PACKING COMPANY, INC.~~

By: Gary D. Matson
Title: VP Engineering Services
Date: 12/1/94

NATURAL GAS PIPELINE CONSTRUCTION
AND TRANSPORTATION AGREEMENT

Made this 21st day of June 1988, by and between PENTEX PIPELINE COMPANY, a Texas corporation with offices located at 412 Summerfield Commons, 2589 Washington Road, Pittsburgh, Pennsylvania 15241 and 600 Landmark Center, 1801 North Lamar, Dallas, Texas 75202 (hereafter "Pentex")

AND

TAYLOR PACKING CO., INC., a Pennsylvania corporation with offices located at P.O. Box 188, R.D. #1, Wyalusing, Pennsylvania 18853.

WHEREAS, Taylor Byproducts Co., Inc., a Pennsylvania corporation with offices at the same address, is affiliated with Taylor Packing Co., Inc., and is or will be receiving service hereunder from Pentex (both corporations being hereafter collectively referred to as "Taylor"); and

WHEREAS, Taylor is the owner of a processing plant and related facilities, situate near R.D. #1, Wyalusing, Pennsylvania (hereafter the "Taylor Plant"); and

WHEREAS, Pentex has proposed to construct a natural gas pipeline capable of delivering natural gas to the Taylor Plant, and Taylor desires to have Pentex construct said pipeline.

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

1. Construction, Operation and Maintenance of the Pipeline.

(a) Pentex shall undertake its best efforts to construct and to place into operation a natural gas pipeline, extending from a point of interconnection with the pipeline facilities of Tennessee Gas Pipeline Company, ("Tennessee"), to the Taylor Plant, all of which are more fully shown on the plat attached hereto and made a part hereof, and marked Exhibit A. The pipeline, together with all above ground and below ground valves, fittings, meters, regulators and related equipment and appurtenances to be constructed and operated by Pentex, is hereafter referred to as the "Pipeline". Pentex shall be under no obligation to construct the Pipeline until such time as Pentex has commenced construction of the Pipeline and/or has ordered materials specifically to be utilized on the Pipeline.

(b) The Pipeline shall be of adequate design and sufficient diameter to deliver one thousand five hundred (1,500) thousand cubic feet (Mcf) of natural gas per day to the Point of Redelivery (hereafter defined) and shall be constructed, tested, operated and maintained in compliance with all applicable federal, state and local laws, ordinances, rules and regulations including, but not limited to, the current regulations of the United States Department of Transportation. At such time in the future that either party hereto desires to increase the size of

the Pipeline to provide for greater capacity, both parties hereto covenant and agree to engage in good faith negotiations to accomplish such objective.

(c) Taylor agrees to grant to Pentex right-of-way and easement rights on an appropriate, recordable form of agreement, covering the real property of Taylor in the vicinity of the Taylor Plant. Pentex acknowledges that it shall be solely responsible for securing the necessary rights-of-way from all real property owners other than Taylor.

(d) The portion of the Pipeline situate upon the real property of Taylor and located downstream of the Pentex meter shall be and remain the property of Taylor, and the remaining portion of the Pipeline shall be and remain the property of Pentex, at all times during and after the term of this Agreement. The portions of the Pipeline which shall become the property of Taylor are hereafter referred to as the "Taylor Service Lines".

(e) Following the completion, testing and placing into operation of the Pipeline and the Taylor Service Lines, all costs of maintenance, repair and replacement of the Pipeline, excluding the Taylor Service Lines, shall be borne by Pentex, and all costs of maintenance, repair and replacement of the Taylor Service Lines shall be borne by Taylor.

(f) The Taylor Service Lines shall be and remain subject to all terms and conditions of this Agreement, throughout the term of this Agreement.

(g) Pentex shall operate the Pipeline, excluding the Taylor Service Lines, at its sole cost and expense, throughout the term of this Agreement. Pentex will be vested with sole and exclusive discretion throughout the term of this Agreement on all matters pertaining to the operation, maintenance, repair and replacement of all portions of the Pipeline, excluding the Taylor Service Lines.

(h) Pentex shall not be required to install any compression facilities upon the Pipeline at any time.

(i) In the event that heating facilities are required to be installed upon the Pipeline, Pentex shall bear the cost of such facilities and their installation. Taylor shall bear all cost of the fuel required for the operation of said heating facilities.

(j) The Pipeline shall be used for the transportation of natural gas by Pentex on behalf of Tennessee for the account of Taylor.

2. Deliveries.

(a) Point of Delivery. Pentex shall receive gas owned by Taylor into the Pipeline at the outlet flange of the meter of Tennessee which point is hereby defined as the Point of Delivery.

(b) Point of Redelivery. Pentex shall redeliver said gas at the Taylor Plant, at the outlet flange of the meter of Pentex, which point is hereby defined as the Point of Redelivery.

(c) Title to Gas. Title to all gas transported hereunder by Pentex for the account of Taylor shall be vested in Taylor at all times.

(d) Warranty. The transportation service performed by Pentex hereunder is performed without warranty, express or implied, as to title to gas, and as to quantities of gas to be delivered.

3. Transportation Charges.

(a) Rate per Mcf.

(i) First through Twelfth Month. Subject to extensions as provided for at paragraph 5 below, Taylor shall pay to Pentex for the transportation of natural gas hereunder, a fee of Seventy Cents (\$.70) per thousand cubic feet (Mcf) for the Minimum Contract Quantity (hereafter defined) of 9,000 Mcf per calendar month, during the first through the twelfth month of this Agreement. During any month during said period, the rate per Mcf for volumes of gas which Pentex transports for the account of Taylor which are in excess of the Minimum Contract Quantity, shall be Twenty-five cents (\$.25) per Mcf.

(ii) Thirteenth through Twenty-Fourth Month.

Subject to extensions as provided for at paragraph 5 below, Taylor shall pay to Pentex for the transportation of natural gas hereunder, a fee of Sixty Cents (\$.60) per thousand cubic feet (Mcf) for said Minimum Contract Quantity of 9,000 Mcf per calendar month, during the thirteenth through the twenty-fourth month of this Agreement. During any month during said period, the rate per Mcf for volumes of gas which Pentex transports for the account of Taylor which are in excess of the Minimum Contract Quantity, shall be Twenty-five cents (\$.25) per Mcf.

(iii) Twenty-Fifth Month and Thereafter.

Subject to extensions as provided for at paragraph 5 below, Taylor shall pay to Pentex a fee of Twenty-five Cents (\$.25) for all gas transported hereunder following the twenty-fourth month of this Agreement.

(b) Facilities Service Charge. In any calendar month following the first 24 months of deliveries hereunder, subject to extensions as provided for at paragraph 5 below, in which Taylor has caused Pentex to transport through the Pipeline a total quantity of less than three thousand (3,000) Mcf, Taylor shall pay to Pentex, in addition to the Rate per Mcf, a Facilities Service Charge in the amount of Five Hundred Dollars (\$500).

(c) Tennessee Transportation Charge. As agent for Taylor, Pentex will arrange transportation of Taylor's gas on the Tennessee interstate pipeline, and if necessary, convenient and appropriate, other interstate pipelines, from the point where gas is delivered for the account of Taylor into the interstate pipeline, to the Point of Delivery. In addition to any other charges provided for in this Agreement, Taylor will pay to Pentex all actual charges, with no additional charges added thereto by Pentex, incurred by Pentex for the transportation, by Tennessee and other interstate pipelines, of gas owned by Taylor.

(d) Governmental Regulation. The rates and charges set forth in this paragraph 3 may be subject to adjustment in the event that a governmental entity of competent jurisdiction determines that such rates and charges are not fair and equitable and/or otherwise authorized, and directs that the rates and charges shall be different from those set forth herein. In the event that it is so determined that the rates and charges set forth herein are excessive, with the result that Pentex is precluded from charging and collecting said rates and charges as regularly filed and approved rates and charges, the parties hereto agree to amend the Monthly Contract Quantity (hereafter defined) and any other terms and conditions of this Agreement necessary to enable Pentex to receive the sums contemplated by this Agreement within the subject period of twenty-four (24) months, more fully set forth below.

4. Reimbursement of Costs.

(a) Taylor shall be under no obligation to reimburse Pentex in any amount, until such time as Pentex has commenced construction of the Pipeline or has ordered materials specifically to be utilized on the Pipeline.

(b) In the event that Pentex has commenced construction of the Pipeline and/or has ordered materials specifically to be utilized on the Pipeline, and prior to the completion of the Pipeline is involuntarily restrained, enjoined or otherwise restricted from completing the Pipeline or placing it into operation, then Taylor shall reimburse Pentex in an amount equal to fifty percent (50%) of Pentex's actual costs. The actual costs for which Pentex shall be reimbursed shall be: (1) costs of all labor, including services of field engineers, foremen, mechanics, laborers and all others necessary for the proper conduct of the work, but not including salaries of any of Pentex's executive officers or any persons employed in the general office of Pentex's business; (2) all costs of materials required for the Pipeline; and (3) all equipment, tool and machinery expenses, including loading and unloading expenses, incurred in the construction, installation and testing of the Pipeline. In the event that sums become due by Taylor to Pentex under this paragraph 4(b), Taylor shall tender payment to Pentex within thirty (30) days of Taylor's receipt of Pentex's invoice and supporting documentation. Taylor shall become obligated to reimburse Pentex

hereunder only in the event that Pentex's involuntary restraint, injunction or restriction is based upon regulatory matters of a jurisdictional nature, including by way of illustration, a determination that Pentex must secure a certificate from a federal administrative agency. Matters which will not obligate Taylor to reimburse Pentex hereunder are those matters which relate to physical construction or operation matters, including by way of illustration, occupancy or crossing permit matters.

(c) At such time as the Pipeline, including the Taylor Service Lines, has been completed, tested and is operational, Taylor shall be obligated to have transported, or to pay for if not transported, the quantities of gas more fully set forth at paragraph 5 below.

(d) Pentex shall provide written notice to Taylor of the date of commencement of construction or of ordering materials for the Pipeline, and the date of completion of construction and testing of the Pipeline.

(e) Following the completion, testing and placing into operation of the Taylor Service Lines, Pentex shall execute and deliver to Taylor an appropriate bill of sale which shall vest Taylor with title to the Taylor Service Lines. Upon the transfer of the Taylor Service Lines to Taylor, Pentex shall warrant to Taylor the proper construction and installation of the Taylor Service Lines, and shall agree to indemnify and hold Taylor harmless from and against all claims and loss for personal

injury or property damage arising from Pentex's construction and installation thereof. Said warranties and indemnification shall remain in effect for a period of one (1) year from the date of said transfer.

5. Quantity.

(a) Monthly Contract Quantity. Taylor shall cause Pentex to transport through the Pipeline for the account of Taylor, a minimum quantity of nine thousand (9,000) Mcf per calendar month (hereafter the "Monthly Contract Quantity"), during each of the first twenty-four (24) months of deliveries pursuant to the terms of this Agreement.

(b) Minimum Payments. In the event that Taylor shall cause Pentex to transport through the Pipeline less than the Monthly Contract Quantity, during any of the first twenty-four (24) months, Taylor shall nonetheless pay Pentex as if such Monthly Contract Quantity had been transported. In such case, Taylor shall be entitled to recover any sums paid for volumes not actually transported by applying said sums against volumes transported following the said first twenty-four (24) months. Any sums paid for volumes of gas not actually transported must be recovered by Taylor on or before the end of the thirtieth (30th) month following the month in which the sum was paid.

(c) Maximum Volumes. In no event shall Taylor cause to be transported through the Pipeline volumes in excess of eight hundred (800) Mcf per twenty-four (24) hour day, unless Taylor shall have secured the prior consent of Pentex.

(d) Extensions. In the event that Taylor is unable to have Pentex transport gas hereunder because of a lack of available capacity on the pipeline system owned by Tennessee, and such inability remains in effect for a continuous period of two (2) consecutive calendar months, then beginning in the first month following the second month of such inability, the obligation of Taylor to pay Pentex the Minimum Payments provided for at paragraph 5(b) above shall be delayed. Said obligation shall continue to be delayed until Taylor regains available capacity on the Tennessee system. In the event that said inability of Taylor has occurred and has remained in effect for a continuous period of six (6) months, Taylor shall become obligated to resume payments of the then applicable Minimum Payment.

6. Quality.

Pentex shall redeliver to Taylor at the Point of Redelivery, without material alteration, the natural gas which Pentex has received from Tennessee at the Point of Delivery.

7. Measurement.

(a) The unit of volume for the measurement of natural gas hereunder shall be one (1) cubic foot of natural gas at a pressure of fourteen and seventy-three one hundredths (14.73) pounds per square inch absolute and a temperature of sixty (60) degrees Fahrenheit.

(b) All natural gas delivered hereunder shall be measured by a pressure- and temperature-compensated orifice or displacement meter or any other measuring device of equal accuracy.

(c) At least once in each six (6) months, the accuracy of Pentex's measuring equipment shall be verified by and at the expense of Pentex. If Taylor notifies Pentex that Taylor desires a special test of Pentex's meter, Pentex shall cooperate to secure an immediate verification of the accuracy of such meter and joint observation of any adjustments. If any such test shall be requested by Taylor, and upon such test the measuring equipment shall be found to be registering within two percent (2%) of accuracy, the cost of such test shall be charged to Taylor. Otherwise, the cost of all such tests shall be borne by Pentex.

(d) If, upon test, any measuring equipment shall be found inaccurate by two (2%) percent or less, previous readings of such equipment shall be considered correct in computing the deliveries of gas hereunder, but such equipment shall immediately be adjusted to record accurately. If, upon test, any measuring equipment shall be found to be inaccurate by more than two

(2%) percent of the average rate of flow since the last test, then and in that event any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period covering one-half of the time elapsed since the last test, but not to exceed a correction period of sixteen (16) days.

8. Invoicing and Payments.

(a) Pentex shall submit to Taylor monthly an invoice itemizing the total quantity of natural gas measured by Pentex's meter at the Point of Redelivery, the applicable Rate per Mcf and Facilities Service Charge, and the total amount due. Each invoice shall be addressed to:

Taylor Packing Co., Inc.
P.O. Box 188
Wyalusing, Pennsylvania 18853
Attention: Accounts Payable

(b) No later than the fifteenth (15th) day after receipt of each such invoice, Taylor shall forward its check for the amount so invoiced, as follows:

InterFirst Bank Dallas N.A.
1401 Elm Street
Dallas, Texas 75283
Account Number: 08-2973-9

or to such other transferee as Pentex may from time to time specify.

9. Taxes.

Taylor shall reimburse Pentex, the amount of all taxes currently in force or which may be imposed in the future, whether federal, state or local, upon the transportation of natural gas for Taylor hereunder, the amount of which taxes shall be shown as a separate item on each invoice submitted pursuant to the provisions of paragraph 8 above.

10. Indemnification.

Pentex hereby indemnifies, defends and agrees to hold harmless, Taylor, its successors and assigns, and their respective agents, employees, officers, directors, subcontractors, materialmen and any other person or persons whose actions or omissions to act may impute to Taylor (all of the foregoing being included in any reference in this Paragraph to "Taylor") of and from any and all actions, manner of actions, causes of actions, suits, debts, dues, expenses, fees, costs, judgments, contracts, obligations, liabilities, agreements, and all other claims and demands of any nature whatsoever, including, without limitation, all attorneys' fees, witness fees and related costs of litigation, incurred by Taylor in relation to defending any indemnified claim or in obtaining indemnification hereunder, whether at law or in equity, whether by virtue of tort, contract, product liability or any other nature of liability, whether re-

sulting from personal injury, death, property damage, economic harm, or other loss, and whether arising as a result of the prior or contemporary negligence of Taylor, and all rights to and claims for contribution and indemnification from Taylor as a result thereof (all of the foregoing being hereinafter referred to as "claims of loss or harm"), arising from or relating to any of the following:

(a) any accidents, leakage, slippage, explosion, or other casualty or mishap relating to or arising out of the construction, existence, maintenance, or operation of the Pipeline or the transportation of natural gas therein; provided, however, that Taylor shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Taylor to comply with its obligations under this Agreement as to maintenance and repair of the Taylor Service Lines; or

(b) any property damage, economic loss or harm, cost or expense of any person other than Taylor arising from or related to the construction, existence, maintenance or operation of the Pipeline or the transportation of natural gas therein; provided, however, that Taylor shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Taylor to comply with its obligations under this Agreement as to maintenance and repair of the Taylor Service Lines; or

(c) any loss or harm arising from or relating to any failure of the Pipeline or any portion of or fixture to it, whether in its construction, maintenance or operation, to comply in all respects with all applicable laws, statutes and regulations, including without limitation all liabilities for loss or harm related to any fines, fees, expenses or damages arising out of any environmental or pollution related problem; provided, however, that Taylor shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Taylor to comply with its obligations under this Agreement as to maintenance and repair of the Taylor Service Lines.

Pentex represents that the comprehensive general liability insurance referred to in Paragraph 11 of this Agreement includes contractual liability coverage which to the extent of the limits set forth in such Paragraph include liability under this Indemnification.

11. Insurance.

Pentex shall maintain at its own expense comprehensive general liability insurance in the amounts of not less than Five Hundred Thousand Dollars (\$500,000) in respect of injury to or death of one person and One Million Dollars (\$1,000,000) in respect of injury to or death of more than one person in any one occurrence and in an amount not less than One Million Dollars (\$1,000,000) in respect of damage to property.

12. Force Majeure.

Failure of or delay in compliance with the terms and conditions of this Agreement by any party shall be excused if said failure is occasioned by or in consequence of any acts of God, strikes, lockouts, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming the failure or delay and which by the exercise of due diligence such party is unable to prevent or overcome.

13. Term and Termination.

(a) The term of this Agreement shall commence on the date hereof and shall extend for a period of four (4) years. The Agreement may be extended upon mutual agreement of the parties.

(b) Either party hereto may terminate this Agreement at any time by providing thirty (30) days prior written notice to the other party; provided, however, that Pentex's termination shall be related to jurisdictional matters as more fully discussed at paragraph 4(b) above; and provided further that Taylor shall not be relieved of its obligation to have transported, or to pay for if not transported, the Monthly Contract

Quantity during each of the first twenty-four (24) months of deliveries under this Agreement, by its termination or attempted termination of this Agreement.

14. Sale of Pipeline and Assignment of Agreement.

(a) Pentex may assign its rights in this Agreement and may sell its portion of the Pipeline to any parent, subsidiary or affiliated company, as it may elect. Pentex shall not assign its rights in this Agreement nor sell its portion of the Pipeline to any party which is not a parent, subsidiary or affiliated company, without the prior, written consent of Taylor, which consent shall not be unreasonably withheld.

(b) Taylor may assign its rights in this Agreement to any party as it may elect, provided, however, that no such assignment by Taylor shall relieve Taylor of its obligation to have transported, or to pay for if not transported, the Monthly Contract Quantity, more fully set forth in paragraph 5 above. Following any such assignment by Taylor, Taylor shall remain primarily liable to Pentex with regard to said obligation.

15. Notice.

(a) Notice hereunder shall be given by registered or certified mail, if to Taylor to:

Taylor Packing Co., Inc.

P.O. Box 188

Wyalusing, Pennsylvania 18853

and if to Pentex to:

Pentex Pipeline Company
412 Summerfield Commons
2589 Washington Road
Pittsburgh, Pennsylvania 15241;

with a copy to:

Pentex Pipeline Company
Twelfth Floor
Lock Box 47
8080 North Central Expressway
Dallas, Texas 75206.

(b) Either party may change its address for purposes of notice by written notice of such change to the other.

16. Compliance With Law. Notwithstanding any terms or provisions of this Agreement which may be interpreted or construed to the contrary, the provision of transportation service hereunder by Pentex to Taylor shall at all times be subject to and in compliance with the applicable provisions of the Pennsylvania Public Utility Code and all related statutory and regulatory requirements.

17. Choice of Law.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

18. Entire Agreement.

This Agreement shall constitute the entire and only Agreement between the parties pertaining to the Pipeline and there are no other or further agreements between the parties outstanding not specifically mentioned herein; provided, however, that the parties may, by agreement, amend and supplement this Agreement in writing from time to time.

19. Execution in Counterparts. This Agreement may be executed in one or more counterparts, but in such event each counterpart shall constitute an original and all of such counterparts shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ATTEST:

PENTEX PIPELINE COMPANY

By: _____
Title: _____

By: Mark D. Ramsey
Title: Vice President

ATTEST:

TAYLOR PACKING, INC.

By: Thomas J. Taylor
Title: Vice-President

By: Kenneth H. Taylor, Jr.
Title: President

EXHIBIT C

PENTEX PIPELINE COMPANY

Gas – PA PUC No. 2
Replacing and Superseding
Tariff Gas – PA PUC No. 1

PENTEX PIPELINE COMPANY

TARIFF

for

NATURAL GAS TRANSPORTATION SERVICE

by

PIPELINE

in the

TOWNSHIPS OF WYALUSING, HERRICK, TERRY, TUSCARORA, STEVENS AND WILMOT

and

BOROUGH OF WYALUSING, BRADFORD COUNTY, PENNSYLVANIA

ISSUED: XXXXX

EFFECTIVE: XXXXX

BY

Mark D. Casaday, President and CEO
c/o Cargill Meat Solutions Plant
124 Taylor Ave.
Wyalusing, PA 18853
484.437.6980

List of Changes

Gas – PA PUC No. 2 updates the Natural Gas Transportation Agreement to include a Firm Transportation Service Contract between Pentex and Cargill Meat Solutions Corporation, and also adds a new Section B. Gathering or Conveying Service Rules.

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A. TRANSPORTATION SERVICE1. **General**

Pentex Pipeline Company will transport gas delivered into its pipeline by Tennessee Pipeline Company to points on its pipeline under the following conditions:

- a) Company has sufficient capacity in its pipeline to provide the service requested.
- b) Customer enters into a contract for transportation service which, among other things, specifies class of service, term, maximum daily volume, rate and redelivery point or points.
- c) Transportation service is subject to the regulations published at 52 Pa. Code §59.1 et seq., where applicable, and 52 Pa. Code §60.1 et seq., of the Pennsylvania Public Utility Commission and such Orders as it may issue from time to time.
- d) Line connections and extensions shall be made solely at the discretion of the Company and solely at the expense of the Customer, to be paid for as provided by the contract required by b) above.
- e) Gas delivered into Company's pipeline will be free and clear of all claims and charges. Customer will indemnify and hold harmless Company from any such claims and charges, including the cost of defending against them.
- f) Company may discontinue service to and cancel contract with Customer if Customer fails to pay its bill within fifteen (15) days of issue.
- g) Title to gas delivered into Company's pipeline will be in Customer or its nominee.
- h) Transportation service may be disrupted where Company is physically unable to provide service or where, in Company's sole judgment, public safety requires service disruption.
- i) Line losses on Company's pipeline will be apportioned volumetrically among all customers.

j) Company does not provide storage, banking, compression, processing or sales services.

k) Company will not be liable for any disruption or interruption of transportation service or for any loss or injury resulting directly or indirectly therefrom.

2. Firm Transportation Service

Pentex Pipeline Company will transport on a firm basis gas delivered into its pipeline by Tennessee Pipeline Company to a point or points on its pipeline.

a) Rates

i) Minimum Facility Charge - \$500.00 per month

ii) Volumetric Charge

- first to twelfth months of contract
0 to 9,000 Mcf - \$.70 per Mcf
over 9,000 Mcf - \$.25 per Mcf

- thirteenth to twenty-fourth months of contract
0 to 9,000 Mcf - \$.60 per Mcf
over 9,000 Mcf - \$.25 per Mcf

Note: Firm Transportation Service is offered at the foregoing rate, however, the Company reserves the right to enter into a contract for firm transportation service at rates other than those here stated, depending upon the term of that contract, connections or line extensions required and other conditions of service provided to the Customer.

- b) Firm Transportation Service Contracts
i) Cargill Meat Solutions Corporation

NATURAL GAS PIPELINE CONSTRUCTION
AND TRANSPORTATION AGREEMENT

Made this 1st day of January 2011, by and between PENTEX PIPELINE COMPANY, a Texas corporation with offices located at 579 Brighton Way, Phoenixville, Pennsylvania 19460 and 15455 Dallas Parkway, Suite 350, Addison, Texas 75001 (hereafter "Pentex")

AND

CARGILL MEAT SOLUTIONS CORPORATION, a Delaware corporation (hereafter "Cargill") with offices located at P.O. Box 188, R.D. #1, Wyalusing, Pennsylvania, 18853.

Pentex and Cargill shall collectively be referred to hereafter as "Parties".

WHEREAS, Pentex entered into a Natural Gas Pipeline Construction and Transportation Agreement with Taylor Packing Co., Inc. (hereafter "Taylor") dated June 21, 1988 (the "Agreement"); and

WHEREAS, Pentex and Taylor amended the Agreement by Letter Agreement dated November 22, 1994; and

WHEREAS, Pentex and Taylor further amended the Agreement by Letter Agreement dated August 22, 2006.

WHEREAS, Taylor was the owner of a processing plant and related facilities, situated near R.D. #1, Wyalusing, Pennsylvania (hereafter the "Taylor Plant"); and

WHEREAS, Pentex proposed and constructed a natural gas pipeline capable of delivering natural gas to the Taylor Plant; and

WHEREAS, Cargill purchased the Taylor Plant on February 22, 2002; and was merged into Cargill effective June 1, 2005 (hereafter "Cargill Plant"); and

WHEREAS, the Parties are now properly named Cargill Meat Solutions Corporation ("Cargill") and Pentex Pipeline Company ("Pentex"); and

WHEREAS, The Cargill Plant receives natural gas deliveries hereunder from Pentex; and

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

1. Construction, Operation and Maintenance of the Pipeline.

(a) Pentex constructed and placed into operation a natural gas pipeline, extending from a point of interconnection with the pipeline facilities of Tennessee Gas Pipeline Company, (hereafter "Tennessee"), to the Cargill Plant. The pipeline, together with all above ground and below ground valves, fittings, meters, regulators and related equipment and appurtenances constructed and operated by Pentex, is hereafter referred to as the "Pipeline".

(b) The Pipeline shall be of adequate design and sufficient diameter to deliver one thousand five hundred (1,500) thousand cubic feet (Mcf) of natural gas per day to the Point of Redelivery (hereafter defined) and shall be constructed, tested, operated and maintained in compliance with all applicable federal, state and local laws, ordinances, rules and regulations including, but not limited to, the current regulations of the United States Department of Transportation. At such time in the future that either party hereto desires to increase the size of the Pipeline to provide for greater capacity or increase access to natural gas supply, both parties hereto covenant and agree to engage in good faith negotiations to accomplish such objective.

(c) Cargill agrees to grant to Pentex right-of-way and easement rights on an appropriate, recordable form of agreement, covering the real property of Cargill in the vicinity of the Cargill Plant. Pentex acknowledges that it shall be solely responsible for securing the necessary rights-of-way from all real property owners other than Cargill.

(d) The portion of the Pipeline situate upon the real property of Cargill and located downstream of the Pentex meter shall be and remain the property of Cargill, and the remaining portion of the Pipeline shall be and remain the property of Pentex, at all times during and after the term of this Agreement. The portions of the Pipeline which shall become the property of Cargill are hereafter referred to as the "Cargill Service Lines."

(e) Following the completion, testing and placing into operation of the Pipeline and the Cargill Service Lines, all costs of maintenance, repair and replacement of the Pipeline, excluding the Cargill Service Lines, shall be borne by Pentex, and all costs of maintenance, repair and replacement of the Cargill Service Lines shall be borne by Cargill.

(f) The Cargill Service Lines shall be and remain subject to all terms and conditions of this Agreement, throughout the term of this Agreement.

(g) Pentex shall operate the Pipeline, excluding the Cargill Service Lines, at its sole cost and expense, throughout the term of this Agreement. Pentex will be vested with sole and exclusive discretion throughout the term of this Agreement on all matters pertaining to the operation, maintenance, repair and replacement of all portions of the Pipeline, excluding the Cargill Service Lines.

(h) Pentex shall not be required to install any compression facilities upon the Pipeline at anytime.

(i) In the event that heating facilities are required to be installed upon the Pipeline, Pentex shall bear the cost of such facilities and their installation. Cargill shall bear all cost of the fuel required for the operation of said heating facilities.

(j) The Pipeline shall be used for the transportation of natural gas by Pentex for the account of Cargill, unless otherwise agreed by written terms and conditions executed by both Parties.

(k) Pentex shall undertake its best efforts to increase access to natural gas supply, specifically from natural gas produced locally from wells in the townships of Wyalusing, Herrick, Terry, Tuscarora, Stevens and Wilmot in Bradford County, Pennsylvania, into the Pipeline and/or the Cargill Service Lines.

(l) Any natural gas agreements negotiated between Cargill and local producers shall be referred to as "Cargill Gas." Cargill shall be solely responsible for negotiating purchase of Cargill Gas.

(m) Pentex may install facilities to locally produced natural gas wells that are not under arrangement with Cargill; such gas may be comingled with Cargill Gas provided it meets Tennessee pipeline quality standards, and subject to mutual agreement by both Parties as provided in Section 1(j).

(C) Indicates Change

2. Deliveries.

(a) Point of Delivery: Pentex shall receive gas owned by Cargill into the Pipeline at the outlet flange of the meter of Tennessee for natural gas purchased by Cargill on Tennessee, or at a wellhead meter for Cargill Gas as otherwise agreed; either or both points into the Pipeline are hereby defined as the Point of Delivery.

(b) Point of Redelivery: Pentex shall redeliver said gas at the Cargill Plant, at the outlet flange of the meter of Pentex, which point is hereby defined as the Point of Redelivery.

(c) Title to Gas: Title to all gas transported hereunder by Pentex for the account of Cargill shall be vested in Cargill at all times.

(d) Warranty: The transportation service performed by Pentex hereunder is performed without warranty, express or implied, as to title to gas, and as to quantities of gas to be delivered.

3. Transportation Charges.(a) Rate per Mcf.

(i) Cargill shall pay to Pentex a fee of Twenty-five Cents (\$.25) for all gas transported hereunder.

(ii) If Cargill requests Pentex to construct or extend the Pipeline to enable Cargill to purchase Cargill Gas, Pentex and Cargill shall negotiate a rate to apply to all Mcf of gas transported over the facilities. The terms and conditions of such arrangements shall be memorialized in a separate agreement for extension.

(b) Facilities Service Charge: In any calendar month that Cargill has caused Pentex to transport through the Pipeline a total quantity of less than three thousand (3,000) Mcf, Cargill shall pay to Pentex, in addition to the Rate per Mcf, a Facilities Service Charge in the amount of Five Hundred Dollars (\$500).

(c) Tennessee Transportation Charge: In addition to any other charges provided for in this Agreement, Cargill will pay directly or to Pentex all actual charges, for the transportation, by Tennessee of gas owned by Cargill.

(d) Governmental Regulation: The rates and charges set forth in this paragraph 3 may be subject to adjustment in the event that a governmental entity of competent jurisdiction determines that such rates and charges are not fair and equitable and/or otherwise authorized, and directs that the rates and charges shall be different from those set forth herein.

4. Reimbursement of Costs: Cargill shall be under no obligation to reimburse Pentex in any amount for additional construction or extension of facilities to obtain locally produced natural gas, unless specifically negotiated by separate agreement.

5. Quantity.

(a) Maximum Volumes: In no event shall Cargill cause to be transported through the Pipeline volumes in excess of one thousand five hundred (1,500) thousand cubic feet (Mcf) of natural gas per twenty-four (24) hours day, unless Cargill secures the prior consent of Pentex.

(b) Extensions: In the event that Cargill is unable to have Pentex transport gas hereunder because of a lack of available capacity on the pipeline system owned by Tennessee, and such inability remains in effect for a continuous period of two (2) consecutive calendar months, then beginning in the first month following the second month of such inability, the obligation of Cargill to pay Pentex the Minimum Payments provided for at paragraph 5(b) above shall be delayed. Said obligation shall continue to be delayed until Cargill regains available capacity on the Tennessee system. In the event that said inability of Cargill has occurred and has remained in effect for a continuous period of six (6) months, Cargill shall become obligated to resume payments of the then applicable Minimum Payment subject to termination provisions provided in paragraph 13(b).

6. Quality.

Pentex shall redeliver to Cargill at the Point of Redelivery, without material alteration, the natural gas consistent with Tennessee pipeline quality standards.

7. Measurement.

(a) The unit of volume for the measurement of natural gas hereunder shall be one (1) cubic foot of natural gas at a pressure of fourteen and seventy-three one hundredths (14.73) pounds per square inch absolute and a temperature of sixty (60) degrees Fahrenheit.

(b) All natural gas delivered hereunder shall be measured by a pressure and temperature-compensated orifice or displacement meter or any other measuring device of equal accuracy.

(c) At least once in each six (6) months, the accuracy of Pentex's measuring equipment shall be verified by and at the expense of Pentex. If Cargill notifies Pentex that Cargill desires a special test of Pentex's meter, Pentex shall cooperate to secure an immediate verification of the accuracy of such meter and joint observation of any adjustments. If any such test shall be requested by Cargill, and upon such test the measuring equipment shall be found to be registering within two percent (2%) of accuracy, the cost of such test shall be charged to Cargill. Otherwise, the cost of all such tests shall be borne by Pentex.

(d) If, upon test, any measuring equipment shall be found inaccurate by two (2%) percent or less, previous readings of such equipment shall be considered correct in computing the deliveries of gas hereunder, but such equipment shall immediately be adjusted to record accurately. If, upon test, any measuring equipment shall be found to be inaccurate by more than two (2%) percent of the average rate of flow since the last test, then and in that event any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period covering one-half of the time elapsed since the last test, but not to exceed a correction period of sixteen (16) days.

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8. Invoicing and Payments.

(a) Pentex shall submit to Cargill monthly an invoice itemizing the total quantity of natural gas measured by Pentex's meter at the Point of Redelivery, the applicable Rate per Mcf and Facilities Service Charge, and the total amount due. Each invoice shall be addressed to:

Cargill Meat Solutions Corporation
Financial Services Center
[Address Omitted]

(b) No later than the fifteenth (15th) day after receipt of each such invoice, Cargill shall forward its check for the amount so invoiced, as follows, or to such other transferee as Pentex may from time to time specify:

[Bank Information Omitted]

9. Taxes.

Cargill shall reimburse Pentex, the amount of all taxes currently in force or which may be imposed in the future, whether federal, state or local, upon the transportation of natural gas for Cargill hereunder, the amount of which taxes shall be shown as a separate item on each invoice submitted pursuant to the provisions of paragraph 8 above.

10. Indemnification.

Pentex hereby indemnifies, defends and agrees to hold harmless, Cargill, its successors and assigns, and their respective agents, employees, officers, directors, subcontractors, material men and any other person or persons whose actions or omissions to act may impute to Cargill (all of the fore-going being included in any reference in this Paragraph to "Cargill") of and from any and all actions, manner of actions, causes of actions, suits, debts, dues, expenses, fees, costs, judgments, contracts, obligations, liabilities, agreements, and all other claims and demands of any nature whatsoever, including, without limitation, all attorneys' fees, witness fees and related costs of litigation, incurred by Cargill in relation to defending any indemnified claim or in obtaining indemnification hereunder, whether at law or in equity, whether by virtue of tort, contract, product liability or any other nature of liability, whether resulting from personal injury, death, property damage, economic harm, or other loss, and whether arising as a result of the prior or contemporary negligence of Cargill, and all rights to and claims for contribution and indemnification from Cargill as a result thereof (all of the foregoing being hereinafter referred to as "claims of loss or harm"), arising from or relating to any of the following:

(a) any accidents, leakage, slippage, explosion, or other casualty or mishap relating to or arising out of the construction, existence, maintenance, or operation of the Pipeline or the transportation of natural gas therein; provided, however, that Cargill shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Cargill to comply with its obligations under this Agreement as to maintenance and repair of the Cargill Service Lines; or

(b) Cargill shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Cargill to comply with its obligations under this Agreement as to maintenance and repair of the Cargill Service Lines; or

(C) Indicates Change

(c) any loss or harm arising from or relating to any failure of the Pipeline or any portion of or fixture to it, whether in its construction, maintenance or operation, to comply in all respects with all applicable laws, statutes and regulations, including without limitation all liabilities for loss or harm related to any fines, fees, expenses or damages arising out of any environmental or pollution related problem; provided, however, that Cargill shall not be permitted to obtain indemnification under this Paragraph to the extent that the claim of loss or harm was caused by the failure of Cargill to comply with its obligations under this Agreement as to maintenance and repair of the Cargill Service Lines. Pentex represents that the comprehensive general liability insurance referred to in Paragraph 11 of this Agreement includes contractual liability coverage which to the extent of the limits set forth in such Paragraph include liability under this Indemnification.

11. Insurance.

Pentex shall maintain at its own expense comprehensive general liability insurance in the amounts of not less than Five Hundred Thousand Dollars (\$500,000) in respect of injury to or death of one person and One Million Dollars (\$1,000,000) in respect of injury to or death of more than one person in any one occurrence and in an amount not less than One Million Dollars (\$1,000,000) in respect of damage to property.

(C) Indicates Change

Issued: XXXXX

Effective: XXXXX

12. Force Majeure.

Failure of or delay in compliance with the terms and conditions of this Agreement by any party shall be excused if said failure is occasioned by or in consequence of any acts of God, strikes, lockouts, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming the failure or delay and which by the exercise of due diligence such party is unable to prevent or overcome.

13. Term and Termination.

(a) The term of this Agreement shall commence on the date hereof and shall continue through September 30, 2011. Unless terminated at the end of the initial term pursuant to Paragraph 13(b), this Agreement shall automatically renew for successive one-year periods. Further, the Agreement may be extended upon mutual agreement of the Parties, including as part of the negotiation related to construction or extension of the Pipeline for access to locally produced natural gas.

(b) Either party hereto may terminate this Agreement at any time by providing one-year prior written notice to the other party.

14. Sale of Pipeline and Assignment of Agreement.

(a) Pentex may assign its rights in this Agreement and may sell its portion of the Pipeline to any parent, subsidiary or affiliated company, as it may elect. Pentex shall not assign its rights in this Agreement nor sell its portion of the Pipeline to any party which is not a parent, subsidiary or affiliated company, without the prior, written consent of Cargill, which consent shall not be unreasonably withheld.

(b) Cargill may assign its rights in this Agreement to any party as it may elect, provided, however, that no such assignment by Cargill shall relieve Cargill of its obligations hereunder. Following any such assignment by Cargill, Cargill shall remain primarily liable to Pentex with regard to said obligation.

15. Notice.

(a) Notice hereunder shall be given by registered or certified mail as,

If to Cargill to:
Cargill Meat Solutions Corporation
P.O. Box 188
Wyalusing, Pennsylvania 18853

If to Pentex to:
Pentex Pipeline Company
579 Brighton Way
Phoenixville, Pennsylvania 19460

With a copy to:
Pentex Pipeline Company
ATTN: Pat Matyastik
C/O Muse Stancil & Co.
15455 Dallas Parkway
Suite 350
Addison, Texas 75001-4690

(b) Either party may change its address for purposes of notice by written notice of such change to the other.

16. Compliance with Law.

Notwithstanding any terms or provisions of this Agreement which may be interpreted or construed to the contrary, the provision of transportation service hereunder by Pentex to Cargill shall at all times be subject to and in compliance with the applicable provisions of the Pennsylvania Public Utility Code and all related statutory and regulatory requirements.

17. Choice of Law.

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

18. Entire Agreement.

This Agreement shall constitute the entire and only Agreement between the Parties pertaining to the Pipeline and there are no other or further agreements between the parties outstanding not specifically mentioned herein; provided, however, that the Parties may, by agreement, amend and supplement this Agreement in writing from time to time.

19. Execution in Counterparts.

This Agreement may be executed in one or more counterparts, but in such event each counterpart shall constitute an original and all of such counterparts shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ATTEST:

PENTEX PIPELINE COMPANY

By: _____

By: _____

Title: _____

Title: _____

ATTEST:

CARGILL MEAT SOLUTIONS CORPORATION

By: _____

By: _____

Title: _____

Title: _____

3. Interruptible Transportation Service

Pentex Pipeline Company will transport on an interruptible basis gas delivered into its pipeline by Tennessee Pipeline Company to a point or points on its pipeline under the following conditions:

- Company in its sole discretion may interrupt transportation service with or without prior notice without limitation on the number of interruptions;
- Notice of interruption will be by telephone;
- Interruption may be total or partial;
- Interruption will be by date of Interruptible Transportation Service Contract; most recent will be interrupted first and oldest interrupted last.

a) Rates

- i) Customer charge - \$25 per month
- ii) Volumetric charge - \$.25 per Mcf

B. GATHERING OR CONVEYING SERVICE RULES

1. General

Pentex Pipeline Company provides gas gathering, transporting or conveying service by gathering pipeline to the public from points in Bradford County, Pennsylvania, to its pipeline located in Wyalusing Township, Bradford County, Pennsylvania, which facilities are connected to the Tennessee Gas Pipeline. This service is subject to the following conditions/understandings:

- a) Pentex Pipeline Company will gather and transport well head natural gas for producers to Tennessee Gas Pipeline located in Bradford County, Pennsylvania, or to the facility of an end user with a Firm Transportation Service Contract or an Interruptible Transportation Service Contract.
- b) The Customers that Pentex will serve under this rate schedule in Bradford County, Pennsylvania, are natural gas producers.
- c) The Company must have sufficient capacity in its pipeline to provide the service requested.
- d) The Customer must enter into a contract with Pentex Pipeline Company for the gathering and transportation of gas.
- e) The service provided is subject to all of the regulations of the Pennsylvania Public Utility Commission, and all such Orders and Policy Statements as the Commission may issue from time to time.

f) Line connections and extensions shall be made solely at the discretion of the Company and solely at the expense of the Customer, unless otherwise agreed.

g) All gas delivered into the Company's facilities will be conforming with the gas quality specifications of Tennessee Gas Pipeline or any future interconnecting pipelines.

h) All gas delivered into the Company's facilities will be free and clear of all claims and charges. All Customers will indemnify and hold harmless the Company from any such claims and charges, including the cost of defending against them.

i) The Company may discontinue service to and cancel its contract with the Customer if the Customer fails to pay its bill within twenty (20) days of issuance.

j) The title to the gas delivered into the Company's pipeline will belong to the Customer or its nominee.

k) The transporting or conveying service may be disrupted where the Company is physically unable to provide service, or where, in the Company's sole judgment, public safety requires service disrupted.

l) The Company does not provide storage, banking, or sales services.

m) The Company will not be liable for any disruption or interruption or for any loss or injury resulting directly or indirectly therefrom.

n) The Company will furnish, install and maintain and own any meters, regulators, connections or other equipment required for the supply of service. All such equipment shall remain the exclusive property of the Company, and the Company shall have the right to remove such property from the premises of the Customer at any time after the termination of service, whatever may have been the reason for such termination.

o) The Customer shall provide, at its expense, a suitable place for the meters, regulators, connections or other equipment of the Company, unless otherwise agreed. Such places shall be of convenient access to the Company's employees and otherwise acceptable to the Company.

p) Changes in the location of service-supply pipe, meters, regulators, connections or other equipment for the accommodation of the Customer shall be done by the Company at the expense of the Customer.

q) The Customer ordinarily will be required to pay the cost of any special installation necessary to meet the peculiar requirements for service at other than standard conditions.

r) Any municipal or governmental permit required for opening of any street or highways shall be secured by the Company at Customer's cost.

s) Deposits may be required from Customers in accord with the Public Utility Code and the Commission's regulations.

t) The term Mcf or mmbtu as used in this rate schedule shall mean 1,000 cubic feet of gas or 1,000,000 British Thermal Units, respectively, at a pressure of 14.73 p.s.i.a. and a temperature of 60° F.

u) The measurement of gas by meter shall be conclusive on the Customer and the Company, excepting that from the time the meter is found to be defective or ceases to register, until the meter is repaired, the gas delivered shall be estimated by the average of another meter, or by the amount delivered by meter during a previous corresponding period under similar conditions, unless otherwise agreed. In the event of the Customer's dissatisfaction with the registration of the meter, the Company will, upon written application, accompanied by the fee specified in the rules of the Commission, have the same removed, sealed, and tested and a certificate of test given the Customer. If the meter so tested shall be found to be inaccurate within the limits specified in the Rules of the Commission, the Company shall refund the charge for such test.

2. Rates

The delivery charge will be negotiated by the Company and the Customer and expressed in the Gathering Agreement. The charge may include a fee per Mcf, a facilities service charge or other rate structures mutually agreed to by Pentex Pipeline Company and the Customer. The Gathering Agreement also may set forth minimum contract terms and or minimum volume requirements as negotiated between Company and Customer.