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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Clinton Wills d/b/a Clint's Pumping Service
(CPS); Drilling Exploration & Operating
Company, Inc. (DE&O); and The Termo
Company,

Complainants,

vs.

Pacific Gas and Electric Company (U 39 G)
Defendant.

Case (C.) 26-04-014
(Filed April 27, 2026)

**MOTION TO DISMISS COMPLAINT OF CLINTON WILLS D/B/A CLINT'S
PUMPING SERVICE; DRILLING EXPLORATION & OPERATING COMPANY,
INC.; AND THE TERMO COMPANY**

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Dated: September 4, 2026

TABLE OF CONTENTS

I.	BACKGROUND OF COMPLAINT	1
A.	PG&E Gas Rule 21	2
B.	DE&O’s CPIOA And Termination of Meter 03960.....	5
C.	Termo’s CPIOA And Termination of Meter 04305	6
II.	STANDARD OF REVIEW	6
III.	DISCUSSION	7
A.	DE&O Lacks Capacity To Maintain An Action As a Foreign Corporation Whose Powers, Rights, And Privileges Have Been Forfeited By The Secretary of State	8
B.	CPS and DE&O Lack Standing Because They Have No Existing Right To Service Under Their Terminated CPIOAs.....	10
C.	The Complaint Does Not Allege Any Act In Violation Of A Law Or Commission Order Or Rule	12
1.	PG&E’s Conduct Comports With Its Tariff And The CPIOAs.....	12
2.	Termo’s Delivery Point Was Properly Terminated	13
3.	PG&E Is Permitted To Terminate The CPIOAs For Convenience	15
D.	The Requested Relief Falls Outside The Commission’s Complaint Jurisdiction.....	16
IV.	CONCLUSION.....	18
	Exhibt A - DE&O CPIOA, dated Sept 23, 2019	
	Exhibt B - Cost Responsibility Letter to Bill Buss, dated December 2, 2022	
	Exhibt C - Notice of Termination (email), July 1, 2022	
	Exhibt D - Email Response to Notice of Termination, dated July 5, 2022	
	Exhibt E - Notice of Shut In, dated July 7, 2022	
	Exhibt F - Termination Notification (Strain Ranch), Aug 27, 2025	
	Exhibt G - Termo CPIOA, dated Nov 19, 2019.	
	Exhibt H - Termo Termination Executed, dated March 31, 2025	
	Exhibt I - Secretary of State Certificate of Status, August 26, 2026	
	EXHIBT J - Notice of Shut In, July 7, 2022	

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Pursuant to the Rules 11.1 and 11.2 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure (Rule), Defendant Pacific Gas and Electric Company (PG&E) hereby moves to dismiss the above-captioned Complaint filed by Clinton Wills d/b/a Clint’s Pumping Service (CPS); Drilling Exploration & Operating Company (DE&O); and the Termo Company (Termo) (collectively, the “Complainants”).

At the outset, PG&E notes that Termo has voluntarily moved to withdraw from this proceeding without prejudice.¹ No party has objected to this withdrawal. PG&E includes Termo in this motion to dismiss out of an abundance of caution.

I. BACKGROUND OF COMPLAINT

Complainants are, or were, natural gas producers—DE&O and Termo—and a service provider—CPS, “whose production and operations depend on access to PG&E’s regulated gas

¹ On July 27, 2026, Termo filed a motion to withdraw as a party, citing economic reasons. Clinton Wills, who represents both DE&O and CPS in this action, maintains the action against PG&E.

delivery infrastructure.”² They allege PG&E breached the gas producers’ respective interconnection agreements by terminating certain receipt points,³ causing an immediate shutdown of gas production.

This dispute concerns PG&E’s requirement that gas producers install and pay for Internal Corrosion (IC) monitoring equipment at all gas gathering receipt points. Complainants allege that requiring producers to bear those costs violates Public Utilities Code section 453 and that conditioning continued service on payment of those costs violates section 451. The Complaint requests relief that the Commission restore service at their terminated receipt points and grant “and other appropriate relief,” including opening an investigation.⁴

A. PG&E Gas Rule 21

PG&E Gas Rule 21 describes the terms and conditions that apply whenever PG&E transports Customer-owned gas over its system. Gas producers who wish to transport gas must execute PG&E’s standard California Production Interconnection and Operating Agreement (CPIOA).⁵ The CPIOA does not entitle producers to deliver nor obligates PG&E to receive producers’ gas. Rather, the agreement provides open access to PG&E’s pipeline system in exchange for the gas producers’ compliance with Gas Rule 21 and other applicable rules, rate schedules, tariffs, and agreements.⁶ Under Section 4.3 of the CPIOA, PG&E can refuse to accept a producer’s gas when:

- The gas quality is incompatible with PG&E’s system requirements;
- PG&E determines that accepting the gas may adversely affect its operations or facilities; or
- The producer declines to fund necessary repairs, upgrades, modifications or replacements.

² Complaint, p. 2.

³ A “receipt point” is the physical interconnection location where a gas producer's facilities connect to PG&E's system and where PG&E takes receipt of the producer's gas.

⁴ Complaint, p. 3,

⁵ PG&E Gas Rule 21, Sheet 1, states, “Customers who wish to transport gas must sign the applicable agreement.” https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_RULES_21.pdf

⁶ See, e.g., Exhibit A, September 23, 2019, DE&O CPIOA No. 5069, p. 3.

This authority reflects critical safety considerations. Substandard gas quality can accelerate internal corrosion, increasing the risk of leaks or pipeline failure. This provision also addresses cost and fairness principles and places the burden on gas producers to ensure that their gas does not negatively impact PG&E's facilities such that PG&E and its ratepayers would bear unwarranted repair or replacement costs. For that reason, strict enforcement of gas quality specifications, operational controls, and protective measures is necessary to maintain safe operating conditions, preserve system integrity, and satisfy PG&E's obligations to protect life, property, and reliability.

PG&E's Gas Rule 21 operates in parallel with the federal pipeline safety requirements administered by the Pipeline and Hazardous Materials Safety Administration (PHMSA).⁷ Those federal requirements obligate pipeline operators to adopt procedures designed to prevent and monitor internal corrosion, including: gas quality controls; contaminant limits; inspection and mitigation programs; and other corrosion-control measures incorporated into mandatory operations and maintenance plans.⁸ PHMSA also requires at a minimum, that each new or replacement transmission pipe, valve, fitting or other line component be designed to accommodate devices for monitoring internal corrosion at locations with significant potential for internal corrosion, unless doing so is impracticable or unnecessary.⁹

High water vapor content and hydrocarbon contamination cause most internal corrosion on PG&E's system. Between 2019 and 2022, PG&E installed IC monitoring equipment at 19

⁷ PHMSA is an agency within the U.S. Department of Transportation.

⁸ 49 CFR §192.475(a) states, "Corrosive gas may not be transported by pipeline, unless the corrosive effect of the gas on the pipeline has been investigated and steps have been taken to minimize internal corrosion."

⁹ 49 CFR § 192.476.

receipt points at no cost to gas producers, even though Gas Rule 21¹⁰ and CPIOA Section 2.5¹¹ assign those costs to the gas producer. In 2022, PG&E reevaluated this practice and determined that it could, and therefore should, align its implementation more closely with the tariff and CPIOA. On December 2, 2022, PG&E sent a letter to all gas producers explaining their cost responsibilities under Section 2.5 of the CPIOA.¹² The letter informed producers that they must pay the actual cost of required pipeline integrity assessments. It also explained that PG&E would provide advance notice of the estimated cost for any required repair or inspection work. After receiving the estimate, the gas producer must expressly authorize PG&E to proceed with the work. If the producer declines, then PG&E will elect to terminate the meter receipt point and retire the pipeline. PG&E did not seek reimbursement for previously installed IC monitoring equipment as PG&E failed to provide the affected gas producers with advance notice of the estimated costs and obtain their authorization before proceeding with the installations.

The CPIOA gives PG&E the right to terminate the agreement for cause. Under Section 7.2(a) the CPIOA gives PG&E the right to terminate the agreement for convenience after the initial one-year period upon thirty days' written notice. Under Section 7.2(b), either party may terminate *immediately* upon notice if the other party is in breach of the CPIOA. Furthermore, Section 7.2(c) gives PG&E additional termination rights when a gas producer breaches any term

¹⁰ PG&E Gas Rule 21.H.4 states,

The Applicant shall pay PG&E's costs for all engineering and construction of facilities on PG&E's side of the interconnection point necessary to receive Applicant's gas. Such facilities may include, but are not limited to, taps, valves, piping, measuring equipment, odorizing equipment, land rights, permits, and communication equipment. The Applicant also shall pay for computer programming changes to PG&E's scheduling system, if any, required to add the Applicant's new interconnection point for the purpose of nominating the gas. PG&E shall own and operate all facilities on PG&E's side of the interconnection point.

¹¹ CPIOA Section 2.5 states,

If PG&E determines that Facilities, or the gas gathering pipeline(s) used to transport Producer's Gas to PG&E's transmission system, are in need of repairs, upgrades, modifications or replacements, PG&E shall notify Producer accordingly. If Producer requests PG&E to make the necessary repairs, upgrades, modifications or replacements, and PG&E agrees to do so, Producer shall pay PG&E for all (or a prorated portion if more than one Producer is served by the pipeline(s) and/or Facilities) of PG&E's actual costs of such work...If Producer fails to request that PG&E make the repairs, upgrades, modifications or replacements at Producer's expense, or if not all producers served by the pipeline(s) and/or Facilities request PG&E to perform such work at their expense, PG&E shall have the right to refuse to accept Producer's Gas.

¹² See, e.g., Exhibit B, Cost Responsibility Letter to Bill Buss, dated December 2, 2022.

or condition of the CPIOA or fails to comply with applicable laws, rules, regulations, orders, ordinances, codes, tariffs, or schedules. If the producer does not immediately cure the breach or failure, PG&E may, without further notice, refuse to accept the producer's gas, suspend performance until the breach has been cured, and PG&E is been fully compensated for resulting damages, costs incurred, and/or terminate the agreement.

B. DE&O's CPIOA And Termination of Meter 03960

Complainant Clinton Wills executed CPIOA No. 5069 on September 23, 2019, on behalf of DE&O for receipt point Meter 03960, known as Balsdon 6-21.¹³ On July 1, 2022, PG&E provided notice to DE&O that it would terminate CPIOA Meter 03960, effective August 1, 2022, as DE&O failed to deliver the minimum volumes average quantity of at least 50 Mcf per day during the months April, May, and June.¹⁴ Over the next few days, the parties engaged in discussions over possibly extending the termination date.¹⁵ One week later, PG&E ordered an immediate shut-in of Meter 03960 as a result of a dewpoint reading of 20 lbs/MMscF, far exceeding the moisture limit of 7 lbs/MMscF per Gas Rule 21.¹⁶ The shut-in notice indicated PG&E would place the meter back in service after DE&O resolved the issue. However, because DE&O did not comply with its Gas Rule 21 obligations, PG&E terminated DE&O's CPIOA.

Without its own receipt point providing direct access to PG&E's gas system, DE&O apparently continued transporting gas for several years through a private arrangement with a different gas producer, CRC Services, LLC (CRC). CRC has its own separate CPIOA with PG&E to which DE&O is not a party. DE&O flowed gas through CRC's neighboring receipt point Meter 03994, known as Strain Ranch 16-3, which did not have IC monitoring equipment. When PG&E later approached CRC to perform this work, CRC declined to do so and terminated its contract as to that location effective September 1, 2025.¹⁷ CRC continues to transport gas through other receipt points equipped with IC monitoring equipment after terminating the Strain

¹³ Exhibit A, DE&O CPIOA No. 5069.

¹⁴ Exhibit C, July 1, 2022, PG&E's Notice of Termination.

¹⁵ Exhibit D, July 5, 2022, Response to PG&E Notice of Termination.

¹⁶ Exhibit E, July 7, 2022, PG&E's Notice of Shut-In.

¹⁷ Exhibit F, August 27, 2025, Termination Notification CRC Strain Ranch.

Ranch receipt point. In any event, DE&O lost what it appears to have been its remaining means of accessing PG&E system for gas transportation.

C. Termo's CPIOA And Termination of Meter 04305

Complainant Bill Buss executed CPIOA No. 5044 on November 19, 2019, on behalf of Termo.¹⁸ The agreement covered receipt point Meter 04305, known as Doheny 39-3, and receipt point Meter 00506, known as Bounde Creek 1-4. Termo was one of the producers that benefited from PG&E's earlier installations—in 2020, PG&E installed IC monitors at Bounde Creek at no cost to Termo, and that receipt point and remains active.

Termo's other Receipt point, Doheny, did not have IC equipment. In early 2025, PG&E emailed Mr. Buss regarding the IC Monitoring Project and the costs to install, operate, and maintain an electrical resistance probe and drip pot needed to ensure pipeline integrity. PG&E explained that under CPIOA Section 2.5, Termo bore responsibility for the estimated \$184,500.00 cost of the equipment. PG&E also asked for the IC Monitoring Equipment Letter of Agreement so PG&E could proceed with the work. On March 21, 2025, Termo informed PG&E it would not proceed with the installation.¹⁹

On August 29, 2025, PG&E issued notice of termination for Doheny, to be effective August 31, 2025. The notice indicated Termo declined to pay for the necessary safety work, PG&E may refuse to accept producer's gas.

II. STANDARD OF REVIEW

Pursuant to Rule 4.1(a) of the CPUC Rules of Practice and Procedure, a complaint must "set[] forth any act or thing done or omitted to be done by any public utility...in violation, or claimed to be in violation, of any provision of law or of any order or rule of the Commission."²⁰ Complainants bear the burden of proof to show that the public utility violated a rule, order, law or tariff approved by the Commission.²¹

¹⁸ Exhibit G, November 19, 2019, Termo CPIOA No. 5044.

¹⁹ See, Exhibit H, March 31, 2025, Termo Notice of Termination.

²⁰ Rule 4.1(a)(1), Who May Complain.

²¹ D.24-08-030, p. 7 (citing *Service-All-Tech, Inc. v. PT&T Co.*, 83 CPUC 135, D.88223).

A motion to dismiss “requires the Commission to determine whether the party bringing the motion prevails solely on undisputed facts and matters of law.”²² A complaint should be dismissed if, “taking the well-pleaded factual allegations of the complaint as true, the defendant is entitled to prevail as a matter of law.”²³ The Commission need “not accept as true the ultimate facts, or conclusions, that Complainant alleges, for instance, that [the utility] has violated its tariffs. After accepting the facts as stated, the Commission examines them in the light of applicable law and policy.”²⁴

A motion to dismiss promotes judicial efficiency by determining whether there are any triable issues of material fact in advance of a hearing.²⁵ The Commission has recognized that motions to dismiss “promote[] and protect[] the administration of justice and expedite[] litigation by the elimination of needless trials.”²⁶ Where there is no triable issue of material fact, and the moving party is entitled to judgment as a matter of law, the Commission can treat motions to dismiss as a court would treat motions for summary judgment in civil practice.²⁷ A motion for summary judgment is appropriate where, as here, the evidence presented indicates there are no triable issues as to any material fact, and that based on the undisputed facts, the moving party is entitled to judgment as a matter of law.²⁸

III. DISCUSSION

The Complaint fails as a matter of law for a number of independent reasons. DE&O cannot maintain this action while its corporate powers, rights, and privileges remain forfeited in California. CPS and DE&O lack standing. Neither DE&O nor CPS have current contractual rights to service at the receipt points they ask the Commission to restore. And even apart from those threshold defects, the Complaint does not plead facts showing that PG&E violated any

²² D.14-03-032, p. 4 (quoting D.03-05-023, p. 3).

²³ Cal. Pub. Util. Code § 1702. See also, *Everyday Energy Corp. v. San Diego Gas & Elec. Co.*, D.12-03-037, p. 7.

²⁴ D.01-05-086, p. 14.

²⁵ Cal. Evidence Code §§115 and 500

²⁶ D.14-03-032, p. 5 (citing D.03-05-023; *Western Long Distance, Inc. v. Pacific Bell et al.* D.94-04-082, 54 CPUC2d 244, 249).

²⁷ *Id.* at 4.

²⁸ *Id.* (citing Cal. Code Civ. Proc. § 437(c); Weil & Brown, *Civil Procedure Before Trial*, 10:26-27).

tariff, rule, statute, or Commission order. Rather, it challenges PG&E's enforcement of tariffed and contractual safety obligations and seeks remedies—restored “market access,” unspecified additional relief, and an investigation—that exceed the proper scope of this complaint proceeding. To the extent that Termo is not otherwise dismissed via its motion to withdraw, Termo's delivery point was properly terminated because Section 2.5 allows PG&E to refuse to accept a producer's gas when it declines to pay for modifications or upgrades. And even if Complainants legal conclusions were true—that producers could self-perform the work and that PG&E had no contractual right to demand that they pay for PG&E to perform it—PG&E could still have terminated the receipt points at issue via Section 7.2(a) of the CPIOA. Accordingly, the Commission should dismiss the Complaint.

A. DE&O Lacks Capacity To Maintain An Action As a Foreign Corporation Whose Powers, Rights, And Privileges Have Been Forfeited By The Secretary of State

Foreign corporations that are qualified to transact business in California (*i.e.*, by obtaining a certificate of qualification from the Secretary of State) have the capacity to sue in California courts on any claim arising from business transacted from California.²⁹ However, the Secretary of State may forfeit the foreign corporation's right to sue or defend in California courts by failing to pay any California franchise tax, penalty, or interest when due, or by failing to file a corporate tax return in California.³⁰ The forfeiture becomes effective when the Franchise Tax Board transmits the name of the tax-delinquent foreign corporation to the Secretary of State.³¹ The Revenue and Tax Code section 23302(c) expressly provides, “The certificate of the Secretary of State shall be prima facie evidence of the suspension or forfeiture.” Under *Timberline, Inc. v. Jaisinghani* (1997) 54 Cal.App.4th 1361, if a corporation's suspended status comes to light during litigation, “the normal practice is for the trial court to permit a short continuance to enable the suspended corporation to effect reinstatement (by paying back taxes,

²⁹ Cal. Corp. Code §§ 2105, 2203(c).

³⁰ Cal. Rev. & Tax Code §§ 23301, 23301.5.

³¹ Cal. Rev. & Tax Code §§ 23302(c); *United Medical Management Ltd. v. Gatto* (1996) 49 Cal.App.4th 1732, 1741.

interest, and penalties).” A foreign corporation may be reinstated by obtaining a certificate of revivor from the Franchise Tax Board after filing all tax returns, and paying all overdue taxes, penalties, and interest.³²

Here, DE&O is a Nevada corporation that registered to do business in California on March 25, 1981. Well before the Complaint was filed, on April 2, 2024, the Secretary of State of California changed DE&O’s corporate legal status as “Forfeited – FTB” due to its “Not Good” standing with the California Franchise Tax Board. DE&O has never reinstated its status and was not permitted to file the Complaint under California law. As reflected in the Secretary of State’s Certificate of Status dated August 26, 2026, DE&O’s “powers, rights and privileges are forfeited in California.”³³ At the August 4, 2026 prehearing conference, Mr. Wills stated, “DE&O is actively working to cure this corporate status issue,” and explained that DE&O was dormant after August 2022.³⁴ Due to its forfeiture status, which has been in place for over *two years* and has remained in place during the five months this proceeding has been pending, DE&O lacked the capacity to bring this action and lacks the capacity to maintain it. The CPUC should not provide more time for DE&O to cure this defect. During the period when a corporation’s powers are forfeited for failure to pay its taxes, the corporation may neither prosecute an action, nor may it appeal from an adverse judgment or seek other relief such as a writ of mandate.³⁵

Should Mr. Wills persist in maintaining this Complaint without obtaining a certificate of revivor, the Commission should inform the Complainant of the vexatious litigant provision of Cal. Code of Civil Procedure § 391(b)(3). Section 391(b)(3) defines a “vexatious litigant” as a person who: “[i]n any litigation while acting in propria persona, repeatedly files unmeritorious motions, pleadings, or other papers, conducts unnecessary discovery, or engages in other tactics that are frivolous or solely intended to cause unnecessary delay.” When the Commission dismissed a complaint against PG&E in D.25-08-012, the Commission issued such a warning,

³² Cal. Rev. & Tax Code §§ 23305.

³³ Exhibit I, August 26, 2026, Secretary of State Certificate of Status.

³⁴ Prehearing Conf. Tr. at 26:20-27:4, August 4, 2026.

³⁵ *Ransome-Crummey Co. v. Superior Court* (1922) 188 Cal. 393, 394-97; *Sade Shoe Co. v. Oschin & Snyder* (1990) 217 Cal. App. 3d 1509, 1512.

stating: “The Commission advises the Complainant to review and consider these provisions in future actions. Further...we reiterate that all parties appearing before the Commission must comply with Commission Rule 1.1 and that failure to comply may result in appropriate sanctions.”³⁶

B. CPS and DE&O Lack Standing Because They Have No Existing Right To Service Under Their Terminated CPIOAs

“To have standing to sue, a person, or those whom he properly represents, must have real interest in the ultimate adjudication... A real party in interest is one who would be benefited or injured by the judgment in the action[.]”³⁷ The complaining entity must have been directly harmed by the utility’s conduct and must be benefited by the judgment. Stated differently, a party does not have standing where it is not the real party in interest. As the Commission explained,

[I]t is well established under California law that actions must be prosecuted in the name of a real party in interest, i.e., the person who has the right to sue under the substantive law. In other words, the real party in interest is the person or entity who has “an actual and substantial interest in the subject matter of the action,”...rather than one who is merely curious about or incidentally may benefit from the litigation. A real party in interest is actually “benefited” by a judgment in the action. By limiting “standing” to the real party in interest, a defendant against whom a judgment may be obtained need not be subjected to harassment or vexation by multiple claimants to the same demand.³⁸

1. CPS and DE&O

Mr. Wills, CPS, and DE&O lack standing to pursue this action. CPS is not a PG&E customer and never had a CPIOA with PG&E. Nor was CPS a party to DE&O’s CPIOA, and the Complaint does not allege facts showing that CPS suffered a cognizable injury from PG&E’s

³⁶ D.25-08-012, p. 10. Rule 1.1 provides: ““Any person who signs a pleading of brief, enters an appearance, offers testimony at a hearing, or transacts business with the Commission, by such act represents that he or she is authorized to do so and agrees to comply with the laws of this State; to maintain the respect due to the Commission, members of the Commission and its Administrative Law Judges; and never to mislead the Commission or its staff by an artifice or false statement of fact or law.”

³⁷ *Martin v. Bridgeport Cmty. Ass'n, Inc.* (2009) 173 Cal. App. 4th 1024, 1031 (internal quotations and citations omitted).

³⁸ D.17-09-008, p 8; see also D.26-05-018 (rejects notion that complainant may request relief on behalf of other customers); D.04-01-033 (noting that an audit company does not have standing to file a complaint on behalf of an unnamed customer that was not a named party).

conduct. Moreover, CPS is not even a producer and could not even have a CPIOA. CPS is a purported provider of “production-related field services.”³⁹ CPS has no foundational basis to argue for one interpretation of CPIOA terms and conditions over any other and no credible input regarding the appropriateness of any party’s conduct, performance, or rights under the CPIOA. CPS even acknowledges that its “injury is more attenuated.”⁴⁰ In D.20-06-064, the Commission dismissed a complaint where the complainant was not an SCE customer and therefore “ha[d] no right to pursue an action against SCE because it lack[ed] standing against SCE.” The Commission further found dismissal warranted under Rule 4.2(a) because the complaint failed to allege an injury.⁴¹

As for DE&O, PG&E terminated DE&O’s CPIOA more than four years ago for reasons unrelated to the requirement to install IC monitoring equipment at issue here. On July 1, 2022, PG&E notified DE&O that it would terminate the Balsdon receipt point effective August 1, 2022, after DE&O failed to satisfy the minimum-volume requirements of Gas Rule 21. Even before the termination was effective, PG&E ordered an immediate shut-in of the Balsdon receipt point because DE&O delivered noncompliant gas that exceeded the Gas Rule 21 moisture limit of 7 lbs/MMscF.⁴² As a result of these independent compliance issues, PG&E therefore appropriately terminated DE&O’s CPIOA. Once PG&E terminated the CPIOA, DE&O no longer possessed any contractual right to service under the agreement. Notably, DE&O does not contest the basis for this termination. Accordingly, PG&E owed no continuing contractual or legal duty to DE&O or Mr. Wills, and neither has standing to challenge PG&E’s subsequent decisions regarding IC monitoring equipment.

Finally, DE&O cannot establish standing based on its loss of access to CRC’s Strain Ranch receipt point. The impact to DE&O because of CRC’s decision to discontinue service

³⁹ Joint Prehearing Conference Statement of Pacific Gas and Electric Company, Wills D/B/A Clint’s Pumping Service, and Drilling Exploration & Operating Company, Inc. (July 31, 2026) (Joint Prehearing Conference Statement), Attachment A, p. 5 (“Clint’s Pumping Service provided production-related field services . . .”)

⁴⁰ Joint Prehearing Conference Statement, Attachment A, p. 5.

⁴¹ D.20-06-064, p. 10.

⁴² Exhibit J, July 7, 2022, PG&E Notice of Shut-In.

arose from their private contractual arrangement, not under any agreement with PG&E. Having previously terminated DE&O's CPIOA, PG&E owed no contractual or legal duty to DE&O or Mr. Wills to provide access to a gas delivery point. The Commission likewise lacks jurisdiction to adjudicate claims arising from such private arrangements.

C. The Complaint Does Not Allege Any Act In Violation Of A Law Or Commission Order Or Rule

To meet the burden in a complaint case, Complainants must allege facts to show that PG&E has engaged in an act or failed to perform an act in violation of any law or Commission order or rule.⁴³ The Commission will dismiss a complaint that fails to meet this burden.⁴⁴ In addition, Rule 4.2(a) requires that complaints be drafted with specificity so that the defendant and the Commission know precisely the nature of the wrong that the defendant has allegedly committed, the injury, and the relief requested.⁴⁵

Here, the Complaint fails to allege facts that, even if accepted as true, would establish a violation of Public Utilities Code sections 451 or 453. Instead, it relies on conclusory allegations of discriminatory treatment and unreasonable costs without identifying any facts showing that PG&E treated similarly situated producers differently or imposed costs inconsistent with its tariff and contractual obligations.

1. PG&E's Conduct Comports With Its Tariff And The CPIOAs

Complainants' disagreement with the cost of the IC monitoring equipment does not render PG&E's conduct unreasonable. Because the monitors are installed on PG&E-owned facilities, PG&E must perform the work to ensure compliance with its safety and operational obligations. Unlike with installations on private gas lines, PG&E must incur costs for engineering and design, qualified welders, inspectors, permitting, environmental concerns, and ensuring accurate, traceable, and verifiable records. It is not surprising that the estimated cost is

⁴³ Cal. Pub. Util. Code § 1702.

⁴⁴ See D.13-01-001, at pp. 1-3.

⁴⁵ CPUC Rules of Practice and Procedure 4.2(a) states, "The specific act complained of shall be set forth in ordinary and concise language. The complaint shall be so drawn as to completely advise the defendant and the Commission of the facts constituting the grounds of the complaint, the injury complained of, and the exact relief which is desired."

more than Complainants believe they would spend to perform the work independently.

Nor do the allegations support a claim of discrimination. In D.11-07-058, the Commission stated that a discrimination complainant would “have to show that it was similarly situated and that there was no rational basis for such different treatment. A showing that rates lack uniformity is by itself insufficient to establish that they are unreasonable and hence unlawful...”⁴⁶ Here, all producers were subject to the same PG&E policies at the same time. Prior to December 2022, PG&E installed IC monitoring equipment at its cost, without discrimination as to delivery points or producers. PG&E notified all producers on December 2, 2022 of their cost responsibilities under CPIOA Section 2.5. PG&E had a rational and reasonable basis for doing so, including better alignment with its tariffs, helping to maintain the quality of the work and the long-term safety of gas infrastructure, and maintaining accurate, traceable, and verifiable records. After receiving that notice, producers faced the same requirements and options: they could accept responsibility for the costs and continue service, or decline the work and discontinue service. Some producers elected to proceed, while others, including Termo, declined. These facts demonstrate that PG&E applied the same tariff and contractual requirements to all producers and enforced those requirements consistently. Accordingly, the Complaint fails to allege facts sufficient to support a claim under either Section 451 or Section 453.

2. Termo’s Delivery Point Was Properly Terminated

To the extent that Termo is not otherwise dismissed from the Complaint via its own motion to withdraw, PG&E properly terminated its CPIOA for its Doheny receipt point after Termo declined to fund the IC monitoring equipment required under Rule 21 and CPIOA Section 2.5. Section 2.5 expressly provides:

⁴⁶ D.11-07-058, p. 123; See also, In *BullsEye Telecom, Inc. v. Public Utilities Com.* (2021) 66 Cal.App.5th 301, 319 (Discussing whether charging individual customers at rates that deviate from those available under the tariffs raises the issue of whether such contract violate section 453(a), the Court held “Courts reviewing this issue under statutes similar to [section] 453 have concluded that such contracts are permissible if the rates under the contract are made available to any similarly situated customer willing to meet the contract’s terms.”)

If PG&E determines that Facilities, or the gas gathering pipeline(s) used to transport Producer's Gas to PG&E's transmission system, are in need of repairs, upgrades, modifications or replacements, PG&E shall notify Producer accordingly. **If Producer requests PG&E to make the necessary repairs, upgrades, modifications or replacements, and PG&E agrees to do so, Producer shall pay PG&E for all (or a prorated portion if more than one Producer is served by the pipeline(s) and/or Facilities) of PG&E's actual costs of such work...If Producer fails to request that PG&E make the repairs, upgrades, modifications or replacements at Producer's expense, or if not all producers served by the pipeline(s) and/or Facilities request PG&E to perform such work at their expense, PG&E shall have the right to refuse to accept Producer's Gas.**⁴⁷

Thus, the CPIOA (1) permits PG&E to identify any necessary upgrades or modifications, (2) allows the Producer to request PG&E to perform the work to install such upgrades or modifications and to pay PG&E's actual costs to do so, (3) does not provide the producer with the right to self-perform the work, and (4) if the producer elects not to have PG&E perform the work, allows PG&E to refuse to accept the producer's gas.

Complainants point to Section 2.2.4 of the CPIOA as potentially allowing Producers to elect to self-install facilities.⁴⁸ Their argument appears to be that if they had been allowed to self-install, they would have done so, and PG&E would not have been permitted to terminate the delivery receipt points at issue. Even assuming this was true, their interpretation ignores that Section 2.2.4 falls under the umbrella of Section 2.2 of the CPIOA.⁴⁹ Section 2.2 applies to "New Facilities," where "new Facilities are required to connect a new Well or Wells."⁵⁰ The situation here involves the installation IC monitoring equipment to ensure that corrosive gas is not coming onto PG&E's gas lines from the producers' existing lines; it is not a New Facility that is required to connect a new well. Accordingly, Section 2.2 and its applicable conditions, including Section

⁴⁷ Exhibit G, Termo CPIOA, p. 12 (emphasis added).

⁴⁸ Joint Prehearing Conference Statement, Attachment A, p. 3; *see also* Exhibit G, Termo CPIOA, pp. 8-9.

⁴⁹ *See* Exhibit G, Termo CPIOA, p. 6.

⁵⁰ Exhibit G, Termo CPIOA, p. 6.

2.2.4, do not, and did not, provide Complainants with the right to elect to self-install the IC monitoring equipment.

In early 2025, PG&E notified Termo that it was responsible for the estimated cost of the required IC monitoring equipment. When Termo declined to fund the installation, PG&E properly terminated Doheny Meter 04305 effective August 31, 2025. Having lost any contractual right to service under the terminated agreement, Termo lacks standing to challenge PG&E's actions regarding IC monitoring equipment.

3. PG&E Is Permitted To Terminate The CPIOAs For Convenience

Complainants claims rest upon assumptions that the CPIOA allows the producers to self perform the work and that PG&E lacked a contractual right to demand that they pay for PG&E to install IC monitoring equipment installation. These assumptions are incorrect as discussed above, and even if these assumptions were true, they fail to state a violation of a law or Commission rule or order.

Section 7.2(a) of the CPIOA allows either party to terminate the CPIOAs for convenience after the initial one-year term and upon (30) days written notice.⁵¹ The Commission has specifically upheld the validity of this provision.⁵² Previously, PG&E exercised the same provision to terminate a CPIOA.⁵³ The producer challenged the CPIOA as a contract of adhesion and argued that Section 7.2(a) was unconscionable.⁵⁴ The Commission rejected this conclusion, finding that the provision was mutual and while the producer might “view the provision as unfair, the provision is not overly harsh, nor can it be said that the provision shocks the conscience of any person of common sense.”⁵⁵

Accordingly, even if the Commission interpreted the CPIOAs how Complainants prefer—that producers should be allowed to self-install and PG&E had no contractual right to

⁵¹ Exhibit A, Termo CPIOA, p. 24 (“Either Party may terminate this Agreement after the Initial One Year Period upon thirty (30) days written notice.”)

⁵² D.00-10-005, pp. 5-6.

⁵³ D.00-10-005, p. 3.

⁵⁴ D.00-10-005, p. 5.

⁵⁵ D.00-10-005, p. 6.

demand that they pay for PG&E to perform the work—the CPIOA provides PG&E with a right to terminate the delivery receipt points at issue under Article 7 of the agreement. In December 2022, PG&E aligned its practices closer to its tariff and the CPIOAs—in a manner that provides more benefit to itself and its ratepayers by saving costs and by validating the quality of the work with qualified personnel and with accurate, traceable, and verifiable records. These are exactly the types of considerations that PG&E is allowed to evaluate and act upon pursuant to Section 7.2, which allows PG&E to terminate for convenience. Indeed, PG&E cited Section 7.2 in a termination notification email to Termo.⁵⁶ As a result, Complainants’ claims that PG&E breached the CPIOAs and violated Public Utilities Code sections 451 and 453 lack merit because PG&E possessed a separate legal right to terminate the delivery receipt points at issue. Complainants therefore cannot state a violation of any law or Commission order or rule under the alleged facts.

D. The Requested Relief Falls Outside The Commission’s Complaint Jurisdiction

The Commission has broad authority to supervise and regulate every public utility within the state based on the California Constitution and the California Public Utilities Code.⁵⁷

[T]he courts recognize the Commission’s authority to provide a number of remedies, should the Commission determine that the utility has violated the law. For example, California Public Utilities Code Section 2100 et seq. provides a wide variety of remedies designed to redress violations of Commission decisions committed by public utilities. These include orders ... to collect under-charges or unlawful rebates, actions for mandamus or injunction, actions to recover penalties, imposition of fines, criminal prosecutions and contempt proceedings.⁵⁸

The Commission has determined, however, that: “[O]nly a court has the power to award consequential damages as opposed to reparations. The Commission distinguishes reparations as relief limited to a refund or adjustment of part or all of the utility charge for a service or group of related services. Consequential damages on the other hand is an amount of money sufficient to

⁵⁶ Exhibit H, August 29, 2025, Email to Termo Notice of Termination.

⁵⁷ Cal. Const. art. XII; Cal. Pub. Util. Code Sec. 701. See also D.99-07-014, p. 1; D.11-09-027, p. 2.

⁵⁸ D.11-09-027, pp. 2-3.

compensate an injured party for all the injury proximately caused by a tortuous act.”⁵⁹

The Commission cannot adjudicate general contract disputes merely because one of the parties is a public utility.⁶⁰ In D.91-10-008, the Commission declined to award damages for lost business related to an interruption of its telephone service. The Commission dismissed the case based upon its lack of jurisdiction, stating that “liability for alleged negligence is not a matter to be determined by the Commission.”⁶¹ In D.14-03-032, the Commission confirmed that “[t]he Commission’s interpretation of the extent of its ability to redress economic harms to ratepayers is consistent with Pub. Util. Code § 2106, which authorizes an action for monetary damages by a ratepayer in Superior Court.”⁶²

Here, Complainants request the Commission to “restore market access” and “additional appropriate relief.” Neither request falls within the Commission’s complaint jurisdiction. Restoring market access would require DE&O and Termo to execute new CPIOAs and fund the installation of the IC monitoring equipment and any other necessary upgrades or modifications required at their own expense. Complainants seek unspecified damages—however, the allegations do not address reparations that would support a refund or adjustment of utility charges. To the extent Complainants seek damages for any alleged economic harm arising from a contractual dispute with PG&E, such relief falls outside the scope of the Commission’s authority.

Lastly, it is also inappropriate that Complainants request that the Commission initiate an investigation. The terms of the CPIOA and Gas Rule 21 clearly defines the relationship between the gas producer and PG&E, as well as their respective obligations. PG&E properly terminated its agreements with both DE&O and Termo. Accordingly, this complaint proceeding is not an appropriate forum for an investigation and should accordingly be dismissed.

⁵⁹ Id. at 3 (internal quotations and citations omitted); see also PT&T Co., D.79124 (1971), 72 CPUC 505, 509 (“This Commission has uniformly held that it has no jurisdiction to award damages as opposed to reparations.”).

⁶⁰ See, *Crystal River Oil and Gas v. Pacific Gas & Electric Co.*, D.00-10-005; see also *Hempy v. Public Utilities Commission* (1961) 56 Cal.2d 214.

⁶¹ Id. at 3.

⁶² D.14-03-032, p. 9.

IV. CONCLUSION

For the reasons set forth above, PG&E requests that the Commission dismiss the Complaint with prejudice.

Respectfully Submitted,

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Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: September 4, 2026

EXHIBIT A

DE&O CPIOA, dated Sept 23, 2019



CALIFORNIA PRODUCTION
INTERCONNECTION AND OPERATING AGREEMENT

No. 5069

between

PACIFIC GAS AND ELECTRIC COMPANY

and

Drilling, Exploration & Operating Co., Inc.

PRODUCER

<u>TABLE OF CONTENTS</u>		
ARTICLE		PAGE
1	Warranty of Title	6
2	Well Connection and Facilities	6
2.1	Existing Facilities	6
2.2	New Facilities	6
2.3	Ownership of Facilities	11
2.4	No Dedication of Facilities	12
2.5	Repairs, Upgrades, Modifications and Replacements	12
2.6	Specific Equipment	12
2.7	Future Well Additions	13
2.8	Certain Costs Payable By Producer	13
3	Operations and Maintenance	14
3.1	Appointment of Producer's Nominations Agent	14
3.2	Appointment of Physical Operator	15
3.3	Maintenance of Facilities	15
3.4	Rights and Obligations	16
3.5	Volunteered Lines	17
3.6	Volume Report	18
4	Gas Quality	19
4.1	Gas Quality Requirements	19
4.2	Gas Quality Testing	19
4.3	Refusal of Gas	20
5	Measurement and Tests	20
5.1	Measurement and Computation	20
5.2	Custody, Maintenance and Records	20
5.3	Meter Accuracy Verification	21
5.4	Manufacturer's Specifications	21
5.5	Inaccuracies	22

TABLE OF CONTENTS (continued)

	ARTICLE	PAGE
6	Compression	24
6.1	Operation	24
 7	 General Conditions	 24
7.1	Term	24
7.2	Termination	24
7.3	Survival	26
7.4	Warranty Disclaimer	26
7.5	Exclusive Remedy	26
7.6	Consequential Damages	27
7.7	Governmental Authority	27
7.8	Compliance with Laws	28
7.9	Environmental Indemnification	28
7.10	Arbitration	28
7.11	Governing Law	30
7.12	Easements and Rights of Way	30
7.13	Force Majeure	30
7.14	Waivers	30
7.15	Amendments and Modifications	31
7.16	Enforceability	31
7.17	Ambiguities	31
7.18	Headings	31
7.19	Notices	31
7.20	Assignments	32
7.21	Appendices	32
7.22	Separate Agreement	33

This Agreement, (hereafter "Agreement") dated April 1, 2017, is between DRILLING, EXPLORATION & OPERATING, CO. "Producer" and PACIFIC GAS AND ELECTRIC COMPANY (PG&E), individually and collectively also referred to as "Party" or "Parties":

PURPOSE:

1. Producer owns or otherwise controls, or may hereafter own or otherwise control, natural gas ("Gas") produced from the Well(s) specified in Appendix A; and
2. PG&E is willing to connect Producer's Gas Delivery Facilities to accept Producer's Gas into PG&E's Gas Plant for transportation to PG&E's customers ("Customers"); however, this Agreement is not intended to be an agreement for transportation services, and it does not entitle Producer to deliver or obligate PG&E to receive Producer's Gas for transportation. PG&E provides transportation services pursuant to applicable rules, schedules, tariffs, and agreements.
3. This Agreement establishes the terms and conditions for the installation, operation, and maintenance of certain facilities (which may include taps, tie-ins, measurement facilities, valves, associated piping, and other such equipment as may be required from time to time) to connect Producer's Gas Delivery Facilities to and accept Gas into PG&E's Gas Plant; and
4. This Agreement also establishes the terms and conditions for the delivery of Gas into PG&E's Gas Plant (including gas quality, pressure, and measurement) and other conditions intended to govern the contractual relationship of the Parties.

NOW THEREFORE, in consideration of the covenants set forth herein, the Parties agree as follows:

Definitions: The following terms when used in this Agreement shall mean:

“Article” - A numbered Article of this Agreement. An Article includes all the numbered sections of this Agreement that begins with the same number as that Article.

“British Thermal Unit” or “Btu” - The amount of energy required to raise the temperature of one pound of water one degree Fahrenheit. Of the several precise definitions of a Btu, this agreement shall use the gas industry accepted International Table Btu (Btu_{IT}) which is equal to 1,055.05585262 joules (exact) or rounded to 1,055.056 joules for most applications. (A joule is approximately equal to one watt-second.)

“CPUC” - The California Public Utilities Commission or any successor regulatory body.

“Cubic Foot” - (Also a Standard Cubic Foot of Gas) The volume of Gas which occupies one cubic foot when the Gas is at the standard reference conditions of sixty degrees Fahrenheit and fourteen and seventy-three hundredths (14.73) pounds per square inch absolute.

“Delivery Facilities” - Producer’s facilities at which Gas is transferred from Producer to PG&E’s Gas Plant.

“Facilities” - General term which includes all Measurement Facilities, Odorization Facilities, and Gas Sampling Facilities used to receive Producer’s Gas into PG&E’s Gas Plant.

“FERC” - The Federal Energy Regulatory Commission or any successor regulatory body.

“Gas” - Natural gas produced from gas wells or casing head gas produced in association with crude oil.

“Gas Plant” - The gas pipeline system, and all related facilities which are owned and operated by PG&E within the state of California.

“Sampling Facilities” - Equipment used to monitor the quality of Producer’s Gas.

“Heating Value” - The amount of heat, measured in Btu per standard cubic feet, produced by the complete combustion of a dry Cubic Foot of Gas. The Heating Value shall be the gross or higher Heating Value which is obtained when all of the products of combustion are cooled to 60 degrees Fahrenheit.

“Master Meter” - The Meter which measures volumes of Gas consolidated from two or more Meters.

“Measurement Facilities” - Equipment associated with the measurement of Gas, which may include but is not limited to the block valves, back-flow check valve, relief valves, straightening vanes, orifice tube, orifice plate, orifice fitting, flow meter, solar panel, and associated fittings, tubing and piping.

“Meter” - A measurement device used to determine the quantity of Gas that flows from Producer’s Well(s) into the PG&E Gas Plant.

“Odorization Facilities” - Equipment used to inject odorant into PG&E’s Gas Plant.

“Producer” - Person or persons (legal or natural) owning a Working Interest in, or otherwise controlling a Well and having the right to deliver or sell Gas from such Well. If more than one Producer are signatories to this Agreement, the term “Producer” shall mean the Producers signatories to this Agreement jointly and severally.

“Physical Operator” - May be designated under the terms of this agreement as Producer’s duly authorized representative for the purposes stated in Paragraph 3.2 hereof.

“PSIG” - Pounds per Square Inch Gauge gas pressure, measured with reference to the local atmospheric pressure.

“Receipt Point” - The interconnection point between Producer’s Gas Delivery Facilities and PG&E’s Gas Plant, where Gas is measured by PG&E for delivery into PG&E’s Gas Plant.

“Section” - A numbered section of this Agreement included within the Article that begins with the same number as that section.

“Specifications” - PG&E’s General Specifications for Producer Installation of Measurement Facilities and Related Equipment for Gas Gathering Interconnections, Appendix C to this Agreement, as required, and/or other specifications provided by PG&E for the installation of Facilities by Producer.

“Volunteered Line” - Pipelines, valves, and other attached appurtenances owned by PG&E, as listed on Appendix E, which are located between the Measurement Facility and Producer’s Gas Well(s).

“Well(s)” - Well(s) listed on Appendix A, attached hereto and made a part of this Agreement.

“Working Interest” - Percentage of ownership of production from a Well(s) under a gas lease.

Article 1

1. **Warranty of Title**: Producer hereby warrants that Producer has the right to nominate and deliver all Gas to be delivered to PG&E at the Receipt Point(s) and that such right is free and clear of all liens and adverse claims of any kind. Producer will hold harmless, indemnify and defend PG&E against all claims, suits, actions, debts, accounts, damages, liabilities, costs (including reasonable attorneys fees), losses, and expenses, for or arising from or out of any: (1) adverse claims of any and all persons to the Gas; (2) royalties, overriding royalties, or other payments with respect to the Gas; and (3) taxes, licenses, fees or charges, relating to the Gas or its delivery or sale, which are or may be applicable.

Article 2

2. Well Connection and Facilities

2.1. **Existing Facilities**: If there are existing Facilities for receipt of Producer's Gas into PG&E's Gas Plant and PG&E has determined that they are adequate for receipt of Gas for transportation purposes, then these Facilities may, in PG&E's sole discretion, be used for such purposes. Existing Facilities will not be used for the measurement of Gas that does not meet the quality requirements as provided in Section 4.1 of this Agreement. If Producer and PG&E determine or PG&E determines that additional Facilities, modifications or upgrades are required, then the conditions set forth in Sections 2.2, 2.3 and 2.5 below shall apply.

2.2. **New Facilities**: If new Facilities are required to connect a new Well or Wells, the following conditions shall apply:

2.2.1. **Request for Tie-In Connection Location**: Producer shall request PG&E to identify a specific tie-in connection location. At the time such request is made, Producer shall: (1) pay to PG&E a non-refundable application fee in the amount specified in Appendix F, as amended from time to time; (2) identify the exact well-site location; and (3) provide proof of mineral rights and the assignment of applicable easements, rights of way, and other necessary land rights to PG&E.

2.2.2. Connection Location(s): PG&E shall identify the tie-in connection location(s) with compatible Gas quality and available capacity for the receipt of Producer's Gas, after PG&E has: (1) received all items described in Section 2.2.1 above; (2) performed or witnessed a back pressure test; and (3) collected or received Gas sample(s). The back pressure test and collection or receipt of gas samples shall take place within thirty (30) days of the receipt of the items described in Section 2.2.1 above.

PG&E may refuse to accept Producer's Gas if the Gas quality is not compatible, PG&E does not have available system capacity, or in PG&E's reasonable judgment the delivery of Producer's Gas may have other adverse effects on PG&E's operations, Gas Plant or Facilities, or on the operations or property of Customers or other producers.

2.2.3. PG&E Installs Measurement Facilities, Odorization Facilities and/or Gas Sampling Facilities: If Producer requests PG&E to install Facilities at the Receipt Point and PG&E in its sole discretion agrees to install such Facilities at Producer's expense, the following conditions shall apply:

(a) Upon identification of the tie-in connection location(s), PG&E shall inform Producer of the cost to install the Facilities contemplated hereunder. Such costs may include, but not be limited to, engineering, PG&E's land survey and land rights acquisition, and/or equipment costs. Identification of the tie-in connection location(s) shall not obligate PG&E to maintain capacity available on its Gas Plant for Producer's Gas.

(b) Producer shall pay PG&E for PG&E's actual costs to provide and install Facilities pursuant to this Agreement, including all direct and overhead costs as allocated to such Facilities by PG&E. PG&E shall provide PG&E's estimate of these costs to Producer and Producer shall pay this estimated amount to PG&E prior to construction. After completion of the Facilities, PG&E will provide a statement to Producer showing the difference, if any, between such estimated costs and the actual costs. If the actual costs exceed the estimated costs paid by

Producer, Producer shall submit payment to PG&E within thirty (30) calendar days of the date of PG&E's invoice. If the actual costs are less than the estimated costs paid by Producer, PG&E will refund the difference to Producer within the same time period.

All payments shall be made referencing account number UZB_____ on Producer's check, to the following address:

Mailing Address:
PACIFIC GAS & ELECTRIC COMPANY
C/O Payment Processing
Mail Code B5C
Box 770000
San Francisco, CA 94177

Street Address:
PACIFIC GAS & ELECTRIC COMPANY
C/O Payment Processing
Mail Code B5C
77 Beale Street
San Francisco, CA 94105

(c) After PG&E and Producer have reached agreement on the specific tie-in location(s) as stated in Section 2.2.3.(a) above, Producer may not change the location without PG&E's written concurrence. Producer shall pay to PG&E any additional costs associated with a change in location.

2.2.4. Producer Installs Measurement Facilities, Odorization Facilities and/or Gas Sampling Facilities: If Producer elects to install Facilities, the following shall apply:

(a) Producer may furnish and/or install Facilities in accordance with specifications, plans, standards and procedures provided by PG&E and subject to PG&E's inspection for compliance with PG&E's specifications, plans, standards and procedures. Producer shall use qualified licensed contractors for such work. Producer shall ensure that the Facilities meet all of the applicable requirements of all governmental authorities having jurisdiction.

(b) Prior to construction, Producer shall pay PG&E for PG&E's estimated cost of labor, material and overhead to provide engineering review, identification of the required tie-in connection location(s), Facilities, and inspections and tap installation. After PG&E has performed these activities, Producer shall pay to PG&E the difference, if any, between the estimated cost and the actual cost of these activities and any other actual costs to PG&E associated therewith. PG&E shall provide a statement to Producer, and Producer shall pay PG&E for such actual costs as provided in Section 2.2.3(b).

(c) After Producer has completed the installation of the Facilities, Producer shall request in writing that PG&E connect the Facilities to PG&E's Gas Plant. At the time of this connection request, Producer shall provide: (1) an assignment to PG&E of all applicable easements, rights of way, and other necessary land rights; (2) engineering specifications; (3) an "as-built" drawing with survey location of the Facilities and pipeline(s); and (4) Producer's warranty that the Facilities were constructed in conformance with CPUC General Order No. 112-E, or any successor regulations, and the Specifications.

2.2.5. Contributions in Aid of Construction:

(a) If PG&E determines that an amount with respect to Producer's Contributions in Aid of Construction (CIAC) is includable in PG&E's gross income, PG&E will calculate the CIAC gross up amount based on the methodology approved by the CPUC from time to time for that purpose; and Producer agrees to pay this CIAC gross up amount to PG&E, within thirty (30) days from PG&E's demand for payment, plus interest; the interest will be computed at the "CPUC Rate" from the due date (without extensions) of the federal tax return for the taxable year in which such amount is includable until the date Producer pays to PG&E the total amount described herein; the "CPUC Rate" is interest at the average three-month commercial paper rate as published in the Federal Reserve Bulletin, or such other rate as the CPUC may establish from time to time to replace the rate in paragraph 18 of its conclusions of law in Decision 87-09-026.

(b) The CIAC gross up amounts, if demanded, shall be paid in addition to Producer's reimbursements to PG&E, or Producer's expenditures, for the costs of facilities and their installation as provided in this Agreement.

(c) The payment of the CIAC gross up amount shall be made by Producer, pursuant to Section 2.2.5(a), when PG&E reasonably determines that an amount with respect to Producer's contribution is includable in PG&E's gross income based upon IRS ruling, regulation, court decision (including tax court), or other pertinent tax authority, or when an IRS revenue agent issues a notice of proposed adjustment or other notice indicating that such an amount is so includable.

2.2.6. Facility Inspection and Connection:

(a) PG&E will make reasonable efforts to inspect the Facilities during construction and as soon as practicable after construction. However, due to possible emergency situations or manpower constraints, PG&E's inspection within thirty (30) days after Producer's notice of completion shall constitute compliance with the provisions of this Section 2.2.6(a).

(b) PG&E will connect Facilities to PG&E's Gas Plant after PG&E has inspected the Facilities and has verified that the Facilities meet PG&E's applicable standards and the Specifications.

(c) All connections to and from the PG&E system shall be performed solely by PG&E or PG&E's contractor. For tap installations, Producer shall pay PG&E's actual cost of materials, equipment and labor (which labor charge shall include wages, benefits, and payroll taxes).

2.2.7. Failure to Request Connection: If Producer fails to request connection to PG&E's Gas Plant of the Facilities installed by Producer within one-hundred and twenty (120) days following the date of PG&E's identification of a specific tie-in connection location (pursuant to Section 2.2.2 above), then Producer shall request the following before requesting connection of the Facilities to PG&E's Gas Plant: (1) verification and a written statement from PG&E that capacity remains available at the identified tie-in connection location for the receipt of Producer's Gas; and (2)

that Producer's gas is still compatible with PG&E's gas plant. If, at the time Producer requests such verification, capacity is no longer available at that tie-in connection location and Producer still desires to connect the Facilities to PG&E's Gas Plant, then Producer shall request a new tie-in connection location pursuant to Section 2.2.1 above.

2.2.8. Failure to Connect: If Producer's Well is not connected to PG&E's Gas Plant within six (6) months from the date of Producer's request for a tie-in connection location, then PG&E shall render to Producer an itemized invoice for all unpaid costs of the work undertaken to identify a specific tie-in connection location in excess of the non-refundable application fee paid to PG&E pursuant to Section 2.2.1 hereof. If such failure to connect is not caused by PG&E, Producer agrees to reimburse PG&E for the actual cost of such work.

2.3. Ownership of Facilities: PG&E shall have sole ownership, custody and control of all Facilities, regardless of which Party installed the Facilities. Upon completion of construction, installation, inspection, and PG&E's finding that the Facilities conform to PG&E's specifications, title to the Facilities shall immediately transfer into the name of PG&E, whether or not the Parties have executed any documentation formalizing such transfer.

2.2.9. Payments: All amounts invoiced by PG&E, pursuant to this Article 2, shall be due and paid within thirty (30) calendar days following the date of PG&E's invoice, except as otherwise stated herein.

PG&E may at any time while this agreement is in effect transfer ownership of Facilities to Producer. In that event, Producer agrees to accept the ownership of such Facilities and the obligation to maintain and operate such Facilities at Producer's expense. PG&E shall have the right, at any time to access Facilities to do any of the following: (1) inspect Facilities to verify the proper maintenance and operation thereof to the extent PG&E deems it necessary; and (2) test and calibrate the Measurement

Facilities to verify the accuracy of instruments as provided in Article 5. If Producer does not grant access to the Facilities as provided herein, PG&E shall have the right to refuse to accept Producer's Gas until such access is granted in accordance with this Agreement.

2.4. No Dedication of Facilities: Nothing in this Agreement shall be construed as a dedication by either PG&E or Producer of its respective facilities to the other Party.

2.5. Repairs, Upgrades, Modifications and Replacements: If PG&E determines that Facilities, or the gas gathering pipeline(s) used to transport Producer's Gas to PG&E's transmission system, are in need of repairs, upgrades, modifications or replacements, PG&E shall notify Producer accordingly. If Producer requests PG&E to make the necessary repairs, upgrades, modifications or replacements, and PG&E agrees to do so, Producer shall pay PG&E for all (or a prorated portion if more than one Producer is served by the pipeline(s) and/or Facilities) of PG&E's actual costs of such work in accordance with the same provisions as applicable to Facilities under Section 2.2.3(b) above. If Producer fails to request that PG&E make the repairs, upgrades, modifications or replacements at Producer's expense, or if not all producers served by the pipeline(s) and/or Facilities request PG&E to perform such work at their expense, PG&E shall have the right to refuse to accept Producer's Gas. However, if Producer wishes to build its own pipeline, Producer may enter into a new CPIOA for a new connection and delivery of Gas at an appropriate Receipt Point.

If Producer takes ownership of Facilities, PG&E will not perform repairs, upgrades, modifications or replacements of such transferred Facilities.

2.6. Specific Equipment:

2.6.1. Pressure Regulations: Producer shall install (upstream of the Measurement Facilities), test, and maintain in good working condition the necessary pressure regulation equipment to protect PG&E's Gas Plant from exposure to pressures in excess of the specified maximum pressure. Such Facilities and the installation and maintenance thereof shall conform with CPUC General Order No. 112-E, or any successor regulations.

2.6.2. Odorization and/or Gas Sampling: If under the laws, rules or regulations of any local government or regulatory body having jurisdiction, or in PG&E's sole judgment as a public utility, it is required that all or any of Producer's Gas be odorized or that Producer's gas be monitored for quality, then Sections 2.2, 2.3, 2.4, and 2.5 above shall apply as they relate to such Odorization Facilities. Producer agrees to obtain a grant of easement at a suitable location and to grant PG&E a non-exclusive license to exercise the rights conveyed to Producer under said grant of easement for the purpose of installing, operating and maintaining said Odorization Facilities or Gas Sampling Facilities.

2.7. Future Well Additions

2.7.1. New Well Connection and Well Recompletions: PG&E may or may not accept Gas from a reworked, recompleted, or new well, at the same interconnection point and/or through the meters identified in Appendix A. PG&E will determine the tie-in location, and may refuse to accept such Gas, based upon the same criteria as set forth in Section 2.2.2.

2.7.2. Acceptance of New Gas: If PG&E refuses to accept new Gas at the existing Receipt Point, the Producer may request a new tie-in connection location for the Additional Well(s) by executing a separate CPIOA.

2.8 Certain Costs Payable By Producer: Charges payable by Producer pursuant to Sections 2.2.1, 2.2.3, 2.2.4, 2.2.6, 2.2.8, 2.5, 3.5.3 and 5.3 shall be based on the costs stated in Appendix F, which is subject to Section 7.7. Appendix F will be amended from time to time when PG&E reviews and recalculates its actual costs to keep the charges current.

Article 3

3. Operations and Maintenance

3.1. Appointment of Producer's Nominations Agent: As a condition of interconnection of Producer's Gas Delivery Facilities with PG&E's Gas Plant, under this Agreement, Producer shall appoint one authorized representative as Producer's sole agent with exclusive authority to place nominations for Producer on PG&E's system, for transportation of Producer's Gas to be delivered at the Receipt Point(s). That agent shall also be referred to as "Producer's Nominations Agent"; and the appointment shall be made pursuant to Appendix B "Appointment of Producer's Nominations Agent." The executed Appointment of Producer's Nominations Agent shall be returned to PG&E, addressed as follows:

PACIFIC GAS AND ELECTRIC COMPANY
Wholesale Marketing and Business Development
6121 Bollinger Canyon Road, 4207D
Mail Code BR1 Z4A
San Ramon, CA 94583

Producer may change its Producer's Nominations Agent, by providing a new Appointment of Producer's Nominations Agent to PG&E pursuant to PG&E's applicable procedures. If Producer and PG&E enter into a separate agreement regarding nominations, balancing and other issues relating to the transportation of the Gas delivered under this Agreement, with respect to the Well(s), it shall govern with respect to the procedures for the appointment and/or change of Producer's Nominations Agent.

Producer acknowledges and agrees that Producer's failure to appoint an agent with exclusive authority to make nominations for Producer may cause Producer, PG&E, or third parties to incur damages or liabilities; therefore, Producer agrees that if Producer fails to comply with this Section 3.1, Producer will hold PG&E harmless and will indemnify PG&E from and against any and all damages and liabilities that may be incurred by PG&E, Producer or third parties as a result of or in connection with the nominations of Producer's Gas made by anyone.

3.2. Appointment of Physical Operator: Producer may appoint an authorized representative to serve as Physical Operator for the Well(s). Except as set forth in Section 3.1 above, the Physical Operator shall be duly authorized to act for Producer as follows: to give and receive notices and requests, make and witness tests, deliver quantities of Gas hereunder; and do and receive all things as provided herein regarding the physical operation of the Well(s). Producer shall notify PG&E in writing of the appointment and change of the Physical Operator. Producer expressly agrees that PG&E may rely on any and all acts and notices of the Physical Operator to the same extent as if they were performed or provided by Producer.

Producer hereby appoints as Physical Operator: (Appointed Under Appendix A)

Physical Operator's Address

(Fill Out Appendix A)

Telephone:

Telephone:

Telecopier:

Attention:

3.3. Maintenance of Facilities: Maintenance of Facilities owned or controlled by PG&E will, in PG&E's sole discretion, be provided by PG&E at PG&E's expense, subject to Section 2.3 above. Producer acknowledges that PG&E intends to submit to the CPUC for approval an operating and maintenance fee (O&M Fee) to be charged to Producer, based on PG&E's actual costs to operate and maintain facilities, pipelines and equipment, for the receipt of Gas, as determined from time to time by PG&E pursuant to Appendix D. Such O&M Fee may include, without limitation, meter reading, gas sampling and analysis, gas odorization, equipment maintenance and calibration, direct and indirect expenses, and administrative and general office allocated costs. Producer agrees to start paying the O&M Fee when it is approved by the CPUC.

3.3.1. After the approval of the O&M Fee by the CPUC, PG&E will mail to Producer a statement (on or before the 15th day of each month), setting forth the applicable O&M Fee for the previous month. Producer shall pay the O&M Fee to PG&E on or before the twenty-fifth (25th) calendar day of the month or the tenth (10th) calendar day following receipt of PG&E's statement, whichever is later. Any late payments by Producer to PG&E shall accrue interest at the rate prescribed for pipeline refunds as provided in Section 154.67(c)(2) of the Federal Energy Regulatory Commission's Regulations under the Natural Gas Act (or any successor thereto).

3.4. Rights and Obligations

3.4.1. Operations: PG&E shall retain the full and exclusive right to operate its Gas Plant in a manner which, in PG&E's sole judgment, is consistent with safe and proper operating conditions, obligations of PG&E to others, laws, and regulations of governmental authorities having jurisdiction, without incurring any liability to Producer.

3.4.2. Tampering: Producer shall not alter, or in any manner disturb, manipulate, or tamper with any Facilities owned or controlled by PG&E.

3.4.3. Gas Pressures: Producer shall deliver Gas at the Receipt Point(s) at the Gas well pressure required by PG&E, which may be up to, but not to exceed the maximum allowable operating pressure (MAOP) in PG&E's Gas Plant downstream of the Receipt Point. PG&E shall have the right to upgrade the MAOP of PG&E's Gas Plant, and in such event Producer shall increase the pressure of its Gas if and to the extent required by PG&E, upon ninety (90) days' written notice to Producer.

3.4.4. Refusal of Gas: PG&E shall have the right, without incurring any liability to Producer, to refuse acceptance of Gas at the Receipt Point(s) when:

(a) Producer is operating Gas Delivery Facilities in a manner which in PG&E's reasonable judgment has or may have an adverse effect on PG&E's operations, Gas Plant or Facilities, or on PG&E's customer's operations or property; or

(b) Producer's handling or failure to properly collect or dispose of liquids of Producer's Gas Well(s) affects PG&E's operations, Gas Plant, or real property (leased or owned) or any other property of PG&E; or

(c) It is necessary or desirable to test, maintain, modify, enlarge, or repair any facility or property that is part of PG&E's Gas Plant, or related to its operation.

PG&E shall give reasonable notice to Producer prior to the date on which shut-in of Well(s) is required, except for emergency repair which may require an immediate shut-in.

In addition to the rights stated above in this Section 3.4.4., PG&E shall have the right to retire and/or remove all or any portion of PG&E's Facilities at the Receipt Point and to terminate this Agreement effective upon notice to Producer if:

(i) Producer has not delivered Gas, which meets the specifications set forth in this Agreement, through the Measurement Facilities at an average quantity of at least 50 Mcf per day for a period of ninety (90) consecutive days; PG&E may extend the shut-in date if the Producer provides to PG&E in writing reasons acceptable to PG&E as to why production should not be shut-in; or

(ii) Producer has not remedied, within thirty (30) days of PG&E's notice of refusal to accept the Gas, the conditions stated in Paragraphs (a) and/or (b) above, as applicable.

3.5. Volunteered Lines: This Section 3.5 shall apply only if Producer has been delivering Gas through a Volunteered Line. If Producer has been delivering Gas through PG&E's pipeline, specified in Appendix E, PG&E shall have the right to terminate this Agreement for cause at any time with thirty (30) days notice, unless a mutually acceptable arrangement for the delivery of Producer's Gas into PG&E's system has been made prior to such termination.

3.5.1. Control & Possession of Gas: Producer shall be deemed to be in control and possession of Gas produced into the Volunteered Line(s) from the gas well to the upstream fitting where Gas is delivered to PG&E. PG&E shall be deemed in control and possession of the Gas at the downstream fitting of Producer's Gas Delivery Facilities.

3.5.2. Operation of Lines: Notwithstanding the above, if PG&E in its sole discretion desires to operate the Volunteered Line(s) or any portion thereof at a higher pressure, or to have the direction of flow changed, Producer shall shut-in the Well(s) connected thereto during any such work on the Volunteered Line(s), upon thirty (30) days prior written notice to Producer.

3.5.3. Repair and Replacement: If PG&E determines that the Volunteered Line(s) require repair or replacement, PG&E shall provide Producer with a written description of such work and a statement detailing the costs to perform that work, including materials, direct, indirect, and overhead costs. If Producer desires PG&E to proceed with such work, Producer shall, within fifteen (15) business days from the date of PG&E's notice, pay PG&E the amount set forth therein. If Producer does not pay PG&E within fifteen (15) business days of PG&E's notice, PG&E shall have the right to refuse to accept Producer's Gas and to remove or retire all or any portion of the Volunteered Line(s).

3.6. Volume Report: PG&E shall provide Producer, once a month, a report containing the volume of Gas received by PG&E at the Receipt Point(s) for each day of the previous calendar month. If a future separate agreement between Producer and PG&E regarding nominations, balancing, and other issues relating to transportation of the Gas delivered under this Agreement, contains a provision that addresses the subject matter of this Section 3.6, the provision of such other agreement shall supersede this Section 3.6.

Article 4

4. Gas Quality

4.1. Gas Quality Requirements: Producer represents, warrants and guarantees that the Gas delivered to PG&E for transportation under this Agreement shall meet the following requirements:

4.1.1. Rule 21: Gas shall be merchantable pipeline quality Gas and shall conform to the quality specifications as prescribed in Rule 21(C) of PG&E's CPUC approved Tariff Schedule (Rule 21), as amended from time to time; and

4.1.2. Unnatural Substances: Gas shall not contain any substances that are not naturally contained in natural gas, excepting only those substances which PG&E specifies as additives for operating or Gas compatibility reasons; and

4.1.3. Heating Value: Gas shall have a Heating Value within the Operation BTU level required by PG&E for its pipeline system at the Receipt Point. PG&E may refuse to accept all or any portion of Gas of which the Btu content has significantly changed since the back pressure test and gas sample collections referred to herein.

4.1.4. Indemnity: If the Gas delivered to PG&E under this Agreement fails to meet the requirements of this Article, Producer shall indemnify and hold PG&E harmless against and from all losses, costs, damages, claims, suits, and liabilities arising out of or in connection with such failure.

4.2. Gas Quality Testing: Tests to determine the quality of the Gas delivered to PG&E may be performed by PG&E at any time. If Gas delivered by Producer fails to fully conform to the Gas quality specifications as stated herein, then PG&E may refuse to accept the Gas upon notice to Producer of any such failure. Producer shall revise any outstanding nominations for the affected Receipt Points to reflect no deliveries. Producer shall not resume deliveries of Gas until PG&E is satisfied that the problems

have been corrected and that the Gas conforms to the applicable quality specifications. PG&E's acceptance of Gas that does not conform to the specifications stated herein shall not constitute a waiver of the Gas quality specifications stated in this Agreement or any remedies of PG&E or obligations of Producer with respect to such a nonconformity.

4.3. Refusal of Gas: PG&E shall have the right, without incurring any liability to Producer, to refuse acceptance of Gas at the Receipt Point(s) when the Gas does not meet the temperature, delivery pressure, or quality specifications described in this Agreement.

Article 5

5. Measurement and Tests

5.1. Measurement and Computation: The volume of Gas delivered under this Agreement shall be measured by orifice meter(s), and computations made, as prescribed in the American National Standards Institute/American Petroleum Institute 2530 (ANSI/API 2530), also published as A.G.A. Report No. 3 as revised from time to time.

5.2. Custody, Maintenance and Records: Except as otherwise set forth in Section 2.3, during the term of this Agreement, all Measurement Facilities shall be in the sole custody and control of PG&E. The reading, calibration, and adjustment of Measurement Facilities and changing of charts, if required, shall be performed by PG&E or its agent at intervals determined by PG&E. The records from Measurement Equipment shall remain the property of PG&E, but Producer shall have access to PG&E's Meters relating to this Agreement and shall be allowed to inspect all charts or other records of measurement pertaining to the Gas delivered into PG&E's Gas Plant under this Agreement, at any reasonable time, for the purpose of verifying their accuracy. PG&E shall preserve, for a period of at least three (3) years, all test data, charts, and/or other records of Gas measurements. Transfer of Gas custody shall occur at the meter.

5.3. Meter Accuracy Verification: Producer may request at any time, but not exceeding two (2) times in any calendar year, that the accuracy of PG&E's Measurement Equipment be verified by testing. Producer may witness requested tests. Producer may not alter or in any manner disturb, manipulate, or tamper with any equipment or Facilities owned or controlled by PG&E. Within a reasonable time of such a request, PG&E will give at least two (2) working days prior notice to Producer of the time and date of the test. If upon such requested verification the measurement equipment is determined to be registering correctly, as specified in PG&E's Tariff Rule 17, or in any amendment thereto, the cost of such requested verification shall be charged to and paid by Producer, and no recalculation of quantities delivered shall be made.

If an inaccuracy of greater than specified in Rule 17 is discovered, PG&E will bear the cost of such test, and volume adjustments will be made pursuant to Section 5.5 of this Agreement.

5.4. Manufacturer's Specifications: Flow measurement and volume computations will be made by PG&E within the accuracy prescribed by the manufacturer of the measurement and computing equipment.

5.4.1. Gas Temperature: Flowing gas temperature shall be continuously measured or recorded. If a temperature chart recorder is used, the arithmetical average temperature recorded during each day shall be used for volume computations.

5.4.2. Sampling: Relative density (G), carbon dioxide (CO₂), nitrogen (N₂) and Heating Value, shall be determined, from time to time as deemed to be required by PG&E, from samples taken by PG&E at the Measurement Facilities. Determination of Heating Value and relative density by compositional analysis shall comply with the methods specified in the American Society for Testing and Materials ASTM D 3588, as revised from time to time. The physical properties of the constituent gases used to calculate Heating Value and relative density shall be taken from the Gas

Processors Association GPA 2145, as revised from time to time. Chromatography, calorimeters, densitometers, or other means acceptable in the industry may be used to determine Heating Value or relative density of the Gas.

5.4.3. Atmospheric Pressure: The average atmospheric (barometric) pressure shall be assumed to be 14.73 psia at sea level. Corrections for higher elevations shall be determined by PG&E by using an industry acceptable equation or by taking actual measurements at the point of measurement.

5.4.4. Gas Compressibility: Gas Compressibility shall be calculated at the flowing pressure and temperature under which Gas is metered in accordance with the recommendations contained in A.G.A. Report No. 8, "Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gasses", as amended from time to time. If a chart recorder is used, the average flowing pressure and temperature for the day may be used to calculate an average compressibility for that day.

5.4.5. Other Tests: Tests for other quality parameters of the Gas delivered hereunder shall be made from time to time by PG&E using approved standard methods acceptable in the industry.

5.4.6. Service Fees: The Parties may execute a Service Fee Agreement if operational services, that are different from or in addition to the normal service provided by PG&E, are requested by Producer and provided by PG&E in PG&E's sole discretion.

5.5. Inaccuracies: If an inaccuracy is discovered at any time, or if a Meter is out of service, the following action will be taken for volume correction or determination:

5.5.1. Incorrect Constant: When the inaccuracy is a result of using an incorrect constant value in the volume calculation, the quantity of metered gas shall be recalculated. If the duration of the error cannot be determined, the adjustment shall be made based on one-half of the time since the last Meter and instrument inspection, or three months, whichever is the shorter period of time. Examples of using incorrect constant values include, but are not limited to, basing calculations on

the incorrect orifice plate size, orifice tube size, differential pressure range, or static pressure range.

5.5.2 Incorrect Calibration: When the inaccuracy is a result of errors in the calibration or operation of flow computers, transducers, recorders, or measurement devices for relative density or Heating Value, that result in an error greater than that specified in PG&E's Tariff Rule 17, as revised from time to time (at a reading corresponding to the average rate of flow for the period since the preceding test) the quantity of Gas shall be recalculated. Recalculations, due to differential pressure calibration errors, shall be limited to inaccuracies greater than that specified in Tariff Rule 17, of the transducers' or recorders' full scale reading. If the percentage of error is not ascertainable by calibration, test, or mathematical calculation, the correction shall be made by PG&E by estimating the quantity or quality of Gas delivered based upon deliveries under similar conditions during a period when the equipment was deemed to be registering accurately. Where the duration of the inaccuracy in measurement is not known or agreed upon, the period of inaccuracy shall be deemed to be one-half of the time elapsed since the date of the last test or three (3) months, whichever is the shorter period of time. Basis for calculation specified in this section may be modified by a PG&E Rule or applicable standard.

5.5.3 Pulsation Induced Errors: When the inaccuracy is caused by compressor induced pulsations and the measurement error is greater than one percent (1%), the quantity of metered gas shall be recalculated based on the percent error determined by a Square Root Error Indicator developed by the Southern Gas Association's Pipeline Compressor Research Committee. If the duration of the error cannot be determined, the adjustment shall be made based on one-half of the time since the last pulsation check, or three months, whichever is the shorter period of time.

Article 6

6. Compression: In the event that Producer owns, or at some future time installs compressor plants upstream of the Measurements Facilities, in order to deliver gas to PG&E's Gas Plant, the following shall apply:

6.1. Operation: Producer shall install and operate its compressor so that its operation will not adversely affect PG&E's Gas, Gas Plant, or customers, or impair the accuracy of the measurement of the Gas at the Meter. Producer shall eliminate compressor induced pulsation or vibration before Gas is passed through PG&E's Meter. PG&E shall not be required to take Gas if compressor induced pulsation and/or vibration exists.

Article 7

7. General Conditions

7.1. Term: This Agreement shall be effective from the date of execution by PG&E and shall, subject to the termination rights contained herein, continue in full force and effect for a period of one (1) year from that date (the "Initial One Year Period") and thereafter until it is terminated as provided in this Agreement.

7.2. Termination:

(a) Termination for Convenience: Either Party may terminate this Agreement after the Initial One Year Period upon thirty (30) days written notice.

(b) Termination for Cause: Either Party may terminate this Agreement during or after the Initial One Year Period, immediately upon notice: (i) if the other Party is in breach of this Agreement; or (ii) if the portion of PG&E's gathering system to which Producer's Delivery Facilities are connected is sold by PG&E; or (iii) if the CPUC or the FERC at any time asserts (1) that Producer is a public utility or subject to regulation by such a regulatory body, or (2) that such a regulatory body may prevent PG&E from complying with this Agreement; or (iv) if any state or federal legislation, decision or rule of any governmental authority, enacted or issued after the effective date of this Agreement, affects either Party or this Agreement in a manner that is unacceptable to either Party.

(c) Additional Termination Rights: PG&E may also, during or after the Initial One Year Period, terminate this Agreement as provided in this Section 7.2(c) or in other Articles of this Agreement.

Producer acknowledges that PG&E is a public utility regulated by the CPUC, that PG&E's Gas transportation services are exempt from the jurisdiction of the FERC pursuant to Section 1(c) of the Natural Gas Act (15 U.S.C. § 717(c)) commonly referred to as the "Hinshaw Amendment," and that PG&E has received a "blanket certificate" from the FERC pursuant to 18 CFR §284.224. Producer agrees that if at any time the CPUC, the FERC, a court, or PG&E, determines that PG&E's status as aforestated is or may be affected in any respect as a result of this Agreement or the transportation of Gas delivered into PG&E's Gas Plant pursuant to this Agreement, PG&E may, in its sole discretion, refuse to perform such transportation services and/or refuse to accept Producer's Gas under this Agreement, and/or terminate this Agreement upon ten (10) days written notice.

If Producer breaches a term or condition of this Agreement, or fails to comply with all applicable laws, rules, regulations, orders, ordinances, and codes, including any existing or future applicable tariffs or schedules, and Producer does not immediately correct such breach or failure, then in addition to all remedies provided by law or by this Agreement, PG&E shall have the right, without notice, to: (1) refuse to accept Producer's Gas into PG&E's Gas Plant and suspend its performance under this Agreement until the breach or failure has been corrected and PG&E has been fully compensated for all damages and costs incurred, and/or (2) terminate this Agreement, prior to or following such a suspension.

(d) Certain Rights and Obligations: Termination of this Agreement shall not release either Party from its obligation to make payments or compensate the other Party for damages or costs, if any are due or have been incurred.

Upon termination of this Agreement, PG&E shall have the right to disconnect from PG&E's Gas Plant the Facilities used to receive Producer's gas.

7.3. Survival: The following Sections shall survive the termination of this Agreement: 4.1.4, 7.2, 7.4, 7.5, 7.6, 7.7, 7.9, 7.10, 7.11, and 7.18. All other provisions of this Agreement, which by their nature or content are intended to survive termination of this Agreement, shall also survive.

7.4. WARRANTY DISCLAIMER: ALL INSTALLATION, CONNECTION, MAINTENANCE AND OTHER SERVICES PERFORMED BY PG&E AND MATERIAL, EQUIPMENT AND FACILITIES INCLUDING BUT NOT LIMITED TO MEASUREMENT EQUIPMENT AND VOLUNTEERED LINES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E FOR USE, IN CONNECTION WITH THIS AGREEMENT, ARE PROVIDED "AS IS," WITHOUT ANY WARRANTIES, EXPRESS, IMPLIED OR STATUTORY. ALL WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED BY PG&E INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NO WARRANTIES SHALL APPLY TO ANY SERVICES, MATERIAL, EQUIPMENT OR FACILITIES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E UNDER THIS AGREEMENT.

7.5. Exclusive Remedy: In lieu of all warranties express, implied, or statutory, PG&E's sole obligation and total liability, and Producer's sole and exclusive remedy, relating to or arising out of the installation or connection of equipment or Facilities or the furnishing of equipment, material, or Facilities or of any services by PG&E, shall be limited, at PG&E's option, to (1) reperformance of the installation or connection work or other services at PG&E's expense up to a cost equal to the amount paid by Producer for such installation or connection work, or other services, excluding any amounts paid for equipment, material or Facilities or other costs, or (2) a refund by PG&E to Producer of an amount equal to the amount paid to PG&E by Producer for said installation or connection work or other services, excluding any other costs, or (3) a refund of the amount paid by Producer to PG&E for equipment, material or Facilities, as applicable.

Except as specifically stated above in this Paragraph 7.5, PG&E shall have no obligation or liability and shall be released from any and all liability for losses, costs or damages of any kind with respect to or arising out of installation or connection work, or other services, equipment, material or Facilities installed, connected, or in any way provided

by PG&E or made available by PG&E pursuant to this Agreement, whether arising in contract, tort (including negligence), strict liability, warranty, or otherwise.

7.6. CONSEQUENTIAL DAMAGES: IN NO EVENT, SHALL EITHER PRODUCER OR PG&E BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION LOST PROFITS OR REVENUES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY, OR OTHERWISE, AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

7.7. Governmental Authority: This Agreement shall at all times be subject to all applicable present and future rules, tariffs and schedules of PG&E, and to all valid legislation with respect to the subject matter hereof, either state or federal, and to all valid present and future decisions, rules, regulations, orders and ordinances of all duly constituted governmental authorities having jurisdiction; this Agreement shall at all times be subject to any and all amendments to such rules, tariffs, and schedules of PG&E, legislation, and decisions, rules, regulations, orders and/or ordinances of governmental authorities.

If at any time the CPUC or any branch thereof issues a finding or opinion, formal or informal, that this Agreement is inconsistent with CPUC rules, regulations, decisions, or policy, then this Agreement shall be amended to eliminate any inconsistency. This Agreement shall at all times be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.

PG&E will file for CPUC approval of all or part of this Agreement, and this Agreement shall be subject to such approval.

7.8. Compliance with Laws: Producer shall comply with all applicable federal, state and local laws, rules, regulations, ordinances and codes and shall obtain all applicable licenses and permits for the conduct of its business and the performance of this Agreement.

7.9. Environmental Indemnification: Producer shall indemnify, defend, and hold PG&E harmless against and from all claims, suits, liabilities, damages, costs (including attorney's fees), expenses, fines and penalties, and all applicable judicial, administrative, and regulatory decrees, directives, judgments, and orders resulting from, or arising out of or in connection with any environmental contamination or any violation of environmental or other laws, regulations, rules, ordinances, codes, orders, directives and similar items of all appropriate governmental authorities relating to Producer's Property used by PG&E for the installation and operation of Facilities pursuant to this Agreement, to the extent that such claims, suits, liabilities, damages, costs, expenses, fines or penalties arise out of or result from or in connection with: (1) causes or events occurring prior to PG&E's use of the Property, or (2) acts or omissions of Producer, its parent, agents, employees, contractors or successors, occurring at any time. For purposes of this paragraph, "Property" shall mean any property, real or personal, in or to which Producer owns or hold any rights including easements, licenses, rights-of-way or any other contractual or real property rights.

7.10. Arbitration

7.10.1. Disputes: Any disputes arising out of or related to the interpretation or performance of the provisions of this Agreement, which cannot be settled by the Parties within a reasonable time, may be submitted by either Party to binding arbitration.

7.10.2. Appointment of Panel: All disputes to be arbitrated shall be submitted to and decided by a panel of three arbitrators: one to be appointed by Producer, one by PG&E, and the third one to be chosen by the two arbitrators appointed by the Parties. If either Party shall fail or refuse to appoint an arbitrator within thirty (30) days, after written notice has been given to it by the other party naming the latter's arbitrator, the Party giving such notice shall have the right to request the Presiding Judge of the Superior Court of the State of California in and for the City and County of San Francisco to appoint an arbitrator for the other party so in default.

If the two arbitrators thus chosen shall be unable to agree upon a third arbitrator within thirty (30) days, such arbitrator shall be appointed, upon application of either party, by the Presiding Judge of the Superior Court of the State of California in and for the City and County of San Francisco. Except as otherwise specifically provided in this Section 7.10, any arbitration shall be subject to the provisions of Title 9 of Part 3 of the Code of Civil Procedure of the State of California.

7.10.3. Venue for Arbitration and Costs: Venue for arbitration hereunder shall be the City and County of San Francisco unless another location is unanimously selected by the arbitrators. The cost of the arbitrator appointed by Producer shall be paid for by Producer; the cost of the arbitrator appointed by PG&E shall be paid for by PG&E; and the cost of the third arbitrator and any attendant costs shall be borne equally by Producer and PG&E. Each Party shall bear its own attorney's fees and other expenses in connection with such arbitration.

7.10.4. Binding Decision: The decision of a majority of the arbitrators, after a hearing at which the Parties shall have an opportunity to be heard and to introduce evidence, shall be binding upon the Parties hereto and judgment thereon may be entered in any court of competent jurisdiction.

7.10.5. Jurisdiction, Choice of Litigation Location: Any suit or action brought between the Parties relating to this Agreement shall be litigated only in a California State Court of competent jurisdiction or, if jurisdiction over the action cannot be obtained in a California State Court, in a Federal Court of competent jurisdiction situated in the State of California.

7.11. Governing Law: This Agreement shall be governed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

7.12. Easements and Rights of Way: Producer shall grant and assign to PG&E, insofar as Producer has the right to do so, and without any charge to PG&E, all necessary easements and rights-of-way for the installation, operation, maintenance, replacement, and/or removal of pipelines and Facilities necessary or convenient to the receipt and the measurement of Gas covered by this Agreement.

7.13. Force Majeure: Neither PG&E nor Producer shall be considered in default in the performance of its obligations under this Agreement, except obligations to make payments hereunder, to the extent that the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected Party. Causes beyond the reasonable control of a Party shall include, but not be limited to, acts of God, a public enemy, or a governmental authority, strikes, lockouts, riots, rebellions, injunctions, breakage of or accident to wells, machinery, equipment, or lines of pipe, washouts, earthquakes, floods, storms, extreme weather conditions, freezing of lines, or any cause or causes of whatsoever nature (whether like or unlike those herein enumerated) beyond the reasonable control of either Party. In the event either Party claims that performance of its obligations was prevented or delayed by any cause beyond its reasonable control, that Party shall promptly notify the other Party of the circumstances preventing or delaying performance. Such Party so claiming a cause-delayed performance shall endeavor, to the extent reasonable, to remove the obstacles which preclude performance.

7.14. Waivers: No waiver, expressed or implied, by either Party, of any default by the other Party in the performance of its obligations hereunder shall be deemed or construed to be a waiver of any other or subsequent default whether of like or different nature. A failure of either Party to declare the other Party in default, regardless of how long such failure continues, shall not constitute a waiver by such Party of any of its rights hereunder.

7.15. Amendments and Modifications: Except as otherwise specifically set forth in this Agreement, this Agreement may be amended or modified only by an instrument in writing executed by all Parties hereto.

7.16. Enforceability: In the event that one or more of the provisions contained in this Agreement, shall for any reason be invalid, illegal or unenforceable, in any respect, this shall not affect any other provision contained in this Agreement.

7.17. Ambiguities: Any ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner which most accurately reflects the intent of the Parties at the time of its execution.

7.18. Headings: The headings of this Agreement are for convenience only and shall not vary the meaning of the text.

7.19. Notices: Except as otherwise provided herein, any notice, request, demand, or statement ("Notice") regarding this Agreement, including notices of Arbitration, shall be in writing and deemed given when deposited in the United States mail, postage prepaid, directed to the address of the Parties as follows:

Producer Address

P.O. Box 283

Princeton, CA 95970

Telephone: (530) 682-2378

Attention: Clinton J. Wills

Telecopier: () N/A

Pacific Gas and Electric Company
6121 Bollinger Canyon Road
Mail Code BR1 Z4A
San Ramon, CA 94583

Telephone: (925) 244-3517
Attn: Manager, Gas Strategy,
Policy & Development
Telecopier: (925) 244-3544

Notices may also be given by facsimile or other electronic transmittal, provided that such facsimile or electronically conveyed Notice is confirmed in writing and delivered as aforesaid within three (3) days of the facsimile or other electronic Notice. Routine communications may be exclusively communicated by facsimile or other electronic means.

Either Party may from time to time change its address for Notices upon a thirty (30) day prior Notice, given pursuant to this Article 7.19.

7.20. Assignments: The rights and obligations of the Parties hereunder shall bind and benefit the Parties' successors and assigns; provided, however, that neither Party may assign its rights or delegate its obligations hereunder, without first obtaining the written consent of the other Party, except for an assignment of the entire interest in this agreement of the assigning Party (an assignment of all rights coupled with a delegation of all of the obligations of such Party under this Agreement) to a corporate parent or affiliate of the assigning Party or to an entity succeeding to all or substantially all of the business, properties or assets of the assigning Party related to or directly used in the performance of this Agreement. An assignment pursuant to the aforestated exception shall become effective on the date of notice thereof to the other Party. For purposes of this Paragraph 7.20, "affiliate" shall mean any corporation, partnership, or other legal entity, which controls, is controlled by, or is under common control with the Party making the assignment, and fifty percent (50%) or more of the equity shall constitute "control." Assignment of this Agreement shall not release Producer from any of its obligations under this Agreement, unless such release is agreed to in writing by PG&E and by the assignee.

7.21. Appendices: All of the following appendices and exhibits attached hereto are incorporated herein by reference:

Appendix A, Appendix B, Appendix D and Appendix F

California Production Interconnection and Operating Agreement

7.22. Separate Agreement: Producer acknowledges and agrees that terms and conditions governing nominations of Producer's Gas for transportation, balancing of Gas accounts, and other provisions relating to the transportation of Producer's Gas on PG&E's system, shall be governed by a separate California Production Balancing Agreement (CPBA); therefore, Producer agrees to appoint an Authorized Agent, as defined in the CPBA, and to execute a standard "Appointment of Authorized Agent" (Attachment 1 to the CPBA) for that purpose, as soon as CPUC approval of the CPBA becomes effective .

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of the Parties hereto.

Pacific Gas and Electric Company

Drilling, Exploration, and
Operating Co., Inc.

By:  E-SIGNED by David Lewis
on 2019-09-23 23:35:29 GMT

By:  E-SIGNED by Clinton Wills
on 2019-09-23 20:47:28 GMT

Name: David R. Lewis

Name: Clinton J. Wills

Title: Director

Title: Chief Executive

Date: September 23, 2019

Date: September 23, 2019



**Pacific Gas and
Electric Company***

NUMBER 5069[illegible]



APPENDIX A – 1
Meter 03691 – Bryant 1-18

**CALIFORNIA PRODUCTION
INTERCONNECTION AND OPERATING AGREEMENT
NUMBER 5069**

APPOINTMENT OF PRODUCER'S PHYSICAL OPERATOR

Producer hereby designates, appoints and authorizes as Physical Operator for the above-referenced meter:

Name:	
Address:	
City, State:	Zip Code:
Contact:	Telephone No.:
Cell or Emergency No.:	Telecopier:

In addition, the Operating Agent for the well(s) behind the meter is/are:

Name: Clint's Pumping Service	
Address: P.O. Box 283	
City, State: Princeton, CA	Zip Code: 95970
Contact: Clint Wills	Telephone No.: (530) 682-2378
Cell or Emergency No.: (530) 682-2378	Telecopier:
Applicable Well(s) Behind Above-Referenced Meter: Lamb Trust 1-19; Midvalley 1-17	

APPENDIX B - 1

California Production Interconnection and Operating Agreement 5069
October 1, 2019 – Meter 03691

APPOINTMENT OF PRODUCER'S NOMINATION AGENT

The undersigned Producer hereby designates, appoints and authorizes:

Name: Concord Energy LLC
Address: 1401 17th Street
City, State: Denver, CO Zip Code: 80202
Contact: Rick Mueller Phone No.: (303) 468-1236
Alternate No.: _____ Telecopier: _____

as the Producer's sole agent with exclusive authority to nominate gas deliveries to PG&E, from Producer's well(s) specified on the reverse side hereof, on behalf of the Producer. Said agent shall hereafter be referred to as the "Producer's Nominations Agent."

PG&E may rely on, and the Producer shall be bound by, all nominations made by the Producer's Nominations Agent. The Producer shall indemnify PG&E and hold PG&E harmless from all losses, damages, claims, and liabilities resulting from PG&E's reliance upon nominations, actions, or omissions of the Producer's Nominations Agent.

By signing this document, the Producer shall not be released from any of its obligations under the California Production Interconnection and Operating Agreement.

Producer represents that the person executing this document is duly authorized to do so.

Producer: Drilling, Exploration & Operating Co., Inc.

By: Clinton J. Wills

Title: Chief Executive

Signature:  E-SIGNED by Clinton Wills
on 2019-09-23 20:47:47 GMT _____

Date: September 23, 2019

APPENDIX B - 1

California Production Interconnection and Operating Agreement 5069
October 1, 2019 – Meter 03691

APPOINTMENT OF PRODUCER'S NOMINATION AGENT

Well(s) that are subject to the Appointment of Producer's Nominations Agent on the reverse side hereof:

1. Lamb Trust 1-19 (API 10120584)
2. Midvalley 1-17 (API 10120583)
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____

APPENDIX D

OPERATION AND MAINTENANCE FEE

As set forth in Article 3 of the Agreement, PG&E will calculate the Operation and Maintenance fee based on PG&E's good faith estimate of PG&E's ongoing costs to operate, maintain, and modify PG&E's facilities, pipelines, and equipment necessary to accept Producer's Gas. Such Operation and Maintenance Fee shall include, but is not limited to, meter reading and calibration, gas sampling and analysis, pipeline maintenance, operation and protection, odorization, other pipeline and metering equipment operation, maintenance and calibrations direct and indirect expenses, and administrative and general office allocated costs.

Producer agrees to pay the Operating and Maintenance Fee as follows:

- a) Commencing in the month of first deliveries hereunder, Producer shall pay the amount stated for each of the Receipt Point(s) in Appendix D. If any of the Receipt Point(s) is shared with others, the applicable fee will be a pro rata portion of the total Operation and Maintenance Fee applicable to the Gas received by PG&E at such Receipt Point(s).
- b) The monthly Operation and Maintenance Fee may be redetermined by PG&E from time to time. PG&E shall in good faith establish the monthly Operation and Maintenance Fee which shall reasonably approximate the operation and maintenance costs incurred by PG&E to accept Producer's Gas deliveries into PG&E's Gas Plant. Such redetermination may, at PG&E's option, be calculated based on PG&E's estimated average expenses for gas received under comparable conditions and/or adjusted to reflect increased or decreased costs of operation and maintenance as described above.

- c) The redetermined monthly Operation and Maintenance Fee shall become the fee Producer shall pay PG&E, effective on the first Day of the Month following PG&E's written notice to Producer and shall remain in effect until PG&E determines, in its sole discretion, that redetermination of the monthly Operation and Maintenance Fee is again warranted.

Appendix F
Sheet 1

PRODUCER APPLICATION FEE ANALYSIS

Position	Time Hrs.	Rate/Hr.	Amount
Gas Well Team Leader	1.00	\$106.09	106.09
Gas Producer Representative	2.00	\$106.09	212.18
Gas Engineer/Planner	4.00	\$106.09	424.36
Gas Reservoir Engineering	12.00	\$ 81.01	972.12
Gas Estimating	4.00	\$ 58.11	232.44
Gas Systems Operations	0.50	\$ 73.23	36.615
Field Operations	1.00	\$66.30	66.3
Legal	0.50	\$127.31	63.655
Gas Quality Review	0.50	\$81.38	40.69
Total			\$2,154.45

2018
CPIOA 5069
Appendix F
Sheet 2

Positions and Hourly Rates Schedule for a Request to Add New Gas Well
Production Through Existing Facilities and Work Performed at the Request
of a Producer

Position	Rate/Hr (\$)
Gas Gathering Program Manager	137.18
Gas Engineering/Planning	134.10
Gas Reservoir Engineering	179.35
Gas Estimating	194.92
Gas System Operations	162.43
Field Operations	184.04
Legal	219.80
Gas Quality	219.80
Station Engineering	177.56
Transmission & System Planning	191.01
Pipeline Corrosion	191.53
Environmental Services	158.14
Acquisition & Litigation Services (Land)	158.14
GC Construction Services	179.48
Capital Investment Support Mapping	127.31

EXHIBIT B

Cost Responsibility Letter to Bill Buss,
dated December 2, 2022



Pacific Gas and Electric
Company
6121 Bollinger Canyon Road
San Ramon, California 94583

December 2, 2022

Bill Buss
The Thermo Company
3275 Cherry Avenue
Long Beach, CA 90807
billb@termoco.com

Re: Cost responsibility under California Production Interconnection and Operating Agreement

Dear Mr. Buss,

Please refer to the California Production Interconnection and Operating Agreement between Pacific Gas and Electric Company (PG&E) and The Thermo Company (Producer) dated November 14, 2014 (CPIOA 5044).

As PG&E's pipeline system evolves, it is critical that pipeline operations remain not only safe, but also affordable for our end-use customers. Historically, PG&E has not charged California gas producers for operations and maintenance (O&M) expense to operate the pipelines and receipt point facilities dedicated to producers' usage (see CPIOA Section 3.3), and we have no immediate plans to request regulatory approval to assess an O&M fee to individual producers. If and when such a regulatory filing is made, the producer community will be informed, so it can participate in the discussion process.

Pursuant to CPIOA Section 2.5 (Repairs, Upgrades, Modifications, and Replacements), per our normal procedures, PG&E will continue to charge producers for all costs related to the pipelines and receipt point facilities dedicated to receiving their gas. Additionally, producers will be responsible to pay the actual cost of pipeline integrity assessments, such as in-line inspections, when such work is required. PG&E will provide advance notice and a rough cost estimate of the repair or inspection job. The producer will then notify PG&E whether or not to proceed with the integrity assessment. If the producer declines to perform the assessment, then PG&E will move to retire the pipeline.

Also, per a long-standing directive from the California Public Utilities Commission, PG&E must sell or retire its pipelines dedicated to the receipt of California gas production (aka "gas gathering lines") and has initiated a pipeline sale program. The program is initially focusing on our longer length gathering lines, and this will not impact meters that are immediately adjacent to our pipeline system. In the near future, PG&E will be sending notices to affected producers to begin the sale or retirement process. In order to reduce costs to all involved, where feasible PG&E will defer pending work on pipelines being considered for sale until ownership transfer is completed.

Please contact Ken Brennan by phone at 415-531-4173 or by email at ken.brennan@pge.com with any questions.

Sincerely,

E-SIGNED by Austin Hastings
on 2022-12-05 04:05:34 GMT

Austin Hastings
Sr. Director, Gas Strategy Execution and System Planning

EXHIBIT C

Notice of Termination (email), July 1, 2022

From: [CalProdNotices](#)
To: clintonwills@gmail.com
Cc: [Brodt, Colleen](#)
Subject: Notice of Termination, Balsdon 6-21
Date: Friday, July 1, 2022 6:32:42 AM

Mr. Wills,

Please refer to the California Production Interconnection and Operating Agreement (CPIOA) between Pacific Gas and Electric Company (PG&E) and Drilling, Exploration and Operating Co. (DE&O) dated September 23, 2019, (CPIOA 5064) and Appendices A-1 and B-1 for receipt point Meter 03960 (Baldsdon 6-21).

Per Section 3.4.4(c)(i), Refusal of Gas, it is required Meter 03960 delivers an average quantity of at least 50 Mcf per day for a period of ninety (90) consecutive days. Gas meter has not met the minimum requirement for the past sixty (60) days.

Notice is hereby given, pursuant to CPIOA 5064 Section 7.2 Termination, PG&E will terminate Meter 03960 effective August 1, 2022. Please ensure that DE&O has disconnected the flow of gas into PG&E's gas system at receipt point Meter 03960 by 7:00 AM, Monday, August 1, 2022.

Please contact Colleen Brodt at colleen.brodt@pge.com or (925) 357-7284 if you have any questions regarding this letter.

EXHIBIT D

Email Response to Notice of Termination
dated July 5, 2022

Richardson, Zora (Law)

From: Brodt, Colleen
Sent: Tuesday, July 5, 2022 12:33 PM
To: CalProdNotices; clintonwills@gmail.com
Subject: RE: Notice of Termination, Balsdon 6-21

Than you Clint to for the call last week regarding the termination letter. Per our conversation, the CPIOA contract reads as follows:

3.4.4(c)(i) Refusal of Gas: Producer has not delivered Gas, which meets the specification set forth in this Agreement, through the Measurement Facilities at an average quantity of at least 50 Mcf per day for a period of ninety (90) consecutive days; PG&E may extend the shut-in date if the Producer provides to PG&E in writing reasons acceptable to PG&E as to why production should not be shut-in.

Please see months April, May and June. The past 90 days do NOT meet the average of 50Mcf/day. However, since speaking, PG&E has agreed not to terminate on August 1, 2022 if this meter is able to meet the average of 50Mcf/day for the months of May, June and July. In addition, the gas flowing onto the PG&E system must be Gas Rule 21 compliant.

System ENTERPRISE

Meter 03960

Name Balsdon 6-21

☒ Flow Data ☐ Characteristic ☐ Analysis ☐ Equipment ☐ Components

May 2022

Open

☒ Auto

Periodic Daily Monthly

Date			Differential	Pressure	Temperature	Flow %	Volume
05/01/2021 07:00:00			1.792	893.88	78.55	32984.47	751.938
06/01/2021 07:00:00			0.000	14.95	81.14	0.00	0.000
07/01/2021 07:00:00			5.058	855.15	85.60	71258.94	3179.575
08/01/2021 07:00:00			3.514	854.80	82.55	74399.67	2808.601
09/01/2021 07:00:00			5.615	865.08	79.20	65243.50	2980.510
10/01/2021 07:00:00			8.570	833.73	65.91	74397.86	4434.954
11/01/2021 07:00:00			5.804	892.73	57.96	69468.50	3567.203
12/01/2021 07:00:00			4.552	885.83	48.39	69465.78	3173.798
01/01/2022 07:00:00			3.048	903.41	50.96	71803.92	2670.766
02/01/2022 07:00:00			1.977	911.70	54.57	66248.28	1991.640
03/01/2022 07:00:00			1.669	901.22	61.45	65121.61	1770.818
04/01/2022 07:00:00			1.658	876.04	65.72	61794.83	1641.614
05/01/2022 07:00:00			1.800	819.83	73.02	53088.06	1340.947
06/01/2022 07:00:00			1.964	790.65	85.17	46300.97	1171.775

Kindest Regards,

Colleen Brodt
Interconnection Contract Manager, Sr.
925.357.7284

From: CalProdNotices <CalProdNotices@pge.com>
Sent: Friday, July 1, 2022 6:33 AM
To: clintonwills@gmail.com
Cc: Brodt, Colleen <C6BO@pge.com>
Subject: Notice of Termination, Baldson 6-21

Mr. Wills,

Please refer to the California Production Interconnection and Operating Agreement (CPIOA) between Pacific Gas and Electric Company (PG&E) and Drilling, Exploration and Operating Co. (DE&O) dated September 23, 2019, (CPIOA 5064) and Appendices A-1 and B-1 for receipt point Meter 03960 (Baldson 6-21).

Per Section 3.4.4(c)(i), Refusal of Gas, it is required Meter 03960 delivers an average quantity of at least 50 Mcf per day for a period of ninety (90) consecutive days. Gas meter has not met the minimum requirement for the past sixty (60) days.

Notice is hereby given, pursuant to CPIOA 5064 Section 7.2 Termination, PG&E will terminate Meter 03960 effective August 1, 2022. Please ensure that DE&O has disconnected the flow of gas into PG&E's gas system at receipt point Meter 03960 by 7:00 AM, Monday, August 1, 2022.

Please contact Colleen Brodt at colleen.brodt@pge.com or (925) 357-7284 if you have any questions regarding this letter.

EXHIBIT E

Notice of Shut In, dated July 7, 2022

From: [Brod, Colleen](#)
To: clintonwills@gmail.com
Cc: [Gas Ops GSO All Transmission Coordinators](#)
Subject: RE: Baldson 6-21 Shut-In Notice
Date: Thursday, July 7, 2022 4:54:00 PM

Mr. wills,

Thank you for the call today. Once you are ready to go back online, please see the process below to come back online.

- Call Gas Control (925)244-4111
- Gas Control will contact the field technicians, they have 24-hours to get out to the site and turn the valve on
- Once the valve has been turned on and DE&O has started flowing gas, please contact Gas Control to inform them.
- The technicians will return to Baldson 6-21 within the following 24-hours to take a new dew point read.
- If the dew point is under 7 lbs., this meter is free to flow
- If the dew point read is over 7lbs., the shut-in process will start over

As a reminder, this well must flow compliant gas consecutively in order to stay online. If there are any additional problems, this well will be terminated on August 1, 2022 as indicated on the termination notice dated 7/1/2022.

Kindest Regards,

Colleen Brodt
Interconnection Contract Manager, Sr.
925.357.7284

From: CalProdNotices <CalProdNotices@pge.com>
Sent: Thursday, July 7, 2022 1:51 PM
To: clintonwills@gmail.com
Cc: Brodt, Colleen <C6BO@pge.com>
Subject: Baldson 6-21 Shut-In Notice

Dear Mr. Wills:

Please refer to the California Production Interconnection and Operating Agreement between Pacific Gas and Electric Company (PG&E) and Drilling, Exploration and Operating Co. (DE&O) dated September 23, 2019 (CPIOA 5064) and Appendices A-1 and B-1 for receipt point Meter 03960, Baldsdon 6-21.

PG&E's first responsibility is the safety operate our system to ensure safety and pipeline facility integrity. In support of that responsibility and pursuant to CPIOA 5064, Section 3.4.4 Refusal of Gas, PG&E is hereby providing notice that gas deliveries were suspended through Meter 03960 on July 7, 2022 starting at 1300.

PG&E informed DE&O that Meter 03960 had been ordered shut in as a result of the dewpoint reading of 20 lbs./mmscf, whereas, our moisture limit is 7 lbs./mmscf per Gas Rule 21.

Please contact Colleen Brodt at colleen.brodt@pge.com or 925-357-7284 to schedule a meeting to discuss out of compliance gas. Once we have established a plan to be implemented, and the problem has been resolved, we will be able to turn this meter back in service. Thank you.

EXHIBIT F

Termination Notification (Strain Ranch),
Aug 27, 2025

Richardson, Zora (Law)

From: Chen, Betty
Sent: Wednesday, August 27, 2025 10:48 AM
To: Gas Ops GSO All Transmission Coordinators; Kelly, Raquel; Tao-Thammeuangkhun, Anna; Redick, Will; Chow, William; Borman, Elizabeth; Wahid, Usman; Kemp, Kimberly; Lucero, Gilbert; Jones, Stephen; Jensen, Joey; Limon, Ian; Allred, Scott; Phongsa, Alan; Bhakta, Neil; Quigley, Sean; Lew, Tony
Cc: Yanez, Julian; Rijo, Ori; Chen, Betty; CalProdNotices
Subject: FW: Termination Notification | CRC - Strain Ranch 16-3, 45-1, Mobile 20-3 | September 1, 2025
Attachments: 2025-IC Monitoring LoA-Executed.pdf

Hi Team,

The following notification was sent for CRC Meters Strain Ranch 16-3, 45-1, Mobile 20-3.

Thanks,

Betty Chen
Interconnection Contract Manager
Business Development & Implementation
Mobile: 510.619.6353 | Email: Betty.Chen@pge.com



From: Chen, Betty <BPC7@pge.com>
Sent: Wednesday, August 27, 2025 8:17 AM
To: Mishler, Joshua J <Joshua.Mishler@crc.com>; Narup, Justin B <Justin.Narup@crc.com>; Brandon, Cindy <cindy.brandon@crc.com>
Cc: Popp, Kyle <KGP6@pge.com>; Delledera, Tatiana <TDDD@pge.com>; James, Shauntele <SDJ9@pge.com>; CalProdNotices <CalProdNotices@pge.com>; Yanez, Julian <J3Y8@pge.com>; Rijo, Ori <O1R4@pge.com>; Chen, Betty <BPC7@pge.com>
Subject: Termination Notification | CRC - Strain Ranch 16-3, 45-1, Mobile 20-3 | September 1, 2025

Dear Mr. Mishler,

Please refer to the California Production Interconnection and Operating Agreement between Pacific Gas and Electric Company (PG&E) and CRC Services, LLC (CRC) effective August 1, 2017 (CPIOA 5070), and Appendices A-32, A-33, A-34 and B-32, B-33, B-34, for receipt point Meters 03994, 04300 and 04395.

CRC opted not to install gas monitoring equipment at the following three (3) meters as part of the 2025-IC Monitoring Equipment Letter of Agreement (see attached):

- **Strain Ranch 16-3 (03994)** / C-2668 L-302-074 Install IC Monitoring
- **45-1 (04300)** / C-2669 L-169-16-1 Install IC Monitoring
- **Mobile 20-3 (04395)** / C-2671 L-169-006 Install IC Monitoring

Notice is hereby given that pursuant to CPIOA 5070, Section 7.2 Termination (Termination for Convenience), PG&E will be terminating the meters above as of Monday, September 1, 2025, as requested by CRC. Please ensure that CRC has disconnected the flow of gas into PG&E's gas system at receipt point of listed meters by September 1, 2025.

Please contact Betty Chen, 510-619-6353 or Betty.Chen@pge.com, with any questions.

Thank you,

Business Development & Implementation Contract Management Team

Gas Strategy Execution and System Planning

Pacific Gas and Electric Company

[Contract Management Team](#)



Pacific Gas and Electric
Company
6121 Bollinger Canyon Road
San Ramon, California 94583

March 24, 2025

CRC Services LLC
27200 Tourney Road, Suite 200
Santal Clarita, CA 91355
Harold.Persinger@crc.com

Re: IC Monitoring Equipment Letter of Agreement

Dear Mr. Persinger,

Please refer to the California Production Interconnection and Operating Agreement between Pacific Gas and Electric Company (PG&E) and CRC Services LLC (Producer) dated August 1, 2017 (CPIOA 5070).

PG&E's first responsibility is to operate our system safely. In support of that responsibility, PG&E has identified seven of CRC's meter sites to install, operate and maintain an electrical resistance probe and drip pot to ensure pipeline facility integrity. Pursuant to CPIOA Section 2.5 (Repairs, Upgrades, Modifications, and Replacements), the cost of the equipment is the responsibility of CRC.

Project Name	Estimated cost of Project
C-2664 L-318-9 Install IC Monitoring Eastbay 36-2	\$184,500
C-2665 L-302-125 Install IC Monitoring Colusa Unit 1 MM	\$184,500
C-2666 L-112-2 Install IC Monitoring Vernalis	\$184,500
C-2667 L-302-116 Install IC Monitoring Henshaw 2 MM	\$184,500
C-2668 L-302-074 Install IC Monitoring Strain Ranch 16-3	\$184,500
C-2669 L-169-16-1 Install IC Monitoring 45-1	\$184,500
C-2671 L-169-006 Install IC Monitoring Mobile 20-3	\$184,500

Per this agreement, CRC agrees to pay all actual costs associated with planning and installation of the equipment at the seven locations 30 days prior to installment. CRC can terminate all or portions of agreement with written notice. CRC agrees to pay all costs accumulated to each job at the time of termination.

Please contact Colleen Brodt by phone at 925-357-7284 or by email at Colleen.Brodt@pge.com with any questions.

E-SIGNED by Mike Kerans
on 2025-03-25 17:33:38 GMT

Mike Kerans
Sr. Director, Gas Strategy Enablement
Pacific Gas and Electric Company

E-SIGNED by Dean Persinger
on 2025-03-25 01:19:04 GMT

Dean Persinger
Vice President
California Resources Corporation

Internal

EXHIBIT G

Termo CPIOA, dated Nov 19, 2019

**CALIFORNIA PRODUCTION
INTERCONNECTION AND OPERATING AGREEMENT**

No. 5044

between

PACIFIC GAS AND ELECTRIC COMPANY

and

THE TERMO COMPANY

PRODUCER

ARTICLE	<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
1	Warranty of Title	6
2	Well Connection and Facilities	6
2.1	Existing Facilities	6
2.2	New Facilities	6
2.3	Ownership of Facilities	11
2.4	No Dedication of Facilities	12
2.5	Repairs, Upgrades, Modifications and Replacements	12
2.6	Specific Equipment	12
2.7	Future Well Additions	13
2.8	Certain Costs Payable By Producer	13
3	Operations and Maintenance	14
3.1	Appointment of Producer's Nominations Agent	14
3.2	Appointment of Physical Operator	15
3.3	Maintenance of Facilities	15
3.4	Rights and Obligations	16
3.5	Volunteered Lines	17
3.6	Volume Report	18
4	Gas Quality	19
4.1	Gas Quality Requirements	19
4.2	Gas Quality Testing	19
4.3	Refusal of Gas	20
5	Measurement and Tests	20
5.1	Measurement and Computation	20
5.2	Custody, Maintenance and Records	20
5.3	Meter Accuracy Verification	21
5.4	Manufacturer's Specifications	21
5.5	Inaccuracies	22

TABLE OF CONTENTS (continued)

ARTICLE		PAGE
6	Compression	24
6.1	Operation	24
7	General Conditions	24
7.1	Term	24
7.2	Termination	24
7.3	Survival	26
7.4	Warranty Disclaimer	26
7.5	Exclusive Remedy	26
7.6	Consequential Damages	27
7.7	Governmental Authority	27
7.8	Compliance with Laws	28
7.9	Environmental Indemnification	28
7.10	Arbitration	28
7.11	Governing Law	30
7.12	Easements and Rights of Way	30
7.13	Force Majeure	30
7.14	Waivers	30
7.15	Amendments and Modifications	31
7.16	Enforceability	31
7.17	Ambiguities	31
7.18	Headings	31
7.19	Notices	31
7.20	Assignments	32
7.21	Appendices	32
7.22	Separate Agreement	33

This Agreement, (hereafter "Agreement") dated July 23, 2014, is between The Termo Company "Producer" and PACIFIC GAS AND ELECTRIC COMPANY (PG&E), individually and collectively also referred to as "Party" or "Parties":

PURPOSE:

1. Producer owns or otherwise controls, or may hereafter own or otherwise control, natural gas ("Gas") produced from the Well(s) specified in Appendix A, located in various Counties; and
2. PG&E is willing to connect Producer's Gas Delivery Facilities to accept Producer's Gas into PG&E's Gas Plant for transportation to PG&E's customers ("Customers"); however, this Agreement is not intended to be an agreement for transportation services, and it does not entitle Producer to deliver or obligate PG&E to receive Producer's Gas for transportation. PG&E provides transportation services pursuant to applicable rules, schedules, tariffs, and agreements.
3. This Agreement establishes the terms and conditions for the installation, operation, and maintenance of certain facilities (which may include taps, tie-ins, measurement facilities, valves, associated piping, and other such equipment as may be required from time to time) to connect Producer's Gas Delivery Facilities to and accept Gas into PG&E's Gas Plant; and
4. This Agreement also establishes the terms and conditions for the delivery of Gas into PG&E's Gas Plant (including gas quality, pressure, and measurement) and other conditions intended to govern the contractual relationship of the Parties.

NOW THEREFORE, in consideration of the covenants set forth herein, the Parties agree as follows:

Definitions: The following terms when used in this Agreement shall mean:

“Article” - A numbered Article of this Agreement. An Article includes all the numbered sections of this Agreement that begins with the same number as that Article.

“British Thermal Unit” or “Btu” - The amount of energy required to raise the temperature of one pound of water one degree Fahrenheit. Of the several precise definitions of a Btu, this agreement shall use the gas industry accepted International Table Btu (Btu_{IT}) which is equal to 1,055.05585262 joules (exact) or rounded to 1,055.056 joules for most applications. (A joule is approximately equal to one watt-second.)

“CPUC” - The California Public Utilities Commission or any successor regulatory body.

“Cubic Foot” - (Also a Standard Cubic Foot of Gas) The volume of Gas which occupies one cubic foot when the Gas is at the standard reference conditions of sixty degrees Fahrenheit and fourteen and seventy-three hundredths (14.73) pounds per square inch absolute.

“Delivery Facilities” - Producer’s facilities at which Gas is transferred from Producer to PG&E’s Gas Plant.

“Facilities” - General term which includes all Measurement Facilities, Odorization Facilities, and Gas Sampling Facilities used to receive Producer’s Gas into PG&E’s Gas Plant.

“FERC” - The Federal Energy Regulatory Commission or any successor regulatory body.

“Gas” - Natural gas produced from gas wells or casing head gas produced in association with crude oil.

“Gas Plant” - The gas pipeline system, and all related facilities which are owned and operated by PG&E within the state of California.

“Sampling Facilities” - Equipment used to monitor the quality of Producer’s Gas.

“Heating Value” - The amount of heat, measured in Btu per standard cubic feet, produced by the complete combustion of a dry Cubic Foot of Gas. The Heating Value shall be the gross or higher Heating Value which is obtained when all of the products of combustion are cooled to 60 degrees Fahrenheit.

“Master Meter” - The Meter which measures volumes of Gas consolidated from two or more Meters.

“Measurement Facilities” - Equipment associated with the measurement of Gas, which may include but is not limited to the block valves, back-flow check valve, relief valves, straightening vanes, orifice tube, orifice plate, orifice fitting, flow meter, solar panel, and associated fittings, tubing and piping.

“Meter” - A measurement device used to determine the quantity of Gas that flows from Producer’s Well(s) into the PG&E Gas Plant.

“Odorization Facilities” - Equipment used to inject odorant into PG&E’s Gas Plant.

“Producer” - Person or persons (legal or natural) owning a Working Interest in, or otherwise controlling a Well and having the right to deliver or sell Gas from such Well. If more than one Producer are signatories to this Agreement, the term “Producer” shall mean the Producers signatories to this Agreement jointly and severally.

“Physical Operator” - May be designated under the terms of this agreement as Producer’s duly authorized representative for the purposes stated in Paragraph 3.2 hereof.

“PSIG” - Pounds per Square Inch Gauge gas pressure, measured with reference to the local atmospheric pressure.

“Receipt Point” - The interconnection point between Producer’s Gas Delivery Facilities and PG&E’s Gas Plant, where Gas is measured by PG&E for delivery into PG&E’s Gas Plant.

“Section” - A numbered section of this Agreement included within the Article that begins with the same number as that section.

“Specifications” - PG&E’s General Specifications for Producer Installation of Measurement Facilities and Related Equipment for Gas Gathering Interconnections, Appendix C to this Agreement, as required, and/or other specifications provided by PG&E for the installation of Facilities by Producer.

“Volunteered Line” - Pipelines, valves, and other attached appurtenances owned by PG&E, as listed on Appendix E, which are located between the Measurement Facility and Producer’s Gas Well(s).

“Well(s)” - Well(s) listed on Appendix A, attached hereto and made a part of this Agreement.

“Working Interest” - Percentage of ownership of production from a Well(s) under a gas lease.

Article 1

1. **Warranty of Title:** Producer hereby warrants that Producer has the right to nominate and deliver all Gas to be delivered to PG&E at the Receipt Point(s) and that such right is free and clear of all liens and adverse claims of any kind. Producer will hold harmless, indemnify and defend PG&E against all claims, suits, actions, debts, accounts, damages, liabilities, costs (including reasonable attorneys fees), losses, and expenses, for or arising from or out of any: (1) adverse claims of any and all persons to the Gas; (2) royalties, overriding royalties, or other payments with respect to the Gas; and (3) taxes, licenses, fees or charges, relating to the Gas or its delivery or sale, which are or may be applicable.

Article 2

2. Well Connection and Facilities

2.1. **Existing Facilities:** If there are existing Facilities for receipt of Producer's Gas into PG&E's Gas Plant and PG&E has determined that they are adequate for receipt of Gas for transportation purposes, then these Facilities may, in PG&E's sole discretion, be used for such purposes. Existing Facilities will not be used for the measurement of Gas that does not meet the quality requirements as provided in Section 4.1 of this Agreement. If Producer and PG&E determine or PG&E determines that additional Facilities, modifications or upgrades are required, then the conditions set forth in Sections 2.2, 2.3 and 2.5 below shall apply.

2.2. **New Facilities:** If new Facilities are required to connect a new Well or Wells, the following conditions shall apply:

2.2.1. **Request for Tie-In Connection Location:** Producer shall request PG&E to identify a specific tie-in connection location. At the time such request is made, Producer shall: (1) pay to PG&E a non-refundable application fee in the amount specified in Appendix F, as amended from time to time; (2) identify the exact well-site location; and (3) provide proof of mineral rights and the assignment of applicable easements, rights of way, and other necessary land rights to PG&E.

2.2.2. Connection Location(s): PG&E shall identify the tie-in connection location(s) with compatible Gas quality and available capacity for the receipt of Producer's Gas, after PG&E has: (1) received all items described in Section 2.2.1 above; (2) performed or witnessed a back pressure test; and (3) collected or received Gas sample(s). The back pressure test and collection or receipt of gas samples shall take place within thirty (30) days of the receipt of the items described in Section 2.2.1 above.

PG&E may refuse to accept Producer's Gas if the Gas quality is not compatible, PG&E does not have available system capacity, or in PG&E's reasonable judgment the delivery of Producer's Gas may have other adverse effects on PG&E's operations, Gas Plant or Facilities, or on the operations or property of Customers or other producers.

2.2.3. PG&E Installs Measurement Facilities, Odorization Facilities and/or Gas Sampling Facilities: If Producer requests PG&E to install Facilities at the Receipt Point and PG&E in its sole discretion agrees to install such Facilities at Producer's expense, the following conditions shall apply:

(a) Upon identification of the tie-in connection location(s), PG&E shall inform Producer of the cost to install the Facilities contemplated hereunder. Such costs may include, but not be limited to, engineering, PG&E's land survey and land rights acquisition, and/or equipment costs. Identification of the tie-in connection location(s) shall not obligate PG&E to maintain capacity available on its Gas Plant for Producer's Gas.

(b) Producer shall pay PG&E for PG&E's actual costs to provide and install Facilities pursuant to this Agreement, including all direct and overhead costs as allocated to such Facilities by PG&E. PG&E shall provide PG&E's estimate of these costs to Producer and Producer shall pay this estimated amount to PG&E prior to construction. After completion of the Facilities, PG&E will provide a statement to Producer showing the difference, if any, between such estimated costs and the actual costs. If the actual costs exceed the estimated costs paid by

Producer, Producer shall submit payment to PG&E within thirty (30) calendar days of the date of PG&E's invoice. If the actual costs are less than the estimated costs paid by Producer, PG&E will refund the difference to Producer within the same time period.

All payments shall be made referencing account number UZB_____ on Producer's check, to the following address:

Mailing Address:
PACIFIC GAS & ELECTRIC COMPANY
C/O Payment Processing
Mail Code B5C
Box 770000
San Francisco, CA 94177

Street Address:
PACIFIC GAS & ELECTRIC COMPANY
C/O Payment Processing
Mail Code B5C
77 Beale Street
San Francisco, CA 94105

(c) After PG&E and Producer have reached agreement on the specific tie-in location(s) as stated in Section 2.2.3.(a) above, Producer may not change the location without PG&E's written concurrence. Producer shall pay to PG&E any additional costs associated with a change in location.

2.2.4. Producer Installs Measurement Facilities, Odorization Facilities and/or Gas Sampling Facilities: If Producer elects to install Facilities, the following shall apply:

(a) Producer may furnish and/or install Facilities in accordance with specifications, plans, standards and procedures provided by PG&E and subject to PG&E's inspection for compliance with PG&E's specifications, plans, standards and procedures. Producer shall use qualified licensed contractors for such work. Producer shall ensure that the Facilities meet all of the applicable requirements of all governmental authorities having jurisdiction.

(b) Prior to construction, Producer shall pay PG&E for PG&E's estimated cost of labor, material and overhead to provide engineering review, identification of the required tie-in connection location(s), Facilities, and inspections and tap installation. After PG&E has performed these activities, Producer shall pay to PG&E the difference, if any, between the estimated cost and the actual cost of these activities and any other actual costs to PG&E associated therewith. PG&E shall provide a statement to Producer, and Producer shall pay PG&E for such actual costs as provided in Section 2.2.3(b).

(c) After Producer has completed the installation of the Facilities, Producer shall request in writing that PG&E connect the Facilities to PG&E's Gas Plant. At the time of this connection request, Producer shall provide: (1) an assignment to PG&E of all applicable easements, rights of way, and other necessary land rights; (2) engineering specifications; (3) an "as-built" drawing with survey location of the Facilities and pipeline(s); and (4) Producer's warranty that the Facilities were constructed in conformance with CPUC General Order No. 112-E, or any successor regulations, and the Specifications.

2.2.5. Contributions in Aid of Construction:

(a) If PG&E determines that an amount with respect to Producer's Contributions in Aid of Construction (CIAC) is includable in PG&E's gross income, PG&E will calculate the CIAC gross up amount based on the methodology approved by the CPUC from time to time for that purpose; and Producer agrees to pay this CIAC gross up amount to PG&E, within thirty (30) days from PG&E's demand for payment, plus interest; the interest will be computed at the "CPUC Rate" from the due date (without extensions) of the federal tax return for the taxable year in which such amount is includable until the date Producer pays to PG&E the total amount described herein; the "CPUC Rate" is interest at the average three-month commercial paper rate as published in the Federal Reserve Bulletin, or such other rate as the CPUC may establish from time to time to replace the rate in paragraph 18 of its conclusions of law in Decision 87-09-026.

(b) The CIAC gross up amounts, if demanded, shall be paid in addition to Producer's reimbursements to PG&E, or Producer's expenditures, for the costs of facilities and their installation as provided in this Agreement.

(c) The payment of the CIAC gross up amount shall be made by Producer, pursuant to Section 2.2.5(a), when PG&E reasonably determines that an amount with respect to Producer's contribution is includable in PG&E's gross income based upon IRS ruling, regulation, court decision (including tax court), or other pertinent tax authority, or when an IRS revenue agent issues a notice of proposed adjustment or other notice indicating that such an amount is so includable.

2.2.6. Facility Inspection and Connection:

(a) PG&E will make reasonable efforts to inspect the Facilities during construction and as soon as practicable after construction. However, due to possible emergency situations or manpower constraints, PG&E's inspection within thirty (30) days after Producer's notice of completion shall constitute compliance with the provisions of this Section 2.2.6(a).

(b) PG&E will connect Facilities to PG&E's Gas Plant after PG&E has inspected the Facilities and has verified that the Facilities meet PG&E's applicable standards and the Specifications.

(c) All connections to and from the PG&E system shall be performed solely by PG&E or PG&E's contractor. For tap installations, Producer shall pay PG&E's actual cost of materials, equipment and labor (which labor charge shall include wages, benefits, and payroll taxes).

2.2.7. Failure to Request Connection: If Producer fails to request connection to PG&E's Gas Plant of the Facilities installed by Producer within one-hundred and twenty (120) days following the date of PG&E's identification of a specific tie-in connection location (pursuant to Section 2.2.2 above), then Producer shall request the following before requesting connection of the Facilities to PG&E's Gas Plant: (1) verification and a written statement from PG&E that capacity remains available at the identified tie-in connection location for the receipt of Producer's Gas; and (2)

that Producer's gas is still compatible with PG&E's gas plant. If, at the time Producer requests such verification, capacity is no longer available at that tie-in connection location and Producer still desires to connect the Facilities to PG&E's Gas Plant, then Producer shall request a new tie-in connection location pursuant to Section 2.2.1 above.

2.2.8. Failure to Connect: If Producer's Well is not connected to PG&E's Gas Plant within six (6) months from the date of Producer's request for a tie-in connection location, then PG&E shall render to Producer an itemized invoice for all unpaid costs of the work undertaken to identify a specific tie-in connection location in excess of the non-refundable application fee paid to PG&E pursuant to Section 2.2.1 hereof. If such failure to connect is not caused by PG&E, Producer agrees to reimburse PG&E for the actual cost of such work.

2.2.9. Payments: All amounts invoiced by PG&E, pursuant to this Article 2, shall be due and paid within thirty (30) calendar days following the date of PG&E's invoice, except as otherwise stated herein.

2.3. Ownership of Facilities: PG&E shall have sole ownership, custody and control of all Facilities, regardless of which Party installed the Facilities. Upon completion of construction, installation, inspection, and PG&E's finding that the Facilities conform to PG&E's specifications, title to the Facilities shall immediately transfer into the name of PG&E, whether or not the Parties have executed any documentation formalizing such transfer.

PG&E may at any time while this agreement is in effect transfer ownership of Facilities to Producer. In that event, Producer agrees to accept the ownership of such Facilities and the obligation to maintain and operate such Facilities at Producer's expense. PG&E shall have the right, at any time to access Facilities to do any of the following: (1) inspect Facilities to verify the proper maintenance and operation thereof to the extent PG&E deems it necessary; and (2) test and calibrate the Measurement

Facilities to verify the accuracy of instruments as provided in Article 5. If Producer does not grant access to the Facilities as provided herein, PG&E shall have the right to refuse to accept Producer's Gas until such access is granted in accordance with this Agreement.

2.4. No Dedication of Facilities: Nothing in this Agreement shall be construed as a dedication by either PG&E or Producer of its respective facilities to the other Party.

2.5. Repairs, Upgrades, Modifications and Replacements: If PG&E determines that Facilities, or the gas gathering pipeline(s) used to transport Producer's Gas to PG&E's transmission system, are in need of repairs, upgrades, modifications or replacements, PG&E shall notify Producer accordingly. If Producer requests PG&E to make the necessary repairs, upgrades, modifications or replacements, and PG&E agrees to do so, Producer shall pay PG&E for all (or a prorated portion if more than one Producer is served by the pipeline(s) and/or Facilities) of PG&E's actual costs of such work in accordance with the same provisions as applicable to Facilities under Section 2.2.3(b) above. If Producer fails to request that PG&E make the repairs, upgrades, modifications or replacements at Producer's expense, or if not all producers served by the pipeline(s) and/or Facilities request PG&E to perform such work at their expense, PG&E shall have the right to refuse to accept Producer's Gas. However, if Producer wishes to build its own pipeline, Producer may enter into a new CPIOA for a new connection and delivery of Gas at an appropriate Receipt Point.

If Producer takes ownership of Facilities, PG&E will not perform repairs, upgrades, modifications or replacements of such transferred Facilities.

2.6. Specific Equipment:

2.6.1. Pressure Regulations: Producer shall install (upstream of the Measurement Facilities), test, and maintain in good working condition the necessary pressure regulation equipment to protect PG&E's Gas Plant from exposure to pressures in excess of the specified maximum pressure. Such Facilities and the installation and maintenance thereof shall conform with CPUC General Order No. 112-E, or any successor regulations.

2.6.2. Odorization and/or Gas Sampling: If under the laws, rules or regulations of any local government or regulatory body having jurisdiction, or in PG&E's sole judgment as a public utility, it is required that all or any of Producer's Gas be odorized or that Producer's gas be monitored for quality, then Sections 2.2, 2.3, 2.4, and 2.5 above shall apply as they relate to such Odorization Facilities. Producer agrees to obtain a grant of easement at a suitable location and to grant PG&E a non-exclusive license to exercise the rights conveyed to Producer under said grant of easement for the purpose of installing, operating and maintaining said Odorization Facilities or Gas Sampling Facilities.

2.7. Future Well Additions

2.7.1. New Well Connection and Well Recompletions: PG&E may or may not accept Gas from a reworked, recompleted, or new well, at the same interconnection point and/or through the meters identified in Appendix A. PG&E will determine the tie-in location, and may refuse to accept such Gas, based upon the same criteria as set forth in Section 2.2.2.

2.7.2. Acceptance of New Gas: If PG&E refuses to accept new Gas at the existing Receipt Point, the Producer may request a new tie-in connection location for the Additional Well(s) by executing a separate CPIOA.

2.8 Certain Costs Payable By Producer: Charges payable by Producer pursuant to Sections 2.2.1, 2.2.3, 2.2.4, 2.2.6, 2.2.8, 2.5, 3.5.3 and 5.3 shall be based on the costs stated in Appendix F, which is subject to Section 7.7. Appendix F will be amended from time to time when PG&E reviews and recalculates its actual costs to keep the charges current.

Article 3

3. Operations and Maintenance

3.1. Appointment of Producer's Nominations Agent: As a condition of interconnection of Producer's Gas Delivery Facilities with PG&E's Gas Plant, under this Agreement, Producer shall appoint one authorized representative as Producer's sole agent with exclusive authority to place nominations for Producer on PG&E's system, for transportation of Producer's Gas to be delivered at the Receipt Point(s). That agent shall also be referred to as "Producer's Nominations Agent"; and the appointment shall be made pursuant to Appendix B "Appointment of Producer's Nominations Agent." The executed Appointment of Producer's Nominations Agent shall be returned to PG&E, addressed as follows:

PACIFIC GAS AND ELECTRIC COMPANY
Gas System Operations Department
Scheduling and Accounting Manager
6121 Bollinger Canyon Road
Building Z1, 5th Floor
San Ramon, CA 94583

Producer may change its Producer's Nominations Agent, by providing a new Appointment of Producer's Nominations Agent to PG&E pursuant to PG&E's applicable procedures. If Producer and PG&E enter into a separate agreement regarding nominations, balancing and other issues relating to the transportation of the Gas delivered under this Agreement, with respect to the Well(s), it shall govern with respect to the procedures for the appointment and/or change of Producer's Nominations Agent.

Producer acknowledges and agrees that Producer's failure to appoint an agent with exclusive authority to make nominations for Producer may cause Producer, PG&E, or third parties to incur damages or liabilities; therefore, Producer agrees that if Producer fails to comply with this Section 3.1, Producer will hold PG&E harmless and will indemnify PG&E from and against any and all damages and liabilities that may be incurred by PG&E, Producer or third parties as a result of or in connection with the nominations of Producer's Gas made by anyone.

3.2. Appointment of Physical Operator: Producer may appoint an authorized representative to serve as Physical Operator for the Well(s). Except as set forth in Section 3.1 above, the Physical Operator shall be duly authorized to act for Producer as follows: to give and receive notices and requests, make and witness tests, deliver quantities of Gas hereunder; and do and receive all things as provided herein regarding the physical operation of the Well(s). Producer shall notify PG&E in writing of the appointment and change of the Physical Operator. Producer expressly agrees that PG&E may rely on any and all acts and notices of the Physical Operator to the same extent as if they were performed or provided by Producer.

Producer hereby appoints as Physical Operator: The Termo Company

Physical Operator's Address

3275 Cherry Avenue

Long Beach CA 90801

Telephone: (916) 952-7858

Telephone: _____

Telecopier: (530) 982-1501

Attention: Ben Ferreira

3.3. Maintenance of Facilities: Maintenance of Facilities owned or controlled by PG&E will, in PG&E's sole discretion, be provided by PG&E at PG&E's expense, subject to Section 2.3 above. Producer acknowledges that PG&E intends to submit to the CPUC for approval an operating and maintenance fee (O&M Fee) to be charged to Producer, based on PG&E's actual costs to operate and maintain facilities, pipelines and equipment, for the receipt of Gas, as determined from time to time by PG&E pursuant to Appendix D. Such O&M Fee may include, without limitation, meter reading, gas sampling and analysis, gas odorization, equipment maintenance and calibration, direct and indirect expenses, and administrative and general office allocated costs. Producer agrees to start paying the O&M Fee when it is approved by the CPUC.

3.3.1. After the approval of the O&M Fee by the CPUC, PG&E will mail to Producer a statement (on or before the 15th day of each month), setting forth the applicable O&M Fee for the previous month. Producer shall pay the O&M Fee to PG&E on or before the twenty-fifth (25th) calendar day of the month or the tenth (10th) calendar day following receipt of PG&E's statement, whichever is later. Any late payments by Producer to PG&E shall accrue interest at the rate prescribed for pipeline refunds as provided in Section 154.67(c)(2) of the Federal Energy Regulatory Commission's Regulations under the Natural Gas Act (or any successor thereto).

3.4. Rights and Obligations

3.4.1. Operations: PG&E shall retain the full and exclusive right to operate its Gas Plant in a manner which, in PG&E's sole judgment, is consistent with safe and proper operating conditions, obligations of PG&E to others, laws, and regulations of governmental authorities having jurisdiction, without incurring any liability to Producer.

3.4.2. Tampering: Producer shall not alter, or in any manner disturb, manipulate, or tamper with any Facilities owned or controlled by PG&E.

3.4.3. Gas Pressures: Producer shall deliver Gas at the Receipt Point(s) at the Gas well pressure required by PG&E, which may be up to, but not to exceed the maximum allowable operating pressure (MAOP) in PG&E's Gas Plant downstream of the Receipt Point. PG&E shall have the right to upgrade the MAOP of PG&E's Gas Plant, and in such event Producer shall increase the pressure of its Gas if and to the extent required by PG&E, upon ninety (90) days' written notice to Producer.

3.4.4. Refusal of Gas: PG&E shall have the right, without incurring any liability to Producer, to refuse acceptance of Gas at the Receipt Point(s) when:

(a) Producer is operating Gas Delivery Facilities in a manner which in PG&E's reasonable judgment has or may have an adverse effect on PG&E's operations, Gas Plant or Facilities, or on PG&E's customer's operations or property; or

(b) Producer's handling or failure to properly collect or dispose of liquids of Producer's Gas Well(s) affects PG&E's operations, Gas Plant, or real property (leased or owned) or any other property of PG&E; or

(c) It is necessary or desirable to test, maintain, modify, enlarge, or repair any facility or property that is part of PG&E's Gas Plant, or related to its operation.

PG&E shall give reasonable notice to Producer prior to the date on which shut-in of Well(s) is required, except for emergency repair which may require an immediate shut-in.

In addition to the rights stated above in this Section 3.4.4., PG&E shall have the right to retire and/or remove all or any portion of PG&E's Facilities at the Receipt Point and to terminate this Agreement effective upon notice to Producer if:

(i) Producer has not delivered Gas, which meets the specifications set forth in this Agreement, through the Measurement Facilities at an average quantity of at least 50 Mcf per day for a period of ninety (90) consecutive days; PG&E may extend the shut-in date if the Producer provides to PG&E in writing reasons acceptable to PG&E as to why production should not be shut-in; or

(ii) Producer has not remedied, within thirty (30) days of PG&E's notice of refusal to accept the Gas, the conditions stated in Paragraphs (a) and/or (b) above, as applicable.

3.5. Volunteered Lines: This Section 3.5 shall apply only if Producer has been delivering Gas through a Volunteered Line. If Producer has been delivering Gas through PG&E's pipeline, specified in Appendix E, PG&E shall have the right to terminate this Agreement for cause at any time with thirty (30) days notice, unless a mutually acceptable arrangement for the delivery of Producer's Gas into PG&E's system has been made prior to such termination.

3.5.1. Control & Possession of Gas: Producer shall be deemed to be in control and possession of Gas produced into the Volunteered Line(s) from the gas well to the upstream fitting where Gas is delivered to PG&E. PG&E shall be deemed in control and possession of the Gas at the downstream fitting of Producer's Gas Delivery Facilities.

3.5.2. Operation of Lines: Notwithstanding the above, if PG&E in its sole discretion desires to operate the Volunteered Line(s) or any portion thereof at a higher pressure, or to have the direction of flow changed, Producer shall shut-in the Well(s) connected thereto during any such work on the Volunteered Line(s), upon thirty (30) days prior written notice to Producer.

3.5.3. Repair and Replacement: If PG&E determines that the Volunteered Line(s) require repair or replacement, PG&E shall provide Producer with a written description of such work and a statement detailing the costs to perform that work, including materials, direct, indirect, and overhead costs. If Producer desires PG&E to proceed with such work, Producer shall, within fifteen (15) business days from the date of PG&E's notice, pay PG&E the amount set forth therein. If Producer does not pay PG&E within fifteen (15) business days of PG&E's notice, PG&E shall have the right to refuse to accept Producer's Gas and to remove or retire all or any portion of the Volunteered Line(s).

3.6. Volume Report: PG&E shall provide Producer, once a month, a report containing the volume of Gas received by PG&E at the Receipt Point(s) for each day of the previous calendar month. If a future separate agreement between Producer and PG&E regarding nominations, balancing, and other issues relating to transportation of the Gas delivered under this Agreement, contains a provision that addresses the subject matter of this Section 3.6, the provision of such other agreement shall supersede this Section 3.6.

Article 4

4. Gas Quality

4.1. Gas Quality Requirements: Producer represents, warrants and guarantees that the Gas delivered to PG&E for transportation under this Agreement shall meet the following requirements:

4.1.1. Rule 21: Gas shall be merchantable pipeline quality Gas and shall conform to the quality specifications as prescribed in Rule 21(C) of PG&E's CPUC approved Tariff Schedule (Rule 21), as amended from time to time; and

4.1.2. Unnatural Substances: Gas shall not contain any substances that are not naturally contained in natural gas, excepting only those substances which PG&E specifies as additives for operating or Gas compatibility reasons; and

4.1.3. Heating Value: Gas shall have a Heating Value within the Operation BTU level required by PG&E for its pipeline system at the Receipt Point. PG&E may refuse to accept all or any portion of Gas of which the Btu content has significantly changed since the back pressure test and gas sample collections referred to herein.

4.1.4. Indemnity: If the Gas delivered to PG&E under this Agreement fails to meet the requirements of this Article, Producer shall indemnify and hold PG&E harmless against and from all losses, costs, damages, claims, suits, and liabilities arising out of or in connection with such failure.

4.2. Gas Quality Testing: Tests to determine the quality of the Gas delivered to PG&E may be performed by PG&E at any time. If Gas delivered by Producer fails to fully conform to the Gas quality specifications as stated herein, then PG&E may refuse to accept the Gas upon notice to Producer of any such failure. Producer shall revise any outstanding nominations for the affected Receipt Points to reflect no deliveries. Producer shall not resume deliveries of Gas until PG&E is satisfied that the problems

have been corrected and that the Gas conforms to the applicable quality specifications. PG&E's acceptance of Gas that does not conform to the specifications stated herein shall not constitute a waiver of the Gas quality specifications stated in this Agreement or any remedies of PG&E or obligations of Producer with respect to such a nonconformity.

4.3. Refusal of Gas: PG&E shall have the right, without incurring any liability to Producer, to refuse acceptance of Gas at the Receipt Point(s) when the Gas does not meet the temperature, delivery pressure, or quality specifications described in this Agreement.

Article 5

5. Measurement and Tests

5.1. Measurement and Computation: The volume of Gas delivered under this Agreement shall be measured by orifice meter(s), and computations made, as prescribed in the American National Standards Institute/American Petroleum Institute 2530 (ANSI/API 2530), also published as A.G.A. Report No. 3 as revised from time to time.

5.2. Custody, Maintenance and Records: Except as otherwise set forth in Section 2.3, during the term of this Agreement, all Measurement Facilities shall be in the sole custody and control of PG&E. The reading, calibration, and adjustment of Measurement Facilities and changing of charts, if required, shall be performed by PG&E or its agent at intervals determined by PG&E. The records from Measurement Equipment shall remain the property of PG&E, but Producer shall have access to PG&E's Meters relating to this Agreement and shall be allowed to inspect all charts or other records of measurement pertaining to the Gas delivered into PG&E's Gas Plant under this Agreement, at any reasonable time, for the purpose of verifying their accuracy. PG&E shall preserve, for a period of at least three (3) years, all test data, charts, and/or other records of Gas measurements. Transfer of Gas custody shall occur at the meter.

5.3. Meter Accuracy Verification: Producer may request at any time, but not exceeding two (2) times in any calendar year, that the accuracy of PG&E's Measurement Equipment be verified by testing. Producer may witness requested tests. Producer may not alter or in any manner disturb, manipulate, or tamper with any equipment or Facilities owned or controlled by PG&E. Within a reasonable time of such a request, PG&E will give at least two (2) working days prior notice to Producer of the time and date of the test. If upon such requested verification the measurement equipment is determined to be registering correctly, as specified in PG&E's Tariff Rule 17, or in any amendment thereto, the cost of such requested verification shall be charged to and paid by Producer, and no recalculation of quantities delivered shall be made.

If an inaccuracy of greater than specified in Rule 17 is discovered, PG&E will bear the cost of such test, and volume adjustments will be made pursuant to Section 5.5 of this Agreement.

5.4. Manufacturer's Specifications: Flow measurement and volume computations will be made by PG&E within the accuracy prescribed by the manufacturer of the measurement and computing equipment.

5.4.1. Gas Temperature: Flowing gas temperature shall be continuously measured or recorded. If a temperature chart recorder is used, the arithmetical average temperature recorded during each day shall be used for volume computations.

5.4.2. Sampling: Relative density (G), carbon dioxide (CO₂), nitrogen (N₂) and Heating Value, shall be determined, from time to time as deemed to be required by PG&E, from samples taken by PG&E at the Measurement Facilities. Determination of Heating Value and relative density by compositional analysis shall comply with the methods specified in the American Society for Testing and Materials ASTM D 3588, as revised from time to time. The physical properties of the constituent gases used to calculate Heating Value and relative density shall be taken from the Gas

Processors Association GPA 2145, as revised from time to time. Chromatography, calorimeters, densitometers, or other means acceptable in the industry may be used to determine Heating Value or relative density of the Gas.

5.4.3. Atmospheric Pressure: The average atmospheric (barometric) pressure shall be assumed to be 14.73 psia at sea level. Corrections for higher elevations shall be determined by PG&E by using an industry acceptable equation or by taking actual measurements at the point of measurement.

5.4.4. Gas Compressibility: Gas Compressibility shall be calculated at the flowing pressure and temperature under which Gas is metered in accordance with the recommendations contained in A.G.A. Report No. 8, "Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gasses", as amended from time to time. If a chart recorder is used, the average flowing pressure and temperature for the day may be used to calculate an average compressibility for that day.

5.4.5. Other Tests: Tests for other quality parameters of the Gas delivered hereunder shall be made from time to time by PG&E using approved standard methods acceptable in the industry.

5.4.6. Service Fees: The Parties may execute a Service Fee Agreement if operational services, that are different from or in addition to the normal service provided by PG&E, are requested by Producer and provided by PG&E in PG&E's sole discretion.

5.5. Inaccuracies: If an inaccuracy is discovered at any time, or if a Meter is out of service, the following action will be taken for volume correction or determination:

5.5.1. Incorrect Constant: When the inaccuracy is a result of using an incorrect constant value in the volume calculation, the quantity of metered gas shall be recalculated. If the duration of the error cannot be determined, the adjustment shall be made based on one-half of the time since the last Meter and instrument inspection, or three months, whichever is the shorter period of time. Examples of using incorrect constant values include, but are not limited to, basing calculations on

the incorrect orifice plate size, orifice tube size, differential pressure range, or static pressure range.

5.5.2 Incorrect Calibration: When the inaccuracy is a result of errors in the calibration or operation of flow computers, transducers, recorders, or measurement devices for relative density or Heating Value, that result in an error greater than that specified in PG&E's Tariff Rule 17, as revised from time to time (at a reading corresponding to the average rate of flow for the period since the preceding test) the quantity of Gas shall be recalculated. Recalculations, due to differential pressure calibration errors, shall be limited to inaccuracies greater than that specified in Tariff Rule 17, of the transducers' or recorders' full scale reading. If the percentage of error is not ascertainable by calibration, test, or mathematical calculation, the correction shall be made by PG&E by estimating the quantity or quality of Gas delivered based upon deliveries under similar conditions during a period when the equipment was deemed to be registering accurately. Where the duration of the inaccuracy in measurement is not known or agreed upon, the period of inaccuracy shall be deemed to be one-half of the time elapsed since the date of the last test or three (3) months, whichever is the shorter period of time. Basis for calculation specified in this section may be modified by a PG&E Rule or applicable standard.

5.5.3 Pulsation Induced Errors: When the inaccuracy is caused by compressor induced pulsations and the measurement error is greater than one percent (1%), the quantity of metered gas shall be recalculated based on the percent error determined by a Square Root Error Indicator developed by the Southern Gas Association's Pipeline Compressor Research Committee. If the duration of the error cannot be determined, the adjustment shall be made based on one-half of the time since the last pulsation check, or three months, whichever is the shorter period of time.

Article 6

6. Compression: In the event that Producer owns, or at some future time installs compressor plants upstream of the Measurements Facilities, in order to deliver gas to PG&E's Gas Plant, the following shall apply:

6.1. Operation: Producer shall install and operate its compressor so that its operation will not adversely affect PG&E's Gas, Gas Plant, or customers, or impair the accuracy of the measurement of the Gas at the Meter. Producer shall eliminate compressor induced pulsation or vibration before Gas is passed through PG&E's Meter. PG&E shall not be required to take Gas if compressor induced pulsation and/or vibration exists.

Article 7

7. General Conditions

7.1. Term: This Agreement shall be effective from the date of execution by PG&E and shall, subject to the termination rights contained herein, continue in full force and effect for a period of one (1) year from that date (the "Initial One Year Period") and thereafter until it is terminated as provided in this Agreement.

7.2. Termination:

(a) Termination for Convenience: Either Party may terminate this Agreement after the Initial One Year Period upon thirty (30) days written notice.

(b) Termination for Cause: Either Party may terminate this Agreement during or after the Initial One Year Period, immediately upon notice: (i) if the other Party is in breach of this Agreement; or (ii) if the portion of PG&E's gathering system to which Producer's Delivery Facilities are connected is sold by PG&E; or (iii) if the CPUC or the FERC at any time asserts (1) that Producer is a public utility or subject to regulation by such a regulatory body, or (2) that such a regulatory body may prevent

PG&E from complying with this Agreement; or (iv) if any state or federal legislation, decision or rule of any governmental authority, enacted or issued after the effective date of this Agreement, affects either Party or this Agreement in a manner that is unacceptable to either Party.

(c) Additional Termination Rights: PG&E may also, during or after the Initial One Year Period, terminate this Agreement as provided in this Section 7.2(c) or in other Articles of this Agreement.

Producer acknowledges that PG&E is a public utility regulated by the CPUC, that PG&E's Gas transportation services are exempt from the jurisdiction of the FERC pursuant to Section 1(c) of the Natural Gas Act (15 U.S.C. § 717(c)) commonly referred to as the "Hinshaw Amendment," and that PG&E has received a "blanket certificate" from the FERC pursuant to 18 CFR §284.224. Producer agrees that if at any time the CPUC, the FERC, a court, or PG&E, determines that PG&E's status as aforesaid is or may be affected in any respect as a result of this Agreement or the transportation of Gas delivered into PG&E's Gas Plant pursuant to this Agreement, PG&E may, in its sole discretion, refuse to perform such transportation services and/or refuse to accept Producer's Gas under this Agreement, and/or terminate this Agreement upon ten (10) days written notice.

If Producer breaches a term or condition of this Agreement, or fails to comply with all applicable laws, rules, regulations, orders, ordinances, and codes, including any existing or future applicable tariffs or schedules, and Producer does not immediately correct such breach or failure, then in addition to all remedies provided by law or by this Agreement, PG&E shall have the right, without notice, to: (1) refuse to accept Producer's Gas into PG&E's Gas Plant and suspend its performance under this Agreement until the breach or failure has been corrected and PG&E has been fully compensated for all damages and costs incurred, and/or (2) terminate this Agreement, prior to or following such a suspension.

(d) Certain Rights and Obligations: Termination of this Agreement shall not release either Party from its obligation to make payments or compensate the other Party for damages or costs, if any are due or have been incurred.

Upon termination of this Agreement, PG&E shall have the right to disconnect from PG&E's Gas Plant the Facilities used to receive Producer's gas.

7.3. Survival: The following Sections shall survive the termination of this Agreement: 4.1.4, 7.2, 7.4, 7.5, 7.6, 7.7, 7.9, 7.10, 7.11, and 7.18. All other provisions of this Agreement, which by their nature or content are intended to survive termination of this Agreement, shall also survive.

7.4. WARRANTY DISCLAIMER: ALL INSTALLATION, CONNECTION, MAINTENANCE AND OTHER SERVICES PERFORMED BY PG&E AND MATERIAL, EQUIPMENT AND FACILITIES INCLUDING BUT NOT LIMITED TO MEASUREMENT EQUIPMENT AND VOLUNTEERED LINES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E FOR USE, IN CONNECTION WITH THIS AGREEMENT, ARE PROVIDED "AS IS," WITHOUT ANY WARRANTIES, EXPRESS, IMPLIED OR STATUTORY. ALL WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED BY PG&E INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NO WARRANTIES SHALL APPLY TO ANY SERVICES, MATERIAL, EQUIPMENT OR FACILITIES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E UNDER THIS AGREEMENT.

7.5. Exclusive Remedy: In lieu of all warranties express, implied, or statutory, PG&E's sole obligation and total liability, and Producer's sole and exclusive remedy, relating to or arising out of the installation or connection of equipment or Facilities or the furnishing of equipment, material, or Facilities or of any services by PG&E, shall be limited, at PG&E's option, to (1) reperformance of the installation or connection work or other services at PG&E's expense up to a cost equal to the amount paid by Producer for such installation or connection work, or other services, excluding any amounts paid for equipment, material or Facilities or other costs, or (2) a refund by PG&E to Producer of an amount equal to the amount paid to PG&E by Producer for said installation or connection work or other services, excluding any other costs, or (3) a refund of the amount paid by Producer to PG&E for equipment, material or Facilities, as applicable.

Except as specifically stated above in this Paragraph 7.5, PG&E shall have no obligation or liability and shall be released from any and all liability for losses, costs or damages of

any kind with respect to or arising out of installation or connection work, or other services, equipment, material or Facilities installed, connected, or in any way provided by PG&E or made available by PG&E pursuant to this Agreement, whether arising in contract, tort (including negligence), strict liability, warranty, or otherwise.

7.6. CONSEQUENTIAL DAMAGES: IN NO EVENT, SHALL EITHER PRODUCER OR PG&E BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION LOST PROFITS OR REVENUES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY, OR OTHERWISE, AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

7.7. Governmental Authority: This Agreement shall at all times be subject to all applicable present and future rules, tariffs and schedules of PG&E, and to all valid legislation with respect to the subject matter hereof, either state or federal, and to all valid present and future decisions, rules, regulations, orders and ordinances of all duly constituted governmental authorities having jurisdiction; this Agreement shall at all times be subject to any and all amendments to such rules, tariffs, and schedules of PG&E, legislation, and decisions, rules, regulations, orders and/or ordinances of governmental authorities.

If at any time the CPUC or any branch thereof issues a finding or opinion, formal or informal, that this Agreement is inconsistent with CPUC rules, regulations, decisions, or policy, then this Agreement shall be amended to eliminate any inconsistency. This Agreement shall at all times be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.

PG&E will file for CPUC approval of all or part of this Agreement, and this Agreement shall be subject to such approval.

7.8. Compliance with Laws: Producer shall comply with all applicable federal, state and local laws, rules, regulations, ordinances and codes and shall obtain all applicable licenses and permits for the conduct of its business and the performance of this Agreement.

7.9. Environmental Indemnification: Producer shall indemnify, defend, and hold PG&E harmless against and from all claims, suits, liabilities, damages, costs (including attorney's fees), expenses, fines and penalties, and all applicable judicial, administrative, and regulatory decrees, directives, judgments, and orders resulting from, or arising out of or in connection with any environmental contamination or any violation of environmental or other laws, regulations, rules, ordinances, codes, orders, directives and similar items of all appropriate governmental authorities relating to Producer's Property used by PG&E for the installation and operation of Facilities pursuant to this Agreement, to the extent that such claims, suits, liabilities, damages, costs, expenses, fines or penalties arise out of or result from or in connection with: (1) causes or events occurring prior to PG&E's use of the Property, or (2) acts or omissions of Producer, its parent, agents, employees, contractors or successors, occurring at any time. For purposes of this paragraph, "Property" shall mean any property, real or personal, in or to which Producer owns or hold any rights including easements, licenses, rights-of-way or any other contractual or real property rights.

7.10. Arbitration

7.10.1. Disputes: Any disputes arising out of or related to the interpretation or performance of the provisions of this Agreement, which cannot be settled by the Parties within a reasonable time, may be submitted by either Party to binding arbitration.

7.10.2. Appointment of Panel: All disputes to be arbitrated shall be submitted to and decided by a panel of three arbitrators: one to be appointed by Producer, one by PG&E, and the third one to be chosen by the two arbitrators appointed by the Parties. If either Party shall fail or refuse to appoint an arbitrator within thirty (30)

days, after written notice has been given to it by the other party naming the latter's arbitrator, the Party giving such notice shall have the right to request the Presiding Judge of the Superior Court of the State of California in and for the City and County of San Francisco to appoint an arbitrator for the other party so in default.

If the two arbitrators thus chosen shall be unable to agree upon a third arbitrator within thirty (30) days, such arbitrator shall be appointed, upon application of either party, by the Presiding Judge of the Superior Court of the State of California in and for the City and County of San Francisco. Except as otherwise specifically provided in this Section 7.10, any arbitration shall be subject to the provisions of Title 9 of Part 3 of the Code of Civil Procedure of the State of California.

7.10.3. Venue for Arbitration and Costs: Venue for arbitration hereunder shall be the City and County of San Francisco unless another location is unanimously selected by the arbitrators. The cost of the arbitrator appointed by Producer shall be paid for by Producer; the cost of the arbitrator appointed by PG&E shall be paid for by PG&E; and the cost of the third arbitrator and any attendant costs shall be borne equally by Producer and PG&E. Each Party shall bear its own attorney's fees and other expenses in connection with such arbitration.

7.10.4. Binding Decision: The decision of a majority of the arbitrators, after a hearing at which the Parties shall have an opportunity to be heard and to introduce evidence, shall be binding upon the Parties hereto and judgment thereon may be entered in any court of competent jurisdiction.

7.10.5. Jurisdiction, Choice of Litigation Location: Any suit or action brought between the Parties relating to this Agreement shall be litigated only in a California State Court of competent jurisdiction or, if jurisdiction over the action cannot be obtained in a California State Court, in a Federal Court of competent jurisdiction situated in the State of California.

7.11. Governing Law: This Agreement shall be governed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

7.12. Easements and Rights of Way: Producer shall grant and assign to PG&E, insofar as Producer has the right to do so, and without any charge to PG&E, all necessary easements and rights-of-way for the installation, operation, maintenance, replacement, and/or removal of pipelines and Facilities necessary or convenient to the receipt and the measurement of Gas covered by this Agreement.

7.13. Force Majeure: Neither PG&E nor Producer shall be considered in default in the performance of its obligations under this Agreement, except obligations to make payments hereunder, to the extent that the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected Party. Causes beyond the reasonable control of a Party shall include, but not be limited to, acts of God, a public enemy, or a governmental authority, strikes, lockouts, riots, rebellions, injunctions, breakage of or accident to wells, machinery, equipment, or lines of pipe, washouts, earthquakes, floods, storms, extreme weather conditions, freezing of lines, or any cause or causes of whatsoever nature (whether like or unlike those herein enumerated) beyond the reasonable control of either Party. In the event either Party claims that performance of its obligations was prevented or delayed by any cause beyond its reasonable control, that Party shall promptly notify the other Party of the circumstances preventing or delaying performance. Such Party so claiming a cause-delayed performance shall endeavor, to the extent reasonable, to remove the obstacles which preclude performance.

7.14. Waivers: No waiver, expressed or implied, by either Party, of any default by the other Party in the performance of its obligations hereunder shall be deemed or construed to be a waiver of any other or subsequent default whether of like or different nature. A failure of either Party to declare the other Party in default, regardless of how long such failure continues, shall not constitute a waiver by such Party of any of its rights hereunder.

7.15. Amendments and Modifications: Except as otherwise specifically set forth in this Agreement, this Agreement may be amended or modified only by an instrument in writing executed by all Parties hereto.

7.16. Enforceability: In the event that one or more of the provisions contained in this Agreement, shall for any reason be invalid, illegal or unenforceable, in any respect, this shall not affect any other provision contained in this Agreement.

7.17. Ambiguities: Any ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner which most accurately reflects the intent of the Parties at the time of its execution.

7.18. Headings: The headings of this Agreement are for convenience only and shall not vary the meaning of the text.

7.19. Notices: Except as otherwise provided herein, any notice, request, demand, or statement ("Notice") regarding this Agreement, including notices of Arbitration, shall be in writing and deemed given when deposited in the United States mail, postage prepaid, directed to the address of the Parties as follows:

Producer Address

The Termo Company

2275 Cherry Avenue

Long Beach CA 90807

Telephone: (916) 452-7858

Attention: Ben Ferreira

Telecopier: (530) 982-1501

Telephone: (925) 244-3439

Telecopier: (925) 244-3544

Attn.: _____

Pacific Gas and Electric Company

6121 Bollinger Canyon Road

4th Floor

San Ramon, CA 94583

Tel: (925) 244-3439

Attn: Product Management

Notices may also be given by facsimile or other electronic transmittal, provided that such facsimile or electronically conveyed Notice is confirmed in writing and delivered as aforesaid within three (3) days of the facsimile or other electronic Notice. Routine communications may be exclusively communicated by facsimile or other electronic means.

Either Party may from time to time change its address for Notices upon a thirty (30) day prior Notice, given pursuant to this Article 7.19.

7.20. Assignments: The rights and obligations of the Parties hereunder shall bind and benefit the Parties' successors and assigns; provided, however, that neither Party may assign its rights or delegate its obligations hereunder, without first obtaining the written consent of the other Party, except for an assignment of the entire interest in this agreement of the assigning Party (an assignment of all rights coupled with a delegation of all of the obligations of such Party under this Agreement) to a corporate parent or affiliate of the assigning Party or to an entity succeeding to all or substantially all of the business, properties or assets of the assigning Party related to or directly used in the performance of this Agreement. An assignment pursuant to the aforesaid exception shall become effective on the date of notice thereof to the other Party. For purposes of this Paragraph 7.20, "affiliate" shall mean any corporation, partnership, or other legal entity, which controls, is controlled by, or is under common control with the Party making the assignment, and fifty percent (50%) or more of the equity shall constitute "control." Assignment of this Agreement shall not release Producer from any of its obligations under this Agreement, unless such release is agreed to in writing by PG&E and by the assignee.

7.21. Appendices: All of the following appendices and exhibits attached hereto are incorporated herein by reference:

Appendix A; Appendix B; Appendix C; Appendix D; Appendix F; _____

7.22. Separate Agreement: Producer acknowledges and agrees that terms and conditions governing nominations of Producer's Gas for transportation, balancing of Gas accounts, and other provisions relating to the transportation of Producer's Gas on PG&E's system, shall be governed by a separate California Production Balancing Agreement (CPBA); therefore, Producer agrees to appoint an Authorized Agent, as defined in the CPBA, and to execute a standard "Appointment of Authorized Agent" (Attachment 1 to the CPBA) for that purpose, as soon as CPUC approval of the CPBA becomes effective .

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of the Parties hereto.

Pacific Gas and Electric Company

The Termo Company

By: Steve Whelan

By: Bill Buss

Name: Steve Whelan

Name: Bill Buss

Title: Director

Title: V.P. Operations

Date: 11/19/14

Date: 11/14/14

EXHIBIT H

Termo Termination Executed
dated March 31, 2025

From: [Chen, Betty](#)
To: [Gas Ops GSO All Transmission Coordinators](#); [Kelly, Raquel](#); [Tao-Thammeuangkhun, Anna](#); [Redick, Will](#); [Chow, William](#); [Borman, Elizabeth](#); [Wahid, Usman](#); [Kemp, Kimberly](#); [Lucero, Gilbert](#); [Jones, Stephen](#); [Jensen, Joey](#); [Limon, Ian](#); [Allred, Scott](#); [Phongsa, Alan](#); [Bhakta, Neil](#); [Quigley, Sean](#); [Lew, Tony](#)
Cc: [CalProdNotices](#); [Yanez, Julian](#); [Rijo, Ori](#); [Chen, Betty](#)
Subject: FW: Termination Notification | The Termo Company -Doheny 39-3, Meter 04305 | August 31, 2025
Date: Friday, August 29, 2025 10:10:19 AM
Attachments: [2025 Doheny 39-3 termination Executed.pdf](#)
[image001.png](#)

Classification: Internal

Hi Team,

The following notification was sent to The Termo Company for Doheny 39-3, Meter 04305.

Thanks,

Betty Chen
Interconnection Contract Manager
Business Development & Implementation
Mobile: 510.619.6353 | Email: Betty.Chen@pge.com



From: CalProdNotices <CalProdNotices@pge.com>
Sent: Friday, August 29, 2025 9:51 AM
To: billb@termoco.com
Cc: CalProdNotices <CalProdNotices@pge.com>; Chen, Betty <BPC7@pge.com>; Yanez, Julian <J3Y8@pge.com>; Rijo, Ori <O1R4@pge.com>; Popp, Kyle <KGP6@pge.com>; Delledera, Tatiana <TDDD@pge.com>; Karkazis, Nick (LAW) <N3KX@pge.com>
Subject: Termination Notification | The Termo Company -Doheny 39-3, Meter 04305 | August 31, 2025

Classification: Internal

Dear Mr.Buss,

Please refer to the California Production Interconnection and Operating Agreement (CPIOA) between Pacific Gas and Electric Company (PG&E) and The Termo Company (Producer) dated November 19, 2014 (CPIOA 5044).

The Termo Company elected not to execute the IC Monitoring Equipment Letter of Agreement or to fund the safety work under CPIOA (5044), Section 2.5 (Repairs, Upgrades, Modifications, and Replacements). Pursuant to the CPIOA 5044, Section 2.5, if Producer fails to request that PG&E make the repairs, upgrades, modifications or replacements at Producer's expense, PG&E shall have the right to refuse to accept Producer's Gas.

Notice is hereby given that pursuant to CPIOA (5044), Section 7.2 (Termination), PG&E will be terminating Doheny 39-3, Meter 04305 as of Sunday, August 31, 2025. Please ensure The Termo Company has disconnected the flow of gas into PG&E's gas system at receipt point Doheny 39-3, Meter 04305 by August 31, 2025.

Thank you,

Business Development & Implementation Contract Management Team

Gas Strategy Execution and System Planning

Pacific Gas and Electric Company

[Contract Management Team](#)



Pacific Gas and Electric
Company
6121 Bollinger Canyon Road
San Ramon, California 94583

March 31, 2025

Bill Buss
The Termo Company
3275 Cherry Avenue
Long Beach, CA 90807
billb@termoco.com

Re: Termination Doheny 39-3 meter 04305

Dear Mr. Buss,

Please refer to the California Production Interconnection and Operating Agreement between Pacific Gas and Electric Company (PG&E) and The Termo Company (Producer) dated November 19, 2014 (CPIOA 5044).

PG&E's first responsibility is to operate our system safely. In support of that responsibility, PG&E has identified Doheny 39-3, meter 04305 to install, operate and maintain an electrical resistance probe and drip pot to ensure pipeline facility integrity. Pursuant to CPIOA Section 2.5 (Repairs, Upgrades, Modifications, and Replacements), the cost of the equipment is the responsibility of The Termo Company.

Per email dated March 21, 2025, as well as the meeting on March 31, 2025, The Termo Company has informed PG&E they will not be paying for the equipment necessary to continue flow on the PG&E pipeline.

Pursuant to CPIOA 5044, Section 2.5, If Producer fails to request that PG&E make the repairs, upgrades, modifications or replacements at Producer's expense, PG&E shall have the right to refuse to accept Producer's Gas. Please be prepared to terminate meter as of Sunday, August 31, 2025.

Please contact Colleen Brodt by phone at 925-357-7284 or by email at Colleen.Brodt@pge.com with any questions.

Sincerely,

E-SIGNED by JT Ruch
on 2025-04-03 16:55:28 GMT
JT Ruch
Sr. Manager, Business Development and Implementation

Internal

EXHIBIT I

Secretary of State Certificate of Status
August 26, 2026



Secretary of State Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

Entity Name: DRILLING EXPLORATION & OPERATING COMPANY, INC.
Entity No.: 1039848
Registration Date: 03/25/1981
Entity Type: Stock Corporation - Out of State - Stock
Formed In: NEVADA
Status: Forfeited - FTB as of 04/02/2024

The above referenced entity's powers, rights and privileges are forfeited in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may affect status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of August 26, 2026.

SHIRLEY N. WEBER, PH.D.
Secretary of State

Certificate No.: 493439743

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at bizfileOnline.sos.ca.gov.

EXHIBIT J

Notice of Shut In, July 7, 2022

From: [Brodt, Colleen](#)
To: clintonwills@gmail.com
Cc: [Gas Ops GSO All Transmission Coordinators](#)
Subject: RE: Baldson 6-21 Shut-In Notice
Date: Thursday, July 7, 2022 4:54:00 PM

Mr. wills,

Thank you for the call today. Once you are ready to go back online, please see the process below to come back online.

- Call Gas Control (925)244-4111
- Gas Control will contact the field technicians, they have 24-hours to get out to the site and turn the valve on
- Once the valve has been turned on and DE&O has started flowing gas, please contact Gas Control to inform them.
- The technicians will return to Baldson 6-21 within the following 24-hours to take a new dew point read.
- If the dew point is under 7 lbs., this meter is free to flow
- If the dew point read is over 7lbs., the shut-in process will start over

As a reminder, this well must flow compliant gas consecutively in order to stay online. If there are any additional problems, this well will be terminated on August 1, 2022 as indicated on the termination notice dated 7/1/2022.

Kindest Regards,

Colleen Brodt
Interconnection Contract Manager, Sr.
925.357.7284

From: CalProdNotices <CalProdNotices@pge.com>
Sent: Thursday, July 7, 2022 1:51 PM
To: clintonwills@gmail.com
Cc: Brodt, Colleen <C6BO@pge.com>
Subject: Baldson 6-21 Shut-In Notice

Dear Mr. Wills:

Please refer to the California Production Interconnection and Operating Agreement between Pacific Gas and Electric Company (PG&E) and Drilling, Exploration and Operating Co. (DE&O) dated September 23, 2019 (CPIOA 5064) and Appendices A-1 and B-1 for receipt point Meter 03960, Baldsdon 6-21.

PG&E's first responsibility is the safety operate our system to ensure safety and pipeline facility integrity. In support of that responsibility and pursuant to CPIOA 5064, Section 3.4.4 Refusal of Gas, PG&E is hereby providing notice that gas deliveries were suspended through Meter 03960 on July 7, 2022 starting at 1300.

PG&E informed DE&O that Meter 03960 had been ordered shut in as a result of the dewpoint reading of 20 lbs./mmscf, whereas, our moisture limit is 7 lbs./mmscf per Gas Rule 21.

Please contact Colleen Brodt at colleen.brodt@pge.com or 925-357-7284 to schedule a meeting to discuss out of compliance gas. Once we have established a plan to be implemented, and the problem has been resolved, we will be able to turn this meter back in service. Thank you.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Clinton Wills d/b/a Clint's Pumping Service
(CPS); Drilling Exploration & Operating
Company, Inc. (DE&O); and The Termo
Company,

Complainants,

vs.

Pacific Gas and Electric Company (U 39 G)
Defendant.

Case (C.) 26-04-014
(Filed April 27, 2026)

**[PROPOSED] ORDER
DISMISSING COMPLAINT WITH PREJUDICE**

For good cause showing, the Motion to Dismiss filed by Pacific Gas and Electric Company to on September 4, 2026, in the above-captioned proceeding, is hereby granted. The Complaint in Case No. 26-04-014 is dismissed with prejudice.

This proceeding is closed.

IT IS SO ORDERED.

Dated: _____, 2023, at San Francisco, California.

Administrative Law Judge