

**EMPIRE PIPELINE, INC.
METER STATION INSTALLATION POLICY**

Definitions/Abbreviations:

DEFINITIONS & ABBREVIATIONS:

EMPIRE = Empire Pipeline, Inc.

MAOP = Maximum Allowable Operating Pressure

MRC = Measurement, Regulation, & Corrosion

NFG = National Fuel Gas

STATION PIPING = the piping between the meter assembly and Empire's main line.

A. INITIAL CONTACT

1. Producer will submit to Empire either by fax or by mail a completed transportation request form, a completed credit evaluation form, a letter requesting a new tap and a map showing the approximate location of the new tap and the location of the proposed or existing well(s).
2. Empire will consult with Engineering and Legal to determine if any governmental authorizations are required.
3. Empire will review the proposed location with the engineer, and then will respond in writing to the Producer concerning pipeline capacity, pressure, type of meter required, estimated costs, and required paperwork (i.e., well package) to initiate the process of building the station.
4. Upon drilling (or purchase) of the well(s), Producer will forward the appropriate well information to Empire with a letter confirming their request for the meter station and transportation arrangements.
5. After reviewing this policy and the attached exhibits (i.e., Exhibit A - Contractor & Supplier List, and Exhibit B - Material Specifications List), the Producer must decide which approved contractor will be employed by the Producer.

B. APPROVED CONTRACTORS

1. An approved contractor must be selected from the list shown in Exhibit A - Table 1. The contractor must be chosen appropriately making sure they are approved for the type of work to be done.
2. For steel welding the contractor must use a welder who is certified biannually by NFG to weld according to "API 1104 & NFG Welding Procedures."
3. The contractor's "Qualified Foreman" must be present during the installation of any meter station and related piping.
4. Unless otherwise specified herein, approved contractors shall perform all work according to Empire's Operating & Procedures manual.

C. EXPENDITURE REQUEST (ER)

1. Empire will generate an ER to build the station. A map will be attached showing the approximate location of the station (exact location dimensions will be shown on the Completion Report).
2. The ER will be circulated to the appropriate Empire personnel for approval.

C. EXPENDITURE REQUEST (ER) (Cont.)

3. Producer will be invoiced for a predetermined appropriate amount dependent upon the extent of the work to be performed by Empire. Once the work is completed the producer will be invoiced for any costs incurred that exceeded the amount of the initial invoice or will be refunded any amount not expended.
4. Upon receipt of payment from Producer, construction will proceed.

D. PRE-CONSTRUCTION MEETING

1. A meeting will be held to discuss construction details. Representatives of the Producer and contractor must be present. Empire's attendees may include the engineer, a foreman and/or construction foreman, and an MRC representative.
2. Design Drawing and Specifications - the station will be constructed according to Empire's production meter station designs. The design drawings and material lists will be distributed and reviewed at this time.

E. MATERIALS

Materials as specified in the design drawings **MUST** be obtained from the sources shown in Exhibit A - Table 2. All materials obtained from sources other than NFG's warehouse must be supported by invoices, purchase order material lists, Certified Mill Test Reports (CMTR), etc., and must be submitted to Empire's area engineer for approval. This paperwork must be attached to the Completion Report. (***NOTE: No recycled or rebuilt materials will be permitted.***)

F. PRE-FABRICATION OF METER STATIONS

Meter stations can be pre-fabricated in contractor shops. Contractor must notify Empire's foreman at least 48 hours prior to assembly. Empire's foreman, designated inspector, or engineer will be present to inspect during welding, X-ray, and pressure testing procedures.

G. WELDING

Any welding on the meter station, station piping, or line tap must be performed by an NFG certified welder according to API 1104 & NFG Welding procedures. Weld X-rays, or Radiographic Reports, must be performed by an approved firm on 100% of all welds in the shop during fabrication and in the field during installation. Producer or contractor will notify the Empire area foreman at least 48 hours prior to any and all X-rays. The Empire area foreman or designated inspector will be present during welding X-ray procedures. The X-ray reports and film must be submitted to the area foreman and attached with the Completion Report. (***NOTE: The field X-ray and pressure testing procedures should be scheduled simultaneously thus allowing for these two events as well as Empire inspection, meter installation, purge, and turn-on, to be accomplished on the same day if possible.***)

H. PRESSURE TESTING

Test Pressure - 150 % of the MAOP, or fitting rating (whichever is greater), of the line to be tapped.

Test Medium - normally water, but air or inert gas may be used at the discretion of the area foreman. Creek water may be used if relatively free of sediment.

H. PRESSURE TESTING (Cont.)

Test Duration - a minimum of 12 hours. For short lengths of pipe (i.e., < 100') when the entire circumference and length can be visually examined, the test may be reduced to four (4) hours after stabilization.

Test Gauges & Charts - a calibrated recording pressure gauge shall be used, indicating increments of five (5) psig or less. The recording gauge must be calibrated using a dead weight tester at least hourly for the first and last two hours of the test. A temperature recording gauge will be used to determine the effect of temperature on the test.

Taps - final tie-in welds are exempt from the test.

Record Keeping - the test pressure, duration, and test medium shall be recorded on the completion report. The pressure and temperature charts along with the hydrostatic test report will also be attached. The recording chart shall be signed by the Empire employee and by the PSC staff member witnessing the test.

Notification - The contractor must notify the PSC, Empire's foreman, and the design engineer at least five (5) business days prior to the date of the test. If the contractor fails to notify the PSC in accordance with this paragraph and the PSC requires a retest, the cost associated with said retest will be borne by the Producer.

De-watering - the line must be de-watered with at least two (2) runs of a squeegee or spherical pig. The test medium must be disposed of properly by the contractor. A run of methanol is recommended during the winter. Any methanol collected at the downstream end must be disposed of properly by the contractor.

I. LINE TAP

Empire crews will perform any and all taps for stations. The Producer will be invoiced for a predetermined deposit for the tap.

J. DEPTH OF COVER - STATION PIPING

The standard depth shall be 42 inches.

K. INSTALLATION OF RECEIPT FACILITIES

Receipt facilities shall be installed, owned and maintained by and at the expense of either Empire or Producer according to the below schedule. Such equipment shall be installed, which, in Empire's reasonable judgment, may be necessary to accommodate the deliveries of gas received and projected to be received. The normal operation, calibration, maintenance, adjustment and repair of the measurement equipment shall be performed by the owner of the equipment. Modifications to Receipt Facilities resulting from changes in Producer's operations shall be performed at Producer's cost and expense. The Receipt Facilities shall be operated in accordance with the applicable specifications of the Gas Measurement Committee of the Natural Gas Department of the American Gas Association, as amended from time to time, or in accordance with any other mutually agreeable standard commonly accepted in the industry.

Both a gas dehydration unit and a filter/separation unit are required to be installed by the Producer. Empire must approve the design of these units before being installed by the Producer. Empire has the right to inspect that these units are in good working condition at all times and are being properly operated and maintained by the Producer.

<u>Equipment</u>	<u>Install by</u>	<u>Own by</u>	<u>Maintain by</u>	<u>Paid by</u>
Meter/Recording instrument	Empire	Empire	Empire	Empire
Meter run and valves	Either	Producer	Producer	Producer
Regulator	Producer	Producer	Producer	Producer
Gas dehydration system	Producer	Producer	Producer	Producer
Odorizing Equipment	Empire	Empire	Empire	Producer
Safety relief valves	Producer	Producer	Empire	Producer
Mainline valve	Empire*	Empire	Empire	Producer
Heaters	Producer	Producer	Producer	Producer
Automatic shut-off drip	Producer	Producer	Producer	Producer
Filter separator	Producer	Producer	Producer	Producer
Communications facilities	Producer	Producer	Producer	Producer
Telemetrics/Teleflow	Empire	Empire	Empire	Producer

*Pursuant to a determination by Empire

L. COMPLETION REPORTS

The contractor shall forward to Empire’s foreman all material purchase records, Certified Mill Test Reports, X-ray logs and film, hydrostatic test charts and forms and any other pertinent correspondence pertaining to the materials used and testing performed. Empire will be responsible for filling out the meter station completion report. The contractor may be asked to assist as needed.

M. OWNERSHIP

1. *Empire* will own of all equipment from the main line being tapped up to and including the first valve (i.e., the control valve or street valve). Empire will also own the physical meter (i.e., the rotary meter and corrector, the orifice recording gauges, orifice plates, and meter house, etc.).
2. Once the meter station is approved and turned on, Producer will not alter the configuration of the station unless approved by Empire.

N. OPERATION & MAINTENANCE

1. *Empire* will “operate” the meter station during the life of the station unless otherwise designated by Empire. “Operating” includes calibrations, gas quality testing, relief valve adjustments, protection, line marking and one-call system, valve inspections, and patrolling.
2. *Producer* will perform all “maintenance” duties at the stations and station piping such as repairing or replacing faulty and/or leaking equipment (i.e., pipes, flanges, valves, regulators, relief valves, etc.), removing partial or full blockages due to water, salt, and foreign debris, painting, mowing of ROW’s for station piping and meter station site, stabilizing or straightening of meter run, and various other maintenance-type duties.

O. RETIREMENT

1. When the station is to be retired, Empire will separate its equipment from the Producer’s equipment and safely close and blind flange its control or street valve.
2. Producer is then responsible for safe removal of its equipment provided that Empire has safely shut off the control valve and/or line tap.