



October 5, 2023

Submitted via e-mail: naesb@naesb.org

North American Energy Standards Board
Executive Committee
1415 Louisiana, Suite 3460
Houston, Texas 77002

Re: Comments in Support of the No-Action Recommendation on Standards Request R23001
- Proposed Revisions to NAESB Base Contract for the Sale and Purchase of Natural Gas
to Improve the Clarity Associated with the Force Majeure Provisions in the Contract

Dear NAESB Executive Committee:

The Petroleum Alliance of Oklahoma (The Alliance) appreciates the opportunity to submit comments to the North American Energy Standards Board's (NAESB) Executive Committee supporting the no-action recommendation on Standards Request R23001.

The Alliance represents more than 1,400 individuals and member companies and their tens of thousands of employees in the oil and natural gas upstream, midstream, and downstream sectors and ventures ranging from small, family-owned businesses to large, publicly traded corporations. Our members produce, transport, process and refine the bulk of Oklahoma's crude oil and natural gas. The Alliance is interested in this issue as many of its members transact purchases and sales of natural gas and operate pipelines and processing facilities in the natural gas supply chain and rely on NAESB's Base Contract as a balanced and reliable contracting tool.

We think the Base Contract works in its current form and provides a neutral, longstanding and well-understood baseline for the starting point of negotiations. It does not prevent the parties from agreeing to special provisions or alternative language to fit their unique situation. To the contrary, the proposed revisions to the Base Contract disrupt the balance between the parties, and unfairly shifts risk in one direction resulting in a document that may become less useful and/or irrelevant. The proposed revisions may needlessly increase costs and invite unnecessary litigation. Additionally, the proposed revisions may create conflicts with existing legal precedent or interfere with ongoing litigation. As such, we request the Executive Committee support the no-action recommendation that was overwhelmingly passed by the WGQ Contracts Subcommittee that maintains the Base Contract as is.



THE PETROLEUM ALLIANCE
OF OKLAHOMA

The Alliance appreciates this opportunity to provide comments to the Executive Committee on this important issue. If you have questions regarding these comments, contact me at 405-601-2112 or by email at brook@okpetro.com.

Respectfully,

Brook A. Simmons
President