



HIGH ISLAND OFFSHORE SYSTEM, L.L.C. (HIOS)

IMBALANCE TRADE CONFIRMATION FORM

SHIPPER NAME: _____

BUSINESS ASSOCIATE #: _____ CONTRACT #: _____

CONTACT NAME: _____

CONTACT PHONE #: _____

IMBALANCE TRADE VOLUME: (DTH) _____ SOLD: _____ BOUGHT: _____

SHIPPER SIGNATURE: _____

DATE: _____

TRADING PARTNER INFORMATION:

SHIPPER NAME: _____

BUSINESS ASSOCIATE #: _____ CONTRACT #: _____

CONTACT NAME: _____

CONTACT PHONE #: _____

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E-MAIL TO: SHIRLEY PHARES, GENESIS ENERGY LP

Phone: 832-280-3094

Shirley.Phares@genlp.com



IMBALANCE TRADING PROCEDURES:

- HIOS WILL POST ON ITS INTERNET WEBSITE, ON OR BEFORE THE 9TH BUSINESS DAY FOLLOWING THE MONTH OF PRODUCTION, THE TOTAL MONTHLY IMBALANCE (“TMI”) OF ANY SHIPPER THAT HAS NOTIFIED HIOS IN WRITING OF ITS ELECTION TO HAVE ITS TMI POSTED. SHIPPERS SHOULD CONTACT THEIR GAS ACCOUNTING REPRESENTATIVE AT shirley.phares@genlp.com BY THE FIRST BUSINESS DAY OF THE MONTH TO NOTIFY HIOS OF THEIR ELECTION TO HAVE THEIR TMI POSTED.
- A SHIPPER CAN TRADE ITS POSTED IMBALANCES WITH ANOTHER POSTED SHIPPER WITH AN OFFSETTING IMBALANCE IN ORDER TO MINIMIZE SHIPPER’S CASHOUT EXPOSURE.
- ANY SHIPPER INTERESTED IN TRADING IMBALANCES WITH ANOTHER SHIPPER SHOULD NEGOTIATE INDEPENDENTLY WITH THAT SHIPPER REGARDING THE VOLUME TO BE TRADED.
- EACH SHIPPER WHO HAS AGREED TO TRADE MUST COMPLETE A SEPARATE IMBALANCE TRADE CONFIRMATION FORM, SUBJECT TO THE FOLLOWING INSTRUCTIONS:
 1. TRADE VOLUME MUST NOT EXCEED A SHIPPER’S CURRENT MONTH POSTED IMBALANCE.
 2. PRIOR PERIOD ADJUSTMENTS MAY NOT BE TRADED AND WILL NOT BE CASHED OUT AT 100% OF THE APPLICABLE FLOW MONTH AVERAGE MONTHLY INDEX PRICE.
 3. PER TARIFF SECTION 8.3(c)(i) OF THE GENERAL TERMS AND CONDITIONS, EACH PARTY MUST COMPLETE AN IMBALANCE TRADE CONFIRMATION FORM AND RETURN IT TO HIOS BY E-MAIL TO THE ABOVE ADDRESS BY THE 17TH BUSINESS DAY OF THE MONTH FOLLOWING THE MONTH OF PRODUCTION IN ORDER TO PROCESS ITS TRADE.
 4. COMPLETE A SEPARATE FORM FOR EACH TRADE, IF YOU HAVE TRADED WITH MULTIPLE SHIPPERS.
 5. IF YOU HAVE ANY QUESTIONS REGARDING THIS FORM OR TRADE PROCEDURES, CALL YOUR GAS ACCOUNTING REPRESENTATIVE AT (832) 280-3094.
- UPON RECEIPT OF THE COMPLETED IMBALANCE TRADE CONFIRMATION FORMS, HIOS WILL ADJUST BOTH SHIPPERS’ IMBALANCES BY THE AMOUNT OF THE AGREED UPON TRADE BEFORE CASHOUT INVOICES ARE FINALIZED. TRADES WILL NOT BE ADJUSTED DUE TO ANY OUT-OF-PERIOD REVISIONS.
- THE CASHOUT VOLUME WILL BE CALCULATED ON THE IMBALANCE AFTER THE TRADE. HOWEVER, THE IMBALANCE BEFORE THE TRADE WILL BE USED TO CALCULATE THE MAXIMUM CASHOUT TIER.