

## Affiliate Supply Agreement

### Between Riemer Natural Gas, LLC and SME Well Services, LLC.

This Affiliate Supply Agreement (Agreement) is entered into this 20<sup>th</sup> day of October 2017, to become effective upon approval of the Pennsylvania Public Utility Commission (PUC), between Riemer Natural Gas, LLC (Riemer) a Pennsylvania Public Utility, with offices at 137 Harris Rd., Butler, PA 16002 and SME Well Services, LLC. (SME) with offices at 137 Harris Rd., Butler, PA 16002, (collectively the Parties).

WHEREAS, Riemer Natural Gas, LLC. (Riemer) is a PUC tariffed natural gas distribution company operating in Butler County and serving approximately 650 residential/commercial customers. Riemer is owned and operated by Mr. Andrew E. Smith, President. In addition, Mr. Smith also owns and operates Herman Oil & Gas, Inc, and has five full-time or contract employees; and

WHEREAS, SME Well Services LLC (SME) is a natural gas production company that produces and proposes to sell gas in Butler County to Riemer, among others. SME is owned and operated by Mr. Andrew E. Smith, President; and

WHEREAS, Riemer purchases approximately 36% of the natural gas required to meet customer demand from SME; approximately 64% from an unaffiliated main supplier (Main Supplier), presently Peoples Natural Gas (Peoples) under rate MSG-Commercial. Peoples' service is provided under its tariff approved by the PA PUC. Peoples is local utility that is connected to the Riemer system; and

WHEREAS, Riemer and SME are affiliated through common ownership and operation. Andrew E. Smith is both the sole shareholder and President of both Riemer and SME; and

WHEREAS, Riemer desires to purchase from SME and SME desires to sell to Riemer natural gas under the terms set forth in this Agreement.

The Parties agree as follows:

1. **Sale.** SME shall sell natural gas to Riemer.
2. **Purchase.** Riemer Shall purchase natural gas from SME.
3. **Price.** Riemer shall pay SME a rate no greater than 97% of the monthly invoiced price of natural gas that Riemer purchases from its Main Supplier.
4. **Quantity.** Riemer's monthly purchased quantity of natural gas from SME is the difference between Riemer's monthly customer usage, per MCF (1,000 cubic feet) as determined by Riemer, and the monthly invoiced quantities from Riemer's Main Supplier
5. **Other Suppliers.** Riemer may contract with a different Main Supplier (Substituted Supplier) without amending this Agreement if the Substituted Supplier is not a Riemer or SME affiliate and the Substituted Supplier is a PUC registered supplier or PUC tariffed utility.

6. **Term.** The initial term of the Agreement is one year, beginning on the date of PUC approval. The Agreement will renew on a year-to-year basis, and Riemer may, in its sole discretion, amend the Agreement subject to amendment provisions in the Agreement.
7. **Amendment.** The Agreement may be amended in writing. No amendment shall be effective until approved by the PUC.

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Andrew E. Smith, President  
Riemer Natural Gas LLC.

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Andrew E. Smith, President  
SME Well Services LLC.