

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made and entered into this 1st day of February, 2009 by and between **REGENCY INTRASTATE GAS LLC**, ("Assignor") and **REGENCY EMPLOYEES MANAGEMENT LLC** ("Assignee").

WITNESSETH:

WHEREAS, Assignor is a party to that certain Operation and Maintenance Agreement dated September 1, 2005, as amended, by and between Regency Intrastate Gas LLC (Contractor) and Gulf States Transmission Corporation (Owner), (the "Agreement"), which provides for Contractor to operate and maintain the Owner's interstate pipeline system on behalf of Owner; and

WHEREAS, Assignor desires to assign the Agreement to Assignee in accordance with the terms and conditions of this Assignment and Assumption Agreement; and

WHEREAS, Assignee desires to accept the assignment of the Agreement and to assume, perform and fulfill all obligations, covenants and liabilities associated with the Agreement.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee agree as follows:

1. This Assignment and Assumption Agreement shall be effective February 1, 2009 ("Effective Date").
2. Assignor does hereby transfer and assign unto Assignee all of its rights and obligations under the Agreement.
3. Assignee accepts the above assignment and agrees to assume, perform and fulfill all obligations, covenants and liabilities of Assignor under the Agreement from and after the Effective Date.

4. Assignee agrees to pay, perform, discharge and indemnify and hold Assignor, its parent, and its affiliates harmless from and against any liabilities, claims, demands, costs, expenses (including, but not limited to, reasonable attorney's fees) or losses of any kind or character, known or unknown, incident to, or arising out of obligations, covenants, liabilities, acts or omissions, under, through, or related to the Agreement from and after the Effective Date.
5. Assignor agrees to pay, discharge and indemnify and hold Assignee harmless from and against any liabilities, claims, demands, costs, expenses (including, but not limited to, reasonable attorney's fees) or losses of any kind or character, known or unknown, incident to, or arising out of obligations, covenants, liabilities, acts or omissions, under, through, or related to the Agreement prior to the Effective Date.
6. Assignor reserves all claims and causes of action under the Agreement against third parties which may have accrued prior to the Effective Date. Assignee specifically releases Assignor from any and all claims by Assignee, its affiliates, subsidiaries, successors or assigns from any claims or liabilities, known or unknown, which relate to the Agreement, and for which Assignor is not indemnified pursuant to the Assignment and Assumption Agreement.
7. This Assignment and Assumption Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, superseding any and all prior negotiations, discussions, agreements and understandings, whether oral or written, relating to such subject matter. This Assignment and Assumption Agreement may not be amended and no rights hereunder may be waived except by a written document signed by the party to be charged with such amendment or waiver.

8. If any one or more of the provisions contained in the Assignment and Assumption Agreement or in any other document delivered pursuant hereto shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this agreement or any other such document.
9. The parties agree that to the extent required by applicable law to be operative, the disclaimers of certain warranties contained in this paragraph are "conspicuous" disclaimers for the purposes of any applicable law, rule or order. Assignor only purports to convey such right or title as Assignor may have in the Agreement. THIS ASSIGNMENT IS MADE WITHOUT WARRANTY, RECOURSE OR COVENANT OF ANY KIND, EXPRESS OR STATUTORY. WITHOUT LIMITATION OF THE GENERALITY OF THE IMMEDIATELY PRECEDING SENTENCE, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES ANY IMPLIED, EXPRESS OR STATUTORY WARRANTY OF MERCHANTABILITY, AND ANY IMPLIED, EXPRESS OR STATUTORY WARRANTY OF TITLE OR AGAINST INFRINGEMENTS. ASSIGNEE EXPRESSLY WAIVES THE PROVISIONS OF CHAPTER XVII, SUBCHAPTER E, SECTIONS 17.41 THROUGH 17.63, INCLUSIVE OTHER THAN SECTION 17.555, WHICH IS NOT WAIVED), OF VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE CODE.
10. Assignor and Assignee agree to take all such further actions and to execute, acknowledge and deliver all such further documents that are necessary or useful in carrying out the purposes of this Assignment and Assumption Agreement or any document delivered pursuant hereto.
11. Assignor and Assignee agree that this Assignment and Assumption Agreement shall be governed by the laws of the State of Texas

without regard to choice of law principles that would require the application of the laws of another jurisdiction.


IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption Agreement as of the day and year first above written.

ASSIGNOR:

REGENCY INTRASTATE GAS LLC

By: Regency Gas Services LP, its sole member

By: Regency OLP GP LLC, its general partner



By: Patrick Giroir

Title: Vice President

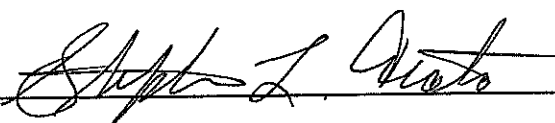
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ASSIGNEE:

REGENCY EMPLOYEES MANAGEMENT LLC

By: Regency GP LLC, and Regency Employees Management Holdings LLC, its sole members

By: Regency GP LLC, the sole member of Regency Employees Management Holdings, LLC



By: Stephen L. Arata

Title: Vice President