

CENTURION PIPELINE L.P.

LOCAL TARIFF
CONTAINING RATES
APPLYING ON TRANSPORTATION OF
CRUDE PETROLEUM

FROM POINTS IN
TEXAS

TO POINTS IN
TEXAS

Governed, except as otherwise provided, by the Rules and Regulations published in Centurion Pipeline L.P.'s F.E.R.C. No. ~~[W] 35.9.0~~ **[W] 35.10.0**, supplements thereto or reissues thereof.

Filed in compliance with 18 C.F.R. § ~~[W] 342.3 (Indexing)~~ **[W] 341.3**

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

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TABLE 1 – UNCOMMITTED RATES^[Notes 1, 2]

FROM (Origination Station)	TO (Destination)	Rates in Cents per barrel of 42 U.S. Gallons
Barnhart Station, Irion County (Zone 2)	Colorado City Station, Scurry County	[U] 36.78
Sterling City Station, Sterling County (Zone 1)		[U] 36.78

Note 1: The Uncommitted Rates named in Table 1 are not inclusive of the charges reflected in F.E.R.C. No. ~~[W] 50.17.0 50.46.0~~, including any supplements thereto or reissues thereof, for movements to BridgeTex Pipeline at Colorado City Station, and do not include the Truck Handling Charge listed below or any applicable Pipeline Loss Allowance.

Note 2: The Uncommitted Rates, inclusive of the charge set forth in F.E.R.C. No. ~~[W] 50.17.0 50.46.0~~ and any supplements thereto or reissues thereof, shall be as follows: (1) [U] 50.79 cents per barrel for movements from Barnhart Station (Zone 2), and (2) [U] 50.79 cents per barrel for movements from Sterling City Station (Zone 1).

TABLE 3 – INCENTIVE RATES ^[Notes 8,9]

FROM (Origination Station)	TO (Destination)	Volume Commitment (Barrels per Day) [Note 10]	Rates in Cents per Barrel of 42 U.S. Gallons
Barnhart Station, Irion County (Zone 2)	BridgeTex Pipeline Company, LLC	500 – 3,999	[U] 25.00
	Colorado City Station, Scurry County	4,000 – 5,999	[U] 23.00
	or Colorado City Station, Scurry County	6,000+	[U] 20.00
Centurion Energy Transportation Barnhart Truck Station, Irion County	BridgeTex Pipeline Company, LLC	500 – 3,999	[U] 25.00
	Colorado City Station, Scurry County	4,000 – 5,999	[U] 23.00
		6,000+	[U] 20.00

NOTES APPLICABLE TO TABLE 3 – INCENTIVE RATES:

Note 8: The Incentive Rates included in Table 3 are for trunk line transportation on the System and are applicable only to Crude Petroleum delivered to Carrier at Barnhart Station, Irion County, Texas or Centurion Energy Transportation’s (“CET”) Barnhart Truck Station, Irion County, Texas for transportation to Colorado City Station, Scurry County, Texas or the BridgeTex Pipeline Company, LLC Colorado City Station, Scurry County, Texas, as applicable. The Incentive Rates in Table 3 are available to any Shipper that has entered into and has an effective throughput and deficiency agreement with Centurion (“T&D Agreement”), or any Shipper shipping on behalf of a producer that has entered into and has an effective T&D Agreement with Centurion, pursuant to which the Shipper or producer, as applicable, has agreed to ship or have shipped on its behalf, or otherwise pay for not shipping, a minimum volume amount from Barnhart Station to Colorado City Station, Scurry County, Texas and/or the BridgeTex Colorado City Station, as applicable (with such Shipper or producer referred to herein as an “Incentive Shipper”). For clarity, as a condition to qualifying for the Incentive Rate for movements from CET’s Barnhart Truck Station to the BridgeTex Colorado City Station, the Incentive Shipper must have entered into a T&D Agreement with Carrier that reflects a ship-or-pay commitment from Barnhart Station to Colorado City Station, Scurry County, Texas and/or the BridgeTex Colorado City Station. In addition, any Incentive Shipper that seeks to ship from CET’s Barnhart Truck Station must have entered into and have an effective agreement in place with CET that allows use of CET’s Barnhart Truck Station. The applicable Incentive Rate shall be based on the minimum volume commitment elected by the Incentive Shipper in its T&D Agreement. In addition, any Shipper that qualifies for the Incentive Rates in Table 3

and has made a volume commitment of 4,000 barrels per day or greater shall be assessed a pipeline loss allowance of 0.1% on all qualifying Barrels of Crude Petroleum in lieu of any other applicable pipeline loss allowance amount.

Note 9: The Incentive Rates named in Table 3 are inclusive of the transportation rate forth in F.E.R.C. No. ~~[W] 50.17.0 50.16.0~~, including any supplements thereto or reissues thereof, and the Truck Handling Charge listed below concerning truck receipts made into Barnhart Station. However, the Incentive Rates named in Table 3 do not include the Truck Unloading Fee set forth in F.E.R.C. ~~[W] 50.17.0 50.16.0~~ or any applicable Pipeline Loss Allowance.

Note 10: For clarification purposes, the Incentive Rate that an Incentive Shipper will be assessed shall be based on the volume commitment level set forth in the Incentive Shipper's T&D Agreement; provided, however, that if an Incentive Shipper tenders Barrels of Crude Petroleum during a particular month that, on average, meets a commitment tier with a lower Incentive Rate, such Shipper shall qualify for the lower Incentive Rate for the transportation of its Crude Petroleum during that month. For example, if an Incentive Shipper makes a volume commitment of 4,000 Barrels per day (thereby qualifying for the 23.00 cent per Barrel Incentive Rate) but ships in a particular month an average of 6,000 Barrels per day or more, the Incentive Shipper shall qualify for the lower Incentive Rate of 20.00 cents per Barrel for such movements during that month.

TRUCK HANDLING CHARGE – An additional charge of ~~[U] twenty-one and seventeen hundredths cents (21.17¢)~~ per barrel will be charged for truck receipts made into Barnhart and Sterling Stations. Truck receipts at these locations will be subject to the TRUCK HANDLING CHARGE in addition to the applicable trunk line rates listed in Table 1 and Table 2 above.

RULES AND REGULATIONS

For purposes of this F.E.R.C. Tariff No. ~~[W] 51.24.0 51.23.0~~ or subsequent reissues thereof, the following definitions are changed from Paragraph 1 of Centurion Pipeline L.P.'s F.E.R.C. No. ~~[W] 35.10.0 35.9.0~~.

1. DEFINITIONS:

"Crude Petroleum" as used herein, means the grade or grades of the direct liquid products of oil or gas wells, meeting the required specifications established pursuant to this tariff which Carrier has undertaken to transport. "Crude Petroleum" shall exclude, and Carrier shall not be required to transport any, Indirect Liquid Products.

"Indirect Liquid Products" as used herein, means the liquid products resulting from the operation of natural gasoline recovery plant, gas recycling plants, and condensate or distillate recovery equipment in gas or oil fields, or a mixture containing such products.

"System" as used herein means Carrier's Crude Petroleum pipeline system extending from the Origination Station located approximately 10 miles north of Barnhart, Texas, to Carrier's existing Colorado City Station and all related facilities, including the Pipeline, the Origination Stations, and the associated facilities and improvements installed by Carrier to transport Crude Petroleum from the Origination Stations to the Destination.

For purposes of this F.E.R.C. Tariff No. ~~[W] 51.24.0 51.23.0~~ or subsequent reissues thereof, the following definitions are added to Paragraph 1 of Centurion Pipeline L.P.'s F.E.R.C. No. ~~[W] 35.10.0 35.9.0~~.

"BridgeTex Pipeline" means that certain approximately 440 mile crude oil pipeline transporting crude oil from Colorado City Texas to the Houston Gulf Coast area, being developed by BridgeTex Pipeline Company, LLC pursuant to that certain open season conducted in June 2012.

"Origin" means the inlet flange to the Pipeline or to Carrier's storage facilities located at the

Origination Station located approximately 10 miles north of Barnhart, Texas.

“Origination Station(s)” mean the stations at which Carrier will accept delivery of Crude Petroleum into the Pipeline which Origination Stations are located approximately 10 miles north of Barnhart, Texas (“Barnhart”) and approximately 8.7 miles northeast of Sterling City, Texas (“Sterling City”), respectively.

“Pipeline” means the pipeline and related facilities extending from the Origin to the Destination.

“Uncommitted Shipper(s)” mean Shipper(s) that do not elect to enter into a TSA with Carrier in connection with the open season held by Carrier commencing on May 31, 2013.

For purposes of this F.E.R.C. Tariff No. [W] 51.24.0 ~~51.23.0~~ or subsequent reissues thereof, the following language shall replace Paragraph 5 of Centurion Pipeline L.P.’s F.E.R.C. No. [W] 35.10.0 ~~35.9.0~~.

5. SHIPMENTS OF INDIRECT LIQUID PRODUCTS:

Indirect Liquid Products will not be accepted for gathering and/or transportation, regardless of whether such Indirect Liquid Products have been mixed with Crude Petroleum.

For purposes of this F.E.R.C. Tariff No. [W] 51.24.0 ~~51.23.0~~ or subsequent reissues thereof, the following language shall replace Paragraph 6 of Centurion Pipeline L.P.’s F.E.R.C. No. [W] 35.10.0 ~~35.9.0~~.

6. SPECIFICATIONS AS TO QUALITY AND LEGALITY OF SHIPMENTS:

No Crude Petroleum will be accepted unless its gravity, viscosity, and other properties are such that it will be readily susceptible to transportation through Carrier’s System, and it will not adversely affect the quality of Crude Petroleum from other Shippers or damage the Common Stream or Carrier’s System. Carrier will not accept nor transport Crude Petroleum that does not meet the specifications set forth in the table below:

Specification	WTI
API Gravity, API	36 – 44 ⁽¹⁾
Sulfur Content, weight %	≤0.40

⁽¹⁾ For further deliveries on Carrier’s pipeline system beyond Colorado City Station, Scurry County, Texas, Shippers must comply with the connecting carrier’s API Gravity specifications as required under Item 13(B) of Carrier’s Rules and Regulations Tariff, FERC No [W] 35.10.0 ~~35.6.0~~, including the specifications of BridgeTex Pipeline and the connecting carriers at Cushing, Oklahoma.

These specifications shall apply to each Barrel of the Nomination and not be limited to the composite sample of the Nomination. Carrier reserves the right to reject all Nominations or any part thereof, if Carrier determines, in its discretion, reasonably exercised, that Shipper has delivered:

- A. Crude Petroleum having a (a) Reid Vapor Pressure (RVP) in excess of nine and one half (9.5) pounds absolute vapor pressure exerted by a liquid at a temperature of 100 degrees Fahrenheit in accordance to ASTM D-323 or Maximum True Vapor Pressure in excess of eleven (11) pounds absolute vapor pressure exerted by a liquid at a temperature of 100 degrees Fahrenheit, (b) and/or an oil temperature in excess of 120 degrees Fahrenheit, and/or (c) a Maximum True Vapor Pressure which will result in Carrier’s noncompliance with applicable Federal, State and local requirements regarding hydrocarbon emissions.
- B. Crude Petroleum received from tanks containing basic sediment, water, or other impurities in excess of one percent (1%) average in suspension above a point four (4) inches below the pipeline connection with the tank. Where Crude Petroleum is delivered to System

through automatic custody transfer measurement facilities, Carrier may require use of a monitor which rejects Crude Petroleum containing in excess of one percent (1%) basic sediment and water.

- C. Crude Petroleum that has been contaminated by the existence of and/or excess amounts of impure substances, including but not limited to chlorinated and/or oxygenated hydrocarbons, arsenic, lead and/or other metals which results in harm to other Shippers, carriers, users of the contaminated Crude Petroleum or Carrier, such Shipper will be excluded from further entry into applicable segments of Carrier's System until such time as the quality of the Crude Petroleum is to the satisfaction of Carrier. Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any contaminated Crude Petroleum blocking Carrier's System. Disposal thereof may be made in any reasonable manner including but not limited to commercial sales, and any liability associated with the contamination or disposal of any Crude Petroleum shall be borne by Shipper introducing the contaminated Crude Petroleum into Carrier's System. Shipper liability includes, but is not limited to, claims from other Shippers, carriers, or users of the contaminated Crude Petroleum and the costs of any regulatory or judicial proceeding.
- D. Crude Petroleum where Shipper or Consignee has failed to comply with all applicable laws, rules and regulations made by any governmental authorities regulating shipments of Crude Petroleum.
- E. Mixtures will be transported and delivered as Crude Petroleum. Carrier will not receive, transport and deliver Indirect Liquid Products.

For purposes of this F.E.R.C. Tariff No. [W] 51.24.0 ~~51.23.0~~ or subsequent reissues thereof, the following language shall replace the first paragraph of Paragraph 9.C of Centurion Pipeline L.P.'s F.E.R.C. No. [W] 35.10.0 ~~35.9.0~~.

9. LINE FILL AND TANK BOTTOM INVENTORY:

- C. A company that has issued a formal notification to Carrier that it will no longer be a Shipper on Carrier's System or a company that is considered "no longer shipping" based on a lack of nominations in the name of the Shipper over a continuous 6 month time period (provided that the Shipper's Transportation Services Agreement, if any, shall have first expired in accordance with its terms) shall be deemed to be "no longer shipping."

For purposes of this F.E.R.C. Tariff No. [W] 51.24.0 ~~51.23.0~~ or subsequent reissues thereof, the following language shall replace Paragraph 11 of Centurion Pipeline L.P.'s F.E.R.C. No. [W] 35.10.0 ~~35.9.0~~.

11. DEDUCTIONS AND QUANTITIES DELIVERABLE:

- A. As set forth in Rule 20(A), the quantity deliverable shall be reduced by deduction for sediment, water, other impurities, loss for evaporation and loss during transportation.
- B. Where the tank or meter of the Shipper is used for volume determination for deliveries into or from Carrier's facilities, Carrier reserves the right to require re-strapping or check-strapping of any such tank, the recalculation of any tank table utilized by Shipper in relation to any such tank and the proving or check-proving of any such meter.
- C. Except for arithmetic errors, all measurement and testing by Carrier shall be conclusive whether or not a representative of the Shipper or its Consignee was not present during such measuring and testing, provided Shipper received notice of measurement or testing.

For purposes of this F.E.R.C. Tariff No. [W] 51.24.0 ~~51.23.0~~ or subsequent reissues thereof, the following language shall replace Paragraph 16 of Centurion Pipeline L.P.'s F.E.R.C. No. [W] 35.10.0 ~~35.9.0~~.

16. OFFERS IN EXCESS OF FACILITIES:

If Crude Petroleum is nominated to Carrier for transportation in excess of the amount that can be immediately transported, Carrier shall apportion capacity among all Shippers in accordance with Carrier's Proration Policy titled Centurion Pipeline L.P. Cline Shale Pipeline System Pipeline Proration Policy dated October 21, 2014. A copy of Carrier's Proration Policy is on file with the Federal Energy Regulatory Commission. Copies of the policy are also available at Carrier's Office in Houston, Texas or, upon request, to any Shipper or potential shipper, either via thru U.S. Mail or via facsimile copy.

No nomination shall be considered beyond the amount which the person requesting the shipment then has ready for shipment. Carrier will not recognize for apportionment purposes any Nomination by a Shipper which exceeds Carrier's System capacity.

For purposes of this F.E.R.C. Tariff No. [W] 51.24.0 ~~51.23.0~~ or subsequent reissues thereof, the following language shall replace Section B of Paragraph 22 of Centurion Pipeline L.P.'s F.E.R.C. No. [W] 35.10.0 ~~35.9.0~~.

22. PAYMENT OF TRANSPORTATION AND OTHER CHARGES:

B. All payments are due within 10 days of receipt of the invoice. For the avoidance of doubt, deficiency payments due under a Shipper's TSA, if any, shall be due as provided in such TSA.

For purposes of this F.E.R.C. Tariff No. [W] 51.24.0 ~~51.23.0~~ or subsequent reissues thereof, the following language shall replace Section D of Paragraph 22 of Centurion Pipeline L.P.'s F.E.R.C. No. [W] 35.10.0 ~~35.9.0~~.

22. PAYMENT OF TRANSPORTATION AND OTHER CHARGES:

D. In the event Shipper fails to pay any such undisputed charges that are past due in excess of thirty (30) days, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to Carrier's tariff until such time as such undisputed charges are received by Carrier and Shipper meets the requirements of Section E, if applicable. In addition Carrier may withhold delivery to Shipper of any of Shipper's Crude Petroleum in its possession and exercise any other rights and remedies granted under the applicable tariffs or existing under applicable law until all such undisputed charges have been paid as provided above. In the event Shipper fails to pay any such undisputed charges that are past due in excess of thirty (30) days, Carrier shall have the right to set off such amounts owed and future amounts owed against those amounts Carrier owes Shipper.

For purposes of this F.E.R.C. Tariff No. [W] 51.24.0 ~~51.23.0~~ or subsequent reissues thereof, the following language shall replace Section F of Paragraph 22 of Centurion Pipeline L.P.'s F.E.R.C. No. [W] 35.10.0 ~~35.9.0~~.

22. PAYMENT OF TRANSPORTATION AND OTHER CHARGES:

F. Carrier shall have a self-executing lien on all Crude Petroleum delivered to Carrier to secure the payment of any and all gathering, transportation, or any other charges that are owed Carrier. Such lien shall survive delivery of Crude Petroleum to Shipper. Such lien shall extend to all Crude Petroleum in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by this tariff, statute or applicable law.

For purposes of this F.E.R.C. Tariff No. [W] 51.24.0 ~~51.23.0~~ or subsequent reissues thereof, the following language shall replace Section G of Paragraph 22 of Centurion Pipeline L.P.'s F.E.R.C. No. [W] 35.10.0 ~~35.9.0~~.

22. PAYMENT OF TRANSPORTATION AND OTHER CHARGES:

G. In the event Shipper fails to pay any such undisputed charges that are past due in excess of thirty (30) days, in addition to any other remedies under this tariff or under applicable law, Carrier shall have the right, either directly or through an agent, to sell any Crude Petroleum of such Shipper in Carrier's custody at public auction, on any day not a legal holiday, not less than 48 hours after publication of notice of such sale in a daily newspaper of general circulation published in the town, city, or general area where the sale is to be held, stating the time and place of sale and the quantity and location of the Crude Petroleum to be sold. At said sale, Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. The proceeds of any sale shall be applied in the following order: 1) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorneys' fees and legal expenses incurred by Carrier; and 2) To the satisfaction of Shipper's indebtedness including interest herein provided from the date payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto. Carrier will have a claim for and against Shipper with respect to any deficiency arising from the debt due to Carrier from Shipper and the proceeds of any sale after reduction as set forth above.

EXPLANATION OF REFERENCE MARKS

- [U] Unchanged rate.
[W] Change in wording only.