

TX No. 1.0.0

DELTA EXPRESS TRANSPORT LLC

LOCAL PIPELINE TARIFF

CONTAINING

RATES, RULES, AND REGULATIONS

APPLYING ON THE INTRASTATE TRANSPORTATION OF

CRUDE PETROLEUM

FROM

POINTS IN TEXAS

TO

POINTS IN TEXAS

The General Rules and Regulations published herein apply only under a rates tariff ("Rates Tariff") making specific reference to this tariff including supplements thereto and successive issues thereof.

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

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Issued by:
Adam Arthur
EVP – Head of Liquids Business
Delta Express Transport LLC
1300 Main Street
Houston, TX 77002

Compiled by:
Levon Carmen
on behalf of
Delta Express Transport LLC
1300 Main Street
Houston, TX 77002
(713) 989-4591
tariffs@energytransfer.com

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SECTION I

**RULES AND REGULATIONS OF RAILROAD COMMISSION OF TEXAS
OIL AND GAS RULE §3.71**

Every person owning, operating, or managing any pipeline, or any part of any pipeline, for the gathering, receiving, loading, transporting, storing, or delivering of crude petroleum as a common carrier shall be subject to and governed by the following provisions. Common carriers specified in this section shall be referred to as "pipelines," and the owners and shippers of crude petroleum by pipelines shall be referred to as "shippers."

The following nineteen (1-19) rules (and definitions) in Section I are adopted and included herein pursuant to the requirements of the Texas Railroad Commission.

Rule 1 All Marketable Oil to be Received for Transportation

By the term "marketable oil" is meant any crude petroleum adapted for refining or fuel purposes, properly settled and containing not more than two percent (2%) of basic sediment, water, or other impurities above a point six (6) inches below the pipeline connection with the tank. Pipelines shall receive for transportation all such "marketable oil" tendered; but no pipeline shall be required to receive for shipment from any one person an amount exceeding three thousand (3,000) barrels of petroleum in any one (1) day; and, if the oil tendered for transportation differs materially in character from that usually produced in the field and being transported there from by the pipeline, then it shall be transported under such terms as the shipper and the owner of the pipeline may agree or the Commission may require. (as amended and supplemented by Section II, Rule 10).

Rule 2 Basic Sediment, How Determined – Temperature

In determining the amount of sediment, water or other impurities, a pipeline is authorized to make a test of the oil offered for transportation from an average sample from each such tank, by the use of centrifugal machine, or by the use of any other appliance agreed upon by the pipeline and the shipper. The same method of ascertaining the amount of the sediment, water or other impurities shall be used in the delivery as in the receipt of oil. A pipeline shall not be required to receive for transportation, nor shall consignee be required to accept as a delivery, any oil of a higher temperature than ninety degrees Fahrenheit (90° F), except that during the summer oil shall be received at any atmospheric temperature and may be delivered at like temperature. Consignee shall have the same right to test the oil upon delivery at destination that the pipeline has to test before receiving from the shipper. (as supplemented by Section II, Rule 20)

Rule 3 "Barrel" Defined

For the purpose of these rules, a "barrel" of crude petroleum is declared to be forty-two (42) gallons of 231 cubic inches per gallon at sixty degrees Fahrenheit (60°F).

Rule 4 Oil Involved in Litigation, etc. – Indemnity Against Loss

When any oil offered for transportation is involved in litigation, or the ownership is in dispute, or when the oil appears to be encumbered by lien or charge of any kind, the pipeline may require of shippers an indemnity bond to protect it against all loss.

Rule 5 Storage

Each pipeline shall provide, without additional charge, sufficient storage, such as is incident and necessary to the transportation of oil, including storage at destination or so near thereto as to be available for prompt delivery to destination point, for five (5) days from the date of order of delivery at destination. (as amended by Section II, Rule 15)

Rule 6 Identity and Maintenance of Oil

A pipeline may deliver to consignee, either the identical oil received for transportation, subject to such consequences of mixing with other oil as are incident to the usual pipeline transportation, or it may make delivery from its common stock at destination; provided, if this last be done, the delivery shall be of substantially like kind and market value.

Rule 7 Minimum Quantity to be Received

A pipeline shall not be required to receive less than one (1) tank carload of oil when oil is offered for loading into tank cars at destination of the pipeline. When oil is offered for transportation for other than tank car delivery, a pipeline shall not be required to receive less than five hundred (500) barrels. (as amended by Section II, Rule 90)

Rule 8 Gathering Charges

Tariffs to be filed by a pipeline shall specify separately the charges for gathering of the oil, for transportation and for delivery.

Rule 9 Measurement, Testing, and Deductions (reference Special Order Number 20-63,098 effective June 18, 1973) (as supplemented by Section II, Rule 20)

- A. Except as provided in subparagraph (B) of this paragraph, all crude oil tendered to a pipeline shall be gauged and tested by a representative of the pipeline prior to its receipt by the pipeline. The shipper may be present or represented at the gauging or testing. Quantities shall be computed from correctly compiled tank tables showing 100% of the full capacity of the tanks.
- B. As an alternative to the method of measurement provided in subparagraph (A) of this paragraph, crude oil and condensate may be measured and tested, before transfer of custody to the initial transporter, by:
 - i. lease automatic custody transfer (LACT) equipment, provided such equipment is installed and operated in accordance with the latest revision of American Petroleum Institute (API) Manual of Petroleum Measurement Standards, Chapter 6.1; or
 - ii. any device or method, approved by the commission or its delegate, which yields accurate measurements of crude oil or condensate.
- C. Adjustments to the quantities determined by the methods described in subparagraphs (A) or (B) of this paragraph shall be made for temperature from the nearest whole number degree to the basis of 60 degrees Fahrenheit and to the nearest 5/10 API degree gravity in accordance with the volume correction Tables 5A and 6A contained in API Standard 2540, American Society for Testing Materials 01250, Institute of Petroleum 200, first edition, August 1980. A pipeline may deduct the basic sediment, water, and other impurities as shown by the centrifugal or other test agreed upon by the shipper and pipeline; and 1.0% for evaporation and loss during transportation. The net balance shall be the quantity deliverable by the pipeline. In allowing the deductions, it is not the intention of the commission to affect any tax or royalty obligations imposed by the laws of Texas on any producer or shipper of crude oil.
- D. A transfer of custody of crude between transporters is subject to measurement as agreed upon by the transporters.

Rule 10 Delivery and Demurrage

Each pipeline shall transport oil with reasonable diligence, considering the quality of the oil, the distance of transportation, and other material elements, but at any time after receipt of a consignment of oil, upon twenty-four (24) hours' notice to the consignee, may offer oil for delivery from its common stock at the point of destination, conformable to Item No. 6 of this section, at a rate not exceeding ten thousand (10,000) barrels per day of twenty-four (24) hours. Computation of time of storage (as provided for in Item No. 5 of this section) shall begin at the expiration of such notice. At the expiration of the time allowed in Item No. 5 of this section for storage at destination, a pipeline may assess a demurrage charge on oil offered for delivery and remaining undelivered, at a rate for the first ten (10) days of one-tenth of one cent (\$0.001) per barrel; and thereafter at a rate of three-fourths of one cent (\$0.0075) per barrel, for each day of twenty-four (24) hours or fractional part thereof. (as amended by Section II, Rules 15 and 55)

Rule 11 Unpaid Charges, Lien for and Sale to Cover

A pipeline shall have a lien on all oil to cover charges for transportation, including demurrage, and it may withhold delivery of oil until the charges are paid. If the charges shall remain unpaid for more than five (5) days after notice of readiness to delivery, the pipeline may sell the oil at public auction at the general office of the pipeline on any day not a legal holiday. The date for the sale shall be not less than forty-eight (48) hours after publication of notice in a daily newspaper of general circulation published in the city where the general office of the pipeline is located. The notice shall give the time and place of the sale, and the quantity of the oil to be sold. From the proceeds of the sale, the pipeline may deduct all charges lawfully accruing, including demurrage, and all expenses of the sale. The net balance shall be paid to the person lawfully entitled thereto. (as supplemented by Section II, Rule 60)

Rule 12 Notice of Claim

Notice of claim for loss, damage or delay in connection with the shipment of oil must be made in writing to the pipeline within ninety-one (91) days after, the damage, loss, or delay occurred. If the claim is for failure to make delivery, the claim must be made within ninety-one (91) days after a reasonable time for delivery has elapsed. (as amended by Section II, Rule 75)

Rule 13 Telephone – Telegraph Line – Shipper to Use

If a pipeline maintains a private telegraph or telephone line, a shipper may use it without extra charge, for messages incident to shipments. However, a pipeline shall not be held liable for failure to deliver any messages away from its office or for delay in transmission or for interruption of service.

Rule 14 Contracts of Transportation

When a consignment of oil is accepted, the pipeline shall give the shipper a run ticket, and shall give the shipper a statement that shows the amount of oil received for transportation, the points of origin and destination, corrections made for temperature, deductions made for impurities, and the rate for such transportation. (as supplemented by Section II, Rule 20)

Rule 15 Shipper's Tanks, etc. – Inspection

When a shipment of oil has been offered for transportation, the pipeline shall have the right to go upon the premises where the oil is produced or stored and have access to any and all tanks or storage receptacles for the purpose of making any examination, inspection, or test authorized by this section.

Rule 16 Offers in Excess of Facilities

If oil is offered to any pipeline for transportation in excess of the amount that can be immediately transported, the transportation furnished by the pipeline shall be apportioned among all shippers in proportion to the amounts offered by each; but no offer for transportation shall be considered beyond the amount which the person requesting the shipment then has ready for shipment by the pipeline. The pipeline shall be considered as a shipper of oil produced or purchased by itself and held for shipment through its line, and its oil shall be entitled to participate in such apportionment. (as amended by Section II, Rule 65)

Rule 17 Interchange of Tonnage

Pipelines shall provide the necessary connections and facilities for the exchange of tonnage at every locality reached by two or more pipelines, when the Commission finds that a necessity exists for connection, and under such regulations as said Commission may determine in each case.

Rule 18 Receipt and Delivery – For Necessary Facilities

Each pipeline shall install and maintain facilities for the receipt and delivery of marketable crude petroleum of shippers at any point on its line if the Commission finds that a necessity exists therefore, and under regulations by the Commission. (as supplemented by Section II, Rule 15)

Rule 19 Reports of Loss from Fires, Lightning, and Leakage

- A. Each pipeline shall immediately notify the Commission, by telegraph, telephone, or letter, of each fire that occurs at any oil tank owned or controlled by the pipeline, or of any tank struck by lightning. Each pipeline shall in like manner report each break or leak in any of its tanks or pipelines from which more than five (5) barrels escape. Each pipeline shall report in writing to the Commission, by the fifteenth (15th) day of the calendar month, the estimated amount of loss of oil by fire or leakage from its tanks and pipelines for the preceding month; but not including leakage or evaporation ordinarily incident to transportation.
- B. No risk of fire, storm, flood, or act of God, and no risk resulting from riots, insurrection, rebellion, war or act of the public enemy, or from quarantine or authority of law or any order, requisition or necessity of the government of the United States in time of war, shall be borne by a pipeline, nor shall any liability accrue to it from any damage thereby occasioned. If loss of any crude oil from any such causes occurs after the oil has been received for transportation, and before it has been delivered to the consignee, the shipper shall bear a loss in such proportion as the amount of his shipment is to all of the oil held in transportation by the pipeline at the time of such loss, and the shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction

of his due proportion of such loss, but in such event the shipper shall be required to pay charges only on the quantity of oil delivered. This Item No. 19 shall not apply if the loss occurs because of negligence of the pipeline.

- C. Common carrier pipelines shall mail (return receipt requested) or hand deliver to landowners (persons who have legal title to the property in question) and residents (persons whose mailing address is the property in question) of land upon which a spill or leak has occurred, all spill or leak reports required by the commission for that particular spill or leak within 30 days of filing the required reports with the commission. Registration with the commission by landowners and residents for the purpose of receiving spill or leak reports shall be required every five years, with renewal registration starting January 1, 1999. If a landowner or resident is not registered with the commission, the common carrier is not required to furnish such reports to the resident or landowner.

SECTION II RULES AND REGULATIONS

Rule 5 Definitions

“Barrel” means a volume of forty-two (42) United States Gallons at sixty degrees (60°) Fahrenheit and zero (0) gauge pressure if the vapor pressure of the petroleum is at or below atmospheric pressure, or at equilibrium vapor pressure if the vapor pressure of the petroleum is greater than atmospheric pressure.

“Carrier” means Delta Express Transport LLC.

“Consignee” means the party, including a connecting pipeline system, to whom Shipper has ordered delivery of Crude Petroleum.

“Crude Petroleum” means the direct liquid product of oil wells or a mixture of the direct liquid products of oil wells with indirect liquid products and being similarly transportable as the direct products, provided that such mixture does not contain more than one percent (1%) of sediment, water, and other impurities.

“Delivery” means the transfer of custody of Crude Petroleum from Carrier at a Destination Point to Consignee.

“Destination Point” means the inlet flange of the destination point.

“Nomination” means a request by Shipper to Carrier to transport a stated quantity of Crude Petroleum on Carrier’s system for the account of such Shipper in any month.

“Notice of Intent to Ship” has the meaning set out in Section II, Rule 90 herein.

“Origin Point” means an origin point set out in a Rates Tariff.

“Rates Tariff” has the meaning set out on the first page of this tariff.

“Receipt” means the transfer of custody of Crude Petroleum from Shipper at an Origin Point(s) to Carrier for transportation.

“Reid Vapor Pressure” means the absolute vapor pressure at one-hundred degrees Fahrenheit (100° F) of volatile Crude Petroleum herein expressed in pounds per square inch, as determined by test method ASTM D-323.

“Required Inventory” means each Shipper’s proportionate share of the volume of Crude Petroleum, by grade, required by Carrier for line fill and working stock.

“Shipper” means the party who contracts with Carrier for the transportation of Crude Petroleum under the terms of this tariff.

“Shipper’s Inventory” means total Receipts of Crude Petroleum, by grade, from a single Shipper less that Shipper’s Deliveries.

“Specified Grades” means Crude Petroleum meeting certain specifications designated by Carrier for such grade of Crude Petroleum.

“Transportation Services Agreement” means a transportation services agreement entered into between Carrier and a Committed Shipper whereby the shipper has made a long-term revenue commitment or other long term commercial commitment with respect to a minimum number of Barrels of Crude Petroleum per day.

“Uncommitted Rate” means the rate paid by any Shipper that is not a Committed Shipper.

Rule 10 Quality Specifications and Restrictions

Subject to agreement between Shipper and Carrier regarding transportation from intermediate points, Carrier will receive Crude Petroleum through its present facilities at only an Origin Point. Carrier reserves the right to reject, without limitation, any or all of the following: (1) Crude Petroleum having a Reid Vapor Pressure in excess of nine (9) pounds per square inch absolute and/or an API (American Petroleum Institute) gravity in excess of 60.0°; (2) Crude Petroleum having an API gravity less than 28°; (3) Crude Petroleum having a sulfur content weight percentage greater than 0.40%.

Carrier will from time to time give notice to Shippers establishing Specified Grades of Crude Petroleum which Carrier will regularly transport as a common stream between each Origin Point and each Destination Point. Shipper shall, at the request of Carrier, make such Specified Grade of Crude Petroleum available in such quantities and at such times as may be necessary to permit such common stream movements. Carrier may from time to time, after reasonable notice to Shippers who have shipped such Specified Grade of Crude Petroleum in the prior three months, cease to transport such Specified Grade of Crude Petroleum as a common stream or change the specifications of a particular Specified Grade of Crude Petroleum transported as a common stream.

Notwithstanding anything herein to the contrary, at the request of a Shipper and subject to the other provisions of this tariff, Carrier will accept for shipment the following Specified Grade of Crude Petroleum to be transported as a common stream from the Origin Point(s) to the Destination Point(s):

	WTI
API Gravity, API	36 – 44
Sulfur Content, Weight %	≤ 0.40
Max Reid Vapor Pressure, psi	9.5
Max True Vapor Pressure, psi	11.0
BS&W	< 1.0%

The specifications for WTI are, without limitation, subject to modification from time to time in the event connecting carriers modify their specifications for similar grades of Crude Petroleum.

At the request of a Shipper, and subject to other provisions of this tariff, Carrier may accept for shipment other Specified Grades of Crude Petroleum to be transported as a common stream, subject to the operating conditions of the facilities. Such request must specify (1) a Reid Vapor Pressure and/or an API (American Petroleum Institute) gravity range; and (2) a sulfur content weight % limitation.

Crude Petroleum tendered for transportation which differs in grade and general characteristics from that usually transported by Carrier will, at Carrier’s option, be transported only under terms agreed upon, in writing, by Shipper and Carrier. In addition, Carrier may decide not to accept such Crude Petroleum for transportation so as to prevent contamination of the common stream.

To the extent feasible, when Crude Petroleum is to continue onto a connecting carrier’s pipeline, quality specifications of such connecting carrier may apply to Carrier’s system when such limits are less than that of Carrier.

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, hydrogen sulfide, 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.

This rule amends and supplements Section I, Rule 1.

Rule 15 Destination Arrangements Required

Carrier will receive Crude Petroleum for transportation (a) when the Crude Petroleum is to be received into Carrier's facilities at an Origin Point and Shipper or Consignee has made arrangements for further transportation beyond the designated Destination Point or (b) when Shipper or Consignee has provided the necessary arrangements for receiving such Crude Petroleum promptly on arrival at the designated Destination Point. Unless otherwise agreed to by as between Shipper and Carrier, Carrier is not required to offer or provide Crude Petroleum storage services of any nature or any period of time. Provisions for storage during transportation and at the final destination for the benefit of Shipper will be provided only to the extent as agreed to between Carrier and Shipper or as authorized by Carrier.

This rule amends Section 1, Rules 5 and 10 and supplements Section I, Rule 18.

Rule 20 Gauging or Metering and Testing

All shipments tendered to Carrier for transportation shall be gauged or metered and tested by a representative of Carrier, or by automatic equipment approved by Carrier, prior to, or at the same time as, receipt from Shipper. Shipper or Consignee shall have the privilege of being present or represented during the gauging or metering and testing. Shipper will grant Carrier's representative and any applicable connecting carrier's representative access to Shipper's facility for witnessing meter or gauge readings or meter proving and for any other required inspection incidental to measurement and transportation of Crude Petroleum.

Quantities gauged or metered shall be corrected from observed temperatures to sixty degrees (60°) Fahrenheit using applicable Standard Petroleum Measurement Tables adopted jointly by the American Petroleum Institute (API Standard 2540) and the American Society for Testing Materials (ASTM Standard D 1250). The full percentage of water or other impurities as ascertained by a centrifuge machine or other tests will be deducted from the correct volume.

A separate assessment of one-tenth of one percent (0.10%), on net quantities so determined for acceptance by Carrier for transportation on each segment of Carrier's system, will be deducted to cover losses inherent in the transportation of Crude Petroleum.

All receipts of Crude Petroleum and indirect liquid products having an API gravity of 55 degrees or above shall also be subject to an additional deduction to cover shrinkage and evaporation. Such deduction shall be determined in accordance with the following table:

API Gravity, Degrees	Deduction for Incremental Evaporation & Loss
55° through 59.9°	1%
60° through 74.9°	3%
Greater than 75°	5%

This rule supplements Section I, Rules 2, 9, and 14.

Rule 25 Line Fill and Working Stock Requirements

Each Shipper shall furnish its respective Required Inventory by type and volumes as determined by Carrier from time to time. Carrier shall give Shippers prompt notice concerning adjustments in their respective shares of Required Inventory and shall direct Shippers to reduce or increase their Shipper's Inventory when necessary. Inventory adjustments shall be completed within sixty (60) days after notice.

Rule 30 Withdrawal of Required Inventory

Subject to the provisions of this tariff, a Shipper may withdraw its Required Inventory from Carrier's system at any time within ninety (90) days subsequent to: (1) Shipper having ceased tendering shipments and notified Carrier in writing that it will no longer tender shipments to Carrier; (2) Shipper balances having been reconciled between Shipper and Carrier; and (3) Shipper having paid Carrier for all services.

Rule 35 Mixing in Transit

Crude Petroleum will be accepted for transportation only on condition that it shall be subject to normal changes in general characteristics while in transit as may result from the mixture of such Crude Petroleum with other similar Crude Petroleum in the pipeline and/or tanks of Carrier or connecting carrier. Carrier will not be liable for variations of gravity or quality of Crude Petroleum occurring while in its custody and is under no obligation to deliver the identical Crude Petroleum as received or Crude Petroleum of the same quality specifications; provided that if Crude Petroleum is designated by a Shipper as a Specified Grade to be shipped in a common stream and is received by Carrier as Crude Petroleum meeting such Specified Grade specifications, Carrier shall endeavor to deliver substantially the same grade specifications of such Specified Grade of Crude Petroleum as that received from a Shipper.

Rule 40 Clear Title Required

Carrier shall have the right to reject, on a non-discriminatory basis, any Crude Petroleum when tendered for transportation that is involved in litigation, or the title of which is in dispute, or that is encumbered by lien or charge of any kind. Carrier may require Shipper to provide satisfactory evidence of its perfect and unencumbered title or may require Shipper to furnish a satisfactory indemnity bond to protect Carrier.

Rule 45 Common Stream Petroleum Connecting Carriers

When both receipts from and/or deliveries to a connecting carrier of substantially the same Specified Grade of Crude Petroleum are scheduled at the same interconnection, Carrier reserves the right, with cooperation of the connecting carrier, to offset like volumes of such common stream Crude Petroleum. When this right is exercised, Carrier will make deliveries for Shipper involved from its substantially similar common stream Crude Petroleum.

Rule 50 Application of Rates from and to Intermediate Points

For shipments accepted for transportation from any point not named in tariffs making reference hereto which is intermediate to a point from which rates are published in said tariffs, through such unnamed point, the rate published therein from the next more distant origin point specified in the tariff will apply from such unnamed point, and the gathering charge at the next more distant origin point shall apply when gathering service is performed. For shipments accepted for transportation to any point not named in tariffs making reference hereto which is intermediate to a point to which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant destination point specified in the tariff will apply. Continuous use of intermediate point rate application for more than 30 days requires establishment of a rate for transportation service.

Rule 55 Deliveries and Demurrage

Carrier will transport Crude Petroleum with reasonable diligence, considering the quality of the Crude Petroleum, the distance of transportation, and other material elements, but may at any time after Receipt of a consignment of Crude Petroleum, upon twenty-four (24) hours' notice to the Consignee, tender Crude Petroleum conformable to specifications herein for Delivery from its common stock at the Destination Point. At the expiration of such notice, Carrier may assess a demurrage charge on all Crude Petroleum tendered for Delivery and remaining undelivered, at the rate for each day of twenty-four (24) hours, or fractional part thereof, as follows: three cents (3.0¢) per Barrel per day.

This rule amends Section I, Rule 10.

Rule 60 Payment of Transportation and Other Charges

Transportation charges will be computed and collected at the applicable tariff rate (in effect on the date of Receipt of Crude Petroleum by Carrier) on the Delivery quantities of Crude Petroleum determined pursuant to this tariff. Carrier will invoice Shipper for transportation charges on a monthly basis. Shipper shall be responsible for transportation and all other charges applicable to the particular shipment, and, if required, shall prepay all charges or furnish guaranty of payment satisfactory to Carrier. Shipper shall pay all charges within the later of 10 days of the date of invoice from Carrier or the 20th day of the month following the month of delivery. All charges that remain unpaid for more than 30 days from the date of Carrier's invoice shall accrue an interest charge of the lesser of (i) two percent (2%) above the per annum rate of interest announced from time to time as the "prime rate" for commercial loans by The Wall Street Journal, as such "prime rate" may change from time to time, or, or (ii) the maximum non- usurious interest rate which may then be charged under Texas law.

Carrier shall have a security interest in all Crude Petroleum accepted from Shipper under this tariff. This security interest shall secure: (1) all transportation and any other charges due or to become due from Shipper under the terms of this tariff; (2) all deficiency payments or other obligations due from a Committed Shipper; and (3) all costs and expenses of Carrier in exercising any of its rights detailed herein, including, but not limited to, reasonable attorney fees, storage charges, and settlement of conflicting liens. At Carrier's request, Shipper shall execute all such agreements and do all such things as Carrier shall reasonably request in connection with the creation or perfection of such security interest. The security interest provided herein shall be in addition to any lien provided by statute or common law. In the event Shipper fails to satisfy when due any payment obligation to Carrier, Carrier shall have all of the rights and remedies accorded to a secured party under applicable state law and in addition may in its sole discretion and without notice take any or all of the following actions: (1) refuse to deliver Crude Petroleum in its custody until all such obligations have been paid; (2) proceed to sell such Crude Petroleum, in accordance with the applicable provisions of state law, and apply the proceeds to such obligations, (3) store such Crude Petroleum or contract for storage of such Crude Petroleum pending sale or other disposition; or (4) take any other action it deems necessary for the proper protection and sale of such Crude Petroleum. Carrier may agree, in its sole discretion, to waive its security interest in the Crude Petroleum if Shipper or Consignee provides sufficient security satisfactory to Carrier.

This rule supplements Section I, Rule 11.

Rule 65 Proration of Pipeline Capacity

If, during any period, the total volume of Petroleum nominated over any segment of Carrier's pipelines is in excess of the normal operational capacity of said segment, such Petroleum will be apportioned for acceptance and transportation on an equitable basis.

This rule amends Section I, Rule 16.

Rule 66 Committed Shippers

A shipper that enters into a Transportation Services Agreement with Carrier, which provides for a long-term revenue commitment with respect to a minimum number of Barrels of Crude Petroleum per day, will be a Committed Shipper paying the applicable Committed Rates for committed service.

Rule 70 Liabilities of Parties

As a condition to Carrier's acceptance of Crude Petroleum under this tariff, each Shipper agrees to protect and indemnify Carrier against claims or actions for injury and/or death of any and all persons and for damage to property of, or any other loss sustained by Carrier, Shipper, Consignee and/or any third party resulting from or arising out of 1) any breach of or failure to adhere to any provision of this tariff by Shipper, Consignee, their agents, employees or representatives and/or 2) the negligent act(s) or failure(s) to act of Shipper, Consignee, their agents, employees or representatives in connection with Delivery or Receipt of Crude Petroleum.

Carrier, while in possession of Crude Petroleum herein described, shall not be liable for any loss of Crude Petroleum; damage thereto; or delay in Delivery because of any act of God, the public enemy, civil disorder, quarantine, the authority of laws, strikes, riots, fire, floods or the acts of default of Shipper or Consignee, or from any other causes not due to the sole negligence of Carrier. In case of loss or damage from causes other than the sole negligence of Carrier, such loss or damage shall be charged proportionately to each shipment in the ratio that such shipment, or

portion thereof, received and undelivered at the time the loss or damage occurs, bears to the total of all shipments or portions thereof, then in custody of Carrier for transportation via the lines or contained in other facilities in which the loss or damage occur. Consignee shall be entitled to receive only that portion of a Shipper's shipment remaining after deducting said Shipper's proportion of such loss or damage, determined as aforesaid, and shall be required to pay transportation charges only on the quantity delivered. CARRIER WILL NOT BE LIABLE FOR SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES.

Rule 75 Notice of Claims

As a condition precedent to recovery, claims must be filed in writing with Carrier within nine (9) months after Delivery of Crude Petroleum, or, in case of failure to make Delivery, then within nine (9) months after a reasonable time for Delivery has elapsed; and suits shall be instituted against Carrier only within two (2) years and one (1) day from the day when Delivery was made, or, in case of failure to make Delivery, when Delivery should have been made. All claims and suits not filed or instituted within such time periods shall be forever barred.

This rule amends Section I, Rule 12.

Rule 80 Intrasystem Transfers

Intrasystem transfers will not be recognized by Carrier for Crude Petroleum in Carrier's custody, except for transfers resulting from application of Section II, Rule No. 40 (Clear Title Required) herein.

Rule 85 Connection Policy

Requests for connections to Carrier's system will only be considered if made by formal written notification to Carrier. All requests will be subject to the following standards and conditions: (1) all connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of Carrier's system in accordance with generally accepted industry standards; and (2) acceptance of any request for connection will be subject to compliance with governmental regulations.

Rule 90 Nominations and Tenders

Shippers desiring to nominate Crude Petroleum for transportation by Carrier shall provide Carrier with written notice of the type, origin, destination and quantity of its Nomination ("Notice of Intent to Ship"). Shippers shall promptly provide Carrier with all other information requested by Carrier to confirm that the Nominations and the proposed shipment will comply in all respects with this tariff. Notices of Intent to Ship must be received by Carrier via email or facsimile transmission on or before 12:00 Noon Central Standard Time/Central Daylight-Saving Time, whichever is applicable, the last working day prior to 16th day of the month preceding the month during which shipment is requested. A "working day" shall be a Monday, Tuesday, Wednesday, Thursday, or Friday of a calendar week, except when a Federal holiday falls on such day of the week.

The minimum amount of Crude Petroleum that Carrier will accept for transportation from any one Shipper under this tariff from any Origin Point other than a truck injection Origin Point, is five thousand (5,000) Barrels. Carrier shall have the option to move smaller batches.

Carrier will not accept nominations from Shippers for amounts in excess of the amount that said Shipper has readily accessible and available for shipment.

Shipper may make one nomination for transportation from an Origin Point on the Big Spring Segment to a Destination Point downstream of the Big Spring Terminal. Shipper will pay the applicable rate and charges for transportation on each such segment.

This rule amends Section I, Rule 7.

Rule 95 Pipeage Contracts

Carrier may require separate pipeage contracts from Shipper prior to Carrier providing any transportation service hereunder.

Rule 100 Charges for Spill Compensation Acts and Regulations

In addition to the transportation charges and all other charges accruing on Crude Petroleum accepted for transportation hereunder, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Carrier in connection with such Crude Petroleum by any Federal, state, or local government or agency which levies a tax, fee, or other charge, on the receipt, delivery, transfer, or transportation of such Crude Petroleum within such government's jurisdiction for the purpose of creating a fund for the prevention, containment, and/or removal of spills and/or reimbursement of persons sustaining loss or damage therefrom, and/or preparation for response to spills.

Rule 105 Truck Loading and Unloading

Shipments unloaded from tank trucks into Carrier's facilities are subject to a per-Barrel charge as specified in a Rates Tariff. Such charge will be in addition to all other charges.

NOTE: IN THE EVENT OF ANY CONFLICT OR DISCREPANCY BETWEEN SECTION I AND SECTION II OF THIS TARIFF, SECTION II WILL GOVERN.

**SECTION III
TABLE OF RATES**

Rates in Dollars per Barrel of 42 U.S. Gallons		
From	To	Rate
East Waddell Central Production Facility, Crane County, Texas	Pegasus Station, Midland County, Texas	\$0.5000