PLATTE PIPE LINE COMPANY, LLC

LOCAL TARIFF

CONTAINING
RULES AND REGULATIONS
GOVERNING THE
TRANSPORTATION
OF
PETROLEUM
IN

COMMON CARRIER SERVICE

ISSUED: April 3, 2013 EFFECTIVE: May 3, 2013

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

ISSUED BY

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GENERAL APPLICATION

Platte Pipe Line Company, LLC (hereinafter "Platte") offers a common carrier service which encompasses Batched, Upstream Common Stream and Common Stream Shipments. The Rules and Regulations published herein are applicable to pipeline transportation by Platte.

The distinction between Upstream Common Stream, Common Stream and Batched Shipments has been made, for certain limited purposes specified in this tariff, to reflect the transportation of Batched Shipments between Casper and points downstream, in conjunction with continued transportation of Platte's traditional Upstream Common Stream and Common Stream Shipments. Certain of Platte's Facilities are utilized to transport Common Stream Shipments; other of its Facilities are utilized to transport Batched or Upstream Common Stream Shipments. Common Stream Shipments received upstream of Casper and delivered downstream of Casper, are delivered pursuant to the batched items below. Only Crude Oil will be received at Casper in the Upstream Common Stream Shipments. Upstream Common Stream shipments received at Casper and delivered downstream of Casper are delivered pursuant to the batched items below. Additionally, any Common Stream Shipments received at Guernsey, Wyoming are delivered to downstream destinations pursuant to the batched items below. Some rules and regulations, including definitions, are applicable only to Upstream Common Stream, Common Stream or Batched Shipments and are indicated as such. All other rules and regulations, including definitions, are applicable to Batched, Upstream Common Stream and Common Stream Shipments transported by Platte.

The Rules and Regulations published herein apply only under Tariffs which make specific reference by Commission number to this Tariff; such reference will include supplements hereto and successive issues hereof. Specific Rules and Regulations published in individual Tariffs will take precedence over all Rules and Regulations published herein.

For inquiries regarding form or procedures, please contact the individual on the first page under "COMPILED BY."

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| 1 | Definitions | Except where the context expressly states another meaning, the following terms, when used in these Rules and Regulations and in any petroleum rate schedule into which these Rules and Regulations are incorporated, shall be construed to have the following meanings: |
| | | 1.1 "API" means American Petroleum Institute. |
| | | 1.2 "ASTM" means American Society for Testing and Materials. |
| | | 1.3 "Banking Day" means any day that the financial institutions designated by Carrier for payment in its monthly invoice conduct business. |
| | | 1.4 "Barrel" means forty-two (42) United States gallons. |
| | | 1.5 "Batched" or "Batched Shipments" means transportation of Petroleum that is Tendered or received at Platte's Mainline Facilities for transportation to any of Platte's Delivery Points, as an identifiable unit. |
| | | 1.6 "Binding Nomination" means Shipper's Nomination as described in Item 13.1 of these Rules and Regulations. |
| | | 1.7 "Carrier" means and refers to Platte Pipe Line Company, LLC. |
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| Temporary Definitions 1.8 "Commission" means the Wyporning Public Service Commission or any negulatory or government authority hereafter having a similar purisdiction in substitution therefore. | | RULES AND REGULATIONS (continued) | | | | | | |
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| Page 3 | | | 1.22 | be specified in the Monthly Nomination Form as described in Item 6.1 of these Rules and | | | | |
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| | RULES AND REGULATIONS (continued) | | | | | |
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| 1 | Definitions (continued) | 1.23 | "Nomination Form" means the document prescribed by Carrier to be used by Shipper in notifying Carrier of proposed Tenders, as such form may be amended from time to time. Inquiries regarding forms or procedures should be directed to the individual identified on the first page under "COMPILED BY." | | | |
| | | 1.24 | "Party" means Carrier or a Shipper. | | | |
| | | 1.25 | "Payment Due Date" means 15 days after billing date or 15 days after receipt of invoice whichever is the later date, in accordance with Item 8.1. | | | |
| | | 1.26 | "Person" means a natural person, firm, trust, partnership, corporation, government or governmental agency. | | | |
| | | 1.27 | A. "Petroleum" applicable to Common Stream Shipments, means either the direct liquid products of oil wells, or a mixture of the direct liquid products of oil wells with the indirect liquid products of oil or gas wells including gasoline and liquefied petroleum gases, all of which are of merchantable quality and that comply with Item 4.2A. | | | |
| | | | B. "Petroleum" applicable to Batched Shipments, means Oil which is the direct liquid product of Oil wells, Oil processing plants, Oil sands, or a mixture of such products that comply with Item 4.2B. | | | |
| | | | C. "Crude Oil" applicable to Upstream Common Stream Shipments, means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities. Crude Oil does not include natural gas liquids, natural gasoline, reclaimed petroleum, synthetic crude oil or indirect liquid products. Crude Oil shall not exceed 50 degrees API gravity. Crude Oil is generally referred to as "virgin crude oil". | | | |
| | | 1.28 | "Receipt Point(s)" means the inlet meter at one or more of the locations on Carrier Facilities as contained in Carrier's Tariff and designated by Shipper to Carrier from time time. | | | |
| | | 1.29 | "Shipper" means a Person who uses the transportation service of Carrier pursuant to the rules, regulations and rates in Carrier's Tariff. | | | |
| | | 1.30 | "Tariff" means the terms and conditions contained in these Rules and Regulations or other tariffs filed at the WYO. P.S.C. by Carrier and all supplements and successors thereof. | | | |
| | | 1.31 | "Upstream Common Stream" or "Upstream Common Stream Shipment" means Crude Oil, tendered or received at Upstream Common Stream Facilities, which is commingled or intermixed with other Crude Oil of like characteristics and quality. An Upstream Common Stream may be made up of one or more Tenders of Crude Oil provided that each Tender of Crude Oil meets the quality specifications, as set out in Item 4.2C. Once an Upstream Common Stream Shipment is received at Platte's Mainline Facilities for Delivery to points downstream of Casper it will thereafter be transported pursuant to the Batched Shipment items herein. | | | |
| | | 1.32 | "Working Stock" means the volume of Petroleum or Crude Oil required by Carrier for operational and scheduling purposes as determined and specified by Carrier from time time. | | | |
| | | 1.33 | "Year" means a period of 365 consecutive days; PROVIDED HOWEVER, that any such year which contains a date of February 29 shall consist of 366 consecutive days. | | | |
| 2 | Commodity | 2.1 | The Tariff covers the transportation of Petroleum or Crude Oil by Carrier, as specified in Item 4.2A, 4.2B and 4.2C, and no commodity other than Petroleum or Crude Oil will be transported under the Tariff. | | | |
| 3 | Origin and Destination | 3.1 | Acceptance and Delivery Petroleum or Crude Oil will be accepted for transportation only when Nominated and Tendered pursuant to Item 6 at Receipt Point(s) and Nominated for Delivery by the Shipper or a consignee at one or more Delivery Point(s). | | | |
| | | 3.2 | Delivery Facilities Petroleum or Crude Oil will be accepted for transportation only when the Shipper has provided or made arrangements for the necessary facilities and/or transportation service required to meet Carrier's operational requirements at the named Delivery Point(s) for receiving the Petroleum or Crude Oil at the rate of flow at which the Carrier is then operating its Facilities at such Delivery Point(s). | | | |
| | | | Page 4 | | | |

| | RULES AND REGULATIONS (continued) | | | | | | | |
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| ITEM NO | SUBJECT | | RULES AND REGULATIONS | | | | | |
| 4 | Quality | 4.1 | Permitted Petroleum or Crude Oil Applicable to Batched Shipments. Only that Petroleum having properties that are compatible with the specifications of Petroleum described in Item 4.2B hereof will be permitted in Carrier's Facilities. The Carrier shall have the right, but not the obligation, to measure and test all Petroleum prior to its receipt in the Carrier's system. Shipper will not Tender to Carrier, and Carrier will have no obligation to accept or transport Petroleum which does not meet said specifications of Petroleum. Petroleum tendered for transportation which differs in grade and general characteristics from that usually transported by Carrier will, at the Carrier's option be transported only under terms as agreed to in writing, by, between and applicable to requesting Shipper and Carrier. | | | | | |
| | | | Applicable to Common Stream Shipments. Even if the Petroleum Tendered meets the specifications of Item 4.2A, Carrier reserves the right to reject all Tenders unless the Tender can be commingled or intermixed with a grade of Petroleum which Carrier regularly transports between the origin and destination points without substantially reducing the value or altering the quality of any Common Stream regularly transported. Carrier will make the terms and conditions of such written agreements available to similarly-situated shippers requesting transportation under this paragraph, subject to the restrictions of 49 U.S.C. 15(13). | | | | | |
| | | | Applicable to Upstream Common Stream Shipments. Carrier will accept only Crude Oil which meets the quality criteria of the Upstream Common Stream and the specifications of Crude Oil described in Item 4.2C hereof. Carrier will monitor the quality of the Upstream Common Streams and shall investigate suspected abuses of the Upstream Common Stream criteria violations. Monitoring of Upstream Common Streams will include gravity and sulfur testing and could include simulated distillation and other testing to determine quality. | | | | | |
| | | 4.2 | A. Specifications of Petroleum, applicable to Common Stream Shipments. Carrier reserves the right to reject all tenders of Petroleum when, in Carrier's sole determination: (1) the Reid Vapor Pressure of the Petroleum or any mixture thereof with indirect products, exceeds twelve (12) pounds at one hundred degrees Fahrenheit (100°F); (2) the true vapor pressure of the Petroleum, or any mixture thereof with indirect products, might result in Carrier's noncompliance with Federal, State, or Local requirements regarding hydrocarbon emissions; (3) the Petroleum contains impurities exceeding five-tenths of one percent including not more than two-tenths of one percent water, (4) the Petroleum has been partially refined; or (5) the Petroleum has been contaminated by the presence of any chemicals including, but not limited to, chlorinated and/or oxygenated hydrocarbons and lead. Petroleum delivered to Carrier's Facilities, which does not meet these specifications, shall be considered contaminated. If upon investigation Carrier determines that a Shipper has delivered to Carrier's Facilities contaminated Petroleum such Shipper shall be excluded from further entry into applicable segments of the System until such time as quality specifications are met. | | | | | |
| | | | B. Specifications of Petroleum, applicable to Batched Shipments. Petroleum having the following specifications shall not be accepted for receipt under normal operating conditions, namely: (i) Reid Vapor Pressure in excess of fifteen (15) pounds at one hundred degrees Fahrenheit (100°F); (ii) containing sediment, water and other impurities, in excess of one-half of one percent (0.5%) of volume as determined by the centrifuge method in accordance with ASTM D96/API 2542 standards or by any other tests as may be established by Carrier; (iii) having at the Receipt Point a temperature greater than (100°F); (iv) having any organic chlorides, sulfurs or other compounds with physical or chemical characteristics that may render such Petroleum not readily transportable by Carrier or that may materially affect the quality of other Petroleum transported by Carrier or that may otherwise cause disadvantage to Carrier. | | | | | |
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| | RULES AND REGULATIONS (continued) | | | | | | | |
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| 4 | Quality (continued) | C. Specifications of Crude Oil, applicable to Upstream Common Stream Shipments. Carrier reserves the right to reject all tenders of Crude Oil when, in Carrier's sole determination: (1) the Reid Vapor Pressure of the Crude Oil exceeds twelve (12) pounds at one hundred degrees Fahrenheit (100°F); (2) the true vapor pressure of the Crude Oil might result in Carrier's noncompliance with Federal, State, or Local requirements regarding hydrocarbon emissions; (3) the Crude Oil contains impurities exceeding five-tenths of one percent including not more than two-tenths of one percent water; or (4) the Crude Oil has been contaminated by the presence of any chemicals including, but not limited to, chlorinated and/or oxygenated hydrocarbons and lead. No Shipper shall tender Crude Oil in the sweet Upstream Common Stream that is the product of a blend of Crude Oils whose sulfur content is above 0.50% by weight with Crude Oils whose sulfur content is less than 0.50% by weight. Crude Oil delivered to Carrier's Facilities, which does not meet these specifications, shall be considered contaminated. If upon investigation Carrier determines that a Shipper has delivered to Carrier's Facilities contaminated Crude Oil such Shipper shall be excluded from further entry into applicable segments of the System until such time as quality specifications are met. | | | | | | |
| | | Specification Guidelines Notwithstanding Item 4.2 or any other provision to the contrary expressed or implied herein, Carrier shall have the right to make any reasonable change to the specifications under Item 4.2, from time to time, to ensure measurement accuracy and to protect Carrier, quality of crude, personnel, capacity or equipment by filing revised specifications. | | | | | | |
| | | 4.4 Freedom from Objectionable Matter The Petroleum or Crude Oil if transported on Platte's Upstream Common Stream Facilities shall not contain sand, dust, dirt, gums, impurities or other objectionable substances which may be injurious to the Carrier or may interfere with the transportation of Petroleum or Crude Oil hereunder. | | | | | | |
| | | 4.5 Failure to Conform If Carrier determines that a Shipper does not comply with the provisions of Item 4.2, 4.3 or 4.4 of these Rules and Regulations, then such Shipper shall at its sole cost and expense remove its Petroleum or Crude Oil from Carrier's Facilities as directed by Carrier. Carrier may take such further action and remedies as it deems appropriate to [W] lessen or mitigate any adverse impacts to Carrier's Facilities. | | | | | | |
| | | Applicable to Upstream Common Stream Shipments If Carrier determines that a Shipper does not comply with the provisions of Item 4.1, 4.2, 4.3 or 4.4 of these Rules and Regulations such that a Shipper has adversely affected the quality of the Upstream Common Stream, the Shipper causing such abuses shall be advised to cease and desist all such actions. Failure to desist or failure to cooperate in ending such practices shall result in that Shipper being barred from shipping in the Upstream Common Stream where such abuses occurred. Before such Shipper is allowed to Tender Crude Oil to the Upstream Common Stream where such abuses occurred, the Shipper will be required to provide Carrier with written assurances that such abuses will not recur. Shippers who have intentionally violated these Upstream Common Stream restrictions may be liable for damages to other Shippers in the same Upstream Common Stream. | | | | | | |
| | | 4.6 Failure to Remove Petroleum or Crude Oil If a Shipper fails to remove its Petroleum or Crude Oil from Carrier's Facilities in accordance with the provision of Item 4.5 hereof, then Carrier, in addition to any other remedy it may have under the Tariff, at law or in equity, shall have the right to remove and sell such Petroleum or Crude Oil in a lawful manner as deemed appropriate by Carrier. Carrier shall pay from the proceeds of such sale all costs incurred by Carrier with respect to the storage, removal and sale of such Petroleum or Crude Oil and Carrier shall be entitled to retain a reasonable estimate of any damages, costs, and expenses already incurred or anticipated to be incurred by Carrier in respect of such Petroleum or Crude Oil. The remainder of such proceeds, if any, shall be paid by Carrier to the Shipper or in accordance with the Shipper's direction. Carrier may take such further action and remedies as it deems appropriate to lessen or mitigate any adverse impacts to Carrier's Facilities caused by Shipper's failure to comply with the provisions of Item 4. | | | | | | |
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| 5 | Segregation and Changes in Quality | 5.1 | Delivery of Types of Petroleum or Crude Oil Carrier shall endeavor to Delive substantially the same type and quality of Petroleum and Crude Oil as that received from Shipper; however, Carrier shall not be obligated to Deliver the identical Petroleum of Crude Oil received by Carrier. A Common Stream Shipper and an Upstream Common Stream Shipper recognize that if a Carrier transports, at Shipper's request, less than a 40,000 barrel batch of Petroleum or Crude Oil, proportionally greater changes in quality and/or gravity may occur than during transportation of larger batches. |
| | | 5.2 | Petroleum in Transit Petroleum Tendered for transportation will be received by Carrie only on the condition that it will be subject to such changes in gravity (density) or qualit while in transit as may result from the transportation thereof, or the mixture of sai Petroleum with other Petroleum in Carrier's Facilities. Carrier shall not be liable for an consequential loss or damage resulting from an alteration in gravity (density) or quality of Petroleum transported by Carrier. |
| | | | Crude Oil in Transit, Applicable to Upstream Common Stream Shipments Since variations in gravity and/or quality of Crude Oil are inherent in Upstream Common Stream operations, Carrier will not be liable for such variations occurring while the Crude Oil is its custody, nor is Carrier under any obligation to deliver the identical Crude Oil received but will make delivery out of such Upstream Common Stream. |
| | | 5.3 | Changes in Specifications and Types of Petroleum Permitted Notwithstanding the provisions of Item 5.2 hereof, if the Petroleum Tendered is of a type or quality not being currently transported through Carrier's Facilities, but subject to such Petroleum meeting the standards set out in Item 4 of these Rules and Regulations, Carrier may, as operating conditions permit, at the request of the Shipper, endeavor to transport and Deliver substantially the same type and quality of Petroleum. |
| | | 5.4 | Operation Carrier will operate and transport Common Stream, Upstream Common Stream and Batched Shipments in accordance with its Rules and Regulations herein. |
| | | | Applicable to Upstream Common Stream Shipments. Carrier will work with connecting carriers regarding the quality of Carrier's Upstream Common Streams and will adviss such connecting carriers that any Crude Oil tendered found to be a detriment to Carrier's Upstream Common Stream will be rejected for further transportation on Carrier's system. |
| | | 5.5 | Additional Common Streams (Applicable only to Common Stream Shipments With respect to Common Stream Shipments, after giving reasonable notice to Carrier subscriber list, Carrier may, from time to time, undertake to transport other or additional grades of Petroleum as a Common Stream at the request of a Shipper(s), provided that: |
| | | | i) Carrier shall not be liable to Shipper(s) for changes in the gravity or quality of suc grades of Petroleum while in transit; and |
| | | | ii) The Petroleum Tendered for transportation is made available at the Receipt Point(sin sufficient quantity, as Carrier deems economically justifiable. After givin reasonable notice to Carrier's subscriber lists, Carrier may, from time to time, ceas to transport certain grades of Petroleum as a Common Stream between particular Receipt Points and Delivery Points on its Common Stream Facilities. |
| | | | Applicable to Upstream Common Stream Shipments When requested by a Shipper and if operationally feasible, Carrier will endeavor to segregate Crude Oil of a kind and/or quality not currently transported through Carrier's Facilities. If the Crude Oil is transported as a segregated stream, Carrier will to the best of its ability make delivery of such Crude Oil at a destination which is substantially the same Crude Oil as that received by Carrier a origin. For such segregated streams, Shipper must provide Crude Oil in such quantities and at such specified times as may be necessary to permit such segregated movement to be transported via Carrier's existing facilities. Further, Carrier will not be liable for failur to deliver the identical Crude Oil or for any variations in the gravity and/or quality of Crude Oil occurring while such segregated Crude Oil is in Carrier's custody. |
| | | 5.6 | Buffers If a Shipper requests Carrier to transport Petroleum or Crude Oil which differs grade and general characteristics from that usually transported by Carrier, Carrier marequire the Shipper to supply buffers before and after its Batch of the type and quantitie Carrier prescribes. Carrier will provide to any such shipper a record of the type and volume of buffer(s) previously required under this Item for similar shipments by othe Shippers. |

| ΓΕΜ NO | SUBJECT | | RULES AND REGULATIONS (continued) | | | |
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| 6 | Tenders and | 6.1 | Monthly Nominations On or before Carrier's Monthly Nomination Date, Shipper shall | | | |
| | Quantities | | provide Carrier with a Nomination on the prescribed Nomination Form including the volume of Petroleum or Crude Oil to be shipped for the following Month, the Receipt Point(s), the Delivery Point(s) and type(s) of Petroleum or Crude Oil. Shipper shall, upon notice from Carrier, also provide written third party verification of the availability of its supply of Petroleum or Crude Oil and of its capability to remove such Petroleum or Crude Oil from the Delivery Point(s) as may be required by Carrier in support of such Shipper's Nomination. Carrier shall not be obligated to accept Shipper's Nomination where such verification is unacceptable to Carrier. | | | |
| | | 6.2 | Tenders A Shipper desiring to Tender Petroleum or Crude Oil for transportation shall make such Tender in accordance with Carrier's established Tender process. If Shipper is unable to remove from the Delivery Point(s) the volume of Petroleum or Crude Oil to be Tendered, Carrier may reduce the amount of Petroleum or Crude Oil accepted from Shipper for transportation to the amount which Shipper has verified to Carrier's satisfaction that it will be able to remove from the Delivery Point(s). | | | |
| | | 6.3 | Ratability A Tender will be accepted only when the total quantity covered thereby wi be delivered to Carrier at a Receipt Point for transportation within said Month at a daily rate or in quantities and at times to be specified or accepted by Carrier. | | | |
| | | 6.4 | A. Minimum Tender and Delivery, applicable to Common Stream Shipments. Tenders for the transportation of Petroleum for which the Carrier has Facilities will be accepted into the System under this tariff in quantities of not less than ten thousand (10,000) barrels aggregate from one or more Shippers as operations permit and provided such Petroleum is of similar quality and characteristics as is being transported from receipt point to destination point. The Carrier is not obligated to transport Petroleum until it has received for the account of one or more Shippers, for delivery to a single destination (including any delivery point on the Mainline Facilities in a common batch, a quantity aggregating not less than twenty-five thousand (25,000) barrels of the same quantity of Petroleum within a two (2) month period or different qualities to be commingled, provided that the Shippers and Carrier agree to said commingling. | | | |
| | | | B. Minimum Tender and Delivery, applicable to Batched Shipments: Carrier is no obligated to receive a Tender(s) or Deliver a batch of less than forty thousand Barrel (40,000 bbls.). When operating circumstances permit and space available, Carrier as its discretion, may take receipt or make Delivery of Petroleum in batches of less that forty thousand Barrels (40,000 bbls.). When Carrier receives volumes from the Common Stream Facilities into the Mainline Facilities, the minimum aggregated volume required for further transportation and delivery to a single destination on the Mainline Facilities will be twenty-five thousand barrels (25,000 bbls). | | | |
| | | | C. Minimum Tender and Delivery, applicable to Upstream Common Stream Shipments. Tenders for the transportation of Crude Oil for which the Carrier has Facilities will be accepted into the System under this tariff in quantities of not less than ten thousand (10,000) barrels aggregate from one or more Shippers as operations permit and, provided such Crude Oil is of similar quality and characteristics as is being transported from receipt point to destination point. The Carrier is not obligated to transport Crude Oil until it has received for the account one or more Shippers, for delivery to a single destination (including any delivery point on the Mainline Facilities) in a common batch, a quantity aggregating not less that twenty-five thousand (25,000) barrels of the same quantity of Crude Oil within a two (2) month period or of different qualities to be commingled, provided that the Shipper and Carrier agree to said commingling. | | | |
| | | 6.5 | Late Nominations Subject to the provisions of Item 13, if space is available and operating circumstances permit, Carrier may, at its discretion, accept Nominations, o revised Nominations after the Carrier's Monthly Nomination Date. | | | |
| | | 6.6 | Working Stock Shipper Shipper shall supply its proportionate share of Working Stock by types and volumes as determined from time to time by Carrier. | | | |

| | RULES AND REGULATIONS (continued) | | | | | |
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| ITEM NO | SUBJECT | | RULES AND REGULATIONS | | | |
| 6 | Tenders and Quantities (continued) | 6.7 | Flow Rates and Volumes Carrier will normally take full stream receipts at the Receipt Point(s) and will make full stream Deliveries of Petroleum or Crude Oil at the Delivery Point(s) at flow rates and volumes compatible with Carrier's operations. Carrier may take less than full stream receipts at the Receipt Point(s) provided that, in Carrier's discretion, such Petroleum or Crude Oil can be received into Carriers Facilities without disrupting Carrier's operations. Shipper shall provide, or arrange for, the facilities necessary to promptly remove the Petroleum or Crude Oil at the named Delivery Point(s) at flow rates, volumes and pressure designated by the Carrier. | | | |
| 7 | Application of Rates | 7.1 | Effective Rates Petroleum or Crude Oil accepted for transportation shall be subject to the rates in effect on the date of receipt of such Petroleum or Crude Oil by Carrier, irrespective of the date of Nomination(s). | | | |
| | | 7.2 | Petroleum or Crude Oil accepted for transportation from a point on the Carrier's lines not named in the tariff will be deemed to have been received at the next more distant point named in the tariff for the purpose of determining the rate to be charged. | | | |
| 8 | Payment of Tariff Charges and Lien for Unpaid Charges | 8.1 | Shipper shall pay to Carrier rates in accordance with the Tariff in effect on the day the shipment is received by Carrier for transportation on or before the Payment Due Date. By the Tenth (10th) Day of the Month following Delivery, Carrier will provide Shipper a Monthly Invoice by electronic means detailing: | | | |
| | | | the charges payable to Carrier pursuant to the Tariff for Shipper's volumes Delivered during the previous Month, and | | | |
| | | | (ii) any other charges for which Shipper is liable under the Tariff: | | | |
| | | | Provided, however, that as to Common Stream Shipments and Upstream Common Stream Shipments, this item applies except as to the calculation and invoicing of gravity bank payments, which are governed by Item 21.6. | | | |
| | | 8.2 | In addition to any other remedies available to Carrier under the Tariff, at law or in equity, Carrier shall have a lien on all Petroleum or Crude Oil in its possession belonging to Shipper to secure the payment of any and all unpaid transportation or other lawful charges that are due to Carrier and unpaid by Shipper, and Carrier may withhold such Petroleum or Crude Oil from Delivery until all unpaid charges shall have been paid. | | | |
| | | 8.3 | Should Shipper fail to pay all of the amount of any invoice as herein provided on or before the Payment Due Date, interest on the unpaid portion of the invoice accrues daily at a rate of interest per annum equal to the rate specified in 18 C.F.R. § 340.1(c)(2) and the principal and accrued interest to date shall be payable and due immediately upon demand. If such failure to pay continues for ten (10) days after the Payment Due Date, Carrier, in addition to any other remedy it may have under the Tariff, at law or in equity, may suspend further receipt of Petroleum or Crude Oil until such amount is paid PROVIDED HOWEVER, that if Shipper in good faith disputes the amount of any such invoice or part thereof and pays to Carrier such amounts as it concedes to be correct, and at any time thereafter within twenty (20) days of a demand made by Carrier furnishes good and sufficient financial assurances, guaranteeing payment to Carrier of the amount ultimately found due upon such invoice after a final determination reached either by agreement, arbitration or judgment of the courts, as may be the case, then Carrier shall not be entitled to suspend further receipt of Petroleum or Crude Oil because of such nonpayment unless and until default be made in the conditions of financial assurances. | | | |
| | | 8.4 | If said charges remain unpaid ten (10) days after notice and demand therefore, Carrier shall have the right to sell through an agent, any Petroleum or Crude Oil delivered to Carrier by the Shipper and then in the custody of Carrier or its agent or otherwise traceable and lienable by Carrier, at public auction from any office of Carrier on any Day not a legal holiday, provided that the auction takes place not less than forty-eight (48) hours after the publication of notice of such sale in a daily newspaper of general circulation published in the area of the proposed sale, stating the time, place of sale and quantity and location of Petroleum or Crude Oil to be sold. Subject to Items 4.6 and 9.2, Shipper covenants and agrees not to dispose of its Petroleum or Crude Oil other than subject to the lien afforded Carrier hereby. At said sale Carrier shall have the right to bid and, if the highest bidder, to become the purchaser. From the proceeds of said sale Carrier will pay itself the transportation and all other lawful charges, including reasonable storage charges pending sale and expenses incident to said sale, and the balance remaining, if any, shall be held in trust for whomever may be lawfully entitled thereto, without the obligation to pay interest thereon. Any such funds may be commingled in any other account or accounts maintained by Carrier from time to time. | | | |

| | RULES AND REGULATIONS (continued) | | | | | |
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| ITEM NO | SUBJECT | | RULES AND REGULATIONS | | | |
| 9 | Delivery and Acceptance | 9.1 | Carrier will deliver Petroleum or Crude Oil with reasonable diligence and dispatch, and Shipper shall accept and remove its Petroleum or Crude Oil from the Facilities of Carrier upon Delivery of the Petroleum or Crude Oil. | | | |
| | | 9.2 | If, after 24 hours notice, Shipper fails to remove its Petroleum or Crude Oil from the Delivery Point or from the custody of Carrier upon Carrier's delivery, then Carrier shall, in addition to any other remedy it may have under the Tariff, at law or in equity, have the right to remove and sell such Petroleum or Crude Oil in such lawful manner as deemed appropriate by Carrier. Carrier shall pay from the proceeds of such sale all costs incurred by Carrier with respect to the storage, removal and sale of such Petroleum or Crude Oil. The remainder of such proceeds, if any, shall be held by Carrier for the Shipper and any other party lawfully entitled to such proceeds. | | | |
| | | 9.3 | With respect to Common Stream Facilities and Upstream Common Stream Facilities, when both receipt from and/or Deliveries to a connecting carrier of substantially the same grade of Petroleum or Crude Oil in the respective Common Stream are scheduled at the same interconnection, Carrier reserves the right to offset like volumes of such Petroleum or Crude Oil. | | | |
| 10 | Liability of Shipper | 10.1 | If the Petroleum or Crude Oil is not removed from Carrier's Facilities upon the Delivery, and a disruption of the Carrier's operations results, Shipper shall be solely responsible for all costs or losses to Carrier associated with such disruption, including loss of revenue resulting therefrom, unless the non-removal of such Petroleum or Crude Oil is due to the negligence of Carrier. | | | |
| | | 10.2 | Shipper shall indemnify Carrier for any damages, losses, costs or consequential losses incurred by Carrier or any other party as a result of such Shipper's failure to comply with any provision of the Tariff, unless Shipper's failure to comply is due to the negligence of Carrier. | | | |
| | | 10.3 | Spill Compensation In addition to the transportation charges and all other charges accruing on Petroleum or Crude Oil accepted for transportation, a per barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against the Carrier in connection with such commodity, pursuant to any Federal, State or Local act or regulation which levies a tax, fee or other charge on the receipt, delivery, transfer or transportation of such commodities within their jurisdiction for the purpose of creating a fund for the prevention, containment, clean up and/or removal of spills and/or the reimbursement of persons sustaining loss therefrom. | | | |
| | | | If damage to or loss of Petroleum or Crude Oil results from any cause other than the negligence of Carrier while Carrier is in possession or control of such Petroleum or Crude Oil, then Carrier may apportion the cost of such damage or loss on a pro rata basis among all Shippers. Each Shipper's share of such cost shall be determined by Carrier based on the proportion of the volume of the Shipper's Petroleum or Crude Oil in the possession of Carrier on the date of such loss to the total volume of Petroleum or Crude Oil in the possession of Carrier on the date of such loss. | | | |
| 11 | Liability of Carrier | 11.1 | Carrier shall not be liable to Shipper for any losses, damages, consequential losses or damages unless as a result of Carrier's negligence. | | | |
| | | 11.2 | If damage to or loss of Petroleum results from any cause other than the negligence of Carrier while Carrier is in possession or control of such Petroleum, then Carrier may apportion the cost of such damage or loss on a pro rata basis among all Shippers. Each Shipper's share of such cost shall be determined by Carrier based on the proportion of the volume of the Shipper's Petroleum in the possession of Carrier on the date of such loss to the total volume of Petroleum in the possession of Carrier on the date of such loss. | | | |
| | | 11.3 | All Shippers shall be responsible for their proportionate share of physical losses of Petroleum or Crude Oil resulting from normal pipeline operations including line losses and shrinkage. | | | |
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| | RULES AND REGULATIONS (continued) | | | | | |
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| ITEM NO | SUBJECT | | RULES AND REGULATIONS | | | |
| 12 | Force Majeure | | arrier or Shipper fails to perform any obligations under the Tariff due to an event Majeure, then such failure shall be deemed not to be a breach of such s. | | | |
| | | mean any lockouts landslides regulation jurisdictior the contro unable to | "Force Majeure," as employed herein and for all purposes relating hereto, shall act of God, war, civil insurrection or disobedience, acts of public enemy, strikes, or other industrial disturbances, accidents, blockades, riots, epidemics, lightning, earthquakes, explosions, fires, floods, civil disturbances, the act, order, direction or requisition of any governmental or other authority having any or other cause whether of the kind enumerated or otherwise which is beyond of the applicable Party and which by the exercise of due diligence such Party is prevent or overcome. No event of Force Majeure shall relieve any Shipper from ons to make payments to Carrier unless the event of Force Majeure occurs on facilities. | | | |
| | | 12.3 Notwithsta | anding Items 12.1 and 12.2, the following shall not be events of Force Majeure: | | | |
| | | * * | iciency of Shipper's Petroleum or Crude Oil supplies; or per's lack of funds. | | | |
| | | 12.4 A Party th by an eve insofar as strike, lock | at fails to perform any obligation(s) under the Tariff where such failure is caused ent of Force Majeure shall promptly remedy the cause of the Force Majeure it is reasonably able to do so, provided that the terms of the settlement of any cout or other industrial disturbance shall be wholly in the discretion of the Party uspension of its obligations hereunder by reason thereof. | | | |
| | | 12.5 Notwithsta | anding the above provisions, no event of Force Majeure shall: | | | |
| | | | e any Party from any obligation or obligations unless such Party gives notice easonable promptness of such event to the other Party; or | | | |
| | | reaso | e any Party from any obligation or obligations after the expiration of a nable period of time within which, by the use of its due diligence, such Party have remedied or overcome the consequences of such event of Force Majeure. | | | |
| 13 | Prorationing | opportunit Nominatio | Nominations For any Month, if the Carrier determines that Nominations capacity, then the Carrier will notify each Shipper and provide each Shipper any to reduce its Nomination, which Nomination shall be considered a Binding n. If a Shipper does not submit a reduced Nomination then its initial Nomination onsidered its Binding Nomination. | | | |
| | | directed b event tha capacity s share of c Month wh transporta | Allocation Following the receipt of Binding Nominations for a given Month as y Item 13.1, Carrier shall determine the capacity available in that Month. In the t Binding Nominations for that Month exceed the capacity available, such shall be allocated to Shipper's on a pro rata share of capacity basis. "Pro rata capacity" means the quantity of transportation service allocated to Shipper in a ereby such allocation equals the product of the capacity of Carrier available for tion service, times a fraction; the numerator of that fraction is the Shipper's omination and the denominator is the total of all Shipper's Binding Nominations onth. | | | |
| | | determine | Obligations If after receiving Shippers' Binding Nominations, the Carrier s that it must prorate capacity, then the following formula will be utilized to the Shipper's payment obligation: | | | |
| | | Nominatio with Item Nominatio the produ volume to Binding N | Tenders a volume greater or equal to ninety-five percent (95%) of its Binding in the Shipper shall be invoiced based on its delivered volumes in accordance 8.1. If the Shipper Tenders less than ninety-five percent (95%) of its Binding in then Shipper shall be invoiced for its delivered volumes for that month, plused to the applicable tariff and volume equal to the difference between the actual endered and a volume equal to ninety-five percent (95%) of the Shipper's omination or Shipper's pro-rated Binding Nomination pursuant to Item 13.2, as by further prorating or operational factors. | | | |
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| TEM | | 1 | ULES AND REGULATIONS (continued) |
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| NO | SUBJECT | | RULES AND REGULATIONS |
| 14 | Petroleum Involved in Legal Disputes | 14.1 | Petroleum or Crude Oil which is in any way subject to litigation, or the ownership of whic may be in dispute, or which is subject to a lien or charge of any kind, may not b Tendered by Shipper or accepted by Carrier for transportation unless and until the Shipper shall furnish a bond or other form of indemnity satisfactory to Carrier against an liability or loss arising as a result of such litigation, dispute, lien or charge. |
| 15 | Claims, Suits Time for Filing | 15.1 | As a condition precedent to recovery, claims for loss or damage, in connection with the transportation of Petroleum or Crude Oil Tendered for shipment under the Tariff, must be submitted in writing to Carrier within nine (9) months after Delivery of the Petroleum, or Crude Oil or, in the case of failure to make Delivery, then within nine (9) months after reasonable time for Delivery has elapsed; and suits arising out of such claims must be instituted against Carrier within two (2) Years from the date when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any parts or part thereof specified in the notice. Claims advanced beyond such two (2) Year period shall be nuture and void as between Shipper and Carrier. In causing Petroleum or Crude Oil to be transported under the Tariff, the Shipper agrees to be bound by the provisions of this clause and waives any rights which it might otherwise have at law, equity or otherwise, to make a claim after the expiration of said period of nine (9) months or to bring an action after the expiration of the said period of two (2) Years. |
| 16 | Measurements | 16.1 | The volumetric measurement base of all Petroleum or Crude Oil referred to in the Tari shall be one (1) Barrel. |
| | | 16.2 | All Petroleum or Crude Oil received by Carrier for transportation shall be measured an tested by a representative of Carrier prior to its receipt in the Carrier's system. The Shipper may have a representative present at the gauging or metering and testing. If tan tables are used, quantities will be computed from regularly compiled tank tables showing one hundred percent (100%) of the full capacity of the tanks. Whenever there is substantial evidence of meter malfunctions in a custody transfer measurement, the Parties involved in the custody transfer shall negotiate an appropriate adjustment on the basis of the most reliable and accurate information available. Such adjustments may only be claimed for a period of up to ninety (90) days after the date of discovery of the meter malfunction. Failing negotiated agreement of an appropriate adjustment, the matter shall be referred to arbitration for final determination pursuant to the Commercial Arbitration Rules of the American Arbitration Association. |
| | | 16.3 | All Petroleum or Crude Oil shall be received and Delivered with documented meter |
| | | 16.4 | tickets. All measurement procedures are to be conducted in accordance with API/ASTI standards and pipeline industry practice or such other tests as may be agreed upon b Carrier and Shippers. |
| | | 16.5 | A. Applicable to Common Stream Shipments. When indirect liquid products are mixed with direct liquid products in pipeline or tanks of the Carrier, five percent (5% of all indirect liquid products will be deducted and retained by Carrier to cover shrinkage and evaporation. Carrier shall account to each Shipper for one hundred percent (100%) of Petroleum received for its accounts. Adjustments for shortage for direct liquid products, including |
| | | | losses for shrinkage and evaporation incident to Carrier transportation, will then be based on the proportion that such Shipper's total Deliveries from the Carrier be stream bears to the total Deliveries of all Shippers by stream from the Carrier Overages and shortages will be calculated and prorated to Net Standard Volumes. |
| | | | B. Applicable to Batched Shipments. Carrier shall account to each Shipper for on hundred percent (100%) of Petroleum received for its account. Adjustments for shortages, including losses for shrinkage and evaporation incident to Carrier transportation, will then be based on the proportion of such Shipper's total Deliverier from the Carrier to the total Deliveries of all Shippers from the Carrier. Overages of shortages will be calculated and prorated to Net Standard Volumes. |
| | | | C. Applicable to Upstream Common Stream Shipments. Carrier shall account to each Shipper for one hundred percent (100%) of Crude Oil received for its account Adjustments for shortages, including losses for shrinkage and evaporation incident to Carrier transportation, will then be based on the proportion of such Shipper's total Deliveries from the Carrier to the total Deliveries of all Shippers from the Carrier Overages or shortages will be calculated and prorated to Net Standard Volumes. |

| | | R | RULES AND REGULATIONS (continued) |
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| TEM NO | SUBJECT | | RULES AND REGULATIONS |
| 16 | Measurements (continued) | 16.6 | Carrier's representative, upon reasonable notice to Shipper, shall have the right to enter upon the Shipper's premises or the premises of a third party that is utilized by a Shipper where Petroleum or Crude Oil is stored and have access to any and all tankage for the purpose of making any examination, inspection, measurement, or test provided for under these Rules and Regulations. |
| 17 Representation and Warranties | | 17.1 | Carrier represents and warrants that it shall operate its Facilities on a common carrier basis, providing transportation for remuneration without undue discrimination among its Shippers, and that Carrier shall operate its Facilities in accordance with all applicable laws and orders, directions, rules, regulations and Tariffs as may be made by the Commission or such other body having jurisdiction over Carrier. |
| | | 17.2 | Shipper represents and warrants that: (i) it has in place for all Tendered Petroleum or Crude Oil all required approvals, permits and authorizations for the removal and transportation of Petroleum or Crude Oil hereunder; (ii) it owns or controls, has the right to Deliver or have Delivered for its account, the Petroleum or Crude Oil that is Delivered to Carrier; (iii) it shall indemnify and hold harmless Carrier against all claims, actions or damages arising from any adverse claims by third parties claiming ownership or an interest in the Petroleum or Crude Oil Delivered for transport to Carrier, and (iv) it will pay Carrier the charge(s) as derived herein by the Payment Due Date. |
| | | 17.3 | Carrier does not offer a storage service |
| 18 | Governing Law | 18.1 | The Tariff is subject to the provisions of the constitution and laws of Wyoming. |
| 19 | Financial Assurances | 19.1 | security for the payment of the charges to be paid by Shipper to Carrier for transportation service ("Financial Assurances"). If requested, Shipper's Financial Assurances must be provided to Carrier prior to Carrier accepting Shipper's Nominations or Binding Nominations. Carrier shall thereafter have the option to refuse Nominations or Binding Nominations, in whole or in part, from Shipper until adequate Financial Assurances are provided. Shipper shall provide notice of any change in its financial situation that would adversely affect the Shipper's ability to pay Carrier for transportation service. |
| 20 | Requested Changes by Shipper | 20.1 | Shipper Requests Following Shipper's Tender and upon the written request of Shipper, and successor Shipper, Carrier may allow Shipper to transfer its control over a shipment to another Shipper, provided that the successor Shipper: (i) satisfies the Financial Assurances requirement specified in Item 19 herein, and (ii) assumes all obligations under the Tariff as of the time Carrier approves the transfer. Subject to the operating conditions on Carrier's facilities, the Carrier may allow a Shipper to change the Delivery Point(s) designated in its Nomination or Binding Nomination to another Delivery Point(s). |
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| ITEM | RULES AND REGULATIONS (continued) | | | | | | | | |
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| NO | SUBJECT | RULES AND REGULATIONS | | | | | | | |
| 21 | Gravity Bank Adjustments | 21.1 General Provisions, applicable to Common Stream Shipments and Upstream Common Stream Shipments. In Order to provide a means whereby Shippers will not materially be disadvantaged or allowed to benefit due solely to changes in gravity as the result of commingling Petroleum or Crude Oil of different gravities within the Common Stream or Upstream Common Stream in the system, Carrier has established a gravity bank to calculate, collect and remit just and nondiscriminatory monetary adjustments among all Shippers Tendering within a stream for changes in gravity which result from Common Stream or Upstream Common Stream operations. Each Shipper Tendering Petroleum or Crude Oil to the Common Stream or Upstream Common Stream Facilities is required to participate in the gravity bank. Each Shipper agrees that the Carrier is not liable under any circumstances whatsoever for the payment of any gravity bank adjustment for which another Shipper(s) has failed to make its required payment under this provision. | | | | | | | |
| | | gravity differences. Each | | ustments among all Shippers for arrier the computed adjustments Regulations. | | | | | |
| | | Petroleum will be received by Carrier and commingled in the appropriate Common Streams as determined acceptable by Carrier. The current commingled Common Streams maintained by Carrier are: Asphalt Sour Wyoming Sweet | | | | | | | |
| | | | General Sour | | | | | | |
| | | by Carrier and commingle acceptable by Carrier. | ed in the appropriate Upstream (| nents, Crude Oil will be received Common Streams as determined eam Common Streams that are ies maintained by Carrier are: | | | | | |
| | | Asphalt Sour Wyoming Sweet | | | | | | | |
| | | Each Common Stream and Upstream Common Stream will have at least one receipt bank and one Delivery bank as shown: | | | | | | | |
| | | | AVITY BANKS FOR COMMON | | | | | | |
| | | COMMON STREAMS | RECEIPT LOCATIONS | DELIVERY LOCATIONS | | | | | |
| | | Asphalt Sour Banks | Guernsey to | Guernsey 1 | | | | | |
| | | Wyoming Sweet | Guernsey to | Guernsey | | | | | |
| | | Banks | Gurley to 2 | Gurley 2 | | | | | |
| | | General Sour | Guernsey to | Guernsey | | | | | |
| | | Banks | 1 | 1 | | | | | |
| | | STRUCTURE OF GRAVITY | BANKS FOR UPSTREAM COM | MMON STREAM SHIPMENTS | | | | | |
| | | COMMON STREAMS | RECEIPT LOCATIONS | DELIVERY LOCATIONS | | | | | |
| | | Asphalt Sour Banks | Casper 1 | Casper 1 | | | | | |
| | | Wyoming Sweet Banks | Casper 1 | Casper 1 | | | | | |
| | | 21.2 Gravity Value Formulae Gravity values used herein are for the sole purporthe required calculations to effect the adjustments required and in no widetermine the price of Petroleum or Crude Oil. Gravity value formulae determining differentials for gravity adjustments hereunder are as follows: | | | | | | | |
| | | Page | | | | | | | |

| | | RULES AND REG | GULATIONS (continued) | | | | | |
|------------|--|--|--|---|---|--|--|--|
| ITEM NO | SUBJECT | | RULES AND REGULATIONS | | | | | |
| 21 | Gravity Bank Adjustments (continued) | GRAVITY VALUE FORMULAE | | | | | | |
| | (continued) | CRUDE GROUP Asphalt Sour and General Sour | GRAVITY RANGE, °API 10.0 - 33.9 34.0 - 35.9 36.0 - 39.9 40.0 - 44.9 | 6.800 + (° | JE, \$/BARREL API-10.0)(0.20) API-34.0)(0.04) API-36.0)(0.02) | | | |
| | | | 45.0 and above | 6.945 + (° | API-45.0)(0.15) | | | |
| | | Wyoming Sweet | 10.0 - 39.9 40.0 - 44.9 45.0 and above | 2.000 | API-10.0)(0.02) | | | |
| | | 45.0 and above 1.985 + (°API-45.0)(0.15) These formulae represent the gravity adjustment schedules used by the majority of the Petroleum or Crude Oil purchasers who have published postings for the listed Petroleum or Crude Oil transported by Carrier. The format used is independent of the price of Petroleum or Crude Oil. | | | | | | |
| | | All Petroleum or Crude C use in the formulae. | Oil gravities are to be recorded to the r | nearest one-tenth | degree API for | | | |
| | | GRAVITY VALUE FORMULAE Asphalt Sour Examples | | | | | | |
| | | | .5°, which is 0° and 33.9°API. e is: 2.000 + (17.5 - 10.0) (0.20) | = | \$3.50 | | | |
| | | | .1°, which is 0° and 33.9°API. e is: 2.000 + (23.1 - 10.0) (0.20) | = | \$4.62 | | | |
| | | | ce in Gravity Value der "A" and Tender "B" is: \$4.62 - \$3.50 | 0 = | \$1.12 | | | |
| | | | derived in another manner: stment below 34° is \$0.02/0.1° API | | | | | |
| | | (23.1 - 17.5) | (0.02/0.1) | = | \$1.12 | | | |
| | | | ALUE DIFFERENCE | = | \$1.12 | | | |
| | | gravity will be ma commingled Comn Common Stream I made for each com set forth in Item 2 | djustments among Shippers of Petroleude for Petroleum or Crude Oil receiven on Stream or Upstream Common Stream Common Stream Common Stream Common Stream or Upstream 1.2, with such adjustments being effect change of funds among the Shippers | red into and Del ream operations m facilities. Adju n Common Strear cted by a proces | ivered from the of the Carrier's sustments will be m by location as as of debits and | | | |
| | | the applicable Tender however, Petroleur points (for example in the commingled Carrier will determing such segregation measuring points in the credited with the | or Crude Oil receipts and individual Sider gravity will be the one used in determ or Crude Oil is received or Delivere, connecting common carriers) and mill Common Stream or Upstream Commine if such receipt or Delivery can be son cannot be made, then all Shippers in the commingled Common Stream or e weighted average gravity of the total in Stream at that location. | rmining the gravit red through com ore than one Shi non Stream throu segregated by ind shipping through r Upstream Comr | ry value. Where, mon measuring pper is shipping agh such points, dividual Shipper. In such common mon Stream will | | | |
| | | | be made for each Shipper's volume or Upstream Common Stream in the foll | | a commingled | | | |
| | | | Page 15 | | | | | |

| | RULES AND REGULATIONS (continued) | | | | |
|------------|--|--|--|--|--|
| ITEM NO | SUBJECT | RULES AND REGULATIONS | | | |
| 21 | Gravity Bank Adjustments (continued) | The weighted average gravity value of a gravity bank will be determined for all Petroleum or Crude Oil being received into each commingled Common Stream or Upstream Common Stream and similarly for the Petroleum or Crude Oil being Delivered out of the Carrier's Common Stream Facilities or Upstream Common Stream Facilities from each commingled Common Stream or Upstream Common Stream. This value will be determined by dividing the total number of Barrels received (Barrels Delivered out for the Delivery calculations) in each commingled Common Stream or Upstream Common Stream into the sum total of the products obtained by multiplying each receipt (Delivery) volume in such stream by its appropriate gravity value. Each Shipper's gravity value will be determined by multiplying the quantity of Barrels received (or Delivered for Delivery calculations) in the applicable bank of the commingled Common Stream or Upstream Common Stream by the gravity value per Barrel obtained from the appropriate Petroleum or Crude Oil gravity value formulae. | | | |
| | | 21.4 Debits and Credits for Receipts by Carrier | | | |
| | | (i) The weighted average gravity value per Barrel of each Shipper's total Barrels received by Carrier for shipment in a commingled Common Stream or Upstream Common Stream will be computed as described in this item. | | | |
| | | (ii) The weighted average gravity value per Barrel of all Shippers' Barrels received by Carrier for shipment as a commingled Common Stream or Upstream Common Stream will also be computed in a similar manner, subject to the following: | | | |
| | | (a) If the weighted average gravity value per Barrel of a Shipper as determined under (i) is greater than that determined under (ii), the Shipper will be credited an amount which shall be calculated by multiplying the differences in gravity value per Barrel by the total Barrels Delivered to Carrier by such Shipper for movement in the applicable bank of the commingled Common Stream or Upstream Common Stream. | | | |
| | | (b) If the weighted average gravity value per Barrel of a Shipper as determined under (i) is less than determined under (ii), the Shipper will be debited an amount as calculated in (a) above. | | | |
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| I | | Page 16 | | | |

| | | RULES A | ND REGULATION | IS (continued) | | | |
|------------|--|---|---|---|--|--|--|
| ITEM NO | SUBJECT | | RU | LES AND REGULATI | ONS | | |
| 21 | Gravity Bank Adjustments (continued) | EXAMPLE OF TYPICAL RECEIPT BANK FOR ASPHALT SOUR COMMON STREAM OR UPSTREAM COMMON STREAM | | | | | |
| | | | | MEASURED | *GRAVITY VALUE | VOLUME X VALUE | |
| | | SHIPPER | VOLUME BBLS | GRAVITY ºAPI | \$ / BBL. | \$ | |
| | | Α | 10 | 16.4 | 3.2800 | 32.80 | |
| | | | 20 10 | 20.8 23.4 | 4.1600 | 83.20 46.80 | |
| | | | 40 | 23.4 | 4.6800 4.0700 | 162.80 | |
| | | | 10 | | 1.07 00 | 102.00 | |
| | | В | 20 | 21.8 | 4.3600 | 87.20 | |
| | | | 20 | 21.3 | 4.2600 | 85.20 | |
| | | | 40 | | 4.3100 | 172.40 | |
| | | С | 5 | 14.0 | 2.7200 | 13.60 | |
| | | | 5 | 16.0 | 3.2800 | 16.40 | |
| | | | 5 | 20.0 | 4.2200 | 21.10 | |
| | | | 5 | 25.0 | 5.0000 | 25.00 | |
| | | | 20 | | 3.8050 | 76.10 | |
| | | Total | 100 | | **4.1130 | \$411.30 | |
| | | **Average Gravi Shipper A's ave Therefore, A pay Shipper B's ave Therefore, B red Shipper C's ave Therefore, C pay The sum of pays 21.5 Debits and (i) The Deliv or Up 21.4. (ii) The spec Com (a) | rage gravity value is \$ reives 40 (4.3100 - 4.1 rage gravity value is \$ rage gravity value saments equals the sum and continuous formula for the sum of the | 4.0700 which is low 4.0700 which is low 5 = -\$1.72 4.3100 which is high 130) = +\$7.88 3.8050 which is low 6) = -\$6.16 6 of receipts. 2 by Carrier 2 ravity value per Berific Delivery Pointer 2 ravity value per Berific Delivery Pointer 2 ravity value per Barre 3 carrier from a computed, in a si 3 rage gravity differer 4 is greater than tha 5 int which shall be computed. 6 Barrel by the total 6 common Streat 6 unt. 7 rage gravity differer 6 less than that deter 6 count as calculated in | er than the \$4.1130 aver the \$4.1 | verage. ver | |
| | | | Dog 17 | | | | |

| ΓEM | SUBJECT | | RU | LES AND REGULATI | IONS | | | |
|-------|-------------------------|---|---|---|--|--|--|--|
| NO 21 | Gravity Bank | EXAMPLE OF TYPICAL DELIVERY BANK | | | | | | |
| | Adjustments (continued) | ASPHAI | FOR ASPHALT SOUR COMMON STREAM OR ASPHALT UPSTREAM COMMON STREAM | | | | | |
| | , | VO MEASURED *GRAVITY VALUE X V | | | | | | |
| | | SHIPPER A | VOLUME BBLS 10 | GRAVITY °API 26.5 | \$ / BBL. 5.3000 | \$ 53.00 | | |
| | | | 5 | 27.0 | 5.4000 | 27.00 | | |
| | | | 10 | 28.0 | 5.6000 | 56.00 | | |
| | | | 25 | | 5.4400 | 136.00 | | |
| | | В | 10 | 27.5 | 5.5000 | 55.00 | | |
| | | | 20 | 29.0 | 5.8000 | 116.00 | | |
| | | | 15 | 28.5 | 5.7000 | 85.50 | | |
| | | | 45 | | 5.7000 | 256.50 | | |
| | | | | 27.0 | | | | |
| | | С | 10 | 27.0 | 5.4000 | 54.00 | | |
| | | | 10 | 27.5 | 5.5000 | 55.00 | | |
| | | | 10 | 26.5 | 5.3000 | 53.00 | | |
| | | Tatal | 30 | | 5.4000 | 162.00 | | |
| | | Total | 100 | l | ** 5.5450 | \$554.50 | | |
| | | | ed using the gravity va avity Value of Deliveri | | | | | |
| | | | ves a gravity value low eives payment 25(5.54 | | | | | |
| | | Shipper B receiv | ves a gravity value hig s 45(5.545 - 5.700) = | her than the averag | | | | |
| | | Shipper C receiv | es a gravity value low eives payment 30(5.54 | ver than the average | | | | |
| | | | ments equals the sum | • | 50 | | | |
| | | | | • | | | | |
| | | adjusted balances balances. advance obligation will pay or | provided for each between all Shippers and by thereafter re Carrier may, at its opor to provide an irreves. Gravity bank paymut only the funds colle | calendar month. To by collecting funds so contion, require the Shyocable letter of creates are due on the cted. | debits and credits will he credit and debit and from those Shipp ollected to the Shipp of the date specified in the offset to satisfy any other specified in t | balances will ers having d ers having cr ted obligation Carrier for s e invoice. Car | | |
| | | Shipper, | | Carrier for transpo | ortation costs or other t | | | |
| | | terms and and paym by the Ca any invoice portion of specified payable a days after under the until such the amout concedes made by payment determinate be the ca Crude Oi | It these Rules and Repents due hereunder. Arrier for the Shipper's the as herein provided in the invoice accrues in 18 C.F.R. § 340.1(and due immediately or the Payment Due Damount is paid PRO amount is paid PRO at of any such invoice to be correct, and at Carrier furnishes of the Carrier of the amount is paid there by the Carrier of the amount is paid to Carrier furnishes of the Carrier of the amount is paid there by the Carrier shall | gulations. Carrier is Such lien attaches account. Should son or before the Padaily at a rate of c)(2) and the principupon demand. If subte, Carrier, in addity, may suspend for part thereof at any time thereafter ount ultimately four yagreement, arbitranot be entitled to sonon-payment unless | be made in accordance entitled to a lien for a to any Petroleum or Chipper fail to pay all yment Due Date, interest per annum earl and accrued interest ch failure to pay contidition to any other remurther receipt of Petrol R, that if Shipper in goind pays to Carrier sum of the manager within twenty (20) dot financial assurance and due upon such invation or judgment of the suspend further receipts and until default | Il unpaid char crude Oil retain of the amount est on the unpequal to the state to date shall nues for ten (nedy it may heum or Crude and faith disputch amounts areas, guaranteer oice after a fee courts, as ret of Petroleum | | |

| | RULES AND REGULATIONS (continued) | | | | | |
|------------|--|--|--|--|--|--|
| ITEM NO | SUBJECT | RULES AND REGULATIONS | | | | |
| 21 | Gravity Bank Adjustments (continued) | If said charges remain unpaid ten (10) days after notice and demand therefore, Carrier shall have the right to sell through an agent, any Petroleum or Crude Oil delivered to Carrier by the Shipper and then in the custody of Carrier or its agent or otherwise traceable and lienable by Carrier, at public auction from any office of Carrier on any day not a legal holiday, provided that the auction takes place not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the area of the proposed sale, stating the time, place of sale and quantity and location of Petroleum or Crude Oil to be sold Subject to Items 4.6 and 9.2, Shipper covenants and agrees not to dispose of its Petroleum or Crude Oil other than subject to the lien afforded Carrier hereby. At said sale Carrier shall have the right to bid and, if the highest bidder, to become the purchaser. From the proceeds of said sale Carrier will pay itself the transportation and all other lawful charges, including reasonable storage charges pending sale and expenses incident to said sale, and the balance remaining, if any, shall be held in trust for whomever may be lawfully entitled thereto, without the obligation to pay interest thereon. Any such funds may be commingled in any other account or accounts maintained by Carrier from time to time. | | | | |
| | | In the event any payment is made to a Shipper hereunder as determined by the Carrier and it is subsequently determined by any Federal or State court, administrative agency or other governmental entity having jurisdiction that no other Shipper was liable for the adjustment for which the payment was made, the Shipper receiving such payment shall upon receipt of an accounting Carrier, return the payment to the Carrier. Carrier shall promptly utilize such returned payment to reimburse all Shippers who made payments based on such adjustment. | | | | |
| | | Carrier shall acquire all information and data necessary to make the computations under this Item through direct measurements at the Common Stream or Upstream Common Stream Facilities of the Carrier. In the event such measurements become subject to dispute, Carrier reserves the right to acquire such additional information and data from connecting carriers as Carrier, in its sole discretion, shall determine to be beneficial in the resolution of such disputes. Shippers consent to the disclosure by the Carrier or its agent of all information and data necessary to make the computations under this item. | | | | |
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