# [N] ENBRIDGE PERMIAN CRUDE, LLC ~~SCM CRUDE, LLC~~

LOCAL TARIFF CONTAINING

## RULES, REGULATIONS AND RATES

GOVERNING THE GATHERING AND TRANSPORTATION OF

**CRUDE OIL**

BY PIPELINE

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Rules and regulations published herein apply only under tariffs making specific reference by number to this tariff; such references will include subsequent reissues hereof.

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**[C]** ~~Filed in accordance with 18 C.F.R. § 342.3~~

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**[N]** Pursuant to18 C.F.R. §341.6, this tariff adopts and brings forward unchanged, unless otherwise indicated, the rules, regulations and rates from SCM Crude, LLC's FERC Tariff No. 1.31.0.

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

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## SECTION I
## RULES AND REGULATIONS

### 1. DEFINITIONS

"Affiliate" means any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another Person. The term "control" (including its derivatives and similar terms) means possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Any Person shall be deemed to be an Affiliate of any specified Person if such Person owns fifty percent (50%) or more of the voting securities of the specified Person, or if the specified Person owns fifty percent (50%) or more of the voting securities of such Person, or if fifty percent (50%) or more of the voting securities of the specified Person and such Person are under common control, but shall exclude any Persons expressly identified in a COGA as not being an affiliate of a Shipper.

"API" means the American Petroleum Institute.

"API Gravity" means gravity determined in accordance with the American Society for Testing Materials Designation set out in Item 3(A).

"Applicable Law" means all applicable laws, statutes, directives, codes, ordinances, rules, regulations, municipal by-laws, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings or awards, consent orders, consent decrees and policies of any Governmental Authority.

"ASTM" means the American Society for Testing Materials.

"Barrel" means forty-two (42) gallons of 231 cubic inches per gallon at 60 degrees Fahrenheit (60° F) and equilibrium vapor pressure of the liquid.

"COGA" means a Crude Oil Gathering Agreement executed by a Priority Shipper with Gatherer with respect to the Gathering System pursuant to the Open Season.

"Commencement Date" means the date that the Gathering System commenced initial service.

"Committed Volume" means (i) with respect to a Priority Shipper that has committed to deliver a specified volume of Crude Oil to the Gathering System pursuant to such Priority Shipper's COGA or pay a deficiency payment, such specified volume (expressed in Barrels per day), and (ii) with respect to a Priority Shipper that has not committed to deliver a specified volume of Crude Oil, but has made an acreage dedication pursuant to such Priority Shipper's COGA, a volume of Crude Oil (expressed in Barrels per day) equal to such Priority Shipper's Maximum Daily Quantity.

"Consignee" means the Person to whom a Shipper has ordered the delivery of Crude Oil.

"Consignor" means the Person from whom a Shipper has ordered the receipt of Crude Oil.

"Crude Oil" means liquid hydrocarbons that meet the Quality Specifications set forth in Item 3(A).

"Delivery Point" means the points of interconnection between the Gathering System and any downstream pipeline as mutually agreed upon by the Parties at which Gatherer will redeliver Shipper Crude Oil for the account of Shipper, as such points are specified in Section II of this tariff.

"Encumbered Crude Oil" has the meaning set forth in Item 14(B).

"Excess Line Fill" has the meaning set forth in Item 13(B).

"Force Majeure" means any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including acts of God, acts of Governmental Authorities, compliance with rules, regulations or orders of any Governmental Authority, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of terrorism, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme cold, storms, hurricanes, floods, or other adverse weather conditions, washouts, arrests and restraint of rulers and people, civil disturbances, explosions, breakage or accident to machinery, equipment or pipelines, freezing of wells, pipelines or equipment, requisitions, directives, diversions, embargoes, priorities or expropriations of government or Governmental Authorities, legal or de facto, whether purporting to act under some constitution, decree, law or otherwise, failure of pipelines or other gatherers to gather or furnish facilities for transportation, failures, disruptions, or breakdowns of machinery or of facilities for production, manufacture, transportation, distribution, processing or consumption (including, but not by way of limitation, the Gathering System), allocation or curtailment by third parties of downstream capacity, inability to secure or delays in securing permits from Governmental Authorities, transportation embargoes or failures or delays in transportation or poor road conditions, partial or entire failure of Crude Oil supply and downstream pipeline market constraints. "Force Majeure" shall expressly exclude (i) delays in permitting that are not extraordinary or unusual for the dedicated area under a COGA and the development of the Permian Basin and other relevant basins, or (ii) any matters within the reasonable control of Gatherer (such as easement, right-of-way, fee land and surface right acquisition, the availability of labor, materials and supplies, and other similar matters).

"Gatherer" means **[W]** Enbridge Permian Crude, LLC ~~SCM Crude, LLC~~.

"Gathering System" means that portion of Gatherer's pipeline system, including all appurtenances thereto, related to the provision of gathering and transportation services provided by Gatherer pursuant to this tariff.

"Governmental Authority" or "Governmental Authorities" means (i) the United States of America, (ii) any state, county, parish, municipality or other governmental subdivision within the United States of America, and (iii) any court or any governmental department, commission, board, bureau, agency or other instrumentality of the United States of America or of any state, county, municipality or other governmental subdivision within the United States of America.

"Guarantee" has the meaning set forth in Item 18(B).

"Line Fill" has the meaning set forth in Item 13(A).

"Maximum Daily Quantity" or "MDQ" shall mean the maximum volume of Crude Oil (expressed in Barrels per day) a Priority Shipper is allowed to deliver each day for Priority Service to the Gathering System pursuant to such Priority Shipper's COGA. Any daily volumes that a Priority

Shipper Tenders in excess of its MDQ shall be treated as Uncommitted Shipper volumes for all purposes under this Tariff, except for Item 7, where such volumes shall be treated as unmet Priority Shipper Nominations under Item 7(E).

"Monthly Committed Volume" means the product of (i) the Priority Shipper's Committed Volume and (ii) the number of days in the applicable month.

"Nomination" (including "Nominates" and the syntactical variants thereof) means the written or electronic communication from Shipper to Gatherer, pursuant to and in accordance with this tariff, requesting that Gatherer transport for Shipper in a given month a stated volume of Crude Oil from a specified Receipt Point to the applicable Delivery Point in accordance with the terms of this tariff.

"Non-Priority Capacity" means the System Capacity available for allocation to Uncommitted Shippers each Proration Month following the allocation of System Capacity to Priority Shippers under Item 7(C), which shall equal at least ten percent (10%) of the System Capacity, assuming Gatherer receives sufficient Nominations from Uncommitted Shippers.

"Notification" has the meaning set forth in Item 13(C)(3).

"Off-Spec Crude Oil" has the meaning set forth in Item 3(E).

"Off-Spec Mercaptans Barrels" has the meaning set forth in Item 3(J).

"Open Season" means that open season held by Gatherer to obtain volume commitments and/or acreage dedications on the Gathering System, and any supplemental open season held by Gatherer to obtain additional volume commitments and/or acreage dedications on the Gathering System prior to the commencement of service on the Gathering System.

"Party" shall refer to either Shipper or Gatherer, individually, and "Parties" shall refer to Gatherer and Shipper, collectively.

"Person" means any individual, corporation, limited liability company, partnership, trust or other entity, or any Governmental Authority.

"Priority Rates" means the rates identified as "Priority Rates" in Section II of this tariff.

"Priority Service" means that a tender of Crude Oil by a Priority Shipper for transport on the Gathering System not exceeding Shipper's Maximum Daily Quantity and paying the Priority Rate for levels of applicable service on the Gathering System, shall be entitled to the highest level of service on the Gathering System and not be subject to prorationing to accommodate nominations of uncommitted volumes for transport on the Gathering System or nominations of volumes for transport on the Gathering System by Shippers who do not elect to pay (or are not eligible thereunder) the Priority Rate for such nominations.

"Priority Shipper" means a Shipper with which Gatherer has executed a COGA for Priority Service on the Gathering System pursuant to the open season(s) held by Gatherer and such COGA provides for a term of at least ten (10) years and either (i) a commitment to deliver a specified volume of Crude Oil on the Gathering System of at least 2,000 Barrels per day, or (ii) with respect to a Priority Shipper that has not committed to deliver a specified volume of Crude Oil, but has made an acreage dedication pursuant to such Priority Shipper's COGA, an acreage

dedication covering at least 2,000 net acres of lands located in Winkler County, Texas, Loving County, Texas and/or Eddy and Lea Counties, New Mexico.

"Prime Rate" has the meaning set forth in Item 17(C).

"Proration Month" means the month for which capacity is to be allocated under Item 7.

"Qualified Institution" means the domestic office of a commercial bank or trust company that is not an Affiliate of Shipper and that has assets of at least $10 billion and an investment-grade credit rating as established by Standard and Poor's and Moody's.

"Quality Specifications" has the meaning set forth in Item 3(A).

"Receipt Point" means the receipt/inception point(s) where Crude Oil is received into the Gathering System, as such points are specified in Section II of this tariff.

"Shipper" means a party that contracts with Gatherer for transportation of Crude Oil in accordance with this tariff and any other applicable tariffs of Gatherer.

"Shipper's Permitted Liens" means (i) any liens, security interests or other encumbrances benefiting one or more lenders to Shipper as part of a financing provided by such lenders to Shipper for which such lenders have not taken actions to foreclose on such liens; and (ii) normal and customary liens under financing agreements, operating agreements, unitization agreements, pooling orders, drilling contracts and similar agreements for upstream operators and mechanic's and materialman's liens, tax liens or mineral liens related to claims or obligations that are not delinquent or that are being contested in good faith and by appropriate proceedings.

"System Capacity" means the operational capacity of the Gathering System at any applicable point in time.

"Tender" or "Tendered" means delivery by Shipper to Gatherer of a stated quantity of Crude Oil for transportation from a specified Receipt Point to a specified Delivery Point on the Gathering System in accordance with this tariff.

"Third Party Shipper" has the meaning set forth in Item 7(I).

"Third Party Shipper Notice" has the meaning set forth in Item 7(I).

"Uncommitted Rates" means the rates identified as "Uncommitted Rates" in Section II of this tariff.

"Uncommitted Shipper" means a Shipper that is not a Priority Shipper.

"Unremoved Crude Oil" means Crude Oil that Shipper fails to arrange for receipt of, or refuses to receive, upon Gatherer's delivery at the Nominated Delivery Point.

## 2. COMMODITY

Gatherer is engaged in the transportation on the Gathering System of Crude Oil meeting the Quality Specifications set forth in Item 3 and will not accept any other commodity for transportation under this tariff.

## 3. QUALITY SPECIFICATIONS

A. The quality specifications for Crude Oil set forth below ("**Quality Specifications**") shall apply to Shipper's Tender. Shipper shall not deliver to Gatherer and Gatherer shall not be obligated to accept Crude Oil that, as determined by Gatherer, has on receipt qualities which are outside of the minimum and maximum ranges specified in the following table:

**For Crude Oil to be delivered to the Delivery Points at the Wink Terminal**

| Quality | Units | Min | Max | Reference Test Method |
|---|---|---|---|---|
| API Gravity (60F) | deg. API | 36 | 44 | ASTM D287, API MPMS CHAPTER 9 AND ASTM D1298 |
| Sulfur Content | Weight % | | < 0.2 | ASTM D4294 AND ASTM D5504 |
| Reid Vapor Pressure | PSIA | | < 9.0 | ASTM D6377 |
| True Vapor Pressure | PSIA | | 11.0 | ASTM D6377 AND ASTM D2879 |
| H2S, ppm in vapor | PPM | | ≤ 10.0 | ASTM D5705 as modified for crude petroleum |
| Mercaptans | PPM | | ≤ 75 | UOP 163 |
| Basic Sediment and Water | % of Volume | | < 1.0% | API MPMS CHAPTER 10.4 AND ASTM D4007 |

**For Crude Oil to be delivered to the Delivery Points at the Orla Terminal**

| Quality | Units | Min | Max | Reference Test Method |
|---|---|---|---|---|
| API Gravity (60F) | deg. API | 36 | 49.9 | ASTM D287, API MPMS CHAPTER 9 AND ASTM D1298 |
| Sulfur Content | Weight % | | < 0.25 | ASTM D4294 AND ASTM D5504 |
| Reid Vapor Pressure | PSIA | | < 9 | ASTM D6377 |
| True Vapor Pressure | PSIA | | 11.0 | ASTM D6377 AND ASTM D2879 |
| H2S, ppm in vapor | PPM | | ≤ 10.0 | ASTM D5705 as modified for crude petroleum |
| Mercaptans | PPM | | ≤ 75 | UOP 163 |
| Basic Sediment and Water | % of Volume | | < 1.0% | API MPMS CHAPTER 10.4 AND ASTM D4007 |

B. Gatherer shall have the right to change or modify the Quality Specifications provided in Item 3(A) in order to conform Gatherer's Quality Specifications to those of downstream connecting facilities.

C. Shipper shall perform applicable tests to ensure that the Crude Oil it Tenders to Gatherer for transportation on the Gathering System conforms to the Quality Specifications. Gatherer may also require Shipper to furnish a certificate setting forth in detail the specifications of each shipment of Crude Oil offered for transportation hereunder, and Shipper shall be liable for any contamination or damage to other Crude Oil in Gatherer's custody or to the Gathering System or other facilities caused by failure of the Crude Oil Tendered by Shipper to meet the specifications stated in Shipper's certification.

D. Gatherer or its representative may test all Crude Oil Tendered for transportation on the Gathering System for compliance with the Quality Specifications. All such tests shall be performed by Gatherer, but Shipper, Consignor, or Consignee may be

present or represented at the testing provided such witnessing does not unreasonably interfere with Gatherer's operation of the Gathering System. Gatherer shall provide reasonable advance notice of any such testing (other than the continuous monitoring of the Gathering System) to Shipper. Quantities shall be tested in accordance with applicable API/ASTM standards and pipeline industry practice or such other tests as may be agreed upon by Gatherer and Shipper. All tests performed by Gatherer shall be determinative unless Shipper, Consignor, or Consignee submits to Gatherer, within sixty (60) days of the date of the test, appropriate documentation contesting the test. In the event of variance between Gatherer's test results and Shipper's test results or the specifications contained in a certificate provided by Shipper pursuant to Item 3(C), Gatherer's test results shall prevail (absent error demonstrated by Shipper or fraud).

E. Gatherer reserves the right to reject all Tenders of crude oil and refuse transportation if Gatherer determines that Shipper has delivered crude oil that (i) does not conform to the Quality Specifications, (ii) is not merchantable, (iii) is not readily acceptable for transportation through the Gathering System, (iv) would otherwise adversely affect the Gathering System or other Crude Oil on the Gathering System, (v) would make other Crude Oil on the Gathering System undeliverable at the Delivery Point(s) and/or (vi) would expose any Person or property (including the Gathering System) to an undue risk of harm or property damage ("**Off-Spec Crude Oil**"), all of which shall be determined by Gatherer, in Gatherer's reasonable discretion.

F. In the event Shipper Tenders Off-Spec Crude Oil to the Gathering System: (i) Gatherer may accept such Shipper's delivery if Gatherer determines, in its sole discretion, that the quality of the Off-Spec Crude Oil, when commingled with other Crude Oil, will nonetheless meet the Quality Specifications upon re-delivery at the Shipper's Nominated Delivery Point; *provided, however*, that Gatherer shall not knowingly accept Shipper's delivery of Off-Spec Crude Oil if Gatherer determines that the quality of Off-Spec Crude Oil when commingled as contemplated above, would not meet the Quality Specifications upon re-delivery; and (ii) if Gatherer does not accept such Off-Spec Crude Oil as provided in (i) of this Item 3(F), Gatherer may exclude such Shipper with respect to such Off-Spec Crude Oil from further entry into the Gathering System until such time as Shipper returns the quality of its Off-Spec Crude Oil to a level satisfactory to Gatherer in accordance with this tariff. If Gatherer receives Off-Spec Crude Oil from multiple shippers or at multiple Receipt Points, Gatherer reserves the right to reject all or a portion of the Off-Spec Crude Oil as it deems necessary to ensure the efficient and safe operation of the Gathering System; for the avoidance of doubt, Gatherer shall not apply this right in an unduly discriminatory manner and it will notify any Shipper whose Off-Spec Crude Oil is rejected as to the reason for such rejection. Nothing contained in this tariff, any other tariff filing, any pipeage contract or transportation services agreement or any other document, nor any receipt by Gatherer of Off-Spec Crude Oil (either unknowingly, as a temporary accommodation, or in its sole discretion), shall be construed to affect the Gatherer's right, at any time and from time to time, to reject Tenders of Off-Spec Crude Oil and to refuse or suspend receipt of such Off-Spec Crude Oil until it is established to such Gatherer's reasonable satisfaction that subsequent deliveries of Crude Oil will conform to the applicable Quality Specifications. During any

period when Gatherer is knowingly accepting Off-Spec Crude Oil, Gatherer shall (x) regularly monitor the API Gravity of the Off-Spec Crude Oil at all Receipt Points from which Off-Spec Crude Oil is knowingly accepted by Gatherer, and (y) manage the cumulative volume of Off-Spec Crude Oil so accepted to reduce the likelihood of the common stream failing to meet the Quality Specifications.

G. Gatherer may monitor, but is not responsible for monitoring, receipts or deliveries for contaminants. Further, Gatherer reserves the right to dispose of any Off-Spec Crude Oil (other than such Crude Oil accepted pursuant to Item 3(F)(i)) blocking the Gathering System. Disposal thereof may be made in any reasonable manner, including, but not limited to, commercial sales. Shipper shall be liable for and shall defend, indemnify and hold Gatherer harmless from and against any and all claims, actions, suits, losses, demands, costs and expenses (including attorney's fees and costs of repairing, inspecting, cleaning and decontaminating the Gathering System or the facilities of third parties) of every kind, nature or description to the extent caused by Off-Spec Crude Oil (other than such Crude Oil accepted pursuant to Item 3(F)(i)) that Shipper has delivered into the Gathering System.

H. In addition to any other remedies available to Gatherer, if Crude Oil received by Gatherer into the Gathering System does not meet the Quality Specifications (other than such Crude Oil accepted pursuant to Item 3(F)(i)), Gatherer reserves the right to charge the Shipper the actual costs and expenses incurred by Gatherer to treat, handle, or otherwise dispose of all such Off-Spec Crude Oil so received; provided, however, Shipper shall not be subject to any such costs and expenses to the extent that the treatment of such Crude Oil and the costs related thereto are addressed pursuant to a COGA. In the event that, based upon Gatherer's own testing, it is determined that Shippers are or have been delivering Crude Oil into the Gathering System at the Receipt Point that does not meet the Quality Specifications, then (i) Gatherer may add an off-spec penalty provision to this tariff in order to discourage deliveries of Crude Oil to the Gathering System that violate the Quality Specifications as a whole, or an individual Quality Specification requirement, and (ii) for the avoidance of doubt, any Shipper who has delivered Off-Spec Crude Oil that, when commingled, results in Carrier being unable to deliver Crude Oil to Shippers that conforms with the Quality Specifications set forth herein for such deliveries, shall be liable for damages caused to other Shippers' Crude Oil to the extent that such Shipper's delivery of Off-Spec Crude Oil results in other Shippers receiving Crude Oil that does not meet the Quality Specifications (other than such Crude Oil accepted pursuant to Item 3(F)(i)).

I. As set forth in Item 3(G), Shipper shall not be liable for any claims or losses or other damages caused by or resulting from Crude Oil accepted pursuant to Item 3(F)(i), and Gatherer hereby waives its claims against Shipper with respect to any such claims or losses or other damages.

J. In accordance with Item 3(H)(i) above, Gatherer is establishing off-spec penalty fees that will be applied to any Barrels tendered by a Shipper for transportation on the Gathering System to Delivery Points at the Wink Terminal that fail to meet the mercaptans Quality Specification specified in Item 3(A) ("**Off-Spec Mercaptans Barrels**"). The amount of such penalty to be assessed shall depend on the degree to which Shipper's Off-Spec Mercaptans Barrels exceed the mercaptans Quality Specification limitation, as stated below:

| Mercaptans Content | Penalty Fee |
|---|---|
| 0-75 ppm | No penalty |
| 76-200 ppm | $0.25/Barrel |
| 201-300 ppm | $0.50/Barrel |
| 301+ ppm | $0.75/Barrel |

Gatherer reserves the right to modify the penalties stated upon, or to add new penalty tiers, as it deems necessary to address current operational conditions. Furthermore, to the extent Gatherer is obligated to blend Shipper's Off-Spec Mercaptans Barrels with other barrels in order to meet the quality specification requirements of the downstream carrier(s) to which Shipper has directed the delivery of its product, Gatherer has the right to charge Shipper for any blending fees incurred by Gatherer to perform such blending, in addition to the assessment of the penalties stated above. Shipper shall contact Gatherer regarding such blending fees and any arrangements that Shipper may need to enter into to allow for such blending. Provided, however, that if Gatherer is unable to perform such blending due to the level or amount of Off-Spec Mercaptans Barrels, Gatherer shall continue to have the right to reject all such Off-Spec Mercaptans Barrels in accordance with Item 3(E).

## 4. VARIATIONS IN QUALITY AND GRAVITY

A. Gatherer shall not be liable to Shipper for changes in gravity or quality of Shipper's Crude Oil which may occur from commingling or intermixing Shipper's Crude Oil with Crude Oil from other Shippers in the same common stream while in transit except to the extent that such commingling or intermixing would render Shipper's Crude Oil to be Off-Spec Crude Oil or undeliverable as a result of Off-Spec Crude Oil received from other Shippers. Gatherer is not obligated to deliver to Shipper the identical Crude Oil Nominated and Tendered by Shipper; Gatherer will deliver the grade of Crude Oil it is regularly transporting as a common stream.

B. Except as provided in Item 4(A), Gatherer shall have no responsibility in, or for, any revaluation or settlements which may be deemed appropriate by Shippers and/or Consignees because of mixing or commingling of Crude Oil shipments between the receipt and delivery of such shipments by Gatherer within the same common stream.

C. Gatherer shall not be required to transport Crude Oil except with reasonable diligence, considering the quality of the Crude Oil, the distance of transportation and other material elements. Gatherer cannot commit to delivering Crude Oil to a particular destination, at a particular time.

## 5. MINIMUM TENDER

Gatherer may impose minimum Tender requirements to the extent reasonably necessary for the efficient operation of the Gathering System.

## 6. NOMINATIONS REQUIRED

A. Crude Oil for shipment through the Gathering System will be received only on a properly executed Nomination from Shipper identifying the month for which transportation is desired, the Receipt Point at which the Crude Oil is to be received

by Gatherer, the Delivery Point of the shipment, Consignee (if any), and the amount of Crude Oil to be transported. Gatherer may refuse to accept Crude Oil for transportation unless satisfactory evidence is furnished that Shipper or Consignor has made adequate provisions for prompt receipt of all volumes at the Delivery Point.

B. Any Shipper desiring to Nominate Crude Oil for transportation shall make such Nomination to Gatherer in writing on or before the twentieth ($20^{th}$) day of the calendar month, before 12:00 a.m. Central Time, preceding the month during which the transportation of Crude Oil under the Nomination is to begin; provided, however, that if operating conditions permit, Gatherer, in its sole discretion, may consider and accept Nominations submitted after the date specified above.

C. Gatherer may refuse to accept Crude Oil for transportation under this tariff (i) where Shipper, Consignor, or Consignee is (1) not in compliance with this tariff or (2) in breach of a COGA, as applicable, or (ii) where Shipper, Consignor, and/or Consignee is not in material compliance with all Applicable Law regulating shipments of Crude Oil.

D. All Crude Oil accepted for transportation will be transported at such time and in such quantity as scheduled by Gatherer.

## 7. PRORATIONING PROCEDURES

A. ***When System Capacity will be prorated.*** When Gatherer receives more Nominations in a month for transportation of Crude Oil on the Gathering System than Gatherer is able to transport, Gatherer shall allocate the System Capacity under the provisions of this Item 7.

B. ***Division of System Capacity between Shipper classes.*** System Capacity will be allocated among Priority Shippers as a class and Uncommitted Shippers as a class; any remaining System Capacity will be allocated in accordance with the provisions of Item 7(E).

C. ***Allocation to Priority Shippers***.

(1) Except as provided in Item 7(C)(2), Gatherer shall allocate each Priority Shipper an amount of System Capacity equal to the lesser of the Priority Shipper's Nomination for the Proration Month or its Monthly Committed Volume. If a Priority Shipper Nominates volumes in excess of its Monthly Committed Volume, then the excess incremental volumes shall be subject to prorationing under Item 7(E) below.

(2) If an event of Force Majeure or other operational issue causes System Capacity to be reduced for the Proration Month, the allocation of System Capacity to each Priority Shipper under this Item 7(C) shall be reduced by the same percentage as the reduction in System Capacity that is caused by the Force Majeure event or operational issue. If an event of Force Majeure or other operational issue causes a service disruption on only a portion of the Gathering System or at a particular Receipt Point or Delivery Point, Gatherer shall continue to provide full operational service with respect to the unaffected portions of the Gathering System and to the unaffected

Receipt Points and Delivery Points. Gatherer will reduce the allocations of System Capacity to each Priority Shipper affected by such Force Majeure event by the same percentage as the reduction in capacity of the affected portion of the Gathering System or the reduction in receipt or delivery capability of the affected Receipt Point or Delivery Point, respectively and as applicable. Pursuant to the terms of a Priority Shipper's COGA, Gatherer may temporarily suspend such Shipper's right to be treated as a Priority Shipper for purposes of this Item 7 during the occurrence of a default of the COGA by such Shipper.

D. ***Allocation to Uncommitted Shippers***.

(1) Following the allocation of System Capacity set forth in Item 7(C) above, Gatherer shall next allocate the Non-Priority Capacity on the Gathering System among all Uncommitted Shippers in the following manner:

i. Each Uncommitted Shipper shall be allocated an amount of System Capacity in the Proration Month that is equal to:

a. its Nomination, if the total volume Nominated by all Uncommitted Shippers is less than or equal to ten percent (10%) of System Capacity on the Gathering System; or

b. its pro rata share, in accordance with its Nomination, of ten percent (10%) of the System Capacity on the Gathering System, if the total volume Nominated by all Uncommitted Shippers is greater than ten percent (10%) of such System Capacity.

E. ***Remaining System Capacity.*** Any remaining System Capacity not allocated through the application of Items 7(C) or 7(D) shall be allocated first, pro rata, among all Priority Shippers having remaining unmet Nominations according to the level of each Priority Shipper's Monthly Committed Volume. If allocation to any Shipper pursuant to this Item 7(E) exceeds such Shipper's remaining Nomination or there remains unallocated System Capacity following this additional allocation to Priority Shippers, then the excess volume will be allocated among all other Shippers having unmet Nominations until the remaining System Capacity is fully allocated or all of the remaining Nominations have been fulfilled.

F. ***Basis for Allocation; Notification.*** When prorationing of System Capacity is in effect:

(1) Gatherer shall allocate System Capacity on a monthly basis; and

(2) Gatherer will use reasonable efforts to notify each Shipper of its allocation not later than the first working day of the Proration Month.

G. ***Reallocation of Unused Allocated System Capacity.*** If a Shipper does not use the portion of System Capacity allocated to it under this Item 7 at the times and in the amounts designated by Gatherer, Gatherer shall have the right to use Shipper's unused portion of System Capacity to fulfill the unmet Nominations of other Shippers, but only to the extent and duration of Shipper's under-utilization of its

capacity, without impacting the payment obligations of Shipper or any other obligations of Shipper, or otherwise crediting or paying Shipper in any manner. Nothing in this Item 7(G) shall operate to reduce or otherwise alter Shipper's Maximum Daily Quantity.

H. ***Failure of Uncommitted Shipper to Use Allocated System Capacity***.

(1) Except as provided in Item 7(H)(2) below, an Uncommitted Shipper that fails to use all of its allocated System Capacity during a Proration Month shall have its allocation of System Capacity reduced in each subsequent Proration Month until the total reductions equal the amount of the deficiency. The amount of any such reduction shall be treated as unused allocated System Capacity and shall be reallocated among other Shippers in accordance with Item 7(G).

(2) Reduction of an Uncommitted Shipper's allocation for failure to use its allocated System Capacity during a Proration Month may be waived, in whole or in part, if Gatherer determines that Shipper's failure to use all or some of its allocated System Capacity was due to a Force Majeure.

I. ***Transfer of Allocated System Capacity; Use of Affiliates; Third Party Shipper.*** Except as provided in this Item 7(I), capacity allocated to a Shipper under this Item 7 may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper; provided, however, that a Shipper's allocation of capacity may be transferred as an incident of the bona fide sale of the Shipper's business or to a successor to the Shipper's business by the operation of law, such as an executor or trustee in bankruptcy. In addition, a Priority Shipper that ships from the tank battery Receipt Points may, at its option, at any time and from time to time upon not less than thirty (30) days' prior written notice to Gatherer, (i) sell production dedicated to Gatherer under its COGA at the well head or at any point upstream of a Receipt Point, (ii) designate an agent to act on its behalf with regard to making nominations or scheduling Barrels of Crude Oil for delivery hereunder, or (iii) use a third party shipper to deliver Barrels of Crude Oil for gathering on the Gathering System; *provided* that all such Crude Oil shall be Nominated and tendered for gathering on the Gathering System pursuant to the terms, exclusions and reservations of this tariff. In the event a Priority Shipper exercises such option, the Priority Shipper shall notify Gatherer in writing of (A) the name, address, contact person and telephone number of the purchaser(s), agent for or recipient of the Crude Oil (the "**Third Party Shipper**"), (B) the volume of Crude Oil sold and/or delivered to the Third Party Shipper, (C) the effective date or dates of such sale and/or delivery, and (D) the applicable Receipt Points of such sales and Delivery Point (such written notice being the "**Third Party Shipper Notice**"). A Priority Shipper shall be permitted to designate no more than five (5) Third Party Shippers at any given point in time, and any arrangement between the Priority Shipper and a Third Party Shipper with respect to shipments on the Gathering System must be for a period of no less than one (1) Month. Following (i) receipt of the Third Party Shipper Notice, (ii) Gatherer's determination that the Third Party Shipper (1) has satisfied the requirements under Item 18 of this tariff regarding "Financial Assurances," (or such other financial assurance requirements as Gatherer reasonably determines are appropriate for such Third Party Shipper)

and (2) is otherwise a reasonably acceptable counterparty to Gatherer, (iii) the Third Party Shipper's execution of a Third Party COGA**,** and (iv) the expiration of the thirty (30)-day notice period referenced above, Gatherer agrees that it shall look only to the Third Party Shipper with respect to payment of, or compliance with, any obligation with respect to the Barrels of Crude Oil sold and/or delivered by the Priority Shipper to the Third Party Shipper; *provided*, *however*, (A) if the Priority Shipper sells and/or delivers less than all of Priority Shipper's Crude Oil produced from the area dedicated to Gatherer pursuant to the COGA to a Third Party Shipper, unless otherwise agreed to in writing by Gatherer, Priority Shipper shall continue to remain liable for all of its obligations under its COGA relating only to such Priority Shipper Crude Oil not sold and/or delivered to a Third Party Shipper, and (B) the Priority Shipper shall remain obligated under and shall comply with the terms of its COGA, including the terms of its dedication. In addition, the Third Party Shipper shall, without further action of any Person, have all Priority Service rights of the Priority Shipper with respect to the Barrels of Crude Oil sold and/or delivered to the Third Party Shipper as set forth in the Priority Shipper's COGA, unless otherwise expressly provided in the Third Party Shipper Notice. A Priority Shipper shall be prohibited from utilizing any Third Party Shipper until such time as the Third Party Shipper has executed a Third Party COGA agreeing, inter alia, to all terms and conditions set forth in this tariff and specifying that the lien provision set forth in Item 17(e) of this tariff shall apply to any volumes of Crude Oil tendered for gathering on the Gathering System by such Third Party Shipper.

## 8. MEASUREMENT

Crude Oil delivered hereunder shall be measured in accordance with Gatherer's Measurement Manual, dated September 2019.

## 9. RECEIPT FACILITIES

Gatherer will receive Crude Oil from Shippers at the Receipt Points on the Gathering System. Crude Oil will be received only from pipelines, tanks or other facilities that are provided by Shipper or Consignor, or a connecting carrier. Gatherer will not accept a Nomination unless such facilities have been provided and conform to the operating requirements of Gatherer, in Gatherer's sole discretion.

## 10. STORAGE OF CRUDE OIL

Gatherer does not provide storage for Crude Oil, except storage incidental to transportation on the Gathering System. Gatherer has the right to coordinate with downstream connecting facilities to ensure that Shipper has arranged for receipt of its Crude Oil at the Nominated Delivery Point; by Nominating Crude Oil for transportation on the Gathering System, Shipper agrees to permit such coordination.

## 11. DELIVERY FACILITIES

Gatherer will accept Crude Oil for transportation only when Shipper or Consignee has provided the necessary facilities for taking delivery of the shipment as it arrives at the Delivery Point. Gatherer will not accept a Nomination unless such facilities have been provided and conform to

the operating requirements of Gatherer, in Gatherer's reasonable discretion. The cost of such facilities shall be provided at the sole cost of Shipper, except as otherwise provided for in a COGA.

## 12. NOTICE OF ARRIVAL, DELIVERY AT DESTINATION

A. After a shipment of Crude Oil has had time to arrive at Shipper's Nominated Delivery Point and on twenty-four (24) hours' notice to Shipper or Consignee, Gatherer may begin delivery of such Crude Oil to Shipper or Consignee at Gatherer's current rate of pumping. Shipper shall timely remove its Crude Oil, or cause such Crude Oil to be removed, from the Gathering System following transportation to a Nominated Delivery Point. If Shipper or Consignee is unable or refuses to receive said shipment, Gatherer will assess a demurrage charge of 1.25 cents ($0.0125) per Barrel for each day (or fractional part thereof) commencing twenty-four (24) hours following Gatherer's notification described above and Shipper's failure to promptly accept such Crude Oil. In addition to such demurrage charge, Gatherer shall also have the right to curtail the amount of Crude Oil it will accept from Shipper until such Unremoved Crude Oil is removed.

B. In addition to such demurrage charge, Gatherer also reserves the right if deemed necessary to clear the Gathering System, provided that the notices set out in Item 12(A) have been given, to make whatever arrangements for disposition of the Unremoved Crude Oil that are appropriate, which includes selling the Unremoved Crude Oil at a private sale for the best price reasonably obtainable. Gatherer may be a purchaser at such sale. The proceeds of any sale shall be applied in the following order: (i) to the reasonable expenses of holding, preparing for sale, selling, and transporting the Crude Oil, and to the extent allowed by Applicable Law reasonable attorneys' fees and legal expenses incurred by Gatherer; and (ii) to the satisfaction of Shipper's indebtedness including interest herein provided from the date payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto. Gatherer will have a claim for and against Shipper with respect to any deficiency arising from the debt due to Gatherer from Shipper and the proceeds of any sale after reduction as set forth above. Shipper shall indemnify Gatherer for all losses associated with Unremoved Crude Oil and Gatherer's disposition of the Unremoved Crude Oil. Gatherer shall have no liability to Shipper associated with Shipper's Unremoved Crude Oil or Gatherer's disposition of Unremoved Crude Oil except as set forth herein.

## 13. LINE FILL REQUIREMENTS

A. Gatherer shall require Shipper to supply, and Shipper shall supply, Crude Oil constituting its proportionate share of Crude Oil for line fill necessary for operation of the Gathering System ("**Line Fill**").

B. In the event a Shipper's Line Fill balance drops below its proportionate share of the volume of Crude Oil necessary for operation of the Gathering System, Gatherer will notify Shipper of the amount of Line Fill that Shipper owes and Shipper shall supply such Line Fill to Gatherer before Gatherer is obligated to accept Shipper's Nominations or Tenders or make deliveries or shipments on

behalf of Shipper. Any notice to Shipper of additional Line Fill requirements under this Item 13(B) shall provide adequate time for Shipper to make the required Nominations under Item 6. Subject to the provisions of Item 17, in the event Shipper's Line Fill balance is above its proportionate share of the volume of Crude Oil necessary for Line Fill ("**Excess Line Fill**"), then Gatherer shall notify Shipper of such Excess Line Fill amount and will return such Excess Line Fill to Shipper upon written request by Shipper to Gatherer and following a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such Excess Line Fill.

C. Subject to the provisions of Item 17, Line Fill furnished by Shipper may be withdrawn from the Gathering System under two circumstances (i) if Shipper intends to discontinue shipments on the Gathering System for the foreseeable future and/or, (ii) if Shipper is "no longer shipping" on the Gathering System, as described in Item 13(C)(2) below. Line Fill furnished by a Shipper may be withdrawn from the Gathering System only pursuant to the terms of this Item 13(C).

(1) If Shipper intends to discontinue shipments on the Gathering System for the foreseeable future, Shipper shall provide written notification to Gatherer that it intends to discontinue shipments on the Gathering System. Gatherer will then provide written notice to Shipper as provided for in Item 13(C)(3).

(2) A Shipper that makes no shipments on the Gathering System over a continuous six (6)-month period shall be deemed to be "no longer shipping." When Gatherer identifies that a Shipper is "no longer shipping," Gatherer will provide written notice to Shipper that it is considered to be "no longer shipping" on the Gathering System as provided for in Item 13(C)(3).

(3) Gatherer will issue written notice (the "**Notification**") to Shipper that according to the Gatherer's books, Gatherer is holding a certain volume of Crude Oil on its books in Shipper's name. Shipper will be advised in such letter that Shipper will have thirty (30) days effective with the date of the Notification to provide written direction regarding the disposal of Shipper's Crude Oil. If at the end of this thirty (30)-day period, Gatherer has received no written direction, Gatherer will assume title to the Crude Oil being held on its books in Shipper's name, free and clear of any and all liens, claims or encumbrances, and Shipper expressly agrees and consents to transfer title to Gatherer as set forth herein.

(i) If Gatherer has been contacted by Shipper within thirty (30) days of the Notification described in Item 13(C)(3), Gatherer will grant Shipper an additional thirty (30) days without charge to facilitate the disposal of Shipper's inventory Crude Oil. If at the end of this 60-day period, Shipper has not disposed of this Crude Oil, Gatherer retains the right to charge a liquidated damage fee of $0.10 per Barrel, per month, retroactive to the date of the Notification, plus any other fees as allowed in accordance with this tariff; such fees will be required to be paid before the Crude Oil will be released. In

addition, if Shipper has not disposed of such Crude Oil within sixty (60) days from the date of Notification, Gatherer will assume title to such Crude Oil free and clear of any and all liens, claims or encumbrances, and Shipper expressly agrees and consents to transfer title to Gatherer as set forth herein. If Shipper provides a written request to Gatherer after title to Crude Oil has been assumed by Gatherer but before Gatherer has otherwise disposed of Crude Oil, Gatherer agrees to transfer title back to Shipper for a fee of $5.00 per Barrel. Such fees will be required to be paid before the Crude Oil will be released. Upon transfer of title back to Shipper, Shipper will then be responsible for disposing of Crude Oil within thirty (30) days therefrom. Failure of Shipper to dispose of said Crude Oil within thirty (30) days of the transfer of title back to Shipper will result in title being vested back in Gatherer without recourse.

(4) Gatherer's return of Line Fill is contingent upon Shipper's inventory balances and all outstanding amounts due having been reconciled between Shipper and Gatherer and Shipper having paid in full any amounts owed to Gatherer following such reconciliation. Gatherer shall have a reasonable period of time to complete administrative and operational requirements incident to Shipper's withdrawal of Line Fill.

(5) Subpart (C) of this Item 13 shall not apply to a Priority Shipper during the term of such Priority Shipper's COGA. However, following the expiration of a Priority Shipper's COGA, such Priority Shipper's Line Fill shall be returned to Priority Shipper pursuant to the provisions set forth in subpart(C) of this Item 13.

**14. TITLE**

A. Gatherer may require of Shipper satisfactory evidence of its perfected and unencumbered title (other than Shipper's Permitted Liens) of any Crude Oil Tendered for shipment on the Gathering System. Gatherer shall have the right to reject any Crude Oil, when Tendered for transportation, that constitutes Encumbered Crude Oil (as defined below).

B. At the time of Nomination, Shipper shall inform Gatherer if any Crude Oil Nominated and/or to be Tendered to Gatherer for transportation (i) may be involved in litigation, (ii) may be subject to a title dispute, or (iii) may be encumbered by a lien or charge of any kind at the time of delivery of such Crude Oil to Gatherer at a Receipt Point (other than any Shipper's Permitted Liens and the lien created hereunder in favor of Gatherer) ("**Encumbered Crude Oil**"). In the event Gatherer receives such Shipper notice of Encumbered Crude Oil or otherwise learns that Shipper has or will Nominate or Tender Encumbered Crude Oil, Gatherer, in its reasonable discretion, may require Shipper to provide one or more of the following: (i) satisfactory evidence of its perfected and unencumbered title, (ii) satisfactory indemnity bond to protect Gatherer against any and all loss, (iii) pre-payment of transportation charges, or (iv) subordination agreement from

the applicable lienholder. Gatherer also has the right to refuse any shipment of Encumbered Crude Oil.

C. By Nominating Crude Oil, Shipper or a Third Party Shipper, as applicable, warrants and guarantees that Shipper has good title (or right to ship or control) thereto and agrees to hold Gatherer harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title (or right to ship or control) thereto; provided that acceptance for transportation shall not be deemed a representation by Gatherer as to title (or right to ship or control). Shipper or a Third Party Shipper, as applicable, shall not cause or permit any lien, security interest or other form of burden to be filed or created with respect to Crude Oil in Gatherer's possession, except for any Shipper's Permitted Liens and the lien created hereunder in favor of Gatherer.

## 15. RATES APPLICABLE

Crude Oil accepted for transportation shall be subject to the rates and charges in effect on the date of receipt by Gatherer that are applicable to Shipper's shipments, irrespective of the date of the Nomination. The applicable rates are set forth in Section II herein. Transportation and all other lawful charges shall be collected on the basis of the quantities of Crude Oil delivered to Delivery Points, and said quantities will be determined in the manner provided in Item 8.

The terms of a COGA shall govern the rights of a Priority Shipper and Gatherer with respect to the payment or nonpayment of any deficiency payments and/or other charges set forth in a COGA. In the event Gatherer refuses to accept Barrels of Crude Oil Tendered by a Priority Shipper for transportation under this tariff or a COGA because such Shipper has been (i) in violation of this tariff, or (ii) in material breach of a COGA at the time the Barrels are Tendered to Gatherer, then no reduction shall be made to a deficiency payment if, as a result of such refusal, such Priority Shipper fails to ship its Monthly Committed Volume for such month.

## 16. RATES APPLICABLE FROM INTERMEDIATE POINTS

Shipments accepted for transportation from or to any point on the Gathering System not named in this tariff, but which is intermediate to a point where rates are published, will be assessed the rate in effect from or to the next more distant point published in this tariff. Continuous use of intermediate point rate application under this Item 16 for more than thirty (30) days requires establishment of a rate for the transportation service.

## 17. PAYMENT OF CHARGES

A. Gatherer will invoice Shipper or a Third Party Shipper, as applicable, for transportation rates, fees, and charges, and any other amounts accruing on Crude Oil transported by Gatherer within twenty (20) days of the end of each month. Gatherer shall calculate and assess any payments Shipper owes to Gatherer under a COGA, including but not limited to any deficiency payments, in accordance with the provisions of the COGA.

B. All payments are due by the later of (i) the twenty-fifth ($25^{th}$) day of the month in which the invoice is received or (ii) fifteen (15) days from the date of Shipper's receipt of the invoice. Invoices falling due on a weekend or holiday need not be paid until the following regular workday and no interest shall accrue under Item

17(C) until after such regular workday. If Shipper, in good faith, disputes the amount of any such invoice or any part thereof, Shipper shall pay such amount as it concedes to be correct. If Shipper disputes the amount due, it must provide supporting documentation to support the amount disputed within ten (10) days of the date of Shipper's receipt of such invoice.

C. If any undisputed charge remains unpaid after the due date, then interest shall accrue at a per annum rate of interest equal to the lower of (i) the Prime Rate plus five percent (5%) or (ii) the maximum legal rate. "**Prime Rate**" means the prime rate on corporate loans at large U.S. money center commercial banks as set forth in the Wall Street Journal "Money Rates" table under the heading "Prime Rate," or any successor thereto, on the first date of publication for the month in which payment is due.

D. In addition, in the event Shipper fails to pay any undisputed charges owed to Gatherer, whether under this tariff, a COGA, or any other agreement, when due, Gatherer shall have the right, until such payments, including interest thereon, are paid in full, to: (i) refuse to provide Shipper access to the Gathering System or provide services pursuant to this tariff, including delivery of any of Shipper's Crude Oil in Gatherer's possession to Shipper, (ii) offset the current and future amounts owed by Shipper under this tariff or a COGA against any amounts Gatherer owes to Shipper or against any of Shipper's Crude Oil in the Gathering System, and (iii) exercise any other rights and remedies granted under this tariff or existing under Applicable Law.

E. Gatherer shall have a lien on all Crude Oil delivered to and in the possession of Gatherer to secure the payment of any and all charges and fees owed to Gatherer by Shipper, whether under this tariff, a COGA if applicable, or any other agreement, including but not limited to, transportation fees, deficiency payments, penalties, interest and late payment charges. Such lien shall extend to all Crude Oil in Gatherer's possession beginning with Shipper's first receipt of transportation or other services from Gatherer. Shipper agrees to execute such additional documents as may be reasonably necessary to perfect or evidence such lien. If a bill of lading is required under Applicable Law for such a lien to arise, acceptance of the Nomination will be deemed to be the bill of lading for all Crude Oil subject to such Nomination. The lien provided herein shall be in addition to any lien or security interest provided by this tariff or Applicable Law.

F. If Shipper fails to pay any undisputed charges owed to Gatherer by the due date, Gatherer will notify Shipper of the failure, and if Shipper has not remedied the failure within ten (10) days following receipt of notice from Gatherer, in addition to any other remedies under this tariff or under Applicable Law, Gatherer shall have the right, either directly or through an agent, to sell any Crude Oil of such Shipper in Gatherer's custody, including Shipper's Line Fill, at public auction, on any day not a legal holiday, not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town, city, or general area where the sale is to be held, stating the time and place of sale and the quantity and location of the Crude Oil to be sold. At said sale, Gatherer shall have the right to bid, and, if it is the highest bidder, to become the purchaser. The proceeds of any sale shall be applied in the following order: (i) to the reasonable expenses of holding, preparing for sale, selling, and transporting the

Crude Oil and to the extent allowed by Applicable Law reasonable attorneys' fees and legal expenses incurred by Gatherer; and (ii) to the satisfaction of Shipper's indebtedness including interest herein provided from the date payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto. Gatherer will have a claim for and against Shipper with respect to any deficiency arising from the debt due to Gatherer from Shipper and the proceeds of any sale after reduction as set forth above.

## 18. FINANCIAL ASSURANCES

A. Thirty (30) days prior to making its first Nomination, each prospective Shipper shall provide information to Gatherer that will allow Gatherer to determine the prospective Shipper's ability to pay any financial obligations that could arise from the transportation of the prospective Shipper's Crude Oil under the terms of this tariff. The type of information Gatherer may request from a prospective Shipper includes, but is not limited to, most recent year-end financials, Form 10-K reports or other filings with regulatory agencies, and bank references. Except as otherwise provided for in a COGA, if, in the reasonable opinion of Gatherer, such prospective Shipper is not creditworthy, Gatherer shall require such Shipper to prepay all transportation and other fees and lawful charges accruing on Crude Oil delivered and accepted by Gatherer or supply an irrevocable letter of credit from a bank acceptable to Gatherer, with terms in a form acceptable to Gatherer and such prepayment must be received within five (5) days of Shipper's first Nomination. In the event Gatherer determines, in a manner not unreasonably discriminatory, that a Shipper's creditworthiness is at any time unsatisfactory to Gatherer, Gatherer may require, except as otherwise provided for in a COGA, Shipper to provide adequate assurance of performance. As adequate assurance, Gatherer may require Shipper to provide one of the following (at Gatherer's election): (i) cash (in U.S. dollars), as collateral held for security, (ii) a Guarantee (as defined below), (iii) a prepayment, and/or (iv) an irrevocable standby letter of credit issued by a Qualified Institution, with the amount of such security to be the amount estimated in good faith for the next sixty (60) days of performance hereunder. For purposes of this Item 18(B), a "**Guarantee**" means a guarantee of the payment obligations of Shipper which is provided by Shipper's credit support provider in favor of Gatherer with such form of guarantee being acceptable to Gatherer in its reasonable discretion.

B. In the event a prospective Shipper fails to comply with any obligation in Item 18(A) or a Shipper fails to comply with any obligation in Item 18(B), Gatherer shall not be obligated to provide such prospective Shipper with access to the Gathering System or to provide transportation services pursuant to this tariff or a COGA, as applicable, until such requirement is fully met.

## 19. CHARGE FOR FUND COMPENSATION

In addition to all other charges to Shipper accruing on Crude Oil accepted for transportation and subject to any provision in a COGA, a per Barrel charge will be assessed and collected by Gatherer in the amount of any tax, fee, or other charge levied against Gatherer in connection with such Crude Oil by any Governmental Authority 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 a loss therefrom or any program where Gatherer is acting as a collecting agent. Such charge will be included in the appropriate tariff filed with the Federal Energy Regulatory Commission.

## 20. LIABILITY OF SHIPPER

As a condition to Gatherer's acceptance of Crude Oil for transportation on the Gathering System, each Shipper agrees to protect and indemnify Gatherer against claims or actions for injury and/or death of any and all Persons whomever and for damage to property of or any other loss sustained by Gatherer, Shipper, Consignor, Consignee and/or any third party, resulting from or arising out of (i) any breach of or failure to adhere to any provision of Gatherer's tariff(s) or a COGA (if applicable) by such Shipper or any of its Consignors, Consignees, or any of their agents, employees or representatives and (ii) the negligent act(s) or failure(s) to act of such Shipper or any of its Consignors, Consignees or any of their agents, employees or representatives in connection with delivery or receipt of Crude Oil, except to the extent such claims or actions are due to the breach by Gatherer of this tariff or a COGA (if applicable), or negligence or willful misconduct of Gatherer.

## 21. LIABILITY OF GATHERER

A. Gatherer, while in possession of Crude Oil herein described, shall not be liable for, and Shipper hereby waives any claims against Gatherer for, any loss thereof, damage thereto, or delay caused by Force Majeure, the act of Shipper itself, a Governmental Authority, the nature of the goods, or resulting from any other causes, unless such loss, damage, or delay is due to the breach by Gatherer of this tariff or a COGA (if applicable), or negligence or willful misconduct of Gatherer. Gatherer agrees to protect and indemnify Shipper against any claims, losses or damages arising from any breach, negligence or willful misconduct by Gatherer. Gatherer shall not be liable for, and Shipper hereby waives any claims against Gatherer for, any loss or damage to Crude Oil prior to the delivery of Crude Oil to Gatherer at the Receipt Points and after delivery of Crude Oil at the Delivery Points.

B. In case of loss or damage of any Crude Oil from any such causes that are not due to the breach, negligence or willful misconduct of Gatherer, after it has been received for transportation at the Receipt Point and before the same has been delivered to Shipper at the Delivery Point, such loss will be charged proportionately to each Shipper in the ratio that its Crude Oil, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Crude Oil then in the custody of Gatherer for transportation via the lines or other facilities in which the loss occurs. Gatherer will be obligated to deliver only that portion of such Crude Oil remaining after deducting Shipper's portion of such loss determined as aforesaid. In the aforementioned instance, transportation charges will be assessed only on the quantity delivered.

C. Gatherer will not be liable for discoloration, contamination, or deterioration of the Crude Oil transported hereunder unless and to the extent such discoloration, contamination, or deterioration of Crude Oil transported results from the breach, negligence or willful misconduct of Gatherer.

D. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS TARIFF, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES, ANY SUCCESSORS IN INTEREST OR ANY BENEFICIARY OR ASSIGNEE OF A COGA FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY LOST PROFITS OR REVENUES THAT CONSTITUTE SUCH DAMAGES, THAT ARISE OUT OF OR RELATE TO THIS TARIFF OR ANY BREACH HEREOF; PROVIDED, HOWEVER, THE FOREGOING SHALL NOT BE CONSTRUED AS LIMITING AN OBLIGATION OF A PARTY HEREUNDER TO INDEMNIFY, DEFEND AND HOLD HARMLESS PERSONS ENTITLED TO INDEMNIFICATION HEREUNDER AGAINST CLAIMS ASSERTED BY UNAFFILIATED THIRD PARTIES, INCLUDING, BUT NOT LIMITED TO, THIRD PARTY CLAIMS FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES.

E. Gatherer operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Crude Oil transported or stored hereunder, and Gatherer expressly disclaims any liability for any express or implied warranty for Crude Oil transported hereunder including any warranties of merchantability or fitness for intended use.

## 22. CLAIMS, SUITS, AND TIME FOR FILING

As a condition precedent to recovery by Shipper against Gatherer for loss, damage, or delay in receipt or delivery of Shipper's Crude Oil for which Gatherer may be responsible, Shipper's claim must be filed in writing with Gatherer within nine (9) months after delivery of the affected Crude Oil, or in case of Gatherer's failure to make delivery of Shipper's Crude Oil, then within nine (9) months after a reasonable time for delivery has elapsed; and suits shall be instituted against Gatherer only within two (2) years and one (1) day from the day when notice in writing is given by Gatherer to Shipper that Gatherer has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted by Shipper on such claims in accordance with the foregoing provisions, such claims will not be paid and Gatherer will not be liable. Nothing in this Item 22 shall limit Shipper's right to receive indemnification with respect to any loss, claim or damage for which Gatherer is obligated to indemnify Shipper, other than claims by Shipper or its Affiliates for loss, damage or delay in receipt or delivery of Shipper's Crude Oil by Gatherer, regardless of when such loss, claim or damage arose.

## 23. CONNECTIONS

Subject to any provision contained in a Priority Shipper's COGA, including any provision requiring the connection of Receipt Points, connections to the Gathering System will only be considered if made by formal written application to Gatherer in accordance with Gatherer's connection policy. All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of the Gathering System in accordance with generally accepted industry standards and Gatherer's connection policies. Acceptance of any application for connection will be within the sole discretion of Gatherer and will be subject to compliance with Governmental Authorities and industry regulations.

## 24. GATHERER DISCRETION

Gatherer will operate the Gathering System and implement the rules and regulations contained in this tariff, including those provisions providing for Gatherer's discretion, in a manner that is not unduly discriminatory or unduly preferential.

## 25. LOSS ALLOWANCE

Except as otherwise set forth in Section II of this tariff, Gatherer shall deduct the actual losses of Crude Oil on a pro rata basis to cover losses inherent in the transportation of Crude Oil on the Gathering System, provided that such loss allowance shall not exceed (i) two-tenths of one percent (0.20%) of the volumes of Shipper's Crude Oil received into the Gathering System, with respect to Shipper's Crude Oil having an API Gravity of 49.9 degrees or less, or (ii) four-tenths of one percent (0.40%) of the volumes of Shipper's Crude Oil received in the Gathering System, with respect to Shipper's Crude Oil having an API Gravity of 49.9 degrees to 60 degrees (Gatherer will not accept for transportation Crude Oil with API Gravity above 60 degrees). The volumes delivered to Shipper or its designee from Gatherer's facilities shall be net of such deduction.

**[U] All rates on this page are unchanged.**

## SECTION II
## RATES

Rates in Dollars per Barrel

| Receipt Point(s) | Delivery Point(s) | Priority Rate Tier | Minimum Priority Rate | Uncommitted Rate |
|---|---|---|---|---|
| 1.06 series of Tank Batteries, Lea County, NM | • Wink Terminal, Winkler County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Wink Terminal<br>• Marathon Jackrabbit pipeline system interconnect at the Wink Terminal | N/A | $0.8118[1, 2, *] | $0.8010[2, *] |
| 1.08 series of Tank Batteries, Lea County, NM[3] | • Wink Terminal, Winkler County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Wink Terminal<br>• Marathon Jackrabbit pipeline system interconnect at the Wink Terminal | N/A | $0.8782[4, 5, **] | $0.8585[5, **] |
| 1.10 series of Tank Batteries, Lea County, NM[6, 7, 19] | • Wink Terminal, Winkler County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Wink Terminal<br>• Marathon Jackrabbit pipeline system interconnect at the Wink Terminal | N/A | $1.1757[8, ^] | $1.1583^ |
| 1.04 series of Tank Batteries, Lea County, NM[9] | • Wink Terminal, Winkler County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Wink Terminal<br>• Marathon Jackrabbit pipeline system interconnect at the Wink Terminal | 1 – 10,000 barrels per day | $1.2952[10, ^^] | $1.2714^^ |
| | | 10,001-20,000 barrels per day | $1.0758[10, ^^] | $1.0542^^ |
| | | 20,001+ barrels per day | $0.8562[10, ^^] | $0.8369^^ |

**[U] All rates on this page are unchanged.**

| Receipt Point(s) | Delivery Point(s) | Priority Rate Tier | Minimum Term Priority Rate | Uncommitted Rate |
|---|---|---|---|---|
| 1.10 series of Tank Batteries, Eddy County, NM[6, 11] | • Orla Terminal, Reeves County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Orla Terminal<br>• Plains All-American, LP Pipeline interconnect at the Orla Terminal | N/A | $1.17578, ^ | $1.1583^ |
| 1.04 series of Tank Batteries, Eddy County, NM[9] | • Orla Terminal, Reeves County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Orla Terminal<br>• Plains All-American, LP Pipeline interconnect at the Orla Terminal | 1 – 10,000 barrels per day | $1.2952[10, ^^] | $1.2714^^ |
| | | 10,001-20,000 barrels per day | $1.0758[10, ^^] | $1.0542^^ |
| | | 20,001+ barrels per day | $0.8562[10, 12, ^^] | $0.8369^^ |
| 1.12 series of Tank Batteries, Eddy County, NM | • Orla Terminal, Reeves County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Orla Terminal<br>• Plains All-American, LP Pipeline interconnect at the Orla Terminal | N/A | $1.3620[13, ^^^] | [14] |
| 1.14 series of Tank Batteries, Eddy County, NM | • EPIC Crude Oil Pipeline interconnect at the Orla Terminal<br>• Plains All-American, LP Pipeline interconnect at the Orla Terminal | N/A | $2.8122[15, 16 ‡] | $2.8016‡ |
| 1.16 series of Tank Batteries, Lea County, NM | • Wink Terminal, Winkler County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Wink Terminal<br>• Marathon Jackrabbit pipeline system interconnect at the Wink Terminal | N/A | $0.8251[17, ‡ ‡] | [14] |

**[U] All rates on this page are unchanged.**

| | | | | |
|---|---|---|---|---|
| 1.18 series of Tank Batteries, Lea County, NM | • Wink Terminal, Winkler County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Wink Terminal<br>• Marathon Jackrabbit pipeline system interconnect at the Wink Terminal | N/A | $0.9944[18, ‡‡‡] | [14] |
| Paako Ridge Connection Point – Eddy County, NM[21] | • Orla Terminal, Reeves County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Orla Terminal<br>• Plains All-American, LP Pipeline interconnect at the Orla Terminal | N/A | $0.5483[20, +] | N/A |
| 1.20 series of Tank Batteries, Lea County, NM[22] | • Marathon Jackrabbit pipeline system interconnect at the Wink Terminal<br>• EPIC Crude Oil Pipeline interconnect at the Wink Terminal | N/A | $0.8700[++23] | N/A |
| 1.22 series of Tank Batteries, Eddy County, NM | • Orla Terminal, Reeves County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Orla Terminal<br>• Plains All-American, LP Pipeline interconnect at the Orla Terminal | N/A | $1.6431[+++24,25] | N/A |

**[U] All rates on this page are unchanged.**

| | | | | |
|---|---|---|---|---|
| 1.24 series of Tank Batteries, Lea County, NM | • Wink Terminal, Winkler County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Wink Terminal<br>• Marathon Jackrabbit pipeline system interconnect at the Wink Terminal | N/A | $0.9433 [23,25,26] † | N/A |
| 1.26 series of Tank Batteries, Lea County, NM | • Wink Terminal, Winkler County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Wink Terminal<br>• Marathon Jackrabbit pipeline system interconnect at the Wink Terminal | N/A | $0.5274 [25,27] †† | N/A |
| 1.28 series of Tank Batteries, Eddy County, NM | • Orla Terminal, Reeves County, TX<br>• EPIC Crude Oil Pipeline interconnect at the Orla Terminal<br>• Plains All-American, LP Pipeline interconnect at the Orla Terminal | N/A | 1.5900 [3,28]††† | N/A |

## TRUCK UNLOAD CHARGE

Shipments unloaded from tank truck facilities into the Gathering System at Receipt Points are subject to a charge of 8.51 cents ($0.0851) per Barrel, except as otherwise provided in a COGA.

**Applicable Notes**

1. In order to qualify for this 10 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 10 years and made an acreage dedication covering at least 28,500 acres of lands located in Winkler County, Texas, Loving County, Texas and/or Lea County, New Mexico.

**[U] All rates on this page are unchanged.**

2. If Gatherer fails or is unable to connect an additional Receipt Point as requested by a Priority Shipper as provided for in the applicable COGA by the date that is thirty (30) days beyond the applicable Target RP In-Service Date (as such term is defined in the applicable COGA) for any reason other than Force Majeure, then, for each day of unexcused delay until Gatherer connects such additional Receipt Point beyond the Target RP In-Service Date, Gatherer shall temporarily reduce this Priority Rate to $0.375 per Barrel and this Uncommitted Rate to $0.365 per Barrel for Shipper's Crude Oil delivered to such additional Receipt Point for only a period of time equal to the amount of days from the deadline set forth in the applicable COGA until the date such additional Receipt Point is connected; provided, however, on the first day after the expiration of such period of time, the Priority Rate and Uncommitted Rate will be increased to such rates, respectively, set out in this row of Section II. By means of example, if Gatherer connects a requested Receipt Point fifty (50) days after the Target In-Service Date for such additional Receipt Point, and such delay is not due to an event of Force Majeure, then the reduction in the Priority Rate and Uncommitted Rate described in the preceding sentence would apply to such Priority Shipper's Crude Oil received at such additional Receipt Point for the first twenty (20) days after such additional Receipt Point is connected.

3. In lieu of the provisions stated in Item 25 of the tariff, the following will apply for Crude Oil Tendered at these Receipt Points: Gatherer shall deduct 0.2% of the volumes of Crude Oil received into the Gathering System to cover losses inherent in the transportation of Shipper's Crude Oil on the Gathering System. The volumes delivered to Shipper from Gatherer's facilities shall be net of such deduction.

4. In order to qualify for this 10 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 10 years and made an acreage dedication covering at least 5,000 acres of lands located in Lea County, New Mexico.

5. If Gatherer fails or is unable to connect an additional Receipt Point as requested by a Priority Shipper as provided for in the applicable COGA by the date that is thirty (30) days beyond the applicable Target RP In-Service Date (as such term is defined in the applicable COGA) for any reason other than Force Majeure, then, for each day of unexcused delay until Gatherer connects such additional Receipt Point beyond the Target RP In-Service Date, Gatherer shall temporarily reduce this Priority Rate and Uncommitted Rate by $0.10 per Barrel for each thirty (30) day time period beyond the applicable Target RP In-Service Date until this Priority Rate reaches $0.40 per Barrel and this Uncommitted Rate reaches $0.39 per Barrel for Shipper Crude Oil delivered to such additional Receipt Point for only a period of time equal to the amount of days from the deadline set forth in the applicable COGA until the date such additional Receipt Point is connected; provided, however, on the first day after the expiration of such period of time, the Priority Rate and Uncommitted Rate will be increased to such rates, respectively, set out in this row of Section II. By means of example, if Gatherer connects a requested Receipt Point fifty (50) days after the Target In-Service Date for such additional Receipt Point, and such delay is not due to an event of Force Majeure, then the reduction in the Priority Rate and Uncommitted

**[U] All rates on this page are unchanged.**

Rate described in the preceding sentence would apply to such Priority Shipper's Crude Oil received at such additional Receipt Point for the first twenty (20) days after such additional Receipt Point is connected.

6. In lieu of the provisions stated in Item 25 of the tariff, the following will apply for Crude Oil Tendered at these Receipt Points:

   The volumes of Crude Oil received into the Gathering System shall be subject to deduction to cover losses inherent in the transportation of Shipper's Crude Oil on the Gathering System based on the table below.

| API Gravity | Loss Percentage |
|---|---|
| Less than 45° | 0.20% |
| 45° through 49.9° | 0.25% |
| 50° through 54.9° | 0.50% |
| 55° through 59.9° | 0.75% |
| 60° through 69.9° | 1.00% |
| 70 ° or greater | 2.00% |

   The volumes delivered to Shipper from Gatherer's facilities shall be net of such deduction.

7. In addition to the 10 Year Term Priority Rate, a Priority Shipper shall also be subject to an incremental fee of $0.225 per Barrel for all volumes of Crude Oil delivered at the Coonskin tank battery, which is within the 1.10 series of Tank Batteries, Lea County, New Mexico, as identified in the Table of Rates above.

8. In order to qualify for this 10 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 10 years and made an acreage dedication covering at least 35,000 acres of lands located in Eddy and/or Lea Counties, New Mexico.

9. In lieu of the provisions stated in Item 25 of the tariff, the following will apply for Crude Oil Tendered at these Receipt Points: Gatherer shall deduct one quarter of one percent (0.25%) of the volumes of Crude Oil received into the Gathering System to cover losses inherent in the transportation of Shipper's Crude Oil on the Gathering System. The volumes delivered to Shipper from Gatherer's facilities shall be net of such deduction.

10. In order to qualify for this 10 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 10 years and made an acreage dedication covering at least 11,500 acres of lands located in Eddy and/or Lea Counties, New Mexico.

11. For these Receipt Points, the API Gravity Specifications shall be a minimum of 36 and a maximum of 65. Except for such API Gravity Specifications, all other Quality Specifications set out in Item 3 shall apply for these Receipt

**[U] All rates on this page are unchanged.**

Points.

12. In addition to the 10 Year Term Priority Rate, a Priority Shipper shall also be subject to an incremental fee of $0.1500 per Barrel for all volumes of Crude Oil produced from, or delivered at any Receipt Point located in, the S/2 of Section 34, Township 23 South, Range 27 East, Eddy County, New Mexico, including, without limitation, Crude Oil delivered at the Hamms CTB.

13. In order to qualify for this 15 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 15 years and made an acreage dedication covering at least 34,560 acres of lands located in Eddy County, New Mexico.

14. No Uncommitted Shipper has requested this service. Upon request from an Uncommitted Shipper, Gatherer will establish a rate for the service.

15. To qualify for this 15 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 15 years and made an acreage dedication covering at least 1,280 acres of lands located in Eddy County, New Mexico.

16. Effective as of June 1, 2025, a Priority Shipper will be entitled to a discount of $0.80 per Barrel from the 15 Year Term Priority Rate for all volumes delivered from Sections 9, 16 and 7 of T25S R26E and Sections 11 and 12 of T25S R25E in Eddy County, New Mexico.

17. To qualify for this 15 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 15 years and made an acreage dedication covering at least 2500 acres of lands located in Lea County, New Mexico.

18. To qualify for this 15 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 15 years and made an acreage dedication covering at least 4,400 acres of lands located in Lea County, New Mexico.

19. In addition to the 10 Year Term Priority Rate, a Priority Shipper shall also be subject to an incremental fee of $0.10 per Barrel for all volumes of Crude Oil delivered at any Receipt Point located in Sections 21 and 29, Township 21 South, Range 33 East, Lea County, New Mexico (including at the Queen Keely tank battery), which is within the 1.10 series of Tank Batteries, Lea County, New Mexico, as identified in the Table of Rates above.

20. To qualify for this Priority Rate, a Priority Shipper must have entered into a COGA with a minimum volume commitment of at least 10,000,000 barrels from Eddy County, New Mexico.

21. In lieu of the provisions stated in Item 25 of the tariff, the volumes of Crude Oil Tendered at this Receipt Point shall be subject to deduction to cover

**[U] All rates on this page are unchanged.**

losses inherent in the transportation of Shipper's Crude Oil on the Gathering System based on the table below.

| API Gravity | Loss Percentage |
|---|---|
| Less than 54.9° | 0.20% |
| 55° or greater | 0.40% |

22. In lieu of the provisions stated in Item 25 of the tariff, the following will apply for Crude Oil Tendered at these Receipt Points: Gatherer shall deduct one tenth of one percent (0.10%) of the volumes of Crude Oil received into the Gathering System to cover losses inherent in the transportation of Shipper Crude Oil on the Gathering System. No further losses will be deducted. The volumes delivered to Shipper from Gatherer's facilities shall be net of such deduction.

23. To qualify for this Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 10 years and made an acreage dedication covering at least 640 acres of lands located in Lea County, New Mexico.

24. In order to qualify for this 15 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 15 years and made an acreage dedication covering at least 2,000 acres of lands located in Eddy County, New Mexico.

25. In lieu of the provisions stated in Item 25 of the tariff, the following will apply for Crude Oil Tendered at these Receipt Points: Gatherer shall deduct 0.2% of the volumes of Crude Oil received into the Gathering System to cover losses inherent in the transportation of Shipper's Crude Oil on the Gathering System. The volumes delivered to Shipper from Gatherer's facilities shall be net of such deduction.

26. A Priority Shipper will be entitled to a reduction of the then-current Shipper's Priority Rate published in the above Table of Rates in an amount equal to $0.24 per Barrel, with such reduction effective on the first day of the Month following the delivery of 4 million cumulative barrels of Shipper's Crude Oil to the Receipt Point.

27. In order to qualify for this 15 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 15 years and made an acreage dedication covering at least 7,000 acres of lands located in Lea County, New Mexico.

28. In order to qualify for this 15 Year Term Priority Rate, a Priority Shipper must have entered into a COGA with a minimum term of 15 years and made an acreage dedication covering at least 5,000 acres of lands located in Eddy County, New Mexico.

* Effective as of 9:00 a.m., Central Clock Time, on the first January 1st that occurs two years after the Commencement Date, and each January 1st occurring

**[U] All rates on this page are unchanged.**

thereafter, the Priority Rates and Uncommitted Rates marked with an "*" shall be adjusted upwards or downwards following FERC's indexing adjustment, as set out in 18 CFR § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in an increase or decrease in the Priority Rates and/or Uncommitted Rates that exceeds two percent (2%) or a decrease in the Priority Rates and/or Uncommitted Rates that would result in a rate less than the applicable rates set out in Gatherer's initial FERC tariff, F.E.R.C. No. 1.0.0, Section II. In the event that Gatherer is unable to make a tariff filing pursuant to 18 CFR § 342.4(c) to adjust the Uncommitted Rates, then Gatherer will make a tariff filing to adjust the Uncommitted Rates effective as of the subsequent July 1 pursuant to 18 CFR § 342.3. However, if the FERC indexing adjustment is eliminated, Gatherer may increase or decrease the Priority Rates and Uncommitted Rates to reflect any positive changes or negative changes in the Producer Price Index for Finished Goods, on a year-over-year basis, subject to the above-noted increase and decrease limitations.

** Effective as of 9:00 a.m., Central Clock Time, on January 1, 2020, and each January 1st occurring thereafter, Priority Rate and Uncommitted Rate marked with an "**" shall be adjusted upwards or downwards following FERC's indexing adjustment, as set out in 18 CFR § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in an increase or decrease in the Priority Rate and/or the Uncommitted Rate that exceeds two percent (2%) or a decrease in the Priority Rate and/or the Uncommitted Rate that would result in a rate less than the applicable rates set out in Gatherer's initial FERC tariff, F.E.R.C. No. 1.0.0, Section II. In the event that Gatherer is unable to make a tariff filing pursuant to 18 CFR § 342.4(c) to adjust the Uncommitted Rate, then Gatherer will make a tariff filing to adjust the Uncommitted Rate effective as of the subsequent July 1 pursuant to 18 CFR § 342.3. However, if the FERC indexing adjustment is eliminated, the Parties agree to increase or decrease the Priority Rate and the Uncommitted Rate to reflect any positive changes or negative changes in the Producer Price Index for Finished Goods, on a year-over-year basis, subject to the above-noted increase and decrease limitations.

^ Effective as of 9:00 a.m., Central Clock Time, on July 1, 2020, and each July 1st occurring thereafter, the Priority Rates marked with an "^" shall be adjusted upwards or downwards following FERC's indexing adjustment, pursuant to 18 CFR § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in an increase in such Priority Rates that exceeds two percent (2%) or a decrease in the Priority Rates that would result in a rate less than the applicable rates set out in Gatherer's initial FERC tariff, F.E.R.C. No. 1.0.0, Section II. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase these Priority Rates to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the above-noted increase and decrease limitations.

^^ Effective as of 9:00 a.m., Central Clock Time, on January 1, 2020, and each

**[U] All rates on this page are unchanged.**

January 1st occurring thereafter, the Priority Rates and Uncommitted Rates marked with an "^^" shall be adjusted upwards or downwards following FERC's indexing adjustment, as set out in 18 CFR § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in an increase in the Priority Rates and/or Uncommitted Rates that exceeds two percent (2%) or a decrease in the Priority Rates and/or Uncommitted Rates that would result in a rate less than the applicable rates set out in Gatherer's initial FERC tariff, F.E.R.C. No. 1.0.0, Section II. In the event that Gatherer is unable to make a tariff filing pursuant to 18 CFR § 342.4(c) to adjust the Uncommitted Rates, then Gatherer will make a tariff filing to adjust the Uncommitted Rates effective as of the subsequent July 1 pursuant to 18 CFR § 342.3. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase the Priority Rates and Uncommitted Rates to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the above- noted increase and decrease limitations.

^^^ Effective as of 9:00 a.m., Central Clock Time, on July 1, 2023, and each July 1st occurring thereafter, the Priority Rates marked with an "^^^" shall be adjusted upwards or downwards following FERC's indexing adjustment, pursuant to 18 CFR § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in an increase in such Priority Rates that exceeds three percent (3%) or a decrease in the Priority Rates that would result in a rate less than $1.2500. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase these Priority Rates to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the above-noted increase and decrease limitations.

‡ Effective as of 9:00 a.m., Central Clock Time, on January 1, 2024, and each January 1st occurring thereafter, the Priority Rate and Uncommitted Rate marked with an "‡" shall be adjusted upwards or downwards following FERC's indexing adjustment, pursuant to 18 CFR § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in an increase in such Priority Rate or Uncommitted Rate that exceeds three percent (2%) or a decrease in the Priority Rate that would result in a rate less than $2.6500 or a decrease in the Uncommitted Rate that would result in a rate less than $2.6400. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase these Priority Rates to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the above-noted increase and decrease limitations.

‡‡ Effective as of 9:00 a.m., Central Clock Time, on July 1, 2024, and each July 1st occurring thereafter, the Priority Rate and Uncommitted Rate marked with an "‡‡" shall be adjusted upwards or downwards following FERC's indexing adjustment, pursuant to 18 C.F.R. § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in a decrease in such Priority Rates that would result in a rate less than $0.78. The Uncommitted Rate shall fluctuate by FERC's indexing adjustment.

**[U] All rates on this page are unchanged.**

However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase these Priority Rates to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the above-noted increase and decrease limitations.

‡‡‡ Effective as of 9:00 a.m., Central Clock Time, on July 1, 2024, and each July 1st occurring thereafter, the Priority Rate and Uncommitted Rate marked with an "‡‡‡" shall be adjusted upwards or downwards following FERC's indexing adjustment, pursuant to 18 C.F.R. § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in an increase in the Shipper's Priority Rate that exceeds two and one-half percent (2.5%) or a decrease in the Shipper's Priority Rate that would result in a rate less than $0.9400. The Uncommitted Rate shall fluctuate by FERC's indexing adjustment. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase Shipper's Priority Rate to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the above-referenced limitations.

+ Effective as of 9:00 a.m., Central Clock Time, on July 1, 2025, and each July 1st occurring thereafter, the Priority Rate marked with an "+" shall be adjusted upwards following FERC's indexing adjustment, pursuant to 18 C.F.R. § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in (a) an increase or decrease of greater than four percent (4%) per year or (b) a decrease in the Priority Rate. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase Shipper's Priority Rate to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the provisions of this Section 6.4 and the above- noted increase and decrease limitations.

++ Effective as of 9:00 a.m., Central Clock Time, on August 1, 2026, and each July 1st occurring thereafter, Shipper's Priority Rate shall be adjusted upwards or downwards following FERC's indexing adjustment, pursuant to 18 C.F.R. § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in an increase or decrease in Shipper's Priority Rate that exceeds four percent (4%) or a decrease in the Shipper's Priority Rate that would result in a rate less than $0.8700. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase Shipper's Priority Rate to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the above-referenced limitations.

+++ Effective as of 9:00 a.m., Central Clock Time, on July 1st, 2026 and each July 1st occurring thereafter, Shipper's Priority Rate shall be adjusted upwards (any upwards adjustment shall not exceed four (4%) percent) or downwards following FERC's indexing adjustment, pursuant to 18 C.F.R. § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in a decrease in the Shipper's Priority Rate that would result in a rate less than $1.6200. However, if the FERC

**[U] All rates on this page are unchanged.**

indexing adjustment is eliminated, Gatherer shall have the right to increase Shipper's Priority Rate to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the provisions of this Section 7.4 and the above-noted increase and decrease limitations.

†Effective as of 9:00 a.m., Central Clock Time, on July 1, 2026, and each July 1st occurring thereafter, Shipper's Priority Rate shall be adjusted upwards or downwards following FERC's indexing adjustment, pursuant to 18 C.F.R. § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in (i) a decrease in the Shipper's Priority Rate that would result in a rate less than $0.9300 or (ii) an increase by more than 2.5% in a given year. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase Shipper's Priority Rate to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the provisions of this Section 7.4 and the above-noted increase and decrease limitations.

†† Effective as of 9:00 a.m., Central Clock Time, on July 1, 2024, and each July 1st occurring thereafter, Shipper's Priority Rate shall be adjusted upwards or downwards following FERC's indexing adjustment, pursuant to 18 C.F.R. § 342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in a decrease in the Shipper's Priority Rate that would result in a rate less than $0.5200. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase Shipper's Priority Rate to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the provisions of this Section 7.4 and the above-noted increase and decrease limitations.

††† Effective as of 9:00 a.m., Central Clock Time, on July 1, 2027, and each July 1st occurring thereafter, Shipper's Priority Rate shall be adjusted upwards or downwards following FERC's indexing adjustment, pursuant to 18 C.F.R. §342.3, including future amendments or modifications thereof, provided, however, that such indexing adjustment shall not result in a decrease in the Shipper's Priority Rate that would result in a rate less than $1.59. The Uncommitted Rate shall fluctuate by FERC's indexing adjustment. However, if the FERC indexing adjustment is eliminated, Gatherer shall have the right to increase Shipper's Priority Rate to reflect any positive changes in the Producer Price Index for Finished Goods, subject to the provisions of this Section 7.4 and the above-noted increase and decrease limitations.

**Explanation of Reference Marks**

**[C]** Cancel
**[N]** New
**[U]** Unchanged rate
**[W]** Change in wording only