

GEL TEXAS PIPELINE, LLC

LOCAL TARIFF

**CONTAINING
RATES, RULES AND REGULATIONS
GOVERNING
THE INTERSTATE TRANSPORTATION
OF
CRUDE PETROLEUM
BY
THE PIPELINE**

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

The rules and regulations published herein apply only under tariffs making specific reference by number to this tariff; such reference will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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[N] Special Permission Requested

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GENERAL APPLICATION

Carrier offers transportation service of Crude Petroleum, between the origin and destination points subject to this tariff, solely by means of segregated batches pursuant to the minimum batch quantity and quality specifications set forth below, and does not offer common stream transportation of Crude Petroleum. Carrier reserves the right to revise this tariff at any time to provide for, among other things, common stream transportation of Crude Petroleum, or additional forms of batched transportation, including revised quality specifications applicable thereto.

Item No. 5. DEFINITIONS:

“API” means American Petroleum Institute and its successor.

“A.P.I. Gravity” means gravity determined in accordance with American Society for Testing Materials (including any successor, “ASTM”) Designation 4052, or any successor publication.

“Assay” means a laboratory analysis of Crude Petroleum to include the following: A.P.I. Gravity, Reid vapor pressure, composition, pour point, water and sediment content, sulfur content, viscosity, distillation, hydrogen sulfide, flash/boiling point and other characteristics as may be required by Carrier.

“Barrel” means forty-two (42) United States gallons of Crude Petroleum at a temperature of sixty degrees Fahrenheit (60° F) and zero (0) gauge pressure if the vapor pressure of the Crude Petroleum is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the Crude Petroleum is above atmospheric pressure.

“Carrier” means GEL Texas Pipeline, LLC.

[C] ~~“Committed Shipper” means a Shipper who has entered into a TSA with Carrier.~~

“Consignee” means anyone to whom custody is to be given at the specific instructions of a Shipper when Crude Petroleum is delivered out of Carrier’s system.

“Crude Petroleum” means a mixture of hydrocarbons that existed in liquid phase in underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities and which has not been processed through a crude oil distillation tower.

“Nomination” means a written designation by a Shipper to Carrier of a stated quantity of Crude Petroleum to be tendered to Carrier for transportation from a specified origin point(s) to a specified destination point(s), as listed in the Table of Rates herein, over a period of one Operating Month in accordance with these rules and regulations.

“Operating Month” for a Shipper or Transferor means any calendar month in which Carrier either transports Crude Petroleum or recognizes and records a change in ownership of Crude Petroleum for the account of such Party. For purposes hereof the calendar month shall be deemed to begin at 7:00 a.m. (Central Time) on the first day of such month.

“Party” means Carrier or a Shipper or a Transferor, as applicable, and “Parties” means both Carrier and a Shipper or Carrier and a Transferor, or Carrier and a Transferee, as applicable.

“Prime Rate” means the prime rate of interest as published under “Money Rates” in the Wall Street Journal.

“Shipper” means the Party that uses Carrier’s system for the transportation of Crude Petroleum subject to and in accordance with these rules and regulations [C] ~~any TSA~~, and the applicable rate on the Table of Rates herein.

“Tender” means an offer by a Shipper to Carrier of a stated quantity of Crude Petroleum for transportation from a specified origin point(s) to a specified destination point(s) listed in the Table of Rates herein.

“Transferee” means the Party to whose account ownership of Crude Petroleum is transferred by Transferor upon the Carrier’s approval.

“Transferor” means the Party who requests Carrier to recognize and record a change in ownership of Crude Petroleum from its account to a designated Transferee’s account.

[C] ~~“TSA” means a transportation services agreement between a Shipper and Carrier.~~

Item No. 10. SHIPMENT OF INDIRECT PETROLEUM PRODUCTS:

Indirect petroleum products will be accepted for transportation only on condition that they have been mixed with direct products of oil wells, or on condition that they can be mixed with direct products of oil wells in the tanks or lines of Carrier at the point tendered. Carrier reserves the right to require that all deliveries of indirect petroleum products with a vapor pressure in excess of atmospheric pressure be made from pressurized tanks. Shipper shall provide arrangements whereby such tanks shall be kept under constant pressure during the time liquid is being run from said tanks by charging, from an external source, the vapor space of the tanks with vapors of the same indirect petroleum being run.

Item No. 15. SPECIFICATIONS AS TO QUALITY AND LEGALITY OF SHIPMENTS:

Carrier shall have no obligation to accept, transport, or deliver any commodity other than Crude Petroleum that meets the quality specifications herein, and Shipper shall not tender to Carrier Crude Petroleum that does not meet such specifications [C] ~~; provided, however, that to the extent a TSA contains more restrictive and/or additional quality specifications than the specifications set forth in A-H below, the quality specifications in the TSA shall control.~~ Except where Carrier determines, in its sole discretion, that accepting non-conforming Crude Petroleum for transportation will not adversely affect its system operations, Carrier will not knowingly accept any Crude Petroleum offered for transportation other than good and merchantable Crude Petroleum of acceptable character which, when measured and tested by Carrier or Carrier’s representative at the receipt point, meets all of the following specifications:

- A. Sulfur content by weight not greater than three percent (3%).
- B. A.P.I. Gravity of at least 17 degrees and not more than 55 degrees.
- C. Reid vapor pressure not greater than 10.0 psia measured at 37 degrees Celsius or 100 degrees Fahrenheit.
- D. Viscosity not greater than 45 cSt at 20 degrees Celsius or 68 degrees Fahrenheit
- E. Pour point not greater than -7 degrees Celsius or 20 degrees Fahrenheit.
- F. Basic sediment, water or other impurities not greater than one percent (1%) by volume.
- G. Hydrogen Sulfide not greater than 10 ppm in the vapor space.

H. Benzene not greater than three percent (3%).

Crude Petroleum delivered to Carrier's facilities which does not meet the foregoing quality specifications (the "Quality Specifications") may, at Carrier's election, be deemed non-conforming. In addition to the Quality Specifications, Carrier reserves the right to reject Crude Petroleum containing physical or chemical characteristics that may render such Crude Petroleum not readily transportable by Carrier or that may otherwise cause disadvantage to Carrier. Further, Carrier may reject Crude Petroleum containing contaminants including, but not limited to, chemicals such as chlorinated and/or oxygenated hydrocarbons and/or heavy metals such as lead and/or vanadium or which, in Carrier's reasonable opinion constitutes or may constitute a hazard to personnel or equipment or gives Carrier reasonable grounds of apprehension of loss or damage to any person, or other products or property. If, upon investigation, Carrier determines that a Shipper has delivered to Carrier's facilities contaminated, non-conforming or hazardous Crude Petroleum, upon notice by Carrier, Shipper shall remove any such Crude Petroleum from the Pipeline within a reasonable amount of time (not to exceed forty eight (48) hours) at a connection point designated by Carrier. If Shipper fails to remove such contaminated, non-conforming or hazardous Crude Petroleum within forty eight (48) hours of Carrier's notice, Carrier may, upon notice to Shipper, dispose of such Crude Petroleum. Shipper shall reimburse Carrier for the costs and expenses associated with such disposal. Any other liability associated with contaminated, non-conforming or hazardous Crude Petroleum or disposal of any contaminated, non-conforming or hazardous Crude Petroleum shall be borne by the responsible Shipper, unless caused by the gross negligence or willful misconduct of Carrier.

Item No. 20. SEGREGATION AND VARIATIONS IN QUALITY AND GRAVITY:

Carrier offers transportation service pursuant to these rules and regulations solely by means of segregated batches. Carrier will endeavor, pursuant to accepted pipeline industry operating practices, to make delivery of Crude Petroleum at the destination point specified in Shipper's Nomination which is substantially the same Crude Petroleum as that received from Shipper at the point of origin. For such segregated batches, Shipper must provide Crude Petroleum in such quantities and at such specified times as may be necessary to permit such segregated shipments to be transported by Carrier's facilities. As a condition to Carrier's acceptance of its Nomination for transportation, Shipper (as well as its Consignee and any Transferor and Transferee associated with the nominated shipment) agrees that Carrier will not be liable for failure to deliver the identical Crude Petroleum, or for any variations in the Quality Specifications and/or gravity of Crude Petroleum occurring while such segregated shipment is in Carrier's custody, unless caused by the gross negligence or willful misconduct of Carrier.

Item No. 25. QUALITY TESTING AND VERIFICATION:

Upon request of Carrier, Shipper is required to furnish Crude Petroleum Assays so that quality determinations can be made. Carrier reserves the right to approve of an independent laboratory to be used to providing the Assay. If Carrier determines that Shipper's Crude Petroleum does not meet the Quality Specifications, contains contaminants or hazardous substances, or in the opinion of Carrier, differs materially in character from Crude Petroleum being transported by Carrier, transportation may be refused or offered under such terms and conditions as agreed to by Carrier and Shipper.

Carrier reserves the right to sample Crude Petroleum of Shipper without prior notice at facilities that connect to Carrier's system, and shall have the right to ingress and egress upon the property of Shipper or Shipper's designee for such purpose. If, upon investigation, Carrier determines the Crude Petroleum does not conform to the Quality Specifications and Carrier has not been given prior notice, or if the Crude Petroleum contains contaminated or hazardous substances, which, in the opinion of Carrier, may materially affect the quality of Crude Petroleum or Carrier's operations, Shipper will be liable for the cost of Carrier's investigation in addition to other remedies specified in these rules and regulations.

Carrier may, without prior notice, advise Shippers as to the specific results of any Assay.

The test method(s) used in any Assay shall comply with industry practice and accepted standards, including the methods published by the ASTM, the API, and the United States Environmental Protection Agency. Carrier may waive the requirement for any specific test to be included in an Assay. In the event of a discrepancy or conflict between the results of Carrier's Assay and the Assay of Shipper, the results of Carrier's Assay shall prevail.

Item No. 30. NOMINATIONS AND MINIMUM/MAXIMUM BATCH QUANTITY:

The Carrier is under no obligation to accept a Tender of Crude Petroleum for shipment for any Operating Month unless Shipper submits its Nomination to Carrier in writing by 7:00 a.m. Houston, Texas time on or before the 25th day of the preceding calendar month. Such Nomination shall specify the type of Crude Petroleum to be transported, the volume of Crude Petroleum for such upcoming month, the timing of such deliveries, the delivery point(s) to which such Crude Petroleum will be delivered, the quality specifications of such Crude Petroleum, an appropriate Safety Data Sheet and any other pertinent information, including all documentation required by law concerning the receipt, handling and storage of the Crude Petroleum.

Crude Petroleum tendered for shipment through the lines of Carrier will be received if Shipper gives 48 hours advance written notice of the following information with respect to the Crude Petroleum being transported: the type of Crude Petroleum to be transported, the quality specifications of the Crude Petroleum, the proposed date and time of physical delivery to Carrier of quantities tendered for transportation, the point of receipt, the point of delivery, the Consignee, the volume of such delivery as well as providing any documentation required by law. Carrier may refuse to accept Crude Petroleum for transportation unless satisfactory evidence is furnished that Shipper or Consignee has made provisions for prompt receipt thereof at destination.

A Nomination shall be accepted only when the total quantity of Crude Petroleum shall be made available by Shipper on a ratable basis over the course of the Operating Month, or in such quantities and at such times specified by Carrier.

Carrier shall not be obligated to accept a Nomination, or to receive a Tender, for a segregated batch in a quantity less than fifty thousand (50,000) Barrels or more than two hundred fifty thousand (250,000) Barrels.

Crude Petroleum will be transported only under a Nomination accepted by Carrier from origins to destinations when a tariff covering such pipeline movement is lawfully in effect.

Item No. 35. LINE FILL AND TANK BOTTOM INVENTORY:

Shipper shall provide its pro rata share of the Crude Petroleum necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of Carrier's system.

Item No. 40. FINANCIAL ASSURANCES:

Carrier may at any time and from time to time request, and Shipper shall provide promptly if Carrier so requests, financial security for the payment of charges to be paid by Shipper to Carrier for transportation service ("Financial Assurances"). If requested by Carrier, Shipper's Financial Assurances must be provided to Carrier prior to Carrier accepting Shipper's initial Nomination for transportation of Crude Petroleum. Carrier shall thereafter have the option to refuse Nominations, in whole or in part, from Shipper, and to suspend further receipts and deliveries, until adequate Financial Assurances are provided. Shipper shall provide notice of any change in its financial situation that would adversely affect Shipper's ability to pay Carrier for transportation service hereunder.

The Financial Assurances that Carrier may request from Shipper shall include, but shall not be limited to, the following:

- A. Prepayment of the charges applicable to such volumes nominated by Shipper; or
- B. An irrevocable letter of credit or other equivalent financial guarantees satisfactory to Carrier, which shall remain in effect until payment in full for all service has been received by Carrier, at which time Carrier shall, upon request, return and/or cancel such letter of credit or equivalent financial guarantee forthwith. The following must be acceptable to Carrier: (i) the terms of any letter of credit; (ii) the adequacy of any equivalent financial guarantees; and (iii) the identity of the issuing institution of any letter of credit or equivalent financial guarantee.

Item No. 45. APPORTIONMENT WHEN NOMINATIONS ARE IN EXCESS OF CAPACITY:

- A. When, based upon all valid Nominations submitted by Shippers in compliance with these rules and regulations, the total volumes nominated for transportation on a line segment exceed the capacity of such line segment, based on Carrier's determination as to the operationally available capacity of such line segment, the transportation furnished by Carrier shall be apportioned among all Shippers on an equitable basis. Line segments will be prorated separately if necessary.
- B. Available capacity in each segment will be allocated among "Regular Shippers" (as defined below) and any "New Shippers" (as defined below) as follows:
 - 1. Up to ninety percent (90%) of the available capacity will be allocated to Regular Shippers on a pro-rata basis using the lesser of volumes nominated or their Representative Volume (as defined below).
 - 2. Up to ten percent (10%) of the available capacity will be allocated to New Shippers, if any, on the lesser of volumes nominated or a pro-rata share of such capacity based on the number of New Shippers submitting Nominations.
 - 3. Any remaining available capacity will be allocated among all Shippers on a pro-rata basis using the volume of Nominations that remains unfulfilled, if any.
- C. For purposes of this Item No. 45, "Representative Volume" means the monthly average of Shipper's twelve consecutive month volumes for such segment consisting of (a) the current Nomination for the next Operating Month, (b) the accepted Nomination for the instant Operating Month and (c) the net volume received from such Shipper by Carrier in the ten Operating Months immediately prior to the instant month. ~~[C] A Shipper that signs a TSA with respect to a particular segment(s) shall have a Representative Volume for the first year of service equal to the volume specified in its TSA.~~
- D. A "Regular Shipper" is any Shipper having a record of movements on the line segment being prorated, during each month of the preceding twelve months. A "New Shipper" is a Shipper who is not a Regular Shipper on such segment. In no event will any portion of capacity allocated to a New Shipper be used in such a manner that it will increase the allocated capacity of another Shipper beyond the allocated capacity that Shipper is entitled to under the provisions stated in this Item No. 45. Carrier may require written assurances from responsible officials of Shippers regarding use of allocated capacity stating that this requirement has not been violated.
- E. Each Shipper shall be required to certify that it is not engaging in any device, scheme or arrangement whatsoever to make its allocated capacity available to another Shipper before Carrier will accept a

Nomination from such Shipper. In the event any Shipper shall receive and use any allocated capacity from a Shipper, then in the month following discovery of such violation, the allocated capacity of such Shipper will be reduced to the extent of the excess capacity made available and the allocated capacity of such Shipper will be reduced to the extent of excess capacity used.

- F. Each New Shipper whose Representative Volume consists only of the current Nomination for the next Operating Month shall be required to certify that it is not affiliated with any other Shipper before Carrier will accept a Nomination from such Shipper. For purposes of this provision, the term “affiliate” includes any person or entity that, directly or indirectly, controls another Shipper, is controlled by another Shipper, or is controlled by the same person or entity that controls another Shipper, and the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any person or entity whether through the ownership of voting securities or by contract or otherwise.
- G. No Nominations shall be considered beyond the amount that the nominating party has readily accessible for shipment. If a Shipper is unable to deliver Crude Petroleum equal to the volume allocated to it, Carrier will reduce that Shipper’s capacity otherwise allocated for the succeeding month by the amount of allocated capacity not utilized during the preceding month if apportionment is necessary.

Item No. 50. APPLICATION OF RATES:

Crude Petroleum accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the Nomination.

Item No. 55. LIABILITY OF CARRIER:

Carrier in possession of Crude Petroleum shall not be liable for any loss thereof; damage thereto; or delay caused by fire, storm, flood, epidemics, Act of God, riots, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, requisition or necessary of the Government of the United States in time of war or default of Shipper, Transferee or Consignee or from any other cause not attributable to the negligence of the Carrier [C] ~~except as otherwise provided in Shipper’s TSA.~~ In case of loss of any Crude Petroleum from any such causes, after it has been received for transportation and before the same has been delivered to Consignee, Shipper shall stand a loss in such proportion as the amount of its shipment, already delivered to Carrier, bears to all of the Crude Petroleum then in the custody of Carrier, for shipment via the lines or other facilities in which the loss or damage occurs, and Shipper shall be entitled to have delivered only such portion of its shipment as may remain after deduction of its due proportion of such loss, but in such event Shipper shall be required to pay charges only upon the quantity delivered.

EXCEPT AS AGREED TO BY SHIPPER AND CARRIER IN WRITING, CARRIER’S LIABILITY FOR DAMAGES HEREUNDER IS LIMITED TO DIRECT, ACTUAL DAMAGES ONLY AND CARRIER SHALL NOT BE LIABLE TO SHIPPER FOR SPECIFIC PERFORMANCE, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES OR SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, IN TORT, CONTRACT OR OTHERWISE, OF ANY KIND, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE, THE SUSPENSION OF PERFORMANCE, THE FAILURE TO PERFORM, OR THE TERMINATION OF THE SERVICES CONTEMPLATED HEREBY, EVEN IF IT HAS BEEN ADVISED OF THEIR POSSIBLE EXISTENCE.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EACH SHIPPER AND ITS AFFILIATES’ SOLE AND EXCLUSIVE REMEDY FOR CRUDE PETROLEUM LOSSES SHALL BE LIMITED TO THE VALUE OF THE CRUDE PETROLEUM LOST (DETERMINED BY SUCH

METHODS AS MAY REASONABLY BE DETERMINED BY CARRIER [C] ~~TO THE EXTENT NOT OTHERWISE PROVIDED IN SUCH SHIPPER'S TSA, IF ANY~~) AND SHALL NOT INCLUDE ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, INCLUDING LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, IN TORT, CONTRACT OR OTHERWISE, OF ANY KIND.

Item No. 70. ORIGIN AND DESTINATION FACILITIES REQUIRED:

Carrier will receive Crude Petroleum only at established origin points on its system, only when tendered for shipment to established destination points on Carrier's system, and only when Shipper has provided satisfactory facilities for handling receipts and deliveries, consistent with the minimum batch quantity specified in Item No. 30. Crude Petroleum will be received at established origin points only from pipelines, tanks, or other facilities which are provided by Shipper, or connecting carrier. Shipper or Shipper's representative, as applicable, shall be required, at Carrier's request, to enter into a connection agreement governing the responsibilities associated with the design, fabrication, installation, construction, ownership, and operations of the interconnection between Carrier and Shipper or Shipper's representative, as the case may be, in form and substance acceptable to Carrier, in its sole discretion. Carrier will determine and advise Shippers of the size and capacity of pipelines, tanks, and other pertinent facilities to be provided at an established point of origin to meet the operating conditions of Carrier's facilities at such point.

Item No. 75. NOTICE OF ARRIVAL, DELIVERY AT DESTINATION:

After a shipment has had time to arrive at destination, and on 24 hours' notice to Consignee, Carrier may begin delivery of such shipment to Consignee at Carrier's current rate of pumping. If Shipper or Consignee is unable or refuses to receive said shipment, a demurrage charge of two and five-tenths cents (2.5 cents) per Barrel per 24 hours shall accrue from the time said notice expires, on that part of such shipment which is not received by Consignee. After expiration of said 24-hour notice, Carrier's liability for loss, damage or delay with respect to Crude Petroleum offered for delivery but not taken by Shipper or Consignee shall be that of a warehouseman only. Carrier reserves the right, if deemed necessary to clear its pipeline system, to make arrangements for disposition of the Crude Petroleum. Any expenses incurred by Carrier in making such arrangements shall be borne by Shipper or Consignee.

Item No. 85. TITLE; CRUDE PETROLEUM INVOLVED IN LITIGATION:

Carrier shall not be obligated to accept any Crude Petroleum, when nominated for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind (except for liens for borrowed money or arising under applicable laws), and Carrier may require of Shipper satisfactory evidence of its perfected and unencumbered title or satisfactory indemnity bond to protect Carrier. By nominating Crude Petroleum for transportation, Shipper warrants and guarantees that Shipper has good title thereto and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided, that acceptance for transportation shall not be deemed a representation by Carrier as to title.

Item No. 90. PAYMENT OF TRANSPORTATION AND OTHER CHARGES:

Shipper or Consignee shall pay all applicable transportation charges, and all other lawful charges accruing on Crude Petroleum delivered to and accepted by Carrier for shipment, and if required, shall prepay or guarantee the same before acceptance by the Carrier, or pay the same before delivery. Carrier shall have a lien on all Crude Petroleum in its possession belonging to Shipper or Consignee to secure the payment of any and all unpaid transportation charges, or any lawful charges that are due Carrier that are unpaid by Shipper or Consignees, and may withhold such Crude Petroleum from delivery until all unpaid charges have been paid.

[C] ~~Except as otherwise provided in Shipper's TSA,~~ [W] If any charge remains unpaid after the due date of Carrier's invoice, then such amount due shall bear interest from the date of the invoice until paid, calculated at an annual rate equivalent to 120% of the Prime Rate in effect at the close of the business day on which payment was due, or the maximum rate allowed by law, whichever is the lesser.

Item No. 95. INTERRUPTION AND CURTAILMENT:

Carrier may interrupt, curtail or reduce transportation service to Shippers for such periods of time as it may reasonably require for the purpose of effecting or allowing any repairs, maintenance, replacement, upgrading or other work related to Carrier's system and related facilities or downstream facilities in circumstances which do not constitute a Force Majeure event. If such interruption is due to a planned outage, Carrier shall make a reasonable effort to give prior notice of any operational interruption and, to the extent possible, Carrier shall provide Shipper with reasonable notice of any scheduled shut down for maintenance. Carrier will use commercially reasonable efforts to minimize the extent and duration of any interruption and the impact of such interruption on the operation of Carrier's system.

During such periods of interruption, Carrier shall curtail transportation and, if necessary, allocate available capacity in accordance with the procedures set forth in Item No. 45.

Item No. 100. FORCE MAJEURE:

Neither Shipper nor Carrier shall be considered in default in the performance of its obligations hereunder (except for Shipper's obligations to make monetary payments or provide Financial Assurances), or be liable in damages or otherwise for any failure or delay in performance, when such failure is caused by reasons beyond the reasonable control of such Party, such as due to a strike, lockout, concerted act of workers or other industrial disturbance, fire, explosion, named storm, earthquake, flood or other natural catastrophe, civil disturbance, riot or armed conflict whether declared or undeclared, acts of terrorism, act of public enemy, war, curtailment, rationing or allocation of normal sources of supply of labor, materials, transportation, energy, or utilities, act of God, epidemic or pandemic, compliance with any act of government and any government regulations (whether or not valid, including the denial, delay, revocation, non-renewal or termination of a permit or license), loss or failure of, accident or damage to equipment or machinery (unless such loss, failure, accident or damage is caused by the gross negligence or willful misconduct of the Party claiming excuse hereunder), the delay or inability of such Party to acquire or retain any rights-of-way or easements or embargo ("Force Majeure"); provided that the ability of Shipper or Carrier to obtain better economic terms for the services provided hereunder shall not constitute Force Majeure.

In the event either Shipper or Carrier is rendered unable, wholly or in part, by a Force Majeure event to carry out its obligations or perform under these rules and regulations, it is agreed that on such Party's giving notice and full particulars of such Force Majeure event (including the nature of such event, its effect upon the notifying Party and an estimate of the extent and duration of any such Force Majeure event), in writing to the other Party within a reasonable time after the occurrence of the cause relied on, the obligations of both Parties hereto (except for Shipper's obligation to make monetary payments or provide Financial Assurances), so far as they are affected by such Force Majeure event, shall be suspended during the continuance of any inability to perform so caused, but for no longer period, and such cause shall, so far as possible using commercially reasonable efforts of such Party, be remedied with all reasonable dispatch, except that neither Party shall be compelled to resolve any strikes, lockouts, or other industrial disputes other than as it shall determine to be in its best interests.

Item No. 105. CLAIMS, SUITS AND TIME FOR FILING:

[C] ~~Except as otherwise provided in Shipper's TSA,~~ [W] As a condition precedent to recovery from Carrier for loss, damage, or delay in connection with shipment of the Crude Petroleum, claims must be filed in

writing with Carrier within 91 days after delivery, loss, or delay of the Crude Petroleum occurred. If the claim is for failure to make delivery, the claim must be made within 91 days after a reasonable time for delivery has elapsed.

Item No. 120. GAUGING AND TESTING:

Crude Petroleum nominated to Carrier for transportation shall be gauged or metered and may be tested by a representative of Carrier prior to its receipt from Shipper, but Shipper shall have the right to be present or represented at the gauging and testing. Quantities shall be computed from the tank tables on a 100 percent volume basis, or, when agreed upon, quantities may be measured through meters. All shipments will be received and delivered with volume corrected as to temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit. The Centrifuge method, or other methods agreed upon, shall be used for ascertaining the percentage of basic sediment, water or other impurities in the shipment and the full amount of basic sediment, water and other impurities, thus determined, shall be deducted from the corrected volume. Carrier shall have the right to enter upon the premises where Crude Petroleum is received and have access to any and all tanks, storage receptacles, or meters for the purpose of gauging, metering or testing and to make any examination, inspection, measurement or test authorized in these rules and regulations.

Item No. 125. DEDUCTIONS AND QUANTITIES DELIVERABLE:

- A. All shipments of Crude Petroleum of A.P.I. Gravity of 50 degrees or above shall be subject to a deduction to cover the shrinkage resulting from the mixture thereof, in the facilities of Carrier, with Crude Petroleum of A.P.I. Gravity of 49.9 degrees or less according to the following table:

A.P.I. GRAVITY		% DEDUCTION	
50°	Through	59.9°	1%
60°	Through	74.9°	2%
75°	Through	84.9°	3%
85°	Through	94.9°	4%
95°	Through	104.9°	5%
105°	Through	120.9°	6%

- B. ~~[C] Except as otherwise provided in Shipper's TSA, [N] One-tenths of one percent (0.1%) [C] two-tenths of one percent (0.2%)~~ of the volumes of Crude Petroleum received into Carrier's facilities shall be deducted from such volumes and shall be retained by Carrier to cover loss due to shrinkage and evaporation incident to transportation on Carrier's facilities, and the volumes delivered to Shipper from Carrier's facilities shall be net of such deduction ("Loss Allowance").

Item No. 130. EVIDENCE OF RECEIPTS AND DELIVERIES:

Crude Petroleum received from Shipper and delivered to the Consignee shall, in each instance, be evidenced by tickets, showing opening and closing tank gauges or meter readings, as applicable, temperature, basic sediment and water, and any other data essential to the determination of quantity. Unless otherwise agreed by Carrier, such tickets shall be jointly signed by representatives of Carrier and Shipper or Consignee, as appropriate, and shall constitute full receipt for the Crude Petroleum received or delivered.

Item No. 135. UNLOADING/LOADING AND PUMPING CHARGES:

Shipments unloaded from barges or other vessels, tank trucks, railcars, or third party pipelines into facilities of Carrier, loaded aboard barges or other vessels, tank trucks, railcars and/or delivered into Shipper's or Consignee's tanks or third party pipelines where Carrier has to perform additional pumping or other services

or provide facilities may be subject to a per-Barrel charge if specified on individual tariffs making reference to these rules and regulations. Such charges will be in addition to all other transportation charges.

Item No. 140. INTRASYSTEM CHANGE IN OWNERSHIP:

Notice of change in ownership of Crude Petroleum will be recognized and recorded only where such Crude Petroleum entered the Carrier's System and only on a monthly basis. Statements denoting ownership transactions will be provided to the applicable Transferors and Transferees. Carrier will not provide any information as to the quality of the Crude Petroleum subject to changes in ownership except for A.P.I. Gravity on current receipts when requested. A Transferor will be permitted to make only one transfer at a location per month. The Transferee will thence become Shipper and pay all tariff charges from the transfer location.

Carrier shall not be obligated to recognize and record changes in ownership of Crude Petroleum during any Operating Month unless the Transferor and Transferee requesting the Carrier to recognize and record the change in ownership shall, each, on or before the 25th day of the preceding calendar month provide written notice to the Carrier containing like data relative to the kind, quantity, source, location, Transferor and Transferee of the Crude Petroleum. Carrier shall not be obligated to accept any modification in said notice unless confirmed in writing by the Transferor and Transferee on or before the last day of the calendar month preceding the Operating Month.

When the quantity of the Crude Petroleum received during the Operating Month is not equivalent to the quantity of the Crude Petroleum subject to the notice of change in ownership, the Carrier will recognize and record the change in ownership only to the extent of the quantity received.

A notice of change in ownership of Crude Petroleum shall be deemed a warranty that the Transferor has unencumbered title to the Crude Petroleum identified in its notice at the time of change in ownership.

Item No. 150. STORAGE IN TRANSIT:

Carrier may have working tanks required to support its transportation operations, but has no other available tankage. Therefore, unless otherwise specifically stated in a tariff making reference to these rules and regulations, Carrier does not have facilities for rendering, nor does it offer a storage service. Provisions for storage in transit in facilities furnished by Shipper at points on Carrier's system will be permitted to the extent authorized under individual tariffs.

Item No. 155. PIPEAGE OR OTHER AGREEMENTS:

Separate pipeage and other agreements in association with pipeline connections, Carrier's pipeline system and other related matters in accordance with this tariff shall be required by Carrier before any obligation to provide transportation shall arise.

Item No. 160. EASEMENTS:

Each Shipper shall, and shall cause its affiliates to, grant Carrier and its affiliates without charge, a right of way easement to install, maintain, repair, alter, use, operate and remove such parts of any of Carrier's pipelines or other facilities at any destination or receipt point at which such Shipper's Crude Oil may be delivered as are or shall be located in, on, through and across the land of such Shipper or its affiliates and a right of ingress to and from such pipelines and other facilities.

Item No. 165. RATES:

TABLE OF SHIPPER RATES

[C] Committed Shipper Rates:			
Origin	Destination	Total Quarterly Volume^[3]	Rates
Origin Point ^[1]	Destination Point ^[2]	Up to (but excluding) the Aggregate Quarterly Minimum Committed Volume	\$0.8888
		Aggregate Quarterly Minimum Committed Volume and above	\$0.6667

Uncommitted Shipper Rates:			
Origin	Destination	[N] Average Daily Volume^[3]	Rates (\$/bbl)
Origin Point ^[1]	Destination Point ^[2]	[N] 0 – 30,000	[D] \$1.1000
		[N] 30,001 – 45,000	[N] \$0.8000
		[N] Greater than 45,000	[N] \$0.3750

Rates in Dollars per Barrel, Payable in United States Currency

[1] Origin points:

- DOE Pipeline Interconnect in Texas City, Texas
- CHOPS Interconnect in Texas City, Texas

[2] Destination points:

- Webster Terminal Interconnect in Webster, Texas
- Marathon Texas City Refinery Interconnect in Texas City, Texas
- Eastman Terminal Interconnect in Texas City, Texas

~~[C] [3] The Committed Shipper rates shall only be available to Shippers that commit to transport or pay for the daily Required Volume (as defined in each Committed Shipper's TSA). Committed Shipper rates to be calculated based on total revenue barrels in the period, allocated proportionally amongst the Committed Shippers. All Committed Shippers will receive the benefit of all volumes transported or paid for by other Committed Shippers and Uncommitted Shippers on Carrier's system towards the incentive tariff above. All rates will be adjusted annually after the first anniversary of the date Carrier's system has commenced full commercial operations, as determined by Carrier, by the current "Multiplier to Use" for the applicable year as identified in the Oil Pipeline Index published annually by the Federal Energy Regulatory Commission or any successor governmental authority.~~

~~The "Total Quarterly Volume" shall be the total barrels of crude petroleum either transported or paid, or committed to be paid for (in lieu of being transported), by all shippers on Carrier's system during the relevant Quarter (as defined in each Committed Shipper's TSA). The "Aggregate Quarterly Minimum Committed Volume" shall be (i) the "Required Volume" under (and as defined in) each Committed Shipper's TSA multiplied by (ii) the number of days in such Quarter.~~

[N] [3] The “Average Daily Volume” shall be the total barrels of crude petroleum transported by each Shipper on Carrier’s system during the relevant Operating Month divided by the number of days in such Operating Month.

By way of example, if Shipper A transports 750,000 barrels during the month of April, Shipper A’s invoice will be calculated as follows:

1. Aggregate Daily Volume = 750,000 Barrels divided by 30 days in the month = 25,000
2. Corresponding rate for an Average Daily Volume of 25,000 = \$1.100 per Barrel
3. Shipper A’s Invoice = 750,000 Barrels times \$1.100 per Barrel = \$825,000

Subject to applicable law, the rates specified herein shall be adjusted annually at a fixed rate of 2.0 percent.

Explanation of Reference Marks:

- [C] Cancel.
- [D] Decrease.
- [N] New.
- [W] Change in wording only.