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PIPELINE SAFETY DIVISION
AUSTIN, TEXAS

R.R.C. No. 103.2.0
(Cancels R.R.C. No. 103.1.0)

NuStar Logistics, L.P.

RAILROAD COMMISSION OF TEXAS (R.R.C.) LOCAL PIPELINE TARIFF
Containing the Rates, Rules, and Regulations Governing the Intrastate Transportation by Pipeline of
CRUDE PETROLEUM

From	To	Crude Viscosity Range Saybolt Universal Seconds at Sixty Degrees Fahrenheit (SUS @ 60°F)	Monthly Volume Incentives (in Barrels per Day) (Note 1)	Rate in Dollars per Barrel of 42 United States Gallons		
Wichita Falls Station, Wichita County, Texas	McKee Station, Moore County, Texas	35 - 109	1 to 25,000	[U] \$1.5148 (Rate 1)		
			25,001 to 50,000	[U] \$ 1.0495(Rate 2) (Note 1)		
			50,001 and over	[U] \$ 0.8035 (Rate 3) (Note 1)		
				110 - 149	1 to 25,000	[U] \$ 1.5982 (Rate 1)
					25,001 to 50,000	[U] \$1.1303 (Rate 2) (Note 1)
					50,001 and over	[U] \$ 0.9490 (Rate 3) (Note 1)
				150 - 199	1 to 25,000	[U] \$1.6651 (Rate 1)
					25,001 to 50,000	[U] \$1.1950 (Rate 2) (Note 1)
					50,001 and over	[U] \$0.9490 (Rate 3) (Note 1)
Carey Station Childress County, Texas	McKee Station, Moore County, Texas	200 - 299	1 to 25,000	[U] \$1.7486 (Rate 1)		
			25,001 to 50,000	[U] \$ 1.2755 (Rate 2) (Note 1)		
			50,001 and over	[U] \$1.0294 (Rate 3) (Note 1)		
		300 - 399	1 to 25,000	[U] \$ 1.8155 (Rate 1)		
			25,001 to 50,000	[U] \$1.3401 (Rate 2) (Note 1)		
			50,001 and over	[U] \$1.0940 (Rate 3) (Note 1)		
Carey Station Childress County, Texas	Wichita Falls Station, Wichita County, Texas (Note 2)	Max. viscosity of 109	1 and over	[U] \$0.9800 (Note 2)		
	Wichita Falls Plains Terminal, Wichita County, Texas (Note 2)	Max. viscosity of 109	1 and over	[U] \$0.9800 (Note 2)		

Subject to the rates, rules and regulations set forth herein.

Note 1: The Monthly Volume Incentives and Rates shall only apply in accordance with "Special Rule 15. Monthly Volume Incentive Rate Terms"

Note 2: Carrier may offer this temporary, as-available bi-directional service in a given month, and such service shall only be provided in accordance with "Special Rule 22. Bi-Directional Routing"

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

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SYMBOLS: [U] Unchanged [C] Cancel [W] Change in wording only

Rules and Regulations
Section I

The following nineteen (1-19) rules are reprinted here pursuant to the requirements of the Texas Railroad Commission Title 16 Part 1 Chapter 3 Rule §3.71.

Carrier (herein generally referred to as "the pipeline", in this tariff) will accept Crude Petroleum (referred to variously in this tariff as "crude oil", "crude", "oil", and "marketable oil", and defined in Rule 1 below) for intrastate transportation by pipeline from the point of origin to the point of destination named in this tariff, subject to the following rules and regulations:

Rule 1. All Marketable Oil To Be Received For Transportation

By the term "marketable oil" is meant any crude petroleum adopted for refining or fuel purposes, properly settled and containing not more than two percent of basic sediment, water, or other impurities above a point six inches below the pipeline connection with the tank. Pipelines shall receive for transportation all such "marketable oil" tendered; but the pipeline shall not be required to receive for shipment from any one person an amount exceeding 3,000 barrels of petroleum in any one day; and, if the oil tendered for transportation differs materially in character from that usually produced in the field and being transported therefrom by the pipeline, then it shall be transported under such terms as the shipper and the owner of the pipeline may agree or the Railroad Commission of Texas ("Commission") may require.

Rule 2. Basic Sediment, How Determined – Temperature

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

Rule 3. "Barrel" Defined

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

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

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

Rule 5. Storage

The pipeline shall provide, without additional charge, sufficient storage, such as is incident and necessary to the transportation of oil, including storage at destination or so near thereto as to be available for prompt delivery to destination point, for five days from the date of order of delivery at destination.

Rule 6. Identity Of Oil, Maintenance of Oil

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

Rule 7. Minimum Quantity To Be Received

The pipeline shall not be required to receive less than one tank carload of oil when oil is offered for loading into tank cars at destination of the pipeline. When oil is offered for transportation for other than tank car delivery, a pipeline shall not be required to receive less than 500 barrels.

Rule 8. Gathering Charges

The pipeline currently has no charges for gathering of the oil, for transportation, and for delivery.

Rule 9. Gauging, Testing and Deductions

(Reference Commission Special Order No. 20-63, 098, Effective June 18, 1973).

(a) All crude oil tendered to the pipeline for transportation shall be gauged and tested by a representative of the pipeline prior to its receipt by the pipeline. The shipper may be present or represented at the gauging and testing. Quantities shall be computed from correctly compiled tank tables showing 100% of the full capacity of the tanks, and adjustments shall be made for temperature from the nearest whole number degree to the basis of 60°F and to the nearest 5/10 API degree gravity in accordance with the volume correction Tables 5A and 6A contained in API Standard 2540, American Society for Testing Materials 01250, Institute of Petroleum 200, first edition, August 1980. The pipeline may deduct the basic sediment, water, and other impurities as shown by the centrifugal or other test agreed upon; and 1% for evaporation and loss during transportation. The net balance shall be the quantity deliverable by the pipeline.

(b) The gauging and testing of oil by the pipeline representative is directed toward and intended to require tank measurement of produced crude prior to the transfer of custody to the initial transporter from a producing property. A transfer of custody of crude between transporters is subject to measurement as agreed upon by the transporters.

Rule 10. Delivery and Demurrage

The pipeline shall transport oil with reasonable diligence, considering the quality of the oil, the distance of transportation and other material elements, but at any time after receipt of a consignment of oil, upon 24 hours' notice to the consignee, may offer oil for delivery from its common stock at the point of destination, conformable to Rule 6 of this tariff, at a rate not exceeding 10,000 barrels per day of 24 hours. Computation of time of storage (as provided for in Rule 5 of this tariff) shall begin at the expiration of such notice. At the expiration of the time allowed in Rule 5 of this tariff for storage at destination, the pipeline may assess a demurrage charge on oil offered for delivery and remaining undelivered, at a rate for the first 10 days of \$.001 per barrel and thereafter at a rate of \$.0075 per barrel, for each day of 24 hours or fractional part thereof.

Rule 11. Unpaid Charges, Lien For And Sale To Cover

The pipeline shall have a lien on all oil to cover charges for transportation, including demurrage, and it may withhold delivery of oil until the charges are paid. If the charges shall remain unpaid for more than 5 days after notice of readiness to deliver, the pipeline may sell the

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oil at public auction at the general office of the pipeline on any day not a legal holiday. The date for the sale shall be not less than 48 hours after publication of notice in a daily newspaper of general circulation published in San Antonio, Texas, the city where the general office of the pipeline is located. The notice shall give the time and place of the sale, and the quantity of the oil to be sold. From the proceeds of the sale, the pipeline may deduct all charges lawfully accruing, including demurrage, and all expenses of the sale. The net balance shall be paid to the person lawfully entitled thereto.

Rule 12. Notice Of Claims

Notice of claim for loss, damage or delay in connection with the shipment of oil must be made in writing to the pipeline within 91 days after the damage, loss, or delay 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.

Rule 13. Telephone - Telegraph Line - Shipper To Use

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

Rule 14. Contracts Of Transportation

When a consignment of oil is accepted, the pipeline shall give the shipper a run ticket, and shall give the shipper a statement that shows the amount of oil received for transportation, the points of origin and destination, corrections made for temperature, deductions made for impurities, and the rate for such transportation.

Rule 15. Shipper's Tanks. Etc. – Inspection

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

Rule 16. Offers In Excess Of Facilities

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

Rule 17. Interchange of Tonnage

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

Rule 18. Receipt and Delivery - Necessary Facilities For

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The pipeline shall install and maintain facilities for the receipt and delivery of marketable crude petroleum of shippers at any point on its line if the Commission finds that a necessity exists therefor, and under regulations by the Commission.

Rule 19. Report Of Loss From Fire, Lightning and Leakage

(a) The pipeline shall immediately notify the Commission, by telegraph, telephone, or letter, of each fire that occurs at any oil tank owned or controlled by the pipeline, or of any tank struck by lightning. The pipeline shall in like manner report each break or leak in any of its tanks or pipelines from which more than 5 barrels escape. The pipeline shall report in writing to the Commission, by the fifteenth day of each calendar month, the estimated amount of loss of oil by fire or leakage from its tanks and pipelines for this preceding month; but not including leakage or evaporation ordinarily incident to transportation.

(b) No risk of fires, storm, flood or act of God, and no risk resulting from riot, insurrection, rebellion, war, an act of the public enemy, or from quarantine or authority of law or any order, requisition or necessity of the government of the United States in time of war, shall be borne by the pipeline, nor shall any liability accrue to it from any damage thereby occasioned. If loss of any crude oil from such causes occurs after the oil has been received for transportation, and before it has been delivered to the consignee, the shipper shall bear a loss in such proportion as the amount of his shipment is to all of the oil held in transportation by the pipeline at the time of such loss, and the shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss, but in such event the shipper shall be required to pay charges only on the quantity of oil delivered. This rule shall not apply if the loss occurs because of negligence of the pipeline.

Section II
Special Rules

The Rules and Regulations set forth in Section 1 may be supplemented or amended by these Section II Special Rules. In the event of a conflict between the rules in Section I and the rules in Section II, the rules in Section II shall control.

Special Rule 1.	Definitions
API	American Petroleum Institute.
API Gravity	Gravity determined in accordance with ASTM Designation D-287 and with API MPMS Chapter 9 or updates thereto. Such API Gravity shall be expressed in degrees.
Assay	A laboratory analysis of Crude Petroleum to include API Gravity Reid vapor pressure, pour point, sediment and water content, sulfur content, viscosity at 60 degrees Fahrenheit, and other characteristics as may be required by Carrier.
ASTM	American Society for Testing Materials.
Base Period	Has the meaning set forth in Special Rule 16.
Base Shipment Percentage	Has the meaning set forth in Special Rule 16.

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BPD	Barrels per day
Calculation Month	Has the meaning set forth in Special Rule 16.
Capacity	The quantity of Crude Petroleum the Pipeline Segment at issue is capable of transporting under the current operating conditions.
Carrier	NuStar Logistics, L.P.
Committed Shipper	Has the meaning set forth in Special Rule 15.
Common Stream	Has the meaning set forth in Special Rule 23.
Connecting Carrier	A connecting pipeline company as named or referred to herein.
Consignee	The party to whom a Shipper has ordered the delivery of Crude Petroleum.
Crude Petroleum	The direct liquid hydrocarbon production from oil or gas wells, or blend of such, in its natural form, not having been enhanced or altered in any manner or by any process that would result in misrepresentation of its true value for adaptability to refining as a whole crude petroleum or for acceptability to be commingled with other crude petroleum. For purposes herein, crude petroleum shall also include synthetic crude oils derived or produced by chemical or physical transformation of oil shale, coal or oil sands.
Current Tender Basis	Has the meaning set forth in Special Rule 16.
Destination	A point named in the tariff at which point Carrier will deliver Crude Petroleum to Shipper or its Consignee after transportation from an Origin.
[N] FERC Tariff	<u>[N] The tariff Carrier maintains on file with the Federal Energy Regulatory Commission, including any supplement thereto or reissue thereof, containing the rates, rules and regulations governing the interstate transportation and delivery of Crude Petroleum, initially filed as F.E.R.C. No. 68.13.0.</u>
Loss Allowance	Has the meaning set forth in Special Rule 8.
New Shipper	Has the meaning set forth in Special Rule 16.
Origin	A point named in the tariff at which point Carrier will accept Crude Petroleum for transportation.
Pipeline Segment	Section of Carrier's common carrier facilities, the limits of which are defined by two geographically identifiable points, that, because of the way that section of Carrier's common carrier facilities is designed and operated, must be treated as a unit for purposes of determining Capacity.
Product Loss	Has the meaning set forth in Special Rule 8.

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Regular Shipper	Has the meaning set forth in Special Rule 16.
Segregated Batch	A tender of Crude Petroleum having specific identifiable characteristics which is moved through the pipeline and pipeline facilities so as to maintain its identity.
Settlement Period	The twelve (12) consecutive calendar months beginning at 12:01 am (central time) on January 1 of each calendar year and ending at 11:59 pm (central time) on December 31 of such calendar year; <i>provided, however</i> , the first Settlement Period shall be the period beginning on July 1, 2013 and ending at 11:59 pm (central time) on December 31, 2013.
Shipper	A party who contracts with Carrier for transportation of Crude Petroleum, as defined herein and under the terms of this tariff.
Tender	A nomination by a Shipper to Carrier of a stated quantity and grade of Crude Petroleum for transportation from a specified origin or origins to a specified destination or destinations in accordance with these rules and regulations.
Throughput Agreement	An agreement between Shipper and Carrier to make a minimum volume commitment on a take or pay basis for an average of at least 25,000 BPD and a term of at least ten (10) years.
<u>[N] Wichita Falls-Carey Segment</u>	<u>[N] Has the meaning set forth in Special Rule 22.</u>
WTI	Has the meaning set forth in Special Rule 23.
WTS	Has the meaning set forth in Special Rule 23.
Special Rule 2.	Acceptance of Crude Petroleum

- (A) No Crude Petroleum will be accepted for transportation except merchantable Crude Petroleum which is properly settled and contains (i) no more than one percent (1%) of basic sediment, water, and other impurities, provided that Carrier may reject Crude Petroleum with less than one percent (1%) basic sediment, water, and other impurities if required by operating conditions or (ii) a vapor phase hydrogen sulfide concentration greater than ten (10) parts per million. Sediment and water limitations of a Connecting Carrier may be imposed upon Carrier when such limits are more stringent than that of the Carrier, in which case the limitations of the Connecting Carrier will be applied.
- (B) No Crude Petroleum will be accepted for transportation which has a pour point greater than 10 degrees Fahrenheit or which has a viscosity greater than 399 Saybolt Universal Seconds at 60 degrees Fahrenheit (SUS @ 60°F) or less than 35 SUS @ 60°F, unless under terms and conditions acceptable to Carrier.
- (C) No Crude Petroleum will be accepted for transportation as part of a Common Stream unless it is readily susceptible to transportation through Carrier's existing facilities, and will not materially affect the quality of the Crude Petroleum being transported as the common stream. Upon request of Carrier, Shippers are required to furnish Crude Petroleum Assays of individual losses and/or bills of lading or other documentation acceptable to Carrier evidencing the origin of the Crude Petroleum from individual oil or gas wells. If it is

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determined that the Crude Petroleum tendered for transportation differs materially in character from that being transported by Carrier, then such Crude Petroleum will only be transported in accordance with these rules and regulations and under such terms to which Carrier and Shipper may agree. Carrier will make final determination of which grades of Crude Petroleum will be regularly transported as a Common Stream on Carrier's system.

(D) If, upon investigation, Carrier determines that a Shipper has delivered to Carrier's facilities Crude Petroleum that has been contaminated by the existence of and/or excess amounts of impure substances, including but not limited to chlorinated and/or oxygenated hydrocarbons, arsenic, lead and/or other metals, such Shipper's will be excluded from further entry into applicable segments of Carrier system until such time as quality specifications are met to the satisfaction of Carrier.

(E) Carrier reserves the right to reject any and all of the following shipments:

1. Marketable Crude Petroleum having Reid vapor pressure in excess of nine and a half (9.5) pounds above a temperature of 100 degrees Fahrenheit
2. Marketable Crude Petroleum having an API Gravity in excess of 59.9 degrees; or
3. Marketable Crude Petroleum where the Shipper or Consignee has failed to comply with all applicable laws, rules and regulations made by any governmental authority regulating shipments of marketable oil.

(F) Shipper shall be responsible for all expenses incurred by Carrier resulting from Carrier's receipt of any Crude Petroleum which does not comply with the requirements of Special Rule 2.

Special Rule 3. Additives

Crude Petroleum shall be free of any additives and inhibitors, including drag reducing agents, unless approved by Carrier.

Special Rule 4. Storage

Carrier does not furnish storage facilities or services at origin or destination points as part of this tariff. Carrier does not provide tankage for the receipt of Crude Petroleum at the receiving point, or for the delivery of Crude Petroleum at the destination point. Shipper must provide or make arrangements with Carrier or a third party to obtain any desired storage.

Special Rule 5. Receipt Facilities Required

Where Crude Petroleum to be shipped requires transportation in a Segregated Batch, Shipper or Consignee shall be responsible for providing or making arrangements for tankage at the origin for the volume of Segregated Batch.

Special Rule 6. Destination Facilities Required

Carrier will refuse to accept Crude Petroleum for transportation unless satisfactory evidence is furnished that the Shipper or Consignee has provided the necessary facilities for the prompt receiving of Crude Petroleum batches. If the Shipper or Consignee is unable or refuses to receive said Crude Petroleum as it arrives at destination, Carrier reserves the right to make arrangement for disposition of the Crude Petroleum it deems appropriate in order to clear the

pipeline. Any additional expenses incurred by Carrier in making such arrangements shall be borne by the Shipper or Consignee.

Special Rule 7. Title

Carrier shall have the right to reject any Crude Petroleum which, when tendered for transportation, may be involved in litigation, or the title of which may be in dispute, of which may be encumbered by lien or charge of any kind, and Carrier may require of the Shipper satisfactory evidence of the Shipper's perfect and unencumbered title or satisfactory indemnity bond to protect Carrier. By tendering Crude Petroleum, the Shipper warrants and guarantees that it 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.

Special Rule 8. Gauging, Testing and Deductions

- (A) Crude Petroleum tendered to Carrier for transportation shall be measured by meters meeting API standards or by other mutually accepted methods. Shipper and Consignee shall have the privilege of being present or represented during measuring and testing of shipments by Carrier.
- (B) Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit. Carrier will deduct the full amount of sediment, water and other impurities as the centrifugal or other test may show.
- (C) Except for normal handling and evaporation losses which are provided for in Sections D, E and F below, Carrier will only be liable to Shipper for any contamination, damage, degradation or loss of Crude Petroleum to the extent resulting from Carrier's negligence, willful misconduct or breach of any Throughput Agreement.
- (D) Carrier shall be responsible to Shipper for normal handling and evaporation losses of Crude Petroleum and indirect liquid products in excess of the following maximum deductions of the quantity of Crude Petroleum delivered at the applicable Origin Point for Shipper's account during each month (the "Loss Allowance"), based on net standard volumes measured in accordance with then-current API standards:

API Gravity, Degrees	Deduction for Incremental Evaporation and Shrinkage
Up to 44.8	0.25%
44.9 through 49.9°	0.5%
50.0 through 59.9°	1.0%

- (E) The Loss Allowance will be construed to limit Carrier's liability for the actual loss of any Crude Petroleum constituting contamination, damage, degradation or loss of Crude Petroleum ("Product Loss") and not to authorize Carrier to take Shipper's Crude Petroleum for Carrier's benefit. Carrier will reconcile Product Loss and Shipper's Crude Petroleum gains at the end of each month. All gains of Shipper's Crude Petroleum delivered to a Pipeline Segment shall belong to Shipper; *provided, however*, that during each Settlement Period, any gains of Shipper's Crude Petroleum shall be offset against losses of Shipper's Crude Petroleum during the same Settlement Period on a Pipeline Segment. Carrier agrees to provide Shipper with a throughput statement each month that shows the amount of Shipper's loss and gain for each Crude Petroleum shipment for the preceding month. The gain and loss shall be calculated based upon the measurements made at the meters located at the Origin and

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Destination of Shipper's transportation movement and at any other points as set forth in a Throughput Agreement.

- (F) After consideration of all of the factors set forth in this Special Rule 8, a net balance will be determined as the quantity deliverable by Carrier and transportation charges will be assessed on this gross standard balance.

Special Rule 9. Evidence of Receipts and Deliveries

Crude Petroleum received from Shipper and Crude Petroleum delivered to Consignee shall, in each instance, be evidenced by tickets or Carrier's statements containing data essential to the determination of quantity.

Special Rule 10. Mixing in Transit

Carrier shall not be liable to Shipper for changes in gravity or quality of Shipper's Crude Petroleum which may occur from commingling or intermixing Shipper's Crude Petroleum with other Crude Petroleum in the same [W] a Common Stream while in transit. Carrier is not obligated to deliver to Shipper the identical Crude Petroleum tendered by Shipper but will deliver Crude Petroleum [W] stream of a grade and gravity substantially equivalent to that accepted from the Shipper. Carrier shall have no responsibility in, or for, any revaluations or settlements which may be deemed appropriate by Shippers and/or Consignees because of mixing or commingling of Crude Petroleum shipments between the receipt and delivery of such shipments by the pipeline within the same a Common Stream. When both receipts from and deliveries to a connecting pipeline of [W] a Common Stream are scheduled at the same interconnection, Carrier reserves the right, with the cooperation of the operator of the connecting pipeline, to offset like volumes of such Common Stream Crude Petroleum in order to avoid the unnecessary use of energy which would be required to physically pump the offsetting Common Stream volumes. When this right is exercised, Carrier will make the further deliveries for the Shipper involved from Carrier's Common Stream Crude Petroleum.

Special Rule 11. Duty of the Pipeline

Carrier will transport and deliver Crude Petroleum with reasonable diligence and dispatch, considering the quality of the Crude Petroleum, the distance of transportation, safety of operations, and other material factors, but will not accept Crude Petroleum to be transported in time for any particular market. Crude Petroleum may be pumped in a certain sequence for efficient operation and Carrier reserves the right to specify the sequence of transportation of Crude Petroleum.

Special Rule 12. Claims

Notice of claims for loss or damage in connection with shipments must be made to Carrier in writing within nine (9) months and one day after same shall have accrued, or, in case of failure to make delivery, within nine (9) months and one day after a reasonable time for delivery shall have elapsed. Such claims, fully amplified, must be filed with Carrier within nine (9) months and one day thereafter, and unless so made and filed, Carrier shall be wholly released and discharged therefrom and shall not be liable therefore in any court of justice. No suit at law or in equity shall be maintained upon any claim unless instituted within two (2) years and one (1) day after the cause of action accrued. Any such loss or damage shall be determined solely on the basis of volumetric loss and not on the monetary value of the Crude Petroleum.

Special Rule 13. Application of Rates from and to Intermediate Points

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For Crude Petroleum accepted for transportation from any point on Carrier's lines not named in a particular tariff which is intermediate to a point from which rates are published there, through such unnamed point, Carrier will apply from such unnamed point the rates published therein from the next more distant point specified in such tariff. For Crude Petroleum accepted for transportation to any point not named in a particular tariff which is intermediate to a point to which rates are published in said tariffs, through such named point, the rate published therein to the next more distant point specified in the tariff will apply.

Special Rule 14. Line Fill and Tank Bottom Inventory Requirements.

Carrier will require each Shipper to supply a pro rata share of Crude Petroleum necessary for pipeline and tankage fill to ensure efficient operation of the pipeline system prior to delivery. Crude Petroleum provided by Shippers for this purpose may be withdrawn only after: (1) shipments have ceased and Shippers have notified Carrier in writing to discontinue shipments in Carrier's system; and (2) Shipper balances have been reconciled between Shippers and Carrier. Carrier, at its sole discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system, and any unpaid accounts receivable, before final delivery will be made. Carrier shall have a reasonable period of time from the receipt of sold notice to complete administrative and operational requirements incidental to Shipper withdrawal.

Special Rule 15. Monthly Volume Incentive Rate Terms.

(A) In order to qualify for a Monthly Volume Incentive Rate, a Shipper must enter into a Throughput Agreement with Carrier (a "Committed Shipper").

(B) Carrier will invoice each Committed Shipper monthly at the appropriate rate set forth herein based on the average number of BPD of Crude Petroleum in a given month. The average BPD of Crude Petroleum shipped is determined by dividing (a) the total barrels shipped by a given Committed Shipper in a given month by (b) the number of days in that month. The rates then apply as follows:

- (1) Rate 1 applies to the first 25,000 BPD shipped; and
- (2) Rate 2 applies to [W] any the next 25,001 BPD to 50,000 BPD; and
- (3) Rate 3 applies to any additional barrels in excess of 50,001.

If a Committed Shipper does not average greater than 25,000 BPD or 50,000 BPD, as applicable, during a given month, that Committed Shipper cannot qualify for Rate 2 or Rate 3, as applicable, in that month.

Special Rule 16. Proration of Pipeline Capacity

When a quantity of Crude Petroleum is Tendered by Shippers to Carrier which exceeds the Capacity of any Pipeline Segment from an Origin to a Destination, Crude Petroleum Tendered by each Shipper for transportation from that Origin to that Destination will be transported in such quantities and at such times to the limit of Carrier's Capacity in a manner determined by Carrier to be equitable to all Shippers. The details of this procedure are set out in the following paragraphs.

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1. Definition of terms. Except where the context requires another meaning, the following terms have the following meanings:

1.1 "Base Period" is the 12-calendar-month period just preceding the Calculation Month. Individual months within the Base Period are designated by Nos. 1 through 12, with "Month 1" being the most recent Base Period month and "Month 12" being the oldest

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Base Period month.

1.2 "Base Shipment Percentage" for each Regular Shipper is the total deliveries of Crude Petroleum to all Destinations on the Pipeline Segment to be prorated by the Regular Shipper during the Base Period divided by the lessor of (a) 12 or (b) the number of Base Period month within which the Regular Shipper first delivered Crude Petroleum to a Destination on the Pipeline Segment to be prorated.

1.3 "Calculation Month" is the calendar month immediately preceding the month for which Capacity is being prorated.

1.4 "Current Tender Basis" means that the portion of Capacity available pursuant to paragraph 2.2 contained in Special Rule 16 to New Shippers will be allocated among all New Shippers in proportion to the volumes of Crude Petroleum Tendered by each New Shipper for that month in accordance with Special Rule 18.

1.5 "New Shipper" means a Shipper that has not delivered Crude Petroleum to any Destination on the Pipeline Segment to be prorated within the Base Period. A Shipper that becomes a New Shipper shall remain one for the following 12 consecutive months.

1.6 "Regular Shipper" means a Shipper that is not a New Shipper.

2. Prorating of Capacity.

2.1. When Capacity will be prorated. Carrier will allocate Capacity among all Shippers for any month for which the Carrier determines, at its sole discretion, that the aggregate volume of Crude Petroleum that all Shippers Tender to all Destinations in a Pipeline Segment exceeds Capacity. Proration will be applied separately to each Pipeline Segment where a need for prorationing shall arise.

2.2. Availability and Allocation of Capacity to New Shippers. Up to 10 percent of Capacity shall be made available to New Shippers and will be prorated among them on a Current Tender Basis.

2.3. Availability of Capacity to Regular Shippers. After the allocation of the portion of Capacity to New Shippers that is required by paragraph 2.2, the remaining portion of Capacity for that month shall be available to Regular Shippers who have Tendered volumes for that month.

2.4. Allocation to each Regular Shipper. Such remaining portion of Capacity shall be allocated among Regular Shippers in proportion to their Base Shipment Percentages. In the event that the volume of Crude Petroleum that would be allocated to a Shipper on the basis of its Base Shipment Percentage is greater than the volume it Tenders, the difference between its volume calculated on the basis of its Base Shipment Percentage and its volume Tendered will be reallocated among all other Regular Shippers in proportion to their Base Shipment Percentages.

Any remaining prorated allocation of Capacity after this reallocation among all Regular Shippers in proportion to their Base Shipment Percentages shall be made available to New Shippers and will be prorated among them on a Current Tender Basis.

2.5. Basis of allocation: notification. When prorationing of Capacity is in effect –

2.5.1. Capacity shall be allocated among eligible Shippers on a monthly basis; and

2.5.2. the Carrier shall use reasonable efforts to notify each Shipper entitled to an allocation of a portion of Capacity of the amount of its allocation no later than the 25th day of the month preceding the month for which the allocation is made.

2.6. Good Faith Tenders. Carrier will accept only good faith Tenders from Shippers and Carrier shall use whatever reasonable means necessary to determine whether Tenders are made in good faith. Good Faith means the non-contingent ability and willingness of Shipper to deliver to Carrier at the Origins specified in the Tender all of the Barrels

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- Tendered during the month for which the Tender is made.
- 2.7. Failure to use allocated portion of Capacity. If a New Shipper making a good faith Tender fails to deliver, at the Origins specified by it in its Tender, Crude Petroleum sufficient to fill the portion of Capacity allocated to it and such failure has not been caused by force majeure, as substantiated in a manner satisfactory to the Carrier, Carrier will reduce such Shipper's allocation for the next proration period after the end of the month during which such failure occurred for which such Shipper Tenders as a New Shipper by the allocated portion of Capacity not utilized.
 - 2.8. Transfer of Base Shipment Percentage or allocated portion of Capacity; use of affiliates. Neither a Shipper's Base Shipment Percentage nor volumes allocated to it during a period when prorationing is in effect shall be assigned, conveyed, loaned, transferred to, or used in any manner by, another Shipper. However, a Shipper's Base Shipment Percentage or its allocation may be transferred as an incident of the bona fide transfer if 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. A Shipper may not use an affiliated or cooperating entity to increase its Base Shipment Percentage or its allocated portion of Capacity. All transfers made pursuant to this section shall be irrevocable.
 - 2.9. Enhancement of Allocation. In no event will an allocation to a Shipper be used in such a manner that will enhance the allocation of another Shipper beyond the allocation that such Shipper would be entitled to under this policy. Carrier may require written assurances from a responsible officer of Shipper regarding its use of its allocated portion of Capacity stating that Shipper has not violated this policy. In the event any Shipper shall, by any device, scheme or arrangement whatsoever, attempt to transfer all or any part of its allocated portion of Capacity to any other Shipper in violation of this policy, or in the event any Shipper shall attempt to receive and use such portion of Capacity, the portion of Capacity allocated to such Shipper will be reduced in the next month that is subject to prorationing after the date that the violation is discovered by a volume equal to such attempted transfer.

Special Rule 17. Unloading Charges

All shipments unloaded from tank trucks into Carrier's trunk line facilities, if any, will be subject to a charge. Carrier currently has no charges for shipments unloaded from tank trucks. All shipments unloaded from tank trucks into Carrier's gathering facilities, if any, will be subject to the applicable gathering charge for said gathering facility. Such charges will be in addition to all other transportation charges.

Special Rule 18. Tenders; Minimum Quantity

(A) Marketable Crude Petroleum will be transported by Carrier only under a Tender accepted by Carrier. Any Shipper desiring to Tender marketable Crude Petroleum for transportation shall make such Tender to Carrier in writing on or before 4:15 PM central standard time, the last working day prior to the 15th day of the month preceding the month during which the transportation under the Tender is to begin; except that, if space is available for current movement and at the sole discretion of Carrier, a Shipper may Tender marketable Crude Petroleum for transportation after 4:15 PM central standard time on the 15th day of the month preceding the month during which the transportation under the Tender is to begin. A "working day" shall be a Monday, Tuesday, Wednesday, Thursday or Friday of a calendar week, except when a Federal holiday falls on such day of the week.

(B) Each Tender shall specify the type of Crude Petroleum, the volume, grade, origins and destinations of such Crude Petroleum. If a Shipper does not furnish a Tender, Carrier will be under no obligation to accept such Crude Petroleum for transportation. Crude Petroleum will be accepted for transportation, subject to the Rules and Regulations contained

herein, at such time and in such quantity as scheduled by Carrier.

Tenders for the transportation of marketable Crude Petroleum for which Carrier has facilities will be accepted into the pipeline under the tariff in quantities of not less than ten thousand (10,000) barrels aggregate from one Shipper to one Consignee and destination as operations permit and provided such marketable Crude Petroleum is of similar quality and characteristics as is being transported from receipt point to destination point. Crude Petroleum will be accepted for transportation only at such time as Crude Petroleum of the same quality and specifications are scheduled by Carrier for transportation from receiving point to destination. Crude Petroleum shall be available in Shipper's tankage for shipment 24 hours prior to the scheduled date for movement into Carrier's pipeline.

Special Rule 19. Application of Rates

Marketable Crude Petroleum accepted for gathering and/or transportation shall be subject to the rates in effect on the date of delivery by Carrier, irrespective of the date of the Tender.

Special Rule 20. Pumping Service

For delivery to Shippers' or Consignees' tanks where the receiving station has to perform additional pumping service, if available, an additional charge per barrel will be made.

Special Rule 21. Storage of Marketable Oil In Transit

- (A) Marketable Crude Petroleum tendered for shipment, under tariffs making reference hereto, to established destinations may, by request of the Shipper or Consignee on the original Tender or shipping order, or by order for diversion or reconsignment enroute, be stored in tanks furnished by the Shipper or Consignee at points on the lines of Carrier when intermediate to the destination shown on the Tender of shipment, subject to the conditions provided in this rule.
- (B)
- (1) All lawful transportation charges from point of origin to the storage point published in tariffs on file with the Commission shall be paid upon delivery of marketable Crude Petroleum into the tanks at storage point or may be required in advance of such transportation, at the option of Carrier. In the absence of a through rate from point of origin to the storage point, the rate to the next point beyond shall be applied.
 - (2) Shipments not forwarded to destination within 30 days after being placed in storage will be subject to a charge for stopover services of one cent per barrel in addition to all other transportation charges. Such charge shall be payable when shipment has remained in storage for a period of 30 days.
 - (3) Transportation charges on marketable Crude Petroleum stopped, stored and subsequently forwarded to destination within a period not exceeding two years from date of original shipment shall be assessed at the balance of the through rate from the original point of origin to final destination, via the storage point, in effect on the date of original shipment.
 - (4) Marketable Crude Petroleum disposed of locally will be subject to the local rate into the storage point and marketable Crude Petroleum forwarded from storage

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point within the specified time will be subject to the local rate into, and out of, the storage point published in Carrier's tariffs.

- (C) Upon delivery of marketable Crude Petroleum into storage tanks, its custody and possession shall be that of the Shipper or Consignee and not that of Carrier, and Carrier shall not be liable for loss of or damage to such marketable Crude Petroleum while in storage. However, Carrier reserves the right to gauge and examine such marketable Crude Petroleum from time to time as desired while it is in said tanks.
- (D) When the marketable Crude Petroleum is tendered for forwarding to destination a new Tender must be issued making proper reference by number and date to the original Tender or shipping order for shipment.

Special Rule 22. Bi-Directional Routing

- (A) Carrier's system is designed and intended to provide transportation service in a westward direction from Carrier's Wichita Falls Station, Texas, through its Carey Station, Texas for further delivery to Carrier's McKee Station, Texas. The terms of service and rate for this intrastate transportation movement are set forth in this tariff.
- (B) Carrier does, however, have the capability to temporarily reverse the flow of Crude Petroleum of the section of its pipeline extending between the Wichita Falls Station and the Carey Station ("Wichita Falls-Carey Segment"). [N] In the event of such a reversal, Carrier would be able to provide service in an eastward direction from Carey Station to Wichita Falls Station, with connections to interstate and intrastate connecting carriers and/or Carrier's Ardmore Station, Oklahoma pursuant to this Special Rule 22 (intrastate movements) or pursuant to Carrier's tariff referenced under Section F of this Special Rule 22 (interstate movements).
- (C) A Shipper desiring to make a westward shipment on the Wichita Falls-Carey Segment of Carrier's system in a month (for delivery to Carrier's McKee Station) should submit a Tender for such service in accordance with Special Rule 18 of this tariff. A Shipper desiring to make an intrastate, eastward shipment on the Wichita Falls-Carey Segment of Carrier's system in a month (for delivery to Carrier's Wichita Falls [N] Station and/or an intrastate interconnecting carriers) should also submit a separate Tender for such service in accordance with Special Rule 18, and specify that the requested shipment will need bi-directional service under this Special Rule 22.
- (D) Following the receipt of all such Tenders for service, Carrier will make a determination as to whether it can temporarily reverse the Wichita Falls-Carey Segment during the requested month in order to offer eastward transportation services on the segment, in addition to offering the primary westward transportation services. Carrier will consider, among other things, the following factors when determining whether to reverse the Wichita Falls-Carey Segment: the level of Tenders received for westward transportation service on the Wichita Falls-Carey Segment, the level of Tenders received for eastward transportation service on the Wichita Falls-Carey Segment, and the expense that will be required to perform the reversal of the Wichita Falls-Carey segment. Carrier will reverse the Wichita Falls-Carey Segment in a given month only when and to the extent that all volumes of Crude Petroleum nominated for westward transportation service on the Wichita Falls-Carey Segment can be accepted by Carrier without prorationing and there is sufficient remaining capacity to provide temporary eastward transportation service.

- (E) Carrier will notify all interested parties no later than the 20th day of the month preceding the month of transportation as to whether Carrier will temporarily reverse the Wichita Falls-Carey Segment during the requested month and offer transportation service in an eastward direction, in addition to offering the primary westward transportation services.

[N] (F) [N] Carrier maintains a FERC Tariff that outlines the terms of service and rates for temporary interstate eastward transportation services from Carey Station to Wichita Falls Station, Wichita County, Texas or Carey Station to Ardmore Station, Carter County, Oklahoma

Special Rule 23 Common Streams.

- (A) Crude Petroleum moved through the pipeline and pipeline facilities may be commingled or intermixed with Crude Petroleums of substantially like quality and characteristics as determined by Carrier based on Crude Petroleum Assays and other pertinent analytical data, and may be transported by Carrier as a "Common Stream." Carrier has adopted specifications for two Common Streams of Crude Petroleum, West Texas Intermediate ("WTI") and West Texas Sour ("WTS"), which shall meet the specifications set forth below.

	WTI	WTS
API Gravity	39 – 42	30 - 33
Sulfur Content, weight %	≤ 0.40	≤ 2.20
Max Reid Vapor Pressure, psia	9.5	9.5
Max Total Vapor Pressure, psi	11.0	11.0
Concarbon, weight %	≤ 1.25	≤ 4.0
TAN	≤ 0.50	≤ 0.75
Nickel, parts per million	≤ 3	≤ 10
Vanadium, parts per million	≤ 5	≤ 25
Light Ends (C5 and lighter), volume %	≤ 6.5	≤ 4

- (B) Any Crude Petroleum outside of the specifications set forth in the Table in subsection (A) of this Special Rule 23, shall not be included within either Common Stream. Carrier may adopt specifications for new Common Streams, which shall be published in this tariff prior to becoming effective or available for transportation as a Common Stream.

Special Rule 24 Mixtures

The indirect liquid products of oil and gas wells, including gasoline and liquefied petroleum gases, hereinafter referred to as indirect products, will be accepted and transported as a mixture with the direct liquid products of oil wells, hereinafter referred to as direct products, provided that the vapor pressure of the resulting mixture does not exceed that permitted by Carrier's facilities and operating conditions.

The indirect products portion of the mixture will be accepted for transportation at reception points other than the one at which the direct products portion of the same mixture is received, provided that the Shipper, Consignee, and destination are the same, and that operating conditions and the Carrier's facilities permit the indirect products portion to be mixed with the direct products of the same Shipper or Consignee.

Mixtures will be transported and delivered as Crude Petroleum only. Nothing in this rule is to be construed to waive provisions of Special Rule 23 or Special Rule 10 of these rules and regulations, or to require the Carrier to receive, transport, and deliver unmixed indirect products. However, unmixed indirect products may be transported for subsequent mixing with

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direct products in accordance with this rule where facilities exist and operations permit transporting such indirect products.

Special Rule 25 Liability of Carrier

The Carrier, while in possession of any of the Crude Petroleum herein described, shall not be liable for any loss thereof except to the extent that liability therefor is imposed on the Carrier by law. In case of loss of Crude Petroleum for which Carrier is not responsible, the Shipper shall bear the loss. Where such loss occurs in a tank containing Crude Petroleum which is the property of more than one Shipper, or in a line containing a segregated batch of Crude Petroleum which is the property of more than one Shipper, each Shipper shall bear the loss in such proportion as its volume in said tank or batch bears to the total volume in said tank or batch.

Carrier shall not be liable for any damage to, delay in delivery of or any loss of Crude Petroleum caused by acts of God, storm, flood, extreme weather, fire, explosion, by acts of war, quarantine, authority of law, strikes, riots, by breakdown or accident to machinery or equipment, or by act of default of Shipper, Consignor or Consignee, or resulting from any other cause reasonably beyond the control of Carrier and not due to the negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss shall be apportioned by Carrier to each shipment of Crude Petroleum or portion thereof involved in such loss in the proportion that such shipment or portion thereof bears to the total of all Crude Petroleum in the loss, and each Consignee shall be entitled to receive only that portion of its shipment remaining after deducting such Consignee's proportion as above determined of such loss. Carrier shall prepare and submit a statement to Shippers and Consignee showing the apportionment of any such loss.

Carrier shall assume no liability where operational, scheduling, excess demand, delays and difficulties encountered in pipeline operations prevent its ability to maintain schedules or comply with Shipper's withdrawal requirements.

Carrier will not be liable for damage, contamination, or deterioration of Crude Petroleum transported and/or handled, unless liability for such damage, contamination, or deterioration is imposed on the Carrier by law. In the event of such damage, contamination, or deterioration, each owner's share of the damaged petroleum shall be in the same proportion as its share of the total quantity of shipments involved, and each such owner shall be allocated only its proportionate share of damaged Crude Petroleum. Carrier shall prepare and submit a statement to the owners showing the apportionment of the damaged petroleum among the owners involved.

Special Rule 26 Payment of Transportation and Other Charges

Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and, on a non-discriminatory basis, may be required to prepay such charges or furnish guaranty of payment satisfactory to Carrier. Payments not received by Carrier in accordance with invoice terms shall be subject to a late charge equivalent to 125% of the prime rate as quoted by a major New York bank. It is the intention of Carrier to comply strictly with applicable usury laws; accordingly, notwithstanding any provision to the contrary in this Tariff or in any related documents in no event shall this Tariff or such documents require the payment or permit the payment, taking, reserving, receiving, collection or charging of any sums constituting interest under applicable laws which exceed the maximum amount permitted by such laws. If any such excess interest is called for, contracted for, charged, taken, reserved, or received in connection with this Tariff or, in any of the documents otherwise relating hereto, or in any communication by Carrier or any other person to Shipper or any other person, shall exceed the maximum amount of interest permitted by applicable usury laws, then in any such event it is agreed as follows: (i) the provisions of this Tariff shall govern and control; (ii) neither the Shipper nor any other person or entity now or hereinafter liable for the payment under this Tariff shall be

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obligated to pay the amount of such interest to the extent such interest is in excess of the maximum amount of interest permitted by applicable usury laws; (iii) any such excess which is or has been received notwithstanding this Tariff provision shall be credited against the then unpaid balance (or equivalent thereto) hereof or, if this Tariff has been or would be paid in full by such credit, refunded to Shipper, and (iv) the provisions of this Tariff and documents otherwise relating hereto, and any communication to Shipper, shall immediately be deemed reformed and such excess interest reduced, without the necessity of executing any other document, to the maximum lawful rate allowed under applicable laws as now or hereafter construed by courts having jurisdiction hereof or thereof, on a non-discriminatory basis.

Carrier shall have a lien on all Crude Petroleum accepted for transportation to cover payment of all charges, including demurrage and late charges, and may refuse to make delivery of the Crude Petroleum until all charges have been paid. If said charges, or any part thereof, shall remain unpaid for five days after notice of readiness to deliver, the Carrier may sell the Crude Petroleum at public auction. Carrier shall have a lien on Crude Petroleum when there shall be failure to take the Crude Petroleum at the point of destination as provided in Item 70. Carrier shall have the right to sell said Crude Petroleum at public auction, for cash. The auction will be held between the hours of ten o'clock a.m. and four o'clock p.m. on any day not a weekend or legal holiday, and not less than twenty-four hours after the Shipper has been officially notified of the time and place of such sale and the quantity, general description, and location of the Crude Petroleum to be sold. Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale, Carrier shall pay itself for all transportation, demurrage, and other lawful charges, expenses of notice, advertisement, sale and other necessary expense, and expenses of caring for and maintaining the Crude Petroleum, and the balance shall be held for whomsoever may be lawfully entitled thereto after the auction. If the proceeds of said sale do not cover all expenses incurred by Carrier, the Shipper and/or Consignee are liable to Carrier for any deficiency.

Special Rule 27 Invoicing

Unless other arrangements have been required by Carrier in writing, Shipper will be invoiced by the 10th day of the month following the month in which the Shipment was completed, and payment will be due by wire transfer of immediately available funds on the 15th day of the month following the month in which the shipment was completed. For purposes of making such payments, a "Business Day" will be a day of the year on which banks are not required or authorized to be closed in New York City. Whenever any payment of Carrier's charges shall be stated to be due on a day that is not a Business Day, then (i) if such due date falls on a Friday or Saturday, payment shall be due on the next preceding Business Day, or (ii) if such due date falls on any day of the week other than Friday or Saturday, payment shall be due on the next succeeding Business Day.

Special Rule 28 Pipeage Agreement

Separate Throughput Agreements, pipeage or other agreements in accordance with this tariff and these regulations covering further details may be required by Carrier before any duty for transportation shall arise.

Special Rule 29 Charge for Compensation Fund Fees Incurred By Carrier

To the extent any federal, state or local agency creates a fund for the reimbursement of parties who sustain costs or losses resulting from Crude Petroleum pipeline industry operations, Carrier, after filing notice with the Commission, will be permitted to assess a per Barrel charge in the amount of any tax, fee, or charge levied against Carrier by any such federal, state or local agency, in addition to all other charges accruing on Crude Petroleum accepted for transportation through Carrier's facilities.