Oryx Delaware Tariff No. 1.6.0
(Cancels Oryx Delaware Tariff 1.5.0)

# ORYX DELAWARE OIL TRANSPORT LLC

LOCAL TARIFF

CONTAINING

**RULES, REGULATIONS AND RATES**

GOVERNING THE TRANSPORTATION

OF

**CRUDE PETROLEUM AND CONDENSATE**

BY PIPELINE

RECEIVED
R.R.C. OF TEXAS
DEC 30 2019
GAS SERVICES DIVISION
AUSTIN, TEXAS

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

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

P-5 Operator ID: 627137; T-4 Permit Information: 09761.

Oryx Delaware Oil Transport LLC is the owner of the pipeline providing service under this tariff.

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**EFFECTIVE DATE: February 1, 2020**

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## SECTION I
## RULES AND REGULATIONS OF RAILROAD COMMISSION OF TEXAS
## RULE 71. PIPELINE TARIFFS

The following nineteen (1-19) rules are reprinted here pursuant to the requirements of the Railroad Commission of Texas Title 16 Part 1 Chapter 3 Rule §3.71. The Rules and Regulations set forth in this Section I may be modified by the Rules and Regulations contained in Section II and which are referenced at the end of each particular Rule 1-19 by the words "Refer to Item ___."

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

**Rule 1.** All Marketable Oil to Be Received for Transportation.

By the term "marketable oil" is meant any crude petroleum adapted for refining or fuel purposes, properly settled and containing not more than 2.0% 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 no pipeline shall 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 commission may require. (Refer to Item 22. Note that Item 22 imposes a one percent (1%) limit on basic sediment, water and other impurities.)

**Rule 2.** Basic Sediment, How Determined --Temperature.

In determining the amount of sediment, water, or other impurities, a pipeline is authorized to make a test of the oil offered for transportation from an average sample from each such tank, by the use of centrifugal machine, or by the use of any other appliance agreed upon by the pipeline and the shipper. The same method of ascertaining the amount of the sediment, water, or other impurities shall be used in the delivery as in the receipt of oil. A pipeline shall not be required to receive for transportation, nor shall consignee be required to accept as a delivery, any oil of a higher temperature than 90 degrees Fahrenheit (90° F), except that during the summer oil shall be received at any atmospheric temperature, and may be delivered at like temperature. Consignee shall have the same right to test the oil upon delivery at destination that the pipeline has to test before receiving from the shipper. (Refer to Item 22.)

**Rule 3.** "Barrel" Defined.

For the purpose of these sections, a "barrel" of crude petroleum is declared to be 42 gallons of 231 cubic inches per gallon at 60 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. (Refer to Item 33.)

**Rule 5.** Storage.

Each pipeline shall provide, without additional charge, sufficient storage, such as is incident and necessary to the transportation of oil, including storage at destination or so near thereto as to be available for prompt delivery to destination point, for five days from the date of order of delivery at destination. (Refer to Item 29.)

**Rule 6.** Identity of Oil, Maintenance of Oil.

A pipeline may deliver to consignee either the identical oil received for transportation, subject to such consequences of mixing with other oil as are incident to the usual pipeline transportation, or it may make delivery from its common stock at destination; provided, if this last be done, the delivery shall be of substantially like kind and market value. (Refer to Item 23.)

**Rule 7.** Minimum Quantity to Be Received.

A pipeline shall not be required to receive less than one tank car-load 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. (Refer to Item 24.)

**Rule 8.** Gathering Charges.

Tariffs to be filed by a pipeline shall specify separately the charges for gathering of the oil, for transportation, and for delivery. (Refer to Item 36.)

**Rule 9.** Measuring, Testing, and Deductions (Reference Special Order Number 20-63,098 Effective June 18, 1973). (Refer to Items 22 and 27.)

Except as provided in subparagraph (B) of this paragraph, all crude oil tendered to a pipeline shall be gauged and tested by a representative of the pipeline prior to its receipt by the pipeline. The shipper may be present or represented at the gauging or testing. Quantities shall be computed from correctly compiled tank tables showing 100% of the full capacity of the tanks.

As an alternative to the method of measurement provided in subparagraph (A) of this paragraph, crude oil and condensate may be measured and tested, before transfer of custody to the initial transporter, by:

(i) lease automatic custody transfer (LACT) equipment, provided such equipment is installed and operated in accordance with the latest revision of American Petroleum Institute (API) Manual of Petroleum Measurement Standards, Chapter 6.1. or;

(ii) any device or method, approved by the commission or its delegate, which yields accurate measurements of crude oil or condensate.

Adjustments to the quantities determined by the methods described in subparagraphs (A) or (B) of this paragraph shall be made for temperature from the nearest whole number degree to the basis of 60 degrees Fahrenheit (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. A pipeline may deduct the basic sediment, water, and other impurities as shown by the centrifugal or other test agreed upon by the shipper and pipeline; and 1.0% for evaporation and loss during transportation. The net balance shall be the quantity deliverable by the pipeline. In allowing the deductions, it is not the intention of the commission to affect any tax or royalty obligations imposed by the laws of Texas on any producer or shipper of crude oil.

A transfer of custody of crude between transporters is subject to measurement as agreed upon by the transporters.

**Rule 10.** Delivery and Demurrage.

Each pipeline shall transport oil with reasonable diligence, considering the quality of the oil, the distance of transportation, and other material elements, but at any time after receipt of a consignment of oil, upon 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 section, 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 section) shall begin at the expiration of such notice. At the expiration of the time allowed in Rule 5 of this section for storage at destination, a pipeline may assess a demurrage charge on oil offered for delivery and remaining undelivered, at a rate for the first 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. (Refer to Item 31.)

**Rule 11.** Unpaid Charges, Lien for and Sale to Cover.

A pipeline shall have a lien on all oil to cover charges for transportation, including demurrage, and it may withhold delivery of oil until the charges are paid. If the charges shall remain unpaid for more than five days after notice of readiness to deliver, the pipeline may sell the oil at public auction at the general office of the pipeline on any day not a legal holiday. The date for the sale shall be not less than 48 hours after publication of notice in a daily newspaper of general circulation published in the city where the general office of the pipeline is located. The notice shall give the time and place of the sale, and the quantity of the oil to be sold.

From the proceeds of the sale, the pipeline may deduct all charges lawfully accruing, including demurrage, and all expenses of the sale. The net balance shall be paid to the person lawfully entitled thereto. (Refer to Item 36.)

**Rule 12.** Notice of Claim.

Notice of claims 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. (Refer to Item 42.)

**Rule 13.** Telephone-Telegraph Line--Shipper to Use.

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

**Rule 14.** Contracts of Transportation.

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

**Rule 15.** Shipper's Tanks, Etc. -- Inspection.

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

**Rule 16.** Offers in Excess of Facilities

If oil is offered to any pipeline for transportation in excess of the amount that can be immediately transported, the transportation furnished by the pipeline shall be apportioned among all shippers in proportion to the amounts offered by each; but no offer for transportation shall be considered beyond the amount which the person requesting the shipment then has ready for shipment by the pipeline. The pipeline shall be considered as a shipper of oil produced or purchased by itself and held for shipment through its line, and its oil shall be entitled to participate in such apportionment. (Refer to Item 26.)

**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.

Each pipeline shall install and maintain facilities for the receipt and delivery of marketable crude petroleum of shippers at any point on its line if the commission finds that a necessity exists therefor, and under regulations by the commission. (Refer to Items 28 and 30.)

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

Each pipeline shall immediately notify the commission district office, electronically or by telephone, of each fire that occurs at any oil tank owned or controlled by the pipeline, or of any tank struck by lightning. Each pipeline shall in like manner report each break or leak in any of its tanks or pipelines from which more than five barrels escape. Each pipeline shall file the required information with the commission in accordance with the appropriate commission form within 30 days from the date of the spill or leak.

No risk of fire, storm, flood, or act of God, and no risk resulting from riots, insurrection, rebellion, war, or act of the public enemy, or from quarantine or authority of law or any order, requisition or necessity of the government of the United States in time of war, shall be borne by a pipeline, nor shall any liability accrue to it from any damage thereby occasioned. If loss of any crude oil from any such causes occurs after the oil has been received for transportation, and before it has been delivered to the consignee. the shipper shall bear a loss in such proportion as the amount of his shipment is to all of the oil held in transportation by the pipeline at the time of such loss, and the shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss, but in such even the shipper shall be required to pay charges only on the quantity of oil delivered. This section shall not apply if the loss occurs because of negligence of the pipeline. (Refer to Item 41.)

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

## SECTION II
## DEFINITIONS AND RULES AND REGULATIONS

### 20. DEFINITIONS

"Acreage Dedication Shipper" means a Committed Shipper that has made an acreage dedication on Carrier's System pursuant to a TSA.

"Affiliate" means, as to any Person and subject to the provisions of an applicable TSA, any other Person, whether of a similar or dissimilar nature, that (i) controls, either directly or indirectly, such Person, (ii) is controlled either directly or indirectly, by such Person, or (iii) is controlled, either directly or indirectly, by a Person which directly or indirectly controls such Person. As used in this definition, "control" means the ownership of fifty percent (50%) or more of the voting interests in such entity (or the right to exercise or direct the management or policies of such entity).

"A.P.I." means the American Petroleum Institute.

"A.P.I. Gravity" means gravity determined in accordance with the ASTM Designation set out in Item 22.

"Applicable Law" means all applicable local, state and federal constitutions, laws (including common law), treaties, statutes, orders, decrees, rules, regulations, codes, and ordinances issued by any Governmental Authority, and including judicial or administrative orders, consents, decrees, and judgments, and determinations by, or interpretations of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question and binding on a given Party or its respective assets.

"ASTM" means the American Society for Testing Materials.

"Barrel" means forty-two (42) United States gallons (each two hundred thirty-one (231) cubic inches) at a temperature corrected to sixty degrees (60°) Fahrenheit.

"Batch" means a quantity of Product of like characteristics delivered by Shipper for transportation by Carrier as an identifiable unit.

"Carrier" means Oryx Delaware Oil Transport LLC.

"Change in Law" means the adoption, implementation, change in interpretation, or amendment of any Applicable Law by any Governmental Authority after the effective date of this tariff that imposes new or additional requirements or obligations with respect to Carrier's System (including the ownership and operation thereof) and causes Carrier to incur or be subject to the obligation to prospectively incur additional expenses, commitments or obligations in order to comply with such Applicable Law.

"Change in Law Event" means the occurrence of a Change in Law that necessitates the expenditure, commitment or obligation of or for Compliance Costs.

"Commercially Reasonable" means sound and prudent practices in a manner commercially reasonable for an onshore Product pipeline system operator and in a manner consistent with industry standards at the applicable point in time.

"Committed Rates" means the rates identified as the "Committed Rates" in Section III of this tariff.

"Committed Shipper" means any Shipper with which Carrier has executed a TSA during the Open Season. Committed Shippers shall include VC Shippers and Acreage Dedication Shippers.

"Compliance Costs" means all expenses, commitments or obligations in excess of one million dollars ($1,000,000) incurred by Carrier or required to be incurred by Carrier to comply with a Change in Law, irrespective of whether such expenses, commitments or obligations are to be incurred as a one-time expenditure or periodically for an extended period.

"Condensate" means liquid hydrocarbons that meet the applicable Quality Specifications for "Condensate" set forth in Item 22.

"Consignee" means the Person to whom a Shipper has ordered the delivery of Product at the Destination Point.

"Consignor" means the Person from whom a Shipper has ordered the receipt of Product at an Origin Point.

"Declaring Party" means the Party experiencing an event of Force Majeure.

"Deemed Volume Commitment" means, for purposes of administering Carrier's prorationing policy in this tariff and determining the Committed Rates applicable to an Acreage Dedication Shipper, the amount of Priority capacity (expressed in Barrels per day) that an Acreage Dedication Shipper shall be entitled to receive on the System during the term of such Acreage Dedication Shipper's TSA.

"Deficiency Payment" means the payment due by a VC Shipper to Carrier, in accordance with the VC Shipper's TSA, for such Committed Shipper's Monthly Deficient Barrels.

"Destination Point" means the delivery point(s) on Carrier's System where Product is delivered to Shipper, as such points are specified in Section III of this tariff.

"Downstream Third-Party Facilities" means those pipelines and other facilities owned and/or operated by Persons who are not Carrier or Affiliates of Carrier.

"Encumbered Product" has the meaning set forth in Item 33(B).

"Excess Line Fill" has the meaning set forth in Item 32(B).

"Force Majeure" means any cause or interrelated causes not reasonably within the control of the Declaring Party and which is not able to be prevented or overcome by the exercise of reasonable diligence of the Declaring Party. To the extent they satisfy the foregoing definition, examples of Force Majeure may include: any acts of God; strikes, lockouts or other labor disputes or disturbances (the settlement of strikes, lockouts or labor disputes being entirely within the

Declaring Party's discretion); acts of the public enemy, sabotage, terrorism, wars, blockades; insurrections, riots and other civil disturbances; epidemics; landslides, floods, lightning, earthquakes, fires, tornadoes, hurricanes, or other severe or extreme weather events, and warnings for any of the foregoing which may necessitate the precautionary shut-down of wells, plants, pipelines, gathering systems, loading facilities, refineries, terminals or any portion thereof, or other related facilities; arrests and restraints of governments (either federal, state, civil or military); explosions, breakage or accidents to equipment, machinery, plants or any portion thereof, or lines of pipe, or the unscheduled maintenance, repairs or alterations to any of the foregoing, freezing of lines of pipe, partial or complete failure of wells irrespective of whether such wells or lines are operated by Carrier or Shipper; unscheduled maintenance of the facilities used by Carrier or Shipper or their respective Affiliates to perform their obligations under this tariff or the TSA, as applicable; constraints on or physical disruption to Downstream Third-Party Facilities that are directly connected to the Shipper's or Carrier's facilities used herein or to the Destination Point(s); refusal or other failure to accept Product by Persons owning or operating Downstream Third-Party Facilities that are directly connected to the Shipper's or Carrier's facilities used herein or the Destination Point(s); inability to secure permits or access rights after the exercise of diligent efforts, which are required for the Declaring Party's performance hereunder; electric power shortages or outages; the necessity for compliance with any court order, or any Applicable Law promulgated or amended by a Governmental Authority having or asserting proper jurisdiction after the effective date of a TSA or the effective date of this tariff, as applicable; and other causes of a similar nature not reasonably within the control of the Declaring Party. Force Majeure also includes any event of force majeure occurring with respect to the facilities or services of the Declaring Party's Affiliates or service providers providing a service or providing any equipment, goods, supplies or other items necessary to the performance of the Declaring Party's obligations hereunder, in each case only to the extent not reasonably within the control of the Declaring Party's Affiliates and which is not able to be prevented or overcome by the exercise of reasonable diligence of the Declaring Party or the Declaring Party's Affiliates. Notwithstanding anything to the contrary set forth in a TSA or this tariff, as applicable, none of the following shall, under any circumstance, constitute a Force Majeure event: (i) the lack of financial resources, or the inability of a Party to secure funds or make payments as required by a TSA or this tariff, as applicable, absent the other Party's breach of the TSA which has a material effect on such Party, (ii) adverse market, financial or other economic conditions including changes in market conditions that either directly or indirectly affect the demand for or price of Product, (iii) availability of more attractive markets for Product or transportation services for transporting the Product, or (iv) in the case of Carrier, capacity curtailments on the System due to Carrier's failure to operate and maintain the System in a Commercially Reasonable manner.

"Fungible Batch" shall mean a Batch of Product meeting the applicable Quality Specifications that Carrier may commingle with other Batches of Product of the same grade and that meet the Quality Specifications set forth herein for such grade of Product.

"Governmental Authority" or "Governmental Authorities" means any governmental, administrative or regulatory entity, authority, commission, board, agency, instrumentality, bureau or political subdivision, and any court, tribunal or judicial or arbitral body (whether national, federal, state or local or, in the case of an arbitral body, whether governmental, public or private), having jurisdiction over any Party or its respective assets.

"Guarantee" has the meaning set forth in Item 37(A).

"Line Fill" has the meaning set forth in Item 32(A).

"Monthly Deemed Volume Commitment" means the product of (i) the relevant Acreage Dedication Shipper's Deemed Volume Commitment, times (ii) the number of days in the applicable month.

"Monthly Deficient Barrels" means the number of Barrels by which (i) a VC Shipper's Monthly Throughput fails to meet (ii) such VC Shipper's Monthly Volume Commitment.

"Monthly Throughput" means the actual number of Barrels of Product received by Carrier from Shipper at an Origin Point and transported to a Destination Point in a month.

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

"Nomination," "Nominate," or "Nominated" means a written communication (in form and context specified by Carrier) made by a Shipper to Carrier of a quantity of Product for transportation on the System from a specified Origin Point to a specified Destination Point in accordance with the terms of this tariff.

"Non-Priority Capacity" means the System Capacity available for allocation to Uncommitted Shippers each Proration Month following the allocation of System Capacity to Committed Shippers under Item 26 (C), which shall equal at least ten percent (10%) of the System Capacity, assuming Carrier receives sufficient Nominations from Uncommitted Shippers.

"Notification" has the meaning set forth in Item 32(C)(3).

"Off-Spec Product" has the meaning set forth in Item 22(E).

"Open Season" means that open season held by Carrier beginning in July 2018, to obtain Volume Commitments or acreage dedications on the System, and any supplemental open season held by Carrier to obtain additional Volume Commitments or acreage dedications on the System.

"Origin Point" means the receipt/inception point(s) where Product is received into the System, as such points are specified in Section III of this tariff.

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

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

"Prime Rate" has the meaning set forth in Item 36(C).

"Priority" means, with respect to a Committed Shipper, that such Committed Shipper shall not be subject to prorationing for movements occurring on the System, on the condition that such Committed Shipper (i) Tenders Product for transport on Carrier's System that does not exceed

such Committed Shipper's Monthly Volume Commitment or Monthly Deemed Volume Commitment, as applicable, and (ii) pays the then-applicable Committed Rate for the transportation of such Committed Shipper's Monthly Volume Commitment or Monthly Deemed Volume Commitment, as applicable (or otherwise makes a Deficiency Payment pursuant to the TSA, if Committed Shipper is a VC Shipper). Notwithstanding the foregoing, a Committed Shipper with Priority capacity may be subject to prorationing for movements occurring on Carrier's System during events of Force Majeure or other operational disruption that reduces the System Capacity; provided that nothing in the preceding portion of this sentence reduces or alters any liability of Carrier for curtailment or pro-rationing during non-Force Majeure operational disruptions.

"Product" means, individually or collectively, as the context so requires, WTI, WTI Light, and Condensate.

"Proration Month" means the month for which capacity is to be allocated under Item 26.

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

"Quality Specifications" has the meaning set forth in Item 22.

"Shipper" means a party that contracts with Carrier for transportation of Product on the System in accordance with this tariff and any other applicable tariffs of Carrier.

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

"System Capacity" means the available operational capacity of the System at any applicable point in time, as such amount may vary from time to time pursuant to any contractual arrangements entered into by Carrier.

"Tender" or "Tendered" means delivery by Shipper to Carrier of a stated quantity of Product for transportation from a specified Origin Point to a specified Destination Point on the System in accordance with this tariff.

"TSA" means a transportation services agreement for transportation of Product on Carrier's System entered into between a Committed Shipper and Carrier pursuant to the Open Season.

"Third Party Shipper" has the meaning set forth in Item 26(I).

"Third Party Shipper Notice" has the meaning set forth in Item 26(I).

"Third Party TSA" means a transportation services agreement for transportation of Product on Carrier's System entered into between a Third Party Shipper and Carrier.

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

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

"Unremoved Product" means Product that Shipper fails to arrange for receipt of, or refuses to receive, upon Carrier's delivery at the Nominated Destination Point.

"VC Shipper" means a Committed Shipper that has made a Volume Commitment.

"Volume Commitment" means the daily volume of Barrels of Product a VC Shipper has agreed to ship, or otherwise make a Deficiency Payment for, on Carrier's System during the term of its TSA and as set forth in such TSA.

"WTI" means liquid hydrocarbons that meet the applicable Quality Specifications for "WTI" set forth in Item 22.

"WTI Light" means liquid hydrocarbons that meet the applicable Quality Specifications for "WTI Light" set forth in Item 22.

## 21. COMMODITY

Carrier is engaged in the transportation on the System of Product meeting the Quality Specifications and will not accept any other commodity for transportation under this tariff.

## 22. QUALITY SPECIFICATIONS

A. The quality specifications set forth below (collectively referred to as the "**Quality Specifications**") shall apply to each Tender of Product by Shipper. Carrier will transport up to three grades of Fungible Batches of Product on the System: (i) WTI, (ii) WTI Light, and (iii) Condensate. The Quality Specifications applicable to each grade of Product are provided below. Shipper shall not deliver to Carrier and Carrier shall not be obligated to accept Product that, as determined by Carrier, does not conform to the applicable minimum and maximum ranges specified in the following Tables 1, 2 and 3 or that does not meet the specifications required by downstream connecting facilities:

Table 1: Quality Specifications Applicable to WTI

| Quality | Units | Min | Max | Reference Test Method |
|---|---|---|---|---|
| A.P.I. Gravity (60F) | deg. A.P.I. | 36 | 44 | ASTM D287 AND A.P.I. MPMS CHAPTER 9 |
| Sulfur Content | Weight % | | ≤ 0.4 | ASTM D4294 |
| Reid Vapor Pressure | PSIA | | 9.0 | ASTM D6377 |
| True Vapor Pressure | PSIA | | 11.0 | ASTM D6377 |
| Basic Sediment and Water | % of Volume | | ≤ 1.0% | A.P.I. MPMS CHAPTER 10.4 |

Table 2: Quality Specifications Applicable to WTI Light

| Quality | Units | Min | Max | Reference Test Method |
|---|---|---|---|---|
| A.P.I. Gravity (60F) | deg. A.P.I. | > 44 | ≤ 49.9 | ASTM D287 AND A.P.I. MPMS CHAPTER 9 |
| Sulfur Content | Weight % | | ≤ .0.4 | ASTM D4294 |
| Reid Vapor Pressure | PSIA | | 9.0 | ASTM D6377 |
| True Vapor Pressure | PSIA | | 11.0 | ASTM D6377 |
| Basic Sediment and Water | % of Volume | | ≤ 1.0% | A.P.I. MPMS CHAPTER 10.4 |

Table 3: Quality Specifications Applicable to Condensate

| Quality | Units | Min | Max | Reference Test Method |
|---|---|---|---|---|
| A.P.I. Gravity (60F) | deg. A.P.I. | > 49.9 | 55 | ASTM D287 AND A.P.I. MPMS CHAPTER 9 |
| Sulfur Content | Weight % | | ≤ 0.1 | ASTM D4294 |
| Reid Vapor Pressure | PSIA | | 9.0 | ASTM D6377 |
| True Vapor Pressure | PSIA | | 11.0 | ASTM D6377 |
| Basic Sediment and Water | % of Volume | | ≤1.0 | A.P.I. MPMS CHAPTER 10.4 |

B. Carrier shall have the right to change or modify any of the Quality Specifications provided in Item 22(A) in order to conform Carrier's Quality Specifications to the quality specifications required by upstream or downstream connecting facilities.

C. Shipper at its cost and risk shall perform applicable tests to ensure that the Product it Tenders to Carrier for transportation on the System conforms to the applicable Quality Specifications. Carrier may also require Shipper to furnish a certificate setting forth in detail the specifications of each shipment of Product offered for transportation hereunder.

D. Carrier or its representative may test all Product Tendered for transportation on Carrier's System for compliance with the Quality Specifications. All such tests shall be performed by Carrier, and Shipper, Consignor, or Consignee may be present or represented at the testing provided such witnessing does not unreasonably interfere with Carrier's operation of the System. Carrier shall provide reasonable advance notice of any such testing (other than the continuous monitoring of the System) to Shipper. Quantities shall be tested in accordance with applicable A.P.I./ASTM standards and pipeline industry practice or such other tests as deemed appropriate by Carrier acting reasonably. All tests performed by Carrier shall be determinative unless Shipper, Consignor, or Consignee submits to Carrier, within sixty (60) days after the date of the test, appropriate documentation contesting the test. In the event of variances between Carrier's test results and Shipper's test results or the specifications contained in a certificate provided by Shipper pursuant to Item 22(C), Carrier's test results shall prevail (absent error demonstrated by Shipper or fraud).

E. Carrier reserves the right to reject all Tenders of Product and refuse transportation if Carrier determines that Shipper has delivered Product that (i) does not conform to the applicable Quality Specifications, (ii) is not merchantable, (iii) is not readily acceptable for transportation through Carrier's System, and/or (iv) would expose

any Person or property (including the System) to an undue risk of harm or property damage (items (i) through (iv) referred to as **"Off-Spec Product"**), all of which shall be determined by Carrier, in Carrier's reasonable discretion.

F. In the event Shipper Tenders Off-Spec Product to the System: (i) Carrier may accept such Shipper's delivery if Carrier determines, in its reasonable discretion, that the quality of the Off-Spec Product, when commingled as a Fungible Batch, will nonetheless meet the applicable Quality Specifications; *provided, however*, that Carrier shall not knowingly accept Shipper's delivery of Off-Spec Product (1) if Carrier reasonably determines that the quality of Off-Spec Product, when commingled as a Fungible Batch, would not meet the Quality Specifications or (2) if the Fungible Batch is not meeting the applicable Quality Specifications; and (ii) if Carrier does not accept such Off-Spec Product as provided in subpart (i) of this Item 22(F), Carrier may exclude such Shipper from further entry into Carrier's System until such time as Shipper returns the quality of its Product to a level meeting the requirements of this tariff. Nothing contained in this tariff, any other tariff filing, any pipeage contract or transportation services agreement or any other document, nor any receipt by Carrier of Off-Spec Product (either unknowingly, as a temporary accommodation, or in its sole discretion), shall be construed to affect Carrier's right, at any time and from time to time, to reject Tenders of Off-Spec Product and to refuse or suspend receipt of such Off-Spec Product until it is established to such Carrier's reasonable satisfaction that subsequent deliveries of Product will conform to the applicable Quality Specifications. During any period when Carrier is knowingly accepting Off-Spec Product, Carrier shall (x) regularly monitor the A.P.I. Gravity of the Off-Spec Product at all Origin Points from which Off-Spec Product is knowingly accepted by Carrier, and (y) manage the cumulative volume of Off-Spec Product so accepted to reduce the likelihood of the Fungible Batch failing to meet the Quality Specifications.

G. Carrier may monitor, but is not responsible for monitoring, receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any Off-Spec Product (other than such Product accepted pursuant to Item 22(F)(i)) impacting the normal operation of Carrier's System. Disposal thereof may be made in any reasonable manner, including, but not limited to, commercial sales. Shipper shall be liable for and shall defend, indemnify and hold Carrier harmless from and against any and all claims, actions, suits, losses, demands, costs and expenses (including reasonable attorneys' fees and costs of repairing, inspecting, cleaning and decontaminating Carrier's System or the facilities of third parties) of every kind, nature or description to the extent caused by Off-Spec Product (other than such Product accepted pursuant to Item 22(F)(i)) that Shipper has delivered into Carrier's System; *PROVIDED, HOWEVER*, THAT SHIPPER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR PUNITIVE DAMAGES OR LOST PROFITS OR REVENUES WITH RESPECT TO CARRIER TO ANY OFF-SPEC PRODUCT DELIVERED BY SHIPPER TO CARRIER'S SYSTEM.

H. In addition to any other remedies available to Carrier, Carrier may also charge Shipper and Shipper agrees to pay (i) the costs and expenses incurred by Carrier related to Off-Spec Product that Shipper delivers to Carrier, including without limitation any penalties, damages, charges for testing, treating, and disposal incurred and paid by Carrier related to such Off-Spec Product, and (ii) a one dollar ($1.00) per Barrel additional fee assessable on all of Shipper's Off-Spec Product received by Carrier for transportation service during all applicable ticket periods. For purposes of application of this Item 22(H), the identification of product as "Off-Spec Product" shall be based on Carrier's testing in accordance with Item 22(D). This Item 22(H) and the remedies and fees provided for in this Item shall not apply to Off-Spec Product accepted by Carrier under Item 22(F)(i).

## 23. VARIATIONS IN QUALITY AND GRAVITY

A. It is inherent in the operation of a batched pipeline system that interface mixtures will occur between Batches. Carrier shall not be liable to Shipper for changes in the gravity or quality of Shipper's Product which may occur from commingling or intermixing Shipper's Product with other Product in the same Fungible Batch while in transit. Carrier is not obligated to deliver to Shipper the identical Product Nominated and Tendered by Shipper; Carrier will deliver to Shipper Product from the applicable Fungible Batch of Product transported on Carrier's System.

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

## 24. MINIMUM TENDER, BATCH AND PRODUCT CYCLES

A. A Nomination by Shipper for transportation as part of a Fungible Batch shall not be less than 50,000 Barrels. Carrier may, in its sole discretion, decide to accept Nominations below the above-stated minimum Nomination, provided that space is available and subject to operating conditions.

B. Normal cycles of Product handling will be established by Carrier in order to meet the operating conditions of the System. Shippers may be required to schedule their Product for delivery into Carrier's System at Origin Point(s) to meet the cycles, as determined by Carrier, within which the Product will be transported to the Destination Point.

## 25. NOMINATIONS REQUIRED

A. Shipper must nominate all Product that it desires to transport through the System on a properly executed Nomination identifying the month for which transportation is desired, the Origin Point at which the Product is to be received by Carrier, the Destination Point of the shipment, Consignee (if any), Product grade, and the amount of Product to be transported. Carrier may refuse to accept Product for transportation unless satisfactory evidence is furnished that Shipper or Consignor

has made adequate provisions for prompt receipt of all volumes at the Destination Point.

B. Any Shipper desiring to Nominate Product for transportation shall make such Nomination to Carrier in writing on or before the thirteenth (13th) day of the calendar month for deliveries to the Longhorn Pipeline Destination Point, and the twenty fourth (24th) day for all other Destination Points, before 12:00 a.m. Central Time, preceding the month during which the transportation of Product under the Nomination is to begin; *provided, however*, that if operating conditions permit, Carrier, in its sole discretion, may consider and accept Nominations submitted after the applicable date specified above.

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

D. All Product Nominated by Shipper and accepted for transportation will be transported at such time and in such quantity as scheduled by Carrier.

## 26. PRORATIONING PROCEDURES

A. ***When System Capacity will be prorated.*** When Carrier receives more Nominations in a month for transportation of Product on Carrier's System than Carrier is able to transport, Carrier shall allocate the System Capacity under the provisions of this Item 26, subject to applicable rules and regulations. In addition, to the extent there is a Force Majeure event or other operational disruption that occurs within a transportation month, Carrier will allocate the System Capacity for any such impacted day within the transportation month in the same manner as provided in this Item 26.

B. ***Division of System Capacity between Shipper classes.*** System Capacity will be allocated among Committed Shippers as a class and Uncommitted Shippers as a class; any remaining System Capacity will be allocated in accordance with the provisions of Item 26(E).

C. ***Allocation to Committed Shippers.***

(i) Except as provided in Item 26(C)(ii), Carrier shall allocate each Committed Shipper an amount of System Capacity equal to the lesser of (1) the Committed Shipper's Nomination for the Proration Month or (2) its Monthly Volume Commitment or Monthly Deemed Volume Commitment, as applicable. If a Committed Shipper Nominates volumes in excess of its Monthly Volume Commitment or Monthly Deemed Volume Commitment, as applicable, then the excess incremental volumes shall be subject to prorationing under Item 26(E) below.

(ii) If an event of Force Majeure or other operational issue causes System Capacity to be reduced for the Proration Month, the allocation of System Capacity to each Committed Shipper under this Item 26(C) shall be reduced by the same percentage as the reduction in System Capacity that is caused by the Force Majeure event or operational issue. If an event of Force Majeure or other operational issue causes a service disruption on only a portion of Carrier's System or at a particular Origin Point or Destination Point, Carrier shall continue to provide full operational service with respect to the unaffected portions of Carrier's System and to the unaffected Origin Points and Destination Points. Carrier will reduce the allocations of System Capacity to each Committed Shipper affected by such Force Majeure event by the same percentage as the reduction in capacity of the affected portion of the System or the reduction in receipt or delivery capability of the affected Origin Point or Destination Point, respectively and as applicable. For clarity, any reduction to a VC Shipper's allocation of capacity shall not relieve the VC Shipper of its obligation to pay Deficiency Payments to Carrier unless otherwise indicated in the VC Shipper's TSA.

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

(i) Following the allocation of System Capacity set forth in Item 26(C) above, Carrier shall next allocate the Non-Priority Capacity on Carrier's System among all Uncommitted Shippers in the following manner:

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

a. its Nomination, if the total volume Nominated by all Uncommitted Shippers is less than or equal to the Non-Priority Capacity available on the System; or

b. its pro rata share, in accordance with its Nomination, of the Non-Priority Capacity, if the total volume Nominated by all Uncommitted Shippers is greater than the amount of Non-Priority Capacity available on the System.

E. ***Remaining System Capacity.*** Any remaining System Capacity not allocated through the application of Items 26(C) or 26(D) shall be allocated first, pro rata, among all Committed Shippers having remaining unmet Nominations according to the level of each Committed Shipper's Monthly Volume Commitment or Monthly Deemed Volume Commitment, as applicable. If the allocation to any Shipper pursuant to this Item 26(E) exceeds such Shipper's remaining Nomination or there remains unallocated System Capacity following this additional allocation to Committed Shippers, then the excess volume will be allocated, pro rata, among all

other Shippers having unmet Nominations until the remaining System Capacity is fully allocated or all of the remaining Nominations have been fulfilled.

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

(i) Carrier shall allocate System Capacity on a monthly basis; and

(ii) Carrier will use reasonable efforts to notify each Shipper of its allocation as soon as reasonably practicable, but no later than the first working day of the Proration Month.

G. ***Reallocation of Unused Allocated System Capacity.*** If a Shipper does not use the portion of System Capacity allocated to it under this Item 26 at the times and in the amounts designated by Carrier for any Proration Month, Carrier may elect, in its sole discretion, to use Shipper's unused portion of System Capacity to fulfill the unmet Nominations of other Shippers, subject to such other Shipper's acceptance of such re-allocation.

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

(i) Except as provided in Item 26(H)(ii) below, an Uncommitted Shipper that fails to use all of its allocated System Capacity during a Proration Month shall have its allocation of System Capacity reduced in each subsequent Proration Month until the total reductions equal the amount of the unused capacity. The amount of any such reduction shall be treated as unused allocated System Capacity and shall be reallocated among other Shippers in accordance with Item 26(G).

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

I. ***Transfer of Allocated System Capacity; Third Party Shippers.*** Shipper's allocation of System Capacity may be transferred as an incident of the bona fide sale of the Shipper's business or to a successor to the Shipper's business by the operation of law, such as an executor or trustee in bankruptcy. In addition, subject to the limitations set forth in Item 26(I)(x) below, a Committed Shipper may, at its option, at any time and from time to time upon thirty (30) days' prior written notice to Carrier, (i) sell Product dedicated to Carrier under its TSA at any point upstream of a Origin Point, (ii) designate an agent to act on its behalf with regard to making Nominations or scheduling Barrels of Product for delivery under its TSA or (iii) use a third party shipper to deliver Barrels of Product for transportation on Carrier's System; provided that all such Product shall be Nominated and Tendered for transportation on the System pursuant to the terms, exclusions and reservations of the TSA and this tariff. In the event a Committed Shipper exercises such option, the Committed Shipper shall notify Carrier in writing of (1) the name, address,

contact person and telephone number of the purchaser(s), agent for, or recipient of the Product (the "**Third Party Shipper**"), (2) the Barrels committed and/or delivered to the Third Party Shipper entering Carrier's System, (3) the effective date or dates of such commitment and/or delivery, and (4) the Origin Points of such commitment (such written notice being the "**Third Party Shipper Notice**"). Following receipt of the Third Party Shipper Notice, Carrier's determination that the Third Party Shipper has satisfied the requirements under Item 37 (Financial Assurances) of this tariff, the Third Party Shipper's execution of the Third Party TSA in the form attached to the TSA, and the expiration of the thirty (30)-day notice period referenced above, Carrier agrees that it shall look only to the Third Party Shipper with respect to the payment of, or compliance with, any obligation with respect to the Barrels of Product sold and/or delivered by the Committed Shipper to the Third Party Shipper; *provided, however*, that (a) if the Committed Shipper sells and/or delivers less than all of the Committed Shipper's Product committed or dedicated to Carrier under its TSA to the Third Party Shipper, unless otherwise agreed to in writing by Carrier, the Committed Shipper shall continue to remain liable for all of its obligation under its TSA with respect to such Product not sold and/or delivered by the Committed Shipper to the Third Party Shipper and, (b) notwithstanding any provision in this Item 26 to the contrary, the Committed Shipper shall remain obligated under and shall comply with the terms of its TSA pertaining to the Committed Shipper's acreage dedication or Volume Commitment to Carrier and related dedication of Product to Carrier. For the avoidance of doubt, a Committed Shipper shall be prohibited from utilizing a Third Party Shipper until such time as the Third Party Shipper has executed a Third Party TSA with Carrier or accepted in writing in accordance with the applicable assignment provisions of the Committed Shipper's TSA all of the obligations of the Committed Shipper under the Committed Shipper's TSA. The requirements set forth above shall apply to each Third Party Shipper designated by a Committed Shipper. A Committed Shipper's use of a Third Party Shipper shall be governed by the provisions set forth in such Committed Shipper's TSA. The intent of this Third Party Shipper provision is to give Committed Shipper the flexibility to use such Third Party Shippers in order to, among other things, fully utilize their contractual rights under the TSA, as well as meet their contractual obligations with Carrier. Accordingly, Uncommitted Shippers will not have the right to use a Third Party Shipper.

(x) Notwithstanding the provisions set forth in Item 26(I) above, a Committed Shipper shall be permitted to designate no more than two (2) Third Party Shippers at any given point in time, and any arrangement between a Committed Shipper and a Third Party Shipper with respect to shipments on the System made by a Third Party Shipper on behalf of a Committed Shipper must be for a period of no less than one (1) month.

J. ***Committed Shipper Ramp-Up Rights.*** Pursuant to the Open Season and their TSAs, Committed Shippers have the ability to increase their Priority capacity rights on the System during the term of their TSAs. These rights will not result in Committed Shippers collectively receiving more than ninety percent (90%) of the

System Capacity at any given time, but could reduce the amount of System Capacity available to Uncommitted Shippers when such rights are exercised.

K. ***Disruptions during Transportation Month.*** To the extent Carrier experiences a Force Majeure event or other operational disruption within a transportation month, Carrier shall notify Shipper of its allocation within the transportation month that has become a Proration Month as soon as reasonably practicable.

## 27. MEASUREMENT

Product delivered hereunder shall be measured in accordance with Carrier's LACT and Measurement Manual, dated April 9, 2015, as the same may be updated or amended from time to time. A copy of the LACT and Measurement Manual is available on Carrier's website at www.oryxmidstream.com.

## 28. ORIGINATION FACILITIES

Carrier will receive Product from Shippers at the Origin Points on Carrier's System. Product will be received only from pipelines, tanks or other facilities that are provided by Shipper or Consignor, or a connecting carrier. Carrier will determine and advise Shippers of the size and capacity of the pipeline and/or tanks that will be needed for receipt of Product to meet the operational conditions of Carrier's facilities at such point. Carrier will not accept a Nomination unless such facilities have been provided and conform to the operating requirements of Carrier, in Carrier's sole discretion.

## 29. STORAGE OF PRODUCT

Carrier does not provide storage for Product, except storage incidental to transportation on Carrier's System. Carrier has the right to coordinate with downstream connecting facilities to ensure that Shipper has arranged for receipt of its Product at the Destination Point; by Nominating Product for transportation on the System, Shipper agrees to permit such coordination.

## 30. DESTINATION FACILITIES

Carrier will accept Product for transportation only when Shipper or Consignee has provided the necessary facilities for taking delivery of the shipment as it arrives at the Destination Point. Carrier will not accept a Nomination unless such facilities have been provided and conform to the operating requirements of Carrier, in Carrier's sole discretion. The cost of such facilities shall be provided at the sole cost of Shipper seeking access to Carrier's System. Shipper will be solely responsible for any additional tariffs, costs, or charges imposed on Product after delivery by Carrier at the Destination Points.

## 31. DELIVERY AT DESTINATION

Shipper shall timely remove its Product, or cause such Product to be removed, from the System following transportation to a Nominated Destination Point. If Shipper or Consignee is unable or refuses to receive said shipment, Carrier will assess a demurrage charge of one dollar ($1.00) per Barrel for each day (or fractional part thereof) commencing twenty-four (24) hours following Shipper's receipt of notice from Carrier and Shipper's or Consignee's failure to promptly accept

such Product. In addition to such demurrage charge, Carrier shall also have the right to (1) curtail the amount of Product it will accept from Shipper until such Unremoved Product is removed, or (2) dispose of such Unremoved Product in accordance with the provisions of Item 36(F).

## 32. LINE FILL REQUIREMENTS

A. Carrier shall require Shipper to supply, and Shipper shall supply, Product constituting its proportionate share of Product for line fill necessary for operation of Carrier's System, as such amounts shall be determined by Carrier ("**Line Fill**"). For purposes of clarity, a Committed Shipper's proportionate share of Line Fill shall be the percentage equal to the Committed Shipper's Volume Commitment or Deemed Volume Commitment, as applicable, divided by ninety percent (90%) of the total System Capacity at such time.

B. In the event a Shipper's Line Fill balance drops below its proportionate share of the volume of Product necessary for operation of Carrier's System, Carrier will notify Shipper of the amount of Line Fill that Shipper owes and Shipper shall supply such Line Fill to Carrier before Carrier is obligated to accept Shipper's Nominations or Tenders or make deliveries or shipments on behalf of Shipper. Any notice to Shipper of additional Line Fill requirements under this Item 32(B) shall provide adequate time for Shipper to make the required Nominations under Item 25. Subject to the provisions of Item 36, in the event Shipper's Line Fill balance is above its proportionate share of the volume of Product necessary for Line Fill ("**Excess Line Fill**"), then Carrier shall notify Shipper of such Excess Line Fill amount and will return such Excess Line Fill to Shipper upon written request by Shipper to Carrier and following a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such Excess Line Fill. If Shipper fails to comply with any of its obligations to provide Line Fill, Carrier shall be entitled to supply Shipper's share of Line Fill and Shipper shall reimburse Carrier for the cost thereof on demand.

C. Subject to the provisions of Item 36, Line Fill furnished by Shipper may be withdrawn from Carrier's System under two circumstances (i) if Shipper intends to discontinue shipments on Carrier's System for the foreseeable future and/or, (ii) if Shipper is "no longer shipping" on Carrier's System, as described in Item 32(C)(2) below. Line Fill furnished by a Shipper may be withdrawn from Carrier's System only pursuant to the terms of this Item 32(C).

(1) If Shipper intends to discontinue shipments on Carrier's System for the foreseeable future, Shipper shall provide written notification to Carrier that it intends to discontinue shipments on the System. Carrier will then provide written notice to Shipper as provided for in Item 32(C)(3).

(2) A Shipper that makes no shipments on the System over a continuous six (6)-month period shall be deemed to be "no longer shipping." When Carrier identifies that a Shipper is "no longer shipping," Carrier will provide written notice to Shipper that it is considered to be "no longer shipping" on Carrier's System as provided for in Item 32(C)(3).

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

(i) If Carrier has been contacted by Shipper within thirty (30) days after the Notification described in Item 32(C)(3), Carrier will grant Shipper an additional thirty (30) days without charge to facilitate the disposal of Shipper's Product held as Line Fill. If at the end of this sixty (60)-day period, Shipper has not disposed of such Product, Carrier retains the right to charge a penalty fee of one dollar ($1.00) per Barrel, per month, retroactive to the date of the Notification, plus any other fees as allowed in accordance with this tariff; such fees will be required to be paid before the applicable Product will be released. In addition, if Shipper has not disposed of such Product within sixty (60) days from the date of the Notification, title to such Product shall automatically transfer to Carrier. If Shipper provides a written request to Carrier after title to such Product has been assumed by Carrier but before Carrier has otherwise disposed of such Product, Carrier agrees to transfer title back to Shipper for a fee of five dollars ($5.00) per Barrel. Such fees will be required to be paid before the applicable Product will be released. Upon transfer of title back to Shipper, Shipper will then be responsible for disposing of such Product within thirty (30) days therefrom. Failure of Shipper to dispose of such Product within thirty (30) days of the transfer of title back to Shipper will result in title being vested back in Carrier without recourse.

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

(5) Subpart (C) of this Item 32 shall not apply to a Committed Shipper during the term of such Committed Shipper's TSA. However, following the expiration of a Committed Shipper's TSA, such Committed Shipper's Line Fill shall be returned to Committed Shipper pursuant to the provisions set forth in subpart (C) of this Item 32.

## 33. TITLE

A. By Nominating Product, Shipper, or a Third Party Shipper, as applicable, represents and warrants that Shipper has good title (or right to ship or control) thereto and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title (or right to ship or control) thereto; provided that acceptance for transportation shall not be deemed a representation by Carrier as to title (or right to ship or control). Shipper or Third Party Shipper, as applicable, shall not cause or permit any lien, security interest or other form of burden to be filed or created with respect to Product in Carrier's possession, except for the lien created hereunder in favor of Carrier or any lien held by any co-participant of Shipper or any lender of Shipper, Third Party Shipper, or their respective Affiliates. Carrier may require of Shipper satisfactory evidence of its title of any Product Nominated or Tendered for shipment on the System.

B. At the time of Nomination, Shipper shall, if known by Shipper, inform Carrier if any Product Nominated and/or to be Tendered to Carrier for transportation (i) is subject to any dispute regarding the ownership thereof, or (ii) may be encumbered by a lien or charge of any kind at the time of delivery of such Product to Carrier at an Origin Point (other than the lien created hereunder in favor of Carrier or any lien in favor of any co-participant of Shipper) ("**Encumbered Product**"). In the event Carrier receives such Shipper notice of Encumbered Product or otherwise learns that Shipper has or will Nominate or Tender Encumbered Product, Carrier, in its reasonable discretion, may require Shipper to provide one or more of the following: (i) satisfactory evidence of its perfected and unencumbered title, (ii) satisfactory indemnity bond to protect Carrier against any and all loss related to such dispute or encumbrance, (iii) pre-payment of transportation charges, or (iv) a subordination agreement from the applicable lienholder. Carrier also has the right to refuse any shipment of Encumbered Product.

## 34. RATES APPLICABLE AND DEFICIENCY PAYMENTS

A. **Rates.** Product accepted for transportation by Uncommitted Shippers or Committed Shippers shall be subject to the rates and charges in effect on the date of receipt by Carrier that are applicable to Shipper's shipments, irrespective of the date of the Nomination. The applicable rates are set forth in Section III herein. Transportation and all other lawful charges shall be collected on the basis of the quantities of Product **[N]** , including Line Fill (except as provided below), received from Shipper at each Origin Point, less the applicable loss allowance set forth in Item 45 **[C]** ~~delivered to Destination Points~~, and said quantities will be determined in the manner provided in Item 27. **[N]** For clarity, Carrier shall invoice Shipper upon receipt of Shipper's Product, including Line Fill, at each Origin Point irrespective of the date such Product, including Line Fill, is delivered to Shipper at the Nominated Destination Point, and Shipper shall pay such invoice in accordance with the provisions of Item 36 below; *provided, however*, that in the event of a Force Majeure or other operational disruption on the System that impacts Carrier's ability to deliver Shipper's Product to the Nominated Destination Point, Carrier

shall delay invoicing such Shipper pursuant to this Item 34 until such Force Majeure or other operational disruption on the System has been resolved and Carrier is able to commence the delivery of Shipper's Product to the Nominated Destination Point; *provided, further*, Carrier will defer invoicing a Shipper for any of its Line Fill in Carrier's System as of February 1, 2020 until the date such Line Fill is delivered from Carrier's System at a Destination Point.

B. **Deficiency Payments.** The terms of a TSA shall govern the rights of a VC Shipper and Carrier with respect to the payment or nonpayment of Deficiency Payments and/or other charges set forth in a TSA.

## 35. RATES APPLICABLE FROM INTERMEDIATE POINTS

Shipments accepted for transportation from or to any point on Carrier's System not named in this tariff, but which is intermediate to a point where rates are published, will be assessed the rate in effect from or to the next more distant point published in this tariff. Continuous use of intermediate point rate application under this Item 35 for more than thirty (30) days requires establishment of a rate for the transportation service.

## 36. PAYMENT OF CHARGES

A. Carrier will invoice Shipper or Third Party Shipper, as applicable, for transportation rates, fees, and charges, and any other amounts accruing on Product transported by Carrier in accordance with Carrier's then-current invoicing and payment policies and procedures, which policies and procedures will not violate any provisions of the applicable TSA. Carrier shall calculate and assess any payments a Committed Shipper owes to Carrier under a TSA, including but not limited to Deficiency Payments, if applicable, in accordance with the provisions of the TSA.

B. All payments are due within ten (10) days from the date of Shipper's receipt of the invoice. Invoices due on a weekend or holiday need not be paid until the next regular workday and no interest shall accrue under Item 36(C) until after such regular workday. If Shipper, in good faith, disputes the amount of any such invoice or any part thereof, Shipper shall pay undisputed amounts. If Shipper disputes the amount due, it must provide supporting documentation to support the amount disputed within ten (10) days of the date of receipt of such invoice. Nothing contained herein shall limit a Committed Shipper's audit rights under its TSA.

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

D. In addition, in the event Shipper fails to pay any charges owed to Carrier, whether under this tariff, a TSA if applicable, or any other agreement for transportation service on the System, when due, and Shipper fails to cure such non-payment within

ten (10) days after Carrier's delivery of notice to Shipper of such failure to pay, Carrier shall have the right, until such payments, including interest thereon, are paid in full, to: (i) refuse to provide Shipper access to the System or provide services pursuant to this tariff, including delivery of any of Shipper's Product in Carrier's possession to Shipper, (ii) offset the current and future amounts owed by Shipper under this tariff or a TSA against any amounts Carrier owes to Shipper or against any of Shipper's Product in the System, (iii) sell Shipper's Line Fill as provided in Item 36(F), and (iv) exercise any other rights and remedies granted under this tariff or existing under Applicable Law.

E. Carrier shall have a lien on all Product, including Shipper's Line Fill, in the possession of Carrier to secure the payment of any and all charges and fees owed to Carrier by Shipper, whether under this tariff, a TSA if applicable, or any other agreement for transportation service on the system, including but not limited to, transportation fees, Deficiency Payments, penalties, fees and other charges, interest and late payment charges. Such lien shall extend to all Product, including Shipper's Line Fill, in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. Shipper agrees to execute such additional documents as may be reasonably necessary to perfect or evidence such lien. If a bill of lading is required under Applicable Law for such a lien to arise, acceptance of the Nomination will be deemed to be the bill of lading for all Product, including Shipper's Line Fill, subject to such Nomination. The lien provided herein shall be in addition to any lien or security interest provided by this tariff or Applicable Law. Any liens contained in this tariff or Applicable Law shall be deemed automatically released as and when Product is delivered by Carrier to Shipper or its designee.

F. If Shipper fails to pay an invoice by the due date or has Unremoved Product pursuant to Item 31, Carrier will notify Shipper of the failure, and if Shipper has not remedied the failure within thirty (30) days following receipt of notice from Carrier, in addition to any other remedies under this tariff or under Applicable Law, Carrier shall have the right if deemed necessary to make whatever arrangements for disposition of Shipper's Product, including Shipper's Line Fill, that are appropriate, which includes selling the Product, including Shipper's Line Fill, at a public auction, on any day not a legal holiday, not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town, city, or general area where the sale is to be held, stating the time and place of such sale and the quantity and location of the Product to be sold. At said sale, Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. The proceeds of any sale shall be applied in the following order: (i) to the reasonable expenses of holding, preparing for sale, selling, and transporting the Product and to the extent allowed by Applicable Law reasonable attorneys' fees and legal expenses incurred by Carrier; and (ii) to the satisfaction of Shipper's indebtedness including interest herein provided from the date payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, deposited with the applicable court that has jurisdiction over such dispute or claim and held for

whoever may be lawfully entitled thereto. Carrier will have a claim for and against Shipper with respect to any deficiency arising from the debt due to Carrier from Shipper and the proceeds of any sale after reduction as set forth above.

## 37. FINANCIAL ASSURANCES

A. At least thirty (30) days prior to making its first Nomination, each prospective Uncommitted Shipper shall provide information to Carrier that will allow Carrier to determine the prospective Uncommitted Shipper's ability to pay any financial obligations that could arise from the transportation of the prospective Uncommitted Shipper's Product under the terms of this tariff. The type of information Carrier may request from a prospective Uncommitted Shipper includes, but is not limited to, most recent year-end financials, Form 10-K reports or other filings with regulatory agencies, and bank references. If, in the reasonable opinion of Carrier, such prospective Uncommitted Shipper is not creditworthy, Carrier shall require such Uncommitted Shipper to (i) prepay all transportation and other fees and lawful charges accruing on Product to be delivered to Carrier's System, with such prepayment received within five (5) days of the Uncommitted Shipper's first Nomination, (ii) supply an irrevocable letter of credit issued by a Qualified Institution, with the amount of such security to be the amount estimated in good faith for the first ninety (90) days of performance under the tariff, or (iii) provide a Guarantee. For purposes of this Item 37, a "**Guarantee**" means a guarantee of the payment obligations of Shipper which is provided by Shipper's credit support provider, which must have at least an investment grade rating as established by Standard and Poor's or Moody's, in favor of Carrier with such form of guarantee being acceptable to Carrier in its reasonable discretion.

B. In the event Carrier determines, in a manner not unreasonably discriminatory, that a Shipper's creditworthiness is at any time unsatisfactory to Carrier, Carrier may require Shipper to provide adequate assurance of performance. As adequate assurance, Carrier may require Shipper to provide one of the following: (i) cash (in U.S. dollars), as collateral held for security, (ii) a Guarantee, (iii) a prepayment, (iv) a surety bond, as collateral held for security, and/or (v) an irrevocable standby letter of credit issued by a Qualified Institution, with the amount of such security to be the amount estimated in good faith for the next ninety (90) days of performance hereunder.

C. In the event a prospective Uncommitted Shipper fails to comply with any obligation in Item 37(A) or a Shipper fails to comply with any obligation in Item 37(B), Carrier shall not be obligated to provide such prospective Uncommitted Shipper or Shipper, as applicable, with access to Carrier's System or to provide transportation services pursuant to this tariff or a TSA, as applicable, until such requirement is fully met.

## 38. CHARGE FOR FUND COMPENSATION

In addition to all other charges to Shipper accruing on Product accepted for transportation, a per Barrel charge will be assessed and collected by Carrier in the amount of any tax, fee, or other

charge levied against Carrier in connection with such Product by any Governmental Authority for the purpose of creating a fund for the prevention, containment, clean up, and/or removal of spills and/or the reimbursement of Persons sustaining a loss therefrom or any program where Carrier is acting as a collecting agent. Such charge will be included in the appropriate tariff filed with the Railroad Commission of Texas.

## 39. COMPLIANCE COSTS

Subject to the provisions of the TSAs, to the extent Carrier becomes obligated as a result of a Change in Law Event to bear Compliance Costs, Carrier shall have the right to increase the transportation rates or implement a surcharge or other charge in the applicable tariff to allow Carrier to recover such Compliance Costs. If Carrier implements such a charge pursuant to this Item 39, Carrier will seek to recover such Compliance Costs from all Shippers in a manner that is not unduly discriminatory or preferential.

## 40. LIABILITY OF SHIPPER

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

## 41. LIABILITY OF CARRIER

A. Carrier, while in possession of Product herein described, shall not be liable for, and Shipper hereby waives any claims against Carrier in excess of the liability, if any, and to the extent imposed by the Interstate Commerce Act (49 app. U.S.C. § 1 *et seq.* (1988)) for, any loss or release thereof, damage thereto, or delay in receipt or delivery caused by Force Majeure, or the act of Shipper itself, or the inherent nature of the goods, or a Governmental Authority. In the case of loss of any Product from any such causes, after it has been received for transportation and before the same has been delivered to Shipper or Consignee, Shipper shall bear a loss in such proportion as the amount of its shipment already delivered to Carrier bears to all of the Product then in custody of Carrier, for shipment via the lines or other facilities in which the loss or damage occurs. Shipper shall be entitled to have delivered only such portion of its shipment as may remain after deduction of its proportion of such loss, but in such event Shipper shall be required to pay charges only upon the quantity delivered. Carrier shall not be liable for, and Shipper hereby waives any claims against Carrier for, any loss or damage to Product prior to the delivery of Product to Carrier at the Origin Points and after delivery of Product at the Destination Points.

B. Carrier's liability to Shipper, Consignor, or Consignee for any claim of loss of Product shall be limited to the value of the Product transported and related transportation charges. IN NO EVENT SHALL CARRIER BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR PUNITIVE DAMAGES HEREUNDER.

C. Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Product transported or stored hereunder. EXCEPT AS OTHERWISE SET FORTH HEREIN, SHIPPER AND CARRIER EXPRESSLY DISCLAIM ANY LIABILITY FOR ANY EXPRESS OR IMPLIED WARRANTY FOR PRODUCT TRANSPORTED HEREUNDER INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR INTENDED USE.

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

As a condition precedent to recovery by Shipper for loss, damage, or injury of Shipper's Product for which Carrier may be responsible, Shipper's claim must be filed in writing with Carrier within twelve (12) months after delivery of the affected Product, or in case of Carrier's failure to make delivery of Shipper's Product, then within twelve (12) months after Shipper's Tender of Product; and suits regarding loss, damage, or injury of Shipper's Product shall be instituted against Carrier only within two (2) years and one (1) day from the day when notice in writing is given by Carrier to Shipper that Carrier has disallowed such claim or any part or parts thereof specified in the notice. Where such claim is not filed or suits are not instituted by Shipper on such claims in accordance with the foregoing provisions, such claims will not be paid and Carrier will not be liable.

## 43. CONNECTIONS

Connections to Carrier's System will only be considered if made by formal written application to Carrier in accordance with Carrier's connection policy. All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of Carrier's System in accordance with generally accepted industry standards and Carrier's connection policies. Acceptance of any application for connection will be within the sole discretion of Carrier and will be subject to compliance with Governmental Authorities and industry regulations.

## 44. CARRIER DISCRETION

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

## 45. LOSS ALLOWANCE

For shipments by Uncommitted Shippers, Carrier shall deduct two-tenths of one percent (0.2%) of the volumes of Product received into Carrier's System to cover losses inherent in the transportation of Shipper's Product on Carrier's System. For shipments by Committed Shippers, Carrier shall

deduct one-tenth of one percent (0.1%) of the volumes of Product received into Carrier's System to cover losses inherent in the transportation of Shipper's Product on Carrier's System; *provided, however*, that for shipments by (i) a VC Shipper with a Volume Commitment of less than 20,000 Barrels per day, Carrier shall deduct two-tenths of one percent (0.2%) of the volumes of Product received into Carrier's System to cover losses inherent in the transportation of Shipper's Product on Carrier's System, and (ii) an Acreage Dedication Shipper with an initial Deemed Volume Commitment of less than 20,000 Barrels per day, Carrier shall for so long as such Acreage Dedication Shipper's Deemed Volume Commitment remains below 20,000 Barrels per day deduct two-tenths of one percent (0.2%) of the volumes of Product received into Carrier's System to cover losses inherent in the transportation of Shipper's Product on Carrier's System. The volumes delivered to Shipper from Carrier's System shall be net of such deduction. In addition, Carrier will also deduct one-tenth of one percent (0.1%) in addition to the deductions noted above, for any Product delivered into Carrier's System that has an A.P.I. Gravity greater than 49.9.

# SECTION III
# RATES

## TABLE 1
## UNCOMMITTED RATES[1]

Rates in Dollars per Barrel

| Tier | Origin | Destination | Volume (Barrels/Day) | Uncommitted Rate[2] |
|---|---|---|---|---|
| 1 | Central Mentone Interconnect, Reeves County, Texas[3]<br>Or<br>UL Lands Interconnect, Winkler County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | Up to 19,999 | [U] $0.74 |
| 2 | | | 20,000-49,999 | [U] $0.69 |
| 3 | | | 50,000 or Greater | [U] $0.54 |
| 1 | Pyote Station, Ward County, Texas[3]<br>Or<br>Lone Wolf Interconnect, Pecos County, Texas[3]<br>Or<br>Catalina Interconnect, Ward County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | Up to 19,999 | [U] $0.64 |
| 2 | | | 20,000-49,999 | [U] $0.59 |
| 3 | | | 50,000 or Greater | [U] $0.44 |
| 1 | State Line Station, Loving County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | Up to 19,999 | [U] $0.74 |
| 2 | | | 20,000-49,999 | [U] $0.69 |
| 3 | | | 50,000 or Greater | [U] $0.54 |

**TABLE 1 (CONT.)**
**UNCOMMITTED RATES[1]**

Rates in Dollars per Barrel

| | | | | |
|---|---|---|---|---|
| 1 | Pecos Station, Reeves County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | Up to 19,999 | [U] $0.74 |
| 2 | | | 20,000-49,999 | [U] $0.69 |
| 3 | | | 50,000 or Greater | [U] $0.54 |
| 1 | Orla Station, Reeves County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | Up to 19,999 | [U] $0.8400 |
| 2 | | | 20,000-49,999 | [U] $0.7900 |
| 3 | | | 50,000 or Greater | [U] $0.6400 |

**TABLE 2**
**COMMITTED RATES APPLICABLE TO VC SHIPPERS[1,4]**

Rates in Dollars per Barrel

| Tier | Origin | Destination | Volume (Barrels/Day) | 7 Year Term Committed Rate[5] | 12 Year Term Committed Rate[6] |
|---|---|---|---|---|---|
| 1 | Central Mentone Interconnect, Reeves County, Texas[3]<br>Or<br>UL Lands Interconnect, Winkler County, Texas[3] | Interconnect with Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | [U] $0.80 | [U] $0.75 |
| 2 | | | 20,000-49,999 | [U] $0.75 | [U] $0.70 |
| 3 | | | 50,000 or Greater | [U] $0.65 | [U] $0.55 |
| 1 | Pyote Station, Ward County, Texas[3]<br>Or<br>Lone Wolf Interconnect, Pecos County, Texas[3]<br>Or<br>Catalina Interconnect, Ward County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | [U] $0.70 | [U] $0.65 |
| 2 | | | 20,000-49,999 | [U] $0.65 | [U] $0.60 |
| 3 | | | 50,000 or Greater | [U] $0.55 | [U] $0.45 |
| 1 | State Line Station, Loving County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | [U] $0.80 | [U] $0.75 |
| 2 | | | 20,000-49,999 | [U] $0.75 | [U] $0.70 |
| 3 | | | 50,000 or Greater | [U] $0.65 | [U] $0.55 |

**TABLE 2 (CONT.)**
**COMMITTED RATES APPLICABLE TO VC SHIPPERS[1,4]**

Rates in Dollars per Barrel

| | | | | | |
|---|---|---|---|---|---|
| 1 | Pecos Station, Reeves County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | [U] $0.80 | [U] $0.75 |
| 2 | | | 20,000-49,999 | [U] $0.75 | [U] $0.70 |
| 3 | | | 50,000 or Greater | [U] $0.65 | [U] $0.55 |
| 1 | Orla Station, Reeves County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | $0.9000 | [U] $0.8500 |
| 2 | | | 20,000-49,999 | $0.8500 | [U] $0.8000 |
| 3 | | | 50,000 or Greater | $0.7500 | [U] $0.6500 |

## TABLE 3
## COMMITTED RATES APPLICABLE TO ACREAGE DEDICATION SHIPPERS[1]

Rates in Dollars per Barrel

| Tier | Origin | Destination | Deemed Volume Commitment (Barrels/Day) | 7 Year Term Committed Rate[5] | 12 Year Term Committed Rate[6] |
|---|---|---|---|---|---|
| 1 | Central Mentone Interconnect, Reeves County, Texas[3]<br>Or<br>UL Lands Interconnect, Winkler County, Texas[3] | Interconnect with Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | [U] $0.90 | [U] $0.80 |
| 2 | | | 20,000 or Greater | [U] $0.85 | [U] $0.75 |
| 1 | Pyote Station, Ward County, Texas[3]<br>Or<br>Lone Wolf Interconnect, Pecos County, Texas[3]<br>Or<br>Catalina Interconnect, Ward County, Texas[3] | Interconnect with Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | [U] $0.80 | [U] $0.70 |
| 2 | | | 20,000 or Greater | [U] $0.75 | [U] $0.65 |
| 1 | State Line Station, Loving County, Texas[3] | Interconnect with Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | [U] $0.90 | [U] $0.80 |
| 2 | | | 20,000 or Greater | [U] $0.85 | [U] $0.75 |

**TABLE 3 (CONT.)**
**COMMITTED RATES APPLICABLE TO ACREAGE DEDICATION SHIPPERS[1]**

Rates in Dollars per Barrel

| | | | | | |
|---|---|---|---|---|---|
| 1 | Pecos Station, Reeves County, Texas[3] | Interconnect with Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | [U] $0.90 | [U] $0.80 |
| 2 | | | 20,000 or Greater | [U] $0.85 | [U] $0.75 |
| 1 | Orla Station, Reeves County, Texas[3] | Interconnect at Longhorn Pipeline, Crane, Texas<br>Or<br>Interconnect at Enterprise Midland Tank Farm, Midland, Texas<br>Or<br>Interconnect at ODOT Crane Station, Crane County, Texas | 10,000-19,999 | [U] $1.0000 | [U] $0.9000 |
| 2 | | | 20,000 or Greater | [U] $0.9500 | [U] $0.8500 |

**Notes Applicable to Tables 1, 2, and 3**

1. An additional truck unloading fee of [U] 7.50 cents per Barrel will be assessed for Product unloaded onto Carrier's mainline by truck at truck station facilities situated at the Origin Points.
2. An Uncommitted Shipper's Uncommitted Rate will be based on the volume of Product it ships each month on the System, which shall then determine the volume tier applicable to such Uncommitted Shipper.
3. The specific grade(s) of Product that will be accepted at each Origin Point identified in Tables 1, 2, and 3 are identified in Table 4. Table 4 also includes the incremental fees (if any) that will be assessed in addition to the applicable transportation rates set forth listed in Tables 1, 2, 3 for movements from a particular Origin Point.
4. A VC Shipper shall be subject to the applicable Committed Rate for any volumes shipped on the System during a month up to the VC Shipper's Monthly Volume Commitment. A VC Shipper shall be subject to the applicable Uncommitted Rate for any volumes shipped on the System during a month that are in excess of such VC Shipper's Monthly Volume Commitment.

5. In order to qualify for the 7 Year Term Committed Rate, a Committed Shipper must have entered into a TSA with Carrier during the Open Seasons, with such TSA having a term of 7 years.
6. In order to qualify for the 12 Year Term Committed Rate, a Committed Shipper must have entered into a TSA with Carrier during the Open Seasons, with such TSA having a term of at least 12 years.

# TABLE 4
# GRADES OF PRODUCT ACCEPTED AT EACH ORIGIN POINT AND ANY ASSOCIATED INCREMENTAL FEES

Rates in Dollars per Barrel

| Origin Point | Grade of Product | Uncommitted Fees[7] | | | Committed Fees[7] | | |
|---|---|---|---|---|---|---|---|
| | | Tier 1[8] | Tier 2[9] | Tier 3[10] | Tier 1[11] | Tier 2[12] | Tier 3[13] |
| **Reeves County, Texas** | | | | | | | |
| Central Mentone Interconnect | WTI Light | [See Note 14] | | | | | |
| Pecos Station | WTI; WTI Light; Condensate | N/A | N/A | N/A | N/A | N/A | N/A |
| Orla Station | WTI Light | N/A | N/A | N/A | N/A | N/A | N/A |
| **Pecos County, Texas** | | | | | | | |
| Lone Wolf Interconnect | WTI | [U] $0.4900 | [U] $0.4400 | [U] $0.3900 | [U] $0.5000 | [U] $0.4500 | [U] $0.4000 |
| **Loving County, Texas** | | | | | | | |
| State Line Station | WTI; WTI Light | N/A | N/A | N/A | N/A | N/A | N/A |
| **Ward County, Texas** | | | | | | | |
| Pyote Station | WTI | N/A | N/A | N/A | N/A | N/A | N/A |
| Catalina Interconnect | WTI | [U] $0.9400 | [U] $0.9150 | [U] $0.8900 | [U] $0.9500 | [U] $0.9250 | [U] $0.9000 |
| **Winkler County, Texas** | | | | | | | |
| UL Lands Interconnect | WTI | [See Note 15] | | | | | |

## Notes Applicable to Table 4

7. The Uncommitted Fees and Committed Fees (if any) will be assessed in addition to the applicable transportation rates set forth Tables 1, 2, or 3.

8. The Tier 1 Uncommitted Fees apply to any Uncommitted Shipper that qualifies for the Tier 1 Uncommitted Rates.

9. The Tier 2 Uncommitted Fees apply to any Uncommitted Shipper that qualifies for the Tier 2 Uncommitted Rates.

10. The Tier 3 Uncommitted Fees apply to any Uncommitted Shipper that qualifies for the Tier 3 Uncommitted Rates.

11. The Tier 1 Committed Fees apply to any Committed Shipper that qualifies for the Tier 1 Committed Rates.

12. The Tier 2 Committed Fees apply to any Committed Shipper that qualifies for the Tier 2 Committed Rates.

13. The Tier 3 Committed Fees apply to any Committed Shipper that qualifies for the Tier 3 Committed Rates.

14. The following incremental fees will be assessed in addition to the applicable transportation rates set forth in Tables 1, 2 and 3, as applicable, for movements by Shippers originating at the Central Mentone Interconnect Origin Point: (i) **[U]** 50.00 cents per Barrel for the first 10,000 Barrels shipped per day, on an average basis, and (ii) **[U]** 30.00 cents per Barrel for each incremental Barrel over 10,000 Barrels shipped per day, on an average basis.

15. The following incremental fees will be assessed in addition to the applicable transportation rates set forth in Tables 1, 2 and 3, as applicable, for movements by Shippers originating at the UL Lands Interconnect Origin Point: (i) **[U]** 75.00 cents per Barrel for the first 11,500 Barrels shipped per day, on an average basis, and (ii) **[U]** 55.00 cents per Barrel for each incremental Barrel over 11,500 Barrels shipped per day, on an average basis.

**Explanation of Reference Marks**

**[C]** Cancel.
**[N]** New.
**[U]** Unchanged rate.