

Texas R.R.C. No. 1.2.0  
(Cancels R.R.C. No. 1.1.0)

**[C] Notice of Suspension of Service  
Delek Helena, LLC**

RECEIVED  
R.R.C. OF TEXAS

APR 27 2018

GAS SERVICES DIVISION  
AUSTIN, TEXAS

**LOCAL AND JOINT TARIFF**

**CONTAINING  
RULES AND REGULATIONS GOVERNING  
THE GATHERING AND TRANSPORTATION OF CRUDE PETROLEUM  
BY PIPELINE**

**GENERAL APPLICATION**

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**~~[C] This tariff publication is hereby suspended as of May 1, 2018 until October 28, 2018 and no service shall be provided during such period, pending integrity testing, maintenance, and/or repairs.~~**

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

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

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**ISSUED: April 27, 2018**

**EFFECTIVE: May 1, 2018**

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

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 two percent (2%) of basic sediment, water, or other impurities above a point six (6) 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 three thousand (3,000) barrels of petroleum in any one (1) 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.
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 ninety 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.
3. **"BARREL" DEFINED:** For the purpose of these rules, a "barrel" of crude petroleum is declared to be forty-two (42) gallons of 231 cubic inches per gallon at sixty degrees Fahrenheit (60° F).
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.
5. **STORAGE:** Each pipeline shall provide, without additional charge, sufficient operational storage, such as is incidental 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 (5) days from the date of order of delivery at destination.
6. **IDENTITY OF OIL, MAINTENANCE OF:** A pipeline may deliver to Consignee, either the identical oil received for transportation, subject to such consequence 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.
7. **MINIMUM QUANTITY TO BE RECEIVED:** A pipeline shall not be required to receive less than one (1) tank carload of oil when oil is offered for loading into tank cars at destination of the pipeline. When oil is offered for transportation for other than tank car delivery, a pipeline shall not be required to receive less than five hundred (500) barrels.
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. (See amendment to this rule in Item No. 50, Section II hereof.)
9. **GAUGING, TESTING, AND DEDUCTIONS:** All crude oil tendered to a pipeline for transportation shall be measured and tested by a representative of the pipeline prior to its receipt by the pipeline. The Shipper may be present or represented at the gauging and testing. Quantities shall be determined in accordance with applicable A.P.I. Manual of Petroleum Measurement Standards. A pipeline may deduct sediment, water, and other impurities as shown by the centrifugal method, Karl Fischer method or other test agreed upon and two tenths of one percent (.2 %) for evaporation and loss during transportation.<sup>1</sup> 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.

The gauging and testing of oil by the pipeline representative is directed toward and intended to require tank gauge measurement, or other type measuring device when authorized by the Commission, of produced crude prior to the transfer of custody to the initial transporter from a producing property. A transfer of custody of crude between transporters is subject to measurement as agreed upon by the transporters. (See exceptions to this rule in Item No. 45, Section II hereof.)

<sup>1</sup> This deviates from Rule 71.9 of the General Conservation Rules in that a deduction of less than one percent (1%) will be made for evaporation and loss during transportation.

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 twenty-four (24) hours' notice to the Consignee, may offer oil for delivery from its common stock at the point of destination, conformable to Section 6 of this rule, at a rate not exceeding ten thousand (10,000) barrels per day of twenty-four (24) hours. Computation of time of storage (as provided for in Section 5 of this rule) shall begin at the expiration of such notice. At the expiration of the time allowed in Section 5 of this rule 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 ten (10) days of one-tenth of one cent per barrel; and thereafter at a rate of three-fourths of one cent per barrel, for each day of twenty-four (24) hours or fractional part thereof.
11. **PAYMENT OF TRANSPORTATION AND OTHER CHARGES<sup>2</sup>:** The Shipper or Consignee shall pay all applicable gathering, transportation, and all other lawful charges accruing on petroleum delivered to and accepted by Carrier for shipment, and, if required, shall prepay or guarantee the same before acceptance by the Carrier, or pay the same before delivery. Carrier shall have a lien on all petroleum in its possession belonging to Shipper or Consignee to secure the payment of any and all unpaid gathering, transportation, or any lawful charges that are due Carrier that are unpaid by Shipper or Consignee, and may withhold such petroleum from delivery until all unpaid charges have been paid.

If any charge remains unpaid after the due date specified in Carrier's invoice, then such amount shall bear interest from the day after the date of the invoice until paid, calculated at an annual rate equivalent to 125% of the prime rate of interest, as of the date of Carrier's invoice, charged by the Citibank N.A. of New York, New York, for ninety (90) day loans made to substantial and responsible commercial borrowers or the maximum rate allowed by law, whichever is the lesser. If the invoice is not paid within thirty (30) days from the date due, Carrier shall have the right, either directly or through an agent, at any time after such publication of notice of such sale in a daily newspaper of general circulation published in the town, city, or general area where the sale is to be held, stating the time and place of sale and the quantity and location of the petroleum 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 disposition shall be applied in the following order: (A) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expense incurred by Carrier; and (B) To the satisfaction of the indebtedness secured hereby including interest herein provided from due date of invoice to date of sale. The balance of the proceeds of the sale remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.
12. **NOTICE OF CLAIMS:** Notice of claims for loss, damage or delay in connection with the shipment of oil must be made in writing to the pipeline within ninety-one (91) days after the damage, loss, or delay occurred. If the claim is for failure to make delivery, the claim must be made within ninety-one (91) days after a reasonable time for delivery has elapsed.
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 message 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.
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.
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 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.
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.
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.

<sup>2</sup> This deviates from Rule 71.11 of the General Conservation Rules.

## 19. FIRES, LIGHTNING AND LEAKAGE, REPORTS OF LOSS FROM:

- A. Each pipeline shall immediately notify the Commission, by telegraph, telephone, or letter of each fire that occurs at any oil tank owned or controlled by the pipeline, or of any tank struck by lightning. Each pipeline shall in like manner report each break or leak in any of its tanks or pipelines from which more than five (5) barrels escapes. Each pipeline shall report in writing to the Commission, by the fifteenth (15th) day of each Calendar Month, the estimated amount of loss of oil by fire or leakage from its tanks and pipelines for the preceding month; but not including leakage or evaporation ordinarily incident to transportation.
- B. 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 event the Shipper shall be required to pay charges only on the quantity of oil delivered. This rule shall not apply if the loss occurs because of negligence of the pipeline.

20. PRINTING AND POSTING: Each pipeline shall have Sections 1 through 19 of this rule printed on its tariff sheets, and shall post the printed sections in a prominent place in its various offices for the inspection of the shipping public. Each pipeline shall post and publish only such Rules and Regulations as may be adopted by the Commission as general rules or such special rules as may be adopted for any particular field.

SECTION II  
RULES AND REGULATIONS

## 5. DEFINITIONS:

"Crude Petroleum," as used herein, means the direct product of oil wells, indirect petroleum products resulting from the operation of gasoline recovery plants, gas recycling plants or distillate fields, or a mixture of the direct product and indirect petroleum products.

"Carrier," as used herein, means Delek Helena, LLC and other pipe line companies which may, by proper concurrence, be parties to joint tariffs incorporating these regulations by specific reference.

"A.P.I. Gravity," as used herein, means gravity determined in accordance with American Society for Testing Materials Designation D-287.

10. APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS: For shipments accepted for transportation from any point not named in tariffs making reference hereto which is intermediate to a point from which rates are published in said tariffs, through such unnamed point, the rate published therein from the next more distant point specified in the tariff will apply from such unnamed point, and the gathering charge at the next more distant point shall apply when gathering service is performed. For shipments accepted for transportation to any point not named in tariffs making reference hereto which is intermediate to a point to which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant point specified in the tariff will apply.
15. PUMPING SERVICE: For loading aboard tank cars or delivery to Shipper's or Consignee's tanks where the receiving station has to perform additional pumping service, an additional charge of six cents (6¢) per barrel will be made.
20. SHIPMENTS OF INDIRECT PETROLEUM PRODUCTS: Indirect petroleum products will be accepted for gathering and/or transportation only on condition that they have been mixed with direct products of oil wells, or on condition that they can be mixed with direct products of oil wells in the tanks or lines of Carrier at the point offered, and provided that both the indirect products and the direct oil well products with which they are so mixed are owned by the same Shipper and are consigned to the same destination. Carrier reserves the right to require that all deliveries of indirect petroleum products with a vapor pressure in excess of atmospheric pressure be made from pressurized tanks. The Shipper shall provide arrangements whereby such tanks shall be kept under constant pressure during the time liquid is being run from said tanks by charging, from an external source, the vapor space of the tanks with vapors of the same indirect petroleum product being run.

25. SPECIFICATIONS AS TO QUALITY AND LEGALITY OF SHIPMENTS: Carrier reserves the right to reject any and all of the following shipments:
- A. Crude Petroleum having a vapor pressure in excess of ten (10) pounds absolute at a temperature of 100 degrees Fahrenheit and/or an A.P.I. gravity in excess of 120.9 degrees.
  - B. Crude Petroleum where the Shipper or Consignee has failed to comply with all applicable laws, rule, and regulations made by any governmental authorities regulating shipments of crude petroleum.
  - C. Crude Petroleum received from tanks containing basic sediment, water, or other impurities in excess of one percent (1%) average in suspension above the pipeline connection. Where crude oil is delivered to pipeline through automatic custody transfer measurement facilities, Carrier may require use of a monitor which rejects oil containing in excess of one percent (1%) basic sediment and water. (This limitation by Carrier is supplementary to the two percent (2%) basic sediment and water limit above a point 6 inches below pipeline connection provided for in Item 1 of Railroad Commission of Texas Rule 71.)
  - D. If Carrier determines that a Shipper has delivered to Carrier's facilities Crude Petroleum that has been contaminated by the existence of and or excess amounts of impure substances, including but not limited to chlorinated and/or oxygenated hydrocarbons, arsenic, lead and/or other metals which results in harm to other shippers, carriers, users of the contaminated Crude Petroleum or Carrier, such Shipper will be excluded from further entry into applicable segments of the pipeline system until such time as the quality of the Crude Petroleum is to the satisfaction of the Carrier. Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any contaminated Crude Petroleum blocking its pipeline system. Disposal thereof may be made in any reasonable manner including but not limited to commercial sales, and any liability associated with the contamination or disposal of any Crude Petroleum shall be borne by the Shipper introducing the contaminated Crude Petroleum into Carrier's system. Shipper liability includes, but is not limited to, claims from other shippers, carriers, or users of the contaminated Crude Petroleum and the costs of any regulatory or judicial proceeding.
  - E. Carrier will not accept Crude Petroleum containing any of the following: Waste oils, Lube oils, Crankcase oils, PCB's or Dioxins.
30. APPLICATION OF RATES: Crude Petroleum accepted for gathering and/or transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the tendered.
31. TENDERS REQUIRED:
- A. Crude petroleum for shipment through lines of Carrier will be received only on properly executed tenders from the Shipper showing the point at which the Crude Petroleum is to be received, point of delivery, consignee, and amount of Crude Petroleum transported. Carrier may refuse to accept crude petroleum for transportation unless satisfactory evidence be furnished that the Shipper or Consignee has made provision for prompt receipt thereof at destination.
  - B. Any Shipper desiring to tender Crude Petroleum for transportation shall make such tender to the initial Carrier in writing on or before the twenty-fifth day of the month preceding the month during which the transportation under the tender is to begin; except that, if space is available for current movement, a Shipper may tender Crude Petroleum for transportation after the twenty-fifth day of the month preceding the month during which the transportation under the tender is to begin.
36. LINE FILL AND TANK BOTTOM INVENTORY: Either prior to or after the acceptance of Crude Petroleum for transportation through the System, Carrier may, upon reasonable notice, require each Shipper to provide a pro rata part of the volume of Crude Petroleum necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the System. Petroleum provided by a Shipper for this purpose may be withdrawn from the System only with the prior approval of Carrier or after reasonable notice of such Shipper's intention to discontinue shipment in the System pursuant to Carrier's applicable tariff or tariffs.
40. UNLOADING OR TRANSFER CHARGES:
- A. All shipments received from tank truck unloading facilities or gathering pipeline facilities provided by others, either of which delivers into Carrier's trunkline facilities, will be subject to an unloading or transfer charge of [U] nine cents (9¢) per barrel, except that no charge in either case shall be made if the initial trunkline pumping is provided by others.
  - B. All shipments received from tank truck unloading facilities into Carrier's gathering facilities will be subject to the applicable gathering charge for the particular gathering facility but will not be subject to a truck unloading or transfer charge.
  - C. In either case, the applicable charge will be in addition to trunk transportation rates.

- B. In the absence of a through rate from point of origin to the storage point, the rate to the next point beyond shall be applied.
- C. If shipments are placed in in-transit storage at request of Shipper, and such stop-over causes an additional pumping by Carrier upon reshipment from the in-transit point which would not otherwise have been required for delivery to final destination on Carrier's system, then such shipments shall be subject to a charge for stop-over service of six cents (6¢) per barrel. The stop-over charge shall be in addition to all other transportation charges and shall be payable when shipment is reshipped from the in-transit point.
- D. Transportation charges on Crude Petroleum stopped, and subsequently forwarded to destination within a period not exceeding two years from date of original shipment shall be assessed at the balance of the through rate from the original point of origin to final destination, via the storage point, in effect on the date of original shipment, provided for in tariffs of Carrier lawfully on file with the Railroad Commission of Texas.
- E. Crude Petroleum disposed of locally will be subject to the local rate into the storage point and crude petroleum not forwarded from storage points within the specified time will be subject to the local rate into, and out of the storage point published in Carrier's tariffs lawfully on file with the Railroad Commission of Texas.
- F. After a shipment has had time to arrive at destination, and on 24 hours notice to Shipper or Consignee, Carrier may begin delivery of such shipment from its common stock to Consignee at Carriers current rate of pumping. If Shipper or Consignee is unable or refuses to receive said shipment, a demurrage charge of six cents (6.0 cents) per barrel per 24 hours shall accrue from the time said notice expires, on that part of such shipment which is not received by Consignee. Carrier reserves the right, if deemed necessary to clear its pipeline system to make whatever arrangements for disposition of the shipment that are appropriate which includes selling the shipment to the first available purchaser at the best price attainable. Any expenses incurred by the Carrier in making such arrangements shall be borne by the Shipper or Consignee, in addition to any demurrage charges.
110. DELIVERY INTO STORAGE TANKS: Upon delivery of Crude Petroleum into storage tanks furnished by the Shipper or Consignee, its custody and possession shall be that of the Shipper or Consignee and not that of Carrier, and Carrier shall not be liable for loss of or damage to such Crude Petroleum while in storage. However, Carrier reserves the right to gauge and examine such Crude Petroleum from time to time as desired while it is in said tanks.
115. TENDER AT STORAGE POINTS: When the Crude Petroleum is tendered for forwarding to destination a new tender must be issued making proper reference by number and date to the original tender or shipper order for shipment.

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#### EXPLANATION OF REFERENCE MARKS AND ABBREVIATIONS

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A.P.I.	American Petroleum Institute
A.S.T.M	American Society for Testing Materials
[U]	Unchanged
[W]	Wording Change
[N]	New Wording
[C]	Cancelled