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# **PLAINS PIPELINE, L.P. ♦**

## **LOCAL AND PROPORTIONAL TARIFF**

APPLYING ON THE INTRASTATE TRANSPORTATION  
OF  
**CRUDE PETROLEUM**

**Governed by rules and regulations contained herein.**

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**EFFECTIVE: September 1, 2023**

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**LIST OF POINTS FROM AND TO WHICH RATES APPLY AND RATES**

**(Rates in cents per barrel of 42 United States Gallons each)**

<b>FROM (Origins in Texas)</b>	<b>TO (Destinations in Texas)</b>	<b>RATE</b>	<b>VOLUME INCENTIVE (In Barrels Per Day)</b>
Catarina North, Dimmit County	Gardendale Station LaSalle County	[U] 61.59	---
Grit Injection, Dimmit County		[U] 64.59	
Cenizo Ranch, Dimmit County		[U] 61.95	---
Dilley, Frio County (1)		[U] 77.39	0 – 30,000
		[U] 65.85	30,001 – 55,000
		[U] 54.28	55,001 – 80,000
		[U] 42.74	80,001 – 105,000
		[U] 31.18	105,001 or more
Kone, Dimmit County Kone West, Dimmit County KBS, Dimmit County Stumburg, Dimmit County		[U] 142.18 (2)	---
Twin Eagle Buckhorn Rd. Inj., Dimmit County		[U] 66.28	---
Briggs North, Dimmit County		[U] 142.18	---
Talbutt Trust, LaSalle County		[U] 61.95	---
Valley Wells, Dimmitt County		[U] 57.51	---
Vivion, LaSalleCounty		[U] 104.57	
Light Ranch, LaSalle County	[U] 104.57		

**(1)** The Volume Incentive Rate applies to transportation from Dilley, Frio County to Gardendale Station, LaSalle County. Shipper’s average daily volume for a given month will determine the applicable rate for volumes shipped that month. The Volume Incentive Rate will apply to all barrels moved by that Shipper during that calendar month.

**(2)** If, during any calendar month, the combined volume received from Kone, Kone West, KBS and Stumburg, Dimmit County, Texas exceeds 15,000 barrels per day, [U] 3.0 cents per barrel will be added to the transportation rate in effect and will apply to all barrels transported from Kone, Kone West, KBS and Stumburg to Gardendale Station during said month.

**GATHERING CHARGES\***

Grit CTB, Dimmit County	[U]	31.73
Cenizo Ranch, Dimmit County	[U]	65.14
Talbutt Trust, LaSalle County	[U]	65.14
Valley Wells, Dimmitt County	[U]	59.32
Gardendale - Irvin Ranch, LaSalle County	[U]	113.45
Gardendale - Martin Ranch, LaSalle County	[D]	55.00
Gardendale - Wright Ranch, LaSalle County	[U]	127.10
Gardendale - Alexander Ranch, LaSalle County	[U]	127.10
Gardendale - Northcutt Ranch, LaSalle County	[U]	284.78
Gardendale - El Jardin, LaSalle County	[U]	107.86 (3) (4) (5)
Gardendale - Cotulla, LaSalle County	[U]	107.86 (6) (7)
Gardendale - JEA Ranch, LaSalle County	[U]	84.98
Gardendale – Storey Ranch, LaSalle County	[U]	32.30
Gardendale – Stephenson Road Jct., LaSalle County	[U]	37.24
Vivion Gathering, LaSalle County	[D]	25.43
Light Ranch Gathering, LaSalle County	[D]	25.43

\* In lieu of the truck unload charge contained in Rule 43 of the rules and regulations contained herein, all shipments unloaded from tank trucks into Carrier's gathering facilities will be subject to the applicable gathering charge for said gathering facility.

**(3) Temporary Volume Incentive Gathering Rate for Crude Petroleum:** For a shipper delivering a monthly volume in excess of 2,000 Barrels per day (“BPD”) of Crude Petroleum at Gardendale-EI Jardin Gathering, the base rate of **[U]** 107.86 will apply to the first 2,000 BPD of Crude Petroleum gathered at Gardendale-EI Jardin Gathering and a temporary volume incentive gathering rate of **[U]** 54.74 cents per barrel will apply to all Barrels in excess of 2,000 BPD that are gathered at Gardendale-EI Jardin Gathering each month.

**(4) Temporary Volume Incentive Gathering Rate for Crude Petroleum:** For a shipper delivering a monthly volume of 100,000 Barrels of Crude Petroleum at Gardendale-EI Jardin Gathering, a temporary volume incentive gathering rate of **[U]** 54.74 cents per barrel will apply to all Barrels that are gathered at Gardendale-EI Jardin Gathering each month.

**(5) Temporary Volume Incentive Gathering Rate for Crude Petroleum:** For a shipper delivering a minimum monthly volume of 5,500 Barrels per day of Crude Petroleum for a period of three consecutive months (“Qualifying Period”) at Gardendale-EI Jardin Gathering, a temporary volume incentive gathering rate of **[U]** 40.65 cents per barrel will apply to all Barrels that are gathered at Gardendale-EI Jardin Gathering. Beginning September 1, 2020, which is the beginning of the first Qualifying Period, Shippers will be charged the temporary volume incentive gathering rate (5). If a Shipper fails to meet the volume requirements for the Qualifying Period, for each month of the Qualifying Period, the Shipper will be invoiced the difference between the applicable Gardendale-EI Jardin Gathering rate and the temporary volume incentive rate (5) that was charged.

**(6) Temporary Volume Incentive Gathering Rate for Crude Petroleum:** For a shipper delivering a monthly volume in excess of 2,000 Barrels per day (“BPD”) of Crude Petroleum at Gardendale-Cotulla Gathering, the base rate of **[U]** 107.86 will apply to the first 2,000 BPD of Crude Petroleum gathered at Gardendale-Cotulla Gathering and a temporary volume incentive gathering rate of **[U]** 54.74 cents per barrel will apply to all Barrels in excess of 2,000 BPD that are gathered at Gardendale-Cotulla Gathering each month.

**(7) Temporary Volume Incentive Gathering Rate for Crude Petroleum:** For a Shipper delivering a monthly volume of 3,000 Barrels per day of Crude Petroleum into the Cotulla Gathering truck facility, a temporary volume incentive gathering rate of **[U]** 31.41 cents per barrel will apply to all Barrels that are gathered at the Cotulla Gathering truck facility each month.

**PUMPOVER RECEIPT CHARGE:** An additional charge will be made on all crude petroleum received from connecting carriers.

<u>Location</u>	<u>Rate in Cents per Barrel</u>
Gardendale, LaSalle County	<b>[U]</b> 13.30
Dilley, Frio County	<b>[U]</b> 37.24

**EXCEPTIONS TO THE RULES AND REGULATIONS CONTAINED HEREIN:**

**Rule 28A Specifications and Restrictions:**

- a. Only Crude Petroleum having an API Gravity of 55 degrees or lower and an H<sup>2</sup>S concentration of 100 ppm or less will be accepted for shipment.
- b. Carrier will not accept Crude Petroleum containing a butane content in excess of 2.5% by volume.

**Rule 31 Measurements and Adjustments shall be supplemented as follows:** All barrels received at the origin and destination points named herein are required to participate in the Quality Bank. In order to facilitate equitable adjustment among all shippers for sulfur and gravity differentials arising out of the common stream operations, Pipeline Operator or Pipeline Operator's authorized representative shall calculate adjustments for the value of crude petroleum of different sulfur and gravity content in the manner described herein.

- a. Shipper's gravity value will be determined by multiplying the quantity of Crude Petroleum (measured in Barrels) received at all of Shipper's Receipt points by the gravity value per Barrel obtained from the gravity value table included in Attachment "A" corresponding to the weighted average API gravity of Shipper's Crude Petroleum as measured at each Receipt point each Month. Shipper's sulfur value will be determined by multiplying the quantity of Crude Petroleum (measured in Barrels) received at all of Shipper's Receipt points by the sulfur value per Barrel obtained from the sulfur value tables included in Attachment "A" corresponding to the weighted average weight percent (%) sulfur of Shipper's Crude Petroleum as measured at each Receipt point each Month.
- b. For each Month, the weighted average gravity value for the Quality Bank will be determined by dividing the total number of Barrels of all Shippers' Crude Petroleum received into the System into the sum of all Shippers' gravity values for all receipt points. For each Month, the weighted average sulfur value for the Quality Bank will be determined by dividing the total number of Barrels of all Shippers' Crude Petroleum received into the System into the sum of all Shippers' sulfur values for all receipt points.
- c. Pipeline Operator will compare Shipper's gravity and sulfur values to the weighted average gravity and sulfur values for the Quality Bank.
- d. If Shipper's gravity value per Barrel is greater than that determined for the Quality Bank that Month, then Shipper will be credited (receive from the bank) an amount which shall be calculated by multiplying the differences in gravity value per Barrel by the total number of Barrels of Shipper's Crude Petroleum received.
- e. If Shipper's gravity value per Barrel is less than that determined for the Quality Bank that Month, then Shipper will be debited (pay the bank) an amount which shall be calculated by multiplying the differences in gravity value per Barrel by the total number of Barrels of Shipper's Crude Petroleum received.
- f. If Shipper's sulfur value per Barrel is less than that determined for the Quality Bank that Month, then Shipper will be credited (receive from the bank) an amount which shall be calculated by multiplying the differences in sulfur value per Barrel by the total number of Barrels of Shipper's Crude Petroleum received.
- g. If Shipper's sulfur value per Barrel is more than that determined for the Quality Bank that Month, then Shipper will be debited (pay the bank) an amount which shall be calculated by multiplying the differences in sulfur value per Barrel by the total number of Barrels of Shipper's Crude Petroleum received.
- h. Pipeline Operator shall provide at the end of each Month a statement of Shipper's gravity and sulfur values, computed differences versus the Quality Bank's weighted averages, debit and/or credit amounts for each Receipt point and the total debit or credit amount. The sum of debits and credits for all Shippers shall be zero each Month.

**Explanation of Reference Marks:**

- [U] Unchanged rate  
[D] Decrease

**TABLE OF CONTENTS**

<u>Item No.</u>	<u>Subject</u>
Rule 1	All Marketable Oil to be Received for Transportation
Rule 2	Basic Sediment, How Determined – Temperature
Rule 3	“Barrel” Defined
Rule 4	Oil Involved in Litigation, Etc. – Indemnity Against Loss
Rule 5	Storage
Rule 6	Identity of Oil, Maintenance of Oil
Rule 7	Minimum Quantity to be Received
Rule 8	Gathering Charges
Rule 9	Measuring, Testing and Deductions
Rule 10	Delivery and Demurrage
Rule 11	Unpaid Charges, Lien For and Sale to Cover
Rule 12	Notice of Claim
Rule 13	Telephone-Telegraph Line – Shipper To Use
Rule 14	Contracts of Transportation
Rule 15	Shipper’s Tanks, Etc. – Inspection
Rule 16	Offers in Excess of Facilities
Rule 17	Interchange of Tonnage
Rule 18	Receipt and Delivery – Necessary Facilities For
Rule 19	Reports of Loss from Fires, Lightening, and Leakage Explanation of Terms and Abbreviations
Rule 20	Common Stream Contamination
Rule 21	Storage
Rule 22	Intentionally Left Blank
Rule 23	Intentionally Left Blank
Rule 24	Notice of Arrival, Delivery at Destination, Demurrage
Rule 25	Telecommunications
Rule 26	Interconnections for Receipts and Deliveries
Rule 27	Intentionally Left Blank
Rule 28	Specifications and Restrictions
Rule 29	Intentionally Left Blank
Rule 30	Nominations and Scheduling
Rule 31	Measurement and Adjustment
Rule 32	Intentionally Left Blank
Rule 33	Liability of Parties
Rule 34	Proration
Rule 35	Payment of Transportation and Other Charges
Rule 36	Charge for Spill Compensation
Rule 37	Intrasystem Transfers
Rule 38	Volumetric Adjustment
Rule 39	Inventory Requirements
Rule 40	Pipeage or Other Contracts Required
Rule 41	Claims for Loss or Damage
Rule 42	Diversion or Reconsignment
Rule 43	Truck, Tanker and Barge Loading and Unloading
Rule 44	Application of Rates from and to Intermediate Points
Rule 45	Risk of Loss
Rule 46	Common Stream Crude
Rule 47	Shipments, Maintenance of Identity
Rule 48	Additives
Rule 49	Origin Facilities Required for Automatic Custody Transfer
Rule 50	Laws and Regulations
Rule 51	Required Shipper Information and Financial Assurances
Rule 52	Released Capacity
Rule 53	Transfer of Shipment History

## RULES AND REGULATIONS

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."

### SECTION 1

The following nineteen (1-19) rules are reprinted here pursuant to the requirements of the Texas Railroad Commission.

#### **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. (Amended by Rule 20).

#### **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, except that during the summer oil shall be received at any atmospheric temperature, and may be delivered at like temperature. Consignee shall have the same right to test the oil upon Delivery at destination that the pipeline has to test before receiving from the Shipper.

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

For the purpose of these Rules, a "Barrel" of Crude Petroleum is declared to be 42 gallons of 231 cubic inches per gallon at 60 degrees Fahrenheit.

#### **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. (Supplemented by Rule 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. (Amended by Rule 21)

**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.

**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. (Amended by Rule 30)

**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.

**Rule 9. Measuring, Testing, and Deductions (Reference Special Order Number 20-63,098 Effective June 18, 1973) (Superseded by Rule 31)**

- A. 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 tank.
- B. 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.
- C. 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 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.
- D. 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 paragraph (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 paragraph (5) of this Section) shall begin at the expiration of such notice. At the expiration of the time allowed in paragraph (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. (Superseded by Rule 24)

**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. (Superseded by Rule 35)

**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. (Amended by Rule 41)

**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. (Clarified by Rule 25)

**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 Rule.



**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 apportionate. (Amended by Rule 34)

**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. (Amended by Rule 26)

**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. (Amended by Rule 26)

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

- E. 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.
- F. 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 section shall not apply if the loss occurs because of negligence of the pipeline. (Supplemented by Rule 45)
- G. 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 2****Explanation of Terms and Abbreviations:**

“API” as herein used means American Petroleum Institute.

“ASTM” as herein used means American Society for Testing Materials.

“Barrel (Bbl)” as herein used shall have the meaning set forth in Rule 3.

“Business Day” as herein used means a day of the year, excluding all weekends and Carrier Holidays, when Carrier’s office is open during normal business hours.

“Carrier Holiday” as herein used means a day on which Carrier’s office is closed for business.

“Common Stream” as herein used means Crude Petroleum moved through the pipeline and pipeline facilities which is commingled or intermixed with other Crude Petroleum.

“Consignee” as herein used means a party, including a connecting pipeline system, to whom Shipper has ordered Delivery of Crude Petroleum.

“Condensate” as herein used means liquid products of oil wells and gas wells resulting from condensation of petroleum hydrocarbons existing initially in gaseous phase in an underground reservoir that are recovered at the surface without resorting to processing.

“Crude Petroleum” as herein used means direct liquid products of oil wells, Condensate or a mixture thereof.

“ ° ” as herein used means degrees Fahrenheit.

“Delivery” as herein used means transfer from Pipeline Operator at destination to Shipper or Consignee.

“ENom System” as herein used means Electronic Nomination System. The ENom System is a computerized information system that enables Shippers to nominate the movement of Crude Petroleum on Carrier’s System. Shippers can access the ENom System on Carrier’s website at <https://www.plainsallamerican.com/customer-center/pipeline-tariffs/enom-portal>.

“Gross Standard Volume” as herein used means volume corrected to a temperature of sixty degrees (60°) Fahrenheit, in accordance with the latest API/ASTM measurement standards, and at equilibrium vapor pressure.

“Nomination” as herein used means written designation by a Shipper to the Pipeline Operator of an approximate quantity of Crude Petroleum for transportation from specified origin point(s) to a specified destination point(s) over a period of one calendar month in accordance with these rules and regulations.

“Nomination Date” as herein used means fifteenth (15<sup>th</sup>) of the month preceding the movement; provided that if the fifteenth (15<sup>th</sup>) of such month falls on a weekend or a Carrier Holiday, the date shall be the date set forth in Rule 30B contained herein.

“Pipeline” as used herein means the gathering system that extends from the points set forth in this tariff to Gardendale, Lasalle County, Texas.

“Pipeline Capacity” as herein used means the volume of Crude Petroleum throughput capacity of the Pipeline, as reasonably determined by Pipeline Operator.

“Pipeline Operator” or “Carrier” as herein used means Plains Pipeline, L.P.

“Receipt” as herein used means transfer from Shipper at origin to Pipeline Operator for transportation.

“Shipper” as herein used means a Party who contracts with Pipeline Operator for the transportation of Crude Petroleum under the terms of this tariff.

“Shipper Application System” as herein used means a secure computerized information system that enables Shippers to submit a shipper application and requested information to Carrier electronically. Shippers can access the Shipper Application System on Carrier’s website at <https://www.plainsallamerican.com/customer-center/pipeline-tariffs>.

“Single Delivery” as used herein means a Delivery of Crude Petroleum in one continuous operation to one or more Consignees into a single facility, furnished by such Consignee or Consignees, to which the Pipeline is connected.

“TRRC” as used herein means the Texas Railroad Commission.

“Transferor” as used herein means the entity transferring volumes pursuant to an intrasystem transfer of title to Crude Petroleum as described in Rule 37 to these rules and regulations, INTRASYSTEM TRANSFERS.

“Transferee” as used herein means the entity accepting volumes pursuant to an intrasystem transfer of title to Crude Petroleum as described in Rule 37 to these rules and regulations, INTRASYSTEM TRANSFERS.

**Rule 20. Common Stream Contamination- Rule 1 contained herein shall be amended as follows:**

If Crude Petroleum is tendered that is materially different in character and/or quality from that usually produced in the field, Pipeline Operator, in its sole discretion, may reject such tender to prevent contamination of the Common Stream. Carrier will allow for shipment from any one person an amount exceeding 3,000 barrels of petroleum in any one day.

**Rule 21. Storage- Rule 5 contained herein shall be amended as follows:**

The Pipeline Operator has working tanks required in the process of transporting Crude Petroleum but no other available tankage and therefore, unless otherwise specifically stated in a tariff making reference to these rules and regulations, Pipeline Operator does not have facilities for rendering, nor does it offer, a storage service. Provisions for storage in transit in facilities furnished by Shipper at points on the Pipeline will be permitted to the extent authorized under individual tariffs lawfully on file with the Texas Railroad Commission.

**Rule 22. Intentionally Left Blank.**

**Rule 23. Intentionally Left Blank**

**Rule 24. Notice of Arrival, Delivery at Destination, Demurrage- Rule 10 contained herein shall be superseded as follows:**

As amended by Rule 21 and this Rule, Pipeline Operator shall not be required to provide crude oil storage to any shipper, either in its pipelines or storage tanks, unless alternate commercial arrangements are made in advance between Pipeline Operator and shippers. The Demurrage charges outlined in Rule 10. are not applicable under this tariff.

**Rule 25. Telecommunications-Rule 13 contained herein is not applicable to the pipelines or facilities operated under this tariff.**

**Rule 26. Interconnections for Receipts and Deliveries- Rules 17 and 18 contained herein shall be amended as follows:**

Pipeline Operator will accept Crude Petroleum for transportation only when the Shipper or Consignee has provided the necessary facilities for delivering Crude Petroleum into the Pipeline at the point of origin and has made the necessary arrangements for shipment beyond or has provided the necessary facilities for receiving said Crude Petroleum as it arrives at the destination.

Pipeline Operator shall not be obligated to provide connections or facilities for the exchange of Crude Petroleum unless the Shipper or producer requesting such connection can demonstrate compliance with Pipeline Operator's connection and Delivery specifications.

Pipeline Operator will determine and advise Shippers of the size and capacity of pipelines, tanks and/or metering facilities to be provided by Shipper at the point of Receipt to meet the operating conditions of Pipeline Operator's facilities at such point. Pipeline Operator will not accept Crude Petroleum for transportation unless such facilities have been provided to meet industry standards.

The Pipeline Operator may refuse to accept Crude Petroleum for transportation unless satisfactory written evidence is furnished that the Shipper or Consignee has provided the necessary facilities for the prompt receiving of said Crude Petroleum at its destination.

Connections to the Pipeline will only be considered if made by formal written notification to Pipeline Operator. All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of the Pipeline in accordance with generally accepted industry standards. Acceptance of any request for connection will be subject to compliance with governmental regulations.

**Rule 27. Intentionally Left Blank.**

**Rule 28. Specifications and Restrictions.**

- A. Pipeline Operator will from time to time determine the quality and general characteristics of Crude Petroleum it will regularly transport as a Common Stream between particular origin points and destination points on the Pipeline. Pipeline Operator will inform all interested persons of such Crude Petroleum quality and general characteristics upon request by them. Changes in Crude Petroleum quality standards will be made by new tariff filings. Crude Petroleum quality and general characteristics include, but are not limited to, whole crude properties such as A.P.I. gravity, sulfur, S. & W., Reid Vapor Pressure, pour point, viscosity, hydrogen sulfide, metals, nitrogen, chlorinated and/or oxygenated hydrocarbons, salt content, and product yields.
- B. Pipeline Operator may, from time to time, undertake to transport other or additional grades of Crude Petroleum if, in the opinion of Pipeline Operator, sufficient quantities are nominated and facilities are available to justify transportation of such other or additional grades. Further, Pipeline Operator may, after giving reasonable notice to Shippers who may be affected, cease transporting particular grades of Crude Petroleum.
- C. No Crude Petroleum will be accepted for transportation except merchantable Crude Petroleum which is properly settled and contains not more than one percent (1%) of basic sediment, water, and other impurities, and has a temperature not in excess of one hundred and twenty degrees (120°) Fahrenheit and its gravity, viscosity, pour point, and other characteristics are such that it will be readily susceptible to transportation through Pipeline Operator's existing facilities, and will not materially affect the quality of other shipments or cause disadvantage to other Shippers and/or Pipeline Operator. In addition, Pipeline Operator reserves the right to reject (any and all of, but not limited to) the following shipments: (1) Crude Petroleum having a Reid Vapor Pressure in excess of nine (9) pounds per square inch absolute and/or an API gravity in excess of 78.9°; and (2) Crude Petroleum where the Shipper or Consignee has failed to comply with applicable laws, rules, and regulations made by government authorities regulating shipment of Crude Petroleum. If Crude Petroleum is accepted from

tankage, settled bottoms in such tanks must not be above a point four inches (4") below the bottom of the pipeline connection with the tank from which it enters the Pipeline.

- D. Carrier may monitor, but is not responsible for monitoring, receipts or deliveries for contaminants. If, upon investigation, Pipeline Operator determines that a Shipper has delivered to the Pipeline Crude Petroleum that has been contaminated by the existence of and/or excess amounts of impure substances, including but not limited to, chlorinated and/or oxygenated hydrocarbons, arsenic, lead and/or other metals, such Shipper will be excluded from further entry into the Pipeline until such time as quality specifications are met to the satisfaction of Pipeline Operator. Further, Pipeline Operator reserves the right to dispose of any contaminated Crude Petroleum blocking its Pipeline. Disposal thereof, if necessary, may be made in any reasonable commercial manner, 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 the Pipeline.
- E. Unless stated otherwise in written notice provided by Carrier to all subscribers to tariffs for the System affected, Carrier will not segregate Crude Petroleum of a kind and/or quality not currently transported through Carrier's facilities.

Shippers are required to furnish Crude Petroleum assays upon the request of Pipeline Operator so that quality determinations can be made. If Pipeline Operator determines that the Crude Petroleum tendered for transportation does not meet the specifications contained herein or, in the opinion of Pipeline Operator, differs materially in character from Crude Petroleum being transported by Pipeline Operator, transportation may be either refused or only offered under such terms and conditions agreed to by Pipeline Operator and Shipper and consistent with this tariff.

**Rule 29. Intentionally Left Blank.**

**Rule 30. Nominations and Scheduling.**

All Shippers and Consignees desiring to ship or receive Crude Petroleum through the pipelines of Pipeline Operator shall provide Pipeline Operator, in writing, a Nomination containing the following information, and any other such information reasonably requested by Pipeline Operator to schedule and dispatch each shipment of Crude Petroleum: the kind, quantity, Receipt point, sequence of Delivery, Delivery point and Shipper of each proposed shipment of Crude Petroleum. The following shall also apply to Nominations which amend Rule 7:

- A. Unless otherwise stated on a tariff making reference to these rules and regulations, Nominations for the transportation of Crude Petroleum for which Pipeline Operator has facilities will be accepted into the Pipeline under these rules and regulations in quantities of not less than ten thousand (10,000) Barrels aggregate from one or more Shippers as operations permit and provided such Crude Petroleum is of similar quality and characteristics as is being transported from origin point to destination point; except that Pipeline Operator reserves the right to accept any quantity of Crude Petroleum from lease tanks or other facilities to which the Pipeline is connected if such quantity can be consolidated with other Crude Petroleum such that Pipeline Operator can make a Single Delivery of not less than ten thousand (10,000) Barrels, and Pipeline Operator will not be obligated to make any Single Delivery of less than ten thousand (10,000) Barrels, unless Pipeline Operator's operations dictate otherwise.
- B. Any Shipper desiring to tender Crude Petroleum for transportation shall make a Nomination to the Carrier before 12:00 noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the fifteenth (15<sup>th</sup>) of the month preceding the movement. When the fifteenth (15<sup>th</sup>) of the month falls on a weekend, Nominations will be required prior to 12:00 noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the preceding Business Day. When the fifteenth (15<sup>th</sup>) of the month falls on a Carrier Holiday, Nominations will be required prior to 12:00 NOON Central Standard Time/Central Daylight Saving Time, whichever is applicable, three (3) Business Days prior to the Carrier Holiday. The Nomination must be submitted via Carrier's ENom

System. Unless such notification is made, the Carrier will be under no obligation to accept Crude Petroleum for transportation. Carrier's monthly nomination schedule will be posted on Carrier's website on or before January 15 of each year. Shippers can access Carrier's monthly nomination schedule on Carrier's website at <https://www.plainsallamerican.com/customer-center/pipeline-tariffs/enom-portal>.

- C. Nominations or changes in Nominations received after the Nomination Date will not be accepted from the Nomination Date to the first day of the following month. After the first of the month, changes will be accepted only in writing and only if space is available and the additional or changed Nominations do not impair the movement of Crude Petroleum nominated prior to the Nomination Date.
- D. In the event the total Nominations submitted for shipment in the Pipeline exceed the Pipeline Capacity, such Pipeline Capacity shall be prorated among all shipments according to the proration procedure set forth in Rule 34, below.
- E. For each calendar month Pipeline Operator will establish a sequence for pumping Crude Petroleum through the Pipeline and will schedule the approximate time when Crude Petroleum offered for shipment will be received by Pipeline Operator at origin points and delivered by Pipeline Operator at destination points.
- F. Pipeline Operator will inform each Shipper of the time within each calendar month when Crude Petroleum will be received from such Shipper at origin points and Pipeline Operator will inform each Shipper or his Consignee of the approximate time within each calendar month when Crude Petroleum will be delivered to such Shipper or Consignee at destination points.

**Rule 31. Measurements and Adjustments- The following modifies and supersedes Rule 9 hereof as follows:**

- A. Crude Petroleum shipped hereunder shall be measured and tested by representatives of Pipeline Operator or by automatic equipment approved by Pipeline Operator. Quantities shall be determined by dynamic or static measurement methods in accordance with appropriate API standards, latest revision, and adjusted to base (reference or standard) conditions.
- B. When, in Pipeline Operator's opinion, a lease operator or connecting carrier's tanks are unsafe or unsuitable for use in custody transfer because of improper connections, high bottom accumulations of any extraneous matter, incrustations on the inside of the tank walls, or any other conditions unacceptable to Pipeline Operator, Pipeline Operator may reject the use of such tank until the unacceptable conditions have been corrected. Alternatively, in the case of incrustation inside any tank, Pipeline Operator may determine and apply a correction factor to ascertain the correct tank capacity.
- C. Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit and for pressure to 14.696 psia. Pipeline Operator will deduct the full amount of sediment, water and other impurities as the centrifugal or other test may show.
- D. Unless otherwise indicated on a tariff, quantities transported will be adjusted to allow for inherent losses, including but not limited to shrinkage, evaporation, interface losses and other losses ("Allowance Oil"). Pipeline loss adjustments will be made on the basis of total quantities transported.
- E. After consideration of all of the factors set forth in this Rule 31, a net balance will be determined as the quantity deliverable by Pipeline Operator, and transportation charges will be assessed on this net balance.

**Rule 32. Intentionally Left Blank**

**Rule 33. Liability of Parties-Rule 4 contained herein shall be supplemented, as follows:**

- A. Pipeline Operator shall have the right to reject any Crude Petroleum, when nominated for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind, and it may require of the Shipper satisfactory evidence of its perfected and unencumbered title or satisfactory indemnity bond to protect Pipeline Operator. By nominating Crude Petroleum, the Shipper warrants and guarantees that the Shipper has good title thereto and agrees to hold Pipeline Operator harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided, that acceptance for transportation shall not be deemed a representation by Pipeline Operator as to acceptance of Shipper's good title.
- B. As a condition to Pipeline Operator's acceptance of Crude Petroleum under this tariff, each Shipper agrees to defend, indemnify and hold harmless Pipeline Operator 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 Pipeline Operator, Shipper, Consignee and/or any third party resulting from or arising out of 1) any breach of or failure to adhere to any provision of this tariff by Shipper, Consignee, their agents, employees or representatives and 2) the negligent act(s), or failure(s) to act of Shipper, Consignee, their agents, employees or representatives in connection with Delivery or Receipt of Crude Petroleum.

**Rule 34. Proration- The following modifies and supersedes Rule 16 hereof as follows:**

Pipeline Operator will manage its proration policy in a fair and equitable manner.

**Rule 35. Payment of Transportation and Other Charges- Supersedes the provisions of Rule 11 hereof.**

- A. Crude Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of Receipt of such Crude Petroleum by the Pipeline Operator, irrespective of the date of Nomination. Unless otherwise stated in an individual tariff making reference to these rules and regulations, all other lawful charges will be collected on the basis of the net quantities of Crude Petroleum delivered. All net quantities will be determined in the manner provided in Rule 31 (Measurements and Adjustments).
- B. Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment (including penalties, interest and late fees), and may be required to prepay such charges or furnish an irrevocable letter of credit satisfactory to Pipeline Operator or furnish a guaranty of payment satisfactory to Pipeline Operator pursuant to the provisions stated in Rule 51, Financial Assurances, contained herein. Unless otherwise stated in this tariff or on an invoice, payments shall be due and payable within twenty (20) days following the receipt of an invoice. Payments not received by Pipeline Operator in accordance with these Rules shall be subject to a late charge equivalent to one hundred and twenty-five percent (125%) of the prime rate as quoted by a major New York bank selected by Pipeline Operator, or the maximum rate allowed by law, whichever is less.
- C. Pipeline Operator shall have a lien on all Crude Petroleum accepted for transportation to cover payment of all charges, including demurrage and late charges and may refuse to make Delivery of Crude Petroleum until all charges have been paid. If said charges, or any part thereof, shall remain unpaid for twenty (20) days following the due date, Pipeline Operator may sell Shipper's Crude Petroleum at public auction in accordance with the procedures set forth below.
- D. Pipeline Operator shall have a lien on Crude Petroleum when there shall be failure to take the Crude Petroleum at the point of destination as provided in Rule 24 (Notice of Arrival, Delivery at Destination, Demurrage). Such lien shall extend to all Crude Petroleum, including Shipper's linefill, 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 Crude Petroleum, 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. If said charges, or any part thereof, shall remain unpaid for thirty days after notice of readiness to deliver, in addition to any other rights Carrier has under this tariff or existing law, Carrier shall also have the right to (i) refuse to provide Shipper access to Carrier's system or provides services pursuant to this Tariff, and/or (ii) Pipeline Operator shall have the right to sell said Crude Petroleum at public auction, for cash. The auction will be held between the hours of ten o'clock a.m. and four o'clock p.m. on any day not a weekend or legal holiday, and not less than twenty-four (24) hours after the Shipper has been officially notified of the time and place of such sale and the quantity, general description, and location of the Crude Petroleum to be sold. Pipeline Operator may be a bidder and purchaser at such sale. Out of the proceeds of said sale, Pipeline Operator shall pay itself for all transportation, demurrage, and other lawful charges, expenses of notice, advertisement, sale and other necessary expenses, and expenses of caring for and maintaining the Crude Petroleum, and the balance shall be held for whomsoever may be lawfully entitled thereto after the auction. If the proceeds of said sale do not cover all expenses incurred by Pipeline Operator, the Shipper and/or Consignee are liable to Pipeline Operator for any deficiency.

**Rule 36. Charge for Spill Compensation.**

In addition to the transportation charges and all other charges accruing on Crude Petroleum accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Pipeline Operator in connection with such a commodity, pursuant to any Federal, State or local act or regulation which levies a tax, fee, or other charge, on the Receipt, Delivery, transfer or transportation of such commodities within their jurisdiction for the purpose of creating a fund for the prevention, containment, cleanup and/or removal of spills and/or the reimbursement of persons sustaining loss therefrom. If such taxes, fees or other charges are levied against Pipeline Operator pursuant to this Rule 36, Pipeline Operator shall file a tariff with the TRRC.

**Rule 37. Intrasystem Transfers.**

An intrasystem transfer of title to Crude Petroleum may be allowed on the Pipeline. For intrasystem transfers at Gardendale Station, a fee of **[U]** 0.76 cent per Barrel will be charged to the transferor; provided, however, that no transfer fee shall be assessed to the Transferor if the Transferor pays the transportation and/or other charges to the specified transport point for the barrel and, at the time of nomination, consigns the barrel to the Transferee at the transfer point. The transfer point must be a location listed in the tariff. The Transferee accepting volumes on an intrasystem transfer shall be responsible for payment of transportation charges of those volumes from the transfer point to destination. Carrier shall not be obligated to recognize any intrasystem transfer and shall incur no liability with respect thereto or for any losses or damages accruing to any party involved in an intrasystem transfer. All intrasystem transfer requests must be submitted in a nomination to Carrier, made in accordance with requirements stipulated in Rule 30, Nominations and Scheduling, of these Rules and Regulations. In addition, the Transferor and Transferee, upon the request of Carrier and at Carrier's option, shall provide financial assurances to Carrier pursuant to Rules 35 and 51 contained herein.

**Rule 38. Volumetric Adjustment.**

Any volumetric difference between Receipts from Shipper and Delivery to Shipper or Consignee during a current month as a result of scheduling will be adjusted in the following month without any further liability to Pipeline Operator, taking into consideration all prior deductions allowed pursuant to the rules and regulations contained herein.



**Rule 39. Inventory Requirements.**

Pipeline Operator will supply the Pipeline line fill.

**Rule 40. Pipeage or other Contracts Required.**

Separate pipeage and other contracts in accordance with these rules and regulations covering further details may be required by the Pipeline Operator before any duty for transportation shall arise.

**Rule 41. Claims for Loss or Damage-Rule 12 contained herein shall be amended as follows:**

As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with Pipeline Operator within nine (9) months after Delivery of the Crude Petroleum, or, in case of failure to make Delivery, then within nine (9) months after a reasonable time for Delivery has elapsed; and suits arising out of such claims shall be instituted against Pipeline Operator only within two (2) years and one (1) day from the day when notice in writing is given by Pipeline Operator to the claimant that Pipeline Operator has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Pipeline Operator will not be liable and such claims will not be paid.

**Rule 42. Diversion or Reconsignment.**

Crude Petroleum in transport may be diverted to a destination other than originally specified on the tender, provided such diversion or reconsignment is made in writing by the tendered Shipper prior to Delivery at original destination. This will be allowed subject to the rates, rules and regulations applicable from point of origin to point of final destination, upon condition that no out-of-line or backhaul movement will be made.

**Rule 43. Truck, Tanker and Barge Loading and Unloading.**

All shipments unloaded from tank truck facilities will be subject to an additional charge of [U] 12.70 cents per barrel. Such charge will be in addition to all other charges.

**Rule 44. Application of Rates from and to Intermediate Points**

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

**Rule 45. Risk of Loss.**

If Crude Petroleum is lost in transit, while in the custody of Pipeline Operator, due to causes other than those described in Rule 19, Pipeline Operator may obtain and deliver to Shipper other Crude Petroleum of the same quantity and grade as that which was lost, but Pipeline Operator shall not be obligated to do so. In the alternative, Pipeline Operator may compensate Shipper for such loss in money. If Pipeline Operator compensates Shipper for such loss in money, the price per Barrel shall be determined as of the date of the loss based on the value of the lost Crude Petroleum. In no event shall Pipeline Operator be liable to Shipper for consequential, incidental or exemplary damages, nor any damages not due to Pipeline Operator's negligence.

**Rule 46. Common Stream Crude – Connecting Carriers.**

When both Receipts from and deliveries to a connecting pipeline of substantially the same grade of Crude Petroleum are scheduled at the same interconnection, Pipeline Operator reserves the right, with the cooperation of the operator of the connecting pipeline, to offset like volumes of such Common Stream Crude Petroleum in order to avoid the unnecessary use of energy which would be required to physically pump the offsetting volumes. When this right is exercised, Pipeline Operator will make the further deliveries for the Shipper involved from Pipeline Operator's Common Stream.

**Rule 47. Shipments, Maintenance of Identity.**

- A. Pipeline Operator shall not be liable to Shipper for changes in gravity or quality of Shipper's Crude Petroleum which may occur from commingling or intermixing Shipper's Crude Petroleum with other Crude Petroleum in the same Common Stream while in transit. Pipeline Operator is not obligated to deliver to Shipper the identical Crude Petroleum nominated by Shipper; Pipeline Operator will deliver the grade of Crude Petroleum it is regularly transporting as a Common Stream.
- B. Pipeline Operator shall have no responsibility in, or for, any revaluation or settlements which may be deemed appropriate by Shippers and/or Consignees because of mixing or commingling of Crude Petroleum shipments between the Receipt and Delivery of such shipments by Pipeline Operator within the same Common Stream.

**Rule 48. Additives.**

Pipeline Operator reserves the right to require, approve or reject the injection of corrosion inhibitors, viscosity or pour point depressants, drag reducing agent, or other such additives in Crude Petroleum to be transported.

**Rule 49. Origin Facilities Required for Automatic Custody Transfer.**

Where Consignor (or Shipper) elects to deliver Crude Petroleum to Pipeline Operator at point of origin through automatic custody transfer facilities (in lieu of tankage), the Consignor (or Shipper) shall furnish the required automatic measuring and sampling facilities and the design, construction, and calibration of such facilities must be approved by Pipeline Operator and any appropriate regulatory body. In the event automatic custody transfer is made by meters, the Consignor (or Shipper) shall also furnish whatever pumping service is necessary to insure that the Crude Petroleum being delivered to the meter is at a pressure in excess of the bubble point of the liquid.

**Rule 50. Laws and Regulations.**

This tariff is subject to all present and future applicable federal, state and local laws and all applicable rules, regulations and orders of any governmental authority having jurisdiction (collectively "Law"). To the extent any rule herein conflicts with any Law, the applicable rule shall be revised to comply with such Law. Pipeline Operator shall not be liable to a Shipper for the adverse consequences of a revision necessary to comply with the Law.

**Rule 51. Required Shipper Information and Financial Assurances**

- A. All (i) existing Shippers who have not submitted a nomination for a line segment to Carrier in the prior twelve (12) Months and (ii) prospective Shippers shall provide to the Carrier, at least ten (10) Business Days prior to the Nomination due date stated in Rule 30 contained herein or a tariff making reference to these rules and regulations, a shipper application and information ("Shipper Information") that will allow the Carrier to (i) determine the Shipper's capacity to perform any financial obligations that could arise from the transportation of that Shipper's Crude Petroleum under the terms of this tariff and (ii) to complete administrative requirements for establishing the

Shipper in Carrier's ENom System. The Shipper Information must be submitted to Carrier via Carrier's Shipper Application System.

At any time, upon the request of the Carrier, on a non-discriminatory basis, any prospective or existing Shipper shall provide Carrier with information that Carrier may request to allow the Carrier to enforce the terms of this tariff. Such information must be provided within five (5) Business Days of such request and may include, but is not limited to, the legal business name and the registered business address of the Shipper or prospective Shipper and any Affiliates of the Shipper or prospective Shipper.

The Carrier shall not be obligated to accept Crude Petroleum for transportation from an existing or prospective Shipper (i) if the Shipper or prospective Shipper fails to provide the requested information to the Carrier in accordance with this Rule 51(a) within; (ii) if the Carrier reasonably determines that any of the information provided is false; or, (iii) if the Carrier's review of the requested information reveals that the existing or prospective Shipper may not have the capacity to perform the financial obligations that could arise from the transportation of that Shipper's Crude Petroleum under the terms of this tariff, including but not limited to the payment of transportation charges and the reasonably determined value of the Allowance Oil and negative Shipper's balance positions.

B. Subject to the provisions of paragraph (c) below, the Carrier upon notice to the prospective or existing Shipper, may require one or more of the following Financial Assurances for the payment of all charges and costs as provided for in this tariff, or otherwise lawfully due to the Carrier to be provided at the expense of the Shipper:

1. prepayment;
2. a letter of credit in favor of Carrier in an amount sufficient to ensure payment of all costs and charges that could reasonably accrue due to the Carrier in a form and from an institution acceptable to Carrier;
3. a guaranty in an amount sufficient to ensure payment of all such costs and charges that could reasonably accrue due to the Carrier, in a form and from a third party acceptable to Carrier; or
4. such other enforceable collateral security including but not limited to security agreements over assets of the Shipper, in a form acceptable to the Carrier, collectively "the Financial Assurances".

C. In the event that the Carrier reasonably determines that:

1. the existing or prospective Shipper's financial condition is or has become impaired or unsatisfactory;
2. any Financial Assurances previously provided by a Shipper no longer provide adequate security for the performance of the Shipper's obligations that could arise from the transportation of its Crude Petroleum under the terms of this tariff; or
3. the Carrier otherwise determines that it is necessary to obtain Financial Assurances from the Shipper,

then the Shipper shall provide Financial Assurances for the payment of the charges and costs as provided for in this tariff or otherwise lawfully due to the Carrier relating to the transportation of the Shipper's Crude Petroleum by the Carrier.

For the purpose of this tariff, and without limiting the generality of the charges and costs lawfully due to the Carrier relating to the transportation of the Shipper's Crude Petroleum, those charges and costs shall include but are not limited to transportation charges, negative Shipper's balance positions and the Allowance Oil. The Carrier shall not be obligated to accept Crude Petroleum for transportation from an existing or prospective Shipper if the Shipper or prospective Shipper fails to deliver the Financial Assurances to Carrier.

**Rule 52. Released Capacity**

From time to time, Carrier may lease certain unused capacity on its System to another carrier. Lessee may choose in an applicable transportation month to release all or a portion of such leased capacity, at its discretion, to Carrier to allow Carrier to fulfill any unmet Nominations for service on its System (the "Released Capacity"). Carrier shall allocate Released Capacity among Shippers in accordance with the terms of Rule 34. Any Released Capacity that was provided to Carrier by lessee in a month shall automatically revert back to lessee at the end of such transportation month and shall only become available for Carrier's use in a subsequent transportation month in accordance with the provisions of this Rule 52.

**Rule 53. Transfer of Shipment History**

Except as provided in this Rule 53, Shipper's history of shipments on the System may not be assigned, conveyed, loaned, or transferred to or used in any manner by another Shipper. Upon thirty (30) days' written notice to Carrier ("Transfer Request"), a Regular Shipper ("Transferor") may transfer its history of shipments on the System in the period of 13 months beginning 13 months prior to the effective date of the transfer ("Shipment History"), or a portion thereof, to a third party (the "Transferee"). Transferee must be a Shipper on Carrier's system. The Transfer Request must be in writing and must contain, at a minimum, the following information:

- (a) The names and contact information of Transferor and Transferee.
- (b) The portion of Transferor's Shipment History to be transferred to Transferee ("Transfer Volume").
- (c) The effective date of the transfer of such Transfer Volume. The effective date must be the first day of a calendar month, cannot be a date in the past, and shall not be less than thirty (30) days from the date Transferor provides Carrier with the Transfer Request.

Carrier, after receipt of the Transfer Request, will send notification via electronic mail or other appropriate method as selected by Carrier to Transferor and Transferee of (1) the Transfer Volume, which may be subject to prior period adjustments; and (2) to Transferor, the remaining Shipment History of Transferor; and (3) to Transferee, the new Shipment History of Transferee. If either Transferor or Transferee does not submit a revised Transfer Volume within twenty-four (24) hours of its receipt of such notification, the transfer of the Transfer Volume will be finalized. Once the transfer is finalized, Carrier shall be entitled to fully rely on, conform its records to, and allocate System capacity in accordance with the transfer. Any finalized transfer of the Transfer Volume shall be irrevocable. The Transfer Volume may not be transferred more than once in any twelve (12)-month period, except by a Shipper that has a currently-effective volume commitment and/or transportation services agreement with Carrier in accordance with its applicable agreement or as an incident of the bona fide sale of all or substantially all of the Transferor's business or to a successor to the Transferor's business, or by the operation of law (such as by an executor or trustee in bankruptcy).

Carrier shall have the right to reject any request for transfer of shipment history under this Rule 53 if the Transferor or Transferee is not in compliance with the provisions of this Tariff at the time of the request. Transferor shall remain solely liable to Carrier for all fees and other charges Transferor has accrued under this Tariff and any other transportation agreement with Carrier prior to the transfer effective date. A transfer of Shipment History does not relieve the Transferor of any financial obligations.

**PLEASE NOTE: IN THE EVENT OF ANY CONFLICT BETWEEN SECTION 1 AND SECTION 2 OF THIS TARIFF, SECTION 2 WILL GOVERN.**

**Plains Pipeline**  
**Quality Bank (Differential Value Adjustments Report)**

**Statement Month:**

**Current Period Calculations**

**Shipped Via: PLAINS PIPELINE**

**Crude Type: Crude**

		(A)	(B)	(C)	(D)	(E)	(F) = (A) x (D)	(G) = (A) x (E)
		Barrels Received	API Gravity	Percent Sulfur	Gravity Value per Bbl	Sulfur Value per Bbl	Gravity Value	Sulfur Value
Customer 1	CDP 1	100.00	34.0	0.25	4.950	1.000	495.00	100.00
Customer 2	CDP 2	100.00	35.0	0.35	5.000	1.050	500.00	105.00
Customer 3	CDP 3	100.00	46.0	0.45	4.950	1.150	495.00	115.00
<b>TOTAL ALL CDP RECEIPTS</b>		<b>300.00</b>					<b>1,490</b>	<b>320</b>

Common Stream Weighted Average **GRAVITY** value: **(F) / (A)**      4.967      **(H)**  
 Common Stream Weighted Average **SULFUR** value: **(G) / (A)**      1.067      **(I)**

Customer 1	Gravity Adjustment: <b>[(H) - (D)] X (A)</b>	\$	1.67	Sulfur Adjustment:	<b>[(E) - (I)] X (A)</b>	\$	6.67
Customer 2	Gravity Adjustment: <b>[(H) - (D)] X (A)</b>	\$	(3.33)	Sulfur Adjustment:	<b>[(E) - (I)] X (A)</b>	\$	1.67
Customer 3	Gravity Adjustment: <b>[(H) - (D)] X (A)</b>	\$	1.67	Sulfur Adjustment:	<b>[(E) - (I)] X (A)</b>	\$	(8.33)

**NOTE: Debit (Positive) dollar amounts must pay and Credit (Negative) dollar amounts will receive money.**

### Gravity Value Per Barrel

API Gravity	Value Per Bbl.	API Gravity	Value Per Bbl.	API Gravity	Value Per Bbl.	API Gravity	Value Per Bbl.	API Gravity	Value Per Bbl.
25.0	4.500	30.1	4.755	35.2	5.000	40.3	5.000	45.4	4.980
25.1	4.505	30.2	4.760	35.3	5.000	40.4	5.000	45.5	4.975
25.2	4.510	30.3	4.765	35.4	5.000	40.5	5.000	45.6	4.970
25.3	4.515	30.4	4.770	35.5	5.000	40.6	5.000	45.7	4.965
25.4	4.520	30.5	4.775	35.6	5.000	40.7	5.000	45.8	4.960
25.5	4.525	30.6	4.780	35.7	5.000	40.8	5.000	45.9	4.955
25.6	4.530	30.7	4.785	35.8	5.000	40.9	5.000	46.0	4.950
25.7	4.535	30.8	4.790	35.9	5.000	41.0	5.000	46.1	4.945
25.8	4.540	30.9	4.795	36.0	5.000	41.1	5.000	46.2	4.940
25.9	4.545	31.0	4.800	36.1	5.000	41.2	5.000	46.3	4.935
26.0	4.550	31.1	4.805	36.2	5.000	41.3	5.000	46.4	4.930
26.1	4.555	31.2	4.810	36.3	5.000	41.4	5.000	46.5	4.925
26.2	4.560	31.3	4.815	36.4	5.000	41.5	5.000	46.6	4.920
26.3	4.565	31.4	4.820	36.5	5.000	41.6	5.000	46.7	4.915
26.4	4.570	31.5	4.825	36.6	5.000	41.7	5.000	46.8	4.910
26.5	4.575	31.6	4.830	36.7	5.000	41.8	5.000	46.9	4.905
26.6	4.580	31.7	4.835	36.8	5.000	41.9	5.000	47.0	4.900
26.7	4.585	31.8	4.840	36.9	5.000	42.0	5.000	47.1	4.895
26.8	4.590	31.9	4.845	37.0	5.000	42.1	5.000	47.2	4.890
26.9	4.595	32.0	4.850	37.1	5.000	42.2	5.000	47.3	4.885
27.0	4.600	32.1	4.855	37.2	5.000	42.3	5.000	47.4	4.880
27.1	4.605	32.2	4.860	37.3	5.000	42.4	5.000	47.5	4.875
27.2	4.610	32.3	4.865	37.4	5.000	42.5	5.000	47.6	4.870
27.3	4.615	32.4	4.870	37.5	5.000	42.6	5.000	47.7	4.865
27.4	4.620	32.5	4.875	37.6	5.000	42.7	5.000	47.8	4.860
27.5	4.625	32.6	4.880	37.7	5.000	42.8	5.000	47.9	4.855
27.6	4.630	32.7	4.885	37.8	5.000	42.9	5.000	48.0	4.850
27.7	4.635	32.8	4.890	37.9	5.000	43.0	5.000	48.1	4.830
27.8	4.640	32.9	4.895	38.0	5.000	43.1	5.000	48.2	4.810
27.9	4.645	33.0	4.900	38.1	5.000	43.2	5.000	48.3	4.790
28.0	4.650	33.1	4.905	38.2	5.000	43.3	5.000	48.4	4.770
28.1	4.655	33.2	4.910	38.3	5.000	43.4	5.000	48.5	4.750
28.2	4.660	33.3	4.915	38.4	5.000	43.5	5.000	48.6	4.730
28.3	4.665	33.4	4.920	38.5	5.000	43.6	5.000	48.7	4.710
28.4	4.670	33.5	4.925	38.6	5.000	43.7	5.000	48.8	4.690
28.5	4.675	33.6	4.930	38.7	5.000	43.8	5.000	48.9	4.670
28.6	4.680	33.7	4.935	38.8	5.000	43.9	5.000	49.0	4.650
28.7	4.685	33.8	4.940	38.9	5.000	44.0	5.000	49.1	4.630
28.8	4.690	33.9	4.945	39.0	5.000	44.1	5.000	49.2	4.610
28.9	4.695	34.0	4.950	39.1	5.000	44.2	5.000	49.3	4.590
29.0	4.700	34.1	4.955	39.2	5.000	44.3	5.000	49.4	4.570
29.1	4.705	34.2	4.960	39.3	5.000	44.4	5.000	49.5	4.550
29.2	4.710	34.3	4.965	39.4	5.000	44.5	5.000	49.6	4.530
29.3	4.715	34.4	4.970	39.5	5.000	44.6	5.000	49.7	4.510
29.4	4.720	34.5	4.975	39.6	5.000	44.7	5.000	49.8	4.490
29.5	4.725	34.6	4.980	39.7	5.000	44.8	5.000	49.9	4.470
29.6	4.730	34.7	4.985	39.8	5.000	44.9	5.000	50.0	4.450
29.7	4.735	34.8	4.990	39.9	5.000	45.0	5.000	<b>For API gravity values above 50 degrees, the differential continues to decline at .020/bbl per tenth of a degree.</b>	
29.8	4.740	34.9	4.995	40.0	5.000	45.1	4.995		
29.9	4.745	35.0	5.000	40.1	5.000	45.2	4.990		
30.0	4.750	35.1	5.000	40.2	5.000	45.3	4.985		

### Sulfur Value Per Barrel

% Sulfur	Value Per Bbl.	% Sulfur	Value Per Bbl.	% Sulfur	Value Per Bbl.	% Sulfur	Value Per Bbl.	% Sulfur	Value Per Bbl.
-	1.000	0.51	1.110	1.02	1.620	1.53	2.130	2.04	2.640
0.01	1.000	0.52	1.120	1.03	1.630	1.54	2.140	2.05	2.650
0.02	1.000	0.53	1.130	1.04	1.640	1.55	2.150	2.06	2.660
0.03	1.000	0.54	1.140	1.05	1.650	1.56	2.160	2.07	2.670
0.04	1.000	0.55	1.150	1.06	1.660	1.57	2.170	2.08	2.680
0.05	1.000	0.56	1.160	1.07	1.670	1.58	2.180	2.09	2.690
0.06	1.000	0.57	1.170	1.08	1.680	1.59	2.190	2.10	2.700
0.07	1.000	0.58	1.180	1.09	1.690	1.60	2.200	2.11	2.710
0.08	1.000	0.59	1.190	1.10	1.700	1.61	2.210	2.12	2.720
0.09	1.000	0.60	1.200	1.11	1.710	1.62	2.220	2.13	2.730
0.10	1.000	0.61	1.210	1.12	1.720	1.63	2.230	2.14	2.740
0.11	1.000	0.62	1.220	1.13	1.730	1.64	2.240	2.15	2.750
0.12	1.000	0.63	1.230	1.14	1.740	1.65	2.250	2.16	2.760
0.13	1.000	0.64	1.240	1.15	1.750	1.66	2.260	2.17	2.770
0.14	1.000	0.65	1.250	1.16	1.760	1.67	2.270	2.18	2.780
0.15	1.000	0.66	1.260	1.17	1.770	1.68	2.280	2.19	2.790
0.16	1.000	0.67	1.270	1.18	1.780	1.69	2.290	2.20	2.800
0.17	1.000	0.68	1.280	1.19	1.790	1.70	2.300	2.21	2.810
0.18	1.000	0.69	1.290	1.20	1.800	1.71	2.310	2.22	2.820
0.19	1.000	0.70	1.300	1.21	1.810	1.72	2.320	2.23	2.830
0.20	1.000	0.71	1.310	1.22	1.820	1.73	2.330	2.24	2.840
0.21	1.000	0.72	1.320	1.23	1.830	1.74	2.340	2.25	2.850
0.22	1.000	0.73	1.330	1.24	1.840	1.75	2.350	2.26	2.860
0.23	1.000	0.74	1.340	1.25	1.850	1.76	2.360	2.27	2.870
0.24	1.000	0.75	1.350	1.26	1.860	1.77	2.370	2.28	2.880
0.25	1.000	0.76	1.360	1.27	1.870	1.78	2.380	2.29	2.890
0.26	1.000	0.77	1.370	1.28	1.880	1.79	2.390	2.30	2.900
0.27	1.000	0.78	1.380	1.29	1.890	1.80	2.400	2.31	2.910
0.28	1.000	0.79	1.390	1.30	1.900	1.81	2.410	2.32	2.920
0.29	1.000	0.80	1.400	1.31	1.910	1.82	2.420	2.33	2.930
0.30	1.000	0.81	1.410	1.32	1.920	1.83	2.430	2.34	2.940
0.31	1.000	0.82	1.420	1.33	1.930	1.84	2.440	2.35	2.950
0.32	1.000	0.83	1.430	1.34	1.940	1.85	2.450	2.36	2.960
0.33	1.000	0.84	1.440	1.35	1.950	1.86	2.460	2.37	2.970
0.34	1.000	0.85	1.450	1.36	1.960	1.87	2.470	2.38	2.980
0.35	1.000	0.86	1.460	1.37	1.970	1.88	2.480	2.39	2.990
0.36	1.000	0.87	1.470	1.38	1.980	1.89	2.490	2.40	3.000
0.37	1.000	0.88	1.480	1.39	1.990	1.90	2.500	2.41	3.010
0.38	1.000	0.89	1.490	1.40	2.000	1.91	2.510	2.42	3.020
0.39	1.000	0.90	1.500	1.41	2.010	1.92	2.520	2.43	3.030
0.40	1.000	0.91	1.510	1.42	2.020	1.93	2.530	2.44	3.040
0.41	1.010	0.92	1.520	1.43	2.030	1.94	2.540	2.45	3.050
0.42	1.020	0.93	1.530	1.44	2.040	1.95	2.550	2.46	3.060
0.43	1.030	0.94	1.540	1.45	2.050	1.96	2.560	2.47	3.070
0.44	1.040	0.95	1.550	1.46	2.060	1.97	2.570	2.48	3.080
0.45	1.050	0.96	1.560	1.47	2.070	1.98	2.580	2.49	3.090
0.46	1.060	0.97	1.570	1.48	2.080	1.99	2.590	2.50	3.100
0.47	1.070	0.98	1.580	1.49	2.090	2.00	2.600	<b>For sulfur values above 2.5%, the differential continues to increase at .01/bbl per hundredth of a percent.</b>	
0.48	1.080	0.99	1.590	1.50	2.100	2.01	2.610		
0.49	1.090	1.00	1.600	1.51	2.110	2.02	2.620		
0.50	1.100	1.01	1.610	1.52	2.120	2.03	2.630		