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**BLACK KNIGHT MIDSTREAM, LLC ♦**  
**CONTAINING RATES, RULES AND REGULATIONS**  
**FOR CRUDE PETROLEUM TRANSPORT**

Governed, except as otherwise provided, by Rules and Regulations set forth herein.

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EFFECTIVE: July 1, 2023

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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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Attachment 1.1 (Definitions)

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This Tariff ("Tariff") and the fees referenced herein are for intrastate transport service by Black Knight Midstream, LLC ("Carrier") to qualifying shippers of crude petroleum, subject to the terms, conditions, rules, and regulations ("Rules and Regulations") set forth below.

**1. DEFINITIONS; RULES OF CONSTRUCTION**

**1.1. Definitions.**

Capitalized terms used but not otherwise defined in the following provisions have the meanings set forth in Attachment 1.1.

**1.2. Rules of Construction.**

Unless the context requires otherwise, the plural includes the singular, the singular includes the plural, and "including" has the inclusive meaning of "including without limitation." Unless otherwise expressly provided, any reference to Tariff, Fee Schedule, Shipper Agreement, or Applicable Law defined or referred to herein means as it may be amended, modified, or supplemented from time to time, including (in the case of Shipper Agreements) by waiver or consent and (in the case of Applicable Law) by succession of comparable successor law.

**2. SHIPPER AGREEMENTS; FEE SCHEDULE FOR EXISTING ORIGINS; ANNUAL ADJUSTMENT**

**2.1. Shipper Agreements.**

Shippers may be required to enter into a throughput or transportation agreement ("Shipper Agreement") with Carrier to transport Shipper's Product on the Pipeline from the origin or connection points ("Origin(s)") to the downstream destination or interconnection point(s) with Connecting Carriers ("Destination(s)") stated in the applicable Shipper Agreement. Applicable fees, terms, and conditions may vary depending on factors such as requested Origin(s), Destination(s), duration, committed Product, and available capacity at the time the Parties negotiate a Shipper Agreement.

**2.2. Fee Schedule.**

2.2.1. Existing Origins. Attachment 2.2.1 sets forth Fees for each existing Origin for Shippers with Shipper Agreements.

2.2.2. Additional Origins. The applicable Fees for any additional Origin(s) will be determined, if and when a Shipper requests service under this Tariff and (subject to availability and compliance with the other terms and conditions of this Tariff) will be set forth in the applicable Shipper Agreement and by amendment to this Tariff.

**2.3. Annual Adjustment.**

Unless specified otherwise in the applicable Shipper Agreement, fees will be adjusted each July 1 in accordance with the indexing methodology of the Federal Energy Regulatory Commission ("FERC") as described in 18 C.F.R. § 342.3, subject to the following qualifications:

- 2.3.1. In a given index year (July 1 through June 30), Carrier's annual adjustment will be the generally applicable index adjustment as published by FERC for that given index year.
- 2.3.2. In the event that application of the index adjustment as published by FERC for a given index year would result in a rate decrease, no index adjustment will be made.

### **3. RULES AND REGULATIONS**

#### **3.1. Commission Rule 3.71(1)-(19) Provisions.**

Subject to additional and more specific provisions included in this Tariff and in the applicable Shipper Agreement, the following paragraphs are printed in this Tariff in accordance with Commission Rule 3.71(20):

- 3.1.1. 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 Section 3.5.)
- 3.1.2. 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. (Amended by Section 3.5.)
- 3.1.3. "Barrel" defined. For the purpose of these sections, a "barrel" of crude petroleum is declared to be 42 gallons of 231 cubic inches per gallon at 60 degrees Fahrenheit.
- 3.1.4. 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. (Superseded by Sections 3.6 and 3.7.)

- 3.1.5. 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. (Superseded by Section 3.12.)
- 3.1.6. 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.
- 3.1.7. 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.
- 3.1.8. Gathering charges. Tariffs to be filed by a pipeline shall specify separately the charges for gathering of the oil, for transportation, and for delivery.
- 3.1.9. Measuring, testing, and deductions (reference Special Order Number 20-63,098 effective June 18, 1973). (Amended by Section 3.4.)
- (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 tanks.
  - (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.

- 3.1.10. 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.
- 3.1.11. 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.
- 3.1.12. 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.
- 3.1.13. 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.
- 3.1.14. 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.

- 3.1.15. Shipper's tanks, etc.--inspection. When a shipment of oil has been offered for transportation the pipeline shall have the right to go upon the premises where the oil is produced or stored, and have access to any and all tanks or storage receptacles for the purpose of making any examination, inspection, or test authorized by this section.
- 3.1.16. 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. (Amended by Sections 3.10 and 3.11.4.)
- 3.1.17. 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.
- 3.1.18. 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.
- 3.1.19. Reports of loss from fires, lightning, and leakage. (Amended by Section 3.7 and 3.8.)
- (a) 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.
  - (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 section shall not apply if the loss occurs because of negligence of the pipeline.

- (c) 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.

Having printed the provisions from Commission Rule 3.71 in this Section 3.1, Carrier's supplemental rules and regulations are stated in Sections 3.2 through 3.12 below.

### **3.2. Nominations.**

- 3.2.1. Crude Petroleum will be transported only under a Nomination accepted by the Carrier from origins (or facilities connected to Carrier's gathering System when gathering service is to be performed by the Carrier) to destinations when a tariff covering the movement is lawfully in effect and on file with the FERC as to interstate traffic and with the appropriate state commission covering intrastate traffic.
- 3.2.2. 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 (15th) of the month preceding the movement. When the fifteenth (15th) 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 (15th) 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 is available upon request.
- 3.2.3. When Nominations submitted by Shippers to Carrier on or before the fifteenth (15th) day of the month preceding the operating month do not exceed the capacity of the System or any line segment thereof, additional Nominations may be accepted by the Carrier to fill capacity. These additional Nominations will be accepted only if they do not impair the movement of Crude Petroleum nominated before the fifteenth (15th) day of the preceding month.



**3.3. Invoicing and Payment.**

Unless specified otherwise in the applicable Shipper Agreement:

- 3.3.1. Carrier will prepare and transmit to Shipper a monthly invoice for amounts due and owing for Shipper's Product transported hereunder based on the monthly volume determined at the applicable Origin LACT Meter(s). Carrier may transmit those invoices by email or other mutually agreeable means.
- 3.3.2. Shipper will pay Carrier the amount due under each invoice on the later of: (i) the twentieth day of the Month following the Month of service, (ii) 15 business days from the date that Shipper receives that invoice, or (iii) the date specified on that invoice.
- 3.3.3. Unpaid amounts that are past due will bear interest of 5% per annum from the due date until paid to the extent permitted by Applicable Law. If the unpaid amount remains past due more than 30 days, Carrier may refuse to accept additional Shipper Product for transport in addition to other remedies to the extent permitted by Applicable Law.

**3.4. Measurement, Inventory Accounting and Specifications.**

- 3.4.1. Carrier will arrange to measure and maintain records on the amount and quality of Shipper's Product received and delivered and will provide the metering and sampling facilities. Measurement and sampling of all receipts and deliveries of Shipper's Product by Carrier may be witnessed by a representative of Shipper and if Shipper's representative makes no objection or was not present, then the results of that measurement and sampling will be deemed conclusive absent manifest error or fraud. Quantities will be determined from correctly compiled tank table or Carrier-approved automatic equipment and adjusted to the temperature of 60° Fahrenheit. Where measurement is made by meter, a further correction will be made for pressure in accordance with A.P.I. (American Petroleum Institute) Standard 1101 - Measurement of Petroleum Liquid Hydrocarbons by Pipeline Displacement Meters. Deductions will be made for the actual amount of suspended basic sediment, water, and other impurities as ascertained by centrifuge or other tests, if other tests are agreed upon. Crude oil will not be accepted from pressurized vessels. All receipts of crude oil and indirect liquid products having an API gravity of 55 degrees or above shall be subject to a deduction to cover shrinkage and evaporation. Such deduction shall be determined in accordance with the following table:

API Gravity, Degrees	Deduction for Incremental Evaporation and Loss
55° through 59.9°	1%
60° through 74.9°	3%
Greater than 75°	5%

- 3.4.2. All records made pursuant to Section 3.4.1 will be available for Shipper's inspection and audit at all reasonable times, except that Carrier will not be required to maintain any record for a period longer than 24 Months from the entry of that record.

- 3.4.3. Carrier will furnish Shipper with reports of receipt, delivery, inventory and sample analysis as normally required in a common carrier pipeline operation or such other reports as may be mutually agreed upon.

**3.5. Specifications and Restrictions as to Quality.**

- 3.5.1. Unless the specifications as to quality of a connecting carrier at the Delivery Point are more stringent than those of the Carrier, in which case the limitations of the connecting carrier will be applied to the Shipper, the following specifications shall apply. Carrier reserves the right to reject, without limitation, any or all of the following: (1) crude oil having a gravity in excess of 45° A.P.I. at a temperature of 60° Fahrenheit, (2) crude oil having an A.P.I. gravity less than 38° at a temperature of 60° Fahrenheit, (3) crude oil which is not properly settled and contains more than one percent of basic sediment, water, and other impurities, (4) crude oil having a temperature in excess of 120° Fahrenheit, (5) crude oil containing more than one part per million of organic chlorides (total sample), (6) crude oil having a Reid Vapor Pressure in excess of 9.0 pounds per square inch absolute, and (7) crude oil having a sulfur content weight percentage greater than 0.40%.

Shipper is solely responsible for ensuring that all crude oil delivered by, or for the account of, Shipper to Carrier meets the quality specifications referenced above.

If, upon investigation, Carrier reasonably determines that Shipper has delivered, or caused to be delivered, contaminated crude oil to Carrier, Carrier reserves the right to treat or otherwise dispose of all of such contaminated crude oil in a commercially reasonable manner at Shipper's sole cost and expense.

If crude oil is accepted from tankage, settled bottoms in such tanks must not be above a point four inches below the bottom of the pipeline connection with the tank from which it enters Carrier's facilities.

Carrier may, at its discretion, require, approve, or reject crude oil containing, or the injection into crude oil of, corrosion inhibitors, viscosity or pour point depressants, drag reducing agent, or other such additives in the crude oil to be transported.

- 3.5.2. No crude oil will be accepted unless its gravity, viscosity, and other characteristics are such that it will be readily susceptible of transportation through the Carrier's existing facilities, and it will not materially affect the quality of other shipments or cause disadvantage to other Shippers or the Carrier.

Carrier will from time to time give notice to Shippers establishing specified grades of crude oil which Carrier will regularly transport as common stream between each Origin(s) and each Destination(s). Shipper shall, at the request of Carrier, make such specified grade of crude oil available in such quantities and at such times as may be necessary to permit such common stream movements. Carrier may from time to time, after reasonable notice to Shippers who have shipped such specified grade of crude oil in the prior three months, cease to transport such specified grade of crude oil as a common stream or change the specifications of a particular specified crude oil grade transported as common stream.

Notwithstanding anything herein to the contrary, at the request of a Shipper and subject to the other provisions of this tariff, Carrier will accept for shipment the following specified grade of crude oil to be transported as common stream from the Origin(s) to the Destination(s):

	<b>WTI</b>
API Gravity, API	38-45
Sulfur Content, Weight %	≤0.40
Max Reid Vapor Pressure, psi	9.0
BS&W	<1%

The specifications for WTI are, without limitation, subject to modification from time to time in the event connecting carriers modify their specifications for similar grades of crude oil.

- 3.5.3. No crude oil will be accepted for transportation unless distillation of any stream sample taken downstream from the sample point or from tankage has an IBP (Initial Boiling Point) of at least 100° Fahrenheit and at least 80% of the volume of the sample has been distilled when the temperature of the sample reaches 700° Fahrenheit using ASTM.

### **3.6. Title.**

Carrier shall have the right to reject any crude oil, when tendered for transportation, which may be involved in litigation, or the title to which may be in dispute, or which may be encumbered by lien or charge of any kind, and it may require of Shipper satisfactory evidence of Shipper's perfect and unencumbered title or satisfactory indemnity bond to protect Carrier. By tendering crude oil, Shipper warrants and guarantees that Shipper has good title thereto and agrees to hold Carrier harmless from any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided, that acceptance for transportation shall not be deemed a representation by Carrier as to title.

### **3.7. Indemnity.**

- 3.7.1. NOTWITHSTANDING ANY OTHER PROVISION IN THIS TARIFF, SHIPPER AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD CARRIER, ITS MEMBERS, MANAGERS, DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS-IN-FACT, AGENTS, CONSULTANTS AND AFFILIATED COMPANIES (COLLECTIVELY, THE "CARRIER PARTIES"), FREE AND HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, LIENS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER, INCLUDING, BUT NOT LIMITED TO, THE AMOUNTS OF JUDGMENTS, PENALTIES, INTEREST, COURT COSTS, INVESTIGATION EXPENSES AND COSTS AND LEGAL FEES INCURRED BY ANY OF THE CARRIER PARTIES, IN DEFENSE OF SAME, IN FAVOR OF ANY GOVERNMENTAL AGENCIES, THIRD PARTIES, CONTRACTORS OR SUBCONTRACTORS, ON ACCOUNT OF TAXES, CLAIMS, LIENS, DEBTS, PERSONAL INJURIES, DEATH OR DAMAGES TO PROPERTY, AND ALL OTHER CLAIMS OR DEMANDS OF EVERY CHARACTER, IN EACH CASE AS RELATED TO OR ARISING OUT OF SHIPPER'S (OR ITS EMPLOYEES', AGENTS', CONSULTANTS', CONTRACTORS' OR AFFILIATES')

NEGLIGENCE, GROSS NEGLIGENCE, STRICT LIABILITY OR WILLFUL MISCONDUCT IN CONNECTION WITH THIS TARIFF.

- 3.7.2. NOTWITHSTANDING ANY OTHER PROVISION IN THIS TARIFF, CARRIER AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD SHIPPER, ITS MEMBERS, MANAGERS, DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS-IN-FACT, AGENTS, CONSULTANTS AND AFFILIATED COMPANIES (COLLECTIVELY, THE "SHIPPER PARTIES"), FREE AND HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, LIENS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER, INCLUDING, BUT NOT LIMITED TO, THE AMOUNTS OF JUDGMENTS, PENALTIES, INTEREST, COURT COSTS, INVESTIGATION EXPENSES AND COSTS AND LEGAL FEES INCURRED BY ANY OF THE SHIPPER PARTIES, IN DEFENSE OF SAME, IN FAVOR OF ANY GOVERNMENTAL AGENCIES, THIRD PARTIES, CONTRACTORS OR SUBCONTRACTORS, ON ACCOUNT OF TAXES, CLAIMS, LIENS, DEBTS, PERSONAL INJURIES, DEATH OR DAMAGES TO PROPERTY, AND ALL OTHER CLAIMS OR DEMANDS OF EVERY CHARACTER, IN EACH CASE AS RELATED TO OR ARISING OUT OF CARRIER'S (OR ITS EMPLOYEES', AGENTS', CONSULTANTS', CONTRACTORS' OR AFFILIATES') NEGLIGENCE, GROSS NEGLIGENCE, STRICT LIABILITY OR WILLFUL MISCONDUCT IN CONNECTION WITH THIS TARIFF.
- 3.7.3. IF ANY CLAIM, DEMAND OR CAUSE OF ACTION OF THE NATURE DESCRIBED IN SECTION 3.7.1 OR 3.7.2 ABOVE ARISES OUT OF THE JOINT OR CONCURRENT NEGLIGENCE, GROSS NEGLIGENCE, STRICT LIABILITY OR WILLFUL MISCONDUCT OF ANY OF THE CARRIER PARTIES OR ANY OF THE SHIPPER PARTIES, AS APPLICABLE, IT IS THE EXPRESS INTENT OF CARRIER AND SHIPPER THAT EACH SUCH PERSON SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS SUCH OTHER PERSON TO THE EXTENT OF THE NEGLIGENCE, GROSS NEGLIGENCE, STRICT LIABILITY OR WILLFUL MISCONDUCT OF SUCH CARRIER PARTY OR SHIPPER PARTY, AS APPLICABLE.
- 3.7.4. Each of Carrier and Shipper agrees to notify each other immediately of the filing of all such claims and any liens including, without limitation, laborers', materialmen's and mechanics' liens upon its property or property of the other and upon which the work is performed through the services, labor and material furnished by either Carrier or Shipper or any contractors or subcontractors thereof under this Tariff. Either Carrier or Shipper may, upon receipt of notice of the filing of any such liens, at its option, require a bond in an amount and with such sureties as may be approved by Carrier or Shipper, as applicable, conditioned to indemnify and save harmless such person from all such liens upon or against its property. In the event the non-requesting person fails or refuses to furnish such bond when so required, the requesting person shall have the right to pay any sums necessary to obtain the release of such liens and bill the costs to the person failing to keep the other's property free of claims.

**3.8. Disclaimer of Damages.**

- 3.8.1. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS TARIFF, NEITHER CARRIER NOR SHIPPER SHALL BE LIABLE TO THE OTHER FOR,

AND EACH OF CARRIER AND SHIPPER EXPRESSLY RELEASES THE OTHER SUCH PERSON FROM, PUNITIVE, SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM OR ARISING OUT OF THIS TARIFF, INCLUDING, WITHOUT LIMITATION, LOSS OF OR INABILITY TO USE PROPERTY AND EQUIPMENT OR BUSINESS INTERRUPTION, HOWSOEVER SAME MAY BE CAUSED, REGARDLESS OF OWNERSHIP, REGARDLESS OF WHETHER OCCASIONED BY OR RESULTING FROM THE NEGLIGENCE, STRICT LIABILITY, BREACH OF WARRANTY OR OTHER FAULT OF CARRIER OR SHIPPER, AS THE CASE MAY BE, IN WHOLE OR IN PART, WHETHER SOLE, JOINT, ACTIVE OR PASSIVE; PROVIDED, HOWEVER, THE FOREGOING LIMITATION OF LIABILITY SHALL NOT BE CONSTRUED AS LIMITING THE OBLIGATION OF EITHER PARTY HEREUNDER TO INDEMNIFY THE OTHER PARTY AGAINST TORT CLAIMS ASSERTED BY UNAFFILIATED THIRD PARTIES, INCLUDING, BUT NOT LIMITED TO, THIRD PARTY CLAIMS FOR PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

**3.9. Linefill.**

Unless otherwise agreed to by Carrier, Shipper will maintain its proportionate share of linefill, based on the proportionate volumes of Shipper's Product that Carrier transports on each segment of the Pipeline, in comparison to all other volumes of Product transported by Carrier on the same segment of the Pipeline. Within 60 days after termination of the applicable Shipper Agreement (or such other mutually agreed period), Carrier will redeliver Shipper's linefill at the applicable Destination(s) or provide such other alternative treatment as the Parties may mutually agree.

**3.10. Interruption and Curtailment.**

Carrier may stop or reduce transportation service to any Shipper for such periods of time as Carrier may reasonably require to perform or allow any repairs, maintenance, replacement, upgrading or other work related to the Facilities, or upstream/downstream facilities in circumstances that do not constitute Force Majeure. If such a stoppage ("Interruption") or reduction ("Curtailment") is due to a planned outage, Carrier will give Shipper prior notice of the Interruption or Curtailment as soon as reasonably possible. If an Interruption or Curtailment is unforeseen, Carrier will give Shipper notice of that Interruption and Curtailment as soon thereafter as reasonably possible.

**3.11. Force Majeure and Allocation.**

Unless otherwise specified in the applicable Shipper Agreement:

- 3.11.1. If a Force Majeure event prevents Carrier or Shipper from performing its obligations hereunder (except any obligation to pay monetary amounts), the obligations of the other Party will be abated in the same proportion as the force majeure Party's inability to perform during that period. When that Force Majeure period ends, the force majeure Party's obligations will be reinstated.
- 3.11.2. The force majeure Party will give notice and a detailed description of the Force Majeure event by appropriate means as soon as reasonably possible after occurrence of the Force Majeure event. To the extent that the force majeure Party is able, it will remedy the Force Majeure event with all reasonable dispatch.

- 3.11.3. If Shipper is unable to have Product delivered to it hereunder at the applicable Destination, as a result of Force Majeure or any other cause, Carrier will reasonably cooperate with Shipper with respect to Shipper's disposition of such Product in or outside of the Pipeline. In the event Carrier is unable to accept Product at any applicable Origin(s), as a result of Force Majeure or any other cause, Carrier agrees to reasonably cooperate with Shipper with respect to Shipper's disposition of such Product either by (a) establishing a new Origin on the Pipeline, which, if additional costs or tariffs result from using this new Connection Point(s), a temporary Throughput Fee adjustment will be mutually agreed upon by the Parties, or (b) allowing Shipper to temporarily make other dispositions of Product outside the Pipeline.
- 3.11.4. If Carrier is unable to transport all of a Shipper's Product to the applicable Destination due to proration by the Connecting Carrier, Carrier may, by notice to Shipper and only during the time during which such curtailment is in effect (the "Proration Period"), adjust Shipper's ability to transport Product on the Pipeline downward by a quantity equal to Shipper's pro rata share of Carrier's total curtailed quantity, using as the basis for the allocation the ratio of Shipper's actual transported Product for the most recent 12 Month period to the sum of all quantities transported through the Pipeline for delivery to the applicable Destination(s) over the same period. During the Proration Period, Carrier will temporarily release from commitment hereunder the curtailed Product only until Carrier is able to transport all of Shipper's Product to the applicable Destination.

**3.12. Storage of Crude Oil in Transit.**

Carrier will provide working tankage that is incident and necessary to the transportation of crude oil, but does not provide or offer storage service. Upon delivery of crude oil into Carrier's working tankage, title to such crude oil shall remain with Shipper and not with Carrier. Carrier shall continue to have the right to gauge and examine such crude oil from time to time as desired while it is in said tanks.

**3.13. REQUIRED SHIPPER INFORMATION AND FINANCIAL ASSURANCES**

- 3.13.1. All (i) existing Shippers who have not submitted a nomination or 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 Item No. 15 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 Item No. 115(a) within the time periods set forth herein; (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.

- 3.13.2. 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:
- (a) prepayment;
  - (b) 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;
  - (c) 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
  - (d) 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".
- 3.13.3. In the event that the Carrier reasonably determines that:
- (a) the existing or prospective Shipper's financial condition is or has become impaired or unsatisfactory;
  - (b) 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
  - (c) the Carrier otherwise determines that it is necessary to obtain Financial Assurances from the Shipper,
- 3.13.4. 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.

**ATTACHMENT 1.1  
DEFINITIONS**

<b>TERM</b>	<b>DEFINITION</b>
1. Applicable Law	Any statute, law, treaty provision, ordinance, executive order, rule, procedure, or regulation (including a regulation that has been formally promulgated in a rulemaking proceeding but, pending final adoption, is in proposed or temporary form having force of law), guideline, or notice having force of law; or approval, permit, license, franchise, judgment, order, decree, injunction, or writ of any Governmental Authority, in each case as applicable to a specified Person or specified property, as in effect from time to time.
2. Area A	Mustang Springs Gathering and Patricia Plow Gathering located in Martin County, Texas.
3. Business Day	A day of the year, excluding all weekends and Carrier Holidays, when Carrier's office is open during normal business hours.
4. Carrier	As defined in the first paragraph.
5. Carrier Holiday	A day on which Carrier's office is closed for business.
6. Commission	The Railroad Commission of Texas.
7. Connecting Carrier(s)	Downstream common carrier crude petroleum pipelines that are connected to Carrier's pipeline at the Destination(s).
8. Curtailment	As defined in Section 3.10.
9. Destination(s)	As defined in Section 2.1.



10. Effective Date	As set forth on the cover page of the Tariff's cover page.
11. ENom System	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.
12. Facilities	Carrier's facilities constituting the Pipeline.
13. Fee Schedule	As described in Section 2.2 and attached to this Tariff.
14. Fees	Throughput fees, hand run device fees, and other allowances or adjustments that apply to specific Origins as described in or authorized by the Fee Schedule.
15. Force Majeure	Any event or occurrence beyond the reasonable control of a Party that delays or prevents such Party from performing its obligations under the applicable Shipper Agreement including, without limitation, the following: Acts of God; strikes, lockouts, boycotts, picketing, labor or other industrial disturbance of the Party claiming the Force Majeure; explosions; nuclear reaction or radiation, radioactive contamination; fires; acts of terrorism; breakage of or accidents to facilities not caused by negligence by the Party claiming the Force Majeure; wars (declared or undeclared); blockades; insurrections; riots; epidemics; landslides; earthquakes; storms; hurricanes; lightning; floods; extreme cold or freezing; extreme heat; washouts; arrests and restraints of governments (but excluding restraints occurring as a result of any violations, by the Party claiming the right to delay performance, of applicable law or of the terms and provisions of the applicable Shipper Agreement); confiscation or seizure by any government or public authority; compliance with any federal, state, or local law, or with any regulation, order, or rule of domestic or international governmental agencies, or authorities or representatives of any domestic or international government acting under claim or color of authority; inability to obtain or delay in obtaining appropriate materials, supplies or labor not caused by negligence of the Party claiming the Force Majeure; events of Force Majeure declared by a third party that interfere with performance under the applicable Shipper Agreement; the commandeering or requisitioning by United States civil or military authorities of any raw or component materials, Product, or facilities including, but not limited to, producing, manufacturing, transportation, and delivery facilities, and perils of navigation,

	even when occasioned by negligence, malfeasance, default, or errors in judgment; and civil disturbances. Force Majeure shall not include (i) changes in costs of materials or Product, or (ii) a Party's financial difficulties that impair its ability to perform.
16. Governmental Authority	Any federal, state, foreign, tribal, local, or municipal governmental body; and any governmental, regulatory, or administrative agency, commission, body, agency, instrumentality, or other authority exercising or entitled to exercise any executive, judicial, legislative, administrative, regulatory, or taxing authority or power, including any court or other tribunal.
17. Interruption	As defined in Section 3.10.
18. LACT Meter	A lease automatic custody transfer unit.
19. Losses	Any actual loss, cost, claim, penalty, liability, damage, demand, suit, sanction, cause of action of every kind of character (including damage to property, personal injury, or death), judgment, lien, encumbrance, fine, or expense, including reasonable attorneys' fees, investigation expenses, and court costs.
20. Pipeline	Carrier's Facilities that are used to transport Product from the Origin(s) to the Destination(s).
21. Month	The period beginning at 12:00 a.m. (midnight) Midland, Texas time on the first day of a calendar month and ending at 12:00 a.m. (midnight) Midland, Texas time on the last day of the same calendar month.
22. Nomination	An offer by a Shipper to the Carrier of a stated quantity of Crude Petroleum for transportation from a specified origin or origins to a specified destination over a period of one operating month in accordance with these rules and regulations.
23. Origin(s)	As defined in Section 2.1.
24. Party	Party to an applicable Shipper Agreement.

25.	Person	Any individual, corporation, partnership, limited liability company, other business organization of any kind, association, trust, or governmental entity, agency, or instrumentality.
26.	Product	Crude oil owned or purchased by Shipper at the Origin(s) that meets the downstream Connecting Carrier specifications at the Destination(s) under the applicable Shipper Agreement.
27.	Proration Period	As defined in Section 3.11.4.
28.	Rules and Regulations	As defined in the first paragraph.
29.	Shipper	The Person (and its successors and permitted assignees) ships Product in accordance with the Shipper Agreement and/or this Tariff.
30.	Shipper Agreement	As defined in Section 2.1.
31.	Shipper Application System	A secure computerized information system that enables Shippers to submit a shipper application and requested information to Carrier electronically.
32.	Tariff	As defined in the first paragraph.
33.	Third Party Shipper	As defined in a Shipper Agreement.
34.	Year	A period of twelve consecutive Months.

**ATTACHMENT 2.2.1  
FEE SCHEDULE**

1.1. Shipper Agreement; Origin(s) & Destination(s); Connecting Carrier Specifications.

1.1.1. In accordance with Section 2.1 of this Tariff, each Shipper may be required to enter a Shipper Agreement that states the applicable Origin(s) and Destination(s) subject to the other terms and conditions of this Tariff.

1.1.2. All Destinations on the Pipeline are to Connecting Carriers.

1.1.3. All Shipper's Product at the Origin(s) must meet the applicable Connecting Carrier's specifications at the applicable Destination(s).

1.2. Fees for Existing Origins

Rates In Cents Per Barrel

<b>From</b>	<b>To</b>	<b>Rate</b>
Area A (Base Rate) (Note 1)	Oryx Midland Oil Gathering LLC's System Interconnections at Mustang Springs or Patricia Plow, Martin County, Texas	[I] 113.30
Area A (Committed Rate) (Note 2)		[I] 103.00
Area A (Committed Rate) (Note 3)	Oryx Midland Oil Gathering LLC's System Interconnections at Mustang Springs, Martin County, Texas	[I] 103.00

Notes:

(1) The Base Rates shall apply to any Shipper that does not qualify for the Committed Rates.

(2) The Committed Rate shall apply to any Shipper that enters into a contractual commitment with Carrier, or its designated shipper, pursuant to which such Shipper makes an acreage dedication to Carrier for a term of at least twelve years.

(3) The Committed Rate shall apply to any Shipper, or its designated shipper, that enters into a facility dedication agreement with Carrier, whereby the facility delivers Crude Petroleum with prior transportation from ACL Leases in Martin County, Texas and the agreement has a minimum term of 10 years.

**Explanation of Reference Marks:**

[I] Increase