

T.R.R.C. No. 1.1.0
(Cancels T.R.R.C. No. 1.0.0)

OXY LEVELLAND PIPELINE COMPANY, LLC

LOCAL TARIFF

CONTAINING

RULES, REGULATIONS, AND CHARGES
APPLYING ON THE TRANSPORTATION OF

NATURAL GAS LIQUIDS

(as defined herein)

BY PIPELINE

**RECEIVED
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JUN 30 2015

**SAFETY DIVISION
AUSTIN, TEXAS**

This tariff is for informational purposes only and is not intended to be an acknowledgment or admission by Carrier of the jurisdiction, or scope thereof, of the Railroad Commission of Texas over the transportation services governed by this tariff.

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TABLE OF CONTENTS

SECTION I RULES AND REGULATIONS..... 3

- 1. DEFINITIONS 3
- 2. COMMODITY 5
- 3. SPECIFICATIONS AS TO QUALITY 5
- 4. MINIMUM TENDER, BATCH AND PRODUCT CYCLES 7
- 5. STORAGE OF PRODUCT IN TRANSIT 7
- 6. MEASUREMENT AND TESTING 7
- 7. IDENTITY OF PRODUCT, MAINTENANCE OF 8
- 8. NOMINATIONS REQUIRED 8
- 9. OFFERS IN EXCESS OF FACILITIES 8
- 10. FAILURE TO TAKE DELIVERY AT DESTINATION POINT 9
- 11. APPLICATION OF RATES 9
- 12. PAYMENT OF TRANSPORTATION RATES AND OTHER CHARGES 9
- 13. FINANCIAL ASSURANCES 10
- 14. LINE FILL AND TANK BOTTOM INVENTORY 11
- 15. LOSS ALLOWANCE 12
- 16. CLAIMS, SUITS AND TIME FOR FILING 12
- 17. LIABILITY OF CARRIER 12
- 18. PRODUCT INVOLVED IN LITIGATION, ETC. – INDEMNITY AGAINST LOSS 13
- 19. TRANSMIX HANDLING 13
- 20. CONNECTING CARRIERS 13
- 21. CHARGE FOR FUND COMPENSATION 14
- 22. ORIGATION FACILITIES 14
- 23. DESTINATION FACILITIES 14
- 24. CONNECTION POLICY 14
- 25. SEPARATE PIPELINE AGREEMENTS 14

SECTION II RATE APPLICABLE TO TRANSPORTATION OF PRODUCT 15

SECTION I RULES AND REGULATIONS

1. DEFINITIONS:

"Affiliate" shall mean with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or, in the case of a Person that is a limited partnership, an "Affiliate" shall include any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with the general partner of such limited partnership. For the purposes of this definition, "control" means the ownership, directly or indirectly, of more than fifty percent (50%) of the voting stock or other ownership interest of such Person; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Barrel" shall mean a barrel of forty-two (42) gallons, United States measurement at sixty (60) degrees Fahrenheit and zero (0) pounds per square inch gauge pressure.

"Batch" shall mean a quantity of Product of like characteristics delivered by Shipper for transportation by Carrier as an identifiable unit. A "Batch" shall be classified as a Segregated, Joint, or Fungible Batch, as those terms are defined herein.

"Carrier" shall mean Oxy Levelland Pipeline Company, LLC.

"Destination Point" shall mean the point or points on Carrier's System where Product is delivered to Shipper, as specified in Section II of this tariff.

"Encumbered Product" shall have the meaning set forth in Item No. 18.

"Force Majeure" shall mean events including: strikes, lockouts, or other industrial disturbances; wars, sabotage, terrorism, blockades, insurrections, or acts of the public enemy; epidemics, landslides, lightning, earthquakes, tornadoes, loss of utilities, fires, storms, floods, washouts, or other acts of God; arrests or restraints of governments and people; compliance (voluntary or involuntary) with federal, state or local laws, rules or regulations, permits, acts, orders, directives, requisitions, or requests of any official or agency of the federal, state, or local governments; rationing of, shortages of, or inability to obtain or a delay in obtaining any material or equipment; riots or civil disturbances, fires, explosions, failures, disruptions, breakdowns, or accidents to machinery, facilities, or lines of pipe (whether owned, leased or rented); the testing of, or the making of repairs, or the performing of maintenance, alterations, enlargements, turnarounds, or connections to machinery, facilities, or lines of pipe (whether owned, leased or rented); the necessity to not operate, or to reduce the operation of, equipment to protect the safety of the public and/or environment; freezing of lines; embargoes, priorities, expropriation, or condemnation by any Governmental Authorities; interference by civil or military authorities; and any cause which is not reasonably within the control of the Carrier or Shipper, or its Affiliates, claiming suspension. Force Majeure also includes: (a) those instances where Carrier is required to obtain servitudes, right-of-way grants, permits or licenses to enable it to fulfill its obligations, the inability or delay of Carrier to acquire, at reasonable cost and after the exercise of reasonable diligence, such servitudes, right-of-way grants, permits or licenses; (b) those instances where the Carrier is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is required to secure permits or permissions from any Governmental Authority to enable the Carrier to fulfill its obligations, the inability of the Carrier to acquire, at reasonable cost and after the exercise of reasonable diligence, such materials, supplies, permits and permissions; and (c) those instances where a third party claims an event of force majeure or otherwise fails to perform under an agreement (whether the failure to perform is excused or unexcused), and such event prevents the performance by the Carrier.

"Fungible Batch" shall mean a Batch of Product meeting Carrier's Quality Specifications, which Carrier may commingle with other Batches of Product meeting the same specifications.

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

"Joint Batch" shall mean two or more Batches of Product commingled by Carrier at the request of participating Shippers.

"Law" shall mean all applicable local, state and federal constitutions, laws (including common law), treaties, statutes, orders, decrees, rules, regulations, codes, and ordinances issued by any Governmental Authority, and including judicial or administrative orders, consents, decrees, and judgments, and determinations by, or interpretations of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question.

"Line Fill" shall have the meaning set forth in Item No. 14 of this tariff.

"Natural Gas Liquids" shall mean any of the Products identified herein, from time to time.

"Nomination," "Nominate," or "Nominating" shall mean a written offer (in form and context specified by Carrier) made by a Shipper to Carrier of a stated quantity of Product for transportation from a specified Origin Point to a specified Destination Point pursuant to the terms of this tariff.

"Off-Spec Penalty" shall have the meaning set forth in Item No. 3(G) of this tariff.

"Origin Point" shall mean the point or points where Product is received into Carrier's System, as specified in Section II of this tariff.

"Person" shall mean any individual, corporation, partnership, joint venture, association, joint stock company, or limited liability company.

"Product(s)" shall mean propane, normal butane, and natural gasoline (a mixture of liquid hydrocarbons comprised principally of pentanes and heavier hydrocarbons) meeting the Quality Specifications.

"Quality Specifications" shall have the meaning set forth in Item No. 3(A) of this tariff.

"Segregated Batch" shall mean a Batch of Product identifiable as the property of a single Shipper.

"Shipper" shall mean a party who contracts with Carrier for transportation of Product as defined herein and under the terms of this tariff.

"System" shall mean Carrier's pipeline system, including all appurtenances thereto related to the provision of transportation services owned by Carrier.

"Tender" or "Tendered" shall mean the presentation by a Shipper to Carrier of a stated quantity of Product for transportation from a specified Origin Point to a specified Destination Point in accordance with this tariff.

"Transmix" shall mean that interface mixture occurring between adjoining Batches of Product having physical characteristics dissimilar from either Product and which has not been blended into delivered Product.

"Unremoved Product" shall mean Product that Shipper is unable or refuses to receive upon Carrier's delivery at the Nominated Destination Point.

2. COMMODITY:

Carrier is engaged in the transportation of Product, as that term is defined herein, and therefore will not accept any other commodity for transportation under this tariff.

3. SPECIFICATIONS AS TO QUALITY:

A. The specifications set forth below (the "Quality Specifications") are the required specifications for each of the Products, which shall apply to each Barrel of Shipper's Tender and shall not be limited to the composite sample of the Tender.

Pentanes Plus/Natural Gasoline. Natural gasoline is a mixture of liquid hydrocarbons extracted from natural gas, composed principally of pentanes and heavier hydrocarbons, although varying amounts of butanes may be included, depending on the commercial grade. Natural gasoline is defined further for commercial purposes by the following:

Product Characteristic	Specification	Test Method
Reid Vapor Pressure	10-34 pounds	ASTM D-323
Percentage evaporated at 140°F	25-85	ASTM D-216
Percentage evaporated at 275°F	Not less than 90	ASTM D-216
End Point	Not more than 375°F	ASTM D-216
Corrosion	Not more than classification 1	ASTM D-130 (modified)
Color	Not less than plus 20 (Saybolt)	ASTM D-156
Reactive Sulfur	Negative, "sweet"	GPA 1138

Butane and Propane. The Quality Specifications for butane and propane are as follows:

Product Characteristics	Product Designation				Test Methods
	Commercial Propane	Commercial Butane	Commercial B-P Mixtures	Propane HD-5	
Composition	Predominantly propane and/or propylene.	Predominantly butanes and/or butylenes.	Predominantly mixtures of butanes and/or butylenes with propane and/or propylene.	Not less than 90 liquid volume percent propane; not more than 5 liquid volume percent propylene.	ASTM D-2163-91
Vapor pressure at 100°F, psig, max. at 37.8°C, kPa (ga), max.	208 1434	70 483	208 1434	208 1434	ASTM D-1267-95
Volatile residue: temperature at 95% evaporation, °F, max. or, °C, max. butane and heavier, liquid volume percent max. pentane and heavier, liquid volume percent max.	-37 -38.3 2.5 -	36 2.2 - 2.0	36 2.2 - 2.0	-37 -38.3 2.5 -	ASTM D-1837-94 ASTM D-2163-91 ASTM D-2163-91

Residual matter: residue on evaporation of 100 ml, max. oil stain observation	0.05ml pass (1)	-	-	0.05 ml pass (1)	ASTM D-2158-92 ASTM D-2158-92
Corrosion, copper strip, max.	No. 1	No. 1	No. 1	No. 1	ASTM D-1838-91 (Note A)
Total sulfur, ppmw	185	140	140	123	ASTM D-2784-92
Moisture content	pass	-	-	pass	GPA Propane Dryness Test (Cobalt Bromide) or D-2713-91
Free water content	-	none	none	-	-

(1) An acceptable product shall not yield a persistent oil ring when 0.3 ml of solvent residue mixture is added to a filter paper in 0.1 increments and examined in daylight after 2 minutes as described in ASTM D-2158.

NOTE A: "This method may not accurately determine the corrosivity of the liquefied petroleum gas if the sample contains corrosion inhibitors or other chemicals which diminish the corrosivity of the sample to the copper strip. Therefore, the addition of such compounds for the sole purpose of biasing the test is prohibited."

- B. Shipper shall not Tender Product for transportation on Carrier's System unless the Product will be readily susceptible to transportation through the System, such Product will not adversely damage the System, and such Product otherwise conforms to the Quality Specifications.
- C. Shipper shall perform applicable tests to ensure that the Product it Tenders to Carrier for delivery on the System conforms to the Quality Specifications. Should spot samples, analyses, or any other test (including tests performed by Carrier) indicate that the Product Tendered or to be Tendered does not meet the Quality Specifications, Shipper agrees to stop delivery of such off-specification Product to Carrier until such time as it is determined by additional testing that the Product meets the definition of Product issued by Carrier.
- D. Carrier reserves the right to reject all Tenders of Product, or any part thereof, and refuse transportation for such Tender if Carrier determines that Shipper has delivered Product that (i) does not conform to the Quality Specifications, (ii) is not merchantable, (iii) is not readily acceptable for transportation through Carrier's System, (iv) would otherwise adversely affect the System or other Products on the System, and/or (v) would, in Carrier's sole judgment, expose Carrier's employees and/or its representatives or the System to an undue risk of harm or property damage.
- E. In the event Shipper delivers Product to the System that does not meet, individually or collectively, the Quality Specifications: (i) Carrier may accept such Shipper's delivery if Carrier determines that the quality of the Product when commingled as a Fungible Batch will nonetheless meet the Quality Specifications; and (ii) if Carrier does not accept such Product as provided for in Item No. 3(E)(i), Carrier may exclude such Shipper from further entry into Carrier's System until such time as the Shipper returns the quality of its Product to a level satisfactory to Carrier in accordance with this tariff.
- F. Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any contaminated Product on Carrier's System. Disposal thereof may be made in any reasonable manner including, but not limited to, commercial sales. Any liability associated with the contamination or disposal of any contaminated Products shall be borne by Shipper introducing the contaminated Product into Carrier's System. Shipper's liability includes, but is not limited to, claims from other

Shippers, carriers, or users of the contaminated Products and the costs of any regulatory or judicial proceeding.

- G. If Product received by Carrier does not meet the Quality Specifications, Carrier reserves the right to charge the Shipper the greater of (i) the actual costs and expenses incurred by Carrier to treat, handle, or otherwise dispose of all such contaminated Product, or (ii) [U] a one-hundred (100) cents per Barrel charge for the volume of contaminated Product transported by Carrier ("Off-Spec Penalty"). The Off-Spec Penalty is a penalty intended to discourage deliveries of Product to Carrier's System that violate Carrier's Quality Specifications. If a composite sample, spot sample, or the results of any other test demonstrate that a Shipper's Product delivered to Carrier fails to meet the Quality Specifications, the total penalty will be assessed by multiplying the Off-Spec Penalty by the total volume of Shipper's Product (in Barrels) received by Carrier during the month that Carrier received the contaminated Product.
- H. Shipper shall be liable for any contamination or damage to other Product in Carrier's custody or to Carrier's System or other facilities caused by failure of the Product Tendered to meet the Quality Specifications.

4. MINIMUM TENDER, BATCH AND PRODUCT CYCLES:

- A. The minimum quantity of Product that shall be accepted at an Origin Point from a single Shipper for inclusion in a Joint, Segregated, or Fungible Batch shall be 2,000 Barrels.
- B. A Segregated, Fungible or Joint Batch shall be Nominated for transportation in quantities of not less than 2,000 Barrels.
- C. Product will be scheduled through Carrier's System in repetitive cycles. Normal cycles for Product handled will be established by Carrier in order to meet operating conditions. Shippers may be required to schedule their Product for delivery into Carrier's System at an Origin Point to meet the cycle within which the Product will move.

5. STORAGE OF PRODUCT IN TRANSIT:

Carrier does not provide storage.

6. MEASUREMENT AND TESTING:

- A. All Product transported by Carrier will be measured at the applicable Origin Point and Destination Point, as well as at any other time deemed appropriate by Carrier, with such measurement made in accordance with applicable A.P.I. Manual of Petroleum Measurement Standards. All measurements and tests shall be performed by Carrier, but Shipper or its representative may be present to witness such measurements and tests. All measurements and tests performed by Carrier shall be determinative unless Shipper submits to Carrier within ninety (90) days of the date of the measurement and/or test, appropriate documentation contesting the measurement and/or test.
- B. Product received from Shipper and Product delivered to Shipper shall, in each instance, be evidenced by tickets, showing opening and closing meter readings or tank gauges, as applicable, temperature, pressure, and any other data essential to the determination of quantity. Such tickets shall be jointly signed by representatives of Carrier and Shipper, and shall constitute full receipt for: (i) the Product received and (ii) the Product delivered.
- C. A representative of Carrier shall have the right to enter upon the premises where Shipper's Product is received or delivered and have access to any and all storage

receptacles or meters for the purposes of measuring and testing and to make any examination, inspection, measurement or test required.

7. IDENTITY OF PRODUCT, MAINTENANCE OF:

- A. It is inherent in the operation of a batched pipeline system that interface mixtures will occur between Batches. Therefore, Carrier is not obligated to deliver to Shipper the identical Product Nominated by Shipper and Carrier shall not be liable for variation in gravity or the quality of Product occurring while in Carrier's custody, resulting from any cause other than the negligence of Carrier, and Carrier is under no obligation to deliver the identical Product received and may deliver Product of substantially the same specifications.
- B. Subject to subpart (A) above, Carrier will, on Segregated Batches and to the extent permitted by Carrier's System, make delivery of substantially the identical Product at the Destination Point; however, it being impractical to maintain absolute identity of each total shipment of Product, reasonable substitution of Product having substantially the same specifications will be permitted.
- C. Carrier shall not be required to transport Product except with reasonable diligence, considering the quality of the Product, the distance of transportation and other material elements. Carrier cannot commit to delivering Product at a particular time.

8. NOMINATIONS REQUIRED:

- A. Product for shipment through Carrier's System will be received only on properly executed Nominations from Shipper showing the point at which the Product is to be received, the point at which the Product is to be delivered, and the amount of Product to be transported. Carrier may refuse to accept Product for transportation if Shipper has not furnished documentation demonstrating that it has made provision for prompt receipt thereof at the Nominated Destination Point.
- B. Any Shipper desiring to nominate Product for transportation shall make such Nomination to Carrier in writing on or before the twenty-fifth (25th) day of the month preceding the month during which the transportation under the Nomination is to begin; except that, if space is available for current movement, Carrier, in its sole discretion, may consider a Nomination from Shipper for transportation of Product submitted after the twenty-fifth (25th) day of the month preceding the month during which the transportation under the Nomination is to begin.
- C. Carrier may refuse to accept Product for transportation if Shipper is not in compliance with other provisions of this tariff or where Shipper has failed to comply with all applicable Law regulating shipments of Products.
- D. Carrier will transport accepted Product during regular business hours, as established by Carrier from time to time. Carrier may refuse to accept Product for transportation outside of those regular business hours.

9. OFFERS IN EXCESS OF FACILITIES:

If Product is nominated to Carrier for transportation in excess of the amount that can be immediately transported, Carrier shall apportion capacity among all Shippers in accordance with Carrier's Proration Policy titled Oxy Levelland Pipeline Company, LLC Proration Policy and dated May 1, 2014. A copy of Carrier's Proration Policy is available at Carrier's Office in Houston,

Texas or, upon request, to any Shipper or potential shipper, either via the U.S. Mail or via facsimile copy.

10. FAILURE TO TAKE DELIVERY AT DESTINATION POINT:

At any time after Carrier's receipt of Product from Shipper, Carrier may deliver such shipment to Shipper at Shipper's Nominated Destination Point at Carrier's current rate of pumping. Shipper shall remove Product, or cause Product to be removed, from Carrier's System upon its delivery to a Nominated Destination Point. If Shipper fails to remove its Product from Carrier's System upon its delivery to a Nominated Destination Point, Carrier shall have the right to curtail the amount of Product it will accept from Shipper until such Unremoved Product is removed. Carrier also reserves the right if deemed necessary to clear Carrier's System and to make whatever arrangements for disposition of the Unremoved Product that are appropriate, which includes selling the Unremoved Product to the first available purchaser at a reasonable price, which reasonableness shall be in Carrier's sole discretion. Any expenses incurred by Carrier in making such arrangements shall be borne by Shipper. Shipper shall indemnify Carrier for all losses associated with Unremoved Product and Carrier's disposition of the Unremoved Product. Carrier shall have no liability to Shipper associated with Shipper's Unremoved Product or Carrier's disposition of the Unremoved Product.

11. APPLICATION OF RATES:

Product accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the Nomination, or the date of delivery to Shipper.

12. PAYMENT OF TRANSPORTATION RATES AND OTHER CHARGES:

- A. Shipper shall pay, as provided below, all applicable transportation and other charges accruing on Product handled by Carrier.
- B. All payments are due within 10 days of receipt of the invoice.
- C. If any charge remains unpaid after the due date, then such amount due may bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the lesser of (i) 125% of the prime rate of interest, as of the date of Carrier's invoice, charged by the Citibank, N.A. of New York, New York, for ninety (90) day loans made to substantial and responsible commercial borrowers or (ii) the maximum rate allowed by law. In addition, Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts, including reasonable attorney fees and costs incurred by Carrier.
- D. In the event Shipper fails to pay any charges when due, Carrier shall have the right, until such payments, including interest thereon, are made in full, to: (i) refuse to provide Shipper access to Carrier's System or provide services pursuant to this tariff, (ii) offset the current and future amounts owed by Shipper against any amounts Carrier owes to Shipper, and (iii) exercise any other rights and remedies granted under this tariff or existing under applicable Law.
- E. Carrier shall have a self-executing lien on all Product delivered to Carrier to secure the payment of any and all transportation or any other charges that are owed Carrier. Such lien shall survive delivery of Product to Shipper. Such lien shall extend to all Products in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by this tariff, statute or applicable Law. Carrier may withhold delivery to Shipper of any of Shipper's Product in its possession and exercise any other rights and

remedies granted under the applicable tariffs or existing under applicable Law until all such charges have been paid as provided above.

- F. If Shipper fails to pay an invoice by the due date, in addition to any other remedies under this tariff or under applicable Law, Carrier shall have the right, either directly or through an agent, to sell any Product of such Shipper in Carrier's custody at public auction, on any day not a legal holiday, not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town, city, or general area where the sale is to be held, stating the time and place of sale and the quantity and location of the Product to be sold. At said sale, Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. The proceeds of any sale shall be applied in the following order: (i) to the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by Law, reasonable attorney's fees and legal expenses incurred by Carrier; and (ii) to the satisfaction of Shipper's indebtedness including interest herein provided from the date payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto. Carrier will have a claim for and against Shipper with respect to any deficiency arising from the debt due to Carrier from Shipper and the proceeds of any sale after reduction as set forth above.

13. FINANCIAL ASSURANCES:

- A. In order to receive the transportation services provided under this tariff, Shipper must maintain an investment grade credit rating for senior unsecured debt by both Moody's Investor Services and Standard & Poor's. If Shipper does not have or fails to maintain an investment grade credit rating or Shipper's credit otherwise is or becomes impaired or unsatisfactory to Carrier, Shipper must provide the financial assurances set forth in Item No. 13(B) below upon notice provided by Carrier and pursuant to the terms of Item No. 13(B).
- B. If Shipper fails to maintain the minimum credit ratings required under Item No. 13(A), or Shipper's credit otherwise is or becomes impaired or unsatisfactory to Carrier, then Shipper shall, within ten (10) business days after written notice from Carrier, deliver to Carrier one or more of the following financial assurances, as selected by Shipper, as financial assurance to Carrier for Shipper's payment of transportation costs and other charges pursuant to the provisions of this tariff:
- (1) pre-payment of an amount equal to the Shipper's anticipated shipments on Carrier's System for the following six (6)-month period; or
 - (2) a letter of credit in favor of Carrier, from a financial institution reasonably acceptable to Carrier, in an amount equal to Shipper's anticipated shipments on Carrier's System for a six (6)-month period, such letter of credit to allow Carrier to demand full or partial payment thereunder in the event that Shipper fails to make payments for any transportation costs and other charges due pursuant to this tariff; or
 - (3) a guarantee in favor of Carrier, in an amount sufficient to ensure payment of all transportation costs and other charges that could reasonably accrue due to Carrier under this tariff in a form and substance acceptable to Carrier, in its discretion, from a creditworthy guarantor and that either is a direct or indirect parent of Shipper at the time such guarantee is delivered to Carrier or that provides a legal opinion to Carrier confirming the enforceability of such guarantee, from an issuer and in form and substance reasonably acceptable to Carrier.

- C. In the event Shipper fails to comply with any obligation in Item No. 13 on or before the due date provided herein, Carrier shall not be obligated to provide Shipper with access to its System or to provide the transportation services pursuant to this tariff until such requirement is fully met.

14. LINE FILL AND TANK BOTTOM INVENTORY:

- A. Carrier shall require Shipper to supply, and Shipper shall supply, a pro rata share of Product for line fill ("Line Fill") and inventory necessary for efficient operation of Carrier's System. Carrier shall not be obligated to accept Shipper's Nominations or Tenders until Shipper has met its Line Fill obligations pursuant to this Item No. 14.
- B. In the event a Shipper's inventory balance drops below its pro rata share of the volume of Product necessary for Line Fill and reasonable additional minimum quantities are required for the efficient operation of Carrier's System, then Carrier will notify Shipper of its pro rata share of the necessary volume and Shipper shall provide the necessary volume to meet its pro rata share of such volume of Product before Carrier is obligated to accept Shipper's Nominations or Tenders or make deliveries or shipments on behalf of Shipper.
- C. Product, Line Fill and/or inventory furnished by a Shipper may be withdrawn from Carrier's System under two circumstances: (i) if Shipper intends to discontinue shipments on Carrier's System for the foreseeable future and/or (ii) If Shipper is "no longer shipping" on Carrier's System, as described in Item No. 14(C)(2) below. Product, Line Fill and/or inventory furnished by a Shipper may be withdrawn from Carrier's System only pursuant to the terms of this Item No. 14(C).
 - (1) If Shipper intends to discontinue shipments on Carrier's System for the foreseeable future, Shipper shall provide written notification to Carrier that it intends to discontinue shipments on the System and must submit to Carrier a written request to have its Line Fill returned. If Shipper does not request to have its Line Fill returned within thirty (30) days of submitting its written notice to Carrier that it intends to discontinue shipments on the System, then title to Shipper's Line Fill will be transferred to Carrier, free and clear of any and all liens, claims or encumbrances, and Shipper agrees and consents to the transfer of title to Carrier as set forth herein.
 - (2) A Shipper that makes no shipments on the System over a continuous six (6) month period shall be deemed to be "no longer shipping." When Carrier identifies that a Shipper is "no longer shipping," Carrier will provide written notice to Shipper that it is considered to be "no longer shipping" on Carrier's System. If Shipper does not submit to Carrier a written request to have its Line Fill returned within thirty (30) days of receiving such notice from Carrier, then title to Shipper's Line Fill will be transferred to Carrier, free and clear of any and all liens, claims or encumbrances, and Shipper agrees and consents to the transfer of title to Carrier as set forth herein.
 - (3) Carrier's return of Shipper's Line Fill is contingent upon Shipper's inventory balances and all outstanding amounts due having been reconciled between Shipper and Carrier. Carrier shall have a reasonable period of time to complete administrative and operational requirements incident to Shipper's withdrawal of Product, Line Fill and/or inventory.

15. LOSS ALLOWANCE:

Any overage or shortage not due to the gross negligence of Carrier, including losses resulting from shrinkage, evaporation, other physical Product loss and Transmix in any month, will be allocated on a monthly accrual basis among Shippers in proportion to the total number of Barrels delivered from the entire System for each Shipper in relation to the total number of Barrels delivered from the entire System for all Shippers.

16. CLAIMS, SUITS AND TIME FOR FILING:

As a condition precedent to recovery by Shipper for loss, damage or delay in receipt or delivery of Shipper's Product for which Carrier may be responsible, Shipper's claim must be filed in writing with Carrier within nine (9) months after delivery of the affected Product, or, in case of Carrier's failure to make delivery of Shipper's Product, then within nine (9) months after a reasonable time for delivery has elapsed. Suit against Carrier shall be instituted only within two (2) years and one (1) day from the day when notice in writing is given by Carrier to Shipper that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted by Shipper on such claims in accordance with the foregoing provisions, such claims will not be paid and Carrier shall not be liable.

17. LIABILITY OF CARRIER:

- A. **AS A CONDITION TO CARRIER'S ACCEPTANCE OF PRODUCT UNDER ITS TARIFF(S), EACH SHIPPER AGREES TO PROTECT AND INDEMNIFY CARRIER AGAINST CLAIMS OR ACTIONS FOR INJURY AND/OR DEATH OF ANY AND ALL PERSON WHOMEVER AND FOR DAMAGE TO PROPERTY OF OR ANY OTHER LOSS SUSTAINED BY CARRIER, SHIPPER AND/OR ANY THIRD PARTY RESULTING FROM OR ARISING OUT OF (I) ANY BREACH OF OR FAILURE TO ADHERE TO ANY PROVISION OF CARRIER'S TARIFF(S) BY SHIPPER, ITS AGENTS, EMPLOYEES OR REPRESENTATIVES; AND/OR (II) THE NEGLIGENT ACT(S) OR FAILURE(S) TO ACT OF SHIPPER, ITS AGENTS, EMPLOYEES OR REPRESENTATIVES IN CONNECTION WITH DELIVERY OR RECEIPT OF PRODUCT. THIS INDEMNITY OBLIGATION SHALL EXTEND TO ANY INDEMNIFIABLE CLAIM EVEN THOUGH SUCH CLAIM ARISES AS A RESULT OF THE NEGLIGENCE OF THE PARTY INTENDED TO BE INDEMNIFIED BY THE APPLICABLE INDEMNITY PROVISION, EXCEPT THAT THIS INDEMNITY SHALL NOT EXTEND TO ANY PORTION OF AN INDEMNIFIABLE CLAIM THAT ARISES AS A RESULT OF THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY INTENDED TO BE INDEMNIFIED BY THIS INDEMNITY PROVISION.**
- B. Carrier, while in possession of Product herein described, shall not be liable, and Shipper hereby waives any claims against Carrier for, any loss thereof, damage thereto, or delay caused by Force Majeure or by act of default of Shipper, or resulting from any other causes not due to the gross negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. In case of loss of Product from any such causes, after it has been received for transportation at the Origin Point and before the same has been delivered to Shipper at the Destination Point, Shipper shall stand a loss in such proportion as the amount of its shipment, already delivered to Carrier, bears to all of the Product then in the custody of Carrier, for shipment via the lines or other facilities in which the loss or damage occurs, and Shipper shall be entitled to have delivered only such portion of its shipment as may remain after deduction of its due proportion of such loss, but in such event Shipper shall be required to pay charges only upon the quantity delivered.
- C. Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Product transported hereunder, and Carrier expressly

disclaims any liability for any express or implied warranty for Product transported hereunder including any warranties of merchantability or fitness for intended use.

- D. Carrier will not be liable for discoloration, contamination, or deterioration of the Product transported hereunder unless such discoloration, contamination, or deterioration of Product transported results from the gross negligence of Carrier. Negligence in this case shall not be construed to include contaminants, such as Transmix, absorbed by the material during transit through Carrier's System, which is used for multi-product transportation.

18. PRODUCT INVOLVED IN LITIGATION, ETC. – INDEMNITY AGAINST LOSS:

At the time of Nomination, Shipper shall inform Carrier if any Product Nominated and/or Tendered to Carrier for transportation may be (i) encumbered by a lien or charge of any kind, (ii) may be involved in litigation or, (iii) may be subject to a title dispute ("Encumbered Product"). When any Encumbered Product is Nominated for transportation, Carrier may require Shipper to provide one or more of the following: (i) satisfactory evidence of its perfected and unencumbered title, (ii) satisfactory indemnity bond to protect Carrier against any and all loss, (iii) pre-payment of transportation charges, or (iv) subordination agreement from the applicable lienholder. Carrier also has the right to refuse any shipment of Encumbered Product. By Nominating Product, Shipper warrants and guarantees that Shipper has good title thereto and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided that acceptance for transportation shall not be deemed a representation by Carrier as to title.

19. TRANSMIX HANDLING:

It is inherent in the operation of a batched pipeline system that interface mixture will occur between Batches at the time of delivery to a downstream system. Carrier will dispose of interface mixture in the following manner:

- (A) Compatible interface mixture will be blended as can be into adjoining Batches and delivered as Product. Interface mixture that is not blended and is accumulated will be considered Transmix. Carrier reserves the right to dispose of accumulated Transmix, including the right to sell such Transmix on a bid or contractual basis for the account of its Shippers at a private or public sale. Carrier will settle with each Shipper for its share of Transmix volumes or the net proceeds of the sale less transportation charges, at Carrier's sole discretion.
- (B) Transmix occurring in Carrier's System shall be retained in Carrier's custody for disposal for the account of the Shippers. The volume and proceeds for sales will be allocated as described above.
- (C) Each Shipper's share of the Transmix sold in a given calendar month will be that percentage which its movements through Carrier's System represent to the total movements for all Shippers through the System during such calendar month as near as operating conditions permit.

20. CONNECTING CARRIERS:

When receipts from a connecting carrier of substantially the same grade of Product are scheduled at the same interconnection or at interconnections along the same pipeline system, Carrier reserves the right, with cooperation of the connecting carrier, to offset like volumes of such Product in order to avoid capacity constraints or the unnecessary use of energy which would

be required to physically pump the offsetting volumes. When this right is exercised, Carrier will make the further deliveries for the Shipper involved from its Fungible Batch of Product.

21. CHARGE FOR FUND COMPENSATION:

In addition to all other charges accruing on Product accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Carrier in connection with such Product by any Federal, State or local act, regulation or agency for the purpose of creating a fund for the prevention, containment, clean up, and/or removal of spills and/or the reimbursement of persons sustaining a loss therefrom or any program where Carrier is acting as a collecting agent. Such charge will be included in the appropriate tariff filed with the Railroad Commission of Texas.

22. ORIGATION FACILITIES:

Carrier will receive Product from Shippers at the Origin Points on Carrier's System. Product will be received only from pipelines, tanks or other facilities that are provided by Shipper or Shipper's designee, or a connecting carrier. Carrier will determine and advise Shippers of the size and capacity of pipelines and tanks to be provided at the Origin Point to meet the operating conditions of Carrier's System at such point. Carrier will not accept Product for transportation unless such facilities have been provided.

23. DESTINATION FACILITIES:

Carrier will accept Product for transportation only when Shipper has provided the necessary facilities for receiving the shipment as it arrives at the Destination Point. Carrier will not accept Product for transportation unless such facilities have been provided.

24. CONNECTION POLICY:

Carrier is not currently accepting new connections to Carrier's System, to the extent permitted by applicable Law. To the extent Carrier determines in the future that it may accept new connections, connection requests should be made by formal written notification to Carrier. All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of Carrier's System in accordance with generally accepted industry standards. Acceptance of any requests for connection will be subject to compliance with governmental regulations.

25. SEPARATE PIPELINE AGREEMENTS:

Separate agreements, if applicable, in association with pipeline connections or other facilities ancillary to Carrier's System and in accordance with this tariff shall be required of any Shipper before any obligation to provide transportation shall arise.

**SECTION II
RATE APPLICABLE TO TRANSPORTATION OF PRODUCT**

Origin Point	Destination Point	Rate (price per Barrel)
Interconnection with Oxy Slaughter Processing Plant, Hockley County, Texas	Interconnection with Oxy Levelland Terminal, Hockley County, Texas	[I] \$1.63

Explanation of Reference Marks:

- [I] Increase.
- [U] Unchanged rate.
- [W] Change in wording only.