

PLAINS MARKETING, L.P. ♦

LOCAL TARIFF

CONTAINING
RULES AND REGULATIONS

GOVERNING
THE GATHERING
AND
TRANSPORTATION
OF

CRUDE PETROLEUM

BY
PIPELINE

GENERAL APPLICATION

Received, R.R.C. of Texas

JUN 12 2019

Gas Services Division, Austin, Texas

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

EFFECTIVE: July 1, 2019

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

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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 Pipeline Operator shall be subject to and governed by the following provisions, Common Pipeline Operators specified in this section shall be referred to as "pipeline," pipelines" or "Pipeline Operator" and the owners or shippers of crude petroleum by pipelines shall be referred to as shippers."

Explanation of Terms and Abbreviations:

Terms and Abbreviations	Explanation
API	American Petroleum Institute
ASTM	American Society for Testing Materials
Barrel (Bbl)	Forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit and zero ("0") gauge pressure if the vapor pressure of the petroleum is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the petroleum is above atmospheric pressure.
Business Day	A day of the year, excluding all weekends and Carrier Holidays, when Carrier's office is open during normal business hours.
Carrier or Pipeline Operator	Plains Marketing, L. P.
Carrier Holiday	A day on which Carrier's office is closed for business.
Common Stream	Crude Petroleum moved through the pipeline and pipeline facilities which is commingled or intermixed with other Crude Petroleum.
Consignee	Party, including a connecting pipeline system, to whom Shipper has ordered Delivery of Crude Petroleum.
Condensate	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	Direct liquid products of oil wells, condensate or a mixture thereof.
°	Degrees
Delivery	Transfer from Pipeline Operator at destination to Shipper or Consignee
ENom System	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	Volume corrected to a temperature of sixty degrees (60°) Fahrenheit, in accordance with the latest API/ASTM measurement standards, and at equilibrium vapor pressure.
Indirect Liquid Products of Oil or Gas Wells	Liquid products resulting from the operation of gasoline recovery plants, gas recycling plants, or distillate recovery equipment in gas or oil fields, or a mixture of such products including Natural Gasoline or Natural Gas Liquids.
Net Standard Volume	Gross Standard Volume less deductions of impurities shown by tests made by Pipeline Operator prior to receipt and upon delivery.

Nomination	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.
Receipt	Transfer from Shipper at origin to Pipeline Operator for transportation
Shipper	Party who contracts with Pipeline Operator for the transportation of Crude Petroleum under the terms of this tariff
[N] <u>Shipper Application System</u>	<u>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.</u>
Transferor	The entity transferring volumes pursuant to an intrasystem transfer of title to Crude Petroleum as described in Rule 44 to these rules and regulations, INTRASYSTEM TRANSFERS
Transferee	The entity accepting volumes pursuant to an intrasystem transfer of title to Crude Petroleum as described in Rule 44 to these rules and regulations, INTRASYSTEM TRANSFERS

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 two percent (2%) of basic sediment, water, or other impurities above a point six (6) inches below the pipe line connection with the tank. Pipe lines shall receive for transportation all such "marketable oil" tendered; but no pipe line shall be required to receive for shipment from any one person an amount exceeding three thousand (3000) barrels of petroleum in any one (1) day; and, if the oil tendered for transportation differs materially in character from that usually produced in the field and being transported there from by the pipeline, then it shall be transported under such terms as the shipper and the owner of the pipe line may agree or the Commission may require. (amended by Rule 27).

Rule 2. Basic Sediment, How Determined – Temperature—

In determining the amount of sediment, water or other impurities, a pipe line 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 pipe line 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 pipe line shall not be required to receive for transportation, nor shall consignee be required to accept as a delivery, any oil of a higher temperature than ninety degrees Fahrenheit (90°) 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 pipe 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 forty-two (42) gallons of 231 cubic inches per gallon at sixty degrees Fahrenheit (60°).

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 pipe line may require of shippers an indemnity bond to protect it against all loss. (supplemented by Rule 28)

Rule 5. Storage—

Each pipe line 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 (5) days from the date of order of delivery at destination. (amended by Rule 29)

Rule 6. Identity of Oil, Maintenance Of—

A pipe line 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 pipe line transportation, or it may make delivery from its common stock destination; provided, if this last be done, the delivery shall be of substantially like kind and market value. (amended by Rule 30)

Rule 7. Minimum Quantity To Be Received—

A pipe line shall not be required to receive less than one (1) tank carload of oil when oil is offered for loading into tank cars at destination of the pipe line. When oil is offered for transportation for other than tank car delivery, a pipe line shall not be required to receive less than five hundred (500) barrels. (amended by Rule 23)

Rule 8. Gathering Charges—

Tariffs to be filed by a pipe line shall specify separately the charges for gathering of the oil, for transportation, and for delivery.

Rule 9. (As amended by Order No. 20-62,644 Effective January 1, 1973, and Order No. 20-63,098, Effective June 18, 1973.) Gauging, Testing and Deductions— (Or By Revised Newer Standard) (amended by Rule 22)

- 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 whole API degree to the basis of 60 degrees Fahrenheit (60°) 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 pipe line shall transport oil with reasonable diligence, considering the quality of the oil, the distance of transportation, and other material elements, but at any time after receipt of a consignment of oil, upon twenty-four (24) hours notice to the consignee, may offer oil for delivery from its common stock at the point of destination, conformable to paragraph (6) of this section, at a rate not exceeding ten thousand (10,000) barrels per day of twenty-four (24) hours. Computation of time of storage (as provided for in paragraph (5) of this section) shall begin at the expiration of such a notice. At the expiration of the time allowed in paragraph (5) of this section) for storage at destination, a pipe line may assess a demurrage charge on oil offered for delivery and remaining undelivered, at a rate for the first ten (10) days of [U] one-tenth of one cent (\$.001) per barrel; and thereafter at a rate of [U] three-tenths of one cent (\$.0075) per barrel, for each day of twenty-four (24) hours or fractional part thereof.

Rule 11. Unpaid Charges, Lien For And Sale To Cover—

A pipe line 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 (5) days after notice of readiness to delivery, the pipe line may sell the oil at public auction at the general office of the pipe line on any day not a legal holiday. The date for the sale shall be not less than forty-eight (48) hours after publication of notice in a daily newspaper of general circulation published in the city where the general office of the pipe line 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 pipe line 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. (supplemented by Rule 33)

Rule 12. Notice of Claims—

Notice of claims for loss, damage, delay in connection with the shipment of oil must be made in writing to the pipe line within ninety-one (91) days after the damage, loss or delay occurred. If the claim is for failure to make delivery, the claim must be made within ninety-one (91) days after a reasonable time for delivery has elapsed. (amended by Rule 39)

Rule 13. Telephone-Telegraph Line-Shipper To Use—

If a pipe line maintains a private telegraph or telephone line, a shipper may use it without extra charge for messages incident to shipments. However, a pipe line 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 35).

Rule 14. Contracts Of Transportation—

When a consignment of oil is accepted, the pipe line 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 pipe line 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 pipe line for transportation in excess of the amount that can be immediately transported, the transportation furnished by the pipe line 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 pipe line. The pipe line 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. (supplemented by Rule 36)

Rule 17. Interchange Of Tonnage—

Pipe lines shall provide the necessary connections and facilities for the exchange of tonnage at every locality reached by two or more pipe lines, 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 37)

Rule 18. Receipt And Delivery – Necessary Facilities For—

Each pipe line 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 therefore, and under regulations by the Commission. (amended by Rule 37)

Rule 19. Fires, Lightning And Leakage, Report Of Loss From—

- A. Each pipe line shall immediately notify the Commission, by telegraph, telephone, or letter, of each fire that occurs at any oil tank owned or controlled by the pipe line, or of any tank struck by lightning. Each pipe line shall in like manner report each break or leak in any of its tanks or pipe lines from which more than five (5) barrels escapes. Each pipe line shall report in writing to the Commission, by the fifteenth (15th) day of each calendar month, the estimated amount of loss of oil by fire or leakage from its tanks and pipe lines for the preceding month; but not including leakage or evaporation ordinarily incident to transportation. (amended by Rule 38)
- 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 pipe line, nor shall any liability accrue to it from any damage thereby occasioned. If loss of any crude oil from 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 pipe line at the time of such loss, and the shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss, but in such event the shipper shall be required to pay charges only on the quantity of oil delivered. This rule shall not apply if the loss occurs because of negligence of the pipe line.
- C. Common Pipeline Operator 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 Pipeline Operator is not required to furnish such reports to the resident or landowner.

Rule 20. Application Of Rates From Intermediate Points--

For marketable oil accepted for transportation from any point on the pipe line's pipeline not name in this tariff which is intermediate to a point from which rates are published herein, through such unnamed point,

the pipe line will apply from such unnamed point the rate published herein from the next more distant point specified in this tariff.

Rule 21. Unloading Charges—

Shipments unloaded from tank trucks into Carrier's facilities may be subject to a per-barrel charge, if specified on individual tariffs making reference to these rules and regulations. Such charge will be in addition to all other charges.

Rule 22. Measurements and Adjustments- The following modifies and supercedes Rule 9 hereof as follows:

All shipments tendered to Pipeline Operator for transportation shall be tested, gauged or metered by a representative of Pipeline Operator prior to, or at the time of Receipt from the Shipper and Delivery to Consignee, but the Shipper or Consignee shall at all times have the privilege of being present or represented during the testing, gauging or metering.

- A. Quantities for receiving and delivering will be Net Standard Volume. Quantities may be computed from tank tables compiled or accepted by the Pipeline Operator.
- B. The volume of impurities in Crude Petroleum received and delivered by Pipeline Operator will be measured by centrifugal test, or by such other tests as may be agreed upon by the Shipper and Pipeline Operator. The volume of impurities will be deducted from the volume of such receipts and deliveries. Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit and for pressure to 14.696 psia.
- C. All shipments of marketable oil of 51 degrees or above shall be subject to a deduction to cover the shrinkage resulting from the mixture thereof in the pipeline facilities, with marketable oil of API gravity of 50.9 degrees or less according to the following table:

A.P.I Gravity	% Deduction
51° thru 78.9°	1%
79° thru 99.9°	2%
100° thru 120.9°	6%

- D. The Quantities deliverable shall be the net corrected volume, outlined in Rule 9, less the applicable deduction for shrinkage ("Allowance Oil").

Rule 23. Tenders—The following amends 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 Carrier has facilities will be accepted into Carrier's System under these rules and regulations in quantities of fifty thousand (50,000) Barrels or greater. Quantities of less than fifty thousand (50,000) Barrels may be accepted by Carrier for transportation if operating conditions permit and if such Crude Petroleum is of like quality and characteristics of that currently being transported, all at Carrier's sole discretion. Carrier will not be obligated to make any single delivery of less than fifty thousand (50,000) Barrels, unless Carrier's operations dictate otherwise. The term "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 Carrier is connected.
- B. 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.

- C. When Nominations submitted by Shippers to Carrier on or before the twenty-fifth (25th) 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 twenty-fifth (25th) day of the preceding month.

Rule 24. Application of Rates--

Marketable oil accepted for gathering and/or transportation shall be subject to the rates in effect on the date of receipt by pipe line, irrespective of the date of the tender.

Rule 25. Pumping Service—

For loading aboard tank cars or delivery to Shipper's or Consignee's tanks where the receiving station has to perform additional pumping service, an additional charge of [U] 1.10 cents per barrel will be made.

Rule 26. Storage Of Marketable Oil In Transit—

- A. Marketable oil tendered for shipment, under tariffs making reference hereto, to established destinations may, by request of the Shipper or Consignee on the original tender or shipping order, or by order for diversion or reconsignment enroute, be stored in tanks furnished by the Shipper or consignee at points on the lines of pipe line when intermediate to the destination shown on the tender of shipment, subject to the conditions provided in this section.
- B. All lawful transportation charges from point of origin to the storage point published in tariffs on file with the Texas Railroad Commission shall be paid upon delivery of marketable oil into the tanks at storage point or may be required in advance of such transportation at the option of pipe line.

In the absence of a through rate from point of origin to the storage point, the rate to the next point beyond shall be applied.

Shipments not forwarded to destination within thirty days after being placed in storage will be subject to a charge for stopover services of [U] 1.10 cents per barrel in addition to all other transportation charges. Such charge shall be payable when shipment has remained in storage for a period of thirty days.

Transportation charges on marketable oil stopped, stored and subsequently forwarded to destination within a period not exceeding two years from date of original shipment shall be assessed at the balance of the through rate from the original point of origin to final destination, via the storage point, in effect on the date of original shipment.

Marketable oil disposed of locally will be subject to the local rate into the storage point and marketable oil forwarded from storage point within the specified time will be subject to the local rate into, and out of the storage point published in pipe line's tariffs.

- C. Upon delivery of marketable oil into storage tanks, its custody and possession shall be that of the Shipper or Consignees and not that of pipe line, and pipe line shall not be liable for loss of or damage to such marketable oil while in storage. However, pipe line reserves the right to gauge and examine such marketable oil from time to time as desired while it is in said tanks.
- D. When the marketable oil tendered for forwarding to destination a new tender must be issued making proper reference by number and date to the original tender or shipping order for shipment.

Rule 27. Specifications As to Quality And Legality Of Shipments— Rule 1 contained herein shall be amended as follows:

Pipe Line reserves the right to reject any and all of the following shipments:

- A. Marketable oil having vapor pressure in excess of nine (9) pounds above a temperature of 100 degrees Fahrenheit and/or an API gravity in excess of 120.9 degrees.
- B. Marketable oil where the Shipper or Consignee has failed to comply with all applicable laws, rule and regulations made by any Governmental authority regulating shipments of marketable oil.
- C. If crude oil 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.
- D. Quality specifications of a connecting carrier may be imposed upon Carrier when such limits are less than that of Carrier, in which case the limitations of the connecting carrier will be applied.
- E. Carrier may, from time to time, undertake to transport other or additional grades of Crude Petroleum and if, in the opinion of Carrier, sufficient quantities are not nominated or facilities are not available to justify continued transportation of other or additional grades, Carrier may, after giving reasonable notice to Shippers who may be affected, cease transporting particular grades of Crude Petroleum.
- F. Carrier may monitor, but is not responsible for monitoring, receipts or deliveries for contaminants. If, upon investigation, Carrier determines that a Shipper has delivered to Carrier's facilities Crude Petroleum that has been contaminated by the existence of and/or excess amounts of impure substances, including but not limited to, chlorinated and/or oxygenated hydrocarbons, arsenic, lead and/or other metals, such Shipper will be excluded from further entry into applicable segments of the System until such time as quality specifications are met to the satisfaction of Carrier. Further, Carrier reserves the right to dispose of any contaminated Crude Petroleum blocking its System. 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 Carrier's System.
- G. Carrier will from time to time determine which grades of Crude Petroleum it will regularly transport as a common stream between particular receipt points and destination points on its pipeline Systems. Carrier will inform all subscribers to tariffs for the System affected by such determination and this will constitute the sole holding out of the Carrier in regard to the grades of Crude Petroleum transported.
- H. 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.

Rule 28. Liability of Parties- Rule 4 contained herein shall be supplemented, as follows:

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.

The Shipper and Consignee shall be jointly and severally liable for the payment of gathering and transportation charges, fees, and other lawful charges accruing to or due Pipeline Operator by Shipper or Consignee, including but not limited to, penalties, interest and late payment charges on Crude Petroleum

delivered by Pipeline Operator to Consignee. All accrued charges are due on delivery of Crude Petroleum by Pipeline Operator to Consignee. Pipeline Operator may, at its option, require Shipper or Consignee to pay all such charges and fees in advance or to provide an irrevocable letter of credit satisfactory to Pipeline Operator pursuant to the provisions stated in Rule 47, Required Shipper Information and Financial Assurances.

The Pipeline Operator, while in possession of Crude Petroleum herein described, shall not be liable for any loss thereof; damage hereto; or delay caused by act of God, war, act of public enemy, quarantine, the authority of law, strikes, riots, civil disorder, requisition or necessity of the Government of the United States in time of war, default of Shipper or owner, or from any cause not due to the sole negligence of the Pipeline Operator.

- A. In case of loss of any Crude Petroleum, from any such causes, after it has been received for transportation and before the same has been delivered to Shipper or Consignee, such loss will be charged proportionately to each Shipper in the ratio that his Crude Petroleum, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Crude Petroleum then in the custody of the Pipeline Operator for transportation via the lines or other facilities in which the loss occurs.
- B. Pipeline Operator will be obligated to deliver only that portion of such Crude Petroleum remaining after deducting Shipper's proportionate share of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered.
- C. Pipeline Operator will compensate Shippers for Crude Petroleum losses for which Pipeline Operator is liable by paying the value of such Crude Petroleum at the point where transportation originated. The dollar value of such loss shall be determined by the average posted price of all postings of Crude Petroleum of like gravity and quality in the field or fields from which the Crude Petroleum so lost was produced. The average posted price shall be determined by the postings of Crude Petroleum in effect on the date the Crude Petroleum was lost. If there are no posted prices for the Crude Petroleum lost, the dollar value of such loss shall be its market price based upon the average of the two highest and two lowest prices posted for crude oil of similar gravity and quality in effect on the date the Crude Petroleum was lost.

Rule 29. Storage- Rule 5 contained herein shall be amended as follows:

Pipeline Operator shall not, unless alternate prior arrangements are made between any shipper and Pipeline Operator, be required to provide crude oil storage facilities whether at or near the final destination of the tendered volume of crude oil. This paragraph shall also apply to the applicable provisions of Rule 10 hereof.

Rule 30. Identity of Crude Oil-Rule 6 contained herein shall be amended as follows:

Pipeline Operator shall not be liable for mixing of crude oil tendered into its common stream pipeline and shall not be required to deliver from its common stock crude oil which is substantially like in kind or similar market value. This paragraph shall also apply to crude oil deliveries addressed in Rule 10, hereof.

Rule 31. Diversion or Reconsignment.

Crude Petroleum in transport may be diverted without an additional charge to a destination other than originally specified on the tender, or crude petroleum in transport may be reconsigned without an additional charge to another shipper at point of destination only, provided such diversion or reconsignment is made via Carrier's ENom System 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 32. Demurrage- Rule 10 contained herein shall be amended as follows:

As amended by Rule 29. 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 33. Payment Of Transportation And Other Charges- The following supplements the provisions of Rule 11 hereof.

Transportation charges will be assessed and collected by Pipeline Operator at the rates in effect as provided above on the basis of Gross Standard Volume actually received/delivered at the origin/delivery point(s) after making adjustments provided in Rule 22.

The Shipper or Consignee shall pay the transportation and all other charges applicable to the shipment, and, if required, shall prepay or guarantee the same before acceptance by the Pipeline Operator, or pay the same before Delivery. Pipeline Operator shall have a lien on all Crude Petroleum in its possession belonging to the Shipper to secure the payment of all unpaid charges due by such Shipper, and may withhold such Crude Petroleum from Delivery until all of such unpaid charges shall have been paid. 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 shall remain unpaid five (5) days after the time which may be fixed for delivery as provided for below or, in the absence of unpaid charges, when there shall be failure to take the Crude Petroleum at the destination point as provided in these rules and regulations, 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) the Pipeline Operator may, by an agent, sell said Crude Petroleum at public auction for cash on any day not a Sunday or legal holiday, and not less than forty-eight (48) hours after publication of notice, in a daily newspaper, of the time and place of such sale and the quantity of Crude Petroleum to be sold. The Pipeline Operator may be a bidder and purchaser at such sale. Out of the proceeds of said sale the Pipeline Operator may pay itself all transportation and any other lawful charges, expense of notice, advertisement, sale, and other necessary expense, and of caring for and maintaining the Crude Petroleum, and the net balance shall be held without interest for whomsoever may be lawfully entitled thereto.

Pipeline Operator will receive and/or transport and deliver Crude Petroleum with reasonable diligence and dispatch. The Shipper or Consignee will be notified twenty-four (24) hours prior to the arrival of a shipment of Crude Petroleum and if the Shipper or Consignee is unable or refuses to receive the Crude Petroleum shipment as it arrives at destination point(s), the Pipeline Operator reserves the right to make whatever arrangements for disposition of the Crude Petroleum it deems appropriate in order to clear its pipeline. Any expense incurred by the Pipeline Operator in making such arrangements shall be borne by the Shipper or Consignee, which charges are in addition to transportation charges accruing to Shipper or Consignee.

The rate which shall apply to the transportation of Crude Petroleum and mixed shipments shall be the rate in effect on the date Crude Petroleum and mixed shipments is received by Pipeline Operator for transportation. Likewise, the rules and regulations which shall govern the transportation of Crude Petroleum and mixed shipments shall be the rules and regulations in effect on the date Crude Petroleum and mixed shipments are received by the Pipeline Operator for transportation.

Rule 34. 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 35. Telecommunications- Rule 13 contained herein is not applicable to the pipelines or facilities operated under this tariff.

Rule 36. Proration- Rule 16 contained herein shall be supplemented, as follows:

[N] When there shall be tendered to Carrier, for transportation, more Crude Petroleum than can be immediately transported, the transportation furnished by Carrier shall be apportioned among Shippers as provided in Carrier's Pipeline Proration Procedures. Carrier's Pipeline Proration Procedures dated July 1, 2019 are available on Carrier's Internet site at <https://www.plainsallamerican.com/customer-center/pipeline-tariffs> or on request.

[C]

~~A. When there shall be nominated to Carrier, for transportation, more Crude Petroleum than can be immediately transported on a line segment, Carrier shall allocate the available capacity of the line segment, which shall include any Released Capacity on such line segment, among Shippers on an equitable basis. Line segments will be prorated separately if necessary.~~

~~B. When System capacity will be prorated.~~

- ~~1. When it is determined that insufficient capacity is available to accommodate all valid timely and properly submitted Nominations, Carrier will notify via electronic mail, telephone, facsimile, electronic bulletin posting, or other appropriate method as selected by the Carrier, each Shipper that has tendered a Nomination ("Initial Nomination") for the allocated line segment or facility. Each allocated Shipper will have an opportunity to submit a revised Nomination for the month, which revised Nomination must be equal to or less than the Shipper's Initial Nomination ("Revised Nomination"). A Shipper must submit a Revised Nomination to Carrier within 24 hours of Carrier notifying the Shipper of the opportunity to submit a Revised Nomination. If a Shipper does not submit a Revised Nomination within such 24-hour time period, the Shipper's Initial Nomination shall be deemed to be its Revised Nomination.~~
- ~~2. If the total Revised Nominations still exceed the available capacity for the month, Carrier shall allocate the available capacity for such month (the "Proration Month") to all Shippers based on Revised Nominations for the Proration Month and the provisions set forth in this Rule 36. Under such allocation, each Shipper will receive an allocation of the available capacity for the Proration Month ("Allocated Capacity"), which amount shall be determined in accordance with the provisions of Rule 36.~~
- ~~3. No individual Shipper Nomination shall be considered beyond the physical capacity of the Pipeline or the amount that the nominating party has readily accessible for shipment. Furthermore, Carrier will not consider any Nomination submitted by a New Shipper that exceeds the New Shipper Capacity of the Pipeline. Nominations in excess of these limits will be reduced accordingly.~~
- ~~4. Carrier shall notify each Shipper of its Allocated Capacity following the allocation process set forth in this Rule 36, and each Shipper must then submit a new nomination confirming to Carrier, within 24 hours of receiving its Allocated Capacity, the amount of Crude Petroleum that the Shipper intends to ship during the Proration Month ("Final Nomination"), which amount must be equal to or less than its Allocated Capacity. If a Shipper does not submit a Final Nomination within such 24-hour time period, the Shipper's Final Nomination shall be deemed to be its Allocated Capacity. If the total Final Nominations are less than the available capacity for the month, Carrier shall first notify Regular Shippers of the remaining available capacity. The~~

~~remaining available capacity will then be allocated to Regular Shippers in the order of receipt of revised Final Nominations, until the remaining available capacity is fully allocated. If there remains available capacity after such allocation to Regular Shippers, Carrier shall next notify New Shippers of the remaining available capacity and shall allocate such remaining capacity to New Shippers in the order of receipt of revised Final Nominations, until the remaining available capacity is fully allocated.~~

~~C. Space in each segment will be allocated among "Regular Shippers" and any "New Shippers" as follows:~~

- ~~1. New Shippers shall be allocated up to a total of five percent of the available line segment capacity ("New Shipper Capacity"), except that in any month for which Carrier is allocating capacity on a System, the capacity allocated to a Regular Shipper shall not be reduced by more than 10 percent of the Regular Shipper's Base Period shipments. Each New Shipper will be allocated its Revised Nomination (on a barrel per day basis), but in no event more than a maximum of one percent of the available line segment capacity. If the total allocation among all New Shippers would exceed five percent of the available line segment capacity, then each New Shipper's allocation will be reduced on a pro rata basis (using nominated volumes) so that the allocations to all New Shippers in the aggregate do not exceed five percent of the line segment capacity, provided however, that if such pro rata allocation in a given month does not result in each New Shipper being allocated the monthly minimum volume set forth in Rule 23 contained herein (the "Minimum Nomination Allocation"), then Carrier will administer the lottery process set forth below.~~

~~Lottery Process~~

- ~~a. Carrier will use a software generated random number process to randomly assign each New Shipper a number. New Shippers who have both (i) a Revised Nomination in the current Proration Month, and (ii) a Revised Nomination in each of the prior 12 consecutive months, but who have not received Allocated Capacity in any of those 12 months ("Tier 1 Eligible New Shippers") will be ordered sequentially starting with the random number closest to zero. Next, all New Shippers who have both (i) a Revised Nomination in the current Proration Month, and (ii) a Revised Nomination in the last Proration Month, but who were not allocated capacity in such month ("Tier 2 Eligible New Shippers") will be ordered sequentially starting with the random number closest to zero. Finally, all remaining New Shippers ("Tier 3 Eligible New Shippers") will be ordered sequentially starting with the random number closest to zero.~~
- ~~b. The Tier 1 Eligible New Shipper with the lowest number will receive the first Minimum Nomination Allocation for the applicable Proration Month. Thereafter, Minimum Nomination Allocations will be allocated to Tier 1 Eligible New Shippers sequentially, from the lowest assigned number to the highest assigned number, until either the New Shipper Capacity is fully allocated (other than any final portion that is less than a Minimum Nomination Allocation) or all of the Tier 1 Eligible New Shippers have received Allocated Capacity equal to the Minimum Nomination Allocation.~~
- ~~c. If all Tier 1 Eligible New Shippers receive a Minimum Nomination Allocation and there is remaining New Shipper Capacity, then the Tier 2 Eligible New Shipper with the lowest number will receive a Minimum Nomination Allocation for the applicable Proration Month. Thereafter, Minimum Nomination Allocations will be allocated to Tier 2 Eligible New Shippers sequentially, from the lowest assigned number to the highest assigned number, until either the New Shipper Capacity is~~

~~fully allocated (other than any final portion that is less than a Minimum Nomination Allocation) or all of the Tier 2 Eligible New Shippers have received Allocated Capacity equal to the Minimum Nomination Allocation.~~

~~d. If all Tier 2 Eligible New Shippers receive a Minimum Nomination Allocation and there is remaining New Shipper Capacity, then the Tier 3 Eligible New Shipper with the lowest number will receive a Minimum Nomination Allocation for the applicable Proration Month. Thereafter, Minimum Nomination Allocations will be allocated to Tier 3 Eligible New Shippers sequentially, from the lowest assigned number to the highest assigned number, until either the New Shipper Capacity is fully allocated (other than any final portion that is less than a Minimum Nomination Allocation) or all of the Tier 3 Eligible New Shippers have received Allocated Capacity equal to the Minimum Nomination Allocation.~~

~~e. Following the completion of the lottery process, Carrier will notify New Shippers as to whether or not they were allocated capacity in that month.~~

~~2. Any capacity that remains after completion of the allocation of the New Shipper Capacity shall be allocated among Regular Shippers in proportion to their Base Period shipments.~~

~~D. The "Base Period" is a period of 12 months beginning 13 months prior to the Allocation Month and excluding the month preceding the Allocation Month. A "Regular Shipper" is any Shipper having a record of movements in the line segment being prorated, during the Base Period, except that a New Shipper must ship on a particular line segment for twelve (12) consecutive calendar months before it will become eligible to be classified as a Regular Shipper on such line segment; notwithstanding the foregoing, any New Shipper that has both (i) a record of movements in at least one month of the Base Period on a line segment, and (ii) a Revised Nomination in each Month of the Base Period on the line segment shall also become eligible to be classified as a Regular Shipper on the line segment. A "New Shipper" is a Shipper who is not a Regular Shipper. In no event will any portion of Allocated Capacity to a New Shipper be used in such a manner that it will increase the Allocated Capacity of another Shipper beyond the Allocated Capacity that Shipper is entitled to under the provisions stated in this Rule 36. Carrier may require written assurances from responsible officials of Shippers regarding use of Allocated Capacity stating that this requirement has not been violated. In the event any New Shipper shall, by any device, scheme or arrangement whatsoever, make its Allocated Capacity available to another Shipper, or in the event any Shipper shall receive and use any Allocated Capacity from a New Shipper, then, in the month following discovery of such violation, the Allocated Capacity of a New Shipper will be reduced to the extent of the excess capacity made available and the Allocated Capacity of a Shipper will be reduced to the extent of excess capacity used.~~

~~E. No Nominations shall be considered beyond the amount that the nominating party has readily accessible for shipment. If a Shipper is unable to tender Crude Petroleum equal to the space allocated to it, Carrier will reduce that Shipper's volumes for the succeeding month to be scheduled by the amount of allocated throughput not utilized during the preceding month ("Over Nomination Penalty") if apportionment is necessary. Carrier shall reallocate any volumes made available by imposition of the Over Nomination Penalty to all Shippers in accordance with the provisions of this Rule 36, provided that no volumes shall be allocated to Shippers on which the Over Nomination Penalty was imposed. Carrier shall not apply the Over Nomination Penalty if a Shipper's over-nomination was the result a force majeure event or operational constraints on Carrier's system, as determined by Carrier. If a Shipper fails to tender Crude Petroleum in a Proration Month that is at least equal to its Allocated Capacity for such month, Carrier shall apply the Non-Performance Penalties to the Shipper; provided, however, that for good cause shown, including Force Majeure events and operational constraints on Carrier's system, Carrier may waive~~

~~the Financial Non-Performance Penalty and /or the Volumetric Non-Performance Penalty on a non-discriminatory basis.~~

~~For purposes of this Rule 36 (e), hereof, the following terms have the meanings specified below:~~

- ~~1. "Non-Performance Penalties" means the Volumetric Non-Performance Penalty.~~

~~"Volumetric Non-Performance Penalty" means that the Carrier will reduce the Shipper's Allocated Capacity for the succeeding month to be scheduled, which is the month that occurs two months after the month of the non-performance by Shipper (the "Penalty Month"), by the amount of the Deficient Barrels, provided that this Volumetric Non-Performance Penalty will only be applied by Carrier if apportionment is necessary in the Penalty Month. Carrier shall reallocate any volumes made available by imposition of the Volumetric Non-Performance Penalty to all Shippers in accordance with the provisions of this Rule 36, provided that no volumes shall be allocated to Shippers on which the Volumetric Non-Performance Penalty was imposed in the Penalty Month.~~

Rule 37. Interconnections for Receipts and Deliveries- Rules 17 and 18 contained herein shall be amended as follows:

Pipeline Operator shall not be obligated to provide connections or facilities for the exchange of crude oil 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 Pipeline Operator's pipeline(s) will only be considered if made by formal written notification to Pipeline Operator and all requests will be subject to the following standards and conditions.

All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of the Pipeline Operator's pipeline(s) in accordance with generally accepted industry standards. Acceptance of any request for connection will be subject to compliance with governmental regulations.

Rule 38. Reporting- Rule 19.a, contained herein shall be amended as follows:

Pipeline Operator shall not be obligated to provide notification to landowners or residents of a spill on their property unless said landowners and residents are duly registered with the commission. Upon reporting of a spill under Rule 19.A. to the commission, the commission will be requested to provide Pipeline Operator with a list of landowners or residents whose lands are affected by said spill. Pipeline Operator shall then have Thirty (30) days to provide the requisite notification.

Rule 39. Claims for Loss or Damage- Rule 12 contained herein shall be amended as follows:

Claims for loss or damage must be made in writing with Pipeline Operator within nine (9) months after delivery of the Crude Petroleum, or in case of a failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Suits for loss or damage shall be instituted only within two (2) years after delivery of the Crude Petroleum, or in case of a failure to make delivery, then within two (2) years after a reasonable time for delivery has elapsed. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and the Pipeline Operator will not be liable.

Rule 40. Establishment of Quality.

In addition to the general requirements for transportation set forth in Rule 27 above. Pipeline Operator will from time to time determine the quality of Crude Petroleum it will regularly gather from certain areas and the quality and general characteristics of Crude Petroleum it will regularly transport as a common stream between particular origin points and destination points on its trunk pipeline. Pipeline Operator will inform all interested persons of such Crude Petroleum quality and general characteristics upon request by them. Changes in 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.

Rule 41. Nominations and Scheduling.

All Shippers and Consignees desiring to ship or receive Crude Petroleum through the pipelines of Pipeline Operator shall make a Nomination to the Carrier before 12:00 noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the twenty-fifth (25th) of the month preceding the movement. When the twenty-fifth (25th) 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 twenty-fifth (25th) 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 (collectively, the "Final Nomination Deadline"). 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>.

Nominations or changes in nominations received after the Final Nomination Deadline will not be accepted from the Final Nomination Deadline date to the first day of the following month. After the first of the month, changes will be accepted only via Carrier's ENom System and only if space is available and the additional or changed nominations do not impair the movement of Crude nominated prior to the Final Nomination Deadline.

All Nominations must contain a final destination point to be accepted.

In the event the total nominations submitted for shipment in a pipeline segment exceed the capacity of that segment, the capacity will be prorated equitably among all shipments according to the proration procedure set forth in Rule 36 above.

For each calendar month Pipeline Operator will establish a sequence for pumping Crude Petroleum through its trunk lines 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.

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.

A change in destination point may be made without charge if requested by the Shipper prior to arrival at original destination subject to the rates, rules, and regulations applicable from point of origin to point of final destination, provided then current pipeline operations of the Pipeline Operator will permit such a change of destination. Such a request must be via Carrier's ENom System.

Rule 43. 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 the 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 the Pipeline Operator pursuant to this Rule 43, Pipeline Operator shall file a tariff with the Commission.

Rule 44. Intrasystem Transfers.

An intrasystem transfer of title to Crude Petroleum may be allowed on Carrier's System for a fee of [U] 0.58 cent per Barrel 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 23, Tenders, of these Rules and Regulations. In addition, the Transferor and Transferee, pursuant to the provisions stated in Rule 47, Required Shipper Information and Financial Assurances, upon the request of Carrier and at Carrier's option, shall provide financial assurances to Carrier pursuant to Rule 33, Payment of Transportation and Other Charges, contained herein.

Rule 45. 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 46. Inventory Requirements.

Pipeline Operator will require each Shipper to supply a prorata share of Crude Petroleum necessary for pipeline fill and working stock for efficient operation of the Pipeline Operator's pipeline system prior to Delivery. Based on the total line fill of segment(s) utilized by Shipper, Crude Petroleum provided by a Shipper for this purpose may be withdrawn from the system only after shipments have ceased and if written notice to discontinue shipments in Pipeline Operator's system is received on or before the twenty-fifth (25th) day of the month preceding the last calendar month in which the Shipper intends to ship.

Rule 47. Required Shipper Information and Financial Assurances

- A. All (i) existing Shippers who have not submitted a nomination [W] for a line segment to Carrier in the prior ~~six (6)~~ twelve (12) Months and (ii) prospective Shippers shall provide to the Carrier, at least ten (10) Business Days prior to ~~making their nomination, the Nomination due date stated in Rule 41 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 [W] financial documentation and Carrier with information to the that Carrier may request to that will allow the Carrier to enforce the terms of this tariff and to determine

~~the prospective or existing 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, 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. Such information [N] must be provided within five (5) Business Days of such request and may include, but is not limited to, the names of any Affiliates of the Shipper or prospective Shipper, the legal business name of the Shipper or prospective Shipper 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 ~~[W] Item No. 160 Rule 47(a)~~ within ~~[W] ten (10) days of the Carrier's written request~~ 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.

- 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 48. 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 36. 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 48.

Rule 49. Transfer of Shipment History

Except as provided in this Rule 49, 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 49 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.

EXPLANATION OF REFERENCE MARKS:

- [U] Unchanged rate
- [N] New
- [C] Cancel
- [W] Change in wording only