MONARCH OIL PIPELINE, LLC

TEXAS RAILROAD COMMISSION TARIFF

CONTAINING RATES, RULES, AND REGULATIONS

FOR

INTRASTATE SERVICE

(CRUDE OIL GATHERING AND TRANSPORTATION)

BETWEEN CERTAIN POINTS ON THE SYSTEM

WITHIN THE STATE OF TEXAS

EFFECTIVE: NOVEMBER 1, 2015

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Issued by:

Judson Williams Chief Financial Officer and Treasurer Monarch Oil Pipeline, LLC 5613 DTC Parkway Suite 310 Greenwood Village, Colorado 720-381-4585 jwilliams@mngllc.com Compiled by:

Judson Williams Chief Financial Officer and Treasurer Monarch Oil Pipeline, LLC 5613 DTC Parkway Suite 310 Greenwood Village, Colorado 720-381-4585 jwilliams@mngllc.com

TEXAS INTRASTATE SERVICE TARIFF

TABLE OF CONTENTS

1. DEFINITIONS; RULES OF CONSTRUCTION		ONS; RULES OF CONSTRUCTION	.1
	1.1. 1.2.	DEFINITIONS Rules of Construction	
2. CRPS & DELIVERY POINTS; SHIPPERS & RATES		ELIVERY POINTS; SHIPPERS & RATES	.1
	2.1. 2.2. 2.3. 2.4. 2.5.	CRPs and Delivery Points. Dedicated Firm Shipper. Non-Dedicated Shipper. Annual Adjustment. Volumes.	.1 .2 .2
3. RULES AND REGULATIONS		ND REGULATIONS	.2
	3.1. 3.2. 3.3. 3.4. 3.5. 3.6. 3.7. 3.8. 3.9. 3.10. 3.11. 3.12.	QUALITY SPECIFICATIONS. NOMINATIONS. INTERRUPTION AND CURTAILMENT. PRORATION POLICY. PRIORITY CAPACITY. IDENTITY OF CRUDE OIL. BILLING AND PAYMENT. INDEMNITY. DISCLAIMER OF DAMAGES. FORCE MAJEURE. FACILITIES LOSS ALLOWANCE. LINE FILL AND TANK FILL.	.3 .4 .4 .5 .5 .6 .6 .6

Attachment 1.1 (Definitions)

Attachment 2.1(CRPs and Delivery Points)

Attachment 2.2.4 (Dedicated Firm Shipper Rates)

Attachment 2.3 (Non-Dedicated Shipper Rates)

Attachment 2.4 (Annual Adjustment)

TEXAS INTRASTATE SERVICE TARIFF

The rates published in this tariff ("<u>Tariff</u>") are for intrastate service (Crude Oil gathering and transportation) by **Monarch Oil Pipeline**, **LLC** ("<u>Carrier</u>") between certain points on the System within the State of Texas for qualifying shippers, subject to the terms, conditions, rules and regulations ("<u>Rules and Regulations</u>") set forth below to be effective as of November 1, 2015 ("<u>Effective Date</u>").

1. DEFINITIONS; RULES OF CONSTRUCTION

1.1. Definitions.

As used in this Tariff, terms defined in <u>Attachment 1.1</u> have the meanings set forth therein.

1.2. Rules of Construction.

Unless the context of this Tariff requires otherwise, the plural includes the singular, the singular includes the plural, and "including" has the inclusive meaning of "including without limitation." The words "hereof", "herein", "hereby", "hereunder", and other similar terms of this Tariff refer to this Tariff as a whole and not exclusively to any particular provision of this Tariff. All pronouns and any variations thereof will be deemed to refer to masculine, feminine, or neuter, singular, or plural, as the identity of the Person or Persons may require. Unless otherwise expressly provided, any agreement, instrument, or Applicable Law defined or referred to herein means such agreement or instrument or Applicable Law as from time to time amended, modified, or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of Applicable Law) by succession of comparable successor law and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein.

2. CRPS & DELIVERY POINTS; SHIPPERS & RATES

2.1. CRPs and Delivery Points.

The Central Receipt Points ("<u>CRPs</u>") and Delivery Points are identified in <u>Attachment 2.1</u>, as may be updated by from time to time.

- 2.2. Dedicated Firm Shipper.
 - 2.2.1. Subject to the other terms and conditions of this Tariff, a Shipper may become a "<u>Dedicated Firm Shipper</u>," if Shipper enters an intrastate service agreement ("<u>Dedicated Firm Shipper Agreement</u>") with Carrier for a primary term of at least 10 years ("<u>Primary Term</u>") that obligates Shipper to the Dedication (as defined in Section 2.2.2) for delivery of Crude Oil to Carrier's CRPs.
 - 2.2.2. In order to become Dedicated Firm Shipper, the Shipper must dedicate to Carrier and/or its Affiliates for the term of the Dedicated Firm Shipper Agreement, all of Shipper's recoverable Crude Oil, or its Affiliates Recoverable Crude Oil produced from oil and gas wells located within an area of at least 30,000 acres ("<u>Area of Dedication</u>") in which Shipper or its Affiliates (as of the effective date of the Dedicated Firm Shipper Agreement) owns, controls, acquires, and has the right to sell, market (as such marketing rights may change from time to time), or otherwise dispose of and that is not subject to a Prior Dedication at that time (or, for

subsequently acquired interests within the Area of Dedication, that is not subject to a Prior Dedication as of the date of acquisition) ("<u>Dedication</u>"). Shipper's Crude Oil subject to Shipper's Dedication will be delivered by Shipper to Carrier and/or its Affiliates either at the CRPs where Carrier and/or its Affiliates will receive Shipper's Crude Oil for its transportation in accordance with the Dedicated Firm Shipper Agreement.

- 2.2.3. Subject to the terms and conditions of this Tariff and the Dedicated Firm Shipper Agreement, a Dedicated Firm Shipper will have "<u>Firm Capacity Rights</u>" during each Month of the Primary Term to ship 5,000 Barrels per Day of Shipper's Crude Oil to the Valero Piper Station Delivery Point (unless otherwise provided in the Dedicated Firm Shipper Agreement), with the following adjustments:
 - (a) after the first 5 years of the Primary Term, Carrier will adjust the available capacity annually based on 120% of Dedicated Firm Shipper's deliveries of Barrels of Crude Oil to the System averaged for the immediate prior calendar year, and
 - (b) Carrier will only make an upward adjustment if sufficient firm capacity is available to accommodate such adjustment.

If there is additional available capacity, Dedicated Firm Shipper may also ship nominated excess volumes accepted by Carrier.

- 2.2.4. For volumes described in Section 2.2.3, Dedicated Firm Shipper will pay Carrier the applicable rates set forth in <u>Attachment 2.2.4</u> (the "<u>Dedicated Firm Shipper</u> <u>Rates</u>").
- 2.3. Non-Dedicated Shipper.

A Shipper that is not a Dedicated Firm Shipper is a "<u>Non-Dedicated Shipper</u>," if that Shipper enters a "<u>Non-Dedicated Shipper Agreement</u>" with Carrier to tender Shipper's Crude Oil at Carrier's CRP(s) for transport to the Delivery Point(s), subject to System availability and compliance with the other terms and conditions of this Tariff. The applicable "<u>Non-Dedicated Shipper Rates</u>" will be determined if and when a Non-Dedicated Shipper requests service under this Tariff and will be set forth in <u>Attachment 2.3</u>.

2.4. Annual Adjustment.

The Dedicated Firm Shipper Rates and any Non-Dedicated Shipper Rates will be adjusted in accordance with the "<u>Annual Adjustment</u>" set forth in <u>Attachment 2.4</u>.

2.5. Volumes.

Applicable Rates will be charged on all volumes received by Carrier at the CRPs.

3. RULES AND REGULATIONS

- 3.1. Quality Specifications.
 - 3.1.1. Shipper's Crude Oil must be of a quality acceptable to each of the receiving facilities immediately downstream of the Delivery Point(s) ("<u>Receiving</u>

Facilities"), in its natural produced state after normal oilfield lease operations and commercially free of dirt, sediment and chemicals foreign to virgin Crude Oil, including, but not limited to, chlorinated and/or oxygenated hydrocarbons, lead and hazardous or industrial wastes. Notwithstanding the foregoing, Carrier will have the right, without prejudice to any other remedy available to Carrier, to reject any Crude Oil that fails to meet the Quality Specifications ("out of spec"), even after delivery to Carrier, and to discontinue accepting Shipper's Crude Oil for so long as such conditions exist. Any acceptance by Carrier of out of spec Crude Oil in one instance will not be deemed as a waiver by Carrier to reject out of spec Crude Oil at a later time. Shipper will be liable for and will indemnify Carrier and hold it harmless against all direct costs and Losses (including loss of revenues) incurred by Carrier for damage to Carrier's Facilities or Third Party Crude Oil caused by Shipper delivering Crude Oil failing to meet the Quality Specifications or for introduction of contaminates into the System, which may include costs associated with draining the System, decontaminating the System, and refilling it with Line Fill and associated loss of revenues. In addition, Shipper warrants that Shipper's Crude Oil:

- (a) will contain less than 0.4% sulfur by weight;
- (b) will be of an API Gravity not to exceed 60° when corrected to 60° Fahrenheit (provided that Batched Shipments may be permitted in accordance with Section 3.1.2); and
- (c) will not contain more than 1% by volume basic sediment and water ("<u>BS&W</u>") and other impurities, or on an individual basis, water will not be more than 0.3% by volume and basic sediment will not be more than 0.7% by volume as determined by the average of the representative samples. If any of Shipper's Crude Oil fails to meet the BS&W and Carrier has the facilities to provide treatment service for BS&W, Shipper will pay Carrier a fee, to be mutually agreed by the parties, and Carrier will treat Shipper's Crude Oil to bring it into compliance with the BS&W.

(Collectively, the "Quality Specifications").

3.1.2. Commingled Crude Oil in the System will not exceed the maximum API gravity of the Receiving Facilities. When requested by a Shipper, and if operationally feasible in Carrier's sole discretion, Carrier will utilize Batched Shipments so that the requesting Shipper's Crude Oil at the Delivery Point(s) does not exceed an API Gravity of the lesser of (x) 47.9° or (y) the maximum API gravity requirements of the Receiving Facilities.

3.2. Nominations.

Crude Oil will be transported by Carrier only under a nomination accepted by Carrier. Any Shipper desiring to nominate Crude Oil for transportation will make such nomination to Carrier prior to 5 p.m. Central Standard Time/Central Daylight Saving Time, whichever is applicable, on or before the 20th day of the Month preceding the Month during which transportation under the nomination is to begin; except that, if space is available for the current movement, Carrier has the right to accept a nomination of Crude Oil for transportation after the 20th day of the Month preceding the Month transportation under the nomination is to begin. When the 20th day of the Month falls on a weekend or holiday, nominations will be required prior to 5 p.m. Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the immediately preceding workday. Shippers must submit a separate nomination for each calendar Month. Each nomination must state the volume of Shipper's Crude Oil and the Delivery Point(s), and contain other information reasonably required by Carrier.

- 3.3. Interruption and Curtailment.
 - 3.3.1. Carrier may "<u>Interrupt</u>" or "<u>Curtail</u>", meaning respectively to stop or reduce transportation service to Shipper and Third Party shippers for such periods of time as it may reasonably require for the purpose of effecting or allowing any repairs, maintenance, replacement, upgrading or other work related to the Facilities, or upstream/downstream facilities in circumstances which do not constitute Force Majeure.
 - (a) A "<u>Curtailment</u>" or "<u>Curtailment event</u>" does not include Shipper's Default or an inability to receive Crude Oil by any entity not an Affiliate of Carrier downstream of the Delivery Point(s) for any reason.
 - (b) If such Interruption or Curtailment is due to a planned outage, Carrier will give Shipper prior notice of such Interruption or Curtailment as soon as reasonably possible. If such Interruption or Curtailment is unforeseen, Carrier will give Shipper notice of such Interruption and Curtailment as soon as reasonably possible. Carrier will use reasonable commercial efforts to minimize the extent and duration of any Interruption or Curtailment and the impact of such Interruption or Curtailment on the operation of the Facilities.

3.4. Proration Policy.

- 3.4.1. When Shippers in the aggregate nominate more Crude Oil to Carrier than it can transport, the transportation furnished by Carrier will be prorated among all such Shippers in proportion to the amounts nominated by each, based on the capacity of the System or any line segment thereof, as applicable ("<u>Proration</u>"). No nominations will be considered beyond the amount that the Shipper requesting the shipment has readily accessible for shipment.
- 3.4.2. Notwithstanding the general Proration Policy set forth in Section 3.4.1, in the event of an interruption or curtailment Dedicated Firm Shippers may elect to receive Priority Capacity in accordance with Section 3.5, which will not be subject to the proration methodology set out above. Such Priority Capacity will not exceed 90% of the available capacity of the pipeline.
- 3.5. Priority Capacity.
 - 3.5.1. Carrier will follow a Proration policy as set forth in these Rules and Regulations when the amount of Crude Oil nominations properly submitted by all system Shippers exceeds the System's capacity for a given Month. The capacity available for service during the Month of allocation (design capacity less any reduction in capacity because of Interruption and Curtailment or Force Majeure) is the "<u>Prorationed Capacity</u>."

- 3.5.2. Carrier will maintain ninety percent (90%) of the Prorationed Capacity for Dedicated Firm Shippers ("<u>Priority Capacity</u>"). Dedicated Firm Shippers are eligible to make a Priority Capacity election should the Facilities enter into a period of Proration by electing to pay the applicable Priority Capacity Rate set forth in Attachment 2.2.4. In the event that the Prorationed Capacity is less than design capacity (as a result of, for example, Interruption or Curtailment or Force Majeure), the Priority Capacity available for each Dedicated Firm Shipper will be allocated pro rata in accordance with each Dedicated Firm Shipper's respective committed volume.
- 3.6. Identity of Crude Oil.

Crude Oil will be accepted for transportation only on condition that such Crude Oil will be subject to changes in quality and composition while in transit or as may result from unavoidable contamination, and Carrier will not be obligated to make delivery of the identical Crude Oil received for transportation. Carrier may, therefore, make delivery of Crude Oil out of common stocks of similar Crude Oil on hand at a Delivery Point.

- 3.7. Billing and Payment.
 - 3.7.1. On or before the 15th Day of the Month, Carrier will bill Shipper each Month for the applicable Rates for services provided hereunder during the previous Month. Payment will be due within 15 Days of the invoice date. In the event actual measurements of quantities of Shipper's Crude Oil are unavailable in any Month of service, Carrier may invoice Shipper based on estimated quantities, which will be corrected to actual quantities once such actual quantities are available.
 - 3.7.2. Late payments will accrue interest at the rate of 1.5% per Month, or if such interest rate exceeds the maximum rate allowed by law, then the maximum rate allowed by law will be used. In the event a payment is late by more than 60 Days, Carrier may withhold from delivery an amount of Crude Oil volumes of equal value (in US Dollars) to the US Dollar amount of the late payment (plus accrued interest) until payment of the late fees has been made. Payments received by Carrier from a particular Shipper will be attributed to the earliest unpaid invoice issued to that Shipper; provided, however, that such payments will not be attributed to any amounts disputed subject to Section 3.7.3.
 - 3.7.3. If Shipper, in good faith, disputes the amount of any such invoice or any part thereof, Shipper will pay such amount as it concedes to be correct. If Shipper disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount disputed within 10 Days of the date of such invoice.
 - 3.7.4. All invoices and billings will be conclusively presumed final and accurate and all associated claims for underpayments or overpayments will be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and documentation, within the 24 Month period following the Month of Crude Oil delivery at the Delivery Point(s). All retroactive adjustments will be paid in full by the Party owing payment within 30 Days of Notice substantiating such inaccuracy.

3.8. Indemnity.

Carrier's and Shipper's indemnity obligations are set forth in the Shipper Agreement; provided that, in any event, to the extent permitted by Applicable Law, Shipper will indemnify, defend, and hold harmless Carrier from any and all Losses arising from or out of personal injury or property damage attributable to Shipper's Crude Oil when Shipper will be deemed to be in control and possession of Shipper's Crude Oil. Shipper agrees that its indemnity obligations will be supported by insurance and that such insurance will not be deemed to be a cap on Shipper's liability in respect of such indemnity obligations.

3.9. Disclaimer of Damages.

CARRIER'S AND SHIPPER'S LIABILITY OBLIGATIONS ARE SET FORTH IN THE SHIPPER AGREEMENT; PROVIDED THAT, IN ANY EVENT, CARRIER'S LIABILITY HEREUNDER WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. CARRIER WILL NOT BE LIABLE HEREUNDER TO THE OTHER PARTY OR ITS AFFILIATES FOR SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS (OTHER THAN DIRECT, ACTUAL LOST PROFITS), OR OTHER BUSINESS INTERRUPTION OR SIMILAR DAMAGES, BY STATUTE, IN TORT, OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE.

3.10. Force Majeure.

If a party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under the Tariff (other than the obligation to make payments of monies due thereunder), then that party will give prompt written notice of the Force Majeure stating facts supporting such claim of inability to perform. Thereupon, that party's obligation to perform will be suspended during the period it is unable to perform because of the Force Majeure, but for no longer period, and the Tariff will otherwise remain unaffected. The party will use due diligence to remove the cause of Force Majeure, where commercially practicable, with all reasonable dispatch; provided, however, that this provision will not require the settlement of strikes, lockouts, or other labor difficulty, when such course is determined inadvisable by the party.

3.11. Facilities Loss Allowance.

Each Shipper will be allocated the Facilities Loss Allowance on a pro-rata basis to cover all normal course of business losses sustained on the Facilities due to evaporation, measurement, and other losses in transit.

- 3.12. Line Fill and Tank Fill.
 - 3.12.1. Each Shipper must provide its pro rata share of Barrels of Crude Oil for Line Fill and Tank Fill required for operation of the System. Each quarter, Carrier will provide an adjustment for each Shipper's account to properly proration the quantity of Line Fill and Tank Fill among all Shippers on the System and to account for any changes to each Shipper's pro rata share of Barrels of Crude Oil for Line Fill and Tank Fill required for operation of the System.

- 3.12.2. Crude Oil furnished for Line Fill and Tank Fill by a Shipper may be withdrawn from the System only after (i) that Shipper's Dedicated Firm Shipper Agreement or Non-Dedicated Shipper Agreement (as applicable), has expired or terminated, (ii) that Shipper's inventory balances have been reconciled between Carrier and Shipper, and (iii) all fees due and payable to Carrier by that Shipper have been fully and finally paid.
- 3.12.3. After satisfaction of the items described in Section 3.12.2, Carrier will have a reasonable period of time to complete administrative and operational requirements incident to that Shipper's withdrawal of the Crude Oil.
- 3.12.4. Any losses to Line Fill and/or Tank Fill due to evaporation, measurement or other losses in transit will be subject to allocation among all Shippers on a pro rata basis but any individual Shipper's allocation during a Month will never exceed 0.2%, of that Shipper's Line Fill or Tank Fill, as applicable.

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ATTACHMENT 1.1

DEFINITIONS

Terms defined in this <u>Attachment 1.1</u> will have the meanings set forth in this Attachment.

TERM		DEFINITION
1.	Affiliate	Any Person, corporation, partnership, limited partnership, limited liability company, or other legal entity, whether of a similar or dissimilar nature, which (i) controls, either directly or indirectly, a Party, or (ii) is controlled, either directly or indirectly, by such Party, or (iii) is controlled, either directly or indirectly, by a Person or entity which directly or indirectly controls such Party. As used in this definition, "control" means the ownership of (or the right to exercise or direct) 50% or more of the voting rights in the appointment of directors of such entity, or 50% or more of the interests in such entity.
2.	Annual Adjustment	As defined in Section 2.4.
3.	API	American Petroleum Institute.
4.	API Gravity	Gravity determined in accordance with the ASTM International (formerly known as the American Society for Testing and Materials) ("ASTM") Designation D-287-82 or the latest revision thereof.
5.	Applicable Law	With respect to any Person, property or matter, any of the following applicable thereto: any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, governmental approval, concession, grant, franchise, license, agreement, directive, ruling, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation, construction or administration of any of the foregoing, by any Governmental Authority, in each case as amended.
6.	Area of Dedication	As defined in Section 2.2.2.
7.	ASME	American Society of Mechanical Engineers.
8.	ASTM	ASTM International, formerly known as the American Society for Testing and Materials.

9.	Barrel ("bbl")	42 United States gallons of 231 cubic inches per gallon at a temperature of 60 degrees Fahrenheit.
10.	Batched or Batched Shipment	Transportation of Crude Oil that is tendered or received at CRPs on the System for transportation to any Delivery Points, as an identifiable unit.
11.	BPD	Barrels per Day.
12.	BS&W	Basic sediment, water and other impurities.
13.	Business Day	Any Day other than a Saturday, Sunday or other Day on which banks in the State of Texas are permitted or required to close.
14.	Carrier	As defined in the first paragraph.
15.	Central Receipt Points	As defined in Section 2.1 and set forth in Attachment 2.1.
16.	. Commission The Railroad Commission of Texas or any success with jurisdiction.	
17.	CRPs	As defined in Section 2.1 and set forth in Attachment 2.1.
18.	Crude Oil	Naturally occurring, unrefined petroleum product composed of hydrocarbon deposits of varying grades.
19.	Curtail	As defined in Section 3.3.1.
20.	Curtailment	As defined in Section 3.3.1.
21.	Day	A period of 24 consecutive hours commencing at 12:01 A.M. and ending at 12:00 A.M. prevailing Central Time.
22.	Dedicated Firm Shipper	As defined in Section 2.2.1.
23.	Dedicated Firm Shipper Agreement	As defined in Section 2.2.1.
24.	Dedicated Firm Shipper Rates	As defined in Section 2.2.4.

25.	Dedication	As defined in Section 2.2.2.
26.	Delivery Point(s)	As defined in Section 2.1 and set forth in Attachment 2.1.
27.	Effective Date	As defined in the first paragraph.
28.	Facilities	Carrier's facilities constituting the System.
29.	Facilities Loss Allowance	The Facilities' actual losses due to evaporation, measurement, or other losses in transit.
30.	FERC	Federal Energy Regulatory Commission or its successor agency.
31.	Firm Capacity Rights	As defined in Section 2.2.3.
32.	Force Majeure	Any cause or event not reasonably within the control of the party whose performance is sought to be excused thereby, including (1) acts of God, strikes, lockouts, or other industrial disputes or disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, tornadoes, hurricanes, storms, severe winter weather, and warnings for any of the foregoing which may necessitate the precautionary shut-down of wells, plants, pipelines, the Facilities; (2) failure of any parties downstream of the Delivery Point(s) (except for downstream parties that are Affiliates of Carrier) to timely install or provide interconnection or receipt facilities, or other related facilities; (3) floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, sabotage, breakage or accidents to equipment, machinery, plants, other related facilities, or lines of pipe; (4) the making of repairs or alterations to lines of pipe, the System, plants or equipment; (5) freezing of wells or lines of pipe; (6) electric power shortages; (7) necessity for compliance with any court order, or any law, statute, ordinance, regulation or order promulgated by a Governmental Authority having or asserting jurisdiction, unless such necessity arises as a result of Carrier's or its Affiliates' failure to comply with any Applicable Law (provided that Carrier will be permitted to resist in good faith the application to it of any such law by all reasonable legal means); (8) inability to obtain necessary permits, rights of way or materials for construction, maintenance or operations provided same were timely and diligently pursued; (9) inclement weather that necessitates extraordinary measures and expense to construct facilities or maintain operations; and (10) any other causes, whether of the kind enumerated herein or otherwise, not

		reasonably within the control of the Party claiming suspension, including any such cause or event occurring with respect to the facilities, services, equipment, goods, supplies or other items necessary to the performance of such party's obligations hereunder. "Force Majeure" also includes any event of Force Majeure occurring with respect to the facilities or services of either party's Affiliates or service providers providing a service or providing any equipment, goods, supplies or other items necessary to the performance of such party's obligations hereunder.
33.	Governmental Authority	Any court, government (federal, tribal, state, local, or foreign), department, political subdivision, commission, board, bureau, agency, official, or other regulatory, administrative, or governmental authority.
34.	Governmental Authorizations	Any authorization, approval or permit from any national, regional, state, local or municipal government, or any political subdivision, agency, commission or authority thereof (including any maritime authorities, port authority or any quasi- governmental agency) having jurisdiction over a party or its Affiliates, the Facilities or any of the activities contemplated by this Tariff.
35.	Gravity	API Gravity.
36.	Interruption	As defined in Section 3.3.1.
37.	Line Fill and Tank Fill	The static quantity of Crude Oil needed to occupy the physical space within the Facilities required for Facilities operations.
38.	Losses	All losses, liabilities, damages, claims, demands, fines, penalties, costs, or expenses, including reasonable attorneys' fees and court costs.
39.	Month	A calendar month beginning at 12:01 am on the first Day of the calendar month and ending at 12:01 am on the first Day of the next calendar month.
40.	Nomination	A written offer or tender by a Shipper to Carrier of a stated quantity of Crude Petroleum for transportation from a specified CRP to a specified Delivery Point in accordance with this Tariff.
41.	Non-Dedicated Shipper	As defined in Section 2.3.

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42.	Non-Dedicated Shipper Agreement	As defined in Section 2.3.
43.	Non-Dedicated Shipper Rates	As defined in Section 2.3.
44.	Person	Any individual, corporation, partnership, limited liability company, other business organization of any kind, association, trust, or governmental entity, agency, or instrumentality.
45.	Primary Term	As defined in Section 2.2.1.
46.	Prior Dedication	Any Crude Oil that has previously been dedicated to a Third Party prior to the effective date of the Dedicated Firm Shipper Agreement (or, for interests subsequently acquired, prior to the date of such acquisition).
47.	Priority Capacity	As defined in Section 3.5.2.
48.	Priority Capacity Rate	As defined in Attachment 2.2.4.
49.	Prorated Capacity	As defined in Section 3.5.1.
50.	Proration	As defined in Section 3.4.1.
51.	Quality Specifications	As defined in Section 3.1.
52.	Rates	All rates and other fees described in or authorized by this Tariff.
53.	Receiving Facilities	As defined in Section 3.1.
54.	RRC	The Commission.
55.	Rules and Regulations	As defined in the first paragraph.
56.	Shipper	The Person (and its heirs, successors, and permitted assignees) that executes and takes service from Carrier in accordance with this Tariff.
57.	Shipper Agreement	A Dedicated Firm Shipper Agreement or Non-Dedicated

		Shipper Agreement, as applicable.	
58.	Shipper Crude Oil	Crude Oil delivered by Shipper or its Affiliates to a CRP in accordance with this Tariff.	
59.	System	Carrier's Facilities that are to be used to gather and transport Crude Oil from the CRPs to the Delivery Points.	
60.	Tariff	As defined in the first paragraph.	
61.	Third Party	Any Person other than Carrier, Shipper, or their respective Affiliates.	
62.	Year	Any period consisting of 365 consecutive Days, commencing and ending at 12:00 a.m., prevailing Central Time; provided, that any year which contains the date of February 29 will consist of 366 consecutive Days.	

ATTACHMENT 2.1

CRPS AND DELIVERY POINTS

CRP Name:	Location:
Gathering Pipeline Receipt Points	the inlet flange of Carrier's gathering pipeline Facilities at the receipt points located along the System for the purpose of receiving Shipper's Crude Oil.
Casey Station	the inlet flange of Carrier's Facilities at Casey Station
Osborn Station	the inlet flange of Carrier's Facilities at Osborn Station
Other	any other points mutually agreed upon in the future where Carrier receive Shipper's Crude Oil

Delivery Point Name:	Location:	
Valero Piper	the outlet flange of Carrier's interconnection facilities at or near the Valero Piper Station in Lipscomb County, Texas	
Osborn Station	the outlet flange of Carrier's Facilities at Osborn Station in Lipscomb County, Texas	
Casey Station	the outlet flange of Carrier's Facilities at Casey Station	
Other	any other points mutually agreed upon in the future where Carrier will redeliver Shipper's Crude Oil	

ATTACHMENT 2.2.4

DEDICATED FIRM SHIPPER RATES

For volumes described in Section 2.2.3, a Dedicated Firm Shipper will pay Carrier:

CRP(s)	Delivery Point(s)	Applicable Rate (subject to Annual Adjustment)
<i>From</i> any CRP (other than Casey Station or Osborn Station)	<i>To</i> any applicable Delivery Point	\$2.10 per Barrel (or \$2.11 per Barrel for Priority Capacity Rate)*
From Casey Station or Osborn Station	<i>To</i> applicable Delivery Point	\$1.00 per Barrel (or \$1.01 per Barrel for Priority Capacity Rate)*

*If a Dedicated Firm Shipper elects to receive Priority Capacity under Section 3.5.2 with respect to proration, Dedicated Firm Shipper will pay Carrier the applicable "<u>Priority Capacity Rate</u>".

ATTACHMENT 2.3

NON-DEDICATED SHIPPER RATES

[RESERVED]

ATTACHMENT 2.4

ANNUAL ADJUSTMENT

The Dedicated Firm Shipper Rates and any Non-Dedicated Shipper Rates will be adjusted each July 1 in accordance with the FERC indexing methodology as described in 18 C.F.R. § 342.3, subject to the following qualifications.

- 1. In a given index year (July 1 through June 30), Carrier's maximum annual adjustment will be the lesser of (a) the generally applicable index adjustment as published by FERC for that given index year and (b) 3%.
- 2. In the event that application of the generally applicable index adjustment as published by FERC for a given index year would result in a rate decrease, Carrier will not be required to decrease its rates by more than 3%. Any such rate adjustment will be prorated for the first index year Carrier is in service, by multiplying (i) the lesser of the index adjustment or 3% by (ii) a fraction, the numerator of which is the number of Days between the commencement date under the applicable Shipper Agreement and June 30 of the index year and the denominator of which is 365. The applicable Rates for any (a) Dedicated Firm Shipper will never be lower than the initial Dedicated Firm Shipper Rates in effect as of the Effective Date or (b) Non-Dedicated Shipper will never be lower than the initial Non-Dedicated Shipper Rates (once established).