

# MONARCH OIL PIPELINE, LLC

## LOCAL TARIFF

THE RATES AND CHARGES NAMED IN THIS TARIFF ARE FOR THE  
GATHERING, TRANSPORTATION AND DELIVERY OF

## CRUDE OIL

### BY PIPELINE

Governed, except as otherwise provided herein, by rules and regulations published in  
Monarch Oil Pipeline, LLC's F.E.R.C. No. 1.0.0 or successive issues thereof.

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FROM POINTS NAMED IN:  
TEXAS

TO POINTS NAMED IN:  
OKLAHOMA

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[W] *Filed in compliance with 18 C.F.R. § 342.3.*

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

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**ISSUED: May 31, 2019**

**EFFECTIVE: July 1, 2019**

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**ISSUED BY:**

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Tariffs available at: <http://monarchnaturalgasllc.com/crude-pipeline/>

**GENERAL COMMODITY RATES***(in cents per Barrel)*

<b>ROUTE NO.</b>	<b>ORIGIN</b>	<b>DESTINATION</b>	<b>RATE</b>
01	[CRP] Lipscomb County, Texas	Plains Pipeline, LP Reydon Station Roger Mills County, Oklahoma	[I] 263.0492
02	[CRP] Hemphill County, Texas	Plains Pipeline, LP Reydon Station Roger Mills County, Oklahoma	[I] 263.0492
03	Monarch Casey Station, Section 161 of Lipscomb County, Texas	Plains Pipeline, LP Reydon Station Roger Mills County, Oklahoma	[I] 108.0056

**COMMITTED SHIPPER RATES<sup>(1)</sup>***(in cents per Barrel)*

<b>ROUTE NO.</b>	<b>ORIGIN</b>	<b>DESTINATION</b>	<b>COMMITTED SHIPPER OPTION 1 RATE<sup>3</sup></b>	<b>COMMITTED SHIPPER OPTION 1 TEMPORARY RATE<sup>4</sup></b>	<b>COMMITTED SHIPPER OPTION 2 RATE<sup>2</sup></b>
01	[CRP] Lipscomb County, Texas	Plains Pipeline, LP Reydon Station Roger Mills County, Oklahoma	[I] 218.2547 - 263.7898 <sup>(*)</sup>	[U] 220.0000	N/A
02	[CRP] Hemphill County, Texas	Plains Pipeline, LP Reydon Station Roger Mills County, Oklahoma	[I] 218.2547 - 263.7898 <sup>(*)</sup>	[U] 220.0000	N/A
03	Monarch Casey Station, Section 161 of Lipscomb County, Texas	Plains Pipeline, LP Reydon Station Roger Mills County, Oklahoma	[I] 109.1274	N/A	[I] 109.1274

(\*) The Committed Shipper Option 1 Rate shall be 220 cents/bbl for the first three (3) months Carrier is in service. For all subsequent months during the first (1<sup>st</sup>) five (5) years of the Primary Term in the Committed Shipper Option 1's Transportation Service Agreement(s) ("TSA(s)"), the Committed Shipper Option 1 Rate shall be variable based on the Total Average Daily Delivered Volumes, with the rate to be determined as follows:

<b>Total Average Daily Delivered Volumes</b>	<b>Rate (cents/bbl)</b>
Up to 9,999 BPD	[I] 263.7898
Between 10,000 – 14,999 BPD	[I] 236.8674
Between 15,000 – 19,999 BPD	[I] 226.1071
Greater than 20,000 BPD	[I] 218.2547

The Committed Shipper Option 1 Rate shall revert back to 220 cents/bbl on the first (1<sup>st</sup>) Day of the sixth (6<sup>th</sup>) Year of the Committed Shipper Option 1 Shipper's Primary Term for the remainder of the Term, as adjusted in accordance with the other terms of such shipper's TSA.

As provided in the Committed Shipper Option 1's TSA(s), the "Total Average Daily Delivered Volumes" means the average quantity of Barrels of Crude Oil delivered each Day to the Delivery Point(s) and to all delivery points connected to the Gathering System off of pipelines owned by Carrier and/or its Affiliates, by any shipper for the consecutive three (3) Month period (excluding any Temporary Release periods) preceding the month that immediately precedes the month of nomination; except that, for the fourth (4th), fifth (5th), and sixth (6th) Months following the Commencement Date, the Total Average Daily Delivered Volumes shall be based on the average quantity of Barrels of Crude Oil delivered each Day to the Delivery Point(s)

and to all delivery points connected to the Gathering System off of pipelines owned by Carrier and/or its Affiliate(s) by any shipper during the a one (1) Month period (excluding any Temporary Release periods) preceding the month that immediately precedes the month of nomination.

During any Temporary Release Period, the Committed Shipper Option 1 Rate shall be the Committed Shipper Option 1 Rate in effect immediately prior to the Temporary Release Period and the Temporary Release Period shall be excluded in calculating the rate for any subsequent period.

As described in the TSA(s), the “Temporary Release Period” shall apply to Committed Shipper Option 1 Shippers and means any period of Force Majeure, Prorationing, or Interruption and Curtailment lasting in excess of seven (7) Days.

- (1) Subject to increase each July, in accordance with the mechanism set forth in FERC regulation 18 C.F.R. § 342.3 or any successor thereto, subject to the following qualifications. In a given index year (July 1 through June 30), Carrier’s maximum annual rate adjustment shall be the lesser of (a) the generally applicable index adjustment as published by FERC for that given index year or (b) three percent (3%). 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 shall not be required to decrease its rates by more than three percent (3%). The Committed Rate shall never fall lower than 200 cents per Barrel for Routes 01 and 02, provided that the conditions in footnote(\*) are met, and 100 cents per Barrel for Route 03. Any such rate adjustment shall be prorated for the first index year Carrier is in service by multiplying (i) the lesser of the index adjustment or three percent (3%) by (ii) a fraction, the numerator of which is the number of Days between the Commencement Date and June 30 of the index year and the denominator of which is 365.
- (2) This rate shall be available to any shipper willing to become a Committed Shipper Option 2 Shipper, as defined in Monarch Oil Pipeline, LLC’s F.E.R.C. No. 1.0.0 or successive issues thereof. Any shipper desiring to become a Committed Shipper Option 2 Shipper should contact the Carrier. Carrier shall allow any Shipper, which is willing to meet the terms and conditions of becoming Committed Shipper Option 2 Shipper, to become such a Committed Shipper Option 2 Shipper on a first-come, first-served, not unduly discriminatory basis.
- (3) Pursuant to Carrier’s contract with its Committed Shipper Option 1 Shipper, the Committed Shipper Option 1 Rate is temporarily suspended, and Committed Shipper Option 1 Temporary Rate shall apply to these movements.
- (4) The provisions of Note (\*) and Note (1) shall not apply to the Committed Shipper Option 1 Temporary Rate.

#### **EXPLANATION OF TARIFF REMARKS:**

[U] Unchanged

[I] Increase