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Gas Services Department  
Railroad Commission of Texas

**VEX No. 1.4.0**  
**(Cancels VEX No. 1.3.0)**

## **VICTORIA EXPRESS PIPELINE, L.L.C.**

### **RULES AND REGULATIONS TARIFF**

Governing the Intrastate Transportation of  
**CRUDE PETROLEUM AND PETROLEUM CONDENSATE**  
(As Defined Herein)

**BY PIPELINE  
BETWEEN  
POINTS WITHIN TEXAS  
SUBJECT TO THE REGULATIONS HEREIN**

Carrier will accept and transport Crude Petroleum and Petroleum Condensate offered for transportation through Carrier's facilities only as provided in this Rules and Regulations Tariff. To the extent that specific rules and regulations published in other tariffs conflict with this Rules and Regulations Tariff, such specific rules and regulations will prevail.

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

**T-4 Permit No. 08929 P-5 No. 885503**

**EFFECTIVE: ~~August 1, 2023~~ [W] February 1, 2025**

Issued and Compiled by:

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**SECTION I**  
**RULES AND REGULATIONS OF RAILROAD COMMISSION OF TEXAS**  
**(Title 16, Part 1, Chapter 3, Rule §3.71)**

Each 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 carrier shall be subject to and governed by the following provisions. Common carriers specified in this section shall be referred to as “pipelines”, and the owners or shippers of crude petroleum by pipelines shall be referred to as “shippers”.

**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 pipeline connection with the tank. Pipelines shall receive for transportation all such “marketable oil” tendered; but no pipeline shall be required to receive for shipment from any one person an amount exceeding three thousand (3,000) 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 therefrom by the pipeline, then it shall be transported under such terms as the shipper and the owner of the pipeline may agree or the commission may require. **(Amended by Section II, Item 25 of this Tariff.)**

**2. Basic Sediment, how determined – temperature.** In determining the amount of sediment, water or other impurities, a pipeline is authorized to make a test of the oil offered for transportation from an average sample from each such tank, by the use of centrifugal machine, or by the use of any other appliance agreed upon by the pipeline and the shipper. The same method of ascertaining the amount of the sediment, water, or other impurities shall be used in the delivery as in the receipt of oil. A pipeline shall not be required to receive for transportation, nor shall consignee be required to accept as a delivery, any oil of a higher temperature than ninety degrees Fahrenheit (90° F), except that during the summer oil shall be received at any atmospheric temperature, and may be delivered at like temperature. Consignee shall have the same right to test the oil upon delivery at destination that the pipeline has to test before receiving from the shipper. **(Amended by Section II, Item 25 of this Tariff.)**

**3. “Barrel” defined.** For the purpose of this section, a “barrel” of crude petroleum is declared to be forty-two (42) gallons of 231 cubic inches per gallon at sixty degrees Fahrenheit (60° F).

**4. Oil involved in litigation, etc. -- indemnity against loss.** When any oil offered for transportation is involved in litigation, or the ownership is in dispute, or when the oil appears to be encumbered by lien or charge of any kind, the pipeline may require of shippers an indemnity bond to protect it against all loss. **(Amended by Section II, Item 100 and Section II, Item 150 of this Tariff.)**

**5. Storage.** Each pipeline shall provide, without additional charge, sufficient storage, such as is incident and necessary to the transportation of oil, including storage at destination or so near thereto as to be available for prompt delivery to destination point, for five (5) days from the date of order of delivery at destination. **(Amended by Section II, Item 60 of this Tariff.)**

**6. Identity of oil, maintenance of oil.** A pipeline may deliver to consignee, either the identical oil received for transportation, subject to such consequences of mixing with other oil as are incident to the usual pipeline transportation, or it may make delivery from its common stock at destination; provided, if this last be done, the delivery shall be of substantially like kind and market value. **(Amended by Section II, Item 24 of this Tariff.)**

**7. Minimum quantity to be received.** A pipeline shall not be required to receive less than one (1) tank car load of oil when oil is offered for loading into tank cars at destination of the pipeline. When oil is offered for transportation for other than tank car delivery, a pipeline shall not be required to receive less

than five hundred (500) barrels. **(Amended by Section II, Item 30 of this Tariff.)**

**8. Gathering charges.** Tariffs to be filed by a pipeline shall specify separately the charges for gathering of the oil, for transportation, and for delivery. **(Amended by Section II, Item 26, Section II, Item 100 & Section II, Item 110 of this Tariff.)**

**9. Measuring, testing, and deductions.**

- A. Except as provided in subparagraph (B) of this paragraph, all crude oil tendered to a pipeline shall be gauged and tested by a representative of the pipeline prior to its receipt by the pipeline. The shipper may be present or represented at the gauging or testing. Quantities shall be computed from correctly compiled tank tables showing 100% of the full capacity of the tanks.
- B. As an alternative to the method of measurement provided in subparagraph (A) of this paragraph, crude oil and condensate may be measured and tested, before transfer of custody to the initial transporter by:
  - i. lease automatic custody transfer (LACT) equipment, provided such equipment is installed and operated in accordance with the latest revision of American Petroleum Institute (API) Manual of Petroleum Measurement Standards, Chapter 6.1, or;
  - ii. any device or method, approved by the commission or its delegate, which yields accurate measurements of crude oil or condensate.
- C. Adjustments to the quantities determined by the methods described in subparagraphs (A) or (B) of this paragraph shall be made for temperature from the nearest whole number degree to the basis of 60 degrees Fahrenheit and to the nearest 5/10 API degree gravity in accordance with the volume correction Tables 5A and 6A contained in API Standard 2540, American Society for Testing Materials 01250, Institute of Petroleum 200, first edition, August 1980. A pipeline may deduct the basic sediment, water, and other impurities as shown by the centrifugal or other test agreed upon by the shipper and pipeline; and 1.0% for evaporation and loss during transportation. The net balance shall be the quantity deliverable by the pipeline. In allowing the deductions, it is not the intention of the commission to affect any tax or royalty obligations imposed by the laws of Texas on any producer or shipper of crude oil.
- D. A transfer of custody of crude between transporters is subject to measurement as agreed upon by the transporters.

**(Amended by Section II, Item 70, and Section II, Item 80 of this Tariff.)**

**10. Delivery and demurrage.** Each pipeline shall transport oil with reasonable diligence, considering the quality of the oil, the distance of transportation, and other material elements, but at any time after receipt of a consignment of oil, upon 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 notice. At the expiration of the time allowed in paragraph 5 of this section for storage at destination, a pipeline may assess a demurrage charge on oil offered for delivery and remaining undelivered, at a rate for the first ten (10) days of one-tenth of one cent (\$0.001) per barrel; and thereafter at a rate of three-fourths of one cent (\$0.0075) per barrel, for each day of twenty-four (24) hours or fractional part thereof. **(Amended by Section II, Item 130 of this Tariff.)**

**11. Unpaid charges, lien for and sale to cover.** A pipeline shall have a lien on all oil to cover charges for transportation, including demurrage, and it may withhold delivery of oil until the charges are paid. If the charges shall remain unpaid for more than five days after notice of readiness to deliver, the pipeline may sell the oil at public auction at the general office of the pipeline on any day not a legal holiday. The date for the sale shall be not less than 48 hours after publication of notice in a daily newspaper of general circulation published in the city where the general office of the pipeline is located. The notice shall give the time and place of the sale, and the quantity of the oil to be sold. From the proceeds of the sale, the pipeline may deduct all charges lawfully accruing, including demurrage, and all expenses of the sale. The net balance shall be paid to the person lawfully entitled thereto. **(Amended by Section II, Item 130 of this Tariff.)**

**12. Notice of claims.** Notice of claims for loss, damage, or delay in connection with the shipment of oil must be made in writing to the pipeline 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 Section II, Item 27 of this Tariff.)**

**13. Telephone/telegraph line – shipper to use.** If a pipeline maintains a private telegraph or telephone line, a shipper may use it without extra charge for messages incident to shipments. However, a pipeline shall not be held liable for failure to deliver any messages away from its office or for delay in transmission or for interruption of service. **(Amended by Section II, Item 23 of this Tariff.)**

**14. Contracts of transportation.** When a consignment of oil is accepted, the pipeline shall give the shipper a run ticket, and shall give the shipper a statement that shows the amount of oil received for transportation, the points of origin and destination, corrections made for temperature, deductions made for impurities, and the rate for such transportation. **(Amended by Section II, Item 80, Section II, Item 100, and Section II, Item 110 of this Tariff.)**

**15. Shipper's tanks, etc. – inspection.** When a shipment of oil has been offered for transportation the pipeline shall have the right to go upon the premises where the oil is produced or stored, and have access to any and all tanks or storage receptacles for the purpose of making any examination, inspection, or test authorized by this section.

**16. Offers in excess of facilities.** If oil is offered to any pipeline for transportation in excess of the amount that can be immediately transported, the transportation furnished by the pipeline shall be apportioned among all shippers in proportion to the amounts offered by each; but no offer for transportation shall be considered beyond the amount which the person requesting the shipment then has ready for shipment by the pipeline. The pipeline shall be considered as a shipper of oil produced or purchased by itself and held for shipment through its line, and its oil shall be entitled to participate in such apportionment. **(Amended by Section II, Item 90 of this Tariff.)**

**17. Interchange of tonnage.** Pipelines shall provide the necessary connections and facilities for the exchange of tonnage at every locality reached by two or more pipelines, when the commission finds that a necessity exists for connection, and under such regulations as said commission may determine in each case. **(Amended by Section II, Item 140 of this Tariff.)**

**18. Receipt and delivery – necessary facilities for.** Each pipeline shall install and maintain facilities for the receipt and delivery of marketable crude petroleum of shippers at any point on its line if the commission finds that a necessity exists therefor, and under regulations by the commission. **(Amended by Section II, Item 140 of this Tariff.)**

**19. Reports of loss from fires, lightning and leakage.**

- A. Each pipeline shall immediately notify the commission district office, electronically or by telephone, of each fire that occurs at any oil tank owned or controlled by the pipeline, or of any tank struck by lightning. Each pipeline shall in like manner report each break or leak in any of its tanks or pipelines from which more than five barrels escape. Each pipeline shall file the required information with the commission in accordance with the appropriate commission form within 30 days from the date of the spill or leak.
- B. No risk of fire, storm, flood or act of God, and no risk resulting from riots, insurrection, rebellion, war, or act of the public enemy, or from quarantine or authority of law or any order, requisition or necessity of the government of the United States in time of war, shall be borne by a pipeline, nor shall any liability accrue to it from any damage thereby occasioned. If loss of any crude oil from any such causes occurs after the oil has been received for transportation, and before it has been delivered to the consignee, the shipper shall bear a loss in such proportion as the amount of his shipment is to all of the oil held in transportation by the pipeline at the time of such loss, and the shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss, but in such event the shipper shall be required to pay charges only on the quantity of oil delivered. This section shall not apply if the loss occurs because of negligence of the pipeline.
- C. Common carrier pipelines shall mail (return receipt requested) or hand deliver to landowners (persons who have legal title to the property in question) and residents (persons whose mailing address is the property in question) of land upon which a spill or leak has occurred, all spill or leak reports required by the commission for that particular spill or leak within 30 days of filing the required reports with the commission. Registration with the commission by landowners and residents for the purpose of receiving spill or leak reports shall be required every five years, with renewal registration starting January 1, 1999. If a landowner or resident is not registered with the commission, the common carrier is not required to furnish such reports to the resident or landowner.

**(Amended by Section II, Item 150 of this Tariff.)**

**20. Printing and posting.** Carrier has posted and maintains copies of its Railroad Commission tariffs and in prominent places, including on the internet and in its offices in Dallas, Texas.

**21. File tariffs with commission.** Immediately upon publication of its tariffs, and in each subsequent amendment thereof, each pipeline is required to file one copy with the commission.

**22. Records.**

- A. Each person operating crude oil gathering, transportation, or storage facilities in the state must maintain daily records of the quantities of all crude oil moved from each oil field in the state, and such records shall also show separately for each field to whom delivery is made, and the quantities so delivered.
- B. The information contained in the records thus required to be kept must be reported to the commission by the gatherers, transporters, and handlers at such times and in such manner as may be required by the commission.

**SECTION II**  
**SUPPLEMENTAL RULES AND REGULATIONS**

<b>ITEM 22. Definitions and Abbreviations</b>	
Adequate Assurance of Performance	Means sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to Carrier. At its sole discretion, Carrier may accept cash prepayment, irrevocable standby letter of credit, or a parent company guarantee as Adequate Assurance of Performance; provided, however, that Adequate Assurance of Performance will be for an amount not less than two (2) months of costs and charges payable by Shipper to Carrier under this Tariff, as reasonably determined by Carrier, plus ten percent (10%).
API	American Petroleum Institute
Applicable Laws	Means all applicable laws, rules, and regulations of any Governmental Authority.
ASTM	American Society for Testing Materials
Barrel	Forty-two (42) United States gallons at 231 cubic inches per gallon at sixty degrees Fahrenheit (60° F).
Batch or Batched or Batched Shipment(s)	Means a quantity of Product or Non-conforming Product of like characteristics delivered by Shipper for transportation by Carrier as an identifiable unit pursuant to the terms of a Service Agreement and/or in accordance with the Tariff and for which Shipper has provided adequate storage at a location(s) and capacity(ies) satisfactory to Carrier.
BS&W	Basic sediment and water.
Business Day	A Day of the year, excluding all weekends and Carrier Holidays, when Carrier's office is open during normal business hours.
Capacity	The total volume the Pipeline System is capable of transporting under the current operating conditions as determined by Carrier from time to time.
Carrier	Victoria Express Pipeline, L.L.C.
Carrier Holidays	Days on which Carrier's office is closed for business. Carrier will inform Shippers of Carrier Holidays at the time they become Shippers and thereafter on January 15 of each year in the event the Carrier Holidays change.
Carrier's Loss Allowance	Two-tenths of one percent (0.2%) of the [N] <del>Net</del> Gross Standard Volume tendered by Shipper will be retained by Carrier to cover loss due to shrinkage and evaporation incident to transportation on the Pipeline System and the volumes delivered to Shipper from the Pipeline System will be net of such deduction.
Commencement Date	The first day of the month following the date that Carrier notifies a Committed Shipper that the Pipeline System is ready to commence commercial service with respect to the receipt, transportation, handling, and delivery of Product incident to a Service Agreement.
Committed Shipper	Means a Shipper who has committed pursuant to the terms of a Service Agreement to ship or otherwise pay for failing to ship a certain volume of Product on the Pipeline System, or to dedicate production from certain acreage to shipment on the Pipeline System.
Common Stream/Common Stream Shipment	Means one or more tenders of Product received by the Pipeline System as designated in the related local tariffs and moved through said Pipeline System, which is commingled or intermixed with other Product of like characteristics and quality. A Common Stream may be made up of one or more tenders of Product received by the Pipeline System that is commingled and intermixed with other



	Product of like characteristics and quality as determined by Carrier from time to time.
Consignee	Party to which Shipper has ordered delivery of Product.
Contract Year	A twelve (12) month period commencing at 7:00 a.m., Central Prevailing Time, on the Commencement Date and ending at 7:00 a.m., Central Prevailing Time, on the same day and calendar month of the following calendar year and thereafter for succeeding periods of twelve (12) consecutive months.
Crude Petroleum	The direct liquid product of oil wells not having been enhanced or altered in any manner or by any process that would result in misrepresentation of its true value for adaptability to refining as a whole crude petroleum or for acceptability to be commingled with other crude petroleum, excluding any and all effects of normal separating, gathering, and stabilization, and that meets the specifications in <b>Section II, Item 25</b> .
Day	The twenty-four (24) hour period beginning at 7:00 a.m., Central Prevailing Time, and ending at 6:59:59, Central Prevailing Time.
°F	Degree(s) Fahrenheit.
Delivery Point	The point of destination at which Product is transferred from Carrier to Shipper or Consignee.
Force Majeure	As defined in <b>Section II, Item 150</b> .
Final Nomination Deadline	Means 3:00 p.m., Central Prevailing Time, on the fifteenth (15 <sup>th</sup> ) day prior to the end of the month, excluding weekends and Carrier Holidays, immediately preceding the month in which Shipper desires to ship Product.
Governmental Authority	Means (i) the United States of America, (ii) any state, county, parish, municipality, or other governmental subdivision within the United States of America having valid jurisdiction, and (iii) any court or any governmental department, commission, board, bureau, agency, or other instrumentality of the United States of America or of any state, county, municipality, or other governmental subdivision within the United States of America having valid jurisdiction.
Gravity	A specific scale developed by the API for measuring the relative density of various petroleum liquids, expressed in degrees.
Gross Standard Volume	Volume corrected to a temperature of sixty degrees Fahrenheit (60° F), in accordance with the latest API/ASTM measurement standards, and at equilibrium vapor pressure.
Net Standard Volume	Gross Standard Volume less BS&W.
Non-conforming Product	Crude oil or Petroleum Condensate that does not meet the specifications set out in <b>Section II, Item 25</b> .
Petroleum Condensate	Means processed condensate generally comprised of a mixture of heavier hydrocarbons, including butanes, pentanes, naphtha, distillates, fuel oil, liquefied petroleum gas, and residual oil that has been processed through a distillation tower at a stabilizer and that meets the specifications in <b>Section II, Item 25</b> .
Pipeline System	All tanks, lines, valves, fittings, pumps, and appurtenant equipment utilized by Carrier to transport Product on Shipper's behalf from the Receipt Point(s) to the

	Delivery Point(s).
Product	Petroleum Condensate or Crude Petroleum.
ppm	Parts per million.
Prime Interest Rate	The base rate of interest on corporate loans at large United States money center commercial banks, as adjusted from time to time and published in the Money Rates section of the Wall Street Journal or other equivalent publication if the Wall Street Journal no longer publishes such information.
psia	Pounds per square inch absolute.
psig	Pounds per square inch gauge.
Receipt Point	The point of origin at which Product is transferred from Shipper to Carrier for transportation.
Service Agreement	The written contract between Carrier and a Committed Shipper or its assignee containing the terms of the parties' agreement for Carrier's transportation of Product on the Pipeline System.
Shipper	The party or parties who ship Product incident to the terms and conditions of this Tariff and/or a Service Agreement.
Tariff	Unless otherwise indicated, the term Tariff means this TRRC Tariff No. 1.0.0, supplements thereto, and successive issues thereof.
Tender or Tended	Written designation by a Shipper to Carrier of an approximate quantity of Product for transportation from a specified Receipt Point to a specified Delivery Point over a period of one (1) calendar month in accordance with the terms of a valid Service Agreement and/or this Tariff.
TRRC	Railroad Commission of Texas.
Uncommitted Shipper	Means a Shipper who has not entered into a Service Agreement with Carrier.
Vol. %	Percent by volume.
Wt. %	Percent by weight.

**ITEM 23. Owner and Operator (Amends Section I, Item 3 and Item 13 of this Tariff.)**

23.1	Victoria Express Pipeline, L.L.C. owns and operates the Pipeline System covered by this Tariff.
23.2	<p>Notices should be directed to Carrier at the address specified below:</p> <p style="text-align: center;"><b>Greg Mills [W] Kevin Lupton</b>  Victoria Express Pipeline, L.L.C.  <b>17 S. Briar Hollow Ln. [W] Wortham Tower</b>  Houston, Texas 77027 [W] 2727 Allen Parkway, 9<sup>th</sup> Floor  [W] Houston, TX 77019  <b>(713) 881-3508 [W] 713-806-9395</b>  <del>GregM@Gulfmarkenergy.com</del> [W] kevin.lupton@gulfmarkenergy.com</p>
23.3	Payments should be directed to Carrier at the address specified in the most recent invoice issued by Carrier.
23.4	Section I, Item 13 above is not applicable to the pipeline or facilities operated by Carrier incident to this Tariff.

**ITEM 24. Segregation, Changes in Quality, and Common Stream Contamination (Amends Section I, Item 6 of this Tariff.)**

24.1	If Product is Tendered that is materially different in character or quality from that being transported currently as a Common Stream, Carrier, in its sole discretion, may reject such Tender to prevent contamination of the Common Stream or require such tender to be Batched. To address certain quality differences within the Common Stream, Carrier may, at its reasonable discretion, establish a quality bank to calculate, collect, and remit monetary adjustments among all Shippers Tendering within the Common Stream.
24.2	Carrier will receive Product for transportation on the Pipeline System only on the condition that it will be subject to such changes in Gravity (density) or quality while in transit as may result from the transportation thereof or the mixture of said Product with other Product in the Pipeline System. Carrier will endeavor to deliver similar type and quality of Product as that received from Shipper; however, Carrier will not be obligated to deliver the identical Product received by Carrier or be required to deliver from its common stock Product that is substantially like in kind or similar market value. Carrier will not be liable for any consequential loss or damage resulting from an alteration in Gravity (density) or quality of Product transported by Carrier, unless the loss or damage occurs because of the gross negligence of Carrier.

**ITEM 25. Product Specifications (Amends Section I, Item 1 and 2 of this Tariff.)**

25.1	Product must meet ASTM methods, substantially distilled below one thousand degrees Fahrenheit (1000 °F).																																																																	
25.2	<p>Product must also meet the following detailed specifications:</p> <table border="1" data-bbox="423 394 1408 1073"> <thead> <tr> <th><u>QUALITY</u></th> <th><u>UNITS</u></th> <th><u>MIN</u></th> <th><u>MAX</u></th> <th><u>TEST METHOD(S)</u></th> </tr> </thead> <tbody> <tr> <td>Sulfur</td> <td>wt%</td> <td></td> <td>0.3</td> <td>ASTM D4294</td> </tr> <tr> <td>Reid Vapor Pressure</td> <td>psi</td> <td></td> <td>9.0</td> <td>ASTM 323</td> </tr> <tr> <td>BS&amp;W</td> <td>vol%</td> <td></td> <td>1.0</td> <td>ASTM D95</td> </tr> <tr> <td>Organic Chlorides</td> <td>ppm</td> <td></td> <td>&lt;3.0</td> <td>ASTM 4929</td> </tr> <tr> <td>Olefins</td> <td>wt%</td> <td></td> <td>&lt;1.0</td> <td>ASTM 6729</td> </tr> <tr> <td>Mercaptans</td> <td>wt%</td> <td></td> <td>&lt;0.05</td> <td>ASTM D3327</td> </tr> <tr> <td>Metals</td> <td>ppm</td> <td></td> <td>3.0</td> <td>ASTM 5708</td> </tr> <tr> <td>H2S</td> <td>ppm</td> <td></td> <td>20</td> <td>ASTM 5623</td> </tr> <tr> <td>Distillations °F</td> <td>pt</td> <td></td> <td>1000</td> <td>ASTM D86 / D2887</td> </tr> <tr> <td>Crude Petroleum Gravity (API) at 60°</td> <td>API°</td> <td>35</td> <td>49</td> <td>ASTM D6337</td> </tr> <tr> <td>Petroleum Condensate Gravity (API) at 60°</td> <td>API°</td> <td>49.1</td> <td>75</td> <td>ASTM D6337</td> </tr> <tr> <td>Total Acid Number</td> <td>KOH/g</td> <td></td> <td>.1</td> <td>ASTM D664</td> </tr> </tbody> </table>	<u>QUALITY</u>	<u>UNITS</u>	<u>MIN</u>	<u>MAX</u>	<u>TEST METHOD(S)</u>	Sulfur	wt%		0.3	ASTM D4294	Reid Vapor Pressure	psi		9.0	ASTM 323	BS&W	vol%		1.0	ASTM D95	Organic Chlorides	ppm		<3.0	ASTM 4929	Olefins	wt%		<1.0	ASTM 6729	Mercaptans	wt%		<0.05	ASTM D3327	Metals	ppm		3.0	ASTM 5708	H2S	ppm		20	ASTM 5623	Distillations °F	pt		1000	ASTM D86 / D2887	Crude Petroleum Gravity (API) at 60°	API°	35	49	ASTM D6337	Petroleum Condensate Gravity (API) at 60°	API°	49.1	75	ASTM D6337	Total Acid Number	KOH/g		.1	ASTM D664
<u>QUALITY</u>	<u>UNITS</u>	<u>MIN</u>	<u>MAX</u>	<u>TEST METHOD(S)</u>																																																														
Sulfur	wt%		0.3	ASTM D4294																																																														
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Metals	ppm		3.0	ASTM 5708																																																														
H2S	ppm		20	ASTM 5623																																																														
Distillations °F	pt		1000	ASTM D86 / D2887																																																														
Crude Petroleum Gravity (API) at 60°	API°	35	49	ASTM D6337																																																														
Petroleum Condensate Gravity (API) at 60°	API°	49.1	75	ASTM D6337																																																														
Total Acid Number	KOH/g		.1	ASTM D664																																																														
25.3	<p>A. No Product will be accepted for transportation except merchantable Product that is properly settled and contains not more than one percent (1.0%) of BS&amp;W and other impurities and has a temperature not in excess of one hundred and twenty degrees (120°) Fahrenheit and its Gravity, viscosity, pour point, and other characteristics are such that it will be readily susceptible to transportation through the Pipeline System, and, where such Product was not Batched, will not materially affect the quality of other shipments or cause disadvantage to other Shippers or Carrier. In addition, Carrier reserves the right to reject (any and all of, but not limited to) shipments of Product where Shipper or Consignee has failed to comply with Applicable Laws made by any Governmental Authority regulating such shipment of Product. If Product is accepted from tankage, settled bottoms in such tanks must not be above a point six inches (6") below the bottom of the pipeline connection with the tank from which it enters the Pipeline System.</p> <p>B. Carrier may, from time to time, undertake to transport Non-conforming Product and if, in the opinion of Carrier, sufficient quantities are not nominated, or facilities are not available to justify continued transportation of Non-conforming Product, Carrier may, after giving reasonable notice to Shippers who may be affected, cease transporting Non-conforming Product. In the event Carrier undertakes to transport Non-conforming Product, all the provisions of this Tariff apply to such transportation as if the Non-conforming Product was Product.</p> <p>C. If, upon investigation, Carrier determines that a Shipper has delivered to the Pipeline System Product that has been contaminated by the existence of or excess amounts of impure substances, including but not limited to chlorinated or oxygenated hydrocarbons, arsenic, lead, or other metals, such Shipper will be excluded from further entry into the</p>																																																																	

	<p>Pipeline System until such time as quality specifications are met to Carrier’s satisfaction. Further, Carrier reserves the right to dispose of any contaminated Product, if necessary, in any reasonable commercial manner, and any liability associated with the contamination or disposal of any Product will be borne by the Shipper introducing the contaminated Product into the Pipeline System.</p> <p>D. The quantity of Product will be adjusted for temperature and deductions for BS&amp;W and other impurities. Transportation charges will be assessed on such gross volume delivered to the Receipt Point and recorded by the Receipt Point meter.</p> <p>E. Carrier reserves the right to reject any and all shipments when, in Carrier’s sole determination, the shipment contains Product having a true vapor pressure that might result in Carrier’s noncompliance with Applicable Laws.</p> <p>F. Where Product is delivered to the Pipeline System through automatic custody transfer measurement facilities, Carrier may require use of a monitor that rejects Product containing in excess of one percent (1.0 %) BS&amp;W.</p> <p>G. Carrier may refuse to accept for transportation or require Batched movement outside the Common Stream of any material tendered for transportation that does not meet the quality requirements as set forth in this <b>Item 25</b> or that in Carrier’s opinion differs materially in character from Product being transported by Carrier. Batched transportation shall be subject to the provisions of <b>Item 24</b> and upon such terms and conditions as set forth herein and in any Service Agreement, as applicable, between Carrier and the applicable Shipper.</p>
25.4	<p>The transportation of Product may be refused or terminated if Carrier determines that the Product does not meet the requirements established in this Tariff. Carrier will have the right, at its sole discretion, to any remedy available, including but not limited to the right, without notice or liability, to return, divert, sell, or dispose of Product that does not conform to this <b>Item 25</b>. Shipper will reimburse Carrier for all costs and expenses incurred by Carrier in returning or otherwise disposing of such Non-conforming Product.</p>
25.5	<p>Notwithstanding the provisions of <b>Item 25</b> hereof, if the Product Tendered is of a type or quality other than that being transported at the time of the Tender, and subject to such Product otherwise meeting the standards set out in <b>Item 25</b> of this Tariff, Carrier may, in its sole discretion and as operating conditions permit, at the request of Shipper, endeavor to transport and deliver such Product; provided, however, that Shipper agrees to provide any additional facilities required by Carrier, as determined in the sole determination of Carrier.</p>

<b>ITEM 26. Charge for Spill Compensation (Amends Section I, Item 8 of this Tariff.)</b>	
26.1	<p>In addition to the transportation charges and all other charges accruing on Product accepted for transportation, a per barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Carrier by a Governmental Authority under any Applicable Laws that levy a tax, fee, or other charge on the receipt, delivery, transfer, or transportation of Product within its jurisdiction for any purpose including, but not limited to, the establishment of a fund for the prevention, containment, cleanup, or removal of spills or the reimbursement of persons sustaining loss therefrom.</p>

**ITEM 27. Claims for Loss or Damage (Amends Section I, Item 12 of this Tariff.)**

27.1	Claims for loss or damage must be made in writing to Carrier within ninety-one (91) days after delivery of the Product, or in case of a failure to make delivery, then within ninety-one (91) days after a reasonable time for delivery has elapsed. Suits for loss or damage must be instituted before a court of competent jurisdiction not later than two (2) years after the date of delivery of the Product; or in case of a failure to make delivery, then not later than 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 Carrier will not be liable.
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**ITEM 28. Transportation**

28.1	Carrier makes available pipeline transportation between the Receipt Point(s) and the Delivery Point(s) specified in any individual tariff and/or Service Agreement, subject to the terms and conditions of this Tariff.
28.2	For Product accepted for transportation from any Receipt Point on the Pipeline System as of the effective date of this Tariff not named in the individual tariffs, which is intermediate to any published Receipt Point and/or Delivery Point for which rates are published, Carrier will apply from such unnamed point the rate published from the next more distant point specified.
28.3	For Product accepted for transportation to any Delivery Point on the Pipeline System as of the effective date of this Tariff not named in the individual tariffs, which is intermediate to any published Delivery Point and/or origin for which rates are published, Carrier will apply to such unnamed point the rate published to the next more distant point specified.
28.4	Any other Receipt Point or Delivery Point requested by Shipper will be subject to <b>Item 40, Scheduling.</b>

**ITEM 29. Nominations**

29.1	All Shippers desiring to ship Product through the Pipeline System must nominate and provide in writing the following information needed by Carrier to schedule and dispatch each shipment of Product: kind, quantity, Receipt Point(s), Delivery Point(s), sequence of delivery, and Shipper and Consignee of each proposed Product shipment. Nominations must be received by the Final Nomination Deadline.
29.2	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 in writing and only if space is available and the additional or changed nominations do not impair pipeline operation or movement of Product nominated prior to the Final Nomination Deadline. Shipper will make commercially reasonable efforts to notify Carrier of any changes to its nominations and, subject to the preceding two sentences, Carrier will make commercially reasonable efforts to accommodate such changes.
29.3	In the event a Committed Shipper's or its assignee's nomination is less than either its committed or its additionally contracted capacity, Carrier will be entitled to the unused capacity to accommodate volumes nominated by other Shippers. The obligation of a Committed Shipper to pay a deficiency

	payment will be governed by the terms of its Service Agreement, and the use of the capacity by other Shippers will not affect that obligation.
29.4	By the 28 <sup>th</sup> day of each month, Carrier will issue a schedule to Shipper providing the date and time for the receipt and delivery of Shipper's Product as noted in <b>Item 40, Scheduling</b> .
29.5	All nominations must contain a final destination to be accepted. Nominations from a single shipper that exceed the Capacity of the Pipeline System will not be accepted.
29.6	In the event the total nominations submitted for shipment exceed the capacity of the Pipeline System, the available capacity will be prorated according to <b>Item 90, Proration</b> .

<b>ITEM 30. Minimum Tender (Amends Section I, Item 7 of this Tariff.)</b>	
30.1	Nominations for receipt of Product will be accepted for transportation under this Tariff in shipments of not less than fifty thousand (50,000) Barrels per month from one Shipper at a single Receipt Point to one Consignee at a single Delivery Point, provided that Carrier will have the option, in its sole discretion, of accepting nominations for less than fifty thousand (50,000) barrels per month at a Receipt Point from any Shipper, so long as such acceptance does not adversely affect the operation of the Pipeline System. A Shipper's Tender of nominated volumes will be accepted only when the total quantity covered by that nomination will be Tendered to Carrier at a Receipt Point within said month at a daily rate, or in quantities and at time to be specified or accepted by Carrier, according to <b>Item 40, Scheduling</b> .
30.2	Nominations for delivery of Product will be accepted for transportation under this Tariff in shipments of not less than fifty thousand (50,000) Barrels per month to one Consignee at a single Delivery Point on behalf of one Shipper provided that Carrier shall have the option, in its sole discretion, of accepting Nominations for less than fifty (50,000) barrels per month at a Delivery Point on behalf of any Shipper, so long as such delivery does not adversely affect the operation of the Pipeline System.
30.3	The act of Tendering Product to Carrier for transportation will constitute a warranty by Shipper that Shipper or Consignee has good unencumbered title to, or the unencumbered right to ship, all Product Tendered by Shipper hereunder and Shipper will be responsible for the payment of all royalties, overriding royalties, production payments, and other similar amounts due in respect of such Product. By Tendering Product to Carrier for transportation hereunder, Shipper also warrants that the same was Tendered to Carrier in accordance with all Applicable Laws made by any Governmental Authority regulating such shipment of Product.

<b>ITEM 40. Scheduling</b>	
40.1	For each calendar month, Carrier will establish a sequence for pumping Product through its Pipeline System and will schedule the approximate time when Product offered for shipment will be received by Carrier at each Receipt Point and delivered by Carrier at each Delivery Point.
40.2	Carrier will inform each Shipper of the approximate time within each calendar month when Product will be accepted from such Shipper at each Receipt Point and Carrier will inform each Shipper or his Consignee of the approximate time within each calendar month when Product will be delivered to such Shipper or Consignee at each Delivery Point.

40.3	A change in destination may be made without charge if requested in writing by Shipper and approved by Carrier prior to delivery of Shipper's Product at the original Delivery Point subject to the rates, rules, and regulations applicable from Receipt Point to the final Delivery Point, provided then-current pipeline operations of Carrier will permit such a change of Delivery Point.
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<b>ITEM 50. Duty of Carrier</b>	
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50.1	Carrier will receive, transport, and deliver Product with reasonable diligence and dispatch. Shipper, or Consignee, will be notified not less than twenty-four (24) hours prior to the delivery of a shipment of Product at the Delivery Point.
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<b>ITEM 60. Facilities Required (Amends Section I, Item 5 of this Tariff.)</b>	
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60.1	Shipments will be accepted for transportation hereunder only when Shipper has provided facilities that, subject to the reasonable satisfaction of Carrier, are capable of delivering the Product at the Receipt Point(s) and receiving the Product at the Delivery Point(s) specified by Shipper at pressures and pumping rates required by Carrier.
60.2	Unless alternate prior commercial arrangements are made between Shipper and Carrier prior to initial Tender of Product by Shipper under this Tariff, Carrier will not be required to provide any storage for Product on Shipper's behalf at the Delivery Point(s) and Shipper will be exclusively responsible for obtaining capacity at, or downstream of, the Delivery Point(s) for the further storage and/or shipment of Product that is transported and delivered by Carrier hereunder, including coordinating nominations with Shipper's next ensuing carrier(s) for transportation and/or storage of Product from the Delivery Point(s).
60.3	Carrier, at its sole discretion, may provide working tankage that is incidental to and necessary for the transportation of Product on Shipper's behalf; provided, however, that Carrier does not have facilities for rendering, nor does it offer, a storage service.
60.4	Upon delivery by Carrier of Product into storage tanks furnished by Shipper or Consignee, the custody and possession of such Product will be that of Shipper or Consignee and not that of Carrier and Carrier will not be liable for any loss or damage to such Product while in storage.

<b>ITEM 70. Testing (Amends Section I, Item 9 of this Tariff.)</b>	
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70.1	Carrier may require each Shipper to provide a certificate from a qualified, competent, independent laboratory setting forth, in detail, the specifications of each shipment of Product proposed for transportation. Additionally, before or after acceptance of the Tender of shipment, Carrier will have the right to conduct such test on the Product proposed for shipment as Carrier deems appropriate.
70.2	Any additive or inhibitor to be included in any shipment must first be approved by Carrier in writing before such shipment will be accepted for transportation.
70.3	Without the prior written consent of Carrier, no Product that has been contaminated by any excessive metals or chemicals including, but not limited to, chlorinated and/or oxygenated hydrocarbons, arsenic, and/or lead, topped crude mixtures, chemical plant by-products, and



	refinery residues will be accepted for shipment.
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<b>ITEM 80. Measurement and Adjustments (Amends Section I, Item 9 and Item 14 of this Tariff.)</b>	
80.1	<p>A. All Product delivered for transportation may be tested, gauged, or metered by a representative of Carrier prior to or at the time of receipt from Shipper. Shipper or Consignee has the right to be present or represented during the testing, gauging, or metering. Shipper or Consignee will give Carrier twenty-four (24) hours prior notice of its desire to be present during testing, gauging, or metering.</p> <p>B. As an alternative measurement to that provided in A, Product delivered for transportation may be measured and tested, before transfer of custody to Carrier, by Lease Automatic Custody Transfer (LACT) equipment, provided such equipment is installed and operating in accordance with the latest revision of the API Manual of Petroleum Measurement Standards.</p>
80.2	Quantities will be measured in accordance with methods set forth in Chapter 5 (Metering) of the API Manual of Petroleum Measurement Standards. A full deduction will be made for all impurities.
80.3	Carrier will furnish to each Shipper a monthly statement of (a) volumes received by Carrier for the account of Shipper, (b) volumes delivered for Shipper's account to each Consignee, and (c) volumes remaining in inventory.
80.4	Any overage or shortage not due to the negligence of Carrier, including Carrier's Loss Allowance, other physical loss and interface mixture in any month, will be allocated on a monthly basis among Shippers in the proportion that the total number of Barrels delivered from the entire Pipeline System for each Shipper bears to the total number of Barrels delivered from the entire System for all Shippers.

<b>ITEM 90. Proration (Amends Section I, Item 16 of this Tariff.)</b>	
90.1	When, pursuant to <b>Item 40, Nominations</b> , herein, there will be offered to Carrier more Product than can be immediately transported on the Pipeline System, the available Capacity will be apportioned by Carrier. Such apportionment of available Capacity will be determined in a manner that optimizes the operational capacity of the Pipeline System, and is fair and equitable to all Shippers pursuant to Carrier's current proration policy. Carrier's current proration policy is dated August 1, 2019, and is available at Carrier's website.



100.7	<p>Notwithstanding anything to the contrary in this Tariff or any applicable Service Agreement, if Carrier believes it necessary to assure payment of sums owed by Shipper to Carrier under this Tariff, Carrier may at any time, at its sole discretion, require Adequate Assurance of Performance from Shipper.</p> <p>If Shipper fails to provide the requested Adequate Assurance of Performance within forty-eight (48) hours of receipt of Carrier's demand, then Carrier will have the right, but not the obligation, to deem Shipper to be in breach of this Tariff and to thereafter immediately suspend performance or terminate providing transportation under this Tariff. In no event will Carrier be obligated to schedule or complete delivery of Product until said Adequate Assurance of Performance is acceptable to, and delivered to, Carrier. Any delays and any costs associated with such delays will be for Shipper's account, without prejudice to any other rights or remedies that Carrier may have under this Tariff or Applicable Law.</p>
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<b>ITEM 110. Rates Applicable: Receipt Based Systems (Amends Section I, Item 8 and Item 14 of this Tariff.)</b>	
110.1	The rate that will apply to the transportation of Product will be the rate in effect on the date and time Product is received by Carrier for transportation. Likewise, the rules and regulations that govern the transportation of Product will be the rules and regulations in effect on the date and time Product is received by Carrier for transportation.
110.2	Volumes transported will be billed based on the Gross Standard Volume measured at the Receipt Point meter and the rate in effect for the Receipt Point.

<b>ITEM 120. Liability for Charges</b>	
120.1	Shipper and Consignee will be jointly and severally liable for the payment of gathering and transportation charges, fees, and other lawful charges accruing to or due Carrier by Shipper or Consignee including, but not limited to, penalties, interest, and late payment charges on Product delivered by Carrier to Consignee. All accrued charges are due on delivery of Product by Carrier to Consignee.

<b>ITEM 130. Demurrage Charges (Amends Section I, Item 10 and Item 11 of this Tariff.)</b>	
130.1	As supplemented by <b>Item 24, Segregation, Changes in Quality, and Common Stream Contamination</b> and <b>Item 60, Facilities Required</b> , and this <b>Item 130, Demurrage Charges</b> , Carrier will not be required to provide Product storage to any Shipper, either in its pipelines or storage tanks, unless alternate commercial arrangements are made in advance between Carrier and Shipper and the arrangements must be in place prior to initial Tender of Product by a Shipper under this Tariff.
130.2	Carrier will be notified of Shipper's inability to receive Product as soon as reasonably possible, but not less than within two (2) hours of scheduled delivery time. If Shipper or a Consignee is not able to receive such Product within four (4) hours from said notice, Shipper will be charged a demurrage charge of <del>fifty seven and nine hundredths cents (\$0.5709)</del> [I] seventy one and forty seven hundredths cents (\$.7147) per barrel per Day, or any part of a Day, until Shipper's Product is delivered and removed from the Pipeline System.
130.3	Effective as of four (4) hours after the notification in <b>Item 130.1</b> , Carrier reserves the right to make whatever arrangements for disposition of the Product it deems appropriate in order to clear its Pipeline System including, but not limited to, the sale or transfer of such Product to a third party, and to use the proceeds of any sale to pay pipeline transportation charges that may be due as if delivery had been made, to reimburse any expenses incurred by Carrier in making such arrangements, and to hold the balance of such proceeds for whoever may be entitled thereto.

<b>ITEM 140. Connection Policy (Amends Section I, Item 17 and 18 of this Tariff.)</b>	
140.1	Connections to Carrier's Pipeline System will only be considered if made by formal written notification to Carrier. A separate connection agreement, in accordance with this Tariff, will be required with any proposed Shipper seeking a connection with Carrier before any duty of transportation for said proposed Shipper will arise.
140.2	Cost and responsibility for such connection will be negotiated between Carrier and Shipper and any amounts payable by Shipper will be paid by Shipper to Carrier prior to commencement of any construction.
140.3	All connections will be subject to design requirements necessary to protect the safety, security, integrity, and efficient operation of Carrier's Pipeline System in accordance with generally accepted industry standards. Carrier will not be obligated to provide connections or facilities for the exchange of Product unless the Shipper or Consignee requesting such connection can demonstrate compliance with Carrier's connection and delivery specifications and that such connection will not adversely affect (i) the operation of Carrier's Pipeline System or (ii) other Shippers on Carrier's Pipeline System.
140.4	Acceptance of any request for connection will be subject to compliance with all Applicable Laws made by any Governmental Authority regulating the shipment of Product.
140.5	Carrier will have sole discretion to specify the design requirements of any new connection. Carrier may refuse to accept Product for transportation unless satisfactory written evidence is furnished that the Shipper or Consignee has provided the necessary facilities for the prompt receiving of said Product at its destination.

<b>ITEM 150. Liability of Parties (Amends Section I, Item 4 and 19 of this Tariff.)</b>	
150.1	<p>A. Carrier, while in possession of any Product, will not be liable for any loss thereof, damage thereto, or any delay caused by Force Majeure or any cause not due to the negligence of Carrier and in no event will Carrier be liable to Shipper for consequential, incidental, or exemplary damages to Shipper. In the case of loss of Product in a segregated shipment, then each Shipper of the Product so lost will share such loss in the proportion that the amount of such Product then in the custody of Carrier for the account of the Shipper bears to the total amount of such Product then in the custody of Carrier in the Pipeline System.</p> <p>B. Carrier will be obligated to deliver only that portion of a Product shipment remaining after deducting such loss. Transportation charges will be made only on quantities of Product delivered.</p> <p>C. If Product is lost in transit, while in the custody of Carrier, due to causes other than those described in Paragraph A of this Item, Carrier may obtain and deliver to Shipper other Product of the same quantity and grade as that which was lost, but Carrier will not be obligated to do so. In the alternative, Carrier may compensate Shipper for such loss in money. If Carrier compensates Shipper for such loss in money, the price per barrel will be determined as of the date of the loss based on the value of the Product.</p>
150.2	<p>As a condition to Carrier's acceptance of Product under this Tariff, each Shipper agrees to defend, indemnify, and hold harmless Carrier 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 Carrier, Shipper, Consignee, and/or any third party resulting from or arising out of: (a) any breach of or failure to adhere to any provision of this Tariff by Shipper, Consignee, or their agents, employees, or representatives; and (b) the negligent act(s), or failure(s) to act of Shipper, Consignee, or their agents, employees, or representatives in connection with delivery or receipt of Product.</p>
150.3	<p>If either Shipper or Carrier is rendered unable, wholly or in part, by reason of Force Majeure, from carrying out its obligations under this Tariff (other than the obligation to make payment of amounts due hereunder), then upon said party's giving written notice and reasonably full particulars of such Force Majeure to the other party, which will be done as soon as practicable after the occurrence of the cause relied on, the obligations of the party giving such notice (other than the obligation to make payment of amounts due hereunder), so far as they are affected by such Force Majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will be remedied with all reasonable dispatch.</p>

150.4	<p>The term “<i>Force Majeure</i>” will mean any event or occurrence beyond the reasonable control of a party that delays or prevents such party from performing its obligations under this Tariff including, without limitation, the following: Acts of God; strikes, lockouts, boycotts, picketing, labor, or other industrial disturbance of the party claiming the Force Majeure; explosions; nuclear reaction or radiation; radioactive contamination; fires; acts of terrorism; breakage of or accidents to facilities not caused by the negligence of the party claiming the Force Majeure; wars (declared or undeclared); blockades; insurrections; riots; epidemics; landslides; earthquakes; storms; hurricanes; lightning; floods; extreme cold or freezing; extreme heat; washouts; acts of a Governmental Authority (for example, arrests and restraints of governments, but excluding restraints occurring as a result of any violations by the party claiming the right to delay performance of Applicable Law or of the terms and provisions of this Tariff); confiscation or seizure by any government or public authority; the commandeering or requisitioning by United States civil or military authorities of any raw or component materials, product, or facilities including, but not limited to, producing, manufacturing, transportation, and delivery facilities; inability to obtain or delay in obtaining appropriate materials, supplies, or labor not caused by negligence of the party claiming the Force Majeure (excluding an inability to obtain or delay in obtaining Product unless such inability or delay otherwise qualifies as an event a Force Majeure under this Tariff); events of force majeure declared by a third party that interfere with performance under this Tariff, provided that such events of force majeure would otherwise qualify as an event of Force Majeure under this Tariff if such events directly occurred with respect to the party claiming Force Majeure under this Tariff; and civil disturbances. Notwithstanding the forgoing, Force Majeure will not include (a) changes in costs of materials or Product, or (b) a party’s financial difficulties that impair its ability to perform.</p>
150.5	<p>Notwithstanding anything to the contrary set forth in this Tariff, none of the following will, under any circumstances, constitute an event of Force Majeure: (a) the lack of financial resources, or the inability of a party to secure funds or make payments as required by this Tariff or any Service Agreement; (b) adverse market, financial, or other economic conditions, including changes in market conditions that either directly or indirectly affect the demand for or price of petroleum products, natural gas products, or Product; (c) availability of more attractive markets for Product; (d) Shipper’s inability to receive, transport, and or deliver Product to, on, or from the Pipeline System under the terms of this Tariff in a manner that Shipper deems economic; (e) Carrier’s inability to receive, transport, and/or redeliver any Product on Shipper’s behalf under the terms of this Tariff in a manner that Carrier deems economic; or (f) inefficiencies in operations.</p>
150.6	<p>The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty. The requirement that any Force Majeure must be remedied with all reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such is inadvisable in the discretion of the party having the difficulty.</p>
150.7	<p>A Shipper or Carrier suspending performance for a claimed event of Force Majeure must take all steps that are commercially reasonable to mitigate the damages to either party arising therefrom.</p>
150.8	<p>Payment for losses in excess of Carrier’s Loss Allowance will be made in kind.</p>

<b>ITEM 160. Line Fill</b>	
160.1	<p>Carrier will require Shipper to supply a pro-rata share of Product and inventory necessary for pipeline fill to assure efficient operation of Carrier’s Pipeline System.</p> <p>Product furnished by Shipper may be withdrawn from Carrier’s Pipeline System only after:</p> <ol style="list-style-type: none"> <li>(1) Shipper has notified Carrier in writing of its intent to discontinue shipments on the Pipeline System;</li> <li>(2) Shipper has ceased shipments on the Pipeline System; and</li> <li>(3) Shipper inventory balances have been reconciled between Shipper and Carrier.</li> </ol> <p>Carrier may require advance payment of transportation charges on the volumes to be delivered from Carrier’s Pipeline System, and any unpaid accounts receivable before final delivery will be made. Carrier will have a reasonable period of time after the receipt of said notice to complete administrative and operational requirements incident to Shipper’s withdrawal of the Product.</p>
160.2	<p>Any cash settlement of line fill balance will use the prevailing market price as determined by Carrier. If the line fill balance is negative, Shipper will be invoiced for an amount equal to the product of the balance times the prevailing market price. In the event that Shipper does not withdraw any positive balance pursuant to Item 160.1, Carrier will first deduct any outstanding transportation fees, then remit to Shipper the product of the balance times the prevailing market price.</p>

<b>ITEM 170. Contracts (Amends Section I, Item 14 of this Tariff.)</b>	
170.1	<p>This Tariff will be construed in accordance with the laws of the State of Texas without reference to conflict of laws. As a condition to Carrier’s acceptance of Product under this Tariff, each Shipper agrees to confer exclusive jurisdiction and venue, with regard to any and all cases arising from or related to this Tariff or a Service Agreement, solely on the courts located in Dallas County, Texas.</p>

**Explanation of Reference Marks:**

- [I] Increase.
- [W] Change in wording only.