

Filed on:

Nov 9 2022

Gas Services Department  
Railroad Commission of Texas

Springfield Tariff No. 100.0

# SPRINGFIELD PIPELINE LLC

LOCAL TARIFF

CONTAINING

RULES, REGULATIONS, AND CHARGES  
APPLYING TO THE TRANSPORTATION OF

**CONDENSATE**

(as defined herein)

BY PIPELINE

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

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**EFFECTIVE: November 9, 2022**

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**SECTION I  
RULES AND REGULATIONS OF RAILROAD COMMISSION OF TEXAS  
OIL AND GAS RULE § 3.71, PIPELINE TARIFFS**

**Gatherer, as defined in Section II, incorporates by reference into this tariff the rules and regulations set forth in Title 16, Rule § 3.71 of the Texas Administrative Code.**

## SECTION II SUPPLEMENTAL RULES AND REGULATIONS

The requirements of Section II will be in addition to the requirements set forth in Section I. In the case of discrepancies in the requirements between the Sections, the requirements in Section II will take precedence and govern over the requirements in Section I, to the extent permitted by Law.

### ITEM 1. DEFINITIONS:

For the purposes of Sections II and III, the following capitalized terms have the meanings ascribed to them below:

**“Adequate Assurance of Performance”** shall have the meaning set forth in Item 13.

**“Affiliate”** shall mean, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. The term **“control”** (including its derivatives and similar terms) means possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise.

**“Barrel”** shall mean a barrel of forty-two (42) gallons, corrected for temperature to sixty degrees (60°) Fahrenheit, and equilibrium vapor pressure.

**“Base Shipper”** shall mean a Shipper that has a currently effective Gathering Agreement with Gatherer in which the Shipper dedicates the Condensate owned, controlled or produced by Shipper or its Affiliates from the Dedicated Area for transportation on the System, in accordance with the terms of the Base Shipper Agreements.

**“Base Shipper Agreements”** shall mean the following agreements, as they may be amended from time to time: (i) that certain Second Amended and Restated Lease Dedication and Gas Gathering Agreement, effective as of June 1, 2017, by and between Gatherer and Mesquite Energy, Inc. f/k/a Sanchez Energy Corporation and its Affiliates, and (ii) those certain Amended and Restated Lease Dedication and Gas Gathering Agreement(s), effective as of January 1, 2016, by and between Gatherer and each of the other Base Shippers.

**“Committed Shipper Capacity”** shall have the meaning set forth in Item 8.

**“Condensate”** means liquid hydrocarbons normally exceeding 40 degrees of API gravity that (i) result from condensation of petroleum hydrocarbons existing initially in a gaseous phase in an underground reservoir and (ii) are recovered at the surface without resorting to processing other than by conventional mechanical, non-refrigerated separators.

**“Curtailed Order”** shall have the meaning set forth in Item 25(D).

**“Dedicated Area”** shall mean the specific acreage that is dedicated to the System in accordance with a Base Shipper Agreement or Gathering Agreement .

**“Delivery Point”** shall mean the point or points on Gatherer’s System where Condensate is delivered to Shipper, as specified in Section III of this tariff and as amended By Gatherer from time to time.

**“Encumbered Condensate”** shall have the meaning set forth in Item 17.

**“Force Majeure”** shall mean causes, conditions, events or circumstances that are beyond the reasonable

control of the party claiming Force Majeure. Such causes, conditions, events and circumstances will include acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, arrests and restraints of governmental authorities, either federal, state, or local, inability of any party to obtain necessary materials or supplies at reasonable market costs or permits due to existing or future rules, orders and Laws of governmental or judicial authorities (federal, state, local, or otherwise), interruptions by government or court orders, present and future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, sabotage, and partial or entire loss of market. Breakage of or accident to machinery or lines of pipe, the necessity for making repairs or alterations to machinery or lines of pipe, freezing of Wells or lines of pipe, or partial or entire failure of Wells will be considered Force Majeure if the party claiming Force Majeure has not caused the condition and the cause of the condition was out of the control of such party. Force Majeure could include any other causes, whether of the kind herein enumerated or otherwise not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to overcome, such as the inability to acquire, or the delays in acquiring, at reasonable market cost and after the exercise of reasonable diligence, any servitude, right-of-way grants, permits, or licenses required to be obtained to enable a party hereto to fulfill its obligations hereunder. The inability of a party to be profitable or to secure funds, arrange bank loans or other financing, or to obtain credit will not be regarded as an event of Force Majeure.

**"Firm Service"** shall mean Condensate gathering service provided to Base Shipper's on the System without interruption or suspension up to the Base Shipper's MDQ, but subject to Force Majeure.

**"Gatherer"** shall mean Springfield Pipeline LLC.

**"Gathering Agreement"** shall mean an agreement for Condensate gathering services on the System that is entered into between Gatherer and a Base Shipper or a Tier II Shipper, as defined herein, which shall include but not be limited to a Lease Dedication and Condensate Gathering Agreement.

**"Interruptible Shipper"** shall mean a Shipper that has not executed a Gathering Agreement to be a Base Shipper or Tier II Shipper.

**"Law"** shall mean all applicable and valid orders, laws, rules and regulations of duly constituted governmental authorities having jurisdiction or control over Gatherer and/or Shipper, their facilities or Condensate supplies, this tariff, or any provisions hereof.

**"Line Fill"** shall have the meaning set forth in Item 14 of this tariff.

**"Main OHF"** shall mean those certain oil handling facilities located at 1740 FM 2688, Catarina, TX 78836 in Dimmit County, Texas.

**"Maximum Daily Quantity or MDQ"** shall mean the maximum quantity per Day of Condensate that Gatherer has the obligation to receive at the Receipt Point and redeliver to the Delivery Point on behalf of a Base Shipper or Tier II Shipper.

**"Maximum Monthly Quantity"** shall mean the volume of a Base Shipper's or Tier II Shipper's Condensate produced from the Dedicated Area that shall be given capacity rights for Firm Service or Tier II Service on the System in a Proration Month.

**"Nomination," "Nominate," or "Nominating"** shall mean: (1) the actual monthly volume of Condensate delivered to the Receipt Point, during the month before such Nomination, on behalf of Base Shippers for Shipment to the Delivery Point; or (2) a written offer (in form and content specified by Gatherer) made by a Shipper to Gatherer of a stated quantity of Condensate for transportation from the Receipt Point to the specified Delivery Point pursuant to the terms of this tariff.

**"Receipt Point"** shall mean the point or points where Condensate is received into Gatherer's System, as

specified in Section III of this tariff.

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

“**Proration Month**” means the month for which capacity on Gatherer’s System is subject to prorating under Item 8 of this tariff.

“**Quality Specifications**” shall have the meaning set forth in Item 3(A) of this tariff.

“**Shipment**” shall mean the transportation of actual volumes of Condensate through Gatherer’s System from the Receipt Point to the Delivery Point, as measured on an average Barrel per day basis (averaged over a calendar month).

“**Shipper**” shall mean a party who contracts with Gatherer for transportation of Condensate as defined herein and under the terms of this tariff.

“**System**” shall mean Gatherer’s pipeline system, including all appurtenances thereto related to the provision of Condensate transportation services by Gatherer.

“**Tender**,” “**Tenders**,” or “**Tendered**” shall mean the presentation by a Shipper to Gatherer of a stated quantity of Condensate for transportation from a specified Receipt Point to a specified Delivery Point in accordance with this tariff.

“**Tier II Service**” shall mean the obligation of Gatherer to perform gathering services up to Shipper’s MDQ, but subject and subordinate to Firm Service.

“**Tier II Shipper**” shall mean a Shipper pursuant to a Gathering Agreement that provides for gathering services up to Shipper’s MDQ for Tier II Service.

“**Transporter**” shall mean WGR Operating, LP.

“**Unremoved Condensate**” shall mean Condensate that Shipper is unable or refuses to receive upon Gatherer’s delivery at the Nominated Delivery Point.

**ITEM 2. COMMODITY:**

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

**ITEM 3. SPECIFICATIONS AS TO QUALITY:**

A. The specifications set forth in this Item 3 (the “**Quality Specifications**”), which may be amended by Gatherer from time to time, are the required specifications for the Condensate and shall apply to each Barrel of Shipper’s Tender and shall not be limited to the composite sample of the Tender, except where noted.

COMPONENT	TEST METHODS	SPECIFICATIONS
Carbon Dioxide	GPA 2186	Maximum is 0.35 Liq. Vol. % (8038 ppm wt.) of the Ethane.
Aromatics	GPA 2186	10.0 Liq. Vol. % max. of C5+
Olefins	GPA 2186	1.0 Liq. Vol. % max. (See note 1)
Vapor Pressure at 100 OF	Calculated from Analysis using MCP (vapor pressure model based on component analysis)	600 psig max.
Corrosion, Copper Strip at 100 OF	ASTM D-1838	No. 1 (See notes 2 & 3)
Volatile Sulfur	ASTM D-2784 or ASTM D-5623	150 ppm wt. max.
Hydrogen Sulfide	ASTM D-2420 or ASTM D-5623	Pass
Carbonyl Sulfide	ASTM D-5623	15 ppm wt. max. in contained Propane
Distillation: Endpoint Temperature	ASTM D-86	375 OF max. (See note 4)
Color, Saybolt Number	ASTM D-156	+27 min. (See note 4)
Water Content	VISUAL INSPECTION	No Free Water @ 34 OF
Product Temperature Product Containing >65 mole% Ethane Product Containing <65 mole% Ethane		90 OF max. 110 OF max.
Halides (including Fluorides)	Antek Method	1 ppm wt. in nC4 max.

NOTES ON TEST METHODS: Method numbers listed above, beginning with the letter “D,” are American Society for Testing and Materials (ASTM), Standard Test Procedures. The most recent year’s revision for the procedures will be used.

CONTAMINANTS: The specification defines only the basic purity for this product. The product is to be free of any contamination that might render the product unusable for its commonly used applications, or that would be injurious to pipelines, meters or other facilities, or that may interfere with the processing, refining, transmission or commercial utilization of said product. Specific contaminants include (but are not limited to) dirt, rust, scale, and all other types of solid contaminants, caustic, amines, chlorides, heavy metals, oxygenates, inerts and any component added to the product to enhance the ability to meet the specifications. The product shall contain no active bacteria or bacterial agent, including but not limited to sulphate reducing bacteria and acid producing bacteria, or any hazardous or toxic substances.

Note 1. Propylene limited to 5.0 Liq. Vol. % max. of contained Propane, Butylene limited to 0.35 Liq. Vol. % max. of contained Butanes, and Butadiene limited to 0.01 Liq. Vol. % max. of contained Butanes.

Note 2. Caution – Use a corrosion cylinder rated at a minimum of 1500 psig.

Note 3. The use of corrosion masking agents is strictly prohibited.

Note 4. Distillation and Color to be run on that portion of the mixture having a boiling point of 70 °F and greater at atmospheric pressure.

- B. Gatherer reserves the right to reject any Condensate not meeting the Quality Specifications. Gatherer may also reject any Condensate having other characteristics, such that it will not be readily gathered through the System or which will materially affect or damage the quality of other shipments or cause disadvantage to other shippers and/or the System.
- C. Notwithstanding the specifications in this Item 3, should any connecting Gatherer or other downstream party notify Gatherer of a different or additional quality specification required for the receipt of Condensate from the System, then Gatherer will notify Shipper of any such different or additional specification as soon as practicable after being notified by such connecting Gatherer or other downstream party, and such specification will, upon Shipper’s receipt of such notice, be deemed to amend the above Quality Specifications for as long as required by such connecting Gatherer or other downstream party.

#### **ITEM 4. STORAGE AND STABILIZATION OF CONDENSATE:**

Gatherer only provides storage, stabilization, and blending services that are necessary and integral to transportation on the System, as and when determined by Gatherer in its sole discretion. Please see Item 24 for additional details regarding the stabilization and blending services provided by Gatherer. Any other storage, stabilization, or blending must be provided by Shipper or Shipper’s designee at the sole cost of Shipper.

#### **ITEM 5. MEASUREMENT AND TESTING:**

- A. All Condensate transported by Gatherer shall be measured at the applicable Receipt Point and Delivery Point, and may be measured at any other location on the System deemed appropriate by Gatherer, with such measurement done in accordance with applicable A.P.I. M.P.M.S. and A.S.T.M. standards. All measurements shall be performed by Gatherer or its designee, but Shipper or its representative may be present to witness such measurement, provided such witnessing does not unreasonably interfere with Gatherer’s operation of the System. Gatherer may deduct sediment, water, and other impurities as shown by the centrifugal method, Karl Fischer method or other test agreed upon.



- B. In determining the amount of sediment, water or other impurities, Gatherer is authorized to make a test of the Condensate 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 Gatherer and 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 Condensate.
- C. Condensate received from Shipper and Condensate delivered to Shipper shall, in each instance, be evidenced by tickets, showing opening and closing meter readings or inactive tank gauges, as applicable, temperature, pressure, and any other data essential to the determination of quantity. Such tickets shall be jointly signed by representatives of Gatherer and Shipper, and shall constitute full receipt for: (i) the Condensate received and (ii) the Condensate delivered, except where a discrepancy exists between the net meter tickets and any other available information. In the event of a discrepancy, the party discovering the discrepancy will immediately notify the other party, and the parties shall investigate the discrepancy and attempt to resolve any dispute by mutual agreement.
- D. A representative of Gatherer shall have the right to enter upon the premises where Shipper's Condensate is received or delivered and have access to any and all storage receptacles or meters for the purposes of measuring and testing and to make any examination, inspection, measurement or test required.

**ITEM 6. IDENTITY OF CONDENSATE, MAINTENANCE OF:**

- A. Gatherer shall not be liable to Shipper for changes in gravity or quality of Shipper's Condensate that may occur from commingling or intermixing Shipper's Condensate with other Condensate in the same common stream while in transit.
- B. Gatherer shall have no responsibility in, or for, any revaluation or settlements that may be deemed appropriate by Shippers because of mixing or commingling of Condensate between the receipt and delivery of such Shipments by Gatherer within the same common stream.
- C. Gatherer shall not be required to transport Condensate except with reasonable diligence, considering the quality of the Condensate, the distance of transportation and other material elements. Gatherer cannot commit to delivering Condensate at a particular time.

**ITEM 7. NOMINATIONS:**

- A. Condensate for Shipment through Gatherer's System will be received only by: (1) delivery of actual volumes of Base Shipper Condensate to the Receipt Point; or (2) receipt of properly executed Nominations from Shipper showing the point at which the Condensate is to be received, the point at which the Condensate is to be delivered, and the amount of Condensate to be transported. Gatherer may refuse to accept Condensate for transportation if Shipper has not furnished documentation demonstrating that it has made provision for prompt receipt thereof at the Nominated Delivery Point.
- B. Any Shipper desiring to Nominate Condensate for transportation shall make such Nomination to Gatherer in writing on or before the twenty-fifth (25th) day of the month preceding the month during which the transportation under the Nomination is to begin; except that, if space is available for current movement, Gatherer, in its sole discretion, may consider a Nomination from Shipper for transportation of Condensate submitted after the twenty-fifth (25th) day of the month preceding the month during which the transportation under the Nomination is to begin.
- C. Gatherer may refuse to accept Condensate for transportation if Shipper is not in compliance with other provisions of this tariff or where Shipper has failed to comply with all applicable Law regulating Shipments of Condensate.
- D. Gatherer will transport accepted Condensate during regular business hours, as established by

Gatherer from time to time. Gatherer may refuse to accept Condensate for transportation outside of those regular business hours.

**ITEM 8. OFFERS IN EXCESS OF FACILITIES:**

- A. When Gatherer receives more Nominations in a month for transportation of Condensate than Gatherer is able to transport, Gatherer shall allocate the capacity of the System under the provisions of this Item 8.
- B. Available capacity on a line segment shall be divided between Base Shippers as a class, Tier II Shippers as a class, and Interruptible Shippers as a class.
- C. Allocation to Base Shippers and Tier II Shippers: Gatherer shall allocate up to ninety-five percent (95%) of the available System capacity to Base Shippers and Tier II Shippers (such capacity, collectively, "**Committed Shipper Capacity**") in the manner described below:
- i. A Base Shipper's Maximum Monthly Quantity shall equal the Base Shipper's then-effective MDQ, as such amount is determined by the Nomination of Condensate to the Receipt Point during the month before any allocation under this Item 8.
  - ii. A Tier II Shipper's Maximum Monthly Quantity shall equal the Tier II Shipper's then-effective MDQ, as such amount is set forth in the applicable Gathering Agreement, multiplied by the number of days in the Proration Month.
  - iii. Gatherer shall first allocate to each Base Shipper a portion of the Committed Shipper Capacity equal to its Maximum Monthly Quantity.
  - iv. To the extent there is any Committed Shipper Capacity remaining for allocation following the allocations in Item 8(C)(iii), Carrier may allocate such remaining Committed Shipper Capacity to Tier II Shippers that submitted a Nomination, with such allocation being done in proportion to each Tier II Shipper's Maximum Monthly Quantity.
- D. Allocation of Capacity to Interruptible Shippers:
- i. Not more than five percent (5%) of the available capacity on a line segment will be made available to Interruptible Shippers during the Proration Month.
  - ii. Each Interruptible Shipper shall be allocated an amount of capacity during the Proration Month that is equal to its Nomination, provided that in no event will any Interruptible Shipper be allocated more than a maximum of 50 Barrels per day, in aggregate, on Gatherer's System; and further provided that if the total volume allocated among all Interruptible Shippers would exceed five percent (5%) of the available System capacity, then each Interruptible Shipper's allocation will be reduced on a pro rata basis, in accordance with its Nomination, so that the allocation to all Interruptible Shippers in the aggregate does not exceed five percent (5%) of the available System capacity. If an Interruptible Shipper is unable to arrange for the delivery of Condensate at the Delivery Point, then such Interruptible Shipper's Nomination shall be deemed to be reduced by the volume that such Interruptible Shipper is unable to arrange delivery for at the Delivery Point.
- E. During periods when Gatherer applies this Item 8:
- i. The capacity allocated to a Shipper will be provided as a daily or monthly value, at Gatherer's discretion, and will be calculated for the Proration Month; and
  - ii. Gatherer will use its reasonable efforts to notify each Shipper of its allocation not later than the

first working day of the Proration Month.

- F. If a Shipper does not use the capacity allocated to it under this Item 8 at the times and in the amounts designated by Gatherer, Gatherer shall have the right to use Shipper's unused capacity to fulfill the unmet Nominations of other Shippers.

**ITEM 9. FAILURE TO TAKE DELIVERY AT DESTINATION POINT:**

After a Shipment of Condensate has had time to arrive at Shipper's Nominated Delivery Point and on twenty-four (24) hours' notice to Shipper, Gatherer may begin delivery of such Condensate to Shipper at Gatherer's current rate of pumping. Shipper shall timely remove its Condensate, or cause the Condensate to be removed, from the System following transportation to a Nominated Delivery Point. If Shipper is unable or refuses to receive said Shipment, Gatherer may curtail the amount of Condensate it will accept from Shipper until such Unremoved Condensate is removed. Gatherer also reserves the right if deemed necessary to clear Gatherer's System and to make whatever arrangements for disposition of the Unremoved Condensate that are appropriate, which includes selling the Unremoved Condensate to the first available purchaser at a reasonable price, which reasonableness shall be in Gatherer's sole discretion. Any expenses incurred by Gatherer in making such arrangements shall be borne by Shipper. Shipper shall indemnify Gatherer for all losses associated with Unremoved Condensate and Gatherer's disposition of the Unremoved Condensate. Gatherer shall have no liability to Shipper associated with Shipper's Unremoved Condensate or Gatherer's disposition of the Unremoved Condensate.

**ITEM 10. APPLICATION OF RATES:**

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

**ITEM 11. PAYMENT OF TRANSPORTATION RATES AND OTHER CHARGES:**

- A. Shipper shall pay, as provided below, all applicable transportation and other charges accruing on Condensate handled by Gatherer. The transportation charges Shipper owes to Gatherer will be calculated based upon the volume of Condensate Shipper delivers to Gatherer at the applicable Receipt Point, and such volume shall not take into account any reductions in volume that occur during transportation or as a result of stabilization/blending.
- B. All payments are due within fifteen (15) days of receipt of the invoice.
- C. If any charge remains unpaid after the due date, then such amount due may bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the lower of: (i) the maximum lawful rate of interest in the State of Texas, or (ii) the prime rate of interest published under the "Money Rates" section by The Wall Street Journal (or a comparable rate of interest mutually agreeable to the Parties should The Wall Street Journal cease publication), plus two percent (2%), calculated on a monthly basis and compounded daily, which interest shall be promptly paid by Shipper. Additionally, if Shipper is more than ten (10) days late in making any payment, in addition to all other rights and remedies of Gatherer, and upon at least five (5) days' prior written notice, Gatherer may cease receiving Shipper's Condensate until Shipper's account is brought current, with interest.
- D. In the event Shipper fails to pay any charges when due, Gatherer shall have the right, until such payments, including interest thereon, are made in full, to: (i) refuse to provide Shipper access to Gatherer's System or provide services pursuant to this tariff, (ii) offset the current and future amounts owed by Shipper against any amounts Gatherer owes to Shipper, and (iii) exercise any other rights and remedies granted under this tariff or existing under applicable Law.
- E. Gatherer shall have a self-executing lien on all Condensate delivered to Gatherer to secure the payment of any and all transportation or any other charges that are owed Gatherer. Such lien shall

survive delivery of Condensate to Shipper. Such lien shall extend to all Condensate in Gatherer's possession beginning with Shipper's first receipt of transportation or other services from Gatherer. The lien provided herein shall be in addition to any lien or security interest provided by this tariff, statute or applicable Law. Gatherer may withhold delivery to Shipper of any of Shipper's Condensate in its possession and exercise any other rights and remedies granted under the applicable tariffs or existing under applicable Law until all such charges have been paid as provided above.

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

#### **ITEM 12. FINANCIAL ASSURANCES:**

If Gatherer has reasonable grounds for insecurity regarding the performance of any obligation under this tariff (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper), Gatherer may demand Adequate Assurance of Performance, which shall be furnished within five (5) Days of such demand. "**Adequate Assurance of Performance**" shall mean sufficient security in the form, amount and for the term reasonably acceptable to Gatherer, including, but not limited to, a standby irrevocable letter of credit, a prepayment, or a performance bond or guaranty (including the issuer of any such security). In the event Shipper fails to comply with any obligation in this Item 13 on or before the due date provided herein, Gatherer shall not be obligated to provide Shipper with access to its System or to provide the transportation services pursuant to this tariff until such requirement is fully met.

#### **ITEM 13. LINE FILL:**

Gatherer shall have the right, at its own discretion, to require Shipper to supply its proportionate share of the Condensate and tank bottom inventory and working tank inventory requirements on the System Gatherer determines is necessary for efficient operation of Gatherer's System ("**Line Fill**"). Gatherer shall not be obligated to accept Shipper's Nominations or Tenders until Shipper has met its Line Fill obligations pursuant to this Item 14.

#### **ITEM 14. CLAIMS, SUITS AND TIME FOR FILING:**

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

**ITEM 15. LIABILITY:**

The liability provisions set forth in this Item 16 shall apply to all Shippers on the System; provided, however, if a Shipper has entered into a TSA with Gatherer that contains liability provisions that differ from those set forth herein, the liability provisions in the TSA will control over these provisions.

- A. **AS A CONDITION TO GATHERER'S ACCEPTANCE OF CONDENSATE UNDER ITS TARIFF(S), EACH SHIPPER AGREES TO PROTECT AND INDEMNIFY GATHERER AGAINST CLAIMS OR ACTIONS FOR INJURY AND/OR DEATH OF ANY AND ALL PERSON WHOMEVER AND FOR DAMAGE TO PROPERTY OF OR ANY OTHER LOSS SUSTAINED BY GATHERER, SHIPPER AND/OR ANY THIRD PARTY RESULTING FROM OR ARISING OUT OF (I) ANY BREACH OF OR FAILURE TO ADHERE TO ANY PROVISION OF GATHERER'S TARIFF(S) BY SHIPPER, ITS AGENTS, EMPLOYEES OR REPRESENTATIVES; AND/OR (II) THE NEGLIGENT ACT(S) OR FAILURE(S) TO ACT OF SHIPPER, ITS AGENTS, EMPLOYEES OR REPRESENTATIVES IN CONNECTION WITH DELIVERY OR RECEIPT OF CONDENSATE. THIS INDEMNITY OBLIGATION SHALL EXTEND TO ANY INDEMNIFIABLE CLAIM EVEN THOUGH SUCH CLAIM ARISES AS A RESULT OF THE NEGLIGENCE OF THE PARTY INTENDED TO BE INDEMNIFIED BY THE APPLICABLE INDEMNITY PROVISION, EXCEPT THAT THIS INDEMNITY SHALL NOT EXTEND TO ANY PORTION OF AN INDEMNIFIABLE CLAIM THAT ARISES AS A RESULT OF THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY INTENDED TO BE INDEMNIFIED BY THIS INDEMNITY PROVISION.**
- B. Gatherer, while in possession of Condensate herein described, shall not be liable, and Shipper hereby waives any claims against Gatherer for, any loss thereof, damage thereto, delay, hindrance, or failure to perform its obligations caused by Force Majeure or by act of default of Shipper, or resulting from any other causes not due to the sole negligence of Gatherer, whether similar or dissimilar to the causes herein enumerated. In case of loss of Condensate from any such causes, after it has been received for transportation at the Receipt Point and before the same has been delivered to Shipper at the Delivery Point, Shipper shall stand a loss in such proportion as the amount of its Shipment, already delivered to Gatherer, bears to all of the Condensate then in the custody of Gatherer, for Shipment via the lines or other facilities in which the loss or damage occurs, and Shipper shall be entitled to have delivered only such portion of its Shipment as may remain after deduction of its due proportion of such loss, but in such event Shipper shall be required to pay charges only upon the quantity delivered.
- C. Gatherer operates under this tariff solely as a common Gatherer and not as an owner, manufacturer, or seller of the Condensate transported hereunder, and Gatherer expressly disclaims any liability for any express or implied warranty for Condensate transported hereunder including any warranties of merchantability or fitness for intended use.
- D. Gatherer will not be liable for discoloration, contamination, or deterioration of the Condensate transported hereunder unless such discoloration, contamination, or deterioration of Condensate transported results from the sole negligence of Gatherer. Negligence in this case shall not be construed to include contaminants, such as Transmix, absorbed by the material during transit through Gatherer's System, which is used for multi-product transportation.
- E. **NOTWITHSTANDING ANY PROVISION IN THIS AGREEMENT TO THE CONTRARY, THIS AGREEMENT DOES NOT AUTHORIZE GATHERER OR SHIPPER TO SUE FOR OR COLLECT FROM THE OTHER PARTY ITS OWN CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR INDIRECT DAMAGES, AND EACH PARTY HEREBY WAIVES ANY AND ALL CLAIMS IT MAY HAVE AGAINST THE OTHER PARTY FOR ITS OWN SUCH DAMAGES. FURTHERMORE, THE INDEMNITY OBLIGATIONS CONTAINED IN THIS AGREEMENT DO NOT INCLUDE INDEMNIFICATION FOR PUNITIVE OR EXEMPLARY DAMAGES UNDER ANY LAW OR OTHERWISE.**

**ITEM 16. CONDENSATE INVOLVED IN LITIGATION, ETC. – INDEMNITY AGAINST LOSS:**

At the time of Nomination, Shipper shall inform Gatherer if any Condensate Nominated and/or Tendered to Gatherer for transportation may be (i) encumbered by a lien or charge of any kind, (ii) may be involved in litigation or, (iii) may be subject to a title dispute (“**Encumbered Condensate**”). When any Encumbered Crude Petroleum is Nominated for transportation, Gatherer may require Shipper to provide one or more of the following: (i) satisfactory evidence of its perfected and unencumbered title, satisfactory indemnity bond to protect Gatherer against any and all loss, (iii) pre-payment of transportation charges, or (iv) a subordination agreement from the applicable lienholder. Gatherer also has the right to refuse any Shipment of Encumbered Condensate. Shipper warrants that it has good title to, or the unencumbered right to ship the Condensate hereunder and Tendered at the Receipt Point(s), and that such Condensate is free of all liens and adverse claims of any kind and shall indemnify, release and hold Gatherer harmless against all such liens and adverse claims; provided that acceptance for transportation shall not be deemed a representation by Gatherer as to title.

In addition, Shipper shall not cause or permit any lien, security interest or other form of burden be filed or created with respect to Condensate in Gatherer’s possession, except for the lien created in favor of Gatherer under Item 12(E) of this tariff.

**ITEM 17. ORIGIN AND DESTINATION FACILITIES:**

Gatherer shall accept Condensate for transportation only when Shipper has provided necessary facilities for receipt of the Condensate into Gatherer’s System at the Nominated Receipt Point and delivery of the Condensate from Gatherer’s System at the Nominated Delivery Point, at pressures and pumping rates required by Gatherer. Such facilities shall be provided at the sole cost of Shipper seeking access to Gatherer’s System.

**ITEM 18. CONNECTIONS:**

Requests for connections to the System shall be made by formal written request to Gatherer, at the address shown on the front page of this tariff. Acceptance of any connection request will be in Gatherer’s sole discretion and subject to compliance with all governmental regulations.

**ITEM 19. SEPARATE PIPELINE AGREEMENTS:**

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

**ITEM 20. ROYALTY AND TAXES:**

Shipper shall account for and pay all royalties, overrides, and other taxes, fees and sums due by Shipper or otherwise due pursuant to applicable Law, or due to the owners of the mineral, royalty, and other interests in the Condensate, and Shipper shall indemnify, release and hold Gatherer harmless against any loss, damage, expense or claim of every character arising out of or related thereto.

**ITEM 21. ASSIGNMENT:**

The rights and obligations of a Shipper under a Gathering Agreement, as they relate to transportation services offered under this tariff, may not be assigned, transferred, subcontracted, or otherwise conveyed to a non-Affiliate without the express prior written consent of Gatherer and then only in accordance with the assignment provisions of the Gathering Agreement. Any such action without the prior written consent of Gatherer shall be void and of no effect.

**ITEM 22. CURTAILMENT:**

- A. Gatherer shall have the right to curtail service under this tariff, in whole or in part on all or any portion or portions of its System, at any time (i) for reasons of Force Majeure incurred by Gatherer or a facility downstream of the Delivery Point, or (ii) when, in Gatherer's reasonable judgment, capacity or operating conditions so require, or (iii) when it is desirable or necessary to make modifications, repairs or operating changes to the System.
- B. Gatherer will use reasonable efforts to identify and curtail only those shippers whose Condensate is Nominated through the Receipt Point on the System, or any portion or portions of the System, which are subject to curtailment. To the extent permitted by Law, curtailments shall be handled as follows: (i) first, Condensate of Interruptible Shippers shall be curtailed ratably until curtailment volume is met, (ii) second, Maximum Monthly Quantity of Tier II Shippers shall be curtailed ratably until curtailment volume is met, and then (iii) Maximum Monthly Quantity of Base Shippers shall be curtailed proportionately based on total System capacity (or the applicable portion thereof) according to each Base Shipper's respective MDQ, (as set forth in their Gathering Agreement), or, in the event that such Base Shippers nominate Condensate for Shipment on the System on an aggregate basis, according to such aggregated Nomination, as applicable.

As used herein, the term "ratably" shall mean that available capacity shall be allocated by Gatherer to all affected shippers based on the percentage derived by dividing each affected shipper's confirmed quantity of Condensate Nominated by the total confirmed quantity of Condensate Nominated by all affected shippers. Gatherer shall determine the available capacity in the System, or affected portions of the System, and the effective time and date of any such curtailment, while taking into account safety and operational flexibility considerations.

- C. Gatherer shall provide Shipper with notice of curtailment or interruption at a time and in a manner that is reasonable under then existing conditions ("**Curtailement Order**"), and shall in any event confirm in writing or by facsimile transmission the notice given, if originally provided by telephone.

Shipper shall have the responsibility to inform the facility that is designated to receive Shipper's Condensate downstream of the Delivery Points, downstream customers, end-users, suppliers, and all others involved or affected by any curtailment or interruption described in Gatherer's Curtailement Order.

- D. Shipper shall indemnify Gatherer against and hold Gatherer harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Gatherer, which shall include any curtailment or interruption described in any of part of this Item 25. Shipper shall not be required to indemnify Gatherer as stated above to the extent that the curtailment or interruption is a result of Gatherer's gross negligence, bad faith or willful misconduct.

**SECTION III  
RATES**

**A. Transportation Rates**

**RATES IN DOLLARS PER BARREL OF 42 U.S. GALLONS**

RECEIPT POINT	DELIVERY POINT	RATE
Gatherer's facilities at Bay 1 truck unloading skid at the Main OHF	Inlet flange connecting Gatherer to Transporter at or near Transporter's Meter No. 421500004.	\$2.00 per Barrel

**Explanation of Reference Marks:**