

**Filed on:**

1:38 pm, May 28, 2024

Gas Services Department  
Railroad Commission of Texas

# Plains Oryx Permian Basin Pipeline LLC ♦

TEXAS LOCAL AND PROPORTIONAL PIPE LINE TARIFF

Applying on the Intrastate Transportation of

CRUDE PETROLEUM

From and To POINTS IN TEXAS

## APPLICATION OF RATE

The rates named in this tariff are for trunk line transportation and gathering of Crude Petroleum by pipelines, and are subject to the Rules and Regulations published herein, supplements thereto and reissues thereof.

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**EFFECTIVE: July 1, 2024**

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

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## RATES IN CENTS PER BARREL OF 42 UNITED STATES GALLONS

FROM	TO	RATE
Iatan Gathering System South Sour	Iatan Gathering System South Sour	[I] 152.75

**CAPITAL SURCHARGE:** In addition to the rates noted above, effective September 1, 2015, a surcharge in the amount of [U] 25.00 cents per barrel will be assessed on Crude Petroleum received from the Basa operated Mary Foster and Energen operated Central Foster leases. The initial capital expenditures to be amortized by the surcharge will be up to a volume of 3,000,000 barrels.

**EXCEPTION TO THE RULES AND REGULATIONS CONTAINED HEREIN:**

In lieu of the 0.2% loss allowance stated in Rule No. 31 C of the Rules and Regulations contained herein, the following loss allowance will apply to the movements listed herein: *no loss allowance*.

**Explanation of Reference Marks:**

[I] Increase  
[U] Unchanged rate

**RULES AND REGULATIONS**

Every person owning, operating, or managing any pipeline, or any part of any pipeline, for the gathering, receiving, loading, transporting, storing, or delivering of crude petroleum as a common Pipeline Operator shall be subject to and governed by the following provisions. Common Pipeline Operators specified in this section shall be referred to as “pipeline,” “pipelines” or “Pipeline Operator” and the owners or shippers of crude petroleum by pipelines shall be referred to as “shippers.”

Explanation of Terms and Abbreviations:

Terms and Abbreviations	Explanation
API.....	American Petroleum Institute
ASTM.....	American Society for Testing Materials
Barrel (Bbl).....	Forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit and zero (“0”) gauge pressure if the vapor pressure of the petroleum is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the petroleum is above atmospheric pressure.
Business Day	A day of the year, excluding all weekends and Carrier Holidays, when Carrier’s office is open during normal business hours.
Carrier or Pipeline Operator	Plains Oryx Permian Basin Pipeline LLC.
Carrier Holiday	A day on which Carrier’s office is closed for business.
Common Stream	Crude Petroleum moved through the pipeline and pipeline facilities which is commingled or intermixed with other Crude Petroleum.
Consignee.....	Party, including a connecting pipeline system, to whom Shipper has ordered Delivery of Crude Petroleum.
Condensate.....	Liquid products of oil wells and gas wells resulting from condensation of petroleum hydrocarbons existing initially in gaseous phase in an underground reservoir that are recovered at the surface without resorting to processing.
Crude Petroleum.....	Direct liquid products of oil wells, condensate or a mixture thereof.
°.....	Degrees
Delivery.....	Transfer from Pipeline Operator at destination to Shipper or Consignee
ENom System .....	Electronic Nomination System. The ENom System is a computerized information system that enables Shippers to nominate the movement of Crude Petroleum on Pipeline Operator’s System. Shippers can access the ENom System on Pipeline Operator’s website at <a href="https://www.plainsallamerican.com/customer-center/pipeline-tariffs/enom-portal">https://www.plainsallamerican.com/customer-center/pipeline-tariffs/enom-portal</a> .
Gross Standard Volume .....	Volume corrected to a temperature of sixty degrees (60°) Fahrenheit, in accordance with the latest API/ASTM measurement standards, and at equilibrium vapor pressure.

Indirect Liquid Products of Oil or Gas Wells.....	Liquid products resulting from the operation of gasoline recovery plants, gas recycling plants, or distillate recovery equipment in gas or oil fields, or a mixture of such products including Natural Gasoline or Natural Gas Liquids.
Net Standard Volume.....	Gross Standard Volume less deductions of impurities shown by tests made by Pipeline Operator prior to receipt and upon delivery.
Nomination.....	An offer by a Shipper to the Pipeline Operator of a stated quantity of Crude Petroleum for transportation from a specified origin or origins to a specified destination over a period of one operating month in accordance with these rules and regulations.
Receipt.....	Transfer from Shipper at origin to Pipeline Operator for transportation
Shipper.....	Party who contracts with Pipeline Operator for the transportation of Crude Petroleum under the terms of this tariff
Shipper Application System .....	A secure computerized information system that enables Shippers to submit a shipper application and requested information to Carrier electronically. Shippers can access the Shipper Application System on Carrier's website at <a href="https://www.plainsallamerican.com/customer-center/pipeline-tariffs">https://www.plainsallamerican.com/customer-center/pipeline-tariffs</a> .
Tender.....	Designation by a Shipper to the Pipeline Operator of an approximate quantity of Crude Petroleum for transportation from a specified origin point(s) to a specified destination point(s) over a period of one calendar month in accordance with these rules and regulations.
Transferor.....	The entity transferring volumes pursuant to an intrasystem transfer of title to Crude Petroleum as described in Rule 37 to these rules and regulations, Intrasystem Transfers.
Transferee.....	The entity accepting volumes pursuant to an intrasystem transfer of title to Crude Petroleum as described in Rule 37 to these rules and regulations, Intrasystem Transfers.

**The following nineteen (1-19) rules are reprinted here pursuant to the requirements of the Texas Railroad Commission.**

**Rule 1. All Marketable Oil To Be Received For Transportation-**

By the term "marketable oil" is meant any crude petroleum adapted for refining or fuel purposes, properly settled and containing not more than 2.0% of basic sediment, water, or other impurities above a point six 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 3,000 barrels of petroleum in any one day; and, if the oil tendered for transportation differs materially in character from that usually produced in the field and being transported there from by the pipeline, then it shall be transported under such terms as the shipper and the owner of the pipeline may agree or the commission may require. (amended by Rule 20)

**Rule 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 90 degrees Fahrenheit, 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.

**Rule 3. "Barrel" Defined-**

For the purpose of these sections, a "barrel" of crude petroleum is declared to be 42 gallons of 231 cubic inches per gallon at 60 degrees Fahrenheit.

**Rule 4. Oil Involved In Litigation, Etc. -- Indemnity Against Loss-**

When any oil offered for transportation is involved in litigation, or the ownership is in dispute, or when the oil appears to be encumbered by lien or charge of any kind, the pipeline may require of shippers an indemnity bond to protect it against all loss. (supplemented by Rule 33)

**Rule 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 days from the date of order of delivery at destination. (amended by Rule 21)

**Rule 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 Rule 22)

**Rule 7. Minimum Quantity To Be Received-**

A pipeline shall not be required to receive less than one 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 500 barrels. (amended by Rule 23)

**Rule 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.

**Rule 9. Measuring, Testing, and Deductions (Reference Special Order Number 20-63,098 Effective June 18, 1973)-(Or By Revised Newer Standard) (amended by Rule 31)**

- A. Except as provided in subparagraph (B) of this paragraph, all crude oil tendered to a pipeline shall be gauged and tested by a representative of the pipeline prior to its receipt by the pipeline. The shipper may be present or represented at the gauging or testing. Quantities shall be computed from correctly compiled tank tables showing 100% of the full capacity of the tank.
- B. As an alternative to the method of measurement provided in subparagraph (A) of this paragraph, crude oil and condensate may be measured and tested, before transfer of custody to the initial transporter, by:
  - i. lease automatic custody transfer (LACT) equipment, provided such equipment is installed and operated in accordance with the latest revision of American Petroleum Institute (API) Manual of Petroleum Measurement Standards, Chapter 6.1.; or

- ii. any device or method, approved by the commission or its delegate, which yields accurate measurements of crude oil or condensate.
- C. Adjustments to the quantities determined by the methods described in subparagraphs (A) or (B) of this paragraph shall be made for temperature from the nearest whole number degree to the basis of 60 degrees Fahrenheit and to the nearest 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 all owing the deductions, it is not the intention of the commission to affect any tax or royalty obligations imposed by the laws of Texas on any producer or shipper of crude oil.
- D. A transfer of custody of crude between transporters is subject to measurement as agreed upon by the transporters.

**Rule 10. Delivery And Demurrage-**

Each pipe line shall transport oil with reasonable diligence, considering the quality of the oil, the distance of transportation, and other material elements, but at any time after receipt of a consignment of oil, upon 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 10,000 barrels per day of 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 10 days of \$.001 per barrel; and thereafter at a rate of \$.0075 per barrel, for each day of 24 hours or fractional part thereof. (amended by Rules 21 and 24)

**Rule 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 delivery, 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 Operator may deduct all charges lawfully accruing, including demurrage, and all expenses of the sale. The net balance shall be paid to the person lawfully entitled thereto. (supplemented by Rule 35)

**Rule 12. Notice Of Claim-**

Notice of claims for loss, damage, or delay in connection with the shipment of oil must be made in writing to the pipeline within 91 days after the damage, loss or delay occurred. If the claim is for failure to make delivery, the claim must be made within 91 days after a reasonable time for delivery has elapsed. (amended by Rule 40)

**Rule 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. (clarified by Rule 25)

**Rule 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.

**Rule 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.

**Rule 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. (supplemented by Rule 34)

**Rule 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 Rule 26)

**Rule 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 therefore, and under regulations by the commission. (amended by Rule 26)

**Rule 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. (amended by Rule 27)
- 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 Pipeline Operator pipelines shall mail (return receipt requested) or hand deliver to landowners (persons who have legal title to the property in question) and residents (persons whose mailing address is the property in question) of land upon which a spill or leak has occurred, all spill or leak reports required by the commission for that particular spill or leak within 30 days of filing the required reports with the commission. Registration with the commission by landowners and residents for the purpose of receiving spill or leak reports shall be required every five years, with renewal registration starting January 1, 1999. If a landowner or resident is not registered with the commission, the common Pipeline Operator is not required to furnish such reports to the resident or landowner.

**Rule 20. Common Stream Contamination- Rule 1 contained herein shall be amended as follows:**

Carrier may monitor, but is not responsible for monitoring, receipts or deliveries for contaminants. If crude oil is tendered that is materially different in character and/or quality from that usually produced in the field, Pipeline Operator, in its sole discretion, may reject such tender to prevent contamination of the common stream.

**Rule 21. Storage- Rule 5 contained herein shall be amended as follows:**

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

**Rule 22. Identity of Crude Oil- Rule 6 contained herein shall be amended as follows:**

Pipeline Operator will endeavor to segregate Crude Petroleum based on kind and/or quality. Pipeline Operator will to the best of its abilities, make delivery of such Crude Petroleum at destination which is substantially the same Crude Petroleum as that received by Pipeline Operator at origin. Further, Pipeline Operator will not be liable for failure to deliver the identical Crude Petroleum or for any variations in the gravity and/or quality of Crude Petroleum occurring while such segregated Crude Petroleum is in Pipeline Operator's custody. Pipeline Operator shall not be liable for mixing of crude oil tendered into its common stream pipeline and shall not be required to deliver from its common stock crude oil which is substantially like in kind or similar market value. This paragraph shall also apply to crude oil deliveries addressed in Rule 10, hereof.

**Rule 23. Minimum Tenders- Rule 7 contained herein is not applicable to the operations of the pipelines and related facilities operating under this tariff.****Rule 24. Demurrage- Rule 10 contained herein shall be amended as follows:**

As amended by Rule 21, and this Rule, Pipeline Operator shall not be required to provide crude oil storage to any shipper, either in its pipelines or storage tanks, unless alternate commercial arrangements are made in advance between Pipeline Operator and shippers. The Demurrage charges outlined in Rule 10, are not applicable under this tariff.

**Rule 25. Telecommunications- Rule 13 contained herein is not applicable to the pipelines or facilities operated under this tariff.****Rule 26. Interconnections for Receipts and Deliveries- Rules 17 and 18 contained herein shall be amended as follows:**

Pipeline Operator shall not be obligated to provide connections or facilities for the exchange of crude oil unless the shipper or producer requesting such connection can demonstrate compliance with Pipeline Operator's connection and delivery specifications.

Pipeline Operator will determine and advise Shippers of the size and capacity of pipelines, tanks and/or metering facilities to be provided by Shipper at the point of receipt to meet the operating conditions of Pipeline Operator's facilities at such point. Pipeline Operator will not accept Crude Petroleum for transportation unless such facilities have been provided to meet industry standards.

The Pipeline Operator may refuse to accept Crude Petroleum for transportation unless satisfactory written evidence is furnished that the Shipper or Consignee has provided the necessary facilities for the prompt receiving of said Crude Petroleum at its destination.

Connections to Pipeline Operator's pipeline(s) will only be considered if made by formal written notification to Pipeline Operator and all requests will be subject to the following standards and conditions.

All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of the Pipeline Operator's pipeline(s) in accordance with generally accepted industry



standards. Acceptance of any request for connection will be subject to compliance with governmental regulations.

**Rule 27. Reporting- Rule 19.a, contained herein shall be amended as follows:**

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

**Rule 28. Specifications And Restrictions-**

Pipeline Operator will receive Crude Petroleum through its present facilities at only the origin point(s) named in individual tariffs making reference to these Rules and Regulations. Crude Petroleum will be accepted for transportation at such time as Crude Petroleum of the same quality and general characteristics is being transported from origin point(s) to destination point(s). Crude Petroleum tendered for transportation which is not of the same quality and general characteristics of that which is being transported by Pipeline Operator will be transported under the terms agreed upon in conformance with the filed tariffs. Crude Petroleum specifications shall meet those requirements of connecting Pipeline Operators. Provided, however, sulfur content shall not exceed 0.40% for crude oil deliveries into Dollarhide Station.

Pipeline Operator reserves the right but not the obligation to reject any and all of the following shipments:

- A. Crude Petroleum which is not good merchantable oil, which does not meet quality standards established pursuant to Rule 29 herein or which will otherwise materially affect or damage the quality of other shipments or cause disadvantage to other Shippers and/or Pipeline Operator.
- B. Crude Petroleum whose gravity, viscosity or other characteristics are such that it is not readily susceptible to transportation on Pipeline Operator's existing facilities.
- C. Crude Petroleum containing basic sediment, water or other impurities totaling in excess of two (2) percent as determined by centrifugal test, or by such other tests as may be agreed upon by the Shipper and Pipeline Operator.
- D. Crude Petroleum where the Shipper or Consignee has failed to comply with all applicable laws, rules and regulations.
- E. Crude Petroleum that has (1) no more than 100 parts per million hydrogen sulfide (H<sub>2</sub>S) in vapor phase, using the applicable test method, and (2) has no more than 75 parts per million mercaptans, using UOP 163 methodology. In lieu of any other remedies available to Carrier, if Crude Petroleum received by Carrier into Carrier's system does not meet the mercaptan limitation set forth herein, Carrier reserves the right to assess a **[U]** 50.0 cents per Barrel fee on each Barrel that fails to meet the mercaptan specification to treat and handle the transportation of the Crude Petroleum.

Crude Petroleum with a gravity of 34.9° API or less shall not exceed 8.0 pounds per square inch absolute (psia) Reid Vapor Pressure. Crude Petroleum with a gravity of 35.0° API or greater shall not exceed 10.0 psia Reid Vapor Pressure. Crude Petroleum shall not exceed 10 psia True Vapor Pressure at the receiving temperature independent of gravity.

In addition, Crude Petroleum tendered for transportation to Pipeline Operator shall be subject to the following limitations on gravity and temperature based upon tender location. These minimum specifications are physical limitations imposed by Pipeline Operator's equipment.

**Rule 29. Establishment of Quality-**

In addition to the general requirements for transportation set forth in Rule 28 above, Pipeline Operator will from time to time determine the quality of Crude Petroleum it will regularly gather from certain areas and the quality and general characteristics of Crude Petroleum it will regularly transport as a common stream between particular origin points and destination points on its trunk pipeline. Pipeline Operator will inform all interested persons of such Crude Petroleum quality and general characteristics upon request by them. Changes in petroleum quality standards will be made by new tariff filings.

Crude Petroleum quality and general characteristics include, but are not limited to, whole crude properties such as A.P.I. gravity, sulfur, S. & W., Reid Vapor Pressure, pour point, viscosity, hydrogen sulfide, metals, nitrogen, chlorinated and/or oxygenated hydrocarbons, salt content, and product yields.

**Rule 30. Nominations and Scheduling-**

Any Shipper desiring to tender Crude Petroleum for transportation shall make a Nomination to the Pipeline Operator before 12:00 noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the twenty-fifth (25th) of the month preceding the movement. When the twenty-fifth (25th) of the month falls on a weekend, nominations will be required prior to 12:00 noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the preceding Business Day. When the twenty-fifth (25<sup>th</sup>) of the month falls on a Carrier Holiday, Nominations will be required prior to 12:00 NOON Central Standard Time/Central Daylight Saving Time, whichever is applicable, three (3) Business Days prior to the Carrier Holiday (collectively, "Final Nomination Deadline"). The Nomination must be submitted via Carrier's ENom System. Unless such notification is made, the Carrier will be under no obligation to accept Crude Petroleum for transportation. Carrier's monthly nomination schedule will be posted on Carrier's website on or before January 15 of each year. Shippers can access Carrier's monthly nomination schedule on Carrier's website at <https://www.plainsallamerican.com/customer-center/pipeline-tariffs/enom-portal>.

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

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

In the event the total nominations submitted for shipment in a pipeline segment exceed the capacity of the segment, the capacity will be prorated equitably among all shipments according to the proration procedure set forth in Rule 34 below.

For each calendar month Pipeline Operator will establish a sequence for pumping Crude Petroleum through its trunk lines and will schedule the approximate time when Crude Petroleum offered for shipment will be received by Pipeline Operator at origin points and delivered to Pipeline Operator at destination points.

Pipeline Operator will inform each Shipper of the time within each calendar month when Crude Petroleum will be received from such Shipper at origin points and Pipeline Operator will inform each Shipper or his Consignee of the approximate time within each calendar month when Crude Petroleum will be delivered to such Shipper or Consignee at destination points.

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

**Rule 31. Measurements and Adjustments- The following modifies and supersedes Rule 9 hereof as follows:**

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

- A. Quantities for receiving and delivering will be Net Standard Volume. Quantities may be computed from tank tables compiled or accepted by the Pipeline Operator.
- B. The volume of impurities in Crude Petroleum received and delivered by Pipeline Operator will be measured by centrifugal test, or by such other tests as may be agreed upon by the Shipper and Pipeline Operator. The volume of impurities will be deducted from the volume of such receipts and deliveries.
- C. In addition to deductions for losses as provided for in Rule 33, Liability of Parties, of this tariff, Crude Petroleum quantities received for transportation may be adjusted to allow for inherent losses including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses; provided that, Pipeline Operator may only deduct up to a maximum of .20 of one percent (0.20%) of all Crude Petroleum received for transportation from a shipper to cover only actual losses incident to pipeline transportation. Shipper shall have the right to have its representatives present to observe tank gauging or other measurement activities. Except as otherwise provided in these Rules (including Rule 19, 28, 29, 31, 32 and 33), Pipeline Operator shall be liable for all other evaporation, shrinkage, line loss, contamination, damage to or destruction of or any other loss or damage to the Crude Petroleum transported ("Excess Loss").
- D. In addition, whenever the product of oil or gas wells with a gravity that equals or exceeds forty-five degrees (45°) A.P.I. is permitted to commingled with other Crude Petroleum in transit, Pipeline Operator shall deduct at the point of origin a percentage of the volume of such Crude Petroleum in accordance with the following table:

<u>Degrees A.P.I. Gravity</u>	<u>Percentage Deduction</u>
55 to 74.9	2
75 to 99.9	4
100 and above	5

The net balance after all deductions will be the quantity Pipeline Operator is obligated to deliver to the Consignee.

**Rule 32. Mixed Shipments-**

Mixed shipments of Crude Petroleum and the indirect Liquids Products of Oil or Gas Wells including Natural Gasoline and Natural Gas Liquids will be accepted for transportation under the following conditions:

- A. The Shipper shall provide tanks or storage equipment that will hold the Indirect Liquid Products of Oil or Gas Wells in liquid state until such Indirect Liquid Products of Oil or Gas Wells can be mixed in course of transportation with Crude Petroleum consigned by the same Shipper to the same destination in such proportions and manner as the Pipeline Operator shall prescribed.
- B. The Indirect Liquid Products of Oil or Gas Wells shall be tested by the Pipeline Operator before mixing with Crude Petroleum and the quantities shall be shown separately on the tender of the shipment.
- C. The quantities of Indirect Liquid Products of Oil or Gas Wells delivered to the Pipeline Operator shall be determined by tank gauge or meters. Such quantities shall be received on the basis of volume corrections for temperature from observed degrees Fahrenheit to sixty degrees (60°) Fahrenheit and at equilibrium vapor pressure.

- D. The Reid Vapor Pressure of any mixture of Indirect Liquid Products of Oil or Gas Wells shall not exceed ten (10) pounds per square inch.
- E. The resulting mixture with a gravity of 34.9° API or less shall not exceed 8.0 psia Reid Vapor Pressure. A mixture with the gravity of 35.0° API or greater shall not exceed 10.0 psia Reid Vapor Pressure. The True Vapor Pressure of the resulting mixture shall not exceed eleven (11) pounds psia at the receiving temperature independent of gravity.
- F. Pipeline Operator will not accept a mixture containing any of the following: Waste oils, lube oils, crankcase oils, PCB's or Dioxins.
- G. Any Indirect Liquid Products of Oil or Gas Wells must be blended with Crude Petroleum before entering Pipeline Operator's system.

**Rule 33. Liability of Parties-Rule 4 contained herein shall be supplemented, as follows:**

As a condition to Pipeline Operator's acceptance of Crude Petroleum under this tariff, each Shipper agrees to defend, indemnify and hold harmless Pipeline Operator against claims or actions for injury and/or death of any and all persons whomever and for the damage to property of or any other loss sustained by Pipeline Operator, Shipper, Consignee and/or any third party resulting from or arising out of 1) any breach of or failure to adhere to any provision of this tariff by Shipper, Consignee, their agents, employees or representatives and 2) the negligent act(s), or failure(s) to act of Shipper, Consignee, their agents, employees or representatives in connection with Delivery or Receipt of Crude Petroleum.

The Shipper and Consignee shall be jointly and severally liable for the payment of gathering and transportation charges, fees, and other lawful charges accruing to or due Pipeline Operator by Shipper or Consignee, including but not limited to, penalties, interest and late payment charges on Crude Petroleum delivered by Pipeline Operator to Consignee. All accrued charges are due on delivery of Crude Petroleum by Pipeline Operator to Consignee. Pipeline Operator may, at its option, require Shipper or Consignee to pay all such charges and fees in advance or to provide an irrevocable letter of credit satisfactory to Pipeline Operator pursuant to the provisions stated in Rule 42, Financial Assurances.

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

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

**Rule 34. Proration-Rule 16 contained herein shall be supplemented as follows:**

When there shall be tendered to Carrier, for transportation, more Crude Petroleum than can be immediately transported, the transportation furnished by Carrier shall be apportioned among Shippers as provided in Carrier's Pipeline Proration Procedures. Carrier's Pipeline Proration Procedures dated October 1, 2021 are available on Carrier's internet site at <https://www.plainsallamerican.com/customer-center/pipeline-tariffs> or on request.

**Rule 35. Payment of Transportation and Other Charges- The following supplements the provisions of Rule 11 hereof.**

Transportation charges will be assessed and collected by Pipeline Operator at the rates in effect as provided above on the basis of Gross Standard Volume actually received/delivered at the origin/delivery point(s) after making adjustments provided in Rule 31.

The Shipper or Consignee shall pay the transportation and all other charges applicable to the shipment, and, if required, shall prepay or guarantee the same before acceptance by the Pipeline Operator, or pay the same before delivery. Pipeline Operator shall have a lien on all Crude Petroleum in its possession belonging to the Shipper to secure the payment of all unpaid charges due by the Shipper, and may withhold such Crude Petroleum from Delivery until all such unpaid charges shall have been paid. Such lien shall extend to all Crude Petroleum, including Shipper's linefill, in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. Shipper agrees to execute such additional documents as may be reasonably necessary to perfect or evidence such lien. If a bill of lading is required under applicable law for such a lien to arise, acceptance of the Nomination will be deemed to be the bill of lading for all Crude Petroleum, including Shipper's line fill, subject to such Nomination. The lien provided herein shall be in addition to any lien or security interest provided by this tariff or applicable law.

If said charges shall remain unpaid five (5) days after the time which may be fixed for deliver as provided for below or, in the absence of unpaid charges, when there shall be failure to take the Crude Petroleum at the destination point as provided in these rules and regulations, in addition to any other rights Carrier has under this tariff or existing law, Carrier shall also have the right to (i) refuse to provide Shipper access to Carrier's system or provides services pursuant to this Tariff, and/or (ii) the Pipeline Operator may, by an agent, sell said Crude Petroleum at public auction for cash on any day not a Sunday or legal holiday, and not less than forty-eight (48) hours after publication of notice, in a daily newspaper, of the time and place of such sale and the quantity of Crude Petroleum to be sold. The Pipeline Operator may be a bidder and purchaser at such sale. Out of the proceeds of said sale the Pipeline Operator may pay itself all transportation and any other lawful charges, expense of notice, advertisement, sale, and other necessary expense, and of caring for and maintaining the Crude Petroleum, and the net balance shall be held without interest for whomsoever may be lawfully entitled thereto.

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

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

**Rule 36. Charge for Spill Compensation-**

In addition to the transportation charges and all other charges accruing on Crude Petroleum accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against the Pipeline Operator in connection with such a commodity, pursuant to any Federal, State or local act or regulation which levies a tax, fee or other charge, on the receipt, delivery, transfer or transportation of such commodities within their jurisdiction for the purpose of creating a fund for the prevention, containment, cleanup and/or removal of spills and/or the reimbursement of persons sustaining loss therefrom. If such taxes, fees or other charges are levied against the Pipeline Operator pursuant to this Rule 36, Pipeline Operator shall file a tariff with the Commission.

**Rule 37. Intrasystem Transfers-**

An intrasystem transfer of title to Crude Petroleum may be allowed on Pipeline Operator's System for a fee of [I] 0.77 cent per Barrel charged to the Transferor; provided, however, that no transfer fee shall be assessed to the Transferor if the Transferor pays the transportation and/or other charges to the specified transport point for the barrel and, at the time of nomination, consigns the barrel to the Transferee at the transfer point. The transfer point must be a location listed in the tariff. The Transferee accepting volumes on an intrasystem transfer shall be responsible for payment of transportation charges of those volumes from the transfer point to destination. Pipeline Operator shall not be obligated to recognize any intrasystem transfer and shall incur no liability with respect thereto or for any losses or damages accruing to any party involved in an intrasystem transfer. All intrasystem transfer requests must be submitted in a nomination to Pipeline Operator, made in accordance with requirements stipulated in Rule 30, Nominations and Scheduling, of these Rules and Regulations. In addition, the Transferor and Transferee, upon the request of Pipeline Operator and at Pipeline Operator's option, shall provide financial assurances to Pipeline Operator pursuant to Rules 35 and 42 contained herein.

**Rule 38. Volumetric Adjustment-**

Any volumetric difference between receipts from Shipper and delivery to Shipper or Consignee during a current month as a result of scheduling will be adjusted in the following month without any further liability to Pipeline Operator, taking into consideration all prior deductions allowed pursuant to the rules and regulations contained herein.

**Rule 39. Inventory Requirements-**

Pipeline Operator will require each Shipper to supply a prorata share of Crude Petroleum necessary for pipeline fill and working stock for efficient operation of the Pipeline Operator's pipeline system prior to Delivery. Based on the total line fill of segment(s) utilized by Shipper, Crude Petroleum provided by a Shipper for this purpose may be withdrawn from the system only after shipments have ceased or reduced below Shippers pro rata share of linefill for at least a three (3) consecutive month period and if written notice to reduce or discontinue shipments in Pipeline Operator's system is received on or before the twenty-fifth (25th) day of the month preceding the last calendar month in which the Shipper intends to ship or reduce its shipments; and provided further, drawdowns or withdrawals of inventory or working stock owned by Shipper, shall not be implemented on less than a three (3) month period and in equal monthly amounts so as to allow for orderly operation.

**Rule 40. Pipeage or other Contracts Required**

Separate pipeage and other contracts in accordance with these rules and regulations covering further details may be required by the Pipeline Operator before any duty for transportation shall arise.

**Rule 41. Claims for Loss or Damage-Rule 12 contained herein shall be amended as follows:**

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

accordance with the foregoing provisions, such claims will not be paid and the Pipeline Operator will not be liable.

#### **Rule 42. Required Shipper Information and Financial Assurances**

A. All (i) existing Shippers who have not submitted a nomination for a line segment to Carrier in the prior twelve (12) Months and (ii) prospective Shippers shall provide to the Carrier, at least ten (10) Business Days prior to the Nomination due date stated in Rule 30 contained herein or a tariff making reference to these rules and regulations, a shipper application and information ("Shipper Information") that will allow the Carrier to (i) determine the Shipper's capacity to perform any financial obligations that could arise from the transportation of that Shipper's Crude Petroleum under the terms of this tariff and (ii) to complete administrative requirements for establishing the Shipper in Carrier's ENom System. The Shipper Information must be submitted to Carrier via Carrier's Shipper Application System.

At any time, upon the request of the Carrier, on a non-discriminatory basis, any prospective or existing Shipper shall provide Carrier with information that Carrier may request to allow the Carrier to enforce the terms of this tariff. Such information must be provided within five (5) Business Days of such request and may include, but is not limited to, the legal business name and the registered business address of the Shipper or prospective Shipper and any Affiliates of the Shipper or prospective Shipper.

The Carrier shall not be obligated to accept Crude Petroleum for transportation from an existing or prospective Shipper (i) if the Shipper or prospective Shipper fails to provide the requested information to the Carrier in accordance with this Rule 42(a) within the time periods set forth herein; (ii) if the Carrier reasonably determines that any of the information provided is false; or, (iii) if the Carrier's review of the requested information reveals that the existing or prospective Shipper may not have the capacity to perform the financial obligations that could arise from the transportation of that Shipper's Crude Petroleum under the terms of this tariff, including but not limited to the payment of transportation charges and the reasonably determined value of the Allowance Oil and negative Shipper's balance positions.

B. Subject to the provisions of paragraph (c) below, the Carrier upon notice to the prospective or existing Shipper, may require one or more of the following Financial Assurances for the payment of all charges and costs as provided for in this tariff, or otherwise lawfully due to the Carrier to be provided at the expense of the Shipper:

1. prepayment;
2. a letter of credit in favor of Carrier in an amount sufficient to ensure payment of all costs and charges that could reasonably accrue due to the Carrier in a form and from an institution acceptable to Carrier;
3. a guaranty in an amount sufficient to ensure payment of all such costs and charges that could reasonably accrue due to the Carrier, in a form and from a third party acceptable to Carrier; or
4. such other enforceable collateral security including but not limited to security agreements over assets of the Shipper, in a form acceptable to the Carrier, collectively "the Financial Assurances".

C. In the event that the Carrier reasonably determines that:

1. the existing or prospective Shipper's financial condition is or has become impaired or unsatisfactory;
2. any Financial Assurances previously provided by a Shipper no longer provide adequate security for the performance of the Shipper's obligations that could arise from the transportation of its Crude Petroleum under the terms of this tariff; or
3. the Carrier otherwise determines that it is necessary to obtain Financial Assurances from the Shipper,

then the Shipper shall provide Financial Assurances for the payment of the charges and costs as provided for in this tariff or otherwise lawfully due to the Carrier relating to the transportation of the Shipper's Crude Petroleum by the Carrier.

**Rule 43. Released Capacity**

From time to time, Carrier may lease certain unused capacity on its System to another carrier. Lessee may choose in an applicable transportation month to release all or a portion of such leased capacity, at its discretion, to Carrier to allow Carrier to fulfill any unmet Nominations for service on its System (the "Released Capacity"). Carrier shall allocate Released Capacity among Shippers in accordance with the terms of Rule 34. Any Released Capacity that was provided to Carrier by lessee in a month shall automatically revert back to lessee at the end of such transportation month and shall only become available for Carrier's use in a subsequent transportation month in accordance with the provisions of this Rule 43.

**Rule 44. Transfer of Shipment History**

Except as provided in this Rule 44, Shipper's history of shipments on the System may not be assigned, conveyed, loaned, or transferred to or used in any manner by another Shipper. Upon thirty (30) days' written notice to Carrier ("Transfer Request"), a Regular Shipper ("Transferor") may transfer its history of shipments on the System in the period of 13 months beginning 13 months prior to the effective date of the transfer ("Shipment History"), or a portion thereof, to a third party (the "Transferee"). Transferee must be a Shipper on Carrier's system. The Transfer Request must be in writing and must contain, at a minimum, the following information:

- (a) The names and contact information of Transferor and Transferee.
- (b) The portion of Transferor's Shipment History to be transferred to Transferee ("Transfer Volume").
- (c) The effective date of the transfer of such Transfer Volume. The effective date must be the first day of a calendar month, cannot be a date in the past, and shall not be less than thirty (30) days from the date Transferor provides Carrier with the Transfer Request.

Carrier, after receipt of the Transfer Request, will send notification via electronic mail or other appropriate method as selected by Carrier to Transferor and Transferee of (1) the Transfer Volume, which may be subject to prior period adjustments; and (2) to Transferor, the remaining Shipment History of Transferor; and (3) to Transferee, the new Shipment History of Transferee. If either Transferor or Transferee does not submit a revised Transfer Volume within twenty-four (24) hours of its receipt of such notification, the transfer of the Transfer Volume will be finalized. Once the transfer is finalized, Carrier shall be entitled to fully rely on, conform its records to, and allocate System capacity in accordance with the transfer. Any finalized transfer of the Transfer Volume shall be irrevocable. The Transfer Volume may not be transferred more than once in any twelve (12)-month period, except by a Shipper that has a currently-effective volume commitment and/or transportation services agreement with Carrier in accordance with its applicable agreement or as an incident of the bona fide sale of all or substantially all of the Transferor's business or to a successor to the Transferor's business, or by the operation of law (such as by an executor or trustee in bankruptcy).

Carrier shall have the right to reject any request for transfer of shipment history under this Rule 44 if the Transferor or Transferee is not in compliance with the provisions of this Tariff at the time of the request. Transferor shall remain solely liable to Carrier for all fees and other charges Transferor has accrued under this Tariff and any other transportation agreement with Carrier prior to the transfer effective date. A transfer of Shipment History does not relieve the Transferor of any financial obligations.

For the purpose of this tariff, and without limiting the generality of the charges and costs lawfully due to the Carrier relating to the transportation of the Shipper's Crude Petroleum, those charges and costs shall include but are not limited to transportation charges, negative Shipper's balance positions and the Allowance Oil. The Carrier shall not be obligated to accept Crude Petroleum for transportation from an existing or prospective Shipper if the Shipper or prospective Shipper fails to deliver the Financial Assurances to Carrier.