

The Carrier will accept Petroleum Products (as defined below) for intrastate transportation by pipeline from the point of origin to the destinations named in this tariff, subject to the following rules and regulations.

RULES AND REGULATIONS

1. "PETROLEUM PRODUCTS", "BARREL", AND "CARRIER" DEFINED

"Petroleum Products" as used herein means and is limited to gasolines, liquefied petroleum gas, turbine fuel (See Note 1 on title page) and diesel fuel. No products lighter than propane or heavier than Number Two (2) fuel oil distillate will be accepted for movement.

"Barrel" means a barrel of forty-two (42) gallons, United States measurement at 60°F.

"Carrier" as used in these regulations means and refers to NuStar Logistics, L.P.

2. SPECIFICATIONS REQUIRED

Petroleum Products will be accepted for transportation only at such time as Petroleum Products of similar quality and characteristics are being transported from receiving point to delivery point. Carrier may require consignor to furnish a certificate by a licensed petroleum inspector showing the final tests of the Petroleum Products tendered for transportation. Petroleum Products, before tender, shall be dehydrated sufficiently to prevent the deposition of free water in the pipelines, and shall be free of suspended aqueous chemical solutions and solid matter in suspension.

3. STORAGE AND DESTINATION FACILITIES

Carrier will not undertake to provide tankage for the receipt of Petroleum Products at receiving point or for the delivery of Petroleum Products at destination. Shipments will be accepted for transportation only from tankage provided by shipper at the established receiving point for delivery to tankage provided in advance by consignor or consignee at established delivery points.

4. SCHEDULING OF SHIPMENTS, MINIMUM TENDER

A shipper desiring to originate Petroleum Products shall furnish Carrier a written notice ("Shipment Notice") by the 15th day of the month prior to the calendar month in which the shipper desires transportation. If the fifteenth (15th) day of the month falls on a weekend or holiday, Shipment Notices are due on the last workday before the fifteenth (15th). A "workday" shall be a Monday, Tuesday, Wednesday, Thursday or Friday of a calendar week, except when a Federal holiday falls on such a day of the week. Each Shipment Notice shall specify the type of Petroleum Product, the volume, origins and destinations of such Petroleum Product. If a shipper does not furnish a Shipment Notice, Carrier will be under no obligation to accept such Petroleum Product for transportation. Petroleum Products of the required specifications may be tendered for transportation in quantities of not less than twenty thousand (20,000) barrels, with a minimum of five thousand (5,000) barrels of the same quality and specifications for any one commodity, from one consignor, consigned to one consignee, same to be offered for shipment in shipper's tanks and accepted by the Carrier at inlet to Sheerin Station through shipper's connections.

5. PRORATION OF PIPELINE CAPACITY

In the event shippers' total requirements are greater than can be currently handled by Carrier, in order to allow Carrier to equitably allocate line capacity to all shippers during any month for which nominations set forth in Shipment Notices for that month exceed capacity, Carrier, in its sole discretion, shall prorate available capacity so as to avoid discrimination among shippers. The details of this procedure are set out in the following paragraphs.

5.1 Definitions except where the context requires another meaning, the following terms have the following meanings:

Proration Month is the calendar month for which space is being allocated.

Calculation Month is the calendar month just preceding the Proration Month for which space is being allocated.

Base Period	is the 12-calendar month period just preceding the Calculation Month. Individual months within the Base Period are designated by Nos. 1 through 12, with "Month 1" being the most recent Base Period month and "Month 12" being the oldest Base Period month.
New Shipper	is any shipper who is not a Regular Shipper.
Regular Shipper	is any shipper who had a record of movements of Petroleum Product(s) in any eight (8) of Months 1 through 12 of the Base Period.
Base Shipments	are the average monthly movements over a line segment by a Regular Shipper during the Base Period. Base Shipments will be calculated as follows: by dividing total movements by a Regular Shipper during the Base Period by the lesser of 12 or the number of months the Regular Shipper had a record of movements in the Base Period.
Shipment Notice Basis	means that the proration of capacity available pursuant to "Prorationing of Capacity" Item 5.4. (see below) to New Shippers will be allocated among all New Shippers in proportion to the volumes of Petroleum Products tendered by each New Shipper for that month.

5.2 When capacity will be prorationed. Capacity will be prorationed among all shippers for any month for which Carrier determines that the aggregate volume of Petroleum Products that all shippers tender to all Destinations in a pipeline segment exceeds capacity. Proration will be applied separately to each pipeline segment where a need for prorationing shall arise.

5.3. Prorationing on gasoline equivalent basis. When and if Carrier determines that a Barrel of gasoline consumes a smaller portion of capacity, on the average, than a Barrel of heavier Petroleum Products such as distillate, capacity will be prorationed on a gasoline equivalent basis.

5.4 Availability and allocation of capacity to New Shippers. Up to 10 percent of capacity shall be made available to New Shippers and will be prorated among them on a Shipment Notice Basis.

5.5 Availability of capacity to each Regular Shipper. After the allocation of the portion of capacity to New Shippers, the remaining portion of capacity for that month shall be available to Regular Shippers who have tendered volumes for that month.

5.6 Allocation to each Regular Shipper. Such remaining portion of capacity shall be allocated among Regular Shippers in proportion to their Base Shipments. In the event that the volume of Petroleum Products that would be allocated to a shipper on the basis of Base Shipments is greater than the volume it tenders, the difference between its volume calculated on the basis of Base Shipments and its volume tendered will be reallocated among all other Regular Shippers in proportion to their Base Shipment percentages.

5.7. Unused Allocated Capacity. Capacity that has been allocated to Regular Shippers but is not used would be re-allocated among all shippers, both regular and new based on their proportion of allocated capacity for the month.

5.8 Proration Penalty

To penalize inflation of shippers' nominations, a shipper's space allocation for the next Proration Month will be reduced by the amount of allocated throughput not shipped in the preceding Proration Month unless such failure to use allocated throughput is excused by force majeure. For this purpose "force majeure" means any of the following which directly affects or involves facilities used in the production of Petroleum Products, and from which facilities Petroleum Products have been tendered for shipment under this tariff: act of God, storm, flood, extreme weather, fire, explosion, act of war, quarantine, authority of law, strike or riot.

5.10 General

Space allocated to a shipper may neither be assigned by that shipper nor used by that shipper for the benefit of another shipper. Carrier will require an officer of the shipper to certify that space allocated to a shipper has not been assigned or re-marketed by that shipper or used by that shipper to benefit another shipper. In the event such provision is violated, the allocated space for all shippers involved in the violation shall be reduced by the amount of the unauthorized space obtained; the reduction being effective for the remainder of the current month as well as for the next month of proration for which pipeline capacity has not yet been allocated. Carrier will notify shippers of the available space and such space will be allocated on an equitable and non discriminatory basis.

6. PETROLEUM PRODUCTS INVOLVED IN LITIGATION, ETC.

The Carrier shall have the right to reject any Petroleum Products, when tendered for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by lien or charge of any kind, and it may require of the shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect Carrier.

7. MEASURING, TESTING AND DEDUCTIONS

All shipments tendered Carrier for transportation shall be tested, gauged or metered by a representative of Carrier prior to, or at the time of receipt from the shipper; but the shipper shall at all times have the privilege of being present or represented during the testing, gauging or metering. Quantities shall be corrected as to temperature from observed temperatures to 60°F. Full deduction will be made for all water and other impurities.

8. IDENTITY OF PETROLEUM PRODUCTS

Petroleum Products will be accepted for transportation only on condition same will be subject to changes in gravity, color, quality or characteristics while in transit or as may result from unavoidable contamination and Carrier will not be obligated to make delivery of the identical Petroleum Products received for transportation, Carrier may, therefore, make delivery of Petroleum Products out of common stocks of similar-Petroleum Products on hand at delivery point.

9. SPLIT DELIVERIES

Upon written instructions of the shipper or consignor, endorsed on the original and shipping order copies of the tender, the Carrier will deliver part of any shipment of Petroleum Products at any established destination which is intermediate to another destination, provided that the quantity of such shipment remaining for transportation and delivery to the last destination is sufficient to avoid excessive mixing. Transportation rates and charges will be assessed on the basis of the net quantity of Petroleum Products actually delivered at each destination.

10. RECONSIGNMENT

If no out of line or back haul movement or interference with shipping sequence is required, diversion or reconsignment may be made prior to arrival at original destination without charge, subject to the rates, rules and regulations applicable from point of origin to point of final destination.

11. LIABILITY OF CARRIER

Carrier of any of the Petroleum Products herein described shall not be liable for any loss thereof, or damage thereto, or delay, because of an act of God, the public enemy, quarantine, the authority of law, strikes, riots, or the acts of default of the shipper or consignee, or from any other cause not due to the negligence of the Carrier; in case of losses from such causes, other than the negligence of the Carrier, losses shall be charged proportionately to each shipment in the ratio that such shipment, or portion thereof, received and undelivered at the time the loss or damage occurs bears to the total of all shipments, or portions thereof, then in the custody of any of the Carrier for shipment via the lines or other facilities in which the loss or damage occurs; the consignee shall be entitled to receive only that portion of his shipment remaining after deducting his proportion of such loss or damage, determined as aforesaid and shall be required to pay transportation charges only on the quantity delivered.

12. UNPAID CHARGES, LIEN FOR AND SALE TO COVER

The consignor or consignee shall pay the transportation and all other lawful charges accruing. Carrier shall have a lien on all Petroleum Products to cover charges for transportation, and may withhold delivery of Petroleum Products until said charges are paid. If such charges remain unpaid for more than five (5) days after notice of readiness to deliver, Carrier, by agent, may sell said Petroleum Products at public auction at the General Office of Carrier, on any day not a legal holiday and not less than forty-eight (48) hours after publication of notice in a daily newspaper of general circulation published in the city where said General Office is located, said notice giving the time and place of the sale and the quantity of the Petroleum Products to be sold. The Carrier may be a bidder and purchaser at such sale. From the proceeds of the sale Carrier may pay itself all charges lawfully accruing, and all expenses of said sale, and the net balance shall be held for whomsoever may be lawfully entitled thereto.

13. USE OF COMMUNICATION FACILITIES

When Carrier maintains a private communication system shippers may use the same without extra charge for messages incident to shipment. However, Carrier shall not be held liable for delivery of messages away from its office, for delays in transmission, or for interruption of service.

14. NOTICE OF CLAIMS

Notice of claims for loss, damage or delay in connection with shipments must be made to the Carrier in writing within nine (9) months after same shall have accrued, or, in case of failure to make delivery, within nine (9) months after a reasonable time for delivery shall have elapsed. Such claims, fully amplified, must be filed with the Carrier within nine (9) months thereafter, and unless so made and filed the Carrier shall be wholly released and discharged therefrom and shall not be liable therefor in any court of justice. And no suit at law or in equity shall be maintained upon any claim unless instituted within two (2) years and one (1) day after the cause of action accrued.