
ENTERPRISE INTERSTATE CRUDE LLC

LOCAL TARIFF

Containing

RATES, RULES AND REGULATIONS

for

THE BASIN PIPELINE

Governing

THE GATHERING AND TRANSPORTATION

of

CRUDE PETROLEUM

by

PIPELINE

Filed in compliance with 18 Code of Federal Regulations §342.3 (Indexing).

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

ISSUED

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Issued and Compiled by:

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RULES AND REGULATIONS

ITEM 1 – ABBREVIATIONS AND DEFINITIONS

“Accepted Nomination Volume” is defined in Item No. 19 below.

“Allocation Volume” is defined in Item No. 19 below.

“API” means American Petroleum Institute.

“ASTM” means American Society for Testing and Material.

“Barrel” means forty-two United States gallons.

“Basin Pipeline” means Carrier’s pipeline facilities that transport Crude Petroleum from the Permian Basin in West Texas and southern New Mexico to Cushing, Oklahoma.

“Carrier” means Enterprise Interstate Crude LLC.

“Collateral” is defined in Item No. 15 below.

“Common Steam(s)” as herein used means Crude Petroleum moved through Carrier’s pipeline and associated facilities which is commingled or intermixed with other Crude Petroleum in said pipeline or facilities. Carrier’s Common Streams and the characteristics of each shall be determined by the Carrier.

“Crude Petroleum” means the grade or grades of the direct liquid product of oil or gas wells which Carrier has undertaken to gather or transport.

“FERC” means Federal Energy Regulatory Commission.

“Financial Assurances” is defined in Item No. 15 below.

“Gravity Shrinkage Deduction” is defined in Item No. 11 below.

“Initial Nomination” is defined in Item No. 19 below.

“Minimum Volume” means a minimum continuous volume of 15,000 Barrels of Crude Petroleum received or delivered at one time.

“Nomination” or “Nominates” as herein used means the communication from a Shipper to a Carrier in accordance with Item No. 19 notifying Carrier of a stated volume of a specified Crude Petroleum from a specified origin or origins to a specified destination which Shipper desires to tender for transportation on Carrier’s system each month.

“Nomination Shortfall Charge” is defined in Item No. 19.

“Obligations” is defined in Item No. 15 below.

“Pipeline Loss Allowance” is defined in Item No. 11 below.

“Reid Vapor Pressure” means the vapor pressure of crude oil or other volatile petroleum products at 100 degrees Fahrenheit as determined by the latest edition of ASTM D6377 (RVPE): Standard Test Method for Determination of Vapor Pressure of Crude Oil.

“Shipper(s)” means the party or parties for whom transportation services are provided under the terms of this tariff.

“Transfer” is defined in Item No. 25 below.

“Volume Threshold” is defined in Item No. 19 below.

ITEM 2 – ACCEPTANCE OF DELIVERY

After a shipment has had time to arrive at destination and on twenty-four (24) hours’ notice to Shipper, Carrier may begin delivery of such shipment to Shipper at its current rate of pumping. If all of such shipment cannot be received by Shipper, a demurrage charge of [U]1.19 cents per Barrel per twenty four (24) hours shall accrue, from the time said notice expires, on that part of such shipment which has not then been received by Shipper.

If a Shipper is not able to receive Crude Petroleum from Carrier at the time when Carrier has scheduled a delivery and if Carrier has no means of withholding delivery of such Crude Petroleum, then Carrier shall have the right to sell such Crude Petroleum to the first available purchaser at the best price obtainable; to use the proceeds thereof to pay pipeline transportation charges which shall be due as if delivery had been made; and to hold the balance of such proceeds for whomsoever may be entitled thereto.

ITEM 3 – CARRIER’S REMEDIES

The transportation of Crude Petroleum may be refused or terminated if Carrier determines that the Crude Petroleum does not meet the requirements established herein. Carrier shall have the right, at its sole discretion, to any remedy available, including but not limited to the right without notice of liability to return, divert, sell or dispose of Crude Petroleum which does not conform to its items and regulations. Shipper shall reimburse Carrier for all costs and expenses incurred by Carrier in returning or otherwise disposing of such non-conforming Crude Petroleum.

ITEM 4 – CHARGES FOR ENVIRONMENTAL RELATED MEMBERSHIPS AND FEES

To the extent Barrels transported over Carrier’s facilities are the basis of a charge by any public or private agency or organization (such as the Marine Preservation Association), which charge is related to compliance with federal, state or local environment laws or regulations (such as the Oil Pollution Act of 1990), Carrier shall have the right to assess Shipper at a cost for any such charge attributable to that Shipper’s Barrels, provided Carrier has first given thirty (30) days advance written notice to Shipper of its intention to make such assessment thereafter.

ITEM 5 – CLAIMS, SUITS, TIME FOR FILING

As a condition precedent to recovery for loss, damage, injury or delay, claims must be filed in writing with the originating or delivering Carrier within nine (9) months and one (1) day after a reasonable time for delivery of the Crude Petroleum, or in case of failure to make delivery, then within nine (9) months and one (1) day after a reasonable time for delivery has elapsed; and suits shall be instituted against the Carrier only within two (2) years and one (1) day from the day when notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part of parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, the Carriers shall not be liable and such claims will not be paid.

This tariff is governed by, and must be interpreted and construed in accordance with, the laws of the State of Texas, without regard to any of its principles of conflicts of laws that would make applicable the laws of any other jurisdiction. Except for disputes that fall within the jurisdiction of the Federal Energy Regulatory Commission, exclusive venue for any claim, suit, action, or proceeding brought in connection with this tariff is in the state and federal courts located in Harris County, Texas. Carrier and Shipper each irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection they may now or hereafter have to the laying of venue of any suit, action, or proceeding arising out of or relating to this tariff in the state and federal courts situated in Harris County, Texas. *Intending to waive and forever relinquish any right under applicable law providing for a right of trial by jury, Carrier and Shipper each knowingly, voluntarily, and intentionally waives, to the fullest extent permitted by applicable law, any and all claims or rights it or its successors and assigns may have to any trial by jury on any issue arising out of any litigation, dispute, suit, action, or proceeding related to this tariff.*

ITEM 6 – COMMON STREAM PETROLEUM-CONNECTING CARRIERS

When both receipts and deliveries of substantially the same grade of Crude Petroleum are scheduled at the same location on Carrier’s system, including, but not limited to, interconnections with connecting carriers, Carrier reserves the right to offset like volumes of such common stream Crude Petroleum, in order to avoid the unnecessary use of energy that would be required to physically pump the offsetting volumes. The applicable tariff rate will be applied to such transactions. When this right is exercised, Carrier will make further deliveries for the Shipper involved from its Common Stream Crude Petroleum.

ITEM 7 – DESTINATION FACILITIES

Carrier will deliver Crude Petroleum to a Shipper at destinations on its trunk lines. Crude Petroleum will be delivered only into pipelines, tanks or other facilities that are provided by Shipper or Shipper’s designee or a connecting carrier. Carrier will determine and advise Shippers of the size and capacity of pipelines, tanks or other facilities to be provided at point of delivery to meet the operating conditions of Carrier’s facilities at such point. Carrier will not accept Crude Petroleum for transportation unless such facilities have been provided.

ITEM 8 – DISPATCHING

For each calendar month, Carrier will establish a sequence for pumping various grades of Crude Petroleum through its trunk lines and will schedule the approximate time when Crude Petroleum offered for shipment will be received by Carrier at origins and delivered by Carrier at destinations.

Carrier will inform each Shipper of the time within each calendar month when Crude Petroleum will be received from such Shipper at origins and Carrier will inform each Shipper of the time within each calendar month when Crude Petroleum will be delivered to such Shipper at destinations.

ITEM 9 – DIVERSION

Diversion may be made if requested by the Shipper and accepted by Carrier prior to arrival at original destination, subject to the rates, rules, and regulations applicable, including Item 19, from point of origins to the final destination, provided the then current pipeline operations of the Carrier will permit such diversion. Such request must be confirmed in writing.

ITEM 10 – ESTABLISHMENT OF GRADES

Carrier will from time to time determine which grades of Crude Petroleum it will regularly gather from certain areas and which grades of Crude Petroleum it will regularly transport as a Common Stream between particular origins and destinations on its trunk pipelines.

Carrier will inform all interested persons of such determination upon request by them and this will constitute the sole holding out of the Carrier in

regard to the grades of Crude Petroleum transported.

Carrier may from time to time undertake to gather or transport other or additional grades of Crude Petroleum and Carrier may from time to time, after giving reasonable notice to persons who may be affected, cease to gather or transport particular grades of Crude Petroleum.

ITEM 11 – GAUGING, TESTING AND VOLUME CORRECTIONS

All Crude Petroleum accepted at custody transfer points or otherwise gathered into Carrier’s facilities shall be tested for basic or foreign sediment and water and other impurities and gauged or metered by Carrier’s representative. Shipper shall have the right to witness all proving of meters used in such measurement. Carrier reserves the right to test and measure and/or witness the testing and measurement of all deliveries from its facilities.

Where the measurement is determined by tank gauge, such measurement shall be based upon tanks strapped and tables compiled in accordance with Chapter 2, “Tank Calibration”, API Manual of Petroleum Measurement Standards, Latest Edition, indicating one hundred percent (100%) full capacity. Volume measurements by temperature compensated meters shall be further corrected for meter factor and pressure in accordance with the API Manual of Petroleum Liquid Hydrocarbons by Pipeline Displacement Meters.

Where the tank or meter of the Shipper is used for volume determination for deliveries into or from Carrier’s facilities, Carrier reserves the right to require restrapping or check-strapping of any such tank, the recalculation of any tank table utilized by Shipper in relation to any such tank and the proving or check-proving of any such meter.

Carrier shall deduct from the volume of Crude Petroleum received into Carrier’s facilities the actual amount of suspended basic or foreign sediment, water and other impurities as ascertained by centrifuge or other tests agreed upon.

The net calculated quantity at sixty degrees Fahrenheit (60° F) less sediment and water and other impurities volume percentage shall be the quantity received or delivered by Carrier.

Two-tenths of one percent (0.2%) of all volumes of Crude Petroleum received into Carrier’s facilities shall be allocated to Carrier to cover loss due to shrinkage and evaporation incident to transportation on Carrier’s facilities. (“Pipeline Loss Allowance” or “PLA”). PLA is settled pursuant to Carrier’s Policy and Procedures Applicable to Shipper Over/Short Balancing and Pipeline Loss Allowance Settlement dated July 1, 2020, which is posted on Carrier’s website and updated from time to time with notice to all Shippers. This policy will also be used to settle any over/short balances of Shipper each month.

In addition to the Pipeline Loss Allowance set forth above, all Crude Petroleum nominated for shipment on the Basin Pipeline shall be subject to a further deduction (the “Gravity Shrinkage Deduction”) as set forth below:

API GRAVITY	% DEDUCTION
55 degrees through 74.9 degrees	1%
75 degrees through 89.9 degrees	2%

Except for arithmetic errors, all measurement and testing by Carrier shall be conclusive if a representative of the Shipper was not present during such measuring and testing.

ITEM 12 – INVENTORY REQUIREMENTS

Carrier shall require Shipper to supply a pro rata share of Crude Petroleum and inventory necessary for pipeline and tankage fill to assure efficient operation of Carrier’s pipeline system.

Crude Petroleum furnished by a Shipper may be withdrawn from Carrier’s pipeline system only after:

- (1) Shipper has ceased shipments and Shipper has notified Carrier in writing to discontinue shipments in Carrier’s pipeline system, and;
- (2) Shipper inventory balances have been reconciled between Shipper and Carrier.

Carrier may require advance payment of transportation charges on the volumes to be delivered from Carrier’s pipeline system, and any unpaid accounts receivable, before final delivery will be made. Carrier shall have a reasonable period of time after the receipt of said notice to complete administrative and operational requirements incident to Shipper’s withdrawal of the Crude Petroleum.

ITEM 13 – LIABILITY OF CARRIER

Except where caused by the negligence, gross negligence, or willful misconduct of Carrier, Carrier is not liable to a Shipper for any delay, damage, loss, or consequential loss resulting from any cause while Carrier is in possession or control of such Shipper’s Crude Petroleum, including the breakdown of the facilities of Carrier.

If damage or loss to Crude Petroleum results from any cause other than the negligence, gross negligence, or willful misconduct of Carrier while Carrier is in possession or control of such Crude Petroleum, then Carrier may apportion the cost of such damage or loss on a pro rata basis among all Shippers. Each Shipper’s share of such cost will be determined by Carrier based on the proportion of the volume of Shipper’s Crude Petroleum in the possession of Carrier on the date of such loss to the total volume of Crude Petroleum in the possession of Carrier on the date of such loss. Carrier will be obligated to deliver only that portion of the Crude Petroleum remaining after such deduction.

If Crude Petroleum is lost in transit while in the custody of Carrier due to the negligence, gross negligence, or willful misconduct of Carrier, then

Carrier, shall, as full compensation therefor, either obtain and deliver to Shipper thereof other Crude Petroleum of the same quantity and grades as that which was lost, or compensate Shipper for such loss in money.

A Shipper shall indemnify Carrier for any damages, losses, costs, or consequential losses incurred by Carrier or any other party as a result of such Shipper's failure to comply with any provision of this tariff. This indemnification by Shipper excludes any damage, loss, cost, or consequential loss caused by the negligence, gross negligence, or willful misconduct of Carrier.

ITEM 14 – ORIGINATION FACILITIES

Carrier will receive Crude Petroleum from Shippers at stations on its gathering lines; at leases or plants to which its gathering lines connect; and at origins on its trunk lines. Crude Petroleum will be received only from pipelines, tanks or other facilities that are provided by Shipper or Shipper's designee, or a connecting carrier, or a marketer of Crude Petroleum. Carrier will determine and advise Shippers of the size and capacity of pipelines and tanks to be provided at the point of a receipt to meet the operating conditions of Carrier's facilities at such point. Carrier will not accept Crude Petroleum for transportation, unless such facilities have been provided.

ITEM 15 – PAYMENT OF TRANSPORTATION AND OTHER CHARGES

Shipper shall pay all 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 and if required by Carrier, shall pay the same before acceptance or delivery by Carrier of Shipper's Crude Petroleum. Carrier will invoice Shipper based on receipts into Carrier's pipeline for charges or other lawfully due amounts on a monthly basis. The Shipper shall pay all invoiced amounts within ten (10) days of the date of invoice from Carrier. If any amounts owed by Shipper are not paid by the due date of Carrier's invoice, Carrier shall have the right to assess an interest charge on the entire past due balance until paid in full at the rate equal to the lesser of (i) 18% per annum, or (ii) the maximum non-usurious interest rate which may then be charged under Texas law.

Carrier may require that all payments to Carrier for services pertaining to the transportation of Crude Petroleum be wire transferred in accordance with the instructions on the Carrier's invoice to Shipper.

Carrier shall have a lien upon all of the following, whether now or hereafter existing or acquired, as collateral security for the prompt and complete payment and performance of the Obligations (as defined below): (a) all product of Shipper in the possession of Carrier or its agents including linefill; (b) all of Shipper's prepayments, deposits, balances and credits with, and any of its claims against, Carrier, at any time existing; and (c) all proceeds of any of the foregoing property in any form (collectively, "Collateral"). The foregoing lien and Collateral secures all of the following obligations of Shipper (collectively, the "Obligations"): (i) any and all charges owed to Carrier by Shipper under this tariff or otherwise lawfully due to Carrier, including penalties, interest, and late payment charges; (ii) the reimbursement of any costs or amounts Carrier may advance, spend or incur for the storage, preservation, removal or sale of the Collateral or otherwise to enforce the lien or these Obligations; and (iii) all amounts owed under any modifications, renewals, or extensions of any such Obligations. The lien provided in this tariff is in addition to any lien or security interest provided by applicable law and any and all other rights and remedies Carrier may have at law or in equity.

If any amounts accruing and owed to Carrier remain unpaid for ten (10) business days after written notice and demand therefor, then the Carrier or its agents shall have the right, in addition to and not in limitation of its other rights and remedies, to sell any or all of the Collateral at public auction, on any day not a legal holiday. The date for the sale shall be at least forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time, place of sale, and a description and the location of the Collateral to be sold. At such sale, Carrier or any of its affiliates shall have the right to bid, and if the highest bidder, to become the purchaser. Carrier shall apply the proceeds of any such sale to the payment of Obligations accruing or due to Carrier and to the reimbursement of expenses associated with the sale of the Collateral, and the balance remaining, if any, shall be paid to or held for whomsoever may be lawfully entitled thereto.

Carrier may, with or without notice to the Shipper, appoint agent(s) to retain possession of the Shipper's Crude Petroleum on behalf of the Carrier for the purpose of enforcing the lien described in this Item. Carrier shall have the right to file all such documents as it deems appropriate in order to perfect or maintain the perfection of the security interest, lien and assignment granted herein and Shipper shall cooperate and execute all such documents as may be reasonably requested by Carrier.

If Shipper fails to satisfy when due any Obligations to Carrier, then Carrier shall have the right, until all such Obligations, including interest thereon, are paid in full to: (i) refuse to provide Shipper access to Carrier's facilities or provide transportation services for Shipper's Crude Petroleum; (ii) set-off (including by set-off, offset, recoupment, combination of accounts, deduction, retention, or counterclaim) any amounts owing to Carrier against any monies owed by Carrier to Shipper or Shipper's affiliates under this tariff, any contract, or against any Crude Petroleum of Shipper in the custody of Carrier or its agents; and (iii) exercise any other rights or remedies under this tariff, any contract with Shipper, or under applicable law or in equity, provided that Carrier will only exercise its right to refuse to provide Shipper access to Carrier's facilities or provide transportation services if Shipper has not provided Financial Assurances to Carrier sufficient in Carrier's reasonable discretion to satisfy the Obligations, provided further, notwithstanding any such Financial Assurances, if such Obligations have remained unsatisfied for sixty (60) days past the date due, even if Shipper has provided Financial Assurances, Carrier shall have the right to refuse Shipper access to Carrier's facilities or provide transportation services for Shipper's Crude Petroleum until such Obligations have been satisfied. In addition, Shipper shall pay all documented costs incurred by Carrier to collect any unpaid Obligations, including reasonable attorney fees and costs incurred by Carrier.

At any time, upon the reasonable request of Carrier, any Shipper or prospective Shipper shall provide information to Carrier that will allow Carrier to determine the Shipper's or prospective Shipper's capacity to perform any Obligations that could arise under the terms of this tariff or a TSA.

In the event Carrier determines that:

- (1) the Shipper or prospective Shipper's financial condition is or has become impaired or unsatisfactory;
- (2) any Financial Assurances previously provided by a Shipper no longer provides adequate security for the performance of such Shipper's Obligations; or

(3) Carrier otherwise determines that it is necessary to obtain additional Financial Assurances from Shipper;

Then Carrier, upon notice to Shipper, may require one or more of the following (“Financial Assurances”) for the payment of the Obligations, to be provided at the expense of Shipper:

- (1) prepayment (which will be held by Carrier without interest accruing thereon) in an amount and in a form satisfactory to Carrier;
- (2) a standby irrevocable letter of credit in favor of Carrier in an amount and in a form satisfactory to Carrier and issued by a financial institution acceptable to Carrier;
- (3) a guaranty in an amount and in a form satisfactory to Carrier and provided by a guarantor acceptable to Carrier; or other enforceable collateral security or credit support, in form and substance acceptable to Carrier.

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 Shipper’s Crude Petroleum by the Carrier. For the purpose of this tariff, and without limiting the generality of the charges and costs lawfully due to the Carrier under this tariff, those charges and costs shall include, but are not limited to, transportation charges, Shortfall Payments, and negative Shipper’s balance positions.

Carrier shall not be obligated to accept Crude Petroleum for transportation from or to provide access to Carrier’s facilities to a Shipper or prospective Shipper if Shipper or prospective Shipper fails to provide the requested information to Carrier within ten (10) days of Carrier’s written request, or if Carrier’s review of the requested information reveals that the Shipper or prospective Shipper does not have the capacity to perform the Obligations and such Shipper or prospective Shipper fails to provide Financial Assurances requested by Carrier.

ITEM 16 – QUALITY AND QUANTITY OF RECEIPTS AND DELIVERIES

Carrier will accept for transportation Crude Petroleum which can be commingled or intermixed with a grade of Crude Petroleum which Carrier regularly transports between the origins and destinations of the shipment without substantially reducing the value or altering the quality of any grade of Crude Petroleum which Carrier regularly transports over the route of the shipment.

Carrier will accept Crude Petroleum for transportation only on condition that Carrier shall not be liable to Shipper for changes in gravity or quality which may occur from commingling or intermixing such Crude Petroleum with other Crude Petroleum in transit; and that Carrier shall not be obligated to deliver to Shipper the identical Crude Petroleum received from Shipper. However, Carrier will deliver to Shipper a grade of Crude Petroleum as nearly like the grade of Crude Petroleum received from Shipper as Carrier is regularly transporting as a Common Stream to destinations of the shipment.

The Carrier shall not be obligated to accept a Shipper’s Crude Petroleum if the volume of such Crude Petroleum is less than the Minimum Volume or if the receipt flow rate at which such Crude Petroleum is received by the Carrier is less than or greater than the receipt flow rates specified from time to time by the Carrier for the destination.

The Carrier shall not be obligated to make a delivery of a Shipper’s Crude Petroleum of less than the Minimum Volume or at a delivery flow rate less than or greater than the delivery flow rates specified from time to time by the Carrier for the destination point.

Carrier will also accept for transportation a grade of Crude Petroleum which does not meet the conditions of the first paragraph of this item, provided that:

- (a) Carrier has available facilities to segregate such grade of Crude Petroleum while it is in transit from all other grades of Crude Petroleum; and
- (b) Carrier shall not be liable to Shipper for changes in the gravity or quality of such grade of Crude Petroleum while it is in transit.

ITEM 17 – RATES APPLICABLE

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

ITEM 18 – RATES APPLICABLE FROM AND TO INTERMEDIATE POINTS

Crude Petroleum received from a point on Carrier’s lines which is not named in this tariff, but which point is intermediate to a point from which rates are published in tariffs making reference to this tariff, will be assessed the rate in effect to the next more distant point published in this tariff.

Crude Petroleum delivered to a point on Carrier’s lines which is not named in this tariff, but which point is intermediate to a point to which rates are published in tariffs making reference to this tariff, will be assessed the rate in effect to the next more distant point published in this tariff.

ITEM 19 – SCHEDULING OF SHIPMENTS

Shippers qualified to ship on Carrier’s system desiring to tender Crude Petroleum for transportation hereunder shall submit monthly Nomination(s) via Carrier’s electronic nomination system, specifying the origin, destination, product type, quantity of products to be shipped. Shippers shall submit an initial Nomination (an “Initial Nomination”), on or before the fifteenth (15th) day of the month preceding the month of shipment, unless such day falls on the weekend or is a holiday, in which case the due date for an Initial Nomination shall be the last business day immediately prior to the fifteenth (15th) day of the month preceding the month of shipment. Unless such Initial Nomination is made, the Carrier shall be under no obligation to accept Crude Petroleum from such Shipper. At the end of the day on the Initial Nomination due date, each Shipper’s Nomination will be considered binding as to Shipper. If a Shipper makes a Nomination after the Initial Nomination due date, Carrier shall notify Shipper if such Nomination will be accepted

and any such accepted Nomination shall be considered binding as to Shipper upon Carrier's notification of acceptance. A nomination made after the Initial Nomination due date may not modify a binding Initial Nomination; rather, a Nomination made after the Initial Nomination due date shall be considered a new Nomination, incremental to any other Nomination made by Shipper. The sum of a Shipper's Initial Nomination and any accepted incremental Nomination shall be considered a Shipper's binding Nomination (the "Accepted Nomination Volume").

If it is determined that insufficient capacity is available to accommodate all valid timely and properly submitted Nominations, Carrier will notify, via electronic bulletin posting or other appropriate method as selected by the Carrier, each Shipper that has tendered a Nomination for an allocated line segment. Carrier will allocate capacity in accordance with Carrier's Proration Policy dated October 1, 2021. Following the Initial Nomination deadline, Carrier will notify any allocated Shipper of such Shipper's allocated capacity (the "Allocation Volume"). Each allocated Shipper will then have a period of two (2) business days to adjust its Nomination using Carrier's electronic nomination system (unless otherwise instructed by the Carrier) to the volume equal to its Allocation Volume. This adjusted Nomination to the Allocation Volume shall be binding as to Shipper.

For each period that a Shipper tenders less than its applicable Volume Threshold, for any reason other than at the request of the Carrier or where Carrier's operations prevented full receipt of Barrels tendered by Shipper, Shipper shall be invoiced a Nomination Shortfall Charge in addition to being invoiced for its tendered volumes. A Shipper's Volume Threshold shall be equal to either eighty-five percent (85%) of its Accepted Nomination Volume, or 100% of its Allocation Volume. Such Nomination Shortfall Charge shall equal:

$$\begin{aligned} & \text{Shipper's applicable Volume Threshold} \\ & \quad (-) \text{ less} \\ & \text{Shipper's actual volume tendered for the nominated movement} \\ & \quad (*) \text{ times} \\ & \text{transportation rate per Barrel applicable to such movement} \end{aligned}$$

ITEM 20 – SEPARATE PIPELINE AGREEMENTS

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

ITEM 21 – SPECIFICATIONS REQUIRED AS TO QUALITY

a. No Crude Petroleum will be accepted unless its gravity, viscosity, and other properties are such that it will be readily susceptible to transportation through Carrier's existing facilities, and it will not adversely affect the quality of Crude Petroleum from other Shippers or cause disadvantage to other Shippers and/or Carrier.

These specifications shall apply to each Barrel of the Nomination and not be limited to the composite sample of the Nomination.

Carrier reserves the right to reject all Nominations or any part thereof when, in Carrier's discretion, reasonably exercised:

1. The Reid Vapor Pressure of the Crude Petroleum exceeds nine (9.0) psia;
2. The Reid Vapor Pressure of the Crude Petroleum might result in Carrier's noncompliance with federal, state or local requirements regarding hydrocarbon emissions;
3. 20° API gravity or greater than 75° API gravity at 60 degrees Fahrenheit unless requested by the Shipper and accepted by the Carrier;
4. The Crude Petroleum contains basic or foreign sediment and water and other impurities exceeding one percent (1%) by volume or in which the volume of water exceeds five-tenths of one percent (.5 of 1%) of the volume offered for transportation;
5. The surface of settled sediment and water and other impurities in tanks is less than four inches (4") below the bottom of the pipeline connection from which it enters Carrier's facilities;
6. The encrustation on internal surfaces of the tank where Crude Petroleum is accepted is excessive as determined by Carrier;
7. The iron in the Crude Petroleum exceeds seventy-five (75) parts per million ("ppm") (whole crude) as tested by Environmental Protection Agency method 3040;
8. The lead in Crude Petroleum exceeds five one-hundredths (.05) ppm (naptha cut) as tested by Environmental Protection Agency method 3040;
9. The organic chlorides in the Crude Petroleum exceeds three (3) ppm (naptha cut) as tested by Microcoulometry or Sodium Biphenyl methods;
10. The Crude Petroleum contains any other excessive metals, chemicals, salts, or any other material which would adversely affect downstream markets or pipelines; or
11. The Crude Petroleum does not meet specifications of connecting carriers.

b. Carrier may, from time to time at its sole discretion, on a not unduly discriminatory basis, undertake to transport other or additional grades of Crude Petroleum and will determine what additional facilities, if any, will be required to be supplied by Shipper to accommodate its shipment of such different grade.

c. A Shipper shall, as required by Carrier, provide to Carrier a certificate with respect to the specifications of Crude Petroleum to be received by Carrier from Shipper. If a Shipper fails to provide Carrier with such certificate, then Carrier is not obligated to accept Shipper's Crude Petroleum. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and in the event of variance between Shipper's certificate and Carrier's test, the latter will prevail.

d. Carrier reserves the right to refuse to accept any Crude Petroleum (or other product) for transportation that does not meet Carrier's specifications in Item 21(a) or that is not good, merchantable Crude Petroleum readily acceptable for transportation through the pipeline.

e. If Carrier determines that a Shipper does not comply with the provisions of Item 21(a), then such Shipper shall remove its Crude Petroleum from the facilities of Carrier as directed by Carrier, and if Shipper fails to do so by the date and time directed by Carrier, then Carrier will have the right, at its sole discretion, to any remedy available, including the right without notice of liability to return, divert, sell, or dispose of such Crude Petroleum. Shipper shall reimburse Carrier for all costs and expenses incurred by Carrier in returning or otherwise disposing of such non-conforming Crude Petroleum.

f. If, upon investigation, Carrier determines that Shipper has delivered to Carrier's facilities Crude Petroleum that has contaminated a common stream, rendering all or a portion of the Crude Petroleum in such common stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Crude Petroleum in any reasonable commercial manner at Shipper's sole expense.

g. On Crude Petroleum received by Carrier that does not meet Carrier's deliverability requirements, Carrier reserves the right to charge an additional 100 cents per Barrel treating and handling charge.

ITEM 22 – SPECIFICATIONS AS TO QUALITY AND LEGALITY OF SHIPMENTS

Carrier reserves the right to reject any and all Crude Petroleum nominated where the Shipper has failed to comply with all applicable laws, items and regulations made by any governmental authorities regulating shipments of Crude Petroleum.

ITEM 23 – STORAGE IN TRANSIT

The Carrier has working tanks that are needed by Carrier to transport Crude Petroleum but has no other tanks and, therefore, does not have facilities for rendering, nor does it offer, a storage service. Provisions for storage during transit in facilities furnished by Shipper at points on Carrier's system will be permitted to the extent authorized under individual tariffs.

ITEM 24 – TITLES

The act of delivering Crude Petroleum to Carrier for transportation shall constitute a warranty by Shipper that Shipper has unencumbered title thereto and that the same was produced in accordance with law.

ITEM 25 – INLINE CHANGE IN OWNERSHIP OR INTERCARRIER TRANSFER

Line transfer or ownership transfers of Crude Petroleum from one Shipper (transferor) to another Shipper (transferee) or intercarrier transfers of Crude Petroleum from Carrier to Plains Pipeline, L.P. (each, a "Transfer") will be permitted provided:

1. Each Shipper desiring to document a Transfer shall promptly provide all information needed by Carrier to document such Transfer and to satisfy Carrier that such Transfer can be completed in conformance with these terms. Carrier may refuse to handle such Transfer until Shipper provides such information.
2. Shipper shall pay one (1) cent per Barrel for each Transfer of Crude Petroleum.
3. Shipper requesting the Transfer documentation shall:
 - a. notify Carrier in writing of the kind, quantity in Barrels, source, location, and transferee of the Crude Petroleum that it intends to Transfer, on or before the Nomination deadline set forth in Item 19;
 - b. ensure that it has sufficient volume to satisfy the Transfer request; and
 - c. warrant that it has unencumbered title to the Crude Petroleum at the time of the Transfer.
4. Transfer will be deemed to have occurred on the first day of the month of Transfer but will not be confirmed by Carrier's documentation until the accounting cycle has been processed and closed for the month.
5. Except as provided below, Carrier will not accept changes in requested documentation of a Transfer unless all parties affected by the changes confirmed the changes in writing on or before the last day of the calendar month preceding the Transfer month.
6. Carrier may accept changes that it determines are necessary to fully reconcile conflicting nominations, provided that all parties affected by the changes agree in writing to the change and Carrier receives a copy of such agreement.
7. Any party, including transferor and transferee, involved in a Transfer pursuant to this Item 25 shall be subject to all applicable provisions of and requirements contained in this tariff, including in Item 15.

LOCAL PROPORTIONAL RATES
 [I] Increase. All rates on this page are increased.

FROM	TO	RATE IN CENTS PER BARREL
Jal (Lea County), New Mexico	Midland (Midland County), Texas Colorado City (Scurry County), Texas	29.50 86.01
Jal (Lea County), New Mexico Wink (Winkler County), Texas Midland (Midland County), Texas Colorado City (Scurry County), Texas	Wichita Falls (Wichita County), Texas	86.01 86.01 86.01 86.01
Jal (Lea County), New Mexico Wink (Winkler County), Texas Midland (Midland County), Texas Colorado City (Scurry County), Texas Wichita Falls (Wichita County), Texas	Cushing (Lincoln County), Oklahoma	98.21 98.21 98.21 98.21 49.12

EXPLANATION OF REFERENCE MARKS

- [I] Increase
 [U] Unchanged rate