

**GRAND MESA PIPELINE, LLC**

**LOCAL TARIFF  
CONTAINING  
RULES AND REGULATIONS**

**Governing the Interstate Transportation of**

**CRUDE PETROLEUM BY PIPELINE**

**FROM ORIGINS IN  
WELD COUNTY, COLORADO**

**TO A DESTINATION IN  
LINCOLN COUNTY, OKLAHOMA**

**GENERAL APPLICATION**

The Rules and Regulations published herein apply only under tariffs making specific reference by FERC number to this tariff: such references will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over Rules and Regulations published herein.

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

**ISSUED: September 30, 2016**

**EFFECTIVE: November 1, 2016**

**ISSUED BY:**

Todd Tanory, Senior VP of Midstream Assets  
Grand Mesa Pipeline, LLC  
2900 North Loop West, Suite 1250  
Houston, TX 77092

**COMPILED BY:**

Derek Graham, VP Business Development  
Grand Mesa Pipeline, LLC  
2900 North Loop West, Suite 1250  
Houston, TX 77092

## TABLE OF CONTENTS

| <b>SUBJECT</b>                              | <b>ITEM NO.</b> | <b>PAGE NO.</b> |
|---|-----------------|-----------------|
| DEFINITIONS                                 | 5               | 3               |
| NOMINATIONS; MINIMUM QUANTITY               | 10              | 4               |
| TITLE                                       | 15              | 5               |
| REQUIRED SHIPPER INFORMATION                | 20              | 5               |
| LINE FILL AND TANK BOTTOM REQUIREMENTS      | 25              | 5               |
| QUALITY SPECIFICATIONS                      | 30              | 5               |
| GAUGING, TESTING AND DEDUCTIONS             | 35              | 7               |
| DESTINATION FACILITIES REQUIRED             | 40              | 7               |
| NOTICE OF ARRIVAL, DELIVERIES AND DEMURRAGE | 45              | 7               |
| MIXING IN TRANSIT                           | 50              | 8               |
| APPLICATION OF RATES AND CHARGES            | 55              | 8               |
| INTENTIONALLY LEFT BLANK                    | 60              | 8               |
| PAYMENT OF TRANSPORTATION AND OTHER CHARGES | 65              | 8               |
| LIABILITY OF CARRIER                        | 70              | 9               |
| WARRANTIES                                  | 75              | 10              |
| DUTY OF CARRIER                             | 80              | 10              |
| CLAIMS AND TIME FOR FILING                  | 85              | 10              |
| ADDITIVES                                   | 90              | 11              |
| PIPEAGE OR OTHER CONTRACTS                  | 95              | 11              |
| PRORATION OF PIPELINE CAPACITY              | 100             | 11              |
| STORAGE IN TRANSIT                          | 105             | 11              |
| COMMODITY                                   | 110             | 11              |
| CONNECTION REQUIREMENTS                     | 115             | 11              |

## 5. DEFINITIONS

“**Affiliate**” as herein used means, with respect to any Person, any Person directly or indirectly Controlling, Controlled by or under common Control with such Person.

“**API**” as herein used means American Petroleum Institute.

“**Applicable Laws**” means all federal, state or local laws, rules, orders or regulations applicable to these rules and regulations, the parties, the System and the operation thereof.

“**Barrel**” as herein used means forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit and zero (0) gauge pressure if the vapor pressure of the Crude Petroleum is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the Crude Petroleum is above atmospheric pressure.

“**Carrier**” as herein used means Grand Mesa Pipeline, LLC.

“**Control,**” “**Controlling**” or “**Controlled**” means the possession, directly or indirectly, of the right or power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, partnership interests, management authority, by contract or otherwise; and without limiting the foregoing, it shall be deemed that the ownership of more than 50% of the voting securities, partnership interests, member interests or percentage interest of another Person shall be deemed to meet such control test.

“**Crude Petroleum**” as herein used means the direct liquid product of oil wells, or the indirect liquid petroleum products of oil or gas wells, or a mixture of such products.

“**FERC**” as herein used means the Federal Energy Regulatory Commission or any commission, agency or other governmental body succeeding to the powers of such commission.

“**FERC Index**” means the current “Multiplier to Use” as identified in the “Oil Pipeline Index” published annually by the FERC at: <http://www.ferc.gov/industries/oil/gen-info/pipeline-index.asp>.

“**Force Majeure**” as herein used means an event that is beyond the reasonable control of a party and could not have been prevented through the exercise of reasonable diligence, including, without limitation, strikes; lockouts; work stoppages, or other labor disputes or shortages; riots; civil disturbances or disorders; war; acts of the public enemy; terrorism; espionage; nuclear disaster; act of God; fire; explosion; breakage or accident to machinery, equipment, or pipelines; severe weather; earthquakes; floods; epidemics; embargoes; material shortage or unavailability at reasonable cost not resulting from Carrier’s failure to timely place orders or take other necessary actions therefor; inability to obtain necessary rights-of-way at reasonable costs; inability or delay in obtaining governmental permits; government codes, ordinances, laws, rules, regulations, or restrictions; or actions that block or prohibit performance. For the avoidance of doubt, a shutdown of the System or any part thereof due to planned maintenance, Shipper’s decision to cease or materially reduce or change its operations in the market area served by the System, or Shipper’s financial condition or the obligation to pay amounts that have become due under a transportation services agreement, shall not constitute a Force Majeure event.

“**Nomination**” as herein used means a written (physical or electronic) designation by a Shipper to Carrier of a stated quantity of Crude Petroleum for transportation from a specified origin point or points of Carrier to a specified destination point or points of Carrier over a period of one Operating Month in accordance with these rules and regulations.

**“Operating Month”** as herein used means a month that shall be deemed to begin the first day of such month at 0700 hours until the first day of the succeeding month at 0659 hours (Central Standard or Central Daylight Savings Time, as applicable).

**“Person”** means any individual, partnership, corporation, limited liability company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such) or other entity.

**“Royalties”** has the meaning assigned to such term in Item No. 70.

**“Shipper”** as herein used means a party who contracts with Carrier for transportation of Crude Petroleum, as defined under the terms of these rules and regulations.

**“System”** as herein used means the pipeline that Carrier owns an interest in and to which these rules and regulations are applicable.

**“Tender”** as herein used means an offer by a Shipper to Carrier in accordance with this tariff for the transportation of a stated quantity of Crude Petroleum from a specified origin of Carrier to specified destination point.

## **10. NOMINATIONS; MINIMUM QUANTITY**

Unless otherwise stated on a tariff making reference to these rules and regulations, Nominations for the transportation of Crude Petroleum for which Carrier has facilities will be accepted into Carrier’s System under these rules and regulations in quantities of not less than seventy-five thousand (75,000) Barrels aggregate from one or more Shippers as operations permit and provided such Crude Petroleum is of similar quality and characteristics as is being transported from receipt point to destination point; except that Carrier reserves the right to accept any quantity of Crude Petroleum from other facilities to which Carrier’s facilities are connected if such quantity can be consolidated with other Crude Petroleum such that Carrier can make a single delivery of not less than seventy-five thousand (75,000) Barrels, and Carrier will not be obligated to make a single delivery of less than seventy-five thousand (75,000) Barrels, unless Carrier’s operations dictate otherwise. The term “single delivery” as used herein means a delivery of Crude Petroleum in one continuous operation into a single facility to which Carrier is connected.

Crude Petroleum will be transported only under a Nomination accepted by the Carrier from origins (or facilities connected to Carrier’s gathering System if and when gathering service is to be performed by the Carrier) to destinations when a tariff covering the movement is lawfully in effect and on file with the FERC as to interstate traffic and with the appropriate state commission covering intrastate traffic.

Any Shipper desiring to Tender Crude Petroleum for transportation shall make a Nomination to the Carrier in writing before 5:00 p.m. Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the twenty-fifth (25th) of the month preceding the movement. Within forty-eight (48) hours after its receipt of such Nomination (or by the end of the next business day if received on a non-business day), Carrier shall, by written notice to Shipper, confirm the Nomination as proposed or notify Shipper of any necessary revisions to such Nomination. Carrier shall furnish Shipper with a final Nomination at least two days prior to the first day of such following Month. In the event Shipper’s Nomination for its initial shipment of Crude Petroleum on the System falls on a day after the 25th day of a Month, the above deadline shall be extended and the Parties shall coordinate with each other to allow shipments to commence the next Month. Unless such notification is made, the Carrier will be under no obligation to accept Crude Petroleum for transportation.

When Nominations submitted by Shippers to Carrier on or before the twenty-fifth (25th) day of the month preceding the Operating Month do not exceed the capacity of the System or any line segment thereof, additional Nominations may be accepted by the Carrier to fill capacity. Carrier is under no obligation to accept such incremental Nominations, and such additional Nominations will be accepted only if they do not impair the movement of Crude Petroleum nominated before the twenty-fifth (25th) day of the preceding month.

#### **15. TITLE**

The Carrier shall have the right to reject any Crude Petroleum, when nominated for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind, and it may require the Shipper to provide satisfactory evidence of unencumbered title prior to accepting deliveries of Crude Petroleum from Shipper. By Tendering Crude Petroleum, the Shipper warrants and guarantees that the Shipper has good title thereto and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided, that acceptance for transportation shall not be deemed a representation by the Carrier as to title.

#### **20. REQUIRED SHIPPER INFORMATION**

At any time, upon written request of the Carrier, on a non-discriminatory basis, any prospective or existing Shipper shall provide to the Carrier information that will enable the Carrier to enforce the terms of this tariff. Such information may include, but is not limited to, the names of any Affiliates of the Shipper or prospective Shipper, the legal business name of the Shipper or prospective Shipper and the registered business address of the Shipper or prospective Shipper. Additionally, upon Carrier's written request, Shipper shall provide any financial information reasonably required by Carrier to determine creditworthiness, including, but not limited to, financial statements and credit reports.

The Carrier shall not be obliged to accept Crude Petroleum for transportation from an existing or prospective Shipper if the Shipper or prospective Shipper fails to provide to the Carrier any information requested in accordance with this Item No. 20 within three (3) days of the Carrier's written request, or if the Carrier reasonably determines that any of the information provided pursuant to this Item No. 20 is false.

#### **25. LINE FILL AND TANK BOTTOM REQUIREMENTS**

Prior to delivering Barrels out of Carrier's System, each Shipper will be required to supply a pro rata share of Crude Petroleum necessary for pipeline and tankage fill to ensure efficient operation of Carrier's System. Crude Petroleum provided by Shippers for this purpose may be withdrawn only after: (1) shipments have ceased and the Shipper has notified Carrier in writing of its intention to discontinue shipments in Carrier's System, and (2) Shipper balances have been reconciled between Shipper and Carrier. Carrier may require advanced payment of transportation charges on the volumes to be cleared from Carrier's System, and any unpaid accounts receivable, before final delivery will be made. Carrier shall have a reasonable period of time from the receipt of said notice, not to exceed six months, to complete administrative and operational requirements incidental to Shipper withdrawal.

#### **30. QUALITY SPECIFICATIONS**

No Crude Petroleum will be accepted for transportation except merchantable Crude Petroleum which is properly settled and contains not more than one percent (1%) of basic sediment, water, and other impurities, and has a temperature not in excess of one hundred and twenty degrees (120°) Fahrenheit and

its gravity, viscosity, pour point, and other characteristics are such that it will be readily susceptible to transportation through the Carrier's existing facilities, and will not materially affect the quality of other shipments or cause disadvantage to other Shippers and/or the Carrier.

Notwithstanding the preceding sentence, Carrier may at its discretion accept Crude Petroleum from a Shipper that does not meet the foregoing specifications due to unusual circumstances, emergencies, or events of Force Majeure. In such case, however, Shipper must notify Carrier fully in writing of the characteristics of such Crude Petroleum and Shipper shall then secure from the producer or connecting carrier or shall provide itself, in writing, to Carrier an assumption of all liability and agree to hold Carrier harmless from and against any loss, cost or disadvantage to other Shippers, and other pipelines, or to Carrier arising from such transportation.

In addition, Carrier reserves the right to reject (any and all of, but not limited to) the following shipments: (1) the Reid vapor pressure of the Crude Petroleum exceeds twelve pounds (12 lbs.) at one hundred degrees Fahrenheit (100°F); and/or (2) Crude Petroleum where the Shipper has failed to comply with Applicable Laws regulating shipment of Crude Petroleum; (3) Crude Petroleum that does not meet the specifications below:

| <u>Station</u>        | <u>Maximum Sulfur (%)</u> | <u>Minimum Gravity (API)</u> | <u>Maximum Gravity (API)</u> |
|-----------------------|---------------------------|------------------------------|------------------------------|
| Lucerne and Riverside | 0.35                      | ≥ 34                         | ≤ 42                         |
| Lucerne (only)        | 0.15                      | > 42                         | ≤ 55                         |

and/or (4) if Carrier determines that a Shipper has delivered to Carrier's facilities Crude Petroleum that has been contaminated by the presence of excessive metals, including but not limited to chlorinated and/or oxygenated hydrocarbons and salt. Any liability associated with the contamination or disposal of any Crude Petroleum shall be borne by responsible Shipper.

Quality specifications of a connecting carrier may be imposed upon Carrier when such limits are less than that of Carrier, in which case the limitations of the connecting carrier will be applied.

If Carrier determines that a Shipper has delivered to Carrier's facilities Crude Petroleum that has been contaminated by the existence of and/or excess amounts of impure substances, including but not limited to, water, salt, chlorinated and/or oxygenated hydrocarbons, arsenic, lead and/or other metals, such Shipper will be excluded from further entry into applicable segments of the System until such time as quality specifications are met to the satisfaction of Carrier. Further, Carrier reserves the right to dispose of any contaminated Crude Petroleum blocking its System. Disposal thereof, if necessary, may be made in any reasonable commercial manner, and any liability associated with the contamination or disposal of any Crude Petroleum shall be borne by the Shipper introducing the contaminated Crude Petroleum into Carrier's System.

Carrier may, from time to time, undertake to transport other or additional grades of Crude Petroleum and if, in the opinion of Carrier, sufficient quantities are not nominated or facilities are not available to justify continued transportation of other or additional grades, Carrier may, after giving reasonable notice to Shippers who may be affected, cease transporting particular grades of Crude Petroleum.

### **35. GAUGING, TESTING AND DEDUCTIONS**

Crude Petroleum shipped hereunder shall be measured and tested by a representative of the Carrier or by automatic equipment approved by the Carrier. Quantities shall be determined by dynamic or static measurement methods in accordance with appropriate API standards, latest revision, and adjusted to base (reference or standard) conditions. Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit and the full percentage of water or other impurities as ascertained by a centrifuge machine or other tests will be deducted from the corrected volume.

Shipper or its representative shall have the privilege of being present or represented during the gauging or metering and testing performed by Carrier. Shipper shall grant access to Shipper's facility to Carrier's representative and to any connecting carrier's representative for witnessing meter or gauge readings or meter proving and for any other required inspection incidental to measurement and transportation of Crude Petroleum.

All receipts of Crude Petroleum shall be subject to a deduction of two-tenths of one percent (0.2%) to cover line loss due to shrinkage and evaporation.

After consideration of all the factors set forth in this Item No. 35, a net balance will be determined as the quantity deliverable by Carrier, and transportation charges will be assessed on this net balance.

### **40. DESTINATION FACILITIES REQUIRED**

Carrier will accept Crude Petroleum for transportation only when the Shipper has made the necessary arrangements for shipment beyond, or has provided the necessary facilities for receiving said Crude Petroleum as it arrives at, the destination and has advised Carrier of such arrangements on or before the Nomination date.

### **45. NOTICE OF ARRIVAL, DELIVERIES AND DEMURRAGE**

The obligation of the Carrier is to deliver the quantity of Crude Petroleum to be transported, less deductions noted in Item No. 35 (GAUGING, TESTING AND DEDUCTIONS), at the specified destination. Such delivery may be made upon twenty-four (24) hours' notice to Shipper who shall accept and receive said Crude Petroleum from the Carrier with all possible dispatch into tanks or receptacles arranged for or provided by the Shipper.

Commencing after the first seven o'clock a.m. notice after expiration of said 24-hour notice, Carrier shall assess a demurrage charge on any part of said Crude Petroleum offered for delivery and not taken by Shipper. The demurrage charge will be 50.0 cents per Barrel per day for each day of 24 hours or fractional part thereof. After expiration of said 24-hour notice, Carrier's liability for loss, damage or delay with respect to Crude Petroleum offered for delivery but not taken by Shipper shall be that of a warehouseman only.

If the Shipper is unable or refuses to receive said Crude Petroleum as it arrives at the specified destination, the Carrier reserves the right to make whatever arrangements for disposition of the Crude Petroleum it deems appropriate in order to clear its pipeline. Any additional expenses incurred by the Carrier in making such arrangements shall be borne by the Shipper.

**50. MIXING IN TRANSIT**

Crude Petroleum will be accepted for transportation only on condition that it shall be subject to normal changes in general characteristics while in transit as may result from the mixture of such Crude Petroleum with other similar Crude Petroleum in the pipeline and/or tanks of Carrier or connecting carrier. Carrier will not be liable for variations of gravity or quality of Crude Petroleum occurring while in its custody and is under no obligation to deliver the identical Crude Petroleum as received. There shall be no adjustment for downgrading or upgrading of Crude Petroleum Tendered for transportation as a result of mixing in transit.

**55. APPLICATION OF RATES AND CHARGES**

Crude Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Crude Petroleum by Carrier. Transportation and all other lawful charges will be collected on the basis of net quantities of Crude Petroleum delivered as determined in the manner provided in Item No. 35 (GAUGING, TESTING AND DEDUCTIONS).

**60. INTENTIONALLY LEFT BLANK**

**65. PAYMENT OF TRANSPORTATION AND OTHER CHARGES**

Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and may be required to prepay such charges or furnish a guaranty of payment satisfactory to Carrier. Payments not received by Carrier in accordance with invoice terms shall be subject to a late charge equivalent to 125% of the prime rate as quoted by The Wall Street Journal, or the maximum rate allowed by Applicable Laws, whichever is less. Carrier shall have a lien on all Crude Petroleum accepted for transportation to cover payment of all charges, including demurrage and late charges and may refuse to make delivery of the Crude Petroleum until all charges have been paid. If said charges, or any part thereof, shall remain unpaid for thirty days after notice of readiness to deliver, the Carrier may sell the Crude Petroleum in an arm's length transaction. Carrier shall have a lien on Crude Petroleum when there shall be failure to take the Crude Petroleum at the point of destination as provided in Item No. 45 (NOTICE OF ARRIVAL, DELIVERIES AND DEMURRAGE). Carrier shall have the right to sell said Crude Petroleum, in an arm's length transaction for cash. The sale will occur not less than twenty-four hours after the Shipper has been notified of the time and place of such sale and the quantity, general description, and location of the Crude Petroleum to be sold. Carrier's affiliates may purchase the Crude Petroleum at such sale. Out of the proceeds of said sale, Carrier shall pay itself for all transportation, demurrage, and other lawful charges, expenses of notice, advertisement, sale and other necessary expenses, and expenses of caring for and maintaining the Crude Petroleum, and the balance shall be held for whomsoever may be lawfully entitled thereto after the auction. If the proceeds of said sale do not cover all expenses incurred by Carrier, the Shipper is liable to Carrier for any deficiency.

When reasonable grounds for insecurity of payment or performance arise, or as otherwise required by a transportation services agreement, Carrier may demand from Shipper adequate assurance of performance. Adequate assurance means sufficient security in the form and for the term specified by Carrier, including, but not limited to, a standby, irrevocable letter of credit, a prepayment, or a guaranty by a creditworthy entity.



## 70. LIABILITY OF CARRIER

As a condition to Carrier's acceptance of Crude Petroleum under this tariff, each Shipper agrees to defend, indemnify and hold harmless Carrier against claims or actions for injury and/or death of any and all persons whomever and for damage to property of or any other loss sustained by Carrier, Shipper, 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, its agents, employees, or representatives or (2) the negligent act(s) or failure(s) to act of Shipper, its agents, employees or representatives in connection with delivery or receipt of Crude Petroleum.

No waiver by either Party of any default by the other in the performance of any provision, condition, or requirement in this tariff will be deemed to be a waiver of, or in any manner release the other Party from, performance of any other provision, condition, or requirement in this tariff, nor be deemed to be a waiver of, or in any manner release the other Party from, future performance of the same provision, condition, or requirement; nor will any delay or omission of either Party to exercise any right under this tariff in any manner impair the exercise of any such right or like right accruing to it thereafter.

Shipper will pay or cause to be paid, and agrees to indemnify and hold harmless Carrier from and against the payment of, all excise, gross production, severance, sales, occupation, and all other taxes, charges, or impositions of any and every kind and character required by statute or by any governmental authority with respect to the Crude Petroleum and the handling thereof prior to and at receipt and then at and after delivery. Neither Party will be responsible or liable for any taxes or other statutory charges levied or assessed against the facilities or the other Party used for the purpose of carrying out the provisions of this tariff. Any Party entitled to an exemption from any such taxes or charges will furnish the other Party any necessary documentation thereof.

Shipper will be solely responsible for the payment of all royalties, overriding royalties, bonus payments, production payments, payments for interests in production, or other similar payments due on production (collectively, "**Royalties**") relating to the Crude Petroleum in accordance with the terms of the applicable oil and Gas leases, Applicable Laws and other instruments affecting production of the Crude Petroleum. Shipper assumes full responsibility and liability for said payments, and hereby agrees to indemnify, defend, and hold Carrier and its Affiliates harmless from any and all liability or loss of any kind or character incident to the payment of Royalties.

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

The Carrier while in possession of any of the Crude Petroleum herein described shall not be liable for any loss thereof, damage thereto, or delay, caused by: fire, storm, flood, epidemics, Act of God, terrorism, vandalism, criminal acts, landslides, land collapses, riots, civil disorder, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, requisition or necessity of the Government of the United States in time of war, default of Shipper or Owner, earthquakes, sinkholes, or from any other cause not due to the negligence of Carrier and in no event shall Carrier be liable to Shipper for consequential, incidental or exemplary damages to Shipper. In case of loss of Crude Petroleum in a segregated shipment, the Shipper thereof shall bear the entire loss, damage, or delay that occurs. In case of loss of Crude Petroleum that is not in a segregated shipment, each Shipper of the grade of Crude Petroleum so lost shall share such loss in the proportion that the amount of such grade of Crude

Petroleum then in the custody of Carrier for the account of such Shipper bears to the total amount of such grade of Crude Petroleum then in the custody of Carrier in such System.

Carrier will be obligated to deliver only that portion of a Crude Petroleum shipment remaining after deducting such loss. Transportation charges will be made only on quantities of Crude Petroleum delivered.

If Crude Petroleum is lost in transit, while in the custody of Carrier, due to causes other than those described in the first paragraph of this Item No. 70, Carrier may obtain and deliver to Shipper other Crude Petroleum of the same quantity and grade as that which was lost, but Carrier shall not be obligated to do so. In the alternative, Carrier may compensate Shipper for such loss in money. If Carrier compensates Shipper for such loss in money, the price per Barrel shall be determined as of the date of the loss based on the value of the lost Crude Petroleum.

**EXCEPT AS MAY BE PROVIDED IN A TRANSPORTATION SERVICES AGREEMENT, REGARDLESS OF CAUSE, IRRESPECTIVE OF WHETHER FORESEEABLE, CARRIER WILL NOT BE LIABLE TO A SHIPPER FOR LOSS OF PRODUCTION, LOSS OF USE, LOSS FROM BUSINESS INTERRUPTION, LOSS OF PROFIT OR ANTICIPATED PROFIT, LOSS OF REVENUE, LOSS OF BUSINESS, LOSS OF GOODWILL OR REPUTATION, OR WASTED EXPENDITURE, OR FOR FINES OR PENALTIES, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE COST, EXPENSE, LOSS, OR DAMAGE OF ANY KIND ARISING OUT OF OR RELATING TO THIS TARIFF, ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS TARIFF, OR ANY CONTRACT ENTERED INTO COVERING THE TRANSACTIONS CONTEMPLATED BY THIS TARIFF.**

#### **75. WARRANTIES**

Shipper warrants that the Crude Petroleum Tendered to Carrier will conform to the specifications stated in Item No. 30 (QUALITY SPECIFICATIONS), will be merchantable, and will not be contaminated. Shipper will be liable to Carrier and/or other Shippers for any damage, including special, incidental, and consequential, arising from a breach of this warranty. The transportation of the Crude Petroleum will be refused or canceled if Carrier determines or is advised that the Crude Petroleum does not meet the requirements of these Rules and Regulations.

#### **80. DUTY OF CARRIER**

Carrier shall not be required to transport Crude Petroleum except with reasonable diligence, considering the quality of the Crude Petroleum, the distance of transportation and other material elements. Carrier cannot commit to delivering Crude Petroleum to a particular destination, at a particular time.

#### **85. CLAIMS AND TIME FOR FILING**

As a condition precedent to recovery for loss, damage, or delay of shipments, claims must be filed in writing with the Carrier within nine (9) months after the delivery of the Crude Petroleum, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Suits arising out of such claims must be instituted against Carrier within two (2) years from the time when the Carrier delivers, or Tenders delivery of the Crude Petroleum or, in case of failure to make or Tender delivery, within two (2) years after a reasonable time for delivery has elapsed. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

**90. ADDITIVES**

Carrier reserves the right to require, approve, or reject the injection of corrosion inhibitors, viscosity or pour point depressants, drag reducing agents, or other such additives in Crude Petroleum to be transported.

**95. PIPEAGE OR OTHER CONTRACTS**

Separate pipeage and other contracts between Shipper and Carrier, in accordance with the applicable tariff and these rules and regulations, may be required before any duty of transportation by the Carrier shall arise.

**100. PRORATION OF PIPELINE CAPACITY**

When there shall be tendered to Carrier, for transportation, more Crude Petroleum than can be immediately transported, the transportation by Carrier shall be apportioned among Shippers as provided in Carrier's Pipeline Proration Procedures. Carrier's Pipeline Proration Procedures dated July 7, 2016, are available upon request.

**105. STORAGE IN TRANSIT**

Storage services may be provided by Carrier to Shippers as specifically stated in a tariff making reference to these rules and regulations.

**110. COMMODITY**

Carrier is engaged primarily in the transportation of Crude Petroleum and will not accept any other commodity for transportation under tariffs making reference hereto.

**115. CONNECTION REQUIREMENTS**

Connections to Carrier's System will only be considered if made by formal written notification to Carrier. All connections will be subject to design requirements necessary to protect the current and future safety, security, integrity and efficient operation of Carrier's pipeline(s) in accordance with generally accepted industry standards. Acceptance of any request for connection will be subject to compliance with governmental regulations. All connection costs shall be paid by the connecting party.