

**BLUESTEM PIPELINE LLC**

**LOCAL PIPELINE TARIFF**

CONTAINING

**RATES, RULES, AND REGULATIONS**

Governing the Interstate Transportation and Handling  
of

**NATURAL GAS LIQUIDS**

Transported by Pipeline

**FROM ORIGINS IN KANSAS**

**TO**

**DESTINATIONS IN OKLAHOMA**

The rates in this tariff are expressed in cents per Barrel and are subject to change as provided by law and also to the Rules and Regulations published herein, supplements hereto and reissues thereof.

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

This Tariff is filed in compliance with 18 C.F.R. § 342.3 Indexing

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Issued by:  
Jason Sarakatsannis, General Manager  
Bluestem Pipeline LLC  
One Williams Center, Suite 300  
Tulsa, Oklahoma 74172  
(918) 573-7259  
Jason.Sarakatsannis@Williams.com

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Compiled by:  
Julie Chitwood, Commercial Development Lead  
Bluestem Pipeline LLC  
2800 Post Oak Boulevard, Level 3  
Houston, Texas 77056  
(713) 215-3042  
Julie.Chitwood@Williams.com

**TABLE OF CONTENTS**

<b>Subject</b>	<b>Item No.</b>	<b>Page</b>
Index of Origins and Destinations		3
<b>Section I – General Rules and Regulations</b>		4
Definitions	5	4
Product Specifications	10	6
Linefill	15	7
Nominations, Funding, and Scheduling	20	7
Identity of Shipments	25	8
Storage, Origin, and Destination Facilities	30	8
Title	35	8
Measurement	40	9
Failure to Take Delivery at Destination	45	9
Credit Standards	50	9
Payment of Carrier Charges	55	10
Claims, Suits, and Time for Filing	60	11
Proration of Pipeline Capacity	65	11
Liability of Carrier	70	13
Pipeline Gain and Losses	75	13
Component Balancing	80	14
Application of Rates to Intermediate Points	85	14
Additional Contracts	90	14
Provision of Services	95	14
Carrier Discretion	100	14
<b>Section II – Rates</b>		
Uncommitted Rates	105	15
Committed Rates	110	15
Firm Rates	115	15

**INDEX OF ORIGINS**

*Origins*

Conway, Kansas

**INDEX OF DESTINATIONS**

*Destinations*

Kingfisher, Oklahoma

**SECTION I  
GENERAL RULES AND REGULATIONS**

**ITEM NO. 5 - DEFINITIONS**

“Affiliate” shall mean with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or, in the case of a Person that is a limited partnership, an “Affiliate” shall include any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with the general partner of such limited partnership. For the purposes of this definition, “control” means the ownership, directly or indirectly, of more than fifty percent (50%) of the voting stock or other ownership interest of such Person; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Available Capacity” shall mean the operationally available capacity to Shippers on the Pipeline or on a particular segment of the Pipeline.

“Barrel” shall mean forty-two (42) Gallons.

“BPD” shall mean Barrels of Product per Day.

“Base Period” shall mean the twelve-Month period beginning thirteen (13) Months prior to the Proration Month and excluding the Month preceding the Proration Month. If Carrier has been in operation less than twelve (12) Months, then the Base Period shall be the number of Months during which the Carrier has been in operation, excluding the Month preceding the Proration Month.

“Business Day” shall mean any day other than Saturday, Sunday, or when banks in Oklahoma are closed for business.

“Carrier” shall mean Bluestem Pipeline LLC.

“Collateral” shall have the meaning set forth in Item No. 55 of this Tariff.

“Commencement of Service Date” shall mean the first Day upon which the Pipeline is deemed complete, operational and available to receive, transport, and deliver Product from the Origin(s) to Destination(s) listed herein.

“Committed Rates” shall mean those rates applicable to Committed Shippers as listed in Item No. 110.

“Committed Shipper” shall mean a Shipper that has an effective TSA that was executed in response to Carrier’s open season held from July 13, 2020 to August 11, 2020 and in which such Shipper made a commitment to ship, or pay a deficiency for, a Committed Volume for the term of the TSA.

“Committed Volume” shall mean the specified volume of Product (stated in BPD) that a Committed Shipper has committed in its TSA to Nominate and ship on the Pipeline each Day during a Month,

“Day” shall mean the twenty-four (24) hours between 7:00 a.m. prevailing Central Time and 7:00 a.m. prevailing Central Time the following day.

“Destination(s)” shall mean the Pipeline delivery point(s) listed in this Tariff.

“Encumbered Product” shall have the meaning set forth in Item No. 35 of this Tariff.

“Exempt Volumes” has the meaning set forth in Item No. 65.

“Firm Rate” shall mean that rate applicable to Firm Service as set forth in Item No. 115 of this Tariff.

“Firm Service” shall mean that a Committed Shipper’s tendered volumes, meeting the terms and conditions of a Committed Shipper’s TSA and this Tariff, will not be curtailed except in the event of Force Majeure or Maintenance.

“Force Majeure” shall mean any event or occurrence beyond the reasonable control of Carrier that prevents in whole or in part the performance by Carrier of any obligation or condition under this Tariff (and/or any tariffs making reference hereto and incorporating this Tariff by reference therein), including but not limited to strikes, lockouts, or other industrial disturbances, wars, sabotage, terrorism, blockades, insurrections, or acts of the public enemy; epidemics, landslides, lightning, earthquakes, tornadoes, loss of utilities, fires, explosions, storms, floods, washouts, or other acts of God; arrests or restraints of governments and people; riots or civil disturbances, failures, disruptions, breakdowns, or accidents to machinery, facilities, or lines of pipe (whether owned, leased or rented); freezing of lines; embargoes, priorities, expropriation, or condemnation by government or governmental authorities; interference by civil or military authorities; compliance with any orders, directives, rules or regulations issued by governmental authority.

“Gallon” shall mean a U.S. gallon of 231 cubic inches at sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

“Incremental Firm Barrels” shall mean the Barrels, in excess of a Committed Shipper’s Committed Volume, for which a Committed Shipper may elect to receive Firm Service, provided that such Committed Shipper has also elected Firm Service for its Committed Volume in such Month and provided that sufficient capacity for such Incremental Firm Barrels exists as set forth in Item No. 65.

“Linefill” means the quantity of Product needed to occupy the physical space in the pipeline.

“Maintenance” means when Carrier, from time to time, requires routine scheduled and unscheduled maintenance periods to overhaul, service, or test the Pipeline or related facilities.

“Month” shall mean a period of time commencing at the start of the first Day of a calendar month and ending at the start of the first Day of the next calendar month.

“Monthly Volume Commitment” shall mean a Committed Shipper’s Committed Volume multiplied by the number of days in the applicable Month.

“New Shipper” shall have the meaning set forth in Item No. 65 of this Tariff.

“Nominate,” “Nomination,” or “Nominated” shall mean an offer by Shipper to Carrier of a stated quantity of Product for transportation, from the specified Origin to the specified Destination pursuant to the terms of this Tariff (and/or any tariffs making reference hereto and incorporating this Tariff by reference therein).

“Obligations” shall have the meaning set forth in Item No. 55 of this Tariff.

“Off-Spec Penalty” shall have the meaning set forth in Item No. 10 of this Tariff.

“Off-Spec Product” shall have the meaning set forth in Item No. 10 of this Tariff.

“Origin(s)” shall mean the Pipeline receipt point(s) listed in this Tariff.

“Party” shall mean Carrier or Shipper when referred to individually or “Parties” when referred to collectively.

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

“Pipeline” shall mean Carrier’s pipeline, originating at a point in Conway, Kansas and terminating at a point in Kingfisher, Oklahoma.

“Product” or “Demethanized Mix” shall mean a mixture of demethanized liquid hydrocarbons and other mixed natural gas liquids that result from the operation of natural gas processing plants and that is required to conform to Carrier’s Specifications as may be amended from time to time by Carrier in its sole determination.

“Proration Month” shall mean the Month for which capacity on the Pipeline is subject to prorationing under Item No. 65 of this Tariff.

“Qualified Issuer” shall mean a United States office of a commercial bank or trust company organized under the laws of the United States of America or a political subdivision thereof or a foreign bank with a branch office located in the United States and unaffiliated to Shipper and, in either case, (A) subject to supervision or examination by a federal or state authority of the United States of America, (B) having a Credit Rating of A- or higher by Standard and Poor’s or A3 or higher by Moody’s Investment Services and (C) having a minimum asset base of at least \$10,000,000,000.

“Regular Shipper” shall have the meaning set forth in Item No. 65 of this Tariff.

“Remaining Available Capacity” shall mean for each Proration Month the capacity available after the satisfaction of all Exempt Volumes as Nominated.

“Shipper” shall mean any Person who gives notice to ship Product under the provisions outlined in this Tariff and in accordance with applicable law.

“Specifications” shall mean the specifications applicable to Product transported through the Pipeline, which Specifications shall be available upon request to Carrier.

“Tariff” shall mean this tariff.

“Term” shall mean the term of the TSA, commencing on the Commencement of Service Date.

“Ticket Period” shall mean the time period between when Carrier pulls a ticket and the next time Carrier pulls a ticket.

“Transportation Services Agreement” or “TSA” shall mean an agreement executed by Carrier and a Committed Shipper.

“Uncommitted Shipper” shall mean any Shipper that is not a Committed Shipper.

“Uncommitted Rates” shall mean those rates applicable to Uncommitted Shipper(s) as listed in Item 105.

#### **ITEM NO. 10 - PRODUCT SPECIFICATIONS**

Carrier is engaged in the transportation of Product as herein defined and will not accept any other commodity for transportation under this Tariff. Shipper shall perform applicable tests to ensure that the stream delivered to the Pipeline conforms to Carrier’s Specifications. Should spot samples, analyses, or any other test (including tests performed by Carrier) indicate that the stream delivered or to be delivered does not meet the Specifications required by Carrier, Shipper agrees, upon request by Carrier, to stop delivery of such off-Specification stream to Carrier until such time as it is determined by additional testing that the stream meets the definition of Product issued by Carrier and Carrier’s Specifications.

Carrier reserves the right to refuse to accept any “Off-Spec Product” for transportation. Off-Spec Product is Product that (i) does not conform to the Specifications, (ii) is not merchantable, (iii) is not readily acceptable for transportation through Carrier’s Pipeline and/or (iv) would otherwise adversely affect Carrier’s Pipeline or another Product. As a prerequisite to transportation on the Pipeline, Shipper’s Product must not be rejected due to quality specification requirements of the Nominated Destination. Shipper may be required to furnish Carrier with a certificate of analysis setting forth the composition of the Product from the original source of the Product to be transported in Carrier’s facilities. 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 shall prevail.

Should Shipper become aware that any Product delivered fails at any time to conform to the Specifications, then Shipper shall promptly notify Carrier of any such failure. Shipper shall immediately undertake and diligently pursue such acts as may be necessary to correct such failure so as to tender Product conforming to the Specifications. If, upon investigation, Carrier determines that Shipper has delivered Product to the Pipeline that has contaminated the common fungible stream, rendering all or a portion of the fungible stream undeliverable, Carrier reserves the right to treat or otherwise dispose of all contaminated Product in any commercially reasonable manner at Shipper's sole expense. Shipper's liability in such an instance would include, but is not limited to, costs of handling, refractionating, processing or disposing of any and all products and decontaminating any facilities contaminated by any Off-Spec Product, as well as claims from other Shippers, carriers, users, and/or handlers of the contaminated Products and the costs of any regulatory or judicial proceeding. In addition, such Shipper will be excluded from further entry into applicable segments of the Pipeline until such time as Shipper's Product meets the quality specifications in this Item No. 10 to the satisfaction of Carrier. If Product received by Carrier does not meet the Specifications, Carrier reserves the right to charge the Shipper (i) the actual costs and expenses incurred by Carrier to treat or otherwise dispose of all contaminated Product, including contaminated Product of other shippers caused by such Shipper's failure to meet the Specifications and settle any claims from other shippers or third parties, and (ii) a one-hundred (100) cents per Barrel penalty for the volume of Product transported by Shipper ("Off-Spec Penalty") during the Ticket Period. If a composite sample, spot sample, or the results of any other test demonstrates that a Shipper's Product delivered to Carrier fails to meet the Specifications, the total penalty will be assessed by multiplying the Off-Spec Penalty by the total volume of Shipper's Product (in Barrels) received by Carrier during the Ticket Period. The Off-Spec Penalty is intended to discourage Shippers from delivering off-Specification Product to Carrier for transportation on the Pipeline.

Nothing contained in this Tariff, any other tariff filing, any pipeage contract or TSA or any other document, nor any temporary receipt of Off-Spec Product by Carrier (either unknowingly or as a temporary accommodation), shall be construed to affect Carrier's right, at any time and from time to time, to reject any Off-Spec Product and to refuse or suspend receipt of such Off-Spec Product until it is established to Carrier's reasonable satisfaction that subsequent deliveries of Product will conform to the Specifications.

Carrier reserves the right to modify its Specifications from time to time, in Carrier's sole discretion. In the event Carrier makes modifications to its Specifications, Carrier will provide Shippers with advance notice of such modifications and provide a copy of, or access to, the Specifications. In all circumstances, it is the Shipper's responsibility to ensure that Product tendered for transportation meets the Specifications.

#### **ITEM NO. 15 - LINEFILL**

Each Shipper will supply a pro rata share of Product for linefill as Carrier determines is necessary to maintain efficient operations of Carrier's pipeline. Each Ticket Period Carrier shall adjust the linefill so that each Shipper shall provide its pro-rata amount of linefill based upon a ratio of the total shipments by component by the Shipper to the total shipments by component over the respective line for the preceding Ticket Period. Subject to the provisions of Item No. 55, Payment of Carrier Charges, Product furnished to Carrier pursuant to this Item No. 15 shall be returned to Shipper after such Shipper has provided written notice to Carrier of Shipper's intent to cease shipping and after a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such Product. Such notice shall be provided to John Doyle, (918-573-9576).

#### **ITEM NO. 20 – NOMINATIONS, MINIMUM TENDER AND SCHEDULING**

Any Shipper desiring to tender Product for transportation hereunder shall submit on or before the fifteenth (15th) day of the Month preceding the Month of shipment a written Nomination to Carrier, on a form acceptable to Carrier, specifying the Origin, Destination, and quantity of Product to be shipped except that, if space is available for current movement, a Shipper may nominate Product for transportation after the fifteenth (15th)

day of the Month preceding the Month during which the transportation under the nomination is to begin. If Carrier determines that Nominations exceed Available Capacity, Carrier shall so inform Committed Shippers. Each Committed Shipper that wishes to elect Firm Service shall then have two Business Days to submit revised Nominations. Unless a Shipper makes a timely Nomination, Carrier shall be under no obligation to accept Product from such Shipper for transportation.

Product will be accepted for transportation only where there has been tendered by the Shipper a quantity of Product of no less than twenty thousand (20,000) Barrels in the applicable Month, provided, however, Carrier may for its convenience, transport same by intermittent pumping. Lower tender quantities may not be accepted at Carrier discretion if total supply available at a given Origin is less than ten thousand (10,000) Barrels in a Month. Product shall be offered for transportation in ratable quantities which can be received into Carrier's pipeline at full line flow rates.

Carrier will transport and deliver Product with reasonable diligence considering the quantity and quality of the Product, distance of transportation, safety of operations, and other material factors but will accept no Product to be transported at a particular time for any particular market. Furthermore, Carrier shall not be liable for any delay in shipments resulting from such scheduling.

Schedules of shipments and consignments will be issued to each Shipper by Carrier from time to time and in a manner and to the extent reasonably desirable to facilitate the efficient and economical use and operation of Carrier's facilities and to reasonably accommodate Shipper's needs for transport of Product.

#### **ITEM NO. 25 – IDENTITY OF SHIPMENTS**

Carrier may commingle Products received from the Origin(s). Product will be accepted for transportation only on condition that it shall be subject to such changes in characteristics while in transit that may result from the mixture with other Product, and Carrier shall be under no obligation to make delivery of the identical Product but may make delivery out of common stock. Carrier reserves the right at any time to substitute and deliver to Shippers any common stream Product meeting the Specifications. Shippers will be required to accept delivery of such common stream Product, the characteristics of which may have changed due to mixing with other Product.

#### **ITEM NO. 30 - STORAGE, ORIGIN AND DESTINATION FACILITIES**

Carrier does not furnish storage, terminaling, tankage, or other ancillary facilities or services at the Origin(s) or the Destination(s).

Product will be accepted for transportation only when the Shipper has provided the necessary equipment and facilities necessary for delivering the Product to the Pipeline at the Origin and for receiving the Product as it arrives at the Destination at pressures and pumping rates required by Carrier, as determined by Carrier, in Carrier's sole discretion, to be exercised in a manner that is not unduly discriminatory or unduly preferential. These facilities shall conform to the operating requirements of Carrier in Carrier's sole discretion. Shipper must also make all necessary arrangements for shipment beyond the Destination on Carrier's Pipeline, which may include Shipper's compliance with any quality specifications applicable to such shipment; and Carrier shall not be obligated to accept Nominations from any Shipper unless such Shipper has provided, or arranged for access to, equipment and facilities capable of satisfactorily receiving at the Destination, the quantities tendered for transportation, including, where applicable, the confirmation by a directly connected downstream pipeline, or other facility operator, of Shipper's nominations to such directly connected downstream pipeline or other facility. Satisfactory evidence of compliance with the provisions of this Item No. 30 may be required by Carrier before any obligation to furnish transportation shall arise.

#### **ITEM NO. 35 – TITLE**

Carrier may require of Shipper satisfactory evidence of its perfected and unencumbered title or of the lawful right to deliver and transport Product (for example, an affidavit, lease agreement, exchange agreement, purchase agreement). Carrier shall have the right to reject any Product, 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 (other than the lien created hereunder in favor of Carrier). At the time of Nomination, Shipper shall inform Carrier if any Product Nominated and/or to be tendered to Carrier for transportation (i) may be involved in litigation, (ii) may be subject to a title dispute, or (iii) may be encumbered by a lien or charge of any kind (other than the lien created hereunder in favor of Carrier) ("Encumbered Product"); in the event Carrier receives such Shipper notice of Encumbered Product or otherwise learns that Shipper has or will Nominate or tender Encumbered Product, Carrier may require Shipper to provide a satisfactory indemnity bond, pre-payment of transportation charges, or a subordination agreement from the applicable lienholder, all to be determined in Carrier's sole discretion. Shipper agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from Shipper's failure to have proper title or lawful right to deliver thereto; provided that acceptance for transportation shall not be deemed a representation by Carrier as to title.

#### **ITEM NO. 40 - MEASUREMENT**

All Product transported by Carrier will be measured at the Origin and Destination in accordance with applicable Carrier and industry accepted practices and procedures as will be posted and may be changed from time to time. All measurements and tests shall be performed by Carrier, but Shipper or its representatives may be present to witness such measurements and tests. All measurements and tests performed in respect of a given Origin or Destination shall be deemed final unless they are contested by Shipper within sixty (60) days of such action.

#### **ITEM NO. 45 - FAILURE TO TAKE DELIVERY AT DESTINATION**

After a shipment has had time to arrive at the Nominated Destination, Carrier may begin delivery of such shipment from its common stock to Shipper at Carrier's current rate of pumping. Shipper shall timely remove Product, or cause Product to be removed, from the Pipeline following transportation to a Nominated Destination. If Shipper is unable or refuses to receive said shipment, a daily demurrage charge shall accrue; such daily demurrage charge shall equal the Shipper's applicable tariff rate(s) in Item No. 105 (Uncommitted Rate), Item No. 110 (Committed Rates), and Item No. 115 (Firm Rates) herein multiplied by the number of Gallons of Product not removed by Shipper. In addition to such demurrage charge, Carrier shall have the right to make such disposition of unremoved Product as is necessary for the efficient operation of the Pipeline, and Shipper shall pay Carrier all charges associated with such disposition the same as if Shipper had authorized such, together with any associated additional costs and damages borne or incurred by Carrier. Shipper shall indemnify Carrier for all losses associated with unremoved Product and Carrier's disposition of unremoved Product. Carrier shall have no liability to Shipper associated with Shipper's unremoved Product or Carrier's disposition of unremoved Product.

#### **ITEM NO. 50 – CREDIT STANDARDS**

Shipper must provide to Carrier, meet, and thereafter maintain one or more of the following, as required by Carrier:

- i. Have a senior unsecured credit rating of at least BBB- from Standard and Poor's (or its successors) or Baa3 from Moody's Investment Services (or successors). If the Shipper has a split rating between Standard and Poor's and Moody's Investment Services, the lower rating will be the applicable rating used.
- ii. Provide a guaranty in favor of Carrier in a form and substance acceptable from an entity that has a senior unsecured credit rating of at least BBB- from Standard and Poor's (or its successors) or Baa3 from Moody's Investment Services (or its successors). If the guarantor has a split rating between Standard and Poor's and Moody's Investment Services, the lower rating will be the applicable rating used.
- iii. To the extent the Shipper does not have a credit rating from Standard and Poor's and/or Moody's Investment Services, the Shipper must provide current audited financial statements

to Carrier whereby Carrier will review working capital, profitability, net worth, cash flow and the overall financial condition of the Shipper, and Carrier will evaluate whether the Shipper has the ability to perform the financial obligations that would arise from the services provided by Carrier and whether Shipper is creditworthy for purposes of this Tariff.

In the event that, at any time, a Shipper ceases to meet the credit requirements set forth above, as required of the Shipper by Carrier, the Shipper shall be required to provide further credit assurances reasonably acceptable to Carrier, which credit assurances may include, without limitation, the following:

- i. No later than ten (10) days after the date requested by Carrier, Shipper shall cause a Qualified Issuer to issue a standby letter of credit in a form and substance acceptable to Carrier and (iii) providing that such letter of credit shall be automatically renewed for a like term unless at least ten (10) days prior to then current expiration date of such letter of credit the Qualified Issuer thereof notifies Carrier and the Shipper of its intent not to renew such letter of credit.
- ii. A cash deposit in an amount acceptable to Carrier.

A Shipper's creditworthiness will be reviewed on a continuing basis and Carrier shall not be required to provide any service to any Shipper that fails to establish and/or maintain creditworthiness standards as required by Carrier in this Section. A Shipper that fails to meet the creditworthiness standards established by Carrier under this Section may become creditworthy by providing to Carrier financial assurances acceptable to Carrier in its sole discretion.

#### **ITEM NO. 55 - PAYMENT OF CARRIER CHARGES**

Carrier shall assess transportation and all other lawful charges accruing on Product accepted for transportation at the rate in effect at the date Product is delivered at the specified Destination. Carrier will invoice Shipper for transportation charges and all other lawful charges accruing on Product accepted in accordance with Carrier's then current payment policies and procedures at the rates published herein.

Carrier may invoice Shipper monthly for all transportation charges and other charges due based upon the number of Barrels delivered by Carrier to Shipper, less any adjustments made by Carrier pursuant to Item No. 75 and 80 of this Tariff. Shipper shall pay, via ACH or EFT, the full amount due under the invoice within ten (10) days from receipt of the invoice, even if such due date is prior to delivery at the Destination. In the event Shipper fails to pay any such charges when due, in addition to any other remedies available to Carrier under this Tariff or under applicable law, Carrier shall not be obligated to provide Shipper access to the Pipeline or provide services pursuant to this Tariff until such time as payment is received by Carrier.

If any transportation or other charges are not paid by the due date stated on the invoice, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full at the rate equal to one hundred twenty-five percent (125%) of the prime rate of interest charged by Citibank N.A., New York, New York, as of the due date, or the maximum finance charge rate allowed by law, whichever is less. Carrier reserves the right to set-off any charges due Carrier by Shipper against any monies owed to Shipper by Carrier or any Product of Shipper in Carrier's custody.

Shipper hereby assigns and grants to Carrier a continuous and continuing security interest in, and assignment of, 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 accepted by Carrier for transportation or otherwise provided by Shipper pursuant to Item No.15 of this Tariff; (b) all other property of Shipper now in the possession of and at any time and from time to time hereafter delivered to Carrier or its agents, (c) all of Shipper's pre-payments, deposits, balances, and credits with, and any of its claims against, Carrier, at any time existing; and (d) all products and proceeds of any of the foregoing property in any form. The property described or referred to in subsections (a) through (d) above is collectively referred to as the "Collateral". This grant and assignment secures the following (collectively the "Obligations"): (a) all antecedent, current and future transportation, special, ancillary and other lawful charges arising under or

related to this Tariff or the contracts entered into in connection with this Tariff; (b) the repayment of any amounts that Carrier may advance or spend for the storage or maintenance and preservation of the Collateral; and (c) all amounts owed under any modifications, renewals or extensions of any of the foregoing obligations. Carrier may withhold such Collateral from delivery until all unpaid charges have been paid. If said charges remain unpaid ten (10) days after final notice and demand therefore, Carrier shall have the right, in addition to and not in limitation of its other rights and remedies, directly or through an agent, to sell such Collateral at public auction, on any day not a legal holiday, in not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time, place of sale, and the quantity and location of Collateral to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the transportation and all other lawful charges, including expenses incident to said sale. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto. Carrier will have a claim for and against Shipper with respect to any deficiency arising from the debt due to Carrier from Shipper and the proceeds of any sale after reduction as set forth above.

#### **ITEM NO. 60 - CLAIMS, SUITS AND TIME FOR FILING**

Notice of claims for loss or damage must be made in writing to Carrier within nine (9) Months after delivery of the Product, or in the case of a failure to make delivery, then within nine (9) Months after a reasonable time for delivery has elapsed.

A suit against Carrier shall be instituted only within two (2) years and one (1) day after delivery of the Product, or in case of a failure to make delivery, then within two (2) years and one (1) day after a reasonable time for delivery has elapsed; provided, however, that where claims have been duly filed with the Carrier, suit must be brought within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice.

Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier shall not be liable and such claims will not be paid.

#### **ITEM NO. 65 – PRORATION OF PIPELINE CAPACITY**

1. **Prorationing.** When a Proration Month occurs, Available Capacity will be apportioned among all valid Shipper Nominations on the basis set forth in this Item No. 65 below.
2. **Definition of terms.** The following terms have the following meanings:

**Regular Shipper** means (1) an Uncommitted Shipper that has shipped Product on Carrier's system during each of the twelve (12) consecutive Months preceding the Proration Month; or (2) a Committed Shipper that has not elected Firm Service for the Month.

**Regular Shipper's History** means: in the case of an Uncommitted Shipper, the number of Barrels shipped by such Uncommitted Shipper during the Base Period averaged on a Monthly basis; and in the case of a Committed Shipper, the greater of (a) the number of Barrels shipped by the Committed Shipper during the Base Period averaged on a Monthly basis; or (b) the Committed Shipper's Monthly Volume Commitment.

**New Shipper** means a Shipper that has not shipped Product on Carrier's system during each of the twelve (12) consecutive Months preceding the Proration Month.

3. **Exempt Volumes.** Per the terms of the TSA, a Committed Shipper shall have the option to elect Firm Service on a monthly basis. The volume elected by Committed Shippers to receive Firm Service, up to each Committed Shipper's Monthly Volume Commitment is exempt from the prorationing procedures set forth in this Item No. 65 ("Exempt Volumes"). If a Committed Shipper's Nominations for Firm Service during a Proration Month are less than its Monthly Volume Commitment, then the Committed Shipper's Exempt

Volumes for that Month will be limited to the amount of its Nomination. If the total of all Committed Shippers' aggregate Nominations for Firm Service is less than ninety percent (90%) of the Available Capacity, then a Committed Shipper's Nominations for Incremental Firm Barrels will be accepted up to the remaining of the ninety percent (90%) of the Available Capacity; provided that, in the event the total Nominations by Committed Shippers of Incremental Firm Barrels exceeds the remaining ninety percent (90%) of the Available Capacity, Carrier will adjust the Nominations of Incremental Firm Barrels on a pro rata basis based on each Committed Shipper's level of Committed Volume.

4. **Division of capacity between Shipper classes.** For each Proration Month, the Remaining Available Capacity shall be divided between Regular Shippers and New Shippers. Generally, as described in this section, up to ten percent (10%) of the Remaining Available Capacity shall be allocated first to New Shippers and at least ninety percent (90%) of the Remaining Available Capacity shall be allocated to Regular Shippers.

a) **New Shippers**

- i) **Availability of capacity.** Not more than ten percent (10%) of the Remaining Available Capacity shall be made available to New Shippers as a class.
- ii) **Allocation.** Each New Shipper will be allocated a share of the capacity available to all New Shippers equal to the least of: (i) Nominations; (ii) ten percent (10%) of the Remaining Available Capacity of the Pipeline, divided by the number of New Shippers who nominated quantities for shipment during the Proration Month; or (iii) one-fifth of 10% (2.0%) of the Remaining Available Capacity of the Pipeline for the Proration Month. Any unused capacity allocated to New Shippers will become available for allocation among the Regular Shippers.

b) **Regular Shippers**

- i) **Availability of capacity.** The remainder of the Remaining Available Capacity will be available to any Regular Shipper that submitted valid Nominations for the Proration Month. A Committed Shipper shall have Regular Shipper status for any Nominations it submits that do not elect Firm Service.
- ii) **Allocation.** The remainder of the Remaining Available Capacity will be apportioned among all Regular Shippers. Each Regular Shipper's share of such capacity will be allocated based on its Shipper History.

5. **Remaining capacity.** Any capacity not allocated through the application of paragraphs 3 through 4 above shall be allocated pro rata among Shippers having unmet Nominations according to the following priority until the capacity is fully allocated or all of the remaining Nominations have been fulfilled: First to Regular Shippers and second to New Shippers.

6. **Failure to use allocated capacity.**

- a) Except (i) as provided in subparagraph (b) of this paragraph; or (ii) If a Shipper has been allocated more volume than such Shipper has Nominated, a Shipper that fails to use all of its allocated capacity during a Proration Month shall have its allocation reduced in each subsequent Month of prorating until the total reductions equal the amount of the deficiency. The amount of any such reduction shall be treated as unused allocated capacity and shall be reallocated among other Shippers in accordance with the rules in paragraph 5.
- b) Reduction of a Shipper's allocation for failure to use its allocated capacity during a prior Proration Month may be waived, in whole or in part if Carrier determines, in its sole discretion, on a not

unduly discriminatory basis, that the Shipper's failure to use all or some of its allocated capacity was due to factors beyond the Shipper's reasonable control.

7. **Transfer of prorated Capacity; Use of affiliates.** Volume allocated to a Shipper may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper. A Shipper may not use an affiliated or cooperating entity to obtain an increased allocation of capacity or, in the case of a Regular Shipper, seek New Shipper status in order to pool two or more allocations to the benefit of the Shipper.
8. **Monthly Committed Volume After TSA Termination.** Committed Shipper's Monthly Committed Volume, that has been transported or paid for as if transported, shall be included in the calculation of the Shipper's Base Period transported volume for purposes of prorating subsequent to the expiration of Shipper's TSA.

#### **ITEM NO. 70 - LIABILITY OF CARRIER**

While in possession of Product Nominated to it for transportation, Carrier shall not be liable to Shipper for any delay in delivery, damage thereto, or for any loss of Product (a) due to Maintenance, or (b) caused by Force Majeure (including, but not limited to, any act of God or act of the public enemy), by act of default of Shipper, by act or default by the Product owner (if different from the shipper), by a defect in the transported Product, or resulting from any other cause not due to the gross negligence of Carrier, whether similar or dissimilar to the causes herein enumerated.

Carrier will not be liable for discoloration, contamination, or deterioration of Product transported unless such discoloration, contamination, or deterioration of Product transported results from the gross negligence or willful misconduct of Carrier. Carrier reserves the non-exclusive right (without affecting the rights of any Shipper to pursue its own remedies), at its sole and complete discretion, to institute legal or other proceedings to recover Product in kind and/or monetary damages, and if Carrier recovers such, Carrier shall deduct the cost of recovery, including reasonable attorney's fees, and shall then apportion the remaining Product in kind and/or monetary damages recovered among the affected Shippers in the same proportion as the allocated losses or damages.

The Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Product transported or stored hereunder, and Carrier expressly disclaims any liability for any expressed or implied warranty for Product transported or stored hereunder including any warranties of merchantability or fitness for intended use.

#### **CARRIER WILL NOT BE LIABLE FOR SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES.**

**AS A CONDITION TO CARRIER'S ACCEPTANCE OF PRODUCT UNDER THIS TARIFF, EACH SHIPPER AGREES TO PROTECT AND INDEMNIFY CARRIER AGAINST ANY INDEMNIFIABLE CLAIM ASSERTED BY ANYONE 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; (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 PRODUCT; AND/OR (3) ANY OFF-SPEC PRODUCT DELIVERED BY OR ON BEHALF OF SHIPPER TO CARRIER, INCLUDING, WITHOUT LIMITATION, THOSE ARISING FROM CONTAMINATION OF OTHER SHIPPERS' PRODUCT. THIS INDEMNITY OBLIGATION SHALL EXTEND TO ANY INDEMNIFIABLE CLAIM EVEN THOUGH SUCH CLAIM ARISES AS A RESULT OF THE NEGLIGENCE OF THE PARTY INTENDED TO BE INDEMNIFIED BY THE APPLICABLE INDEMNITY PROVISION, EXCEPT THAT THIS INDEMNITY SHALL NOT EXTEND TO ANY PORTION OF AN INDEMNIFIABLE CLAIM THAT ARISES AS A RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY INTENDED TO BE INDEMNIFIED BY THIS INDEMNITY PROVISION.**

#### **ITEM NO. 75 – PIPELINE GAINS AND LOSSES**

Shipper is responsible for and shall bear physical and economic impact of its proportionate share of all gains and losses (including component imbalances). Any gains and losses will be apportioned according to each Shipper in the proportion that the relevant shipment or portion thereof bears to the total of all Product involved, and each Shipper shall be entitled to receive only that portion of its shipment remaining after deducting his proportion as above determined of such loss or adding his proportion of the above determined gain. Carrier shall prepare and submit a statement to Shipper showing the apportionment of any such loss or gain.

#### **ITEM NO. 80 - COMPONENT BALANCING**

Each Shipper shall be responsible for bringing into balance on a monthly basis any accumulated component volume differences resulting from the receipt, transportation, and delivery of comingled Demethanized Mix using a cash out procedure. Participation in the component balancing process is a pre-requisite to shipping on Carrier.

On a monthly basis, Shippers are required to cash out any component imbalance to zero. The shipper cash out position equals the sum of (i) each component imbalance multiplied by (ii) the corresponding OPIS Price Index ("Shipper Cash Out Position"). The Shipper will be notified by Carrier of its Shipper Cash Out Position on the component balance statement and invoice. Payment of any Shipper Cash Out Position shall be due at the same time the payment for monthly transportation charges are due. If the Shipper owes the Carrier it will be added to the invoice due and if the Carrier owes the Shipper, it will be deducted from the invoice due

#### **ITEM NO. 85 – APPLICATION OF RATES TO INTERMEDIATE POINTS**

On a temporary basis not to exceed thirty (30) days, Product accepted for transportation from or to any point on Carrier's Pipeline not named in this Tariff, but which is intermediate to a point where rates are published, will be assessed the rate in effect from or to the next more distant point published in this Tariff. Continuous use of intermediate point rate application for more than thirty (30) days requires establishment of a rate for the transportation service.

#### **ITEM NO. 90 - ADDITIONAL CONTRACTS**

Separate agreements in accord with this Tariff, and applicable regulations covering further details, may be required by Carrier before any duty for transportation shall arise.

With respect to Committed Shippers, separate agreements, including a TSA, in accord with this Tariff, and applicable regulations covering further details, are required by Carrier before a Committed Shipper qualifies for service under the provisions and rates applicable to such Committed Shippers.

#### **ITEM NO. 95 – PROVISION OF SERVICES**

To the extent permitted by applicable law and pursuant to the terms of this Tariff, including, but not limited to, Item No. 65, Carrier agrees, commencing on the Commencement of Service Date to receive each Month from Shipper volumes of Product at the Origin(s), as properly Nominated and tendered by Shipper and to redeliver equivalent volumes less Shipper's linefill requirement pursuant to Item 15 of Product to Shipper at the Destination(s). Carrier may refuse to accept any Barrels of Product from Shipper for services if Shipper is in violation of the Tariff, or Committed Shipper is in violation of the Tariff or in breach of a TSA, if applicable, at the time the volumes of Product are Nominated or tendered to Carrier.

#### **ITEM NO. 100 – CARRIER DISCRETION**

Carrier will operate its system and implement the rules and regulations contained in this Tariff, including those provisions providing for Carrier's discretion, in a manner that is not unduly discriminatory or unduly preferential.

**SECTION II**

**RATES**

The Uncommitted Rate(s) below shall be adjusted in accordance with the mechanism set forth in FERC regulation 18 C.F.R. § 342.3 or any successor thereto.

**ITEM NO. - 105 – UNCOMMITTED RATES**

**UNCOMMITTED RATES**  
*(in cents per Barrel)*

<b>ORIGIN(S)</b>	<b>DESTINATION</b>	<b>RATE</b>
Conway, Kansas	Kingfisher, Oklahoma	<b>[I]</b> 269.65

**ITEM NO. 110 COMMITTED RATES**

**COMMITTED RATES** <sup>(1)</sup>  
*(in cents per Barrel)*

See Section I of this Tariff for Application

<b>ORIGIN(S)</b>	<b>DESTINATION</b>	<b>RATE</b>
Conway, Kansas	Kingfisher, Oklahoma	<b>[I]</b> 125.56

(1) The Committed Rate(s) published in Item No. 110 are charged to Committed Shipper(s) pursuant to a TSA executed as a result of the open season that concluded on August 11, 2020

**ITEM NO. 115 FIRM RATES**

**FIRM RATES** <sup>(1)</sup>  
*(in cents per Barrel)*

See Section I of this Tariff for Application

<b>ORIGIN(S)</b>	<b>DESTINATION</b>	<b>RATE</b>
Conway, Kansas	Kingfisher, Oklahoma	<b>[I]</b> 270.65

(1) The Firm Rate(s) published in Item No. 115 are charged to Committed Shipper(s) pursuant to a TSA executed as a result of the open season that concluded on August 11, 2020. The Firm Rate(s) charged pursuant to such TSA shall be 1.00 cent per Barrel higher than the currently effective Uncommitted Rate(s) in Item No. 105 of this Tariff.

EXPLANATION OF REFERENCE MARKS:

- [N] New.
- [U] Unchanged rate.
- [W] Change in wording only.
- [I] Increase
- [D] Decrease
- [C] Cancel