

NuStar Logistics, L.P.

Containing the Rates, Rules, and Regulations
Governing the Intrastate Transportation by Pipeline of

[W] CRUDE PETROLEUM PRODUCTS (As Defined Herein)

[W] <u>Origin Point From</u>	[W] <u>Destination Point To</u>	Rate in Dollars per Barrel of 42 United States Gallons	
[W] <u>Three Rivers, Live Oak County, Texas</u> <u>Corpus Christi Valero West, Nueces County, Texas</u>	[W] <u>Corpus Christi Valero West, Nueces County, Texas</u> <u>Three Rivers, Live Oak County, Texas</u>	[U] \$0.8059	
[W] <u>Three Rivers, Live Oak County, Texas</u> <u>Corpus Christi Valero West, Nueces County, Texas</u>	[W] <u>Corpus Christi Valero West, Nueces County, Texas</u> <u>Three Rivers, Live Oak County, Texas</u>	Incentive Rates (Note 1)	
		Base Rate: 0 to 40,000 BPD	[U] \$0.7092
		Incentive Rate 1: 40,001 to 75,000 BPD	[U] \$0.4910
		Incentive Rate 2: 75,001 to 100,000 BPD	[U] \$0.4364
		Incentive Rate 3 : 100,001 to 127,5000 BPD	[U] \$0.3819
		Incentive Rate 4: If the daily throughput average for a given month exceeds 127,500 BPD, all barrels moved in that month will be billed at this rate.	[U] \$0.5172
Note 1: The Incentive Rates are applicable to an Incentive Shipper contracting for a minimum guaranteed volume of 40,000 barrels per day for a ten (10) year term.			
Subject to the rates, rules and regulations set forth herein.			
NuStar Logistics, L.P. P-5 Permit # 616747; P-4 Permit # 05047			
The provisions published herein will, if effective, not result in an effect on the quality of the human environment.			
ISSUED: May 7, 2020		EFFECTIVE: May 7, 2020	
Issued By: Danny Oliver [W] <u>Executive Sr. Vice President NuStar G.P., Inc.,</u> as General Partner of NuStar Logistics, L.P. 19003 IH-10 West San Antonio, Texas 78257		Compiled by: Adam Cummins 19003 IH-10 West San Antonio, Texas 78257 210-918-4577	
SYMBOLS: [U] Unchanged rate [N] New [W] Change in wording only			

Rules and Regulations

[C] Section I

~~The following nineteen (1-19) rules are reprinted here pursuant to the requirements of the Texas Railroad Commission Title 16 Part 1 Chapter 3 Rule § 3.71~~

~~Carrier (herein generally referred to as "the pipeline", in this tariff) will accept Crude Petroleum (referred to variously in this tariff as "crude oil", "crude", "oil", and "marketable oil", and defined in Rule 1 below) for intrastate transportation by pipeline from the point of origin to the point of destination named in this tariff, subject to the following rules and regulations:~~

~~Rule 1 All Marketable Oil To Be Received For Transportation~~

~~By the term "marketable oil" is meant any crude petroleum adopted for refining or fuel purposes, properly settled and containing not more than two percent of basic sediment, water, or other impurities above a point six inches below the pipeline connection with the tank. Pipelines shall receive for transportation all such "marketable oil" tendered; but the pipeline shall not be required to receive for shipment from any one person an amount exceeding 3,000 barrels of petroleum in any one day; and, if the oil tendered for transportation differs materially in character from that usually produced in the field and being transported therefrom by the pipeline, then it shall be transported under such terms as the shipper and the owner of the pipeline may agree or the Railroad Commission of Texas ("Commission") may require.~~

~~Rule 2 Basic Sediment, How Determined - Temperature~~

~~In determining the amount of sediment, water, or other impurities, the pipeline is authorized to make a test of the oil offered for transportation from an average sample from each such tank, by the use of centrifugal machine, or by the use of any other appliance agreed upon by the pipeline and the shipper. The same method of ascertaining the amount of the sediment, water or other impurities shall to be used in the delivery as in the receipt of oil. The pipeline shall not be required to receive for transportation, nor shall consignee be required to accept as a delivery, any oil of a higher temperature than 90 degrees Fahrenheit, except that during the summer oil shall be received at any atmospheric temperature, and may be delivered at like temperature. Consignee shall have the same right to test the oil upon delivery at destination that the pipeline has to test before receiving from the shipper.~~

~~Rule 3 "Barrel" Defined~~

~~_____ For the purpose of these rules, a "barrel" of crude petroleum is declared to be 42 gallons of 231 cubic inches per gallon at sixty degrees Fahrenheit (60°F).~~

~~Rule 4 Oil Involved in Litigation, Etc. - Indemnity Against Loss~~

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

~~Rule 5 Storage~~

~~_____ The pipeline shall provide, without additional charge, sufficient storage, such as is incident and necessary to the transportation of oil, including storage at destination or so near thereto as to be available for prompt delivery to destination point, for five days from the date of order of delivery at destination.~~

~~Rule 6 Identity of Oil, Maintenance of Oil~~

~~_____ The pipeline may deliver to consignee, either the identical oil received for transportation, subject to such consequences of mixing with other oil as are incident to the usual pipeline transportation, or it may make delivery from its common stock at destination; provided, if this last be done, the delivery shall be of substantially like kind and market value.~~

~~Rule 7 Minimum Quantity To Be Received~~

~~_____ The pipeline shall not be required to receive less than one tank carload of oil when oil is offered for loading into tank cars at destination of the pipeline. When oil is offered for transportation for other than tank car delivery, a pipeline shall not be required to receive less than 500 barrels.~~

~~Rule 8 Gathering Charges~~

~~_____ Tariffs to be filed by a pipeline shall specify separately the charges for gathering of the oil, for transportation, and for delivery.~~

~~Rule 9 Gauging, Testing and Deductions~~

~~(Reference Commission Special Order No. 20-63, 098, Effective June 18, 1973).~~

~~(A) All crude oil tendered to the pipeline shall be gauged and tested by a representative of the pipeline prior to its receipt by the pipeline. The shipper may be present or represented at the gauging and testing. Quantities shall be computed from correctly compiled tank tables showing 100% of the full capacity of the tanks.~~

~~(B) Adjustments shall be made for temperature from the nearest whole number degree to the basis of 60°F and to the nearest 5/10 API degree gravity in accordance with the volume correction Tables 5A and 6A contained in API Standard 2540, American Society for Testing Materials 01250, Institute of Petroleum 200, first edition, August 1980. The pipeline may deduct the basic sediment, water, and other impurities as shown by the centrifugal or other test agreed upon; and 1% for evaporation and loss during transportation. The net balance shall be the quantity deliverable by the pipeline. In allowing the deductions, it is not the intention of the commission to affect any tax or royalty obligations imposed by the laws of Texas on any producer or shipper of crude oil.~~

~~Rule 10 Delivery and Demurrage~~

~~_____ The pipeline shall transport oil with reasonable diligence, considering the quality of the oil, the distance of transportation and other material elements, but at any time after receipt of a consignment of oil, upon 24 hours' notice to the consignee, may offer oil for delivery from its common stock at the point of destination, conformable to Rule 6 of this tariff, at a rate not exceeding 10,000 barrels per day of 24 hours. Computation of time of storage (as provided for in Rule 5 of this tariff) shall begin at the expiration of such notice. At the expiration of the time allowed in Rule 5 of this tariff for storage at destination, the pipeline may assess a demurrage charge on oil offered for delivery and remaining undelivered, at a rate for the first 10 days of \$.001 per barrel and thereafter at a rate of \$.0075 per barrel, for each day of 24 hours or fractional part thereof.~~

~~Rule 11 Unpaid Charges, Lien For And Sale To Cover~~

~~_____ The pipeline shall have a lien on all oil to cover charges for transportation, including demurrage, and it may withhold delivery of oil until the charges are paid. If the charges shall remain unpaid for more than 5 days after notice of readiness to deliver, the pipeline may sell the oil at public auction at the general office of the pipeline on any day not a legal holiday. The date for the sale shall be not less than 48 hours after publication of notice in a daily newspaper of~~

~~general circulation published in San Antonio, Texas, the city where the general office of the pipeline is located. The notice shall give the time and place of the sale, and the quantity of the oil to be sold. From the proceeds of the sale, the pipeline may deduct all charges lawfully accruing, including demurrage, and all expenses of the sale. The net balance shall be paid to the person lawfully entitled thereto.~~

~~Rule 12 Notice Of Claims~~

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

~~Rule 13 Telephone - Telegraph Line - Shipper To Use~~

~~——— If the pipeline maintains a private telegraph or telephone line, a shipper may use it without extra charge, for messages incident to shipments. However, the pipeline shall not be held liable for failure to deliver any messages away from its office or for delay in transmission or for interruption of service.~~

~~Rule 14 Contracts Of Transportation~~

~~——— When a consignment of oil is accepted, the pipeline shall give the shipper a run ticket, and shall give the shipper a statement that shows the amount of oil received for transportation, the points of origin and destination, corrections made for temperature, deductions made for impurities, and the rate for such transportation.~~

~~Rule 15 Shipper's Tanks, Etc. - Inspection~~

~~——— When a shipment of oil has been offered for transportation, the pipeline shall have the right to go upon the premises where the oil is produced or stored, and have access to any and all tanks or storage receptacles for the purpose of making any examination, inspection, or test authorized by these Rules and Regulations.~~

~~Rule 16 Offers In Excess Of Facilities~~

~~——— If oil is offered to the pipeline for transportation in excess of the amount that can be immediately transported, the transportation furnished by the pipeline shall be apportioned among all shippers in proportion to the amounts offered by each; but no offer for transportation shall be considered beyond the amount which the person requesting the shipment then has ready for shipment by the pipeline. The pipeline shall be considered as a shipper of oil produced or purchased by itself and hold for shipment through its line, and its oil shall be entitled to participate in such apportionment.~~

~~Rule 17 Interchange of Tonnage~~

~~——— Pipelines shall provide the necessary connections and facilities for the exchange of tonnage at every locality reached by two or more pipelines, when the Commission finds that a necessity exists for connection, and under such regulations as said Commission may determine in each case.~~

~~Rule 18 Receipt and Delivery - Necessary Facilities For~~

~~——— The pipeline shall install and maintain facilities for the receipt and delivery of marketable crude petroleum of shippers at any point on its line if the Commission finds that a necessity exists therefor, and under regulations by the Commission.~~

Rule 19 Report Of Loss From Fire, Lightning and Leakage

- ~~(A) The pipeline shall immediately notify the commission district office, electronically or by telephone, of each fire that occurs at any oil tank owned or controlled by the pipeline, or of any tank struck by lightning. The pipeline shall in like manner report each break or leak in any of its tanks or pipelines from which more than five barrels escape. The pipeline shall file the required information with the commission in accordance with the appropriate commission form within 30 days from the date of the spill or leak.~~
- ~~(B) No risk of fires, storm, flood or act of God, and no risk resulting from riot, insurrection, rebellion, war, an act of the public enemy, or from quarantine or authority of law or any order, requisition or necessity of the government of the United States in time of war, shall be borne by the pipeline, nor shall any liability accrue to it from any damage thereby occasioned. If loss of any crude oil from such causes occurs after the oil has been received for transportation, and before it has been delivered to the consignee, the shipper shall bear a loss in such proportion as the amount of his shipment is to all of the oil held in transportation by the pipeline at the time of such loss, and the shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss, but in such event the shipper shall be required to pay charges only on the quantity of oil delivered. This rule shall not apply if the loss occurs because of negligence of the pipeline.~~
- ~~(C) Common carrier pipelines shall mail (return receipt requested) or hand deliver to landowners (persons who have legal title to the property in question) and residents (persons whose mailing address is the property in question) of land upon which a spill or leak has occurred, all spill or leak reports required by the commission for that particular spill or leak within 30 days of filing the required reports with the commission. Registration with the commission by landowners and residents for the purpose of receiving spill or leak reports shall be required every five years, with renewal registration starting January 1, 1999. If a landowner or resident is not registered with the commission, the common carrier is not required to furnish such reports to the resident or landowner.~~

[C] Section II Special Rules

Special Rule 1 Definitions

- API ~~———— American Petroleum Institute.~~
- API Gravity ~~———— Gravity determined in accordance with ASTM designation and expressed in degrees.~~
- Assay ~~———— A laboratory analysis of Crude Petroleum to include API gravity, Reid vapor pressure, pour point, sediment and water content, sulfur content, viscosity at 60 degrees Fahrenheit, and other characteristics as may be required by Carrier.~~
- ASTM ~~———— American Society for Testing Materials.~~
- BPD ~~———— Barrels per day~~
- Capacity ~~———— The quantity of Crude Petroleum the Pipeline Segment at issue is capable of transporting under the current operating conditions.~~
- Carrier ~~———— NuStar Logistics, L.P.~~
- Common Stream ~~———— Crude Petroleum moved through the pipeline and pipeline facilities which is commingled or intermixed with crude petroleums of like quality and characteristics as may be determined by Carrier based on Crude Petroleum assays and other pertinent analytical data.~~
- Connecting Carrier ~~———— A connecting pipeline company as named or referred to herein.~~
- Consignee ~~———— The party to whom a Shipper has ordered the delivery of Crude Petroleum.~~
- Crude Petroleum ~~———— The direct liquid product of oil wells or a mixture of the direct product of oil wells and the indirect petroleum products resulting either from refining Crude Petroleum or the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields, or broken out during the normal production or processing of natural gas and meeting the specifications referenced in Special Rule 2.~~
- Destination ~~———— A point named in the tariff at which point Carrier will deliver Crude Petroleum to Shipper or its Consignee after transportation from an Origin.~~
- Incentive Shipper ~~———— A Shipper that is a party to a Throughput and Deficiency Agreement.~~
- Origin ~~———— A point named in the tariff at which point Carrier will accept Crude Petroleum for transportation.~~
- Pipeline Segment ~~———— Section of Carrier's common carrier facilities, the limits of which are defined by two geographically identifiable points, that, because of the way that section of Carrier's common carrier facilities is designed and operated, must be treated as a unit for purposes of determining Capacity.~~

~~Segregated Batch~~ — A Tender of Crude Petroleum having specific identifiable characteristics which is moved through the pipeline and pipeline facilities so as to maintain its identity.

~~Shipper~~ — A party who contracts with Carrier for transportation of Crude Petroleum, as defined herein and under the terms of this tariff.

~~Tender~~ — A nomination by a Shipper to Carrier of a stated quantity and grade of Crude Petroleum for transportation from a specified origin or origins to a specified destination or destinations in accordance with these rules and regulations.

~~Throughput and
Deficiency~~

~~Agreement~~ — An effective Throughput and Deficiency Agreement executed between Carrier and an Incentive Shipper for the provision of service under this tariff.

~~Special Rule 2 Crude Petroleum, Acceptance of~~

~~(A) Carrier reserves the right to reject Crude Petroleum containing more than one percent (1%) of basic sediment, water, and other impurities, except that:~~

- ~~1. If required by operating conditions, Carrier may reject Crude Petroleum containing less than two percent (1%) of basic sediment, water and other impurities.~~
- ~~2. Sediment and water limitations of a Connecting Carrier may be imposed upon Carrier when such limits are less than that of the Carrier, in which case the limitations of the Connecting Carrier will be applied.~~

~~(B) No Crude Petroleum will be accepted for transportation which has a pour point greater than 55 degrees Fahrenheit or which has a viscosity greater than 130 Saybolt Universal Seconds at 60 degrees Fahrenheit (SUS @ 60°F) or less than 40 SUS @ 60°F, unless under terms and conditions acceptable to Carrier.~~

~~(C) Carrier reserves the right to reject any and all of the following shipments:~~

- ~~1. Marketable oil having Reid vapor pressure in excess of 10 pounds above a temperature of 100 degrees Fahrenheit.~~
- ~~2. Marketable oil where the Shipper or Consignee has failed to comply with all applicable laws, rules and regulations made by any governmental authority regulating shipments of marketable oil.~~
- ~~3. Crude Petroleum where sulfur content is greater than 0.50% by weight.~~

~~(D) Shipper shall be responsible for all reasonable expenses incurred by Carrier resulting from Carrier's receipt of any Crude Petroleum which does not comply with the requirements of Special Rule 2.~~

~~Special Rule 3 Additives~~

~~Crude Petroleum shall be free of any additives and inhibitors, including drag reducing agents, unless approved by Carrier.~~

~~Special Rule 4 Storage~~

~~Carrier will only provide working tankage for such storage that is incidental and necessary to the transportation of Crude Petroleum pursuant to the applicable tariff. Any additional storage in Carrier's tankage, i.e., storage beyond what is incidental and necessary to transportation pursuant to the applicable rate tariff, will be subject to the terms and conditions of Carrier's standard storage agreement.~~

~~Special Rule 5 Receipt Facilities Required~~

~~Where Crude Petroleum to be shipped requires transportation in a Segregated Batch, Shipper or Consignee shall be responsible for providing tankage for the volume of Segregated Batch.~~

~~Special Rule 6 Destination Facilities Required~~

~~Carrier will refuse to accept Crude Petroleum for transportation unless satisfactory evidence is furnished that the Shipper or Consignee has provided the necessary facilities for the prompt receiving of Crude Petroleum batches. If the Shipper or Consignee is unable or refuses to receive said Crude Petroleum as it arrives at Destination, Carrier reserves the right to make arrangement for disposition of the Crude Petroleum it deems appropriate in order to clear the Carrier's pipeline. Any additional expenses incurred by Carrier in making such arrangements shall be borne by the Shipper or Consignee.~~

~~Special Rule 7 Acceptance Free From Liens and Charges~~

~~Carrier shall have the right to reject any Crude Petroleum which, when tendered for transportation, may be involved in litigation, or the title of which may be in dispute, of which may be encumbered by lien or charge of any kind, and Carrier may require of the Shipper satisfactory evidence of the Shipper's perfect and unencumbered title or satisfactory indemnity bond to protect Carrier. By tendering Crude Petroleum, the Shipper warrants and guarantees that it owns or controls, has the right to deliver or have delivered for its account, such Crude Petroleum, and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of ownership or control thereto, provided, that acceptance for transportation shall not be deemed a representation by Carrier as to ownership or control.~~

~~Special Rule 8 Gauging, Measurement~~

~~Crude Petroleum tendered to Carrier for transportation shall be measured by tank gauges and computations made from 100% of the full capacity of the tanks, or by mutually accepted custody transfer facilities. Shipper and Consignee shall have the privilege of being present or represented during measuring and testing of shipments by Carrier. Measurement by the Carrier shall be considered prima facie evidence of the amount tendered, regardless if the Shipper or Consignee is present.~~

~~Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit.~~

~~Carrier will adjust any overage or shortage of Crude Petroleum with Shippers to allow for inherent losses or gains, including but not limited to shrinkage, evaporation, interface mixture, product measurements and other physical losses not due to negligence of Carrier. The adjustments for losses or gains will be allocated by grade by month, among the Shippers in the proportion that the total number of barrels of a given grade delivered out of the system, by grade, for each Shipper bears to the total number of barrels of that grade delivered out of the system for all Shippers.~~

~~Special Rule 9 Evidence of Receipts and Deliveries~~

~~Crude Petroleum received from Shipper and Crude Petroleum delivered to Consignee shall, in each instance, be evidenced by tickets or Carrier's statements containing data essential to the determination of quantity.~~

~~Special Rule 11 Duty of Carrier~~

- ~~(A) 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, and will not accept Crude Petroleum to be transported in time for any particular market.~~
- ~~(B) Carrier will use reasonable care to transport Crude Petroleum received to destination with a minimum contamination and mixing, and will attempt to maintain the identity of each shipment. Carrier will not be required to deliver the identical Crude Petroleum received. Carrier will not be liable for damage or loss, including but not limited to consequential, incidental, direct or indirect damages or damage or lost profits, caused by contamination, discoloration, deterioration, a change in density, or other change in quality of a Shipper's Crude Petroleum resulting from Carrier's transportation of the Crude Petroleum.~~
- ~~(C) Special Rule 11(B) does not apply to pipeline systems that are designated as "Common Stream".~~

~~Special Rule 12 Claims~~

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

~~Special Rule 13 Application of Rates from and to Intermediate Points~~

~~For Crude Petroleum accepted for transportation from any point on Carrier's lines not named in a particular tariff which is intermediate to a point from which rates are published there, through such unnamed point, Carrier will apply from such unnamed point the rates published therein from the next more distant point specified in such tariff. For Crude Petroleum accepted for transportation to any point not named in a particular tariff which is intermediate to a point to which rates are published in said tariffs, through such named point, the rate published therein to the next more distant point specified in the tariff will apply.~~

~~Special Rule 14 Line Fill and Tank Bottom Inventory Requirements~~

~~Carrier will require each Shipper to supply a pro rata share of Crude Petroleum necessary for pipeline and tankage fill to ensure efficient operation of the pipeline system prior to delivery. Crude Petroleum provided by Shippers for this purpose may be withdrawn only after: (1) shipments have ceased and Shippers have notified Carrier in writing to discontinue shipments in Carrier's system; and (2) Shipper balances have been reconciled between Shippers and Carrier. Carrier, at its sole discretion, may require advance 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 sold notice to complete administrative and operational requirements incidental to Shipper withdrawal.~~

~~If Shipper's inventory balance drops below its pro rata portion of the volume of Crude Petroleum necessary for the efficient operation of Carrier's pipeline system, Carrier will require Shipper to provide the necessary volume to meet its pro rata portion of such volume of Crude Petroleum.~~

~~Special Rule 15 Proration of Pipeline Capacity~~

~~When a quantity of Crude Petroleum is tendered by Shippers to Carrier which exceeds the Capacity of any Pipeline Segment from an Origin to a Destination, Crude Petroleum tendered by each Shipper for transportation from that Origin to that Destination will be transported in such quantities and at such times to the limit of Carrier's Capacity in a manner determined by Carrier to be equitable to all Shippers. The details of Special Rule 15 are set out in the following paragraphs 1.0 through 2.9:~~

~~1.0 Definitions~~

- ~~1.1 "New Shipper" means a Shipper that has not delivered Crude Petroleum to any Destination on the Pipeline Segment to be prorated within the Base Period. A Shipper that becomes a New Shipper shall remain one for the following 12 consecutive months.~~
- ~~1.2 "Regular Shipper" means a Shipper that is not a New Shipper.~~
- ~~1.3 "Current Tender Basis" means that the portion of Capacity available pursuant to paragraph 2.2 contained in Special Rule 15 to New Shippers will be allocated among all New Shippers in proportion to the volumes of Crude Petroleum tendered by each New Shipper for that month in accordance with Special Rule 16.~~
- ~~1.4 "Base Period" is the 12-calendar-month period just preceding the Calculation Month. Individual months within the Base Period are designated by Nos. 1 through 12, with "Month 1" being the most recent Base Period month and "Month 12" being the oldest Base Period month.~~
- ~~1.5 "Base Shipment Percentage" for each Regular Shipper is the total deliveries of Crude Petroleum to all Destinations on the Pipeline Segment to be prorated by the Regular Shipper during the Base Period divided by the lesser of (a) twelve or (b) the number of Base Period month within which the Regular Shipper first delivered Crude Petroleum to a Destination on the Pipeline Segment to be prorated.~~
- ~~1.6 "Calculation Month" is the calendar month immediately preceding the month for which Capacity is being prorated.~~

~~2.0 Prorating of Capacity~~

- ~~2.1 When Capacity will be prorated. Carrier will allocate Capacity among all Shippers for any month for which the Carrier determines, at its sole discretion, that the aggregate volume of Crude Petroleum that all Shippers Tender to all Destinations in a Pipeline Segment exceeds Capacity. Proration will be applied separately to each Pipeline Segment where a need for prorating shall arise.~~
- ~~2.2 Availability and Allocation of Capacity to New Shippers. Up to five percent of Capacity shall be made available to New Shippers and will be prorated among them on a Current Tender Basis.~~
- ~~2.3 Availability of Capacity to Regular Shippers. After the allocation of the portion of Capacity to New Shippers that is required by paragraph 2.2, the remaining portion~~

of Capacity for that month shall be available to Regular Shippers who have tendered volumes for that month.

- ~~2.4 Allocation to each Regular Shipper. Such remaining portion of Capacity shall be allocated among Regular Shippers in proportion to their Base Shipment Percentages. In the event that the volume of Crude Petroleum that would be allocated to a Shipper on the basis of its Base Shipment Percentage is greater than the volume it tenders, the difference between its volume calculated on the basis of its Base Shipment Percentage and its volume tendered will be reallocated among all other Regular Shippers in proportion to their Base Shipment Percentages. Any remaining prorated allocation of Capacity after this reallocation among all Regular Shippers in proportion to their Base Shipment Percentages shall be made available to New Shippers and will be prorated among them on a Current Tender Basis.~~
- ~~2.5 Basis of allocation: notification. When prorationing of Capacity is in effect, Capacity shall be allocated among eligible Shippers on a monthly basis and Carrier shall use reasonable efforts to notify each Shipper entitled to an allocation of a portion of Capacity of the amount of its allocation no later than the 25th day of the month proceeding the month for which the allocation is made.~~
- ~~2.6 Good Faith Tenders. Carrier will accept only good faith tenders from Shippers and Carrier shall use whatever reasonable means necessary to determine whether tenders are made in good faith. Good Faith means the non-contingent ability and willingness of Shipper to deliver to Carrier at the Origins specified in the Tender all of the Barrels tendered during the month for which the Tender is made.~~
- ~~2.7 Failure to use allocated portion of Capacity. If a New Shipper making a Good Faith Tender fails to deliver, at the Origins specified by it in its Tender, Crude Petroleum sufficient to fill the portion of Capacity allocated to it and such failure has not been caused by force majeure, as substantiated in a manner satisfactory to the Carrier, Carrier will reduce such Shipper's allocation for the next proration period after the end of the month during which such failure occurred for which such Shipper tenders as a New Shipper by the allocated portion of Capacity not utilized.~~
- ~~2.8 Transfer of Base Shipment Percentage or allocated portion of Capacity; use of affiliates. Neither a Shipper's Base Shipment Percentage nor volumes allocated to it during a period when prorationing is in effect shall be assigned, conveyed, loaned, transferred to, or used in any manner by, another Shipper. However, a Shipper's Base Shipment Percentage or its allocation may be transferred as an incident of the bona fide transfer if the Shipper's business or to a successor to the Shipper's business by the operation of law, such as an executor or trustee in bankruptcy. A Shipper may not use an affiliated or cooperating entity to increase its Base Shipment Percentage or its allocated portion of Capacity. All transfers made pursuant to this section shall be irrevocable.~~
- ~~2.9 Enhancement of Allocation. In no event will an allocation to a Shipper be used in such a manner that will enhance the allocation of another Shipper beyond the allocation that such Shipper would be entitled to under this policy. Carrier may require written assurances from a responsible officer of Shipper regarding its use of its allocated portion of Capacity stating that Shipper has not violated this policy. In the event any Shipper shall, by any device, scheme or arrangement whatsoever, attempt to transfer all or any part of its allocated portion of Capacity to any other Shipper in violation of this policy, or in the event any Shipper shall attempt to receive and use such portion of Capacity, the portion of Capacity allocated to such Shipper will be reduced in the next month that is subject to~~

~~prorating after the date that the violation is discovered by a volume equal to such attempted transfer.~~

~~Special Rule 16 Tenders; Minimum Quantity~~

~~Marketable oil will be transported by Carrier only under a Tender accepted by Carrier. Any Shipper desiring to tender marketable oil for transportation shall make such Tender to Carrier in writing on or before 4:15 PM central standard time, the last working day prior to 16th day of the month preceding the month during which the transportation under the Tender is to begin; except that, if space is available for current movement and at the sole discretion of Carrier, a Shipper may tender marketable oil for transportation after 4:15 PM central standard time on the 16th day of the month preceding the month during which the transportation under the Tender is to begin. A "working day" shall be a Monday, Tuesday, Wednesday, Thursday or Friday of a calendar week, except when a Federal holiday falls on such day of the week.~~

~~Tenders for the transportation of marketable oil for which Carrier has facilities will be accepted into the pipeline under the tariff in quantities of not less than the following:~~

	Minimum Tender Aggregate
Common Stream	2,000 barrels per day
Segregated Batch	50,000 barrels

~~Before Carrier will accept a Tender from a new Shipper, such Shipper (i) will comply with Special Rule 19(a); (ii) will demonstrate to Carrier the adequacy of such Shipper's facilities as referenced in Special Rule 5 and Special Rule 6; and (iii) will provide any other information reasonably requested by Carrier.~~

~~Special Rule 17 Application of Rates~~

~~Marketable oil accepted for gathering and/or transportation shall be subject to the rates in effect on the date of delivery by Carrier, irrespective of the date of the Tender.~~

~~Special Rule 18 Specifications as To Quality and Legality of Shipments~~

~~Carrier reserves the right to reject marketable oil where the Shipper or Consignee has failed to comply with all applicable laws, rules and regulations made by any governmental authority regulating shipments of marketable oil.~~

~~Special Rule 19 Payment of Carrier Charges~~

~~(A) Prior to becoming a Shipper, a prospective Shipper must submit to Carrier sufficient financial information to establish creditworthiness. The type of information from a prospective Shipper requests include but are not limited to: most recent year end financials, 10K reports or other filings with regulatory agencies and bank references. If, in the reasonable opinion of Carrier: (i) Shipper is not creditworthy, or (ii) if an existing Shipper's credit deteriorates, Carrier may require such Shipper to prepay all transportation and other fees and lawful charges accruing on Crude Petroleum delivered and accepted by Carrier or supply an irrevocable letter of credit from a bank acceptable to Carrier, with terms in a form acceptable to Carrier.~~

~~(B) The Shipper shall pay all transportation and other fees and lawful charges accruing on Crude Petroleum delivered to and accepted by Carrier for shipment by the due date stated in Carrier's invoice.~~

- ~~(C) If 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 a rate equal to 125% of the prime rate of interest as reported in the Wall Street Journal as of first of the month in which the charges are due or the maximum finance rate allowed by applicable law, whichever is less.~~
- ~~(D) Carrier shall have the right to withhold an amount of Crude Petroleum belonging to Shipper from delivery that would be sufficient to cover all unpaid charges due to Carrier from Shipper until all such unpaid charges have been paid. Furthermore, Carrier shall retain a perfected possessory lien under Chapter 9 of the Uniform Commercial Code, as applicable, on an amount of a Shipper's Crude Petroleum in Carrier's possession sufficient to secure payment of any and all amounts owed by such Shipper to Carrier. Carrier reserves the right to set-off any such charges against any monies owed to Shipper by Carrier or any Crude Petroleum of Shipper in Carrier's custody. If said charges remain unpaid ten (10) days after the due date therefor, Carrier shall have the right, through an agent, to sell such Crude Petroleum 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 Crude Petroleum 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, and the balance remaining, if any, shall be held for Shipper or whomsoever may be lawfully entitled thereto.~~

Special Rule 20 Liability of Carrier

- ~~(A) Carrier shall not be liable for any delay in delivery of or any loss of Crude Petroleum caused by acts of God, acts of government, acts of terrorists, storm, flood, extreme weather, fire, explosion, by acts of war, terrorism, quarantine, authority of law, by breakdown or accident to machinery or equipment, or by act of default of Shipper or Consignee resulting from any other cause reasonably beyond the control of Carrier and not due to the negligence of Carrier, whether similar or dissimilar to the causes herein enumerated. Any such loss shall be apportioned by Carrier to each Shipper of Crude Petroleum in the proportion to Shipper's total volume transported in the calendar month in which such loss occurs. Shipper shall be entitled to receive only that portion of its Crude Petroleum remaining after deducting such Shipper's proportion of such loss, as above determined. Carrier shall prepare and submit a statement to each Shipper showing the apportionment of any such loss of Crude Petroleum.~~
- ~~(B) To the maximum extent permitted by law, Shipper shall release, indemnify, defend and hold harmless Carrier, its Affiliates and its Representatives from and against all actions, claims, cause of action, costs, demands, obligations, losses, lawsuits, liabilities, fines, penalties, damages and expenses (including court costs, defense costs and reasonable attorneys' fees and expenses) of any kind or character arising from or related to: (1) the negligent or willful acts or omissions on the part of Shipper, its employees, agents or contractors (including, but not limited to, any contractors transporting products(s) to or from any location on Carrier's System); or (2) liability arising from the chemical characteristics of Crude Petroleum, except to the extent such liability arises from Carrier's negligence.~~

Special Rule 21 Scheduling of Delivery

~~When Shippers request delivery from the pipeline at a destination of a volume of LPG greater than can be immediately delivered, Carrier shall schedule delivery. Carrier shall not be liable for any delay in delivery resulting from such scheduling of delivery.~~

~~Special Rule 22 Pipage Agreement~~

~~Separate agreements in accordance with this tariff and these regulations covering further details may be required by Carrier before any duty for transportation shall arise.~~

~~Special Rule 23 Establishment of Grades~~

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

[N] Carrier will accept Petroleum Products (as defined herein) for intrastate transportation by pipeline from the Origin Point to the Destination Point named in this tariff, subject to the following rules and regulations.

ITEM 1 DEFINITIONS

"Affiliated Shipper" means any entity that, directly or indirectly: (a) controls a Shipper; (b) is controlled by another Shipper; or (c) is controlled by the same entity that controls a Shipper. For purposes of this definition, the terms "controls" and "controlled by" mean the power to direct or cause the direction of the management of and policies of another entity whether through the ownership of shares, a contract, trust arrangement or any other means, either directly or indirectly, that results in control in fact, but notwithstanding the foregoing includes, with respect to the control of or by a corporation, partnership or limited liability company, the ownership of shares or equity interests carrying not less than 50% or more of the voting rights regardless of whether such ownership occurs directly or indirectly. Without limitation, any one or more of the following shall conclusively evidence that entities are Affiliated Shippers of each other: (1) use of shared mailing or business addresses; (2) use of shared business telephone numbers; (3) use of common bank account(s) in relation to Carrier's requirements set forth in Item 9; (4) the same or substantially the same management, general partner, or managing member; and/or (5) one Shipper directing or conducting business on behalf of another Shipper.

"A.P.I." means American Petroleum Institute.

"ASTM" means American Society for Testing Materials.

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

"Batch" means a quantity of Products of like characteristics delivered by Shipper or Consignor for transportation on the System as an identifiable unit.

"BPD" means Barrels per day.

"Carrier" means NuStar Logistics, L.P.

"Change in Law" means the adoption, amendment, enactment, implementation, issuance, modification, promulgation, or repeal of any Law or any material change in the interpretation of any Law by any Governmental Authority that causes Carrier to incur additional expenses in order to operate the System in compliance with such Law.

“Change in Law Event” means the occurrence of a Change in Law that necessitates the expenditure of Compliance Costs.

“Collateral” means: (a) all Products accepted by Carrier for transportation, terminalling, or otherwise while in the possession of Carrier; (b) all other property of Shipper now in the possession of and at any time and from time to time hereafter delivered to Carrier but only while in the possession of Carrier; (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) the proceeds from any of the foregoing.

“Commercially Reasonable” means a sale that is commercially reasonable within the meaning of the Uniform Commercial Code.

“Incentive Shipper” means a Shipper with which Carrier has executed a Throughput and Deficiency Agreement for transportation service on all or part of the System.

“Compliance Costs” means expenses incurred by Carrier as a result of a Change in Law Event, including capital expenditures, irrespective of whether such expenses are to be incurred as a one-time expenditure or periodically for an extended period.

“Connection Policy” means the policy issued by NuStar Energy L.P. and applicable to its affiliates setting forth the requirements that must be met for any connections to a facility, as such policy may be amended from time-to-time.

“Consignee” means the party to whom a Shipper has ordered the delivery of Products at the Destination Point(s) from the System.

“Consignor” means the party to whom a Shipper has ordered the receipt of Products at the Origin Point(s) for transportation on the System.

“Destination Point(s)” means the outlet flange from the System at which point Carrier will deliver Product to Shipper or its Consignee.

“Due Date” has the meaning set forth in Item 9.

“Event of Force Majeure” means any event or occurrence beyond the reasonable control of either Carrier or Shipper, which by the exercise of due diligence and reasonable care, Carrier or Shipper, as applicable, has been unable to prevent or overcome that delays or prevents Carrier or Shipper, as applicable, from performing its obligations under this tariff, including the following: (a) natural phenomena and acts of God, such as earthquakes, extreme heat, fires, floods, freezes, hurricanes, landslides, lightning, storms, washouts, wind, and/or any other natural occurrence; (b) strikes, lockouts, boycotts, picketing, labor and/or other industrial disturbances; (c) acts of public enemies, acts of terrorism, civil unrest, sabotage, wars, blockades, insurrections, drug cartels or gangs, drug-related violence, and/or epidemics; (d) any period for which any contractor, supplier and/or vendor invokes force majeure (provided that the event that gave rise to the right of such contractor, supplier or vendor to invoke force majeure in its contract would have also been an event of Force Majeure under this definition had it occurred to one of the Parties); (e) acts of any Governmental Authority, including, but not limited to: (i) an order; (ii) modifications to Law, (iii) the delay or failure to issue a Permit; and (iv) the cancellation of a Permit (but excluding any such resulting from the failure of the Party claiming Force Majeure to comply with applicable Law); (f) explosions, shortages of power or other utilities, and/or breakdown, damage and/or malfunction to machinery, equipment and/or lines of pipe; (g) the inability to obtain or unforeseen delays in obtaining materials, equipment, third party services and/or labor (provided that the event that gave rise to such delays would have also been an Event of Force Majeure under this definition had it occurred to one of the Parties); (h) the inability to obtain or unforeseen delays in obtaining easements or rights of way and required permits or licenses any and all irrevocable approvals, consents, easements, permits, and railroad/road crossing licenses and agreements required to construct and to operate the System from any third party property owner and any Governmental Authority, to acquire land rights, environmental permits, maritime/water crossing permits, spatial development plan or zoning variances or amendments, and planning permissions necessary to operate the System; and (i) events of force majeure declared by a third party that interfere with performance under this tariff, provided that such events of force majeure would otherwise qualify as an Event of Force Majeure under this tariff. Notwithstanding the above, the following acts or events shall not constitute an Event of Force Majeure: (1) changes in costs of materials or

Products, (2) shortage or other failure to obtain Products, (3) absence of a market for Products; (4) availability of more attractive markets for Products or alternative Products transportation systems, and/or (5) either Carrier's or Shipper's inability to economically perform its obligations under this tariff, including either Carrier or Shipper's inability or failure to pay amounts accruing hereunder or under a Throughput and Deficiency Agreement, as applicable.

"Governmental Authority" means any federal, state, or local government or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government or any other authority, agency, department, board, commission, or instrumentality of the United States, any state of the United States, or any political subdivision thereof, whether civil or military, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any governmental or non-governmental self-regulatory organization, agency, or authority. The term Governmental Authority shall also mean any successor agency with the same or similar functions as those conducted by the enumerated agencies.

"Law" means any and all applicable federal, state, local, municipal or other administrative authorization, code, constitution, decree, directive, injunction, law, legal action, license, order, permit, ordinance, requirement, regulation, rule or statute, issued or promulgated by a Governmental Authority whether in effect as of the date hereof or thereafter and, in each case, as amended.

"Liability(ies)" means any and all actual and threatened actions, causes of action, claims, charges, damages, demands or fines, of any kind or character and related costs (including court costs, regulatory costs, dispute resolution costs, mediation costs, reasonable defense costs and attorneys' fees, settlement costs, and other expenses of litigation), lawsuits, liabilities, losses, obligations, penalties, proceedings, and suits.

"Nomination" or "Nominations" has the meaning set forth in Item 4.

"Obligations" means: (a) all antecedent, current, and future charges, fees, or expenses for transportation, terminalling, demurrage, storage, preservation, deficiency payments, special, ancillary, interest, and other lawful charges arising under or related to this tariff or the contracts entered into in connection with this tariff (including any Throughput and Deficiency Agreement, invoices, or Nominations); (b) all amounts owed under any modifications, renewals or extensions of any of the foregoing obligations; (c) all other amounts now or in the future owed by Shipper to Carrier, whether or not of the same kind or class as the other obligations owed by Shipper to Carrier; (d) all costs and expenses of Carrier in exercising any of its rights detailed herein, including, but not limited to, reasonable attorney fees, storage charges, and settlement of conflicting liens; and (e) all charges or expenses described in Tex. Bus. & Com. Code § 7.307(a).

"Off-Spec Product" means product that does not meet the Quality Specifications.

"Origin Point(s)" means the inlet flange to the System at which point Carrier will accept Product from Shipper or its Consignor.

"Party" means either Shipper or Carrier, and "Parties" means collectively Shipper and Carrier.

"Permit" means any and all approvals, consents, easements, licenses, permits, and/or other requirements from any Governmental Authority required to construct and/or operate the System.

"Product" or "Products" means those products described further in Item 2.

"Quality Specifications" has the meaning set forth in Item 2.

"Shipper" means any person or entity that transports Products on the System in accordance with this tariff.

"System" means Carrier's pipeline system, including all appurtenances thereto, related to the provision of transportation services provided by Carrier pursuant to this tariff.

"Throughput and Deficiency Agreement" means an effective agreement executed between Carrier and a Incentive Shipper, under which the Incentive Shipper commits to ship, or otherwise pay for, transportation of a minimum volume of Products for a specified period of time.

“Transmix” means that mixture of petroleum product occurring between adjoining Batches of Products having dissimilar physical characteristics that cannot be absorbed into the adjoining Batches.

“Unremoved Product” has the meaning set forth in Item 18.

ITEM 2 PRODUCT SPECIFICATIONS AND TESTING

Products tendered by Shipper for transportation on the System shall conform to the applicable Product specifications issued by Carrier for each such Product. The specifications applicable to each Product are set forth in Carrier’s Pipeline Specification Manual, Northern Mexico Supply (Nuevo Laredo dated March 1, 2020, a copy of which is available on Carrier’s public website at www.nustarenergy.com, as such quality specifications may be amended by Carrier from time-to-time (such specifications, the “Quality Specifications”). Carrier shall have the right, to change or modify the Quality Specifications and/or change, modify, inject, and/or require additives and inhibitors, including drag reducing agents and lubricity conductivity additive (ULSD), to conform to Law. Further, Carrier shall have the right to add additional grades of Products or additional Products to conform to operating procedures and/or those specifications of upstream or downstream connecting facilities, as applicable. Subject to any Throughput and Deficiency Agreement(s), carrier reserves the right to remove Products or any grades of Product for transportation on the System. Carrier shall not be required to accept Product at an Origin Point that does not conform to the quality specifications of a connecting facility.

Unless otherwise agreed to by Carrier, Products tendered at the Origin Point shall be free of any additives, inhibitors, and/or drag reducing agents. Carrier may add additives, inhibitors, and/or drag reducing agents to Products, and Shipper shall accept delivery of Products containing such additives, inhibitors, and/or drag reducing agents at the Destination Point.

In the event Shipper tenders Off-Spec Product: (a) Carrier may accept such Shipper’s delivery of Off-Spec Product if Carrier determines, in its sole discretion, that the quality of the Off-Spec Product does not materially interfere with the Quality Specifications of other Products in the System or otherwise adversely impact the operation of the System; or (b) Carrier may reject Shipper’s delivery of Off-Spec Product. If Carrier accepts Shipper’s delivery of Off-Spec Product, Shipper shall be liable for all contamination or damage to other Products being transported on the System or to Carrier’s System resulting from Shipper’s tender of Off-Spec Product. In the event Carrier does not accept Shipper’s Off-Spec Product pursuant to the preceding sentence, Carrier may exclude such Shipper from further entry into Carrier’s System until such time as Shipper returns the quality of its Products to a level satisfactory to Carrier in accordance with this tariff. In addition, Carrier reserves the right to dispose of any Off-Spec Product in the System at Shipper’s risk and expense, which such disposal may be made in a Commercially Reasonable manner. From the proceeds of said sale, Carrier will pay itself the transportation charges and other fees and lawful charges, including expenses incident to storage at said sale, and the balance remaining, if any, shall be held for Shipper or whoever may be lawfully entitled thereto. Carrier shall have no liability to Shipper associated with Carrier’s disposition of Off-Spec Product in accordance with this Item 2 except as set forth herein. Nothing contained in this tariff, any other tariff, nor any receipt by Carrier of Off-Spec Product (either unknowingly, as a temporary accommodation, or in its discretion), shall be construed to affect Carrier’s right, at any time and from time to time, to reject tenders of 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 Products will conform to the applicable Quality Specifications. In addition to any other remedies available to Carrier, Carrier may also charge Shipper and Shipper agrees to pay the costs and expenses incurred to treat or otherwise dispose of any Off-Spec Product that Shipper delivers to Carrier, including without limitation any penalties or charges incurred by Carrier related to such Off-Spec Product. Carrier’s acceptance of Off-Spec Product pursuant to this Item 2 does not give Shipper any right to ship Off-Spec Product on the System in the future and does not change Shipper’s obligation to strictly comply with the provisions of this tariff, including the Quality Specifications.

Shipper or Consignor shall perform applicable tests to ensure that the Products it tenders to Carrier for transportation on the System conform to the Quality Specifications. Carrier may also require Shipper to furnish a certificate of analysis by a licensed petroleum inspector showing the final tests of the Products tendered for transportation on the System.

Carrier or its representative may test any Product tendered for transportation on the System for compliance with the Quality Specifications. All such tests shall be performed by Carrier or its representative, but Shipper, Consignor or Consignee may be present or represented at the testing provided such witnessing does not

unreasonably interfere with Carrier's operation of the System. Upon written request of Shipper, Carrier shall provide reasonable advance notice to Shipper of any such testing (other than the continuous monitoring of the System). Product quality shall be tested in accordance with applicable A.P.I./ASTM standards and pipeline industry practice or such other tests as may be agreed upon by Carrier and Shipper. All tests performed by Carrier shall be final and shall control.

ITEM 3 REQUIRED FACILITIES AT ORIGIN POINT AND DESTINATION POINT

Carrier will not provide tankage for the receipt of Products at the Origin Points or for the delivery of Products at the Destination Points. Shipments will be accepted for transportation only from tankage provided by Shipper at established Origin Points for delivery to tankage provided in advance by Shipper at established Destination Points. Carrier may require Shipper to provide evidence of such tankage at the time Shipper's Nomination is provided to Carrier in accordance with Item 4. Carrier assumes no responsibility to accept any Products from Shipper at any time that Shipper, Consignor, or Consignee does not have the requisite facilities necessary for promptly receiving such Products.

Shipper, Consignor, or Consignee shall make arrangements for transportation or delivery across the International Boundary and for compliance with Law associated therewith.

ITEM 4 NOMINATIONS; MINIMUM BATCH REQUIREMENTS

Any Shipper desiring to ship Products on the System shall furnish Carrier with a written notice ("Nomination") that shall be received by Carrier on or before the fifteenth (15th) day of the month prior to the calendar month in which Shipper desires transportation. If the fifteenth (15th) day of the month falls on a weekend or holiday, the Nomination is due on the last workday before the fifteenth (15th) day of the month. A "workday" shall be a Monday, Tuesday, Wednesday, Thursday or Friday of a calendar week, except when a Federal holiday falls on such day of the week. A Nomination shall specify each Product to be shipped on the System, the volume of each such Product, and the designated Origin Point and Destination Point of each Product offered to Carrier for transportation on the System. If (a) Shipper does not furnish a Nomination or otherwise fails to comply with the provisions of this tariff or a Throughput and Deficiency Agreement, as applicable, or (b) Carrier does not accept a Nomination because it was submitted after the deadline noted in this Item 4 or is otherwise deficient in any respect, then Carrier will be under no obligation to accept Shipper's tender of Products for transportation on the System. However, Carrier may, in its sole discretion, decide to accept a Nomination received after the due date set forth in this Item 4, provided that capacity is available on the System and operating conditions permit such acceptance.

Products will be accepted for transportation, subject to the provisions contained herein, only at such times as Products of the same or similar quality and specifications are scheduled by Carrier for transport from an Origin Point to a Destination Point at pumping rates and pressures satisfactory to Carrier, and for receiving same without delay at pressures and pumping rates required by Carrier upon arrival of Product at the Destination Point. Products to be tendered to Carrier's System in accordance with the Nomination shall be available in Shipper's tankage at the designated Origin Point for shipment at least twenty-four (24) hours prior to the scheduled date for movement into the System.

Products must be tendered for transportation in quantities of not less than 20,000 Barrels; provided that the minimum quantity of any one Product that will be accepted by Carrier at an established Origin Point from a single Shipper, or a single Consignor consigned to a single Consignee for inclusion in a Batch is 5,000 Barrels. At Carrier's sole discretion, Carrier may from time to time accept smaller quantities and Batch sizes so long as such acceptance does not unreasonably interfere with the operations of the System.

ITEM 5 PRODUCTS INVOLVED IN LITIGATION, ETC.

Carrier may reject any Products, when tendered for transportation, which may be involved in litigation, 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 or any lien created by a Shipper (or its ultimate parent's or Affiliate's) credit facility). Further, prior to tender of Products, Carrier may require of Shipper satisfactory evidence of its perfect and unencumbered title (with the exception for liens set forth in the previous sentence), satisfactory indemnity bond, pre-payment of anticipated transportation charges from the applicable lienholder to protect Carrier against all loss. By tendering Products to Carrier, absent written consent by Carrier otherwise, Shipper warrants and covenants that while the Products are in the System, Shipper has good title thereto and

agrees to release, indemnify, defend and hold Carrier harmless from all Liabilities resulting from failure of good title thereto.

ITEM 6 PRODUCT MEASUREMENT

All Product tendered to Carrier for transportation shall be metered by Carrier prior to, or at the time of receipt of such Products, from Shipper. Shipper, Consignor or Consignee may be present or represented during the measurement (other than the continuous measurement of the System) provided such witnessing does not unreasonably interfere with Carrier's operation of the System. Upon written request of Shipper, Carrier shall provide advance notice to Shipper of any meter proving and Shipper, Consignor or Consignee may be present or represented during such meter proving provided such witnessing does not unreasonably interfere with Carrier's operation of the System. Quantity shall be measured in accordance with applicable A.P.I./ASTM standards and pipeline industry practice. Quantities shall be corrected as to temperature from observed temperatures to sixty (60) degrees Fahrenheit. Full deduction will be made for all water and other impurities. All measurements performed by Carrier shall be final and shall control.

ITEM 7 PRODUCT TRANSPORTATION REQUIREMENTS; IDENTITY OF PRODUCTS; TRANSMIX

Carrier will transport and deliver Products with reasonable diligence and dispatch considering the quantity, distance of transportation, safety of operations, and other material factors. Products are pumped in a certain Batch sequence for efficient operation and Carrier reserves the right to specify the sequence of Batches for transportation of Products on the System. Because Carrier will operate a Batch system, Shipper is not required to provide any line fill in order to obtain transportation service on the System.

All Products tendered for transportation on the System will be subject to changes in gravity, color, quality or characteristics while in transit or as may result from unavoidable contamination between Batches. Carrier will not be obligated to make delivery of the identical Products received for transportation. Carrier may make delivery of Products out of common stocks of similar Products on hand at the Destination Point.

Transmix occurring in the System that cannot be combined with compatible Products of an adjoining Batch shall be retained in Carrier's custody. The total Transmix accumulated in an applicable segment of the System will be allocated to all Shippers in proportion to each Shipper's Barrels received into the System and transported in such applicable segment in a calendar month compared to all Barrels received into the System from all Shippers in the calendar month and transported in such applicable segment. Upon notification by Carrier, Shipper shall promptly remove the Transmix from the System.

ITEM 8 LIABILITY OF SHIPPER AND CARRIER

Shipper Liability:

Shipper shall be solely responsible and liable for all loss, contamination, damage, and/or degradation to Products that occurs prior to the delivery of Shipper's Products to Carrier at an Origin Point and after delivery of such Products to Shipper at a Destination Point, and all loss, contamination, damage, and/or degradation resulting from any other cause to the extent not due to the negligence or willful misconduct of Carrier.

As a condition precedent to Carrier's acceptance of Products for transportation under this tariff, Shipper shall release, indemnify, defend and hold harmless Carrier from and against all Liabilities to the extent arising from or related to: (a) the negligence, willful misconduct or other fault of Shipper, its Consignors, Consignees and its and their agents, contractors, employees, and representatives, (b) the release, spill, leak or discharge and related off-site migration of Product that occurs prior to Shipper or Consignor's tender of Product to Carrier at an Origin Point and after delivery to Shipper or Consignee at a Destination Point, unless and to the extent such Liability is caused by the negligence or willful misconduct of Carrier or its representatives; (c) any failure of Shipper, its Consignors, Consignees and its and their agents, contractors, employees, and representatives to comply with Law in all material respects, (d) any breach of or failure of Shipper, its Consignors, Consignees and its and their agents, contractors, employees, and representatives to adhere to any provision of this tariff; (e) the theft of Products by any party other than Carrier; and/or (e) the loss, contamination, damage, and/or degradation of Products resulting from any Event of Force Majeure. Further, Shipper shall be liable for and shall release, defend, indemnify and hold Carrier harmless from and against any and all Liabilities of every kind, nature or description to the extent caused by, arising out of, or resulting from

Shipper's tender of Off-Spec Product, including but not limited to, contamination, damage, or degradation to other Products being transported on the System or damage to the System or other facilities (including costs of repairing, inspecting, cleaning and decontaminating the System or the facilities of third parties). In addition to any other remedies available to Carrier, Carrier may also charge Shipper and Shipper agrees to pay the costs and expenses incurred to dispose of any Off-Spec Product that Shipper or its Consignor delivers to Carrier, including without limitation any penalties or charges incurred by Carrier related to such Off-Spec Product.

Carrier Liability:

Carrier, at its sole expense, shall respond to, handle, investigate, remediate, and or dispose of any discharge, release, migration, emission, exposure or leak from the System in accordance with applicable laws.

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

Carrier assumes no liability where operational, scheduling, excess demand, delays and other difficulties encountered in pipeline operations prevent its ability to maintain schedules or comply with Shipper's withdrawal requirements.

ITEM 9 FINANCIAL ASSURANCES; PAYMENT OF CHARGES FOR TRANSPORTATION

Prior to becoming a Shipper, a prospective Shipper must submit to Carrier financial information to establish creditworthiness. The type of information Carrier may request from Shipper includes, but is not limited to: the most recent year end financials, 10-K reports or other filings with regulatory agencies and/or bank references. If, in the sole discretion of Carrier: (a) a new Shipper is not creditworthy, or (b) an existing Shipper's credit deteriorates, then Carrier has the option to require such Shipper to (1) prepay all transportation and other fees and lawful charges Shipper is expected to incur for the transportation of Products on the System during the subsequent six (6) months (such amount to be based off a good faith estimate provided by Shipper and agreed upon by Carrier, in its reasonable discretion), (2) provide a payment guaranty with terms acceptable to Carrier, in its sole discretion, or (3) supply an irrevocable stand-by letter of credit from a bank acceptable to Carrier in Carrier's sole discretion, with terms in a form acceptable to Carrier. .

The charges for transportation and services accruing on Products accepted for shipment under this tariff shall be based on the rate in effect on the date of delivery by Carrier to the nominated Destination Point.

Carrier will invoice Shipper throughout the month for all transportation charges and other fees dues hereunder in accordance with this tariff. Shipper shall pay all such invoiced transportation charges and other fees without setoff or deduction in accordance with invoice terms and these rules and regulations no later than ten (10) days from the date of the invoice (such date, the "Due Date"). In the event Shipper disputes any portion of any invoice, Shipper shall notify Carrier in writing of the disputed portion by the Due Date. After Carrier's receipt of such notice, Carrier and Shipper shall promptly work in good faith to resolve the dispute.

Carrier will invoice an Incentive Shipper for any deficiency fees or other monies due under a Throughput and Deficiency Agreement in accordance with the Throughput and Deficiency Agreement. Shipper shall pay all such invoiced deficiency fees and other fees without setoff or deduction in accordance with the Throughput and Deficiency Agreement. Disputes surrounding deficiency fees or monies due under a Throughput and Deficiency Agreement shall be resolved in accordance with the Throughput and Deficiency Agreement.

If charges are not paid by the Due Date in accordance with this Item 9 or in accordance with the Throughput and Deficiency Agreement, as applicable, 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 a rate

equal to one and a half (1.5%) percent interest per month or the maximum finance rate allowed by Law, whichever is less.

If Shipper fails to pay an invoice by the Due Date or any deficiency fees or other monies due under a Throughput and Deficiency Agreement, as applicable, then, in addition to any other remedies under this tariff and under Law, Carrier also has the right to withhold from delivery to Shipper, an amount of Product belonging to Shipper that would be sufficient to cover all overdue and unpaid charges due to Carrier from Shipper under the terms of this tariff or due under a Throughput and Deficiency Agreement, as applicable, until all such overdue and unpaid charges have been paid.

Unless otherwise agreed to between Shipper and Carrier, Carrier shall have a first priority, continuous, and continuing security interest in all Collateral to secure the payment of all Obligations from Shipper to Carrier. Such security interest shall survive delivery of any Collateral to Shipper.

Shipper shall execute all such agreements and do all such things as Carrier shall reasonably request in connection with the creation or perfection of such security interest. Shipper authorizes Carrier to file such financing statements or other documents necessary to perfect and maintain the security interest herein granted.

The security interest provided herein shall be in addition to any lien provided by statute or common law, including, without limitation, a statutory carrier's lien pursuant to Tex. Bus. & Com. Code § 7.307.

In the event Shipper fails to satisfy when due any Obligation to Carrier, Carrier shall have all of the rights and remedies under applicable Law (including the rights of a secured creditor, without limitation, under the security interest described in this tariff or the rights under a statutory carrier's lien pursuant to Tex. Bus. & Com. Code § 7.307) and in addition may in its sole discretion and without notice take any or all of the following actions:

- (1) withhold and refuse to deliver Collateral in its possession until all such Obligations have been paid;
- (2) proceed to sell such Collateral, in accordance with the applicable provisions of state law, and apply the proceeds to such Obligations;
- (3) store such Collateral or contract for storage of such Collateral pending sale or other disposition;
- (4) set-off any such Obligations against any monies owed to Shipper by Carrier on any Products of Shipper in Carrier's custody; or
- (5) take any other action it deems necessary for the proper protection and sale of such Collateral.

Carrier may agree, in its sole discretion, to waive its security interest in the Collateral if Shipper or Consignee provides sufficient security satisfactory to Carrier. Provided, Carrier may only waive its security interest by written document delivered to Shipper and signed by Carrier.

In the event of a sale of any Collateral, such sale shall be after any reasonable notice required by Law and such a sale shall be a Commercially Reasonable sale. From the proceeds of said sale, Carrier will pay itself for the Obligations, including expenses incident to said sale, holding the balance of such proceeds, if any, for delivery on demand to any person to which Carrier would have been bound to deliver the Collateral.

If a bill of lading is required under applicable Law for any lien in favor of Carrier to arise or be enforced, acceptance of the Nomination will be deemed to be the bill of lading for all Products subject to such Nomination.

ITEM 10 PIPAGE AND PUMPAGE CONTRACTS; CONNECTION POLICY

Separate pipage and/or pumpage contracts in accord with this tariff covering further details may be required by Carrier before any duty for transportation shall arise. Connections to the System will only be considered pursuant to Carrier's Connection Policy and are made by formal written application to Carrier. If Carrier approves any connection: (a) such connection will be subject to design requirements necessary to protect the safety, security, integrity, and efficient operation of the System in accordance with generally accepted industry standards and to protect the Product's Quality Specifications and (b) the cost of such connection

(including power) shall be governed by Carrier's Connection Policy. Approved connections will be memorialized in Carrier's form Connection Agreement.

ITEM 11 NOTICE OF CLAIMS

Notice of claims for loss, damage or delay in connection with shipments must be made to Carrier in writing within nine (9) months after delivery or, in case of failure to make delivery, within said nine (9) months after a reasonable time for delivery elapses. And no suit at law or in equity shall be maintained upon any claims unless instituted within two (2) years and one (1) day from the day when notice in writing is giving by Carrier to Shipper that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted by Shipper on such claims in accordance with the foregoing provisions, such claims will not be paid and Carrier will not be liable.

ITEM 12 PRORATION OF PIPELINE CAPACITY

In order to allow Carrier to equitably allocate line capacity to all Shippers during any month for which aggregate Nominations for that month exceed available capacity, Carrier shall prorate available capacity on each applicable line segment so as to avoid discrimination among Shippers. The details of this procedure are set out in this Item 12.

For purposes of this Item 12, the following defined terms have the meanings set forth below:

"Base Period" is the consecutive twelve (12)-calendar month period just preceding the Calculation Month. If Carrier's System has been in operation less than twelve (12) calendar months, then the Base Period shall be the number of months during which the Carrier has been in operation preceding the Calculation Month.

"Base Shipments" are the average monthly movements over a line segment by a Regular Shipper during the Base Period.

"Calculation Month" is the calendar month just preceding the Proration Month.

"New Shipper" is any Shipper who is not a Regular Shipper. A New Shipper shall remain a New Shipper for a period of thirteen (13) calendar months following the first calendar month in which the New Shipper first ships Product(s) in the applicable line segment of the System; following such time period, the New Shipper shall become a Regular Shipper.

"Nomination Basis" means, with respect to New Shippers, the proration of capacity for each New Shipper, which will be based on each New Shipper's Nomination for the Proration Month divided by the Nominations of all New Shipper for the Proration Month.

"Proration Month" is the calendar month for which space on a line segment is being allocated pursuant to this Item 12.

"Regular Shipper" is any Shipper who has shipped Product(s) in the applicable line segment of the System during at least one month of the applicable Base Period; provided, a New Shipper shall not graduate to a Regular Shipper until a period of thirteen (13) calendar months has elapsed following the calendar month in which the New Shipper first shipped Product(s) in the applicable line segment of the System.

"System Capacity" is the operational capacity of the System at any applicable point in time.

Prorating of Capacity

(a) When capacity will be prorated. Capacity will be prorated among all Shippers for any Proration Month for which Carrier determines, in its sole discretion, that the aggregate Shipper Nominations for a line segment exceeds the System Capacity of that line segment. Proration will be applied separately to each segment where a need for prorating shall arise.

(b) Prorating on gasoline equivalent basis. When and if Carrier, in its sole discretion, determines that a Barrel of gasoline consumes a smaller portion of capacity, on the average, than a Barrel of heavier Products such as distillate, System Capacity will be prorated on a gasoline equivalent basis.

(c) Availability and allocation of capacity to New Shippers. Up to ten (10) percent of System Capacity on a line segment shall be made available to New Shippers and will be prorated among such New Shippers on a Nomination Basis for a Proration Month.

(d) Availability and allocation of capacity to Regular Shippers. After the allocation of System Capacity to New Shippers, the remaining System Capacity for that Proration Month shall be allocated to Regular Shippers that have submitted Nominations for that month. Such capacity shall be allocated among Regular Shippers in proportion to their Base Shipments. In the event that the volume of Products that would be allocated to a Regular Shipper on the basis of Base Shipments is greater than the volume it nominates, the difference between the volume calculated on the basis of Base Shipments and its volume nominated will be reallocated among all other Regular Shippers in proportion to their Base Shipment percentages.

(e) Unused Allocated Capacity. System Capacity that has been allocated to Regular Shippers but is not used would be re-allocated among all Shippers, both Regular and New Shippers, based on their proportion of allocated capacity for the Proration Month.

(f) Unused Allocated Capacity. If a Shipper does not use the portion of System Capacity allocated to it under this Item 12 at the times and in the amounts designated by Carrier, Carrier shall have the right to use Shipper's unused portion of System Capacity to fulfill the unmet Nominations of other Shippers.

(g) [Minimum Batch Size. In the event that calculation of a Shipper's allocated Nomination results in a volume less than the required minimum Batch size set forth in Item 4, Carrier will at its option either round up Shipper's Nomination to the required minimum Batch size or waive the minimum Batch size requirement.]

Affiliated Shippers

In no event shall a Shipper's allocation of capacity be used in such a manner that would enhance the allocation of another Shipper (including an Affiliated Shipper) beyond the allocation that such Shipper would otherwise be entitled to under this Item 12. Upon request of Carrier, a responsible official of Shipper's company may be required to give assurances to Carrier that this provision has not been violated. In the event any Shipper, by any device, scheme, or arrangement whatsoever, attempts to increase, transfer all or any part of its Base Shipment and/or allocated portion of capacity during a Proration Month to any other Shipper (including an Affiliated Shipper) in violation of this Item 12, or in the event any Shipper (including an Affiliated Shipper) attempts to receive and use such portion of capacity, then Carrier may reduce the portion of capacity allocated to such Shipper (including an Affiliated Shipper) in the next Proration Month after the date that the violation is discovered, by a volume equal to such attempted transfer.

For the avoidance of doubt, a Shipper may not use an Affiliated Shipper by any device, scheme, or arrangement whatsoever, to attempt to increase its Base Shipment or its allocated portion of capacity. All Affiliated Shippers will be treated and considered as one entity for the purposes of Shipper history and status. Nothing in this Item 12 shall be construed as to allow a group of Affiliated Shippers to receive a capacity allocation greater than the total allocated capacity that such group would be entitled to if all of its transportation history was consolidated in one Shipper account.

Proration Penalty

To penalize inflation of Shippers' Nominations, a Shipper's space allocation for the next Proration Month will be reduced by the amount of capacity that was allocated to Shipper during the Proration Month but not utilized by Shipper during such Proration Month, unless such failure to use allocated capacity is excused by an Event of Force Majeure.

Transfer of Base Shipments/ Volumes Allocated during a Proration Month

Neither a Shipper's Base Shipment nor volumes allocated to it during a Proration Month shall be assigned, conveyed, loaned, transferred to, or used in any manner by, another Shipper except as follows (a) if transferred in connection with a sale of all of such Shipper's business or an entire business line and/or (b) by operation of Law, and any such assignment, conveyance, loan, transfer shall be irrevocable. Any other assignment, conveyance, loan, transfer to, or use in any manner by, another party of a Shipper's Base Shipment and/or volumes allocated to it during a Proration Month shall be null and void.

ITEM 13 TAX REGISTRATION

Shipper shall (or shall require its Consignee or Consignor, as applicable) provide proof of registration with the applicable Governmental Authorities for the collection of any sales and excise taxes. Failure to provide such proof of registration shall not relieve Shipper, Consignee, or Consignor of the appropriate tax liability. Any charges levied against Carrier by any Governmental Authorities will be collected by Carrier in accordance with this tariff.

ITEM 14 EVENT OF FORCE MAJEURE

If an Event of Force Majeure renders a party unable, in whole or in part, to carry out its obligations under the tariff, such party must give the other party notice in writing as soon as practicable after the occurrence, or give notice by telephone and follow such notice with a written confirmation.

The party providing notice of the Event of Force Majeure shall use commercially reasonable efforts to: (a) correct the events or conditions resulting in the Event of Force Majeure; (b) resume the continuation of its performance under the tariff; and (c) minimize the impact of such Event of Force Majeure; provided, however, Carrier shall not be compelled to resolve any strikes, lockouts or other industrial disputes other than as it shall determine to be in its best interests and neither party shall be excused from its obligation to make payments of any amounts already due and owing to the other party hereunder and Shipper shall not be excused from its obligation to make payments of any amounts already due and owing under a Throughput and Deficiency Agreement.

ITEM 15 COMPLIANCE COSTS

If Carrier becomes obligated as a result of a Change in Law to bear Compliance Costs, Carrier may seek recovery of the Compliance Costs through rates or implementation of a surcharge, with any surcharge not to impose a more than 10% increase in the then-current rates charged to Shipper(s). Carrier shall deliver written notice to Shippers of the Change in Law promptly upon Carrier's determination that it will seek to recover such Compliance Costs from its Shippers and file a modification to this tariff to effect such change, with such change to become effective no earlier than thirty (30) days following the filing of such tariff unless otherwise permitted by the Change in Law.

ITEM 16 CARRIER DISCRETION

Carrier will operate its System and implement the rules, regulations and rates contained in this tariff, including those provisions providing for Carrier's discretion, in a manner that is not unduly discriminatory or unduly preferential, and not inconsistent with the terms and conditions of any Throughput and Deficiency Agreement(s).

ITEM 17 SURVIVAL

All Items of this tariff that survive the termination of the transportation services by their nature shall survive, including, but not limited to, all payment obligations, indemnifications, and Liabilities.

ITEM 18 DEMURRAGE CHARGES

In order to provide space for delivery of succeeding Product shipments into and out of the System and otherwise to prevent or relieve congestion within the System, Carrier shall give notice to those Shippers or Consignees whose Products are causing congestion on a segment directing them to remove such Products. If Shipper's or Consignee's Products are causing congestion but less than all such Products must be removed, the Products specified in the notice shall be determined on a first-in-first-out basis. Unless otherwise specified, Shipper or Consignee must remove its Products within twenty-four (24) hours of the notice described above. For any Product that is not removed within this twenty-four (24)-hour period or the period otherwise specified in the notice ("Unremoved Product"), Carrier reserves the right to charge a demurrage charge equal to the highest applicable tariff rate multiplied by the number of Barrels of Unremoved Product, multiplied by the number of days the Unremoved Product remains in the System following the twenty-four (24) hour period noted above. In addition, in the event pipeline flow rates are reduced due to Shipper's inability to take delivery of Product, Carrier reserves the right to charge Shipper or Consignee an hourly demurrage penalty equal to the product of (a) the current transportation rate from the affected pipeline segment Origin to the furthest Destination on such segment and (b) the pipeline hourly flow capacity and (c)

the number of hours that Shipper's or Consignee's Product remains in the System. Demurrage charges shall be payable upon presentation of a bill to Shipper by Carrier.

ITEM 19 GOVERNING LAW AND JURISDICTION

Subject to applicable Law, this tariff and all of the rights and duties of the Shipper and Carrier arising from this tariff will be governed, construed and enforced in accordance with the substantive and procedural laws of the State of Texas, without reference to the choice of law principles thereof. Except for disputes that fall within the jurisdiction of the Federal Energy Regulatory Commission, any disputes arising out of this tariff, including but not limited to tort claims, will be subject to the exclusive jurisdiction of the U.S. District Court located in Harris County, Texas if federal jurisdiction is available and to the courts of the State of Texas located in Harris County, Texas if federal jurisdiction is not available. To the maximum extent permitted by Law, and in any legal action or proceeding relating to, arising out of, or in connection with this tariff, each of Shipper and Carrier hereby voluntarily, irrevocably and unconditionally (1) submits to the exclusive jurisdiction of the U.S. District Court located in Harris County, Texas if federal jurisdiction is available and to the courts of the State of Texas located in Harris County, Texas if federal jurisdiction is not available, and waives any objection which it may now or hereafter have (a) to the jurisdiction and laying of venue of any suit, action or proceeding arising out of or relating to this tariff, in the courts referenced in this paragraph and/or (b) to the choice of applying the substantive and procedural laws of the State of Texas, without reference to the choice of law principles thereof, (2) waives, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court, with the express intent that such provision shall apply, and (3) WAIVES ITS RIGHT TO A TRIAL BY JURY. To the extent that Shipper has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process, Shipper hereby waives such immunity and agrees not to assert, by way of motion, as a defense or otherwise, in any suit, action or proceeding the defense of sovereign immunity to either attachment or jurisdiction or any claim that it is not personally subject to the jurisdiction of the above-named courts by reason of sovereign immunity or otherwise, or that it is immune from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself, the Product, or its property or from attachment either prior to judgment or in aid of execution by reason of sovereign immunity. Each Party agrees that the State of Texas has a substantial relationship to Shipper and Carrier and to the matters made the basis of this tariff. Each Party agrees that to the knowledge of Shipper and Carrier, the application of the laws of the State of Texas would not be contrary to a fundamental policy of a state, if any, having a materially greater interest than the State of Texas in the determination of any dispute that may arise out of this tariff and which such state would be the state of applicable Law in the absence of an effective choice of the laws of the State of Texas by Shipper and Carrier.