

FERC ICA OIL TARIFF

FERC No. 1.6.0
(Cancels FERC No. 1.5.0)

**TEXOMA CRUDE OIL PIPELINE
COMPANY LLC**

LOCAL TARIFF

Containing

RATES, RULES AND REGULATIONS

for

THE TEXOMA SYSTEM

Governing

THE GATHERING AND TRANSPORTATION

of

CRUDE PETROLEUM

By

PIPELINE

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

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

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RULES AND REGULATIONS

ITEM 1 – ABBREVIATIONS AND DEFINITIONS

“API” means American Petroleum Institute.

“ASTM” means American Society for Testing Materials. “Barrel” means forty-two (42) United States Gallons.

“Carrier” means Texoma Crude Oil Pipeline Company LLC.

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

“Consignee” means the party to whom a Shipper has ordered the delivery of Crude Petroleum.

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

“FERC” means Federal Energy Regulatory Commission.

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

“Nomination” or “Nominates” as herein used means a written communication from a Shipper to a Carrier requesting that Carrier transport for Shipper in a given month a stated volume of a specified Crude Petroleum from a specified origin or origins to a specified destination under the terms and conditions of this tariff.

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

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

“Red River System” means Carrier’s pipeline system that transports Crude Petroleum from origins in northern Texas to destinations in southern Oklahoma.

“Shipper(s)” means the party or parties who nominates with Carrier for transportation of Crude Petroleum.

ITEM 2 – ACCEPTANCE OF DELIVERY

After a shipment has had time to arrive at destination and on twenty-four (24) hours’ notice to Consignee, Carrier may begin delivery of such shipment to Consignee at its current rate of pumping. If all of such shipment cannot be received by Consignee, a demurrage charge of [U]one half (½) cent per Barrel per twenty four (24) hours shall accrue, from the time said notice expires, on that part of such shipment which has not then been received by Consignee.

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

ITEM 3 – CARRIER’S REMEDIES

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

ITEM 4 – CHARGES FOR ENVIRONMENTAL RELATED MEMBERSHIPS AND FEES

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

ITEM 5 – CLAIMS, SUITS, TIME FOR FILING

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

ITEM 6 – COMMON STREAM PETROLEUM-CONNECTING CARRIERS

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

ITEM 7 – DESTINATION FACILITIES

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

ITEM 8 – DISPATCHING

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

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

ITEM 9 – DIVERSION OR RECONSIGNMENT

Diversion or reconsignment may be made without charge if requested by the Shipper prior to arrival at original destination, subject to the rates, rules, and regulations applicable from point of origins to the final destination, provided the then current pipeline operations of the Carrier will permit such diversion or reconsignment. Such request must be confirmed in writing.

ITEM 10 – ESTABLISHMENT OF GRADES

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

Carrier will inform all interested persons of such determination upon request by them and this will constitute the sole holding out of the Carrier in regard to the grades of Crude Petroleum transported.

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

ITEM 11 – GAUGING, TESTING AND VOLUME CORRECTIONS

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

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

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

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

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

Two-tenths of one percent (0.2 of 1%) of all volumes of Crude Petroleum received into Carrier's facilities shall be deducted from such volumes and shall be retained by Carrier to cover loss due to shrinkage and evaporation incident to transportation on Carrier's facilities, and the volumes delivered to Shipper from Carrier's facilities shall be net of such deduction. ("Pipeline Loss Allowance").

In addition to the Pipeline Loss Allowance set forth above, all Crude Petroleum nominated for shipment on the Red River System shall be subject to a further deduction of three-tenths of one percent (0.3%) starting at 44° API at sixty degrees Fahrenheit (60°F), with additional deductions of three-hundredths of one percent (0.03%) made for every one-tenth (0.1) degree API thereafter (the "Gravity Shrinkage Deduction") (for example 47.2° API = 1.26% deduction).

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

ITEM 12 – INVENTORY REQUIREMENTS

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

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

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

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

ITEM 13 – LIABILITY OF CARRIER

Carrier will not be liable for any loss of Crude Petroleum while in the possession of Carrier, or for any delay in receiving or delivering Crude Petroleum if caused by an Act of God, the public enemy, quarantine, the authority of law, strikes, riots, the act or default of Shipper or Consignee, requisition by an agency of Government or any other cause not due to the negligence of Carrier.

If such loss occurs to Crude Petroleum in a segregated shipment, then the Shipper and Consignee thereof shall bear the entire loss, damage or delay which occurs.

However, if such loss occurs to Crude Petroleum which is not in a segregated shipment, then each Shipper of the grade of Crude Petroleum so lost via the system in which the loss occurs shall share such loss in the proportion that the amount of such grade of Crude Petroleum then in the custody of Carrier for the account of such Shipper in such system bears to the total amount of such grade of Crude Petroleum then in the custody of Carrier in such system.

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

If Crude Petroleum is lost in transit while in the custody of Carrier due to causes other than those described in the first paragraph of this item, Carrier may obtain and deliver to Consignee thereof other Crude Petroleum of the same quantity and grades as that which was lost, but Carrier shall not be obligated to do so; in the alternative, Carrier may compensate Shipper for such loss in money.

ITEM 14 – ORINATION FACILITIES

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

ITEM 15 – PAYMENT OF TRANSPORTATION AND OTHER CHARGES

Shipper or Consignee shall pay the transportation and all other charges accruing on Crude Petroleum Nominated for shipment, adjusted to sixty degrees Fahrenheit (60°F) and with all deductions herein provided for. Carrier shall have a lien on all Crude Petroleum accepted for transportation to secure the payment of all charges, and may withhold said Crude Petroleum from delivery until all of the said charges shall have been paid.

Shipper and Consignee shall be jointly and severally liable for the payment of gathering, transportation and demurrage charges upon Crude Petroleum delivered by Carrier to Consignee or to a point on Carrier's lines by mutual agreement of Carrier, Shipper and Consignee.

Carrier will bill Shipper each month for gathering charges on Crude Petroleum gathered for Shipper during the previous month. Carrier will bill Shipper each month for transportation and demurrage charges on Crude Petroleum delivered to Consignee during the previous month. If such a bill is not paid within ten (10) days after date of invoice, Carrier shall have the right to assess a late charge at an annual interest rate equivalent to one hundred twenty-five percent (125%) of the prime rate of interest charged by Citibank N.A. of New York, New York on ninety (90) day loans to substantial and responsible commercial borrowers as of the due date. In the event the late charge, as described in the preceding sentence, is greater than the maximum rate allowed by law, then the maximum rate allowed by law will be used. Such late charge shall accrue from ten (10) days after date of invoice until payment is made.

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

In the event Carrier determines that the financial condition of a Shipper or shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines it is necessary to obtain security from a Shipper, Carrier, upon notice to Shipper, will require any of the following prior to Carrier's delivery of Shipper's Products in Carrier's possession or prior to Carrier's acceptance of Shipper's Crude Petroleum: (1) prepayment of all charges by wire transfer and shall be held by the Carrier without interest accruing thereon until credited to the Shipper, (2) a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier, or (3) a guaranty in an amount sufficient to ensure payment of all such charges, and in a form, and from a third party acceptable to Carrier. In the event Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to this tariff until such requirement is fully met.

ITEM 16 – QUALITY AND QUANTITY OF RECEIPTS AND DELIVERIES

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

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

Carrier will not make a delivery of less than ten thousand (10,000) Barrels of Crude Petroleum at any destinations on its trunk lines, except when necessitated by dispatching contingencies and except where a smaller delivery is authorized by an individual tariff.

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

(a) Carrier has available facilities to segregate such grade of Crude Petroleum while it is in transit from all other grades of Crude Petroleum; and

(b) Carrier shall not be liable to Shipper or Consignee for changes in the gravity or quality of such grade of Crude Petroleum while it is in transit; and

ITEM 16 – QUALITY AND QUANTITY OF RECEIPTS AND DELIVERIES (Continued)

(c) The Crude Petroleum offered for transportation is made available at the origins of a shipment in a quantity which equals or exceeds the following minimum:

Outside diameter Largest pipeline through which shipment will move	Minimum quantity of Crude Petroleum which will be segregated
12 ¾ inches or less	10,000 barrels
14 - 18 inches	20,000 barrels
20 - 24 inches	35,000 barrels

Carrier reserves the right to require an assay on Crude Petroleum nominated, prior to accepting Barrels for transportation.

ITEM 17 – RATES APPLICABLE

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

ITEM 18 – RATES APPLICABLE FROM AND TO INTERMEDIATE POINTS

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

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

ITEM 19 – SCHEDULING OF SHIPMENTS

All Shippers desiring to ship Crude Petroleum through the lines of Carrier shall promptly provide Carrier in the form of a Nomination with all information needed by Carrier to schedule and dispatch each shipment of Crude Petroleum which Shipper offers to make; to satisfy Carrier that offers to ship are in good faith; and to satisfy Carrier that shipments can be transported in conformance with Carrier's tariffs. Carrier may refuse to receive Crude Petroleum for transportation until Shipper has provided Carrier with such information.

Carrier shall not be obligated to accept Crude Petroleum for transportation during any calendar month unless the Shipper shall, on or before the twenty fifth (25th) day of the preceding calendar month, notify the Carrier in writing of the kind and quantity of such Crude Petroleum which it desires to ship. If the twenty-fifth (25th) day of the preceding calendar month is a non-business day, then such notification shall be due on the last business day immediately prior to the twenty-fifth (25th) day of the preceding month.

In the event Shippers offer to ship more Crude Petroleum via a particular pipeline or segment of line during any period of time than can be pumped through such line or segment of line during such period, then Carrier shall allocate available transportation capacity pursuant to Carrier's prorationing policy dated November 1, 2015. A copy of this document is available upon request from the tariff compiler referenced on the title page of this tariff.

ITEM 20 – SEPARATE PIPELINE AGREEMENTS

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

ITEM 21 – SPECIFICATIONS REQUIRED AS TO QUALITY

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

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

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

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

ITEM 22 – SPECIFICATIONS AS TO QUALITY AND LEGALITY OF SHIPMENTS

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

ITEM 23 – STORAGE IN TRANSIT

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

ITEM 24 – TITLES

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

LOCAL PROPORTIONAL RATES

FROM	TO	RATE IN CENTS PER BARREL
Wichita Falls (Wichita County), Texas Conley (Hardeman County), Texas Fargo (Hardeman County), Texas Bowie (Montague County), Texas Chico (Wise County), Texas Jacksboro (Jack County), Texas Burkburnett (Wichita County), Texas Electra (Wichita County), Texas Kadane (Wichita County), Texas Ringgold (Montague County), Texas Dixie (Grayson County), Texas Muenster (Cooke County), Texas Nocona (Montague County), Texas Callisburg (Cooke County), Texas	Ringling (Carter County), Oklahoma	[I] 144.36

EXPLANATION OF REFERENCE MARKS

- [I] Increased Rate
- [C] Cancel