

Texas Intrastate No. 1.2.1 (Cancels Texas Intrastate No. 1.2.0)

VALERO PARTNERS NORTH TEXAS, LLC

Local Pipeline Tariff

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

CRUDE PETROLEUM

(As Defined Herein)

[W] Operated by Valero Partners Operating Co. LLC (P-5 # 881248)
under T-4 Permit Nos. 00658, 00724, and 08428

[I] All Rates in this Issue are Increased

| From | To | Rate in Dollars Per Barrel For 42 U.S. Gallons |
|--|---|---|
| From all points in Lipscomb County, Texas, Ochiltree County, Texas, and Hansford County, Texas | Clawson Station, Hansford County, Texas Gruver Station, Hansford County, Texas | [I] \$0.8094 |

Subject to the Rules and Regulations set forth in Items 1 to 13, herein.

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

ISSUED: June 28, 2018

EFFECTIVE: July 1, 2018

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EXPLANATION OF REFERENCE MARKS:

[N] New
[C] Cancel
[W] Wording
[I] Increase

RULES AND REGULATIONS

Carrier will accept and transport crude petroleum (as defined below) for transportation through Carrier's facilities from the points of origin to the point of destination named in this tariff, subject to the following rules and regulations:

Rule 1. DEFINITIONS:

- a. "Carrier" means Valero Partners North Texas, LLC.
- b. "Crude petroleum" means liquid petroleum in its crude state, or mixtures thereof, of a gravity of twenty-nine degrees (29°) American Petroleum Institute or higher, which is suitable or adapted for refining purposes, properly settled and containing not more than two per cent (2%) of basic sediment, water or other impurities, above a point six inches (6") below pipe line connection with the tank from which it enters Carrier's facilities.
- c. "Barrel" means forty-two (42) United States gallons liquid volume at sixty degrees Fahrenheit (60° F.) and equilibrium vapor pressure.
- d. "Shipper" means the party who contracts with Carrier for transportation of crude petroleum under the terms of this tariff.
- e. "Consignee" means anyone to whom custody is to be given, at the specific instructions of a shipper, when crude petroleum is delivered out of Carrier's facilities.

Rule 2. MINIMUM TENDER:

Crude petroleum will be accepted for transportation under this tariff in tenders of not less than ten thousand (10,000) barrels from one shipper consigned to one consignee at the destination point. Crude petroleum so tendered for gathering and pipe line transportation will be received as currently available providing the total within a thirty (30) day period is not less than ten thousand (10,000) barrels.

Rule 3. APPORTIONMENT WHEN TENDERS ARE IN EXCESS OF FACILITIES:

Carrier shall be considered as a shipper of quantities tendered by itself and held for shipment through its lines, and its shipments may participate ratably in apportionment. When there is tendered to Carrier for transportation more crude petroleum than can be immediately transported, the transportation shall be apportioned among all shippers in proportion to the amounts tendered by each; provided that no tender for transportation shall be accepted beyond the amount which the shipper has on hand available and ready for shipment.

Rule 4. GAUGING, TESTING AND DEDUCTIONS:

Crude petroleum tendered to Carrier shall be gauged and tested by Carrier's representative prior to its receipt from shipper, but shipper may be present or represented at the gauging and testing. Quantities will be computed from regularly compiled tank tables on a one hundred per cent (100%) volume basis and shall show the gross volume at the observed fluid temperature. Corrections will be made for temperatures from observed degrees Fahrenheit to 60°F. Full deduction will be made for basic sediment, water and other impurities, as ascertained by the centrifugal or other test used by Carrier. A further deduction of one per cent (1%) may be made for evaporation and other unavoidable loss incident to the transportation by pipe line. The net corrected balance at 60° F. will be the quantity deliverable to the consignee and upon which transportation charges will be assessed.

Rule 5. DESTINATION FACILITIES REQUIRED:

All necessary facilities for promptly receiving crude petroleum as it arrives at the destination point must be provided by the shipper or consignee, and Carrier may refuse to accept crude petroleum for transportation unless satisfactory evidence be furnished that the shipper or consignee has provided such necessary facilities for promptly receiving said crude petroleum at the destination point. **[N]** Storage necessarily incident to transportation and only such storage will be provided by Carrier. Any additional storage in Carrier's tankage (i.e., storage beyond what is incidental and necessary to transportation pursuant to the applicable tariff) will be subject to the terms and conditions of Carrier's standard storage agreement.

Rule 6. NOTICE OF ARRIVAL AND DEMURRAGE CHARGES:

Delivery of crude petroleum may be made upon twenty-four (24) hours' notice to the shipper or consignee who shall immediately receive, at the pipeline's normal pumping rate, said crude petroleum into tanks to be provided by the shipper or consignee. After the expiration of 24 hours' notice from Carrier, a demurrage charge of one cent (1¢) per barrel will accrue on all crude petroleum not received by the consignee for each delay of 24 hours, or fractional part thereof, until said crude petroleum is received.

Rule 7. DELIVERIES AT DESTINATION:

Deliveries will be made only into consignee's tanks at the destination point without any additional delivery charge, provided such tanks are located on Carrier's pipe line. Upon failure by a consignee promptly to take crude petroleum at the destination point, or upon failure to pay any charge due Carrier, such crude petroleum may be sold by Carrier, or its representatives, at public auction for cash at Carrier's office in San Antonio, Texas, not less than forty-eight (48) hours after publication of notice in a daily newspaper published in San Antonio, Texas, of the time and place of sale and the quantity of the crude petroleum to be sold. The proceeds of such sale shall be applied to the payment of all unpaid charges, if any, and of all expenses incident to the sale, and the balance shall be held for whoever is lawfully entitled to it. Carrier may be a bidder and purchaser at such sale.

Rule 8. SHIPMENTS:

Crude petroleum accepted for transportation is subject to changes in gravity or quality while in transit or storage resulting from mixture with other crude petroleum in Carrier's pipe lines or tanks. Carrier shall not be obligated to deliver the identical crude petroleum received for transportation but may make delivery out of **[W]** its common mixed stock. Subject to the foregoing, Carrier will deliver crude petroleum of a grade and gravity substantially equivalent to that accepted from the shipper as Carrier is regularly transporting as a common stream to the destination point.

Rule 9. CRUDE PETROLEUM INVOLVED IN LITIGATION, LIENS AND TITLE DISPUTES:

When any crude petroleum tendered for transportation is involved in litigation, a dispute over ownership or title, or encumbered by lien or charge of any kind, shipper shall so advise Carrier in writing-in not less than five business days before tendering for shipment. If shipper, due to litigation, disputed ownership or encumbrance, has caused title in the crude petroleum to be in dispute, Carrier will refuse receipt or delivery of crude petroleum unless shipper provides an indemnity equal to the value of the crude petroleum.

Rule 10. PAYMENT OF CHARGES:

Unless credit arrangements satisfactory to Carrier are made in advance, the shipper or consignee shall pay transportation and all other lawful charges accruing on crude petroleum tendered for shipment before delivery of such crude petroleum. If required by Carrier, such charges shall be prepaid at the point of origin. Crude petroleum accepted for transportation shall be subject to a lien for all such charges in favor of Carrier, which lien may be enforced by sale at public auction as provided in Rule 7.

Rule 11. LIABILITY OF CARRIER:

Carrier shall not be liable for any loss, damage to, or delay in delivery of, crude petroleum caused by any act of God, public enemy, quarantine, authority of law, strikes, riots, act or default of the shipper or consignee, or from any other cause not due to Carrier's negligence. In case of losses from such causes, other than Carrier's negligence, losses shall be charged proportionately to each shipment in the ratio that such shipment, or portion of it, received and undelivered when the loss or damage occurs, bears to the total of all shipments, or portions of them, then in Carrier's custody for shipment. 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 difficulties in pipeline operations prevent its ability to maintain schedules or comply with shippers' or consignees' withdrawal requirements.

Rule 12. CLAIMS, SUITS AND TIME FOR FILING:

Claims for loss, damage or delay in connection with shipments must be made in writing within nine months after delivery of the crude petroleum concerned, or, if Carrier fails to make delivery, then within nine months after a reasonable time for delivery has elapsed. Suit may be instituted against Carrier within two years and one day from the day when written notice is given by Carrier to the claimant that its claim has been disallowed. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing, Carrier shall not be liable and such claims will not be paid.

Rule 13. PIPEAGE CONTRACTS REQUIRED:

Separate pipeage contracts in accordance with this tariff and these regulations covering further details may be required of the proposed shipper before any duty of transportation shall arise.

[N] RAILROAD COMMISSION OF TEXAS PROVISIONS

The Railroad Commission of Texas Tariff Requirements identified in 16 Texas Administrative Code § 3.71(1)-(19) are incorporated in these Rules and Regulations by reference. If any matter is addressed with greater specificity in these Rules and Regulations, or in the event of conflict between the Texas Tariff Requirements and these Rules and Regulations, these Rules and Regulations will govern the rights and obligations of Carrier and shippers.