

DBM OIL SERVICES, LLC
OPEN SEASON NOTICE

I. Binding Open Season

On December 13, 2017, DBM Oil Services, LLC (“**Carrier**”) issued a press release announcing the development of a new crude oil gathering and treating pipeline system (“**System**”) that will receive high vapor pressure crude oil from specified origin points located in Reeves, Loving, Winkler, and Ward Counties, Texas, treat the high vapor pressure crude oil to bring it into compliance with the quality specifications of the immediately connecting downstream pipelines, and then deliver the crude oil to destinations in Loving and Reeves Counties, Texas. The System will provide intrastate transportation service, subject to the jurisdiction of the Railroad Commission of Texas (“**TRRC**”), and is scheduled to become operational in April, 2018.

Carrier is conducting a binding open season (“**Open Season**”) that will provide interested parties the opportunity to make volume commitments for transportation and treating services on the System. The Open Season will commence at 8:00 a.m. Central Time on December 13, 2017 and will end at 5:00 p.m. Central Time on December 28, 2017 (“**Open Season Period**”). Interested parties should submit their binding bids for transportation and treating services on the System by completing and executing a transportation services agreement (“**TSA**”) in accordance with Section III(C) herein and sending it to Carrier no later than the close of the Open Season Period: 5:00 p.m. Central Time on December 28, 2017. The initial form of the TSA will be made available to interested parties upon the execution of a Confidentiality Agreement in a manner satisfactory to Carrier. This Open Season may be extended by an additional fifteen (15) days upon request by an interested party received by Carrier no later 5:00 p.m. Central Time on December 20, 2017.

As described further in Section III(B), potential Committed Shippers may request revisions or additions to the terms, conditions and service commitment options being offered in the initial

form of the TSA, provided such comments are received by 5:00 p.m. Central Time on December 20, 2017, and Carrier will consider all such comments and, to the extent it determines appropriate and feasible, incorporate such comments into the TSA.

II. Proposed Commitment Options

A. Overview

The Open Season provides potential shippers with the opportunity to make a commitment on the System, with the initial term of a Committed Shipper's TSA will be fifteen (15) years ("**Initial Term**"). Carrier will reserve at least ten percent of the System's available capacity for the provision of transportation and treating services to shippers that do not enter into a binding TSA with Carrier during the Open Season and instead elect to make timely monthly nominations (each an "**Uncommitted Shipper**").

B. Transportation and Treating Commitments

Each shipper who enters into a TSA during the Open Season ("**Committed Shipper**") must make transportation and treating commitments ("**Commitment(s)**"). In exchange for making the Commitments, a Committed Shipper will be charged a discount rate for transportation and treating services on the System ("**Base Committed Rate**"), as compared to the rate charged to Uncommitted Shippers for the same services ("**Uncommitted Rate**").

D. Allocation of Committed Shipper Capacity During the Open Season.

Following the conclusion of the Open Season, Committed Shipper Capacity will be awarded to potential Committed Shippers based on the net present value ("**NPV**") of each Committed Shipper's Commitments. Specifically, Carrier will award the Committed Shipper with the highest NPV its requested Commitments, in its entirety, first, followed by an award of capacity to the Committed Shipper with the next-highest NPV, and there forward until either all of the

Committed Shipper Capacity has been fully allocated or the requested Commitments of all Committed Shippers have been fulfilled. If two or more potential Committed Shippers have the same NPV, and should there be insufficient Committed Shipper Capacity to meet such requests, such Committed Shippers will receive the lower of (1) their requested Commitments, or (2) their pro rata share of the remaining capacity.

III. Open Season Process

A. Open Season Documents

Potential shippers who sign the Confidentiality Agreement will be provided a copy of the TSA, which includes a *pro forma* TRRC rules, regulations and rates tariff (“**Open Season Documents**”). Carrier will inform such potential shippers of the availability of any additional information regarding or changes to the Open Season process (including time extensions) or the Open Season Documents by e-mailing the potential shippers that have received the Open Season Documents.

B. TSA Comment Period

Potential Committed Shippers may provide comments to Carrier on the terms and conditions being offered in the TSA and may request that Carrier offer additional terms or conditions, provided that such comments are received by Carrier on or before 5:00 p.m. Central Time on December 20, 2017. Following receipt of any such comments, Carrier will, in its sole discretion, decide whether to revise the TSA to reflect any of the comments. If Carrier does decide to revise the TSA to reflect any such comments, Carrier will, no later than December 22, 2017 forward a TSA that has been updated to reflect any changes made during the Open Season Period (“**Final TSA**”) to all parties that have executed a Confidentiality Agreement. This Open Season may be extended by an additional fifteen (15) days upon request by an interested party received by Carrier no later than 5:00 p.m. Central Time on December 20, 2017.

C. Binding Commitment Process

Potential Shippers that wish to become Committed Shippers must complete, execute, and submit two copies of a Final TSA no later than 5:00 p.m. Central Time on December 28, 2017 via hand delivery, courier, or e-mail to:

DBM Oil Services, LLC
1201 Lake Robbins Drive
The Woodlands, Texas 77380
Attn: Midstream Contract Administration
Email: MidstreamCS@anadarko.com

Carrier reserves the right to reject any Final TSA that is not received on or before 5:00 p.m. Central Time on December 28, 2017. Carrier also reserves the right to reject any and all Final TSAs that do not satisfy the requirements set forth in this Open Season Notice. Without limiting the foregoing and in order to ensure that all potential Committed Shippers are presented the same terms and conditions in the Final TSA, Carrier may reject any Final TSA that is incomplete, is inconsistent with the terms and conditions outlined in this Open Season Notice, contains additional or modified terms, or is otherwise deficient in any respect.

Submission of an executed Final TSA constitutes a firm offer by a potential Committed Shipper to enter into a binding TSA and shall be non-revocable. By executing and submitting a Final TSA to Carrier, the potential Committed Shipper represents that it has management approval to enter into a binding Final TSA.

Once Carrier receives all of the Final TSAs, Carrier will, if necessary, award capacity to potential Committed Shippers in accordance with the methodology set forth in Section II(F) herein. Following that process, Carrier will revise the Commitments set forth in each potential Committed Shipper's Final TSA to reflect the final amount of such Commitments and will thereafter indicate its acceptance of the Final TSA by executing both copies and returning one copy to the shipper.

Once executed and delivered by Carrier, the Final TSA shall constitute a binding agreement, subject to its terms and conditions at the time of receipt.

If a submitted Final TSA has not been executed by Carrier and returned to the potential Committed Shipper within fifteen (15) days following the end of the Open Season Period, the submitted Final TSA shall become null and void, and any rights or obligations relating to the System on the part of the Committed Shipper and Carrier shall be extinguished. If Carrier decides not to proceed with operation of the System pursuant to the terms set forth in the Final TSA, Carrier shall notify potential Committed Shippers of such determination. In the event of such a determination, all submitted Final TSAs shall become null and void.

IV. Credit Requirements

As further specified in the TSA, each potential Committed Shipper shall provide financial data sufficient for Carrier, in its sole discretion, to ascertain the Committed Shipper's credit-worthiness and, if Carrier so determines, it may request financial assurance(s) from the Committed Shipper, which may be in the form of a letter of credit or a guaranty agreement, or such other security as may be acceptable to Carrier.

V. Limitations and Reservations

The System, including the configuration of the pipeline and treating facilities, is subject to revision after the conclusion of the Open Season Period. Prior to the time that all Final TSAs are returned to Carrier by prospective Committed Shippers and they have been fully executed by both the Committed Shippers and Carrier, Carrier further reserves the right, in its sole discretion, to (1) modify any of the Open Season materials, including the Committed Rate, if necessary, as indicated by economic, engineering design, environmental, legal, or other factors, or (2) decide not to proceed with the transportation service commitment terms offered in the TSA and the Open

Season. In such an event, Carrier will notify all interested shippers as soon as reasonably practicable.

This Open Season Notice and the other Open Season Documents are informal marketing documents, and they establish no contractual relationship between or among Carrier or any of its affiliates and any party who receives them. These procedures are intended to be used solely for the project discussed herein and are not intended to be in lieu of the requirements of TRRC or any applicable laws.

VI. Conclusion

If you should have questions or comments regarding the Open Season, project timing, the configuration of the System, or the commitment options related thereto, please feel free to contact Jake Hendricks, Commercial Representative, at the contact information listed below:

Jake E. Hendricks

Work: (432) 247-3556

Cell: (832) 326-6290

Email: jake.hendricks@anadarko.com

Disclaimer

This notification along with related Open Season materials is provided for informational purposes only. Notwithstanding anything contained herein to the contrary, this notification, the TSA and the Open Season conducted by Carrier are not intended to constitute, nor shall they be construed to constitute, an offer or any binding obligation whatsoever on Carrier to proceed with the System contemplated by the Open Season until Carrier has executed and delivered a fully executed Final TSA to an interested shipper and any conditions set forth therein have been satisfied or waived. Carrier reserves the right, in its sole discretion, to modify, terminate or extend the Open Season, in whole or in part, including without restriction any ensuing discussions among the parties at any time, without advance notice. Carrier further reserves the right to modify or supplement any of the documents associated with the Open Season without notice. In the event there is a conflict between the description of the terms of service for the System provided in this Open Season Notice and the description of the terms of service for the System provided in the TSA (or the Final TSA, as the case may be), the TSA (or the Final TSA, as the case may be) shall control.

Under no circumstances shall Carrier or any of its affiliated companies or any of their respective directors, officers, employees, agents, attorneys, advisers and representatives be responsible for any costs or expenses incurred by any recipient or for any other liability, howsoever arising, incurred by any recipient, in each case, in connection with any investigation or evaluation of the System.