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GNB NGL Pipeline LLC

LOCAL TARIFF

CONTAINING RULES, REGULATIONS and RATES
GOVERNING THE TRANSPORTATION
OF
NATURAL GAS LIQUIDS
BY PIPELINE

FERC ICA OIL TARIFF

[C] ~~Issued in compliance with 18 C.F.R. § 342.4(c).~~

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

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TABLE OF CONTENTS

SECTION I – RULES AND REGULATIONS	3
1. DEFINITIONS:	3
2. COMMODITY:	4
3. PRODUCT SPECIFICATIONS:	4
4. IDENTITY OF PRODUCTS:	5
5. NOMINATIONS REQUIRED:	6
6. NOMINATIONS IN EXCESS OF CAPACITY	6
7. MINIMUM TENDER:	7
8. MEASUREMENT AND EVIDENCE OF RECEIPTS AND DELIVERIES:	7
9. RECEIPT AND DELIVERY FACILITIES:	7
10. STORAGE OF PRODUCTS IN TRANSIT:	8
11. FAILURE OF SHIPPER TO TAKE DELIVERY AT DESTINATION:	8
12. LINEFILL REQUIREMENTS:	8
13. TITLE:	8
14. RATES APPLICABLE:	8
15. RATES APPLICABLE FROM INTERMEDIATE POINTS:	8
16. PAYMENT OF TRANSPORTATION CHARGES:	9
17. LIABILITY OF CARRIER:	9
18. TIME LIMITATION OF CLAIMS:	10
19. COMMON STREAM – CONNECTING CARRIERS:	11
SECTION II - TABLE OF RATES	12

SECTION I – RULES AND REGULATIONS

1. DEFINITIONS:

“Accounting Period” means the period commencing at 8:00 a.m., Mountain Time, on the first day of a calendar month and ending at 8:00 a.m., Mountain Time, on the first day of a succeeding month.

“Base Period” is the 12-calendar month period beginning 13 months prior to the Proration Month and excluding the month preceding the month of allocation under Item No. 6.

“Barrel” means a barrel of forty-two (42) gallons, United States measurement at 60 degrees Fahrenheit and zero pounds per square inch gauge pressure.

“Business Day” means Monday through Friday of each week, excluding banking holidays.

“Carrier” means GNB NGL Pipeline LLC, a Delaware limited liability company.

“Common Stream” means Product moved through Carrier’s System and associated facilities that is commingled or intermixed with other Product in the System.

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

“Delivery Point” means such points as may be from time to time specified by Carrier in individual tariffs where Product is delivered to Shipper.

“Product(s)” means a demethanized mixture of natural gas liquids comprised primarily of ethane, propane, iso-butane, normal butane, iso-pentane, normal pentane, hexanes and heavier hydrocarbons, incidental volumes of methane, as well as other non-hydrocarbon compounds.

“New Shipper” means a Shipper that tenders Product for transportation on the System that does not qualify as a Regular Shipper, as that term is defined in this Item No. 1.

“Nomination” means a written offer (in form and context specified by Carrier) in Item No. 5 made by a Shipper to Carrier of a stated quantity of Product for transportation from a specified Receipt Point to a specified Delivery Point in accordance with Carrier’s applicable tariff or tariffs.

“Proration Factor” means a fraction calculated by dividing the capacity of the line segment to be prorated under Item No. 6 by the total nominations.

“Proration Month” means the calendar month for which capacity is to be allocated under Item No. 6.

“Receipt Point” means such points as may be from time to time specified by Carrier in individual tariffs where Product is received into the pipeline.

“Regular Shipper” means a Shipper that has shipped Product on the System during the entirety of the Base Period.

“Shipper” means the party who contracts with Carrier for transportation of Products in accordance with this Tariff and any other applicable tariffs.

“System” means Carrier’s pipeline system and all related facilities, including tankage, if any.

“Tender” or “Tendered” means delivery by a Shipper to Carrier of a stated quantity of Products for transportation from a specified Receipt Point to a specified Delivery Point in accordance with these Rules and Regulations.

“Total Shipments” means the sum of the volumes that a Regular Shipper has shipped during each month of the Base Period.

“Total Throughput” equals the sum of all Regular Shippers’ Total Shipments.

2. **COMMODITY:**

Carrier is engaged in the transportation of Product as defined herein and therefore will not accept any other commodity for transportation under Carrier’s applicable tariffs.

3. **PRODUCT SPECIFICATIONS:**

Carrier reserves the right to refuse transportation for any Products that (i) do not conform to Carrier’s Product specifications set forth below or the specifications of any downstream connecting carriers, (ii) are not merchantable, and/or (iii) would adversely affect Carrier’s System or another Shipper’s Product. These specifications shall apply to each Barrel of Product Tendered for transportation and shall not be limited to the composite sample of the Product Tendered.

<u>Delivery Specification Point Specifications</u> (Latest Issue)	<u>Test Method</u>	<u>Receipt Specifications</u>
(1) <u>Composition</u> Carbon Dioxide (Note 1)	Gas Chromatography MAPL Test No. 7	(Note 1)
Methane, Maximum (Note 2)	GPA 2177	(Note 2)
Aromatics, Maximum Olefins, Maximum (Note 3)	Extended analysis MAPL Test No. 7A GPA 2186	10.0010.00 (Note 3)
(2) <u>Vapor Pressure</u> At 100°F, psig, Maximum	MAPL Test No. 1 ASTM D-1267	600
(3) <u>Corrosiveness</u> Copper Strip at 100°F	MAPL Test No. 9 ASTM D-1838	No. 1
(4) <u>Volatile Sulfur</u> PPM by Weight, Maximum 1200	MAPL Test No. 11 ASTM D-2784	1200

(5)	<u>Hydrogen Sulfide</u> ASTM D 2420	MAPL Test No. 12 Pass	Pass	
(6)	<u>Distillation</u> End Point at 14.7, psia, °F, Maximum	MAPL Test No. 8 ASTM D-216	375	375 (Note 4)
(7)	<u>Color</u> Saybolt Number, Minimum +25	MAPL Test No. 16 ASTM D-156 (Note 4)	+27	
(8)	<u>Dryness</u> Free Water None	MAPL Test No. 15 Inspection	None at 34°F	
(9)	<u>Product Temperature</u>			
	A. Product containing 65 mole % or more Ethane, °F, Maximum		90	90
	B. Product containing less than 65 mole % Ethane, °F, Maximum		110	110

Note 1 Carbon Dioxide Maximum is .35 L.V.% (8038 ppm,) of the Ethane.

Note 2 Methane Maximum is 0.5 L.V.% of the total components excluding N₂ and CO₂ and 1.5 L.V.% of the Ethane.

Note 3 Olefin Maximum is 1.0 L.V.% (10,000 ppm,) of the total stream, C4 Olefin Maximum is 0.1 L.V.% (1,000 ppm_w) of the Normal Butane.

Note 4 Distillation and Color to be run on that portion of the mixture having a boiling point of 70°F and above at atmospheric pressure.

4. IDENTITY OF PRODUCTS:

- A. Carrier shall not be liable to Shipper for changes in gravity or quality of Shipper's Products that may occur from commingling or intermixing Shipper's Products with other Products in the same Common Stream while in transit. Carrier is not obligated to deliver to Shipper the identical Product nominated by Shipper; Carrier will deliver the Product it is regularly transporting as a Common Stream.
- B. Carrier shall have no responsibility in, or for, any revaluation or settlements that may be deemed appropriate by Shippers and/or Consignees because of mixing or commingling of Products between the receipt and delivery of such shipments by Carrier within the same Common Stream.
- C. Carrier shall not be required to transport Product except with reasonable diligence, considering the quality of the Product, the distance of transportation and other material elements. Carrier cannot commit to delivering Product to a particular destination, at a particular time.

- D. Carrier will not be required to accept any Product that does not meet the quality criteria of the Common Stream.

5. NOMINATIONS REQUIRED:

- A. Product for shipment through Carrier's System will be received only on a properly executed Nomination from Shipper showing the point at which the Product is to be received, point of delivery, Consignee, and amount of Product transported. Any Shipper desiring to nominate Product for transportation shall make such Nomination to Carrier in writing on or before 9:00 a.m., prevailing Mountain Time of the fifth Business Day immediately preceding the first day of the Accounting Period during which the transportation under the Nomination is to begin; except that, if space is available for current movement, a Shipper may nominate Product for transportation after the twenty-fifth day of the Accounting Period preceding the Accounting Period during which the transportation under the Nomination is to begin. Shipper shall timely inform Carrier of any changes to its Nomination that occur after submission of its Nomination.
- B. Carrier may refuse to accept Product for transportation where Shipper or Consignee is not in compliance with other provisions of this Tariff or where Shipper or Consignee has failed to comply with all applicable laws, rules and regulations made by any governmental authorities regulating shipments of Products.

6. NOMINATIONS IN EXCESS OF CAPACITY

If Product is nominated to Carrier for transportation in excess of the amount that can be immediately transported as determined by Carrier, the transportation capacity shall be prorated by the Carrier equitably among all Shippers, as described below.

- A. During the Proration Month, each New Shipper will be allocated space equal to its nominated volume multiplied by the Proration Factor. The total aggregate volumes allocated to all New Shippers under this procedure shall not exceed 10% of the prorated system's capacity.
- B. In the event that the total aggregate volumes allocated to New Shippers using the procedure described in subpart A above exceeds 10% of available capacity, each New Shipper will receive a pro rata reduction in its allocated volumes such that the total allocated volumes for all New Shippers equals 10% of available capacity.
- C. Following the allocation of available capacity to New Shippers described in subparts A and B above, all of the remaining capacity will be allocated to Regular Shippers. A Regular Shipper's Total Shipments divided by the Total Throughput equals the percentage of the remaining capacity each Regular Shipper is entitled to ship during the Proration Month.
- D. Each Regular Shipper will receive an allocation that is the lesser of its allocation under subpart C above or its Nomination. In the event that, under the calculation in subpart C above, any Regular Shipper is allocated more capacity than its Nomination, the excess of its allocation over its Nomination will be reallocated pro rata among all other Regular Shippers that did not receive an allocation in excess of their Nominations, up to the level of each Regular Shipper's Nomination. If there still remains unused capacity after such reallocation among Regular Shippers, such unused capacity shall be distributed pro rata among all

New Shippers, up to the level of each New Shipper's Nomination, and not subject to the 10% cap for all New Shippers in subparts A and B above. If there still remains unused capacity after such reallocation among New Shippers, the System shall no longer be subject to prorationing and this Item No. 6 shall be inoperative.

7. MINIMUM TENDER:

Products of the required specifications shall be Tendered for transportation in quantities of not less than 250 Barrels per day of the same specification, except that Carrier may, without undue discrimination and preference, in its discretion, accept any quantity of Product if such quantity can be consolidated with other Product such that Carrier can make a single delivery of not less than 500 Barrels per day. The term "single delivery" as used herein means a delivery of Product in one continuous operation to one or more Consignees into a single facility, furnished by such Consignee or Consignees, to which Carrier is connected.

8. MEASUREMENT AND EVIDENCE OF RECEIPTS AND DELIVERIES:

- A. Product transported by Carrier may be measured at the Receipt and Delivery Points by Carrier or a representative of Carrier in accordance with the provisions of the agreements governing the interconnection of Carrier's facilities with those facilities located upstream of a given Receipt Point and downstream of a given Delivery Point. Shipper or Consignee may be present or represented at such measuring and testing.
- B. A representative of Carrier shall have the right to enter upon the premises where Shipper's Product is received or delivered and have access to any and all storage receptacles or meters for the purposes of measuring and testing and to make any examination, inspection, measurement or test required.
- C. If, upon investigation, Carrier determines that Shipper has delivered to Carrier's pipeline Product that has contaminated the Common Stream, Carrier reserves the right to treat or otherwise dispose of the contaminated stream in any reasonable commercial manner at Shipper's sole expense and Shipper shall be responsible for all actual expenses, damages and costs resulting therefrom.
- D. Any overage or shortage not due to the negligence of Carrier, including losses resulting from shrinkage, evaporation, other physical Product loss and interface mixture in any calendar month, will be allocated on a monthly accrual basis among Shippers in the proportion that the total number of Barrels delivered from the entire System for each Shipper bears to the total number of Barrels delivered from the entire System for all Shippers.

9. RECEIPT AND DELIVERY FACILITIES:

Carrier will accept Products for transportation on its System only when Shipper or Consignee has provided the necessary facilities for delivering the Products to Carrier at the Receipt Point and receiving the Products as they arrive at the Delivery Point. The cost of such facilities shall be provided at the sole cost of Shipper seeking access to Carrier's System, unless Carrier agrees, in a not unduly discriminatory manner, otherwise.

10. STORAGE OF PRODUCTS IN TRANSIT:

Carrier is under no obligation to provide storage.

11. FAILURE OF SHIPPER TO TAKE DELIVERY AT DESTINATION:

Carrier shall have the right to divert, reassign, or make whatever arrangements for disposition of the contents of the System as Carrier deems appropriate, including selling the shipment, in the event that any Shipper or Consignee is unable or refuses to receive its shipment at the Delivery Point. Any expenses incurred by Carrier in making such arrangements shall be borne by Shipper or Consignee, in addition to any demurrage charges.

12. LINEFILL REQUIREMENTS:

Carrier shall require Shipper, or a designee of Shipper, to supply a pro rata share of Product for linefill as Carrier deems is necessary for efficient operation of Carrier's System. In the event Shipper's inventory balance drops below its pro rata part of the volume of Product necessary for linefill, then Carrier will require Shipper to provide the necessary volume of Product in order to meet its pro rata part of linefill before Carrier is obligated to make deliveries or shipments on behalf of Shipper. Subject to the provisions of Item No. 16 PAYMENT OF TRANSPORTATION CHARGES, Product furnished to Carrier pursuant to this Item No. 12 shall be returned to Shipper and charged applicable tariff rates in Item No. 14 RATES APPLICABLE only after: (1) such Shipper has provided written notice to Carrier of Shipper's intent to cease shipping on the System, and (ii) a reasonable period of time has occurred to allow for administrative and operational requirements associated with the withdrawal of such Product, such reasonable period being ninety (90) days or less.

13. TITLE:

Carrier shall have the right to reject any Product, when nominated for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind (other than the lien created hereunder in favor of Carrier). By nominating Product, Shipper warrants and guarantees that Shipper owns, or has the right to commit, Product for shipment and to deliver Product to the Receipt Point for shipment free and clear of all liens, encumbrances and adverse claims. If the title to Product delivered by Shipper hereunder is disputed or is involved in any legal action, Carrier shall have the right to cease receiving Product from Shipper during the pendency of the action or until title is freed from the dispute, or until Shipper furnishes, or causes to be furnished indemnification to save Carrier harmless from all claims arising out of the dispute or action, with surety acceptable to Carrier. Shipper hereby agrees to indemnify Carrier against and holds Carrier harmless from any and all losses arising out of or related to any breach of the foregoing representation and warranty.

14. RATES APPLICABLE:

Product accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the Nomination.

15. RATES APPLICABLE FROM INTERMEDIATE POINTS:

For shipments accepted for transportation from any point not named in tariffs making reference hereto which is intermediate to a point from which rates are published in said

tariffs, through such unnamed point, the rate published therein from the next more distant Receipt Point specified in the tariff will apply from such unnamed point. For shipments accepted for transportation to any point not named in tariffs making reference hereto which is intermediate to a point to which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant Delivery Point specified in the tariff will apply. Continuous use of intermediate point rate application for more than 30 days requires establishment of a rate for the transportation service.

16. PAYMENT OF TRANSPORTATION CHARGES:

- A. Carrier shall furnish Shippers with a statement of consideration due for the transportation of Products under Carrier's tariffs not later than the last day of the Accounting Period following the Accounting Period for which consideration is due.
- B. Any sums due Carrier shall be paid no later than 15 days following the date of the statement furnished under Section 16.A of this Tariff. Late payments shall accrue interest at the rate equivalent to the lesser of (i) 1.5% per month or (ii) the maximum rate allowed by law, until paid. Additionally, if Shipper is more than 10 days late making any payment, in addition to all other rights and remedies of Carrier, Carrier may cease receiving Shipper's Product until Shipper's account is brought current, with interest.
- C. If Shipper fails to pay an invoice by the due date, Carrier will notify Shipper of the failure, and if Shipper has not remedied the failure within 30 days following receipt of notice from Carrier, in addition to any other remedies under this Tariff or under applicable law, Carrier shall have the right, either directly or through an agent, to sell any Products of such Shipper in Carrier's custody at public auction, on any day not a legal holiday, not less than 48 hours after publication of notice of such sale in a daily newspaper of general circulation published in the town, city, or general area where the sale is to be held, stating the time and place of sale and the quantity and location of the Products to be sold. At said sale, Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. The proceeds of any sale shall be applied in the following order: (A) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier; and (B) To the satisfaction of Shipper's indebtedness including interest herein provided from the date payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto. Carrier will have a claim for and against Shipper with respect to any deficiency arising from the debt due to Carrier from Shipper and the proceeds of any sale after reduction as set forth above.

17. LIABILITY OF CARRIER:

- A. As a condition to Carrier's acceptance of Product under its tariff(s), each Shipper agrees to protect and indemnify Carrier against claims or actions for injury and/or death of any and all persons whomever and for damage to property of, or any other loss sustained by Carrier, Shipper, Consignee and/or any third party resulting from or arising out of (i) any breach of or failure to adhere to any provision of Carrier's tariff(s) by Shipper, Consignee, their agents, employees or representatives and/or (ii) the negligent act(s) or failure(s) to act of Shipper, Consignee, their agents, employees or representatives in connection with delivery or receipt of Product.

- B. Carrier, while in possession of Product herein described, shall not be liable for, and Shipper hereby waives any claims against Carrier for, any loss of Product; damage thereto; or delay because of any act caused by a Force Majeure event, by act or default by the Product owner (if different from Shipper), by a defect or vice in the transported Product, orders of courts or governmental authorities, explosions, terrorist acts, breakage, accident to machinery or equipment and similar events, or from any other causes not due to the sole negligence of Carrier.
- C. In no event shall Carrier be liable to Shipper and/or Consignee for consequential, incidental or exemplary damages to Shipper and/or Consignee. In case of loss or damage from causes other than the sole negligence of Carrier, such loss or damage shall be charged proportionately to each shipment in the ratio that such shipment, or portion thereof, then in custody of Carrier for shipment via the lines or other facilities in which the loss or damage occur. Consignee shall be entitled to receive only that portion of a Shipper's 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.
- D. Carrier shall not be liable for, and Shipper hereby waives any claims against Carrier for, any loss or damage to Product(s) prior to the delivery of Product(s) at the Receipt Points and after delivery of Product(s) at the Delivery Points.

For purposes of this section, the term Force Majeure means any event or occurrence beyond the reasonable control of Carrier which by the exercise of due diligence and reasonable care Carrier is unable to prevent or overcome that delays or prevents Carrier from performing its obligations under Carrier's tariff(s), including, but not limited to, the following: strikes, lockouts, or other industrial disturbances; wars, sabotage, terrorism, blockades, insurrections, or acts of the public enemy; epidemics, landslides, lightning, earthquakes, tornadoes, loss of utilities, fires, storms, floods, washouts, or other acts of God; arrests or restraints of governments and people; compliance (voluntary or involuntary) with federal, state or local laws, rules or regulations, permits, acts, orders, directives, requisitions, or requests of any official or agency of the federal, state, or local governments; rationing of, shortages of, or inability to obtain or a delay in obtaining any material or equipment; riots or civil disturbances, fires, explosions, failures, disruptions, breakdowns, or accidents to machinery, facilities, or lines of pipe (whether owned, leased or rented); the testing of, or the making of repairs, or the performing of maintenance, alterations, enlargements, turnarounds, or connections to machinery, facilities, or lines of pipe (whether owned, leased or rented); the necessity to not operate, or to reduce the operation of, equipment to protect the safety of the public and/or environment; freezing of lines; embargoes, priorities, expropriation, or condemnation by government or governmental authorities; interference by civil or military authorities; and any cause which is not reasonably within the control of the Carrier or Shipper, or its affiliates, claiming suspension.

18. TIME LIMITATION OF CLAIMS:

As a condition precedent to recovery by Shipper for loss to, damage to, or delay in receipt or delivery of Shipper's Products for which Carrier may be responsible, Shipper's claim must be filed in writing with Carrier within nine months after delivery of the affected Products, or, in case of Carrier's failure to make delivery of Shipper's Products, then within nine months after a reasonable time for delivery has elapsed; and suits shall be instituted against Carrier only within two years from the day when notice in writing is given 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, Carrier shall not be liable and such claims will not be paid.

19. COMMON STREAM – CONNECTING CARRIERS:

When receipts from and/or deliveries to a connecting carrier of substantially the same grade of Product are scheduled at the same interconnection or at interconnections along the same pipeline system, Carrier reserves the right, with cooperation of the connecting carrier, to offset like volumes of such Common Stream Product in order to avoid capacity constraints or the unnecessary use of energy which would be required to physically pump the offsetting volumes. When this right is exercised, Carrier will make the further deliveries for Shipper involved from its Common Stream Product.

SECTION II – TABLE OF RATES

FROM	TO	Maximum Rate	Volume Discount Rate [Note 1]
QEP Field Services Company Stagecoach and Iron Horse Facility Uintah County, Utah	Mid-America Pipeline Company, LLC Interconnect Uintah County, Utah	[U] \$0.01481 [Note 2] or [U] \$0.62184 [Note 3]	[I] \$0.01380 [Note 2] or [I] \$0.57960 [Note 3]
Western Gas Partners, LP Chipeta Plant Uintah County, Utah	Mid-America Pipeline Company, LLC Interconnect Uintah County, Utah	[U] \$0.01481 [Note 2] or [U] \$0.62184 [Note 3]	[I] \$0.01105 [Note 2] or [I] \$0.46410 [Note 3]

Note 1: The volume discount rate is available to any shipper that ships at least 168,000 Gallons Per Day (4,000 Barrels per Day of 42 U.S. Gallons) of Product on the System.

Note 2: Rate in cents per Gallon.

Note 3: Rate in cents per Barrel of 42 U.S. Gallons.

EXPLANATION OF REFERENCE MARKS:

[I] Increased

[U] Unchanged

[W] Change in wording only