

# **ROCKY MOUNTAIN PIPELINE SYSTEM LLC**

## **LOCAL AND JOINT TARIFF**

Containing

**RULES AND REGULATIONS**

Governing

**THE TRANSPORTATION**

and

**DIVERSION AND RECONSIGNMENT**

of

**CRUDE PETROLEUM**

By Pipeline

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The rules and regulations published herein apply only under tariffs making specific reference by F.E.R.C. number to this circular, such reference will include supplements hereto and successive issues hereof.

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**This tariff publication is filed in accordance with indexing and tariff ceiling provisions of 18 CFR 342.3.**

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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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**ISSUED: May 27, 2010**

**EFFECTIVE: July 1, 2010**

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## **GENERAL APPLICATION**

Rules and regulations published herein apply only under tariffs which make specific reference by F.E.R.C. number of State Commission number to this circular; such reference will include supplements hereto and successive issue hereof.

Crude Petroleum will be transported through Carrier's facilities only as provided in this rules and regulations circular, except that specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

## RULES AND REGULATIONS

Crude petroleum will be transported through Carrier's facilities only as provided in these rules and regulations.

ITEM NO.	SUBJECT	RULES AND REGULATIONS
5	ABBREVIATIONS AND DEFINITIONS	<p>As used in these rules and regulations, the following terms have the following meanings:</p> <p>"a.m." means a time of day after midnight and before noon</p> <p>"Barrel" means forty-two United States gallons.</p> <p>"Carrier" means and refers to Rocky Mountain Pipeline System LLC.</p> <p>"Crude Petroleum" means either the direct liquid products of oil wells, or a mixture of all direct liquid products of oil wells or with the indirect liquid products of oil or gas wells, including gasoline and liquefied petroleum gases, as provided in Item 15, [N] or Synthetic Crude Oil.</p> <p>"F.E.R.C." means Federal Energy Regulatory Commission.</p> <p>"No." means number.</p> <p>"p.m." means a time of day after noon and before midnight.</p> <p>"Synthetic Crude Oil" means Crude Petroleum that is produced from oil sands.</p> <p>"Tender" means an offer by a shipper to the Carrier of a stated quantity of crude petroleum for transportation from a specified origin or origins to a specified destination or destinations in accordance with these rules and regulations.</p>
10	COMMODITY	The Carrier is engaged in the transportation of crude petroleum by pipe line and will not accept any other commodity for transportation.
15	MIXTURES	<p>(a) The indirect liquid products of oil or gas wells, including gasoline and liquefied petroleum gases, hereinafter referred to as indirect products, will be accepted and transported as a mixture with the direct liquid products of oil wells, hereinafter referred to as direct products, provided the vapor pressure of the resulting mixture does not exceed that permitted by Carrier's facilities and operating conditions.</p> <p>(b) The indirect products portion of the mixture will be accepted for transportation at reception points other than the one at which the direct products portion of the same mixture is received, provided that the consignee and destination are the same, and that operating conditions and the Carrier's facilities permit the indirect products portion to be mixed with the direct products of the same consignee. The rate to be assessed on each portion of the mixture shall be the rate applicable from the point at which each is received.</p> <p>(c) The direct and indirect products will be measured and tested separately, and must be shown separately on the tender form.</p> <p>(d) Mixtures will be transported and delivered as crude petroleum. Nothing in this item is to be construed to waive provisions of Item 30 of this tariff or to require the Carrier to receive, transport and deliver unmixed indirect products, except that unmixed indirect products will be gathered for subsequent mixing with direct products in accordance with this rule where facilities exist for performing a gathering service for such products.</p>
20	TENDERS	<p>(a) Crude petroleum will be transported only under a tender accepted by the Carrier, from origins (or from facilities connected to Carrier's gathering system when gathering service is to be performed by the Carrier) to destinations when a tariff covering the movement is lawfully in effect and on file with the Federal Energy Regulatory Commission, and with the appropriate state commission covering intrastate traffic.</p> <p>(b) Any shipper desiring to tender crude petroleum for transportation shall make such tender to the Carrier in writing on or before the twenty-fifth day of the month preceding the month during which the transportation under the tender is to begin. Unless such notification is made, the Carrier will be under no obligation to accept crude petroleum for transportation. However, if operating conditions permit and at the sole discretion of the Carrier, tenders for crude petroleum may be accepted for transportation after the 25th day of the month preceding the month during which the transportation under the tender is to begin.</p>
25	QUANTITIES	<p>(a) A tender will be accepted only when the total quantity covered by such tender will be made available for transportation within the month when the tender is to begin.</p> <p>(b) Any quantity of crude petroleum will be accepted from lease tanks or other facilities to which the Carrier is connected, if such quantity can be so consolidated with other crude petroleum that Carrier can make a single delivery of not less than five thousand barrels, and Carrier will not be obligated to make any single delivery of less than five thousand barrels. The term "single delivery" as used herein means a delivery of crude petroleum in one continuous operation to one or more consignees into a single facility, furnished by such consignee or consignees, to which Carrier is connected.</p>

ITEM NO.	SUBJECT	RULES AND REGULATIONS
30	SEGREGATION AND VARIATIONS IN QUALITY AND GRAVITY	<p>The following rules and regulations covering crude petroleum quality apply to Carrier's crude petroleum system as a whole. Any geographic area to which specific quality requirements apply in addition to these rules and regulations is so identified below.</p> <p>(a) As part of its common stream transportation, Carrier will not accept any crude petroleum which does not meet the quality criteria of the common stream. Carrier will monitor the quality of its common streams and shall investigate suspected abuses of common stream criteria violations. Monitoring of common streams will include gravity and sulfur testing and could include simulated distillation and other testing to determine quality.</p> <p>(b) If abuses of the common stream quality are determined, the shipper causing such abuses shall be advised to cease and desist all such actions. Failure to desist or failure to cooperate in ending such practices shall result in that shipper being barred from shipping in the common stream where such abuses occurred. Before such shipper is allowed to regain its shipper status in the common stream where the abuses occurred, the shipper will be required to provide Carrier with assurances that such abuses will not recur.</p> <p>(c) Carrier will work with connecting Carriers regarding Carrier's quality issues and will advise such connecting Carriers that any crude petroleum found to be a detriment to Carrier's common stream will be rejected for further transportation on Carrier's system.</p> <p>(d) Since variations in gravity and/or quality of common stream crude petroleum are inherent in common stream operations, Carrier will not be liable for such variations occurring while crude petroleum is in its custody, nor is Carrier under any obligation to deliver the identical crude petroleum received, but will make delivery out of such common stream.</p> <p>(e) When requested by the shipper and if operationally feasible, Carrier will endeavor to segregate crude petroleum of a kind and/or quality not currently transported through Carrier's facilities. Carrier will, to the best of its abilities, make delivery of such crude petroleum at destination which is substantially the same crude petroleum as that received by Carrier at origin. For such segregated batches, shipper must provide crude petroleum in such quantities (see Note 1) and at such specified times as may be necessary to permit such segregated movements via Carrier's existing facilities. Further, Carrier will not be liable for failure to deliver the identical crude petroleum or for any variations in the gravity and/or quality of crude petroleum occurring while such segregated crude is in Carrier's custody.</p> <p>Note 1 - The quantity to be accepted and transported under the provisions of this paragraph will be determined by Carrier in accordance with current operations through its existing facilities involved in the segregated movements, but in no event shall the quantity for a single delivery be less than the minimum quantity provided in Item 25.</p> <p>(f) The following additional common stream restrictions will apply specifically to crude oil common streams which flow from origin points on Carrier's pipeline into Carrier's Casper, Wyoming delivery point.</p> <ol style="list-style-type: none"> <li>1. No shipper shall deliver crude oil to Carrier for transport if natural gasoline has, at any time, been injected into the crude oil stream.</li> <li>2. No shipper shall deliver crude oil to Carrier for transport on its sweet crude common streams that is the product of a blend of crude oils whose sulfur content is above 0.40% by weight with crude oils whose sulfur content is less than 0.40% by weight.</li> <li>3. Carrier shall investigate any reported violations of these provisions and take appropriate action as provided in (b) above.</li> <li>4. Shippers who have intentionally violated common stream restrictions may be liable for any damages to other shippers in the same common stream.</li> </ol>
35	DESTINATION FACILITIES	<p>No duty to transport will arise until evidence satisfactory to the Carrier has been furnished that consignee has provided necessary facilities to which Carrier is connected and has made necessary arrangements for accepting delivery of shipments promptly on arrival at destination, as provided in these rules and regulations.</p>

ITEM NO.	SUBJECT	RULES AND REGULATIONS
40	GAUGING, DEDUCTIONS AND ADJUSTMENTS	<p>(a) Quantities for receiving, delivering, assessing charges and all other purposes will be corrected to a temperature of sixty degrees Fahrenheit, after deduction of impurities shown by tests made by the Carrier prior to receipt and upon delivery. Quantities may be computed from tank tables compiled or accepted by the Carrier.</p> <p>(b) Pursuant to Item 70, crude petroleum quantities transported may be adjusted to allow for inherent losses, including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses. A deduction of two-tenths of one percent (0.2%) will be made to cover evaporation, interface losses, and other normal losses during transportation.</p> <p>(c) The net quantities as determined under paragraphs (a) and (b) of this item will be the amounts accountable at destination.</p>
45	DIVERSION OR RECONSIGNMENT	Crude petroleum in transport may be diverted without an additional charge to a destination other than originally specified on the tender, or crude petroleum in transport may be reconsigned without an additional charge to another shipper at point of destination only, provided such diversion or reconsignment is made in writing by the entered shipper prior to delivery at original destination. This will be allowed subject to the rates, rules and regulations applicable from point of origin to point of final destination, upon condition that no out-of-line or backhaul movement will be made.
50	STORAGE IN TRANSIT	<p>(a) The Carrier has working tanks required in the process of transporting crude petroleum, but has no other tankage and, therefore, does not have facilities for rendering, nor does it offer, a storage service. Provisions for storage in transit in facilities furnished by shipper at points on Carrier's system will be permitted to the extent authorized under individual transit tariffs lawfully on file with the Federal Energy Regulatory Commission.</p> <p>(b) Each shipper will be required to furnish crude oil into inventory for their proportionate share of the line fill in such amount as deemed necessary by Carrier.</p>
55	DELIVERY AND DEMURRAGE	<p>(a) Carrier will transport and deliver crude petroleum with reasonable diligence and dispatch, but will accept no crude petroleum to be transported in time for any particular market.</p> <p>(b) After any shipment has had time to arrive at destination, and on twenty-four hour notice to consignee, Carrier may begin delivery at its current rate of pumping.</p> <p>(c) Commencing after the first seven o'clock a.m. after expiration of said notice, a demurrage charge of one cent per barrel per day of twenty-four hours shall accrue on any part of said shipment offered for delivery and not taken as prescribed in paragraph (b) of this item. After expiration of said notice, Carrier's liability for loss, damage, or delay shall be that of warehouseman only.</p>
60	RATES APPLICABLE	Crude petroleum transported shall be subject to the rates in effect on dates such crude petroleum is received by the Carrier.
65	PAYMENT OF CHARGES	The shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and if required, shall prepay such charges or furnish guaranty of payment satisfactory to the Carrier. The Carrier will have a lien on all crude petroleum accepted for transportation to secure the payment of all charges, including demurrage charges, and may refuse to deliver crude petroleum until all charges have been paid. If said charges or any part thereof shall remain unpaid five days, computed from the first seven o'clock a.m. after written notice is mailed to shipper of intention to enforce Carrier's lien as herein provided, or when there shall be failure to take the crude petroleum at the point of destination as provided in Item 55 within five days, computed from the first seven o'clock a.m. after expiration of the notice therein provided, the Carrier shall have the right through an agent, to sell said crude petroleum at public auction for cash, between and not less than twenty-four hours after notice of the time and place of such sale and the quantity, general description, and location of the crude petroleum to be sold has been published in a daily newspaper of general circulation published in the town or city where the sale is to be held, and sent by telegraph to shipper. The Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale Carrier may pay itself all transportation, demurrage, and other lawful charges, expense of notice, advertisement, sale, and other necessary expense, and of caring for and maintaining the crude petroleum, and the balance shall be held for whomsoever may be lawfully entitled thereto.

ITEM NO.	SUBJECT	RULES AND REGULATIONS
70	LIABILITY OF CARRIER	<p>(a) The Carrier, while in possession of any crude petroleum, will not be liable for any loss thereof, or damage thereto, or delay, caused by an act of God, the public enemy, quarantine, the authority of law, or of public authority, strikes, riots, insurrection, inherent nature of the goods, or the act or default of the shipper consignee.</p> <p>(b) Any losses of crude petroleum will be charged proportionately to each shipper in the ratio that his petroleum products, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all crude petroleum then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs; and the Carrier will be obligated to deliver only that portion of such crude petroleum remaining after deducting shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered.</p>
75	TITLE	A tender of crude petroleum shall be deemed a warranty of title by the party tendering, but acceptance shall not be deemed a representation by the Carrier as to title. The Carrier may, in the absence of adequate security, decline to receive any crude petroleum which is in litigation as dispute over title may exist, or which is encumbered by any lien of which the Carrier has notice.
80	TIME LIMITATION ON CLAIMS	As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within nine months and one day after delivery of the property, or in case of failure to make delivery, then within nine months and one day after reasonable time for delivery, based on Carrier's normal operations, has elapsed; and suits shall be instituted against the Carrier only within two years and one 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 or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, no Carrier hereunder will be liable, and such claims will not be paid.
85	COMMUNICATION FACILITIES	Shippers may use Carrier's private communication facilities without additional charge for messages incident to their shipments. The Carrier will not be liable for nondelivery of messages, or for errors or delays in transmission or interruption of the service.
90	TRUCK UNLOADING	Where trucks are unloaded on Rocky Mountain Pipeline System LLC's main line, a special handling charge of <b>[D]</b> 14.57 cents per barrel will be added to the trunk line rate in effect – unless otherwise specified on the individual tariff
100	GRAVITY BANK ADJUSTMENTS	<p>In order to provide a means whereby shippers will not be materially damaged or allowed to benefit from changes in gravity as the result of commingling Crude Petroleum of different gravities within the common stream (the "Common Sour Stream") in the Rocky Mountain Pipeline System LLC main line Wyoming system extending from Elk Basin, Wyoming south; Winkleman, Wyoming east; and Reno — Sussex, Wyoming south to delivery points at Casper, Pilot Butte, Guernsey and Ft. Laramie, Wyoming, the Carrier has established a Gravity Bank to calculate, collect and remit monetary adjustments among all shippers tendering within these streams for changes in gravity which result from common stream operations. Each shipper tendering Crude Petroleum for transportation by the Carrier in said Common Sour Stream is required to participate in the Gravity Bank.</p> <p>The exceptions to this Gravity Bank will be the Crude Petroleum barrels moved from Hamilton Dome, Wyoming and delivered off at Cottonwood Junction, Wyoming and the barrels received into the main line at Ft. Laramie, Wyoming after the delivery bank meter.</p> <p>Each shipper authorizes the Carrier to compute adjustments among all shippers for gravity differences. Each shipper agrees to pay the Carrier or its representatives the computed adjustments due by such shipper in accordance with these rules and regulations.</p> <p>Carrier is responsible for administering the Gravity Bank, but has no liability for paying out to shippers for any particular period any amount greater than the amount lawfully collected from other shippers for the same period pursuant to the terms of the tariff.</p> <p>For shipments scheduled for delivery to Carrier during the time period April through October of each year, inclusive, the first 8,000 BPD of Bow River Stream per calendar month delivered by all shippers in the aggregate into the Big Horn System Common Sour Stream will be accepted into the Gravity Bank at the calculation method described in the GRAVITY VALUE FORMULAE of this section. "Bow River Stream" means (i) the stream of Crude Petroleum delivered from the Bow River Pipe Line System at its south termination point in accordance with Inter Pipeline Fund's rules and regulations in effect at the time of such delivery, together with (ii) Milk River Medium Sour crude injected into the Bow River Stream (also known as the "Milk River Medium Sour Stream" on the Plains Marketing Milk River Pipe Line) at the Milk River Truck Terminal.</p>

ITEM NO.	SUBJECT	RULES AND REGULATIONS
100	GRAVITY BANK ADJUSTMENTS (cont.)	<p>Bow River Stream scheduled into the Common Sour Stream in excess of 8,000 BPD in any calendar month will be accepted into the Common Sour Stream; however, if in any such month the average gravity of the Bow River Stream is in excess of 24.5 API gravity (corrected to 60 deg F), and the average viscosity of the Common Sour Stream for that month does not exceed 200 centistokes at pumping temperature, then a maximum value of 24.5 API gravity will be credited to the shipper of such Bow River Stream for purposes of GRAVITY VALUE FORMULAE calculations.</p> <p>If the resulting Common Sour Stream viscosity for such month exceeds 200 centistokes at pumping temperature, then all Bow River Stream accepted into the Common Sour Stream will be calculated according to the calculation method described in the GRAVITY VALUE FORMULAE. If there is more than one shipper of Bow River Stream during any month when the total shipments of Bow River Stream exceed 8,000 barrels/day and there is a limit on the API gravity credited to the excess barrels, then each such shipper will receive a pro rata (based on total shipments of Bow River Stream during that month) share of Bow River Stream calculated at its actual API gravity and Bow River Stream calculated at the 24.5 maximum API gravity.</p> <p>For shipments scheduled for delivery to Carrier during the time period November through March of each year, inclusive, all Bow River Stream crude will be accepted in the Gravity Bank as described in the GRAVITY VALUE FORMULAE.</p> <p>All references in the foregoing Gravity Bank provisions to volumes of Bow River Stream shall refer to and include all the Bow River Stream shipped down the Western Corridor, into the Common Sour Stream whether under Carrier's tariffs or the tariffs of other joint interest owners of the Western Corridor system.</p> <p>Carrier shall create a shippers committee that shall be comprised of shippers who have shipped into the Common Sour Stream within the twelve (12) months prior to the date of any announced shippers' meeting. The shippers committee shall meet at least annually, or at such earlier times as any Common Sour Stream shipper or Carrier may request, to review the quality specifications and parameters of Crude Petroleum entering into the Common Sour Stream. Any Common Sour Stream shipper may request changes to existing quality, specifications, or parameters of the Common Sour Stream. Carrier shall undertake reasonable efforts to implement such changes if (1) such changes are acceptable to shippers of 60% or more of the volume of Crude Petroleum shipped in the Common Sour Stream based on total shipments on the segment that is the subject of the proposed change (for this purpose, the volumes moved by all shippers under the tariffs of all joint interest owners of the Western Corridor during the 12-month period next preceding the implementation date shall be considered); provided, however, that if one shipper has shipped 60% or more of the volume, then the agreement of at least one other shipper in the Common Sour Stream shall be required, and (2) such changes, in the opinion of Carrier and any other interested Western Corridor joint interest owner, do not materially affect system capacity or materially increase operating costs. Nothing in this provision shall require the Carrier to pursue such changes in the event a shipper formally opposes such changes.</p>

ITEM NO.	SUBJECT	RULES AND REGULATIONS																			
100	GRAVITY BANK ADJUSTMENTS (cont.)	<p style="text-align: center;">STRUCTURE OF THE GRAVITY BANK</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 33%;"><u>Crude Group</u> Common Sour Stream</td> <td style="width: 33%;"><u>Receipt Locations</u> All Wyoming Origins extending from Elk Basin south; Winkelman east; and Reno — Sussex south to the delivery locations as specified under "Delivery Locations".</td> <td style="width: 33%;"><u>Delivery Locations</u>  Casper, Wyoming Pilot Butte, Wyoming Guernsey, Wyoming Ft. Laramie, Wyoming</td> </tr> <tr> <td></td> <td>The exceptions to the above will be barrels moved from Hamilton Dome and delivered off at Cottonwood Jct., Wyoming and barrels received into the main line at Ft. Laramie, Wyoming after the delivery bank meter.</td> <td></td> </tr> <tr> <td></td> <td>All Wyoming origins extending from Kirby Creek, Wyoming north to the delivery location as specified under "Delivery Locations".</td> <td>Silvertip, Montana</td> </tr> </table> <p>Gravity values used herein are for the sole purpose of making the required calculations to effect the adjustments required and in no way affect or determine the price of Crude Petroleum. Gravity value formulae for use in determining differentials for gravity adjustments hereunder are as follows:</p>	<u>Crude Group</u> Common Sour Stream	<u>Receipt Locations</u> All Wyoming Origins extending from Elk Basin south; Winkelman east; and Reno — Sussex south to the delivery locations as specified under "Delivery Locations".	<u>Delivery Locations</u>  Casper, Wyoming Pilot Butte, Wyoming Guernsey, Wyoming Ft. Laramie, Wyoming		The exceptions to the above will be barrels moved from Hamilton Dome and delivered off at Cottonwood Jct., Wyoming and barrels received into the main line at Ft. Laramie, Wyoming after the delivery bank meter.			All Wyoming origins extending from Kirby Creek, Wyoming north to the delivery location as specified under "Delivery Locations".	Silvertip, Montana										
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<table border="0" style="width: 100%; text-align: center;"> <tr> <td colspan="3">GRAVITY VALUE FORMULAE</td> </tr> <tr> <td style="width: 33%;"><u>CRUDE GROUP</u></td> <td style="width: 33%;"><u>GRAVITY RANGE, ° API</u></td> <td style="width: 33%;"><u>GRAVITY VALUE, \$/BARREL</u></td> </tr> <tr> <td>Common Sour Stream</td> <td>10.0 – 33.9</td> <td>2.000 + (°API - 10.0) (0.20)</td> </tr> <tr> <td></td> <td>34.0 – 35.9</td> <td>6.800 + (°API - 34.0) (0.04)</td> </tr> <tr> <td></td> <td>36.0 – 39.9</td> <td>6.880 + (°API - 36.0)(0.02)</td> </tr> <tr> <td></td> <td>40.0 - 44.9</td> <td>6.960</td> </tr> <tr> <td></td> <td>45.0 and above</td> <td>6.945 - (°API - 45.0) (0.15)</td> </tr> </table> <p>These formulae represent the gravity adjustment schedules used by the majority of the crude oil purchasers who have published postings for the listed crudes transported by Carrier. The format used is independent of the price of the crude oil.</p> <p>All crude oil gravities are to be recorded to the nearest one-tenth degree API for use in the formulae.</p> <p style="text-align: center;">GRAVITY VALUE FORMULA EXAMPLES</p> <p>Batch 'A' Gravity is 17.5 °, which is between 10.0° and 33.9° API. Gravity Value is: <math>2.000 + (17.5 - 10.0) (0.20) = \underline{\\$3.50}</math></p> <p>Batch 'B' Gravity is 23.1°, which is between 10.0 and 33.9° API. Gravity Value is: <math>2.000 + (23.1 - 10.0) (0.20) = \underline{\\$4.62}</math></p> <p>The difference in Gravity Value between Batch 'A' and Batch 'B' is: <math>\\$4.62 - \\$3.50 = \underline{\\$1.12}</math></p> <p>This can be derived in another manner:</p> <p>Gravity Adjustment below 34° is <math>\\$0.02/0.1^\circ \text{ API}</math></p> <p><math>(23.1 - 17.5) \frac{(0.02)}{0.1} = \\$1.12</math></p> <p>GRAVITY VALUE DIFFERENCE = <u>\$1.12</u></p>	GRAVITY VALUE FORMULAE			<u>CRUDE GROUP</u>	<u>GRAVITY RANGE, ° API</u>	<u>GRAVITY VALUE, \$/BARREL</u>	Common Sour Stream	10.0 – 33.9	2.000 + (°API - 10.0) (0.20)		34.0 – 35.9	6.800 + (°API - 34.0) (0.04)		36.0 – 39.9	6.880 + (°API - 36.0)(0.02)		40.0 - 44.9	6.960		45.0 and above	6.945 - (°API - 45.0) (0.15)
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ITEM NO.	SUBJECT	RULES AND REGULATIONS																																																																		
100	GRAVITY BANK ADJUSTMENTS (cont.)	<p>Adjustments among shippers of Crude Petroleum for differences in gravity will be made for Crude Petroleum received into and delivered from the Common Sour Stream operation of the Carrier's system. Adjustments will be made by a process of debits and credits and interchange of funds among the shippers involved in the stream.</p> <p>Adjustments will be made for each shipper's volumes transported in the Common Sour Stream in the following manner:</p> <p>The weighted average gravity value of the Gravity Bank will be determined for all Crude Petroleum being received into the Common Sour Stream and similarly for the Crude Petroleum being delivered out of this Common Sour Stream. To determine this value, the volume in barrels of each receipt (delivery) will be multiplied by its appropriate gravity value obtained from the gravity value formula. The sum of all such products of receipts (deliveries) times gravity values will then be divided by the total number of barrels received (delivered out for the delivery calculations). This quotient is the weighted average gravity value of the Gravity Bank.</p> <p>Each shipper's individual gravity value will be determined in a similar manner by multiplying the volume(s) of barrels received from that shipper (or delivered to that shipper for delivery calculations) by the gravity value obtained from the gravity value formula, taking the sum of such products and dividing that sum by the total barrels received from (delivered to) that shipper.</p> <p>A. Receipt by Carrier</p> <p>I. The weighted average gravity value per barrel of each shippers' total barrels received by Carrier for movements in the Common Sour Stream will be computed as previously described.</p> <p>II. The weighted average gravity value per barrel of all shippers' barrels delivered to Carrier for movement as a commingled Common Sour Stream will also be computed in a similar manner.</p> <p>(a) If the weighted average gravity value per barrel of a shipper as determined under I. (above) is greater than that determined under II., the shipper will be credited an amount which shall be calculated by multiplying the differences in gravity value per barrel by the total barrels delivered to Carrier by such shipper for movement in the Common Sour Stream.</p> <p>(b) If the weighted average gravity value per barrel of a shipper as determined in I. (above) is less than that determined under II, the shipper will be debited an amount as calculated in (a) above.</p> <p style="text-align: center;">TYPICAL RECEIPT BANK</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Shipper</th> <th style="text-align: center;">Volume BBLs</th> <th style="text-align: center;">Measured Gravity ° API</th> <th style="text-align: center;">*Gravity Value \$/BBL</th> <th style="text-align: center;">Volume X Value \$</th> </tr> </thead> <tbody> <tr> <td rowspan="4" style="text-align: center;">A</td> <td style="text-align: center;">10</td> <td style="text-align: center;">16.0</td> <td style="text-align: center;">3.200</td> <td style="text-align: center;">32.00</td> </tr> <tr> <td style="text-align: center;">20</td> <td style="text-align: center;">21.0</td> <td style="text-align: center;">4.200</td> <td style="text-align: center;">84.00</td> </tr> <tr> <td style="text-align: center;"><u>10</u></td> <td style="text-align: center;">23.0</td> <td style="text-align: center;"><u>4.600</u></td> <td style="text-align: center;"><u>46.00</u></td> </tr> <tr> <td style="text-align: center;">40</td> <td></td> <td style="text-align: center;">4.050</td> <td style="text-align: center;">162.00</td> </tr> <tr> <td rowspan="3" style="text-align: center;">B</td> <td style="text-align: center;">20</td> <td style="text-align: center;">22.0</td> <td style="text-align: center;">4.400</td> <td style="text-align: center;">88.00</td> </tr> <tr> <td style="text-align: center;"><u>20</u></td> <td style="text-align: center;">21.0</td> <td style="text-align: center;"><u>4.200</u></td> <td style="text-align: center;"><u>84.00</u></td> </tr> <tr> <td style="text-align: center;">40</td> <td></td> <td style="text-align: center;">4.300</td> <td style="text-align: center;">172.00</td> </tr> <tr> <td rowspan="5" style="text-align: center;">C</td> <td style="text-align: center;">5</td> <td style="text-align: center;">14.0</td> <td style="text-align: center;">2.800</td> <td style="text-align: center;">14.00</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">16.0</td> <td style="text-align: center;">3.200</td> <td style="text-align: center;">16.00</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">20.0</td> <td style="text-align: center;">4.000</td> <td style="text-align: center;">20.00</td> </tr> <tr> <td style="text-align: center;"><u>5</u></td> <td style="text-align: center;">25.0</td> <td style="text-align: center;"><u>5.000</u></td> <td style="text-align: center;"><u>25.00</u></td> </tr> <tr> <td style="text-align: center;">20</td> <td></td> <td style="text-align: center;">3.750</td> <td style="text-align: center;">75.00</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td style="text-align: center;">100</td> <td></td> <td style="text-align: center;">4.090</td> <td style="text-align: center;">409.00</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: center;">Average value of Receipts:</td> <td style="text-align: center;">\$4.090</td> <td></td> </tr> </tbody> </table>	Shipper	Volume BBLs	Measured Gravity ° API	*Gravity Value \$/BBL	Volume X Value \$	A	10	16.0	3.200	32.00	20	21.0	4.200	84.00	<u>10</u>	23.0	<u>4.600</u>	<u>46.00</u>	40		4.050	162.00	B	20	22.0	4.400	88.00	<u>20</u>	21.0	<u>4.200</u>	<u>84.00</u>	40		4.300	172.00	C	5	14.0	2.800	14.00	5	16.0	3.200	16.00	5	20.0	4.000	20.00	<u>5</u>	25.0	<u>5.000</u>	<u>25.00</u>	20		3.750	75.00	TOTAL	100		4.090	409.00			Average value of Receipts:	\$4.090	
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100	GRAVITY BANK ADJUSTMENTS (cont.)	<p>Shipper A's average gravity value is \$4.050, which is lower than the \$4.090 average. Therefore, A pays 40 (4.050 - 4.090) = <u>-\$1.60</u></p> <p>Shipper B's average gravity value is \$4.300, which is higher than the \$4.090 average. Therefore, B receives 40 (4.300 - 4.090) = <u>+\$8.40</u></p> <p>Shipper C's average gravity value is \$3.750, which is lower than the \$4.090 average. Therefore, C pays 20 (3.750 - 4.090) = <u>-\$6.80</u></p> <p>The sum of payments equals the sum of the receipts.</p> <p>*As calculated using the Gravity Value Formulae.</p> <p>B. Deliveries by Carrier.</p> <p>III. The weighted average gravity value per barrel of each shipper's total barrels delivered by Carrier at specific locations from the Common Sour Stream will also be computed as previously described.</p> <p>IV. The weighted average gravity value per barrel of all shipper's barrels delivered at specific locations by Carrier from a Common Sour Stream will also be computed.</p> <p>(a) If the weighted average gravity differential value per barrel of a shipper as determined under III. (above) is greater than that determined under IV., the shipper will be debited an amount which shall be calculated by multiplying the differences in gravity value per barrel by the total barrels delivered by Carrier from the Common Sour Stream for such shipper's account.</p> <p>(b) If the weighted average gravity differential value per barrel of a shipper as determined in III. (above) is less than that determined under IV., the shipper will be credited with an amount as calculated in (a) above.</p> <p>V. Calculations for receipts and deliveries shall be made each calendar month.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5" style="text-align: center;">TYPICAL DELIVERY BANK</th> </tr> <tr> <th style="text-align: center;">Shipper</th> <th style="text-align: center;">Volume BBLs</th> <th style="text-align: center;">Measured Gravity ° API</th> <th style="text-align: center;">*Gravity value \$/BBL</th> <th style="text-align: center;">Volume X Value \$</th> </tr> </thead> <tbody> <tr> <td rowspan="4" style="text-align: center;">A</td> <td style="text-align: center;">10</td> <td style="text-align: center;">26.5</td> <td style="text-align: center;">5.300</td> <td style="text-align: center;">53.00</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">27.0</td> <td style="text-align: center;">5.400</td> <td style="text-align: center;">27.00</td> </tr> <tr> <td style="text-align: center;"><u>10</u></td> <td style="text-align: center;">28.0</td> <td style="text-align: center;"><u>5.600</u></td> <td style="text-align: center;"><u>56.00</u></td> </tr> <tr> <td style="text-align: center;">25</td> <td></td> <td style="text-align: center;">5.440</td> <td style="text-align: center;">136.00</td> </tr> <tr> <td rowspan="3" style="text-align: center;">B</td> <td style="text-align: center;">10</td> <td style="text-align: center;">27.5</td> <td style="text-align: center;">5.500</td> <td style="text-align: center;">55.00</td> </tr> <tr> <td style="text-align: center;">20</td> <td style="text-align: center;">29.0</td> <td style="text-align: center;">5.800</td> <td style="text-align: center;">116.00</td> </tr> <tr> <td style="text-align: center;"><u>15</u></td> <td style="text-align: center;">28.5</td> <td style="text-align: center;"><u>5.700</u></td> <td style="text-align: center;"><u>85.50</u></td> </tr> <tr> <td></td> <td style="text-align: center;">45</td> <td></td> <td style="text-align: center;">5.700</td> <td style="text-align: center;">256.50</td> </tr> <tr> <td rowspan="4" style="text-align: center;">C</td> <td style="text-align: center;">10</td> <td style="text-align: center;">27.0</td> <td style="text-align: center;">5.400</td> <td style="text-align: center;">54.00</td> </tr> <tr> <td style="text-align: center;">10</td> <td style="text-align: center;">27.5</td> <td style="text-align: center;">5.500</td> <td style="text-align: center;">55.00</td> </tr> <tr> <td style="text-align: center;"><u>10</u></td> <td style="text-align: center;">26.5</td> <td style="text-align: center;"><u>5.300</u></td> <td style="text-align: center;"><u>53.00</u></td> </tr> <tr> <td style="text-align: center;">30</td> <td></td> <td style="text-align: center;">5.400</td> <td style="text-align: center;">162.00</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td style="text-align: center;">100</td> <td></td> <td style="text-align: center;">5.545</td> <td style="text-align: center;">\$554.50</td> </tr> </tbody> </table> <p>Average Value of Deliveries: <span style="margin-left: 100px;">\$5.545</span></p> <p>Shipper A receives a gravity value lower than average value of \$5.545, therefore, A receives payment 25(5.545 - 5.440) = <u>+\$2.625</u></p> <p>Shipper B receives a gravity value higher than average value of \$5.545, therefore, B pays 45(5.545 - 5.700) = <u>-\$6.975</u>.</p> <p>Shipper C receives a gravity value lower than the average value of \$5.545, therefore, C receives payment 30(5.545 - 5.400) = <u>+\$4.350</u>.</p>	TYPICAL DELIVERY BANK					Shipper	Volume BBLs	Measured Gravity ° API	*Gravity value \$/BBL	Volume X Value \$	A	10	26.5	5.300	53.00	5	27.0	5.400	27.00	<u>10</u>	28.0	<u>5.600</u>	<u>56.00</u>	25		5.440	136.00	B	10	27.5	5.500	55.00	20	29.0	5.800	116.00	<u>15</u>	28.5	<u>5.700</u>	<u>85.50</u>		45		5.700	256.50	C	10	27.0	5.400	54.00	10	27.5	5.500	55.00	<u>10</u>	26.5	<u>5.300</u>	<u>53.00</u>	30		5.400	162.00	TOTAL	100		5.545	\$554.50
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100	GRAVITY BANK ADJUSTMENTS (Concluded)	<p>The sum of payments equals the sum of the receipts. *As calculated using the Gravity Value Formulae.</p> <p>The calculations of each shipper's debits and credits will be made and a statement provided for each calendar month. The credit and debit balances will be adjusted between all shippers by collecting funds from those shippers having debit balances and by thereafter remitting funds so collected to the shippers having credit balances. Carrier may, at its option, require the shipper to prepay such charges or furnish guaranty of payment satisfactory to the Carrier for such obligations. Gravity Bank payments are due on the date specified on the invoice. Carrier will pay out only the funds collected. In the event of delay in collection from one or more shippers, the amounts collected shall be distributed to shippers having credit balances in proportion to their relative credit balances.</p> <p>In the event any payment is made to a shipper hereunder and it is subsequently determined by any Federal or state court, administrative agency or other governmental entity having jurisdiction that no other shipper was liable for the adjustment for which payment was made, the shipper receiving such payment shall upon receipt of an accounting from Carrier return the same to the Carrier or its designated administrator. Carrier shall promptly utilize same to reimburse all shippers who made such payments.</p> <p>Gravity Bank payments to or from shippers are not part of the transportation rate of Carrier and said payments shall not be an offset or other claim by any shipper against sums due the Carrier for transportation costs or other fees and charges collected under Carrier's tariffs and shall be handled by separate invoicing and payment.</p>
105	COMMON STREAM PETROLEUMCONNECTING CARRIERS	<p>When both receipts from and deliveries to a connecting Carrier of substantially the same grade of Crude Petroleum are scheduled at the same interconnection, the Carrier reserves the right, with the cooperation of the connecting Carrier, to offset like volumes of such common stream Crude Petroleum in order to avoid the unnecessary use of energy which would be required to physically pump the offsetting volumes. The Carrier will apply to such offsetting of volumes the applicable tariff rate. When this rate is exercised, the Carrier will make the further deliveries for the shipper involved from its common stream Crude Petroleum.</p>
110	PRORATION PROCEDURES	<p>When there shall be tendered to the Carrier Rocky Mountain Pipeline System LLC for transportation on the Carrier's pipeline system or any part thereof under applicable tariffs, more crude petroleum than can be currently transported, the transportation furnished by the Carrier shall be apportioned among shippers in a fair and equitable manner so as to avoid discrimination among shippers and so as not to adversely affect the reasonable operations of the Carrier's facilities.</p> <p>Because of the extensive and varied line capacities and types of Products transported over different segments of the Carrier's pipeline system, individual proration procedures as identified below, will be utilized to effectively handle proration on the affected line segment.</p> <ol style="list-style-type: none"> <li>1. Reno, Wyoming to Salt Creek, Wyoming – refer to Proration Policy as set forth in FERC No. 3.</li> <li>2. Ft. Laramie, Wyoming to Rangely, Colorado/Salt Lake City, Utah – refer to Proration Policy effective May 1992 available upon request.</li> <li>3. Western Corridor* - refer to Proration Policy effective May 1, 2002 available upon request. (*Defined as: Rocky Mountain Pipeline System's space originating at the Canadian Border to Billings, MT (Glacier System); then Billings, MT to Elk Basin, WY, (Beartooth System); then Elk Basin, WY to Casper, WY (Bighorn System) with destinations at Casper, WY and Guernsey, WY.</li> <li>4. Wahsatch Station, Utah to Salt Lake City, Utah -- refer to Proration Policy effective May 1, 2004, available upon request.</li> <li>5. Guernsey or Ft. Laramie, Wyoming to Cheyenne, Wyoming --refer to Proration Policy effective June 1, 2007, available upon request.</li> </ol> <p>Space allocated to a shipper may be neither assigned to nor used to the benefit of another shipper. To discourage shippers from inflating nominations, when Carrier has reason to believe that nominations have been inflated, Carrier shall require written certification and assurance from responsible officials of shippers that shipper has title to, custody of and intends to tender all of the nominated grades and volumes between the origins and destinations indicated in its nomination and that provision of this apportionment section have not been violated. In the event such provisions are violated, the allocated space for all</p>

		shippers involved in the violation shall be reduced by the amount of the unauthorized space obtained; the reduction being effective for the remainder of the current month as well as the next month of proration.

**EXPLANATION OF REFERENCE MARKS**

[D]      **Decrease**