

BELLE FOURCHE PIPELINE COMPANY

SUSSEX SYSTEM

**Local Tariff
Governing the Transportation of
Petroleum Products
By Pipeline**

Subject to Rules and Regulations published herein

FROM	TO	Rate in Cents per Barrel of 42 U.S. Gallons
Tisdale Junction, Johnson Co., WY	Hawk Point, Campbell Co., WY	[D] <u>147.37</u>

FERC ICA Oil Tariff

Filed in compliance with 18 C.F.R. § 342.3 (Indexing)

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

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CARRIER WILL ACCEPT PETROLEUM PRODUCTS FOR INTERSTATE
TRANSPORTATION BY PIPELINE FROM AND TO THE POINTS NAMED HEREIN IN
ACCORDANCE WITH THE FOLLOWING RULES AND REGULATIONS.

Item 5. Definitions:

“Barrel” means forty-two (42) U.S. gallons at sixty (60) degrees Fahrenheit.

“Carrier” means the Sussex System of Belle Fourche Pipeline Company.

“Consignee” means the party taking delivery of a shipment.

“Destination” means the facility of Carrier to which Carrier makes delivery.

“Origin” means the facility of Carrier at which Carrier takes possession of a shipment.

“Petroleum Products” means petroleum fuel oil distillate as further described in Item 10 below.

“Shipper” means the person contracting with Carrier for the transportation of a quantity of Petroleum Products subject to and in accordance with these rules and regulations.

“Shipment” means the quantity of petroleum products tendered by a Shipper and transported by Carrier in accordance with the provisions of these rules and regulations.

“Tender” means the request by a Shipper that Carrier transport a specific quantity of Petroleum Product pursuant to the terms of this Tariff on a form acceptable to Carrier.

Item 10. Commodity Transported:

Carrier transports only good merchantable Petroleum Products which will not cause disadvantage to any shipper or materially affect the quality of other shipments or the linefill, as set forth above, and only Petroleum Products will be accepted for transportation at such times as Petroleum Products of same quality and specifications are being transported through the same facilities.

Any additives and inhibitors to be included in Shippers’ petroleum products must first be approved by the Carrier before such petroleum products will be accepted for transportation.

Shipper and Consignee each agrees to remove any non-conforming material and to indemnify and hold Carrier harmless from and against any cost, loss, damage or expense arising from the presence of any contamination or other substance in a Shipment.

Item 15. Minimum Tender/Minimum Shipment:

Tenders of petroleum products will be accepted for transportation in quantities of not less than 5,000 barrels for any one commodity meeting the quality and specifications set forth herein at one origin from one Shipper for delivery to one destination. Any Shipper desiring pipeline transportation of petroleum products hereunder will, on or before the 25th day of a calendar month, submit to the Carrier a notice of shipment of the quantity of petroleum products to be shipped during the following calendar month. Unless such notification be made, Carrier will be under no obligation to accept petroleum products for transportation, except that Carrier may accept subsequently-tendered shipments according to its operational convenience.

Item 20. Title:

Carrier will accept no petroleum product for transportation the title to which is in litigation or as to which a dispute of title exists or which is encumbered by any lien, unless sufficient indemnity, in Carrier's sole discretion, to protect Carrier has been furnished by Shipper or Consignee. Tender of a shipment shall be deemed a warranty of unencumbered title but Carrier's acceptance for transportation shall not be deemed a representation by Carrier as to title.

Item 25. Intrasystem Transfers:

[D] One and seventy-one one-hundredths (1.71) cents per barrel will be charged for each intrasystem transfer to the Transferor involved therein who does not pay Carrier transportation charges or is not listed as the last Consignee for the particular movement including the transfer(s). Any verbal transfer request shall be confirmed in writing within five (5) days by both Transferee and Transferor, each specifying the quantity, type, grade, and location of the petroleum product transferred. All deliveries shall be made to and for the account of the last Consignee.

Transfers not confirmed in writing shall not be effected: Transfers confirmed in writing shall be final. In any such transfer, Carrier shall not be liable for any loss or damage in connection therewith.

Item 30. Gauging, Testing, and Volume Corrections:

Twenty-four (24) hours prior to acceptance of petroleum products for transportation, Carrier may test such petroleum products and may require from Shipper a certificate setting forth in detail the specifications of each shipment of petroleum products which must indicate all additives and inhibitors included. Where shipment originates over system of a connecting pipeline, Carrier may require certificate setting forth in detail the specifications of each shipment of petroleum products to be identified by batch number from the connecting pipeline twenty-four (24) hours prior to delivery of the shipment to Carrier. Quantities of petroleum products accepted for transportation and quantities delivered to Shipper will be gauged or metered at Carrier's option. Both the Carrier and the Shipper will have the privilege of witnessing gauges, meter readings, and tests to which shipments of petroleum products are subjected.

In measuring the quantity of petroleum products received and delivered, correction shall be made from volume at actual or observed ambient temperature to volume at 60° Fahrenheit. In addition, a deduction of fifteen hundredths of one percent (.15%) by volume will be made on the quantity of petroleum products accepted for transportation. Full deduction shall be made for all water and other impurities.

Item 35. Line Fill Requirement:

Each Shipper shall supply a prorata share of petroleum products for line fill necessary for the efficient operation of Carrier's system. Such line fill may be withdrawn from Carrier's system only after a reasonable time and subsequent to: (1) Shipper having ceased tendering shipments and notified Carrier in writing that it would no longer tender shipments on Carrier's system; (2) Shipper balances having been reconciled between Shipper and Carrier; and (3) Shipper having paid Carrier in full for all services.

Item 40. Identity of Shipment:

Petroleum products will be accepted for transportation hereunder only on condition that same shall be subject to such changes in gravity, color, quality, or characteristics while in transit as may result from its mixture with other petroleum products. The Carrier may inject corrosion inhibitor compound in the product to be transported, and the Shipper will accept deliveries of shipments at destinations containing portions of the corrosion inhibitor compound.

Because of the impracticability of maintaining the exact identity of petroleum products accepted for transportation, Carrier reserves the right to substitute for delivery a like volume of the same kind and quality, including equitable proration between or among the Shippers participating in the Shipments of commingled portions of Shipments at the leading or trailing edge ("interface") thereof.

Item 45. Origin and Destination Facilities:

Carrier has no storage facilities at origin or destination. Petroleum products will be accepted for transportation only when Shipper has provided equipment and facilities satisfactory to the Carrier for delivery of such shipments to Carrier's origin station at a pumping rate equal to Carrier's current rate of pumping and for receiving same without delay upon arrival at destination.

Item 50. Inability to Deliver:

Based upon Carrier's acceptance of tendered Shipments in reliance on the Consignee's furnishing delivery facilities under Item 40, if Carrier cannot deliver into such facilities for any reason not attributable to Carrier, the Shipper and/or Consignee thereof shall indemnify and save Carrier harmless from all costs and expenses which may arise therefrom, directly or indirectly. Any such indemnification shall be in addition to all other applicable charges.

Item 55. Application of Rates and Charges:

Petroleum products accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such petroleum product by Carrier. Transportation and all other lawful charges will be collected on the basis of the net quantities delivered, and said net quantities shall be determined in the manner provided in Item 25. Carrier may require that transportation charges be prepaid at point of origin or paid at destination prior to release of products from Carrier's custody. Petroleum products accepted for transportation shall be subject to a lien for all lawful charges. Payments not received by Carrier in accordance with invoice terms shall be subject to a late charge of one and one-half percent (1 ½%) per month, or the highest rate allowed by law.

Item 60. Liability of Carrier:

While in possession of petroleum products for shipment, the Carrier shall not be liable for any loss thereof or damage thereto or delay caused by the acts of God, public enemy, civil disorder, quarantine, authority of law, strikes, riots, fire, floods, or act or default of Shipper or from any other cause not due to the negligence of the Carrier whether similar or dissimilar to the causes herein enumerated. Any such loss or damage shall be apportioned to each shipment in the same proportion that such shipment, or part thereof, received and undelivered at the time such loss or damage occurs bears to the total of all shipments, or part thereof, then in the custody of the Carrier for transportation. Each Shipper shall be entitled to receive only

that portion of his shipment remaining after deducting his proportion, as so determined, of such loss or damage, and transportation charges shall be assessed only on the quantity delivered.

The carrier will not be liable for discoloration, contamination, or deterioration of petroleum products transported, unless such discoloration, contamination, or deterioration results from negligence of the Carrier in movement or handling of the product through the facilities of the Carrier. In the event of such damage, each owner's share of the damaged product shall be in the same proportion as its share of the total quantity of shipments involved, and each such owner shall be allocated only its proportionate share of damaged product. The Carrier shall prepare and submit a statement to the owners showing the apportionment of the damaged product among the owners involved.

Item 65. Claims, Time for Filing:

Except where property is lost or damaged in transit by carelessness or negligence of the Carrier, claims for loss or damage must be made in writing to the Carrier within nine (9) months after delivery of the property or, in case of a failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Suits for loss or damage shall be instituted only within two (2) years and one (1) day after delivery of the property or, in case of a failure to make delivery, then within two (2) years and one (1) day after a reasonable time for delivery has elapsed; provided, however, that where claims have been duly filed with the Carrier, suit must be brought within two (2) years and one (1) day after 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 for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and the Carrier will not be liable.

Item 70. Proration of Pipeline Capacity:

If total volume for shipment during any one month exceeds the pipeline delivery capacity for such month, Petroleum Products actually on hand and tendered by each Shipper for transportation will be transported in such quantities and at such times to the limit of capacity so as to avoid discrimination among Shippers.

Item 75. Use of Communication Facilities:

Where Carrier maintains private communication facilities, transmission of messages incident to a shipment may be made by Carrier for the Shipper without additional charge. Carrier, however, assumes no liability for nondelivery of messages, for error or delay in transmission, or for interruption of service.

Item 80. Pipeage Contracts Required:

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

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EXPLANATION OF REFERENCE MARKS

[D] Decrease.