

MUSTANG PIPE LINE LLC

LOCAL PIPE LINE TARIFF

CONTAINING

RULES AND REGULATIONS

GOVERNING

TRANSPORTATION

OF

CRUDE PETROLEUM

BY

PIPE LINE

GENERAL APPLICATION

The rules and regulations published herein apply only under tariffs making specific reference by F.E.R.C. number to this tariff, such reference will include successive reissues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

~~[C] Issued on twenty four days notice under authority of 18 C.F.R. § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30 day review period.~~

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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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RULES AND REGULATIONS

Rule 1. **Definitions** - "Carrier" means and refers to Mustang Pipe Line Partners and/or other pipeline companies which may, by proper concurrence, be parties to joint tariffs incorporating these rules and regulations by specific reference.

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

"Crude Petroleum" means the direct liquid product of oil wells, oil processing plants, the indirect liquid petroleum products of oil or gas wells, oil sands, or a mixture of such products, but does not include Natural Gas liquids or Refined Petroleum Products.

"Indirect Liquid Products" means the liquid products resulting from the refining of crude petroleum, operation of gasoline recovery plants, gas recycling plants, and condensate or distillate recovery equipment in gas or oil fields.

"Direct Products" means the direct liquid products of oil wells.

"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.

"Shipper" means the party who contracts with Carrier for transportation of Crude Petroleum, as defined herein and under the terms of these rules.

Rule 2 **Commodity** - The Carrier is engaged in the transportation of crude petroleum exclusively under this tariff, and therefore will not accept any other commodity for transportation hereunder.

Rule 3. **Specifications** - (a) Carrier is unable to receive and shall not be obligated to accept Crude Petroleum that, as determined by the Carrier, has on receipt:

(i) a temperature greater than 100 degrees Fahrenheit; (ii) a Reid vapor pressure in excess of 14.9 pounds per square inch; (iii) sediment and water in excess of 0.5 percent by volume; (iv) a density in excess of 21.0 API at 60 degrees Fahrenheit; (v) a kinematic viscosity in excess of 1,158 SUS at 100 degrees Fahrenheit determined at the lower of the temperature of such Crude Petroleum or the Carrier's reference line temperature; (vi) any organic chlorides; or (vii) physical or chemical characteristics that may render such Crude Petroleum not readily transportable by the Carrier or that may materially affect the quality of other commodities transported by the Carrier or that may otherwise cause disadvantage to the Carrier.

(b) A Shipper shall, as required by the Carrier, provide to the Carrier a certificate with respect to the specifications of Crude Petroleum to be received by the Carrier from such Shipper. If a Shipper fails to provide the Carrier with such certificate, then the Carrier shall not be obligated to accept the Shipper's Crude Petroleum.

(c) If the Carrier determines that a Shipper does not comply with the provisions of paragraph (a) of Rule 3 of this tariff, then such Shipper shall remove its Crude Petroleum from the facilities of the Carrier as directed by the Carrier.

(d) If a Shipper fails to remove its Crude Petroleum from the facilities of the Carrier in accordance with the provisions of paragraph (c) of Rule 3 of this tariff, then the Carrier shall have the right to remove and sell such Crude Petroleum in such lawful manner as deemed appropriate by the Carrier. The Carrier shall pay from the proceeds of such sale all costs incurred by the Carrier with respect to the storage, removal and sale of such Crude Petroleum. The remainder of such proceeds, if any, shall be held by the Carrier for the Shipper and any other party lawfully entitled to such proceeds.

Rule 4. **Maintenance of Identity** - Crude petroleum will be accepted for transportation only on condition that it shall be subject to such changes in gravity, quality, or characteristics while in transit as may result from the mixture with other crude petroleum in the pipelines or tanks of the Carrier. Carrier shall be under no obligation to deliver the identical crude petroleum received, but may take delivery to consignee out of common stock in the Carrier's pipelines and/or tanks at delivery point.

Rule 5. **Storage and Destination Facilities** - (a) Subject to the further provisions of this tariff, the Carrier will only accept Crude Petroleum for transportation:

(i) at Regular Receiving Points; (ii) when the Crude Petroleum has been specified to be delivered to one or more Regular Delivery Points; and (iii) when the party taking delivery of the Crude Petroleum has been specified in writing to the Carrier.

(b) Except where the Carrier provides such facilities, the Carrier will only accept Crude Petroleum for transportation when the Shipper has provided the necessary facilities satisfactory to the Carrier at the specified Regular Delivery Point for such Crude Petroleum. The Carrier does not own tankage for storage of crude petroleum. Carrier will provide segregation of Crude Petroleum on a best effort basis. If shipper wishes to provide origin and destination tankage, the Carrier will provide segregation of shipped Crude Petroleum at no reduction in tariff. The Carrier has receipt tankage at Lockport, Illinois but does not own delivery tankage at Patoka, Illinois.

Rule 6. **Legality of Shipments** - The Carrier reserves the right to reject any and all crude petroleum tendered where the shipper or consignee has failed to comply with all applicable laws, rules and regulations made by any governmental authorities regulating shipments of crude petroleum.

Rule 7. **Tender Requirements** - Crude Petroleum will normally be accepted for transportation under this tariff in shipments of not less than sixty thousand (60,000) barrels from one shipper consigned to one consignee and destination; provided, however, that Crude Petroleum will be accepted only at such time as Crude Petroleum of similar quality and characteristics is being transported from receiving point to delivery point.

(a) Tenders shall be submitted to Carrier in accordance with the notice of shipment format prescribed by Carrier, for the Months of January to December, 2010 no later than 07:00 Mountain Standard Time on the following dates:

Month in Which Crude Petroleum is to be Received	Notice of Shipment Due Date
Jan., 2010	Dec., 18, 2009
Feb., 2010	Jan., 20, 2010
Mar., 2010	Feb. 17, 2010
Apr., 2010	Mar., 18, 2010*
May, 2010	Apr., 21, 2010*
Jun., 2010	May, 19, 2010*
Jul., 2010	Jun., 18, 2010*
Aug., 2010	Jul., 21, 2010*
Sep., 2010	Aug., 19, 2010*
Oct., 2010	Sep., 20, 2010*
Nov., 2010	Oct., 20, 2010*
Dec., 2010	Nov., 19, 2010
Jan., 2011	Dec., 17, 2010

*Note: The times listed for April through October are Mountain Daylight Time.

Carrier may, subject to the availability of space and the operating conditions of the facilities of the Carrier, accept Tenders or revised Tenders after such time.

(b) A Shipper shall, upon notice from Carrier, provide written third party verification as required by Carrier in support of such Shipper's Tender. Carrier shall not be obligated to accept a Shipper's Crude Petroleum where such verification is, in the sole discretion of Carrier, unacceptable to Carrier.

(c) Carrier shall not be obligated to accept a Shipper's Crude Petroleum if the volume of such Crude Petroleum is less than

the minimum volume or if the receipt flow rate at which such Crude Petroleum is received by Carrier is less than or greater than the receipt flow rates specified from time to time by Carrier for each Regular Receiving Point.

(d) The Carrier shall not be obligated to make a delivery of a Shipper's Crude Petroleum of less than the minimum volume or at a delivery flow rate less than or greater than the delivery flow rates specified from time to time by the Carrier for each regular Delivery Point.

(e) A Shipper shall supply its share of Working Stock by types and volumes as determined from time to time by the Carrier.

Rule 8. Title- Carrier shall have the right to reject any crude petroleum, when tendered for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by lien or charge of any kind, and it may require of the shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect the Carrier.

Rule 9. Apportionment when Tenders are in Excess of Facilities - When there shall be tendered to Carrier for transportation greater quantities than can be immediately transported, the transportation shall be apportioned in accordance to Mustang Pipe Line LLC Revised Proration Policy effective March 18, 2006 and supplements thereto and reissues thereof, which is available upon request. No tender for transportation shall be considered beyond the amount which the shipper requesting the shipment has on hand available and ready for shipment.

Rule 10. Delivery at Destination - The Carrier will transport and deliver crude petroleum with reasonable diligence and dispatch considering the quantity and quality of the crude petroleum, the distance of transportation, safety of operations, and other material factors, but will accept no crude petroleum to be transported in time for any particular market.

After any shipment has had time to arrive at destination, and/or on twenty-four (24) hours notice to consignee, Carrier may begin delivery at its current pumping rate.

If the shipper, or consignee, is unable or refuses to receive the crude petroleum shipment as it arrives at destination, the Carrier reserves the right to make whatever arrangements for disposition of the crude petroleum it deems appropriate in order to clear its pipeline and/or tanks. Any expenses incurred by the Carrier in making such arrangements shall be borne by the shipper or consignee, which charges are in addition to transportation charges accruing to shipper or consignee.

Rule 11. Payment of Transportation and Other Charges - The Shipper or Consignee shall pay, as provided below, all applicable gathering, transportation, and all other charges accruing on Crude Petroleum delivered to and accepted by Carrier for shipment.

All payments are due within 10 days of receipt of the invoice, unless the Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it necessary to do so, in which case the payment due date shall be that specified in a written notice to the Shipper.

If any charge remains unpaid after the due date specified in Carrier's invoice, then such amount due may bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the lesser of (1) 125% of

the prime rate of interest, as of the date of Carrier's invoice, charged by the Citibank N.A. of New York, New York, for ninety (90) day loans made to substantial and responsible commercial borrowers or (2) the maximum rate allowed by law. In addition Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts.

In the event Shipper fails to pay any such charges when due, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to Carrier's tariff until such time as payment is received by Carrier and Shipper meets the requirements of the following paragraph. In addition, in the event Shipper fails to pay any such charges when due, Carrier shall have the right to setoff such amounts owed and future amounts owed against those amounts Carrier owes Shipper.

In the event Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it is necessary to obtain security from Shipper, Carrier, upon notice to Shipper, may require any of the following prior to Carrier's delivery of Shipper's Crude Petroleum in Carrier's possession or prior to Carrier's acceptance of Shipper's Crude Petroleum: (1) prepayment of all charges, (2) a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier, or (3) a guaranty

in an amount sufficient to ensure payment of all such charges and in a form and from a third party acceptable to Carrier. In the event, Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to this tariff until such requirement is fully met.

Carrier shall have a lien on all Crude Petroleum delivered to Carrier to secure the payment of any and all gathering, transportation, or any other charges that are owed Carrier. Such lien shall survive delivery of Crude Petroleum to Shipper. Such lien shall extend to all Crude Petroleum in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by statute or applicable law. Carrier may withhold delivery to Shipper of any of Shipper's Crude Petroleum in its possession and exercise any other rights and remedies granted under this tariff or existing under applicable law until all such charges have been paid as provided above.

If Shipper fails to pay an invoice by the due date, 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 at a private sale any and all Crude Petroleum of such Shipper in its custody at fair market value at the time of sale. The proceeds of any sale shall be applied to 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 the Shipper's indebtedness including interest herein provided from the date of 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.

Rule 12. Application of Rates for Intermediate Points-For crude petroleum 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 point specified in the tariffs will apply from such unnamed point. For crude petroleum 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 point specified in the tariffs will apply. Carrier shall file a tariff publication applicable to the transportation movements within thirty (30) days of the start of the service if the intermediate point is to be used on a continuous basis for more than thirty (30) days.

Rule 13. Measuring, Testing, Corrections and Deductions - (a) The Carrier shall gauge or meter, or cause to be gauged or metered, a Shipper's Crude Petroleum upon receipt and delivery by the Carrier. The Shipper or the designate of the Shipper may be present at such gauging or metering. If tank gauges are used, the volume of Crude Petroleum shall be computed from tank tables on a 100 per cent volume basis. The Carrier shall have the right to enter the premises where Crude Petroleum is received or delivered by the Carrier and shall be granted access to all facilities for the purpose of gauging or metering and to make any examination, inspection, measurement or test as required by the Carrier to verify the accuracy of such facilities and the quality of such Shipper's Crude Petroleum.

(b) Quantities shall be corrected as to temperature from observed temperature to 60 degrees Fahrenheit basis by use of applicable API-ASTM-IP correction tables. Full deduction will be made for all water and other impurities.

(c) The Carrier shall, as deemed necessary by the Carrier, adjust the measured volume of Crude Petroleum for shrinkage in accordance with API MPMS Chapter 12 Part 3 or the latest revision to the API Standard.

(d) The Carrier shall, as deemed necessary by the Carrier, determine the kinematic viscosity of Crude Petroleum received by the Carrier in accordance with ASTM D 445 or the latest revision to such Standard or such other test as may be agreed to by the Carrier and the Shipper.

(e) The results of all such gauging, metering and testing by the Carrier shall be final.

(f) The Carrier shall deduct 1/10 of 1 percent of the volume of Crude Petroleum received from the Shipper to cover losses inherent in the transportation of Crude Petroleum by pipeline.

Rule 14. Liability of Carrier - (a) Except where caused by the direct negligence of the Carrier, the Carrier shall not be liable to a Shipper for any delay, damage, loss or consequential loss resulting from any cause while the Carrier is in possession or control of such Shipper's Crude Petroleum, including without limitation the breakdown of the facilities of the Carrier.

(b) If damage or loss to Petroleum results from any cause other than the direct negligence of the Carrier while the Carrier is in possession or control of such Petroleum, then the Carrier may apportion the cost of such damage or loss

on a pro rata basis among all Shippers. Each Shipper's share of such cost shall be determined by the Carrier based on the proportion of the volume of the Shipper's Crude Petroleum in the possession of the Carrier on the date of such loss to the total volume of Petroleum in the possession of the Carrier on the date of such loss.

Rule 15. Claims, Suits, Time for Filing - As a condition precedent to recovery, claims must be filed in writing with Carrier within nine (9) months after delivery of the property, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits shall be instituted against Carrier only

within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the claimant 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 thereon in accordance with the foregoing provisions, Carrier shall not be liable, and such claims will not be paid.

Rule 16. Use of Communication Facilities - When Carrier maintains a private communication system, shippers may use the same without extra charge for messages incident to shipment. However, Carrier shall not be liable for delivery of messages away from its office, delays in transmission, failures of transmission, interruption of service, or the accuracy thereof.

Rule 17. Pipeline Contracts - Separate pipeline contracts in accord with this Tariff and these rules and regulations covering further details may be required by this Carrier before any duty for transportation shall arise.

Rule 18. Terminal and Privilege Rules - Shipments transported under this Tariff are entitled to such privileges and subject to such charges as are or shall be published by Carrier and as are lawfully in effect on date of shipment and lawfully on file with the Federal Energy Regulatory Commission as to interstate traffic, providing for reconsignment, storage, transit privileges, or any other privileges, charges or rules which in any way increase or decrease the amounts to be paid on any shipment transported under this, tariff or which increase or decrease the value of the service to the shipper.

Rule 19. Transfers within System - Line transfers or ownership transfers of Crude Petroleum in custody of Carrier within its system from one shipper (transferor) to another shipper (transferee) will be permitted provided:

(a) Each transferor will be charged one-half cent ($\frac{1}{2}\text{¢}$) per barrel for each line transfer or ownership transfer of Crude Petroleum in custody of Carrier within its system.

(b) All intrasystem transfer requests to Carrier must be made in accordance with requirements stipulated in the second paragraph of Rule 7 (Tender Requirements). Both transferor and transferee shall provide written notice to Carrier containing like data relative to the kind, quantity, source, location, transferor and transferee of the Crude Petroleum and the month during which transfer is to occur. Verbal transfer requests will be recognized provided written confirmation is received by the last day of the month during which ownership transfer is requested.

(c) Any party involved in an intrasystem transfer hereunder shall be subject to any and all applicable provisions or requirements contained in this Rules and Regulations Tariff and supplements hereto.

Rule 20. Liability Fund - Carrier shall not be responsible for any tax, fee, or other charge levied on the Crude Petroleum delivered to Carrier pursuant to any Federal, State or local act or regulation which levies a tax, fee or other charge on the receipt, delivery, transfer, or transportation of such Crude Petroleum within their jurisdiction for the purpose of creating a fund for the prevention, containment, clean up and removal of spills and the reimbursement of persons sustaining loss therefrom.

Rule 21. Line Fill and Tank Bottom Inventory - Either prior to or after the acceptance of Crude Petroleum for transportation, Carrier will require each Shipper to provide a pro rata part of the volume of Crude Petroleum necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for efficient operation. Crude Petroleum provided by a Shipper for this purpose may be withdrawn after reasonable written notice of Shipper's intention to discontinue shipment in the system pursuant to Carrier's applicable tariff or tariffs. Carrier may require advance payment of final transportation charges and settlement of any unpaid accounts receivable, before final delivery will be made.

In the event a Shipper's inventory balance drops below its pro rata part of the volume of Crude Petroleum necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the system, then Carrier will require such Shipper to provide the necessary volume to meet its pro rata part of such volume of Crude Petroleum.

In the event that Shipper maintains an inventory balance after Shipper ceases movements on the system or Shipper gives written notice of its intent to cease movements over the system and such Shipper is unable to schedule appropriate shipments to clear the inactive inventory balance, Shipper will be required to settle the inactive inventory balance through Carrier. In the event no such Shipper notice is given, then Carrier may require either an adjustment in Shipper's inventory balance in accordance with the Line Fill and Tank Bottom Inventory provision or settlement of the Shipper's inventory balance at any time after Shipper has ceased making movements over the system for a period of six months. Such settlement will be based upon the fair market value of the Crude Petroleum, as published by Platts, at the time Shipper informs Carrier in writing of its intention to discontinue shipments on the system pursuant to Carrier's applicable tariff or tariffs or if no such written notice is given, then at such time as Carrier calls for the settlement of the Shipper's inventory balance.

Rule 22. Application of Rates and Charges - Only petroleum destined for further movement in interstate commerce will be accepted for movement under this tariff. Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such petroleum by the Carrier.

Rule 23. **Indemnification by the Shipper** - A Shipper shall indemnify the Carrier for any damage, loss, costs or consequential loss incurred by the Carrier or any other party as a result of such Shipper's failure to comply with any provision of this tariff.

Explanation of abbreviations and reference marks

API means American Petroleum Institute

ASTM means American Society for Testing Materials. IP means Institute of Petroleum (Great Britain).

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