

# BLUE RACER NGL PIPELINES, LLC

## Local Pipeline Tariff

Containing

### RULES AND REGULATIONS

Applying on the Interstate Transportation of

### NATURAL GAS LIQUIDS

Transported by Pipeline

From and To Points Named Herein

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Issued under authority of 18 C.F.R. § 342.2 (Establishing Initial Rates).  
The provisions herein will, if effective, not result in an effect on the quality of the human environment.

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# RULES AND REGULATIONS

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## ITEM NO. 5: DEFINITIONS

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For the purposes of these Rules and Regulations, the following definitions shall apply:

“Barrel” shall mean forty-two (42) United States gallons at sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

“Base Period” is the twelve (12) Month period beginning thirteen (13) Months prior to the Proration Month and excluding the month preceding the Proration Month.

[N] “Batch” shall mean a quantity of Liquids handled through the pipeline as a unit.

“Business Day” shall mean Monday through Friday, excluding U.S. Federal Banking Holidays.

[N] “Butane” shall mean and is limited to the liquid hydrocarbon product meeting the acceptance specifications for butane prescribed in Item No. 110.

“Carrier” shall mean Blue Racer NGL Pipelines, LLC.

“Day” shall mean the twenty-four (24) hours beginning at 7:00 a.m. Central Time on a given day and ending at 6:59 a.m. on the following day.

“Ethane” shall mean and is limited to the liquid hydrocarbon product meeting the acceptance specifications for ethane prescribed in Item No. 110.

“Force Majeure” shall mean an event that is unforeseen and beyond the reasonable control of Carrier that prevents Carrier from providing the transportation service hereunder and which, by the exercise of due diligence, Carrier unable to reasonably prevent or overcome, including: (a) acts of God or other unanticipated adverse weather conditions and actions of the elements not reasonably preventable by Carrier, including epidemics, landslides, lightning, earthquakes, fires, extreme temperatures, storms, washouts, hurricanes, floods; (b) acts of federal, state or local government or any agencies thereof, compliance with rules, regulations or orders of any governmental authority or any office, department, agency or instrumentality thereof, requisitions, directives, diversions, embargoes, priorities or expropriations of government or governmental authorities, legal or de facto, whether purporting to act under some constitution, decree, law or otherwise; (c) strikes, lockouts or other industrial disturbances; (d) acts of the public enemy, acts of terrorism, wars, blockades, insurrections, riots, arrests and restraint of rulers and people, civil disturbances; (e) explosions, accidental disruption or breakdown of Carrier’s transportation facilities, machinery, pipe or other facilities that is not reasonably preventable, including the inability to obtain electric power, water, or fuel; and (f) inability to obtain or unavoidable delay in obtaining material, equipment, government approvals, licenses or permits.

“Guarantee Period” shall mean a period of at least six (6) months as described in Item No. 120.

“Liquids” shall mean either Ethane, [N] Butane, Propane or [W] both.

“Month” shall mean a period commencing at 7:00 a.m. Central Time on the first day of a calendar month and ending at 7:00 a.m. Central Time on the first day of the following calendar month.

“New Shipper” shall mean a Shipper that tenders Liquids for transportation on a specific line segment that does not qualify as a Regular Shipper, as that term is herein defined.

“Nomination” or “Nominate” shall mean an offer by a Shipper to a Carrier of a stated quantity of Liquids for transportation from a specified origin(s) to a specified destination or destinations pursuant to the terms of this tariff.

“Propane” shall mean and is limited to the liquid hydrocarbon product meeting the acceptance specifications for propane prescribed in Item No. 110.

“Proration Factor” shall mean a fraction calculated by dividing the capacity of the line segment to be prorated under Item No. 80 by the total Nominations.

“Proration Month” shall mean the calendar month for which capacity is to be allocated under Item No. 80.

“Regular Shipper” shall mean a Shipper that has shipped Liquids for transportation on a specific line segment during the entirety of the Base Period, or that otherwise qualifies as having done so under Item No. 80.

“Shipper” shall mean any party that gives notice to have Liquids transported by Carrier under the provisions outlined in this tariff.

“System” shall mean Carrier’s pipeline system and all related facilities.

“Total Shipments” shall mean the greater of the volumes that a Regular Shipper has shipped or the volumes that a Regular Shipper has paid for during the Base Period.

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

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**ITEM NO. 10: ACCEPTANCE FREE FROM LIENS AND CHARGES**

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Carrier may refuse any shipment for transportation which may be encumbered by a lien or charge of any kind, or which may be involved in litigation or the ownership thereof may be in dispute, unless Shipper provides satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect such Carrier against any or all loss. By Nominating, Shipper warrants and guarantees that Shipper has good title thereto and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided that acceptance for transportation shall not be deemed a representation by Carrier as to title.

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**ITEM NO. 15: APPLICATION OF RATES**

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Carrier shall assess transportation and all other lawful charges accruing Liquids accepted for transportation at the rate in effect at the date the Liquids are received for transportation, irrespective of the date of the Nomination.

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**ITEM NO. 20: APPLICATION OF RATES FROM INTERMEDIATE POINTS**

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For Liquids accepted for transportation from any point on Carrier’s pipeline not named in its tariff(s), which is an intermediate point from which rates are published therein, through such unnamed point, the Carrier will apply, from such unnamed point, the rate published therein from the next more distant point specified in the tariff. Within five (5) Business Days of Shipper nominating to ship

Liquids from any such point, Shipper shall notify Carrier if service is to be used on a continuous basis for more than thirty (30) Days, and Carrier will subsequently file a tariff applicable to the transportation movement.

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**ITEM NO. 25: APPLICATION OF RATES TO INTERMEDIATE POINTS**

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For Liquids accepted for transportation to any point on Carrier's pipeline not named in its tariff(s), which is intermediate to a point to which rates are published therein through such unnamed point, the Carrier will apply to such unnamed point the rate published therein to the next more distant point specified in the tariff. Within five (5) Business Days of Shipper nominating to ship Liquids from any such point, Shipper shall notify Carrier if service is to be used on a continuous basis for more than thirty (30) Days, and Carrier will subsequently file a tariff applicable to the transportation movement.

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**ITEM NO. 30: CLAIMS AND TIME FOR FILING**

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Notice of claims for loss or damage must be made in writing to Carrier within nine (9) Months after delivery of the Liquids, or in the case of a failure to make delivery, then within nine (9) Months after a reasonable time for delivery has elapsed. Suit against Carrier shall be instituted only within two (2) years and one (1) Day from the Day when notice in writing is given by the 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, such claims will not be paid and the Carrier shall not be liable.

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**ITEM NO. 35: DEMURRAGE**

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After any shipment has arrived at its destination, Carrier may begin delivery at its current rate of pumping. Since Carrier does not own or operate storage or tankage facilities, it is essential that Shipper promptly accept any shipment offered for delivery. A demurrage charge equal to the then effective per Barrel Rate shall accrue for each Day and for each Barrel of Liquids offered for delivery but not promptly taken by Shipper. In the event that Shipper fails to promptly accept any shipment offered for delivery or any portion thereof, and/or threatens or causes congestion at Carrier's terminals, Carrier shall have the right, without liability to Shipper, to divert, reconsign, or make whatever arrangements for disposition of the subject Liquids that it deems appropriate to clear its System, including the right to sell the subject Liquids at private or public sale, and Shipper shall pay Carrier all charges associated with such disposition the same as if Shipper had authorized such, together with any associated additional costs and damages borne or incurred by Carrier, unless Shipper's failure to remove Liquids is caused by Carrier negligence, gross negligence or willful misconduct. Carrier may be a purchaser at any such sale. From the proceeds of any such sale, Carrier may pay itself all transportation and other charges and expenses in caring for and maintaining the subject Liquids and the costs of sale, and the balance shall be held for whosoever may be lawfully entitled thereto.

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**ITEM NO. 40: IDENTITY OF SHIPMENTS**

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Carrier shall not be liable to Shipper for changes in gravity, specifications or quality of Shipper's Liquids that may occur from commingling or intermixing Shipper's Liquids with other Liquids in the same common stream while in transit. Carrier is not obligated to deliver to Shipper the identical Liquids nominated by Shipper; Carrier will deliver the Liquids it is regularly transporting as a common stream.

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 Liquids between the receipt and delivery of such shipments by Carrier within the same common stream.

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**ITEM NO. 45 LIABILITY OF CARRIER**

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Carrier shall not be liable to Shipper for any delay in delivery or for any loss of Liquids caused by Force Majeure. In any event, Carrier shall not be liable for any consequential or special damages sustained by Shipper. Any losses of Liquids shall be charged proportionately to each Shipper in the ratio that its Liquids or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Liquids then in Carrier's possession for transportation via the lines or other facilities in which the loss occurs, and Carrier shall be obligated to deliver only that portion of such Liquids remaining after deducting Shipper's proportion of such loss determined as aforesaid. Carrier shall prepare and submit a statement to Shipper and consignee, if any, showing the apportionment of any such loss.

The Carrier operates under these Rules and Regulations solely as a common carrier and not as an owner, manufacturer, or seller of the Liquids transported or stored hereunder, and Carrier expressly disclaims any liability for any expressed or implied warranty for Liquids transported or stored hereunder including any warranties of merchantability or fitness for intended use.

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**ITEM NO. 50: MEASUREMENT**

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Except as otherwise provided, Carrier shall not charge for metering Liquids upon receipt and delivery. Observed volumes of Liquids shall be corrected to net component volumes at 60° F and equilibrium vapor pressure by the use of flowing mass, a component analysis of a sample accumulated from the flowing stream, and component densities from the latest GPA 2145 Standard.

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**ITEM NO. 60: ORIGIN AND DESTINATION FACILITIES**

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Carrier shall accept Liquids only when Shipper has provided necessary facilities for receipt of Liquids into Carrier's System and delivery of Liquids from Carrier's System at pressures and pumping rates required by Carrier. The cost of such facilities shall be provided at the sole cost of Shipper seeking access to Carrier's System.

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**ITEM NO. 65: PAYMENT OF CARRIER CHARGES**

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1. The Shipper or its consignee shall pay all transportation and other lawful charges accruing on Liquids delivered to and accepted by Carrier for shipment, on Liquids not tendered for transportation, within ten (10) Days of receipt of an invoice from Carrier, except when such Day is not a Business Day, in which case payment shall be due on the following Business Day. Shipper shall pay Carrier by wire transfer of federal funds as directed by Carrier unless Carrier and Shipper mutually agree upon a method of payment other than wire transfer which will result in timely receipt of payment by Carrier. All payments shall include reference to the related invoice number(s). If Carrier fails to receive full payment of any portion of any invoice for services hereunder as herein provided when such amount is due, Carrier shall charge interest each month on the unpaid portion of the invoice, which shall accrue at each month's effective FERC interest rate (as prescribed by FERC under 18 C.F.R. Section 340.1(c)(2)) from the due date until the date that full payment is received by Carrier. In addition, Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts, including reasonable attorney fees and costs incurred by Carrier. If payment differs from the invoiced amount, Shipper shall provide remittance detail with the payment.

2. In the event Shipper fails to pay any such charges when due, Carrier shall not be obligated to provide Shipper access to Carrier's System or provide services pursuant to this tariff until such time as payment is received by Carrier and Shipper meets the requirements of Item No. 120 of this tariff. In addition, in the event that Shipper fails to pay any such charges when due, Carrier shall have the right to set off such amounts owed and future amounts owed against those amounts Carriers owes to Shipper.

3. Carrier shall have a lien on all Liquids in its possession belonging to Shipper or its consignee to secure the payment of any and all unpaid transportation, or any lawful charges that are due Carrier, that are unpaid by Shipper or consignee, and may withhold such Liquids from delivery until all unpaid charges have been paid. The lien provided herein shall be in addition to any lien or security interest provided by this tariff, statute or applicable law.

4. If Shipper fails to pay an invoice by the due date, and if Shipper has not remedied the failure ten (10) 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, directly or through an agent, to sell Liquids that has been withheld from delivery, as described in subpart (3) above, on any day that is not a U.S. Federal bank holiday, on such terms and conditions as Carrier may determine in its sole good faith discretion and in accordance with applicable law. From the proceeds of said sale, Carrier will pay itself the transportation and all other lawful charges, including expenses incident to said sale, and the balance remaining, if any, shall be held for whomsoever may be lawfully entitled thereto. If Shipper does not own the Liquids, Carrier shall have the right to suspend service until such amount is paid.

5. If Shipper in good faith disputes the amount of all or any portion of such invoice and pays to Carrier such amounts as Shipper concedes to be correct and provides documentation identifying the basis for the dispute, and at any time thereafter, within thirty (30) Days of a demand made by Carrier, Shipper shall furnish a good and sufficient surety bond to secure payment to Carrier of the amount ultimately found to be due and payable under such invoice after a final determination which may be reached either by mutual agreement or court judgment, then Carrier shall not be entitled to suspend service on account of such disputed claim while so secured. To the extent that Shipper prevails in a legitimate billing dispute after Carrier demanded and Shipper obtained a surety bond to avoid suspension of service, Carrier shall reimburse Shipper for the reasonable and customary costs of obtaining such a surety bond in the amount required to secure the disputed payments to Carrier.

6. Prior period adjustment time limits are six (6) months from the date of the initial transportation invoice and seven (7) months from the date of the initial sales invoice with a three-month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact.

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**ITEM NO. 70: PIPEAGE CONTRACTS**

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Separate agreements, in accord with this tariff, covering further details, may be required by Carrier before any duty for transportation shall arise.

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**ITEM NO. 75: DELIVERABILITY REQUIREMENTS AND TESTING**

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1. Carrier reserves the right to refuse to accept any Liquids for transportation which [W] ~~does~~ not meet Carrier's specifications or which is not good merchantable Liquids readily acceptable for transportation through Carrier's existing System.

2. Shipper may be required to furnish Carrier with a certificate setting forth the specifications of each shipment of Liquids to be transported through Carrier's System. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and in the event of variance between Shipper's certificate and Carrier's test, the latter shall prevail.

3. If, upon investigation, Carrier determines that Shipper has delivered to Carrier's System Liquids that have contaminated the common fungible stream, rendering all or a portion of the fungible stream undeliverable or degraded, such Carrier reserves the right to treat or otherwise dispose of all contaminated or degraded Liquids in any reasonable commercial manner at Shipper's sole expense. [W] ~~On~~For Liquids received by Carrier that do not meet the deliverability requirements, Carrier reserves the right to collect its actual treating and handling charges plus an additional 168 cents (\$1.68) per Barrel.

4. In addition to Shipper's obligation to deliver Liquids meeting Carrier's specifications, and Carrier's right to dispose of off-specification Liquids as provided for herein, Shipper shall pay any fees set forth by Carrier for the incident and shall indemnify, defend, reimburse, and hold Carrier harmless from and against all claims, penalties, losses, costs, expenses, liabilities or damages of any kind or nature whatsoever (including reasonable attorney's fees and court costs associated therewith) (collectively, "Losses"), whether the Losses be suffered by Carrier or any third party, arising out of or related to Shipper's delivery to Carrier of off-specification Liquids, including, without limitation, Losses to Carrier's property, the property of others (including other Shippers), or treating or blending fees.

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#### **ITEM NO. 80: PRORATION OF PIPELINE CAPACITY**

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1. If Liquids are Nominated on a line segment to Carrier for transportation in excess of the amount that can be immediately transported on such line segment as determined by Carrier, the transportation capacity on such line segment 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 on a line segment equal to its Nominated volume multiplied by the Proration Factor. The total aggregate volumes allocated on such a line segment to all New Shippers under this procedure shall not exceed ten percent (10%) of the prorated line segment's capacity.

(b) In the event that the total aggregate volumes allocated on a line segment to New Shippers using the procedure described in subpart (a) above exceeds ten percent (10%) of available capacity on such a line segment, each New Shipper will receive a pro rata reduction in its allocated volumes such that the total allocated volumes for all New Shippers equals ten percent (10%) of available capacity on such a line segment.

(c) Following the allocation of available capacity on a line segment to New Shippers described in subparts (a) and (b) above, all of the remaining capacity on such a line segment will be allocated to Regular Shippers. A Regular Shipper's Total Shipments on a line segment divided by the Total Throughput of such a line segment equals the percentage of the remaining capacity each Regular Shipper is entitled to ship on such a line segment during the Proration Month.

(d) Each Regular Shipper on a line segment 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 on a line segment is allocated more capacity on such a line segment than its Nomination, the excess of its allocation over its



Nomination will be reallocated pro rata among all other Regular Shippers on such a line segment 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 on a line segment after such reallocation among Regular Shippers, such unused capacity shall be distributed pro rata among all New Shippers on such a line segment, up to the level of each New Shipper's Nomination, and not subject to the ten percent (10%) cap for all New Shippers in subparts (a) and (b) above. If there still remains unused capacity on a line segment after such reallocation among New Shippers, the line segment shall no longer be subject to prorating and this Item No. 80 shall be inoperative.

2. During instances of allocation on a line segment, a Shipper will be deemed to have submitted a revised Nomination volume equal to its allocation determined by Carrier in accordance with the procedures set forth above.

3. Allocation on a line segment will be given as a daily or monthly volume, at Carrier's discretion, and will be calculated for the Month.

4. Allocation on a line segment shall not be brokered or transferred. With agreement of the Shippers concerned, historical volume on a line segment may be transferred under the following conditions.

(a) No commercial transaction occurs between the participating shippers with regard to historical volumes on a line segment.

(b) The transfer is irrevocable.

(c) The request to transfer must be the result of an unusual situation as may be reasonably determined by the Carrier.

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**ITEM NO. 85: SCHEDULING OF DELIVERY**

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When Shippers request for delivery from the System at destination, a volume of Liquids greater than can be immediately delivered, Carrier shall schedule delivery in accordance with the operational capabilities of the System. Carrier shall not be liable for any delay in delivery resulting from such scheduling of delivery.

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**ITEM NO. 90: SCHEDULING OF RECEIPT**

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When Shipper desires to originate Liquids it shall furnish a Nomination no later than the 15th calendar Day of the preceding Month in which Shipper desires transportation. A Nomination shall specify the origins and destinations of the Liquids offered to Carriers. If Shipper does not furnish such Nomination, Carriers will be under no obligation to accept such Liquids for transportation.

Liquids will be accepted for transportation, subject to the Rules and Regulations contained herein, at such time and in such quantity as scheduled by Carrier. Carrier will transport and deliver the Liquids with reasonable diligence and dispatch considering the quantity, distance of transportation, safety of operations, and other material factors, but will not be liable if it does not deliver Liquids by the time specified by Shipper.

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**ITEM NO. 95: STORAGE**

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Carrier does not have available, and does not hold itself out to provide, storage of Shipper's Liquids at origin, destination, or intermediate points.

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**ITEM NO. 100: TRANSPORTATION INVENTORY**

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Quantities of Liquids received into Carrier's custody for transportation to Shipper's Nominated destination will constitute Shipper's transportation inventory prior to delivery. If Liquids cannot be accepted by the Nominated destination through no fault of the Carrier, undelivered quantities will be returned to Shipper's holding (storage) inventory.

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**ITEM NO. 105: ROUTE DIRECTORY**

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Rates in tariff apply via all routes made by use of the line of Carrier.

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**ITEM NO. 110: QUALITY SPECIFICATIONS**

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Carrier reserves the right to refuse transportation [W] ~~for~~ of any Liquids that [N] (a) do not conform to Carrier's specifications [C], ~~for Ethane or Propane as applicable, as set forth below [C] or to any more rigid~~ [N] (b) do not conform to the specifications of a [C] ~~pipeline downstream of Carrier's System, [N] downstream pipeline with more stringent specifications than those for Carrier's System, or~~ (c) are not merchantable, and/or would adversely affect Carrier's System or another Shipper's Liquids. The Quality Specifications shall apply to each Barrel of Liquids tendered for transportation and shall not be limited to the composite sample of the Liquids tendered.

PURITY ETHANE		
COMPONENT	TEST METHODS	SPECIFICATIONS
Methane	ASTM D-2163	3.0% liq. vol. max.
Ethane	ASTM D-2163	95.0% liq. vol. min.
Ethylene	ASTM D-2163	1.0% liq. vol. max.
Propane & Heavier	ASTM D-2163	3.5% liq. vol. max.
Corrosion, Copper Strip	ASTM D-1838	No. 1
Total Sulfur	GPA -2199 (NOTE 1)	30 ppm wt. max.
Water Content	Moisture Analyzer	10 ppm
Carbon Dioxide	ASTM D-2504	1,000 ppm wt. [C] max.

PURITY PROPANE		
COMPONENT	TEST METHODS	SPECIFICATION
Ethane	ASTM D-2163	2.0% liq. vol. max.
Olefins	ASTM D-2163	0.1% liq. vol. max.
Propane	ASTM D-2163	95.0% liq. vol. min.
Butanes	ASTM D-2163	[W] <del>3.5</del> 2.5% liq. vol. max.
Pentanes & Heavier	ASTM D-2163	NIL.
[N] <u>Butanes &amp; Heavier</u>	[N] <u>ASTM D-2163</u>	[N] <u>3.5% liq. vol. max.</u>
Total Sulfur	ASTM D-[W] <del>4045</del> 6667	30 ppm wt. max.
Water Content	ASTM D-[W] <del>2713</del> 5454	[W] <del>Pass</del> 10 ppm wt. max.
Vapor Pressure @100°F, psig	ASTM D-2598	200 max.
[N] <u>TOTAL Oxygenates</u> (Methanol + all other Oxygenates)	[N] <u>ASTM D-7423</u>	[N] <u>250 ppm wt. max.</u>
[N] <u>Methanol</u>	[N] <u>ASTM D-7423</u>	[N] <u>250 ppm wt. max.</u>
[N] <u>All other Oxygenates</u>	[N] <u>ASTM D-7423</u>	[N] <u>25 ppm wt. max.</u>
Corrosion, Copper Strip	ASTM D-1838	No. 1
Volatile Residues, Temperature @ 95% Evaporation	ASTM D-1837	-42° F max.
Residual Matter Residue on evaporation of 100ml Oil Stain Observations	ASTM D-2158	0.05 ml. max.  Pass

<b>[N] PURITY BUTANE</b>		
<b><u>COMPONENT</u></b>	<b><u>TEST METHODS</u></b>	<b><u>SPECIFICATION</u></b>
Propane	<u>ASTM D-2163</u>	<u>2.0% liq. vol. max.</u>
Iso-Butane	<u>ASTM D-2163</u>	<u>44.0% liq. vol. max.</u>
N-Butane	<u>ASTM D-2163</u>	<u>54.0% liq. vol. min.</u>
Pentanes & Heavier	<u>ASTM D-2163</u>	<u>1.0% liq. vol. max.</u>
Olefins	<u>ASTM D-2163</u>	<u>0.1% liq. vol. max.</u>
Corrosion, Copper Strip	<u>ASTM D-1838</u>	<u>No. 1</u>
Hydrogen Sulfide	<u>ASTM D-2420</u>	<u>5 ppm wt. max.</u>
Total Sulfur	<u>ASTM D-6667</u>	<u>30 ppm wt. max.</u>
TOTAL Oxygenates (Methanol + all other Oxygenates)	<u>ASTM D-7423</u>	<u>250 ppm wt. max.</u>
Methanol	<u>ASTM D-7423</u>	<u>250 ppm wt. max.</u>
All other Oxygenates	<u>ASTM D-7423</u>	<u>25 ppm wt. max.</u>
Water Content	<u>ASTM D-5454</u>	<u>10 ppm wt. max.</u>
Vapor Pressure @100°F, psig	<u>ASTM D-2598</u>	<u>65 max.</u>

NOTES ON TEST METHODS: Method number listed above, beginning with the letter "D," are American Society for Testing and Materials (ASTM), Standard Test Procedures. The most recent year revision for the procedures will be used.

NOTE 1: ASTM D5504 - 08 Standard Test Method for Determination of Sulfur Compounds in Natural Gas and Gaseous Fuels by Gas Chromatography and Chemiluminescence may be used.

Contaminants -The specification defines only a basic purity for this product. This product is to be free of any contamination that might render the product unusable for its commonly used applications. Specific contaminants include (but are not limited to) dirt, rust, scale, and all other types of solid contaminants, caustics, chlorides, heavy metals, and oxygenates.

Temperature – Product tendered at an origin point shall not exceed 75° F.

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**ITEM NO. 115: LOSS ALLOWANCE**

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Any overage or shortage not due to the negligence of Carrier, including losses resulting from shrinkage, evaporation, other physical Liquids 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, or applicable pipeline segment, for each Shipper bears to the total number of Barrels delivered from the entire System, or applicable pipeline segment, for all Shippers.

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**ITEM NO. 120: FINANCIAL ASSURANCES**

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1. All prospective shippers shall, thirty (30) days prior to making their first Nomination, provide information to Carrier that will allow Carrier to determine the prospective shipper's capacity to perform any financial obligations that could arise from the transportation of that prospective shipper's Liquids under the terms of this tariff, including the payment of transportation charges. At any time, upon the request of Carrier, Shipper shall, within ten (10) days of such request, provide information to Carrier that will allow Carrier to determine Shipper's capacity to perform any financial obligations that could arise from the transportation of that Shipper's Liquids under the terms of this tariff, including the payment of transportation charges.

2. At any time, Carrier upon written notice to Shipper or prospective shipper, may require one or more of the following financial assurances for the payment of all charges and costs as provided for in this tariff, or otherwise lawfully due to Carrier to be provided at the expense of such Shipper or prospective shipper:

(a) payment security by wire transfer in an amount equal to six (6) Months of transportation charges based on Shipper's or prospective shipper's likely actual shipments on such line segment during the six (6) Month period; and/or

(b) a letter of credit in favor of Carrier in an amount equal to six (6) Months of transportation charges based on Shipper's or prospective shipper's likely actual shipments on such line segment during the six (6) Month period, in a form and from an institution acceptable to Carrier; and/or

(c) a guarantee in an amount equivalent to at least six (6) Months ("Guarantee Period") of transportation charges based on Shipper's or prospective shipper's likely actual shipments on such line segment during the Guarantee Period, in a form and from a third party acceptable to Carrier.

3. Carrier shall not be obligated to accept Liquids for transportation from any Shipper or prospective shipper if such Shipper or prospective shipper fails to provide the requested information or financial assurances to Carrier within the time periods set forth herein, or if Carrier's review of the requested information reveals that such Shipper or prospective shipper does not have the capacity to perform any financial obligations that could arise from the transportation of its Liquids under the terms of this tariff, including the payment of transportation charges.

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**[N] ITEM NO. 125: BATCHING**

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[N] For movement of Propane and/or Butane on Carrier's System, Carrier may transport the product in a Batch. Carrier may delay transportation of a batch for operational reasons, including until there is adequate volume of product in a Batch suitable for efficient transportation with the same specification and to be able to meet the volume requirements and batching schedule of the downstream pipeline(s).

**Explanation of Letter Designations:**

[W] Change in Wording Only [N] New [C] Cancel

# BLUE RACER NGL PIPELINES, LLC

## Local Pipeline Tariff

Containing

### RATES AND ROUTING

Applying on the Interstate Transportation of

### NATURAL GAS LIQUIDS

Transported by Pipeline

From and To Points Named Herein

Governed, except as otherwise provided herein, by rules and regulations published in Blue Racer NGL Pipelines, LLC's F.E.R.C. No. [W] 1.2.0 4-4-0, or reissues thereof.

Issued under authority of 18 C.F.R. § [W]342.2 (a) (Establishing Initial Rates)  
342.3 (Indexing)

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

<b>ISSUE DATE:</b> October 1, 2018	<b>EFFECTIVE DATE:</b> November 1, 2018
<b>Issued by:</b>  Marc Halbritter Blue Racer Midstream, LLC Senior VP, Business Development 5949 Sherry Lane, Ste 1300 Dallas, TX 75225	<b>Compiled by:</b>  Marc Halbritter Blue Racer Midstream, LLC Senior VP, Business Development 5949 Sherry Lane, Ste 1300 Dallas, TX 75225 Phone: (214) 580-3709 Fax: (214) 580-3759

**TABLE OF RATES**  
(Rates in Dollars per Barrel of 42 U.S. Gallons each)

**ETHANE**

<u>ORIGIN</u>	<u>DESTINATION</u>	<u>RATE</u>
Natrium Plant (Marshall County), WV	Oak Grove (Marshall County), WV	[U] \$1.4966

**PROPANE**

<u>ORIGIN</u>	<u>DESTINATION</u>	<u>RATE</u>
Natrium Plant (Marshall County), WV	Follansbee (Brooke County), WV	[D] \$2.70
[N] <u>Natrium Plant (Marshall County), WV</u>	[N] <u>Conley (Brooke County), WV</u>	[N] <u>\$2.70</u>

**[N]BUTANE**

<u>ORIGIN</u>	<u>DESTINATION</u>	<u>RATE</u>
[N] <u>Natrium Plant (Marshall County), WV</u>	[N] <u>Follansbee (Brooke County), WV</u>	[N] <u>\$2.70</u>
[N] <u>Natrium Plant (Marshall County), WV</u>	[N] <u>Conley (Brooke County), WV</u>	[N] <u>\$2.70</u>

**TABLE OF VOLUME INCENTIVE RATES**  
(Rates in Dollars per Barrel of 42 U.S. Gallons each)

<b>ORIGIN</b>		
Natrium Plant (Marshall County), WV (NOTE 1)	Follansbee (Brooke County), WV	[U] \$1.8376
[N] <u>Natrium Plant (Marshall County), WV</u> (NOTE 1)	[N] <u>Conley (Brooke County), WV</u>	[N] <u>\$1.8376</u>
Natrium Plant (Marshall County), WV (NOTE 2)	Oak Grove (Marshall County), WV	[U] \$0.4907

**NOTES:**

1. Volume Incentive Rates are available to Shippers who nominate and ship an average minimum daily volume during the month of at least 5,000 barrels of Propane [N]and/or Butane per day.
2. Volume Incentive Rates are available to Shippers who nominate and ship an average minimum daily volume during the month of at least 10,000 barrels of Ethane per day.

**Explanation of Letter Designations**

- [D] Decrease
- [U] Unchanged Rate
- [N] New
- [W] Change in Wording Only