

# DOS AGUILAS USA, LLC

## Local Pipeline Tariff

Containing

### RULES AND REGULATIONS

Applying on the Interstate Transportation of

### PETROLEUM PRODUCTS

Transported by Pipeline

From and To Points Named Herein

---

#### SPECIAL PERMISSION REQUESTED

Issued on seven days' notice under authority of 18 C.F.R. § 341.14. This tariff publication is conditionally accepted subject to refund pending a thirty (30) day review period.

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.

ISSUE DATE: [DATE]	EFFECTIVE DATE: [DATE]
<b>Issued by:</b>  Name Transporter Title Street City, State ZIP	<b>Compiled by:</b>  Name Transporter Title Street City, State ZIP Phone: Fax:

**TRANSPORTER****F.E.R.C. No. 1.0.0****TABLE OF CONTENTS**

<b>SUBJECT</b>	<b>ITEM NO.</b>	<b>PAGE NO.</b>
DEFINITIONS	5	
ACCEPTANCE FREE FROM LIENS AND CHARGES	10	
APPLICATION OF RATES	15	
APPLICATION OF RATES FROM INTERMEDIATE POINTS	20	
APPLICATION OF RATES TO INTERMEDIATE POINTS	25	
CLAIMS AND TIME FOR FILING	30	
DEMURRAGE	35	
IDENTITY OF SHIPMENTS	40	
LIABILITY OF CARRIER	45	
MEASUREMENT	50	
ORIGIN AND DESTINATION FACILITIES	60	
PAYMENT OF CARRIER CHARGES	65	
PIPEAGE CONTRACTS	70	
PETROLEUM PRODUCTS DELIVERABILITY REQUIREMENTS AND TESTING	75	
PRORATION OF PIPELINE CAPACITY	80	
SCHEDULING OF DELIVERY	85	
SCHEDULING OF RECEIPT	90	
STORAGE	95	
TRANSPORTATION INVENTORY	100	
ROUTE DIRECTORY	105	
QUALITY SPECIFICATIONS	110	
LOSS ALLOWANCE	115	
FINANCIAL ASSURANCES	120	
LINEFILL	125	

# RULES AND REGULATIONS

---

## ITEM NO. 5: DEFINITIONS

---

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.

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

“Carrier” shall mean Dos Aguilas USA, LLC.

“Committed Shipper” shall mean any Shipper that has entered into a TSA with Carrier in connection with or prior to the open season held by Carrier that commenced on [DATE], 2015..

“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.

“Force Majeure” shall mean any event or occurrence beyond the reasonable control of Carrier that prevents in whole or in part the performance of transportation services hereunder, including but not limited to strikes, lockouts, or other industrial disturbances, wars, sabotage, terrorism, blockades, insurrections, or acts of the public enemy; epidemics, landslides, lightning, earthquakes, tornadoes, loss of utilities, fires, explosions, storms, floods, washouts, or other acts of God; arrests or restraints of governments and people; riots or civil disturbances, failures, disruptions, breakdowns, or accidents to machinery, facilities, or lines of pipe (whether owned, leased or rented); freezing of lines; embargoes, priorities, expropriation, or condemnation by government or governmental authorities; interference by civil or military authorities; compliance with any orders, directives, rules or regulations issued by governmental authority. “Force Majeure” will also include (i) any event described in the previous sentence and occurring with respect to the facilities or services of Carrier’s service providers providing a service or providing any equipment, goods, supplies, or other services or items necessary to the performance by Carrier of transportation services hereunder, (ii) in those instances where Carrier is required to obtain servitudes, rights-of-way, grants, surface rights, permits, or licenses to enable it to provide transportation services hereunder, Carrier’s inability to acquire, or delay in acquiring (at commercially reasonable cost and after the exercise of reasonable diligence), such servitudes, rights-of-way, grants, surface rights, permits, or licenses, (iii) in those instances where Carrier is required to secure permits or permissions from any Governmental Authority to enable it to provide transportation services hereunder, Carrier’s inability to acquire, or delays on its part in acquiring (at commercially reasonable cost and after the exercise of reasonable diligence), such permits and permissions, and (iv) inspections, alterations, or repairs made necessary as a result of any event described in the previous sentence to any part of Carrier’s pipeline or required relocations or modifications of pipelines and other equipment and facilities comprising part of Carrier’s pipeline, but, in each case, only to the extent the event is not within the reasonable control of Carrier.

“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 Petroleum Products for transportation on a specific line segment that does not qualify as a Committed Shipper or Regular Shipper, as those terms are herein defined.

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

“Non-Performance Penalty” means an amount equal to the product of the applicable tariff rate multiplied by the difference between the Shipper’s allocated tender and its actual shipment of Petroleum Products in the month of prorationing under Item No. 80.

“Petroleum Products” shall mean gasoline, distillates and liquefied petroleum gas meeting the relevant acceptance specifications 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 Petroleum Products 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.

“Service Commencement Date” shall mean the first day of the calendar month following the date on which the Petroleum Products Pipeline is first available to accept injection of Barrels of Petroleum Products.

“Shipper” shall mean any party that gives notice to have Petroleum Products 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 ; provided however, that for the first thirteen (13) Months following the Service Commencement Date of the System, the Total Shipments for a Committed Shipper that has executed a TSA shall be calculated based on monthly volumes equaling the greater of (i) Committed Shipper’s Daily Minimum Volume Commitment under the TSA multiplied by the number of days in the Month, or (ii) the monthly volumes the Committed Shipper has shipped.

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

“TSA” shall mean Transportation Service Agreement executed by a Committed Shipper and Carrier in connection with or prior to the open season held by Carrier that commenced on [DATE], 2015..

“Rate” shall mean the rate or rates applicable to Shippers as set forth in Carriers rates tariff(s).

---

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

---

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.

---

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

---

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

---

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

---

For Petroleum Products 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 Petroleum Products 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.

---

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

---

For Petroleum Products 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 Petroleum Products 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.

---

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

---

Notice of claims for loss or damage must be made in writing to Carrier within nine (9) Months after delivery of the Petroleum Products, 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.

---

**ITEM NO. 35: DEMURRAGE**

---

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 Petroleum Products 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, re-consign, or make whatever arrangements for disposition of the subject Petroleum Products that it deems appropriate to clear its System, including the right to sell the subject Petroleum Products 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 Petroleum Products are 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 Petroleum Products and the costs of sale, and the balance shall be held for whosoever may be lawfully entitled thereto.

---

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

---

Carrier may commingle Product received at any origin with any other Product so received. Carrier reserves the right at any time to substitute and deliver Product of the same specification as the Product shipped.

---

**ITEM NO. 45 LIABILITY OF CARRIER**

---

Carrier shall not be liable to Shipper for any delay in delivery or for any loss of Petroleum Products caused by Force Majeure. In any event, Carrier shall not be liable for any consequential or special damages sustained by Shipper. Any losses of Petroleum Products shall be charged proportionately to each Shipper in the ratio that its Petroleum Products or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Petroleum Products 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 Petroleum Products 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 Petroleum Products transported or stored hereunder, and Carrier expressly disclaims any liability for any expressed or implied warranty for Petroleum Products transported or stored hereunder including any warranties of merchantability or fitness for intended use.

---

**ITEM NO. 50: MEASUREMENT**

---

Except as otherwise provided, Carrier shall not charge for metering Petroleum Products upon receipt and delivery. Observed volumes of Petroleum Products shall be corrected to net component volumes at 60° F and equilibrium vapor pressure, if applicable, 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 or according to applicable API tables, for applicable products.

---

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

---

Carrier shall accept Petroleum Products only when Shipper has provided necessary facilities for receipt of Petroleum Products into Carrier's System and delivery of Petroleum Products 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.

---

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

---

1. The Shipper or its consignee shall pay all transportation and other lawful charges accruing on Petroleum Products delivered to and accepted by Carrier for shipment 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 Petroleum Products 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 Petroleum Products 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 Petroleum Products 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 Petroleum Products, 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.

---

**ITEM NO. 70: PIPEAGE CONTRACTS**

---

Separate agreements, if applicable, in association with the pipeline connection or other facilities ancillary to the Carrier's system and/or in accordance with this tariff, may be required by Carrier before any duty for transportation shall arise.

---

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

---

1. Carrier reserves the right to refuse to accept any Petroleum Products for transportation which does not meet Carrier's Petroleum Products specifications or which is not good merchantable Petroleum Products 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 Petroleum Products 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 Petroleum Products that has contaminated the common fungible stream, rendering all or a portion of the fungible Petroleum Products stream undeliverable or degraded, such Carrier reserves the right to treat or otherwise dispose of all contaminated or degraded Petroleum Products in any reasonable commercial manner at Shipper's sole expense. On Petroleum Products received by Carrier that does not meet Petroleum Products deliverability requirements, Carrier reserves the right to collect its actual treating and handling charges plus an additional fifteen cents (\$0.15) per Barrel.

4. In addition to Shipper's obligation to deliver Petroleum Products meeting Carrier's specifications, and Carrier's right to dispose of off-specification Petroleum Products 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 Petroleum Products, including, without limitation, Losses to Carrier's property, the property of others (including other Shippers), or treating or blending fees.

---

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

---

1. If Petroleum Products 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 follows:

(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. In the event that the total aggregate volumes allocated on a line segment to New Shippers 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.

(b) Following the allocation of available capacity on a line segment to New Shippers described in subpart (a) 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.

(c) Each Regular Shipper on a line segment will receive an allocation that is the lesser of its allocation under subpart (b) above or its Nomination. In the event that, under the calculation in subpart (b) 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 subpart (a) 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.

(d) In months of prorating, if there is a shortfall in tenders of Petroleum Products from a Shipper that exceeds five percent (5%) of that Shipper's allocated volume, the Non-Performance Penalty will be applied to the amount of the shortfall. The Non-Performance Penalty will not be applied to that portion of shortfall caused by Force Majeure. Any Shipper

subject to the Non-Performance Penalty and this subpart (d) of this Item No. 80 will remit that Non-Performance Penalty to the Carrier within fifteen (15) days of the last day of the month in which the Non-Performance Penalty was incurred. In addition, if a Shipper is subject to the Non-Performance Penalty, the Nomination that will be accepted by Carrier from that Shipper in the next three (3) months, beginning the month after the month of non-performance, may be limited to no more than the volume that Shipper actually shipped during the months of prorating, provided that this volume limitation will be applied only when the pipeline is being prorated.

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.

---

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

---

When Shippers request for delivery from the System at destination, a volume of Petroleum Products 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.

---

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

---

When Shipper desires to originate Petroleum Products 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 Petroleum Products offered to Carriers. If Shipper does not furnish such Nomination, Carriers will be under no obligation to accept such Petroleum Products for transportation.

Petroleum Products 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 Petroleum Products 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 Petroleum Products by the time specified by Shipper.

---

**ITEM NO. 95: STORAGE**

---

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

---

**ITEM NO. 100: TRANSPORTATION INVENTORY**

---

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

---

**ITEM NO. 105: ROUTE DIRECTORY**

---

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

---

**ITEM NO. 110: QUALITY SPECIFICATIONS**

---

1. Carrier is engaged in the transportation of Petroleum Products by pipeline and will not accept any other commodity for transportation.
2. Carrier will have no obligation to accept, and Shipper will not deliver or cause to be delivered, any shipment for transportation service which shipment does not conform to the Specifications, or that is not good and merchantable Petroleum Products readily acceptable for transportation service through Carrier's existing facilities, or that does not meet the quality criteria of the common stream, or that does not meet the more stringent specifications, if any, of the Nominated destination, or that would otherwise adversely affect Carrier's facilities or other Petroleum Products. "Specifications" shall have the meanings as provided on the website at [www.borregopipeline.com](http://www.borregopipeline.com).

---

**ITEM NO. 115: LOSS ALLOWANCE**

---

Any overage or shortage not due to the negligence of Carrier, including losses resulting from shrinkage, evaporation, other physical Petroleum Products loss and interface mixture in any calendar month, will be allocated on a monthly accrual basis among Shippers in the proportion that the total number of Barrels delivered from the entire System for each Shipper bears to the total number of Barrels delivered from the entire System for all Shippers.

---

**ITEM NO. 120: FINANCIAL ASSURANCES**

---

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 Petroleum Products 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 Petroleum Products 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) prepayment security by wire transfer of all charges and costs and shall be held by the Carrier without interest accruing thereon until credited to Shipper; and/or

(b) a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and costs and in a form, and from an institution, acceptable to Carrier; and/or

(c) a guarantee in an amount sufficient to ensure payment of all such charges and costs, and in a form, and from a third party, acceptable to Carrier.

3. Carrier shall not be obligated to accept Petroleum Products 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 Petroleum Products under the terms of this tariff, including the payment of transportation charges.

---

**ITEM NO. 125: LINEFILL**

---

Linefill shall be provided by Shippers and title to same shall remain with Shippers. Each Month, Carrier shall adjust the linefill so that each Shipper shall provide its pro rata amount of linefill based upon a ratio of the total shipments by the Shipper to the total shipments over the Pipeline system for the preceding months. If any Shipper shall cease to ship Petroleum Products, then upon written notice to Carrier, the Shipper's linefill shall be returned to Shipper as part of its last shipment of Petroleum Products.

# DOS AGUILAS USA, LLC

## Local Pipeline Tariff

Containing

### RATES AND ROUTING

Applying on the Interstate Transportation of

### PETROLEUM PRODUCTS

Transported by Pipeline

From and To Points Named Herein

### SPECIAL PERMISSION REQUESTED

Issued on seven days' notice under authority of 18 C.F.R. § 341.14. This tariff publication is conditionally accepted subject to refund pending a thirty (30) day review period.

Issued under authority of 18 C.F.R. § 342.2(a) (Establishing Initial Rates)

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

<b>ISSUE DATE:</b> [Date]	<b>EFFECTIVE DATE:</b> [Date]
<b>Issued by:</b>  Name Transporter Title Street City, State ZIP	<b>Compiled by:</b>  Name Transporter Title Street City, State ZIP Phone: Fax:

<b>TABLE OF RATES</b> (Rates in Dollars per Barrel of 42 U.S. Gallons each)		
<b>ORIGIN</b>	<b>DESTINATION</b>	<b>RATE</b>
<b>Dos Aguilas Terminal at Laredo, Texas, USA</b>	<b>The border between the United States of America and the United Mexican States</b>	<b>\$0.982</b>
<b>TABLE OF COMMITTED RATES</b> <sup>(NOTE 1)</sup> (Rates in Dollars per Barrel of 42 U.S. Gallons each)		
<b>ORIGIN</b>	<b>DESTINATION</b>	<b>RATE</b>
<b>Dos Aguilas Terminal at Laredo, Texas, USA</b>	<b>The border between the United States of America and the United Mexican States</b>	<b>\$0.882</b>
<b>NOTES:</b> 1. Committed Rates are available to Shippers who executed a Transportation Services Agreement with Carrier in connection with or prior to the open season held [DATE], 2015.		