

**Bridger Pipeline LLC**

**PROPORTIONAL TARIFF  
FOR THE TRANSPORTATION AND DELIVERY OF  
PETROLEUM**

**RULES AND REGULATIONS**

This Carrier will receive Petroleum for gathering under this tariff, only when destined for further transportation in interstate commerce, subject to the following conditions:

Item No.	SUBJECT	RULES AND REGULATIONS
5	Definitions	<p>"Carrier" as herein used means Bridger Pipeline LLC.</p> <p>"Barrel" as herein used means forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit and zero (0) gauge pressure if the vapor pressure of the Petroleum is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the Petroleum is above atmospheric pressure.</p> <p>"Petroleum" as herein used means the direct liquid products of oil wells, or a mixture of the direct liquid products of oil wells with the indirect liquid products of oil and gas wells including gasoline and liquefied petroleum gases, as provided in Item 15.</p> <p>"Tender" as herein used means an offer by a shipper to the Carrier of a stated quantity of Petroleum for transportation from a specified origin or origins to a specified destination in accordance with these rules and regulations.</p>
10	Commodity	<p>The Carrier will transport Petroleum as defined in Item 5, exclusively, and will not accept any other commodity for transportation.</p>
15	Mixtures	<p>The indirect liquid products of oil and gas wells including gasoline and liquefied petroleum gases, hereinafter referred to as indirect products, will be accepted and transported as a mixture with the direct liquid products of oil wells, hereinafter referred to as direct products, providing the vapor pressure of the resulting mixture does not exceed that permitted by Carrier's facilities and operating conditions.</p> <p>The indirect products portion of the mixture will be accepted for transportation at reception points other than the one at which the direct products portion of the same mixture is received, provided that the shipper, consignee, and destination are the same, and that operating conditions and the Carrier's facilities permit the indirect products portion to be mixed with the direct products of the same shipper or consignee. The rate to be assessed on each portion of the mixture shall be the rate applicable from the reception point at which each is received.</p>

		<p>The direct and indirect products will be measured and tested separately for determining volumes received. Each such measurement will be made in accordance with Item 40.</p> <p>Mixtures will be transported and delivered as Petroleum only. Nothing in this rule is to be construed to waive provisions of Item 25 of this tariff or to require the Carrier to receive, transport, and deliver unmixed indirect products. However, unmixed indirect products may be transported for subsequent mixing with direct products in accordance with this rule where facilities exist and operations permit transporting such indirect products.</p>
20	<b>Specification as to Quantity Received</b>	<p>No Petroleum will be accepted for transportation except good merchantable Petroleum of the gravity of twenty degrees (20°) A.P.I. (American Petroleum Institute) or higher which is properly settled and contains not more than one percent (1%) of basic sediment, water, and other impurities, and has a temperature not in excess of one hundred and twenty degrees (120°) Fahrenheit. If Petroleum is accepted from tankage, settled bottoms in such tanks must not be above a point four inches (4") below the bottom of the pipeline connection with the tank from which it enters Carrier's facilities. No Petroleum will be accepted unless its gravity, viscosity, and other characteristics are such that it will be readily susceptible of transportation through the Carrier's existing facilities and it will not materially affect the quality of other shipments or cause disadvantage to other shippers and/or the Carrier.</p>
25	<b>Shipments, Maintenance of Identity</b>	<p>Petroleum will be accepted for transportation only on condition that it may be subject to such changes in gravity or quality while in transit as would result from its mixture with other Petroleum in the pipelines or tanks of the Carrier. Carrier shall be under no obligation to deliver the identical Petroleum received but may make delivery out of common stock or out of Carrier's pipeline stream of substantially like Petroleum.</p>
30	<b>Minimum Tender</b>	<p>Tenders for the transportation of such Petroleum will be accepted under this tariff in quantities of not less than ten thousand (10,000) barrels from one shipper consigned to one consignee and destination. Petroleum so tendered to the Carrier for transportation will be received as currently available; however, the Carrier will not be obligated to deliver same in batches of less than five thousand (5,000) barrels.</p>
35	<b>Title</b>	<p>The Carrier shall have the right to reject any 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 Carrier. By tendering Petroleum, the shipper warrants and guarantees that the 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 the Carrier as to title.</p>
40	<b>Gauging, Testing, and Volume Corrections</b>	<p>Petroleum shipped hereunder shall be measured and tested by representatives of the Carrier or by automatic equipment approved by the Carrier. Quantities shall be determined by dynamic or static measurement methods in accordance with appropriate American Petroleum Institute (API) standards, latest revision, and adjusted to base (reference or standard) conditions.</p>

		<p>The base conditions for the measurement of liquids, such as Crude Petroleum and its liquid products, having a vapor pressure equal to or less than atmospheric pressure at base temperature are as follows:</p> <p style="padding-left: 40px;">Pressure - 14.696 psia (101.325 kPa) Temperature - 60.0 F (15.56 C)</p> <p>For liquids, such as liquid hydrocarbons, having a vapor pressure greater than atmospheric pressure at base temperature, the base pressure shall be the equilibrium vapor pressure at base temperature.</p> <p>Deductions will be made for the actual amount of non-merchantable quantities, specifically basic sediment and water and/or other impurities as ascertained by industry accepted test method or other tests agreed upon.</p> <p>When indirect liquid products are received from pressure vessels using static measurement methods, a further adjustment will be made to cover evacuation losses if a gas blanket at or in excess of the vapor pressure of the liquid is not used.</p> <p>The net quantities so determined for acceptance will be the net quantities deliverable.</p>
45	<b>Arrangements Required for Further Transportation</b>	The Carrier will accept Petroleum for gathering only when the shipper or consignee has made the necessary arrangements for further shipment beyond.
50	<b>Origin Facilities Required for Automatic Custody Transfer</b>	Where consignor (or shipper) elects to deliver Petroleum to the Carrier at point of origin through automatic custody transfer facilities (in lieu of tankage), the consignor (or shipper) shall furnish the required automatic measuring and sampling facilities and the design, construction, and calibration of such facilities must be approved by the Carrier and any appropriate regulatory body. In the event automatic custody transfer is made by meters, the consignor (or shipper) shall also furnish whatever pumping service is necessary to insure that the Petroleum being delivered to the meter is at a pressure in excess of the bubble point of the liquid.
55	<b>Application of Rates and Charges</b>	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. Gathering charges will be collected on the basis of the net quantities of Petroleum received. All net quantities will be determined in the manner provided in Item 40.
65A	<b>Apportionment When Tenders are in Excess of Facilities</b>	<p>When there shall be tendered to the Carrier, for transportation, more Petroleum than can be currently transported, the transportation furnished by the Carrier shall be apportioned among all shippers in proportion to the amounts tendered by each; provided, that in making such apportionment, no tender for transportation shall be considered beyond the amount which the party requesting the shipment will have available during the current month.</p> <p>Item No. 65A will expire on December 31, 2008; thereafter refer to Item No. 66, Prorationing.</p>
66	<b>Prorationing</b>	When more petroleum is tendered for transportation in a month on a

line segment than Carrier can transport, Carrier shall apportion its capacity by allocating space in such line segment in the following manner:

(1) Existing Shippers: The percentage of pipeline capacity to be allocated to each Existing Shipper will be calculated by using data from the Base Period and dividing the sum of the shipments made for the account of each Existing Shipper on such line segment in the Base Period by the total shipments made for all Shippers on such line segment during the Base Period. The resulting percentages will then be applied to the line segment to determine the capacity allocation for each Existing Shipper. Each Existing Shipper will receive the lesser of its actual nomination or its allocation resulting from the above calculation. In the event that the above calculation results in any Shipper being allocated more capacity than its actual nomination, the excess of the calculated allocation over the Shipper's actual nomination will be reallocated per capita among all other New Shippers and Existing Shippers whose nominations would not be fulfilled through the allocations calculated in Paragraphs (1) and (2) of this Item. The Carrier will repeat this reallocation process until all of the available capacity has been allocated. Allocations for Existing Shippers will be subject to pro rata reduction on the basis of the percentages calculated in this Paragraph (1), if required, to accommodate New Shippers.

(2) New Shippers: Up to two and one-half percent (2.5%) of available capacity on a line segment will be allocated to each New Shipper, subject to a cap of ten percent (10%) of available capacity for all New Shippers. During periods of prorationing, New Shippers will be allocated pipeline capacity as follows:

If less than four (4) New Shippers have submitted nominations for the affected line segment, each New Shipper will be allocated the lesser of either two and one-half percent (2.5%) of available capacity or its nominated volume. In the event that more than four (4) New Shippers have submitted nominations for the affected line segment, the nominated volumes for each New Shipper shall be totaled and divided into ten percent (10%) of the available pipeline capacity. The resulting percentage shall be the initial New Shipper's Proration Factor. Each New Shipper will be allocated pipeline segment capacity equal to the lesser of:

- (a) 2.5% of available capacity, or
- (b) its nominated volumes, or
- (c) its nominated volumes multiplied by the initial New Shipper Proration Factor.

Any remaining pipeline segment capacity, subject to the maximum cap of ten percent of all available capacity, as outlined above, will be allocated equally among the New Shippers whose nominations were not fulfilled under the allocations calculated in Paragraph (2).

(3) For purposes of Carrier's prorationing policies, the following definitions will be applicable:

“Base Period” – The “Base Period” will be calculated in the following manner:

<b>For nominations for transportation during the month of:</b>	<b>The Base Period will be</b>
January 2009	November 2008
February 2009	November 2008 through, and including, December 2008
March 2009	November 2008 through, and including, January 2009
April 2009	November 2008 through, and including, February 2009
May 2009	November 2008 through, and including, March 2009
June 2009	November 2008 through, and including, April 2009
July 2009	November 2008 through, and including, May 2009
August 2009	November 2008 through, and including, June 2009
September 2009	November 2008 through, and including, July 2009
October 2009	November 2008 through, and including, August 2009
November 2009	November 2008 through, and including, September 2009
December 2009	November 2008 through, and including, October 2009
January 2010 and thereafter	The 12-month period beginning 13 months prior to the month of prorationing.

“Existing Shipper” – A shipper that has tendered petroleum or petroleum products for transportation on a specific line segment during the entirety of the Base Period.

“New Shippers” – A shipper that tenders petroleum or petroleum products for transportation on a specific line segment that does not qualify as an Existing Shipper, as defined in this Item, Paragraph (3) above.

**NOTE:** The calculation of the Base Period under this Item will begin November 1, 2008. However, shippers will not be prorated pursuant to this Item until January 1, 2009. If the pipeline is prorated prior to January 1, 2009, shippers will be prorated pursuant to the provisions of Item No. 65A, supplement and reissues thereof.

<b>70</b>	<b>Payment of Transportation and Other Charges</b>	<p>The shipper or consignee shall pay all applicable transportation and other lawful charges accruing on Petroleum delivered to and accepted by the Carrier for shipment, and if required shall pay or furnish guaranty of payment of same satisfactory to the Carrier before acceptance of shipment. The Carrier shall have a lien on all Petroleum belonging to the shipper or consignee to secure the payment of any and all unpaid transportation and other charges that are due to the Carrier by the shipper or consignee, and may withhold such Petroleum from delivery until all unpaid charges shall have been paid. If such charges remain unpaid five (5) days after notice and demand therefor, the Carrier, or its representatives,</p>
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		shall have the right to sell such Petroleum at public auction at the office of the Carrier in Houston, Texas, on any day not a legal holiday, and not less than forty-eight (48) hours after notice stating the time and place of such sale and the quantity, general description, and location of the Petroleum to be sold has been published in a daily newspaper of general circulation published in the said city where the sale is to be held, and notice sent by telegraph to the shipper. The Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale Carrier may pay itself all transportation and other lawful charges, and all expenses incident to the sale, and the balance shall be held for whosoever may be lawfully entitled thereto.
75	<b>Liability of Carrier</b>	The Carrier while in possession of any of the Petroleum herein described shall not be liable for any loss thereof, damage thereto, or delay, except to the extent that liability therefor is imposed on the Carrier by law. In case of loss of Petroleum for which Carrier is not responsible, the shipper shall bear the loss. Where such loss occurs in a tank containing Petroleum which is the property of more than one shipper, or in a line to a segregated batch of Petroleum which is the property of more than one shipper, each shipper shall bear the loss in such proportion as his total volume in said tank or batch bears to the total volume in said tank or batch.
80	<b>Claims, Suites, and Time for Filing</b>	As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within nine (9) months after delivery of the Petroleum, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits arising out of such claims shall be instituted against the Carrier only within two (2) years from the time when the Carrier delivers, or tenders delivery of, the Petroleum or, in case of failure to make or tender delivery, then within two (2) years after a reasonable time for delivery has elapsed. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.
90	<b>Duty of Carrier</b>	The Carrier shall not be required to transport Petroleum except with reasonable diligence, considering the quantity of Petroleum, the distance of transportation, the safety of operation, and other material factors.