

FRONTIER ASPEN LLC

LOCAL TARIFF CONTAINING RULES AND REGULATIONS

GOVERNING THE TRANSPORTATION OF CRUDE PETROLEUM AND SOUR CONDENSATE*

(*A form of crude petroleum as defined herein.)

by Pipeline

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 supplements hereto and successive issues thereof.

Filed under the authority of 18 C.F.R. § **[W]** § 341.8 and 385.602 ~~341.6~~ (Adoption of tariff by successor).

REQUEST FOR SPECIAL PERMISSION

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RULES AND REGULATIONS

GENERAL APPLICATIONS

Rules and regulations published herein apply only under tariffs which make specific reference by F.E.R.C. number to this tariff, such reference will include supplements hereto and successive issues hereof.

Crude petroleum and Sour Condensate will be transported through Carrier's facilities only as provided in this rules and regulations tariff, except that specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

RULES AND REGULATIONS		
ITEM NO.	SUBJECT	RULES AND REGULATIONS
5	ABBREVIATIONS AND DEFINITIONS	<p>As used in these rules and regulations, the following terms have the following meanings:</p> <p>"a.m." means a time of day after midnight and before noon.</p> <p>"API" means American Petroleum Institute</p> <p>"ASTM" means American Society for Testing and Materials</p> <p>"Barrel" means forty-two United States gallons.</p> <p>"Carrier" means and refers to Frontier Aspen LLC</p> <p>"Crude Petroleum" means either 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 or gas wells, including gasoline and liquefied petroleum gases.</p> <p>"Delivery Point(s)" means the outlet meter at one or more of the locations on Carrier's system as designated by Shipper to Carrier from time to time as the destination for the Crude Petroleum to be shipped hereunder.</p> <p>"Deliver" and any derivative thereof, means Delivered by Carrier to Shipper at the Delivery Point.</p> <p>"ENom System" as herein used means Electronic Nomination System. The ENom System is a computerized information system that enables Shippers to nominate the movement of Crude Petroleum on Carrier's System. Shippers can access the ENom System on Carrier's website at https://www.plainsallamerican.com/customer-center/pipeline-tariffs/enom-portal.</p> <p>"F.E.R.C." means Federal Energy Regulatory Commission.</p> <p>"No." means number.</p> <p>"Line Fill" means Crude Petroleum or Sour Condensate in transit in the pipeline system between origin and destination including the Crude Petroleum or Sour Condensate in tankage at origin and en route to destination.</p> <p>"Party" means Carrier or a Shipper.</p> <p>"p.m." means a time of day after noon and before midnight.</p> <p>"Receipt Point(s)" means origin points on Carrier's system where Crude Petroleum can be accepted in Carrier's system.</p> <p>"Shipper" means a person or entity that uses the transportation service of Carrier pursuant to the rules, regulations, and rates in Carrier's tariff</p> <p>"Sour Condensate" a form of Crude Petroleum, means any Crude Petroleum over 40° A.P.I. Gravity with a mercaptan content over 0.05 percent by weight.</p> <p>"Tariff" means the terms and conditions contained in these rules and regulations or other tariffs filed at the F.E.R.C. by Carrier and any Crude Petroleum rate schedules filed at the F.E.R.C. by Carrier, and to supplements and successors thereof.</p> <p>"Tender" means an offer by a Shipper to the Carrier of a stated quantity of Sour Condensate for transportation from a specified origin or origins to a specified destination or destinations in accordance with these rules and regulations.</p>
10	COMMODITY	The Carrier is engaged in the transportation of Crude Petroleum and Sour Condensate by pipeline and will not accept any other commodity for transportation.
15	TENDERS	<p>(a) Crude Petroleum and Sour Condensate will be transported only under a tender accepted by the Carrier, from Receipt Point(s) to Destination Point(s) when a Tariff covering the movement is lawfully in effect and on file with the Federal Energy Regulatory Commission.</p> <p>(b) Any Shipper desiring to tender Crude Petroleum or Sour Condensate for transportation shall make such tender to the Carrier on or before the 25th day of the month preceding the month during which the transportation under the tender is to begin. When the 25th of the month falls on a weekend, nominations will be required prior to 12:00 noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the preceding workday. When the 25th of the month falls on a holiday, nominations will be required prior to 12:00 NOON Central Standard Time/Central Daylight Saving Time, whichever is applicable, three (3) workdays prior to the holiday. The Nomination may be e-mailed, faxed or submitted via Carrier's ENom System. Unless such notification is made, the Carrier will be under no obligation to accept Crude Petroleum or Sour Condensate for transportation. However, if operating conditions permit, tenders for Crude Petroleum or Sour Condensate may be accepted for transportation after the 25th day of the month preceding the month during which the transportation under the tender is to begin.</p>
20	QUANTITIES	<p>(a) A tender will be accepted only when the total quantity covered by such tender will be made available for transportation within the month when the tender is to begin.</p> <p>(b) Any quantity of Crude Petroleum or Sour Condensate will be accepted from facilities to which the Carrier is connected, if such quantity can be so consolidated with other Crude Petroleum or Sour Condensate that Carrier can make a single Delivery of not less than 30 thousand barrels, and Carrier will not be obligated to make any single Delivery of less than 30 thousand barrels. The term "single Delivery" as used herein means a Delivery of Crude Petroleum or Sour Condensate in one continuous operation to one or more Shippers into a single facility, furnished by such Shipper or Shippers, to which Carrier is connected.</p>

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25	VARIATIONS IN QUALITY AND GRAVITY	<p>(a) Only Crude Petroleum or Sour Condensate, as defined in Item 5 above, will be accepted for transportation.</p> <p>(b) Carrier is not liable for variations in gravity or quality of Crude Petroleum or Sour Condensate occurring while in its custody, and is under no obligation to Deliver the identical Crude Petroleum or Sour Condensate received, but may make Delivery out of a common stream.</p> <p>(c) The following conditions will apply to segregated batches:</p> <ol style="list-style-type: none"> 1. The acceptance of Crude Petroleum for transportation shall be on the condition that such Crude Petroleum shall be subject to such changes in gravity, in quality, and in value as may result from its mixture in transit with other crude petroleum in the Carrier's pipeline and tanks. 2. The Carrier shall have no responsibility in, nor for, any revaluations nor settlements deemed appropriate by Shippers and Consignees because of mixing of component parts of Crude Petroleum stream between the receipt and delivery of such streams by the Carrier, other than to furnish a volume and gravity data on the Crude Petroleum received into and delivered out of the respective streams.
30	DESTINATION FACILITIES	No duty to transport will arise until evidence satisfactory to the Carrier has been furnished that Shipper has provided necessary facilities to which Carrier is connected and has made necessary arrangements for accepting Delivery of shipments promptly on arrival at Destination Point(s), as provided in the Tariff.
35	MEASUREMENT, DEDUCTIONS AND ADJUSTMENTS	<p>(a) All Crude Petroleum received by Carrier for transportation shall be gauged, metered and tested by a representative of Carrier prior to its acceptance. The Shipper may have a representative present at the gauging or metering and testing. If tank tables are used, quantities will be computed from regularly compiled tank tables showing one hundred percent (100%) of the full capacity of the tanks. Whenever there is substantial evidence of meter malfunctions in a custody transfer measurement, the Parties involved in the custody transfer shall negotiate an appropriate adjustment on the basis of the most reliable and accurate information available. Such adjustments may only be claimed for a period of up to ninety (90) days after the date of the meter malfunction.</p> <p>(b) Quantities for receiving, Delivering, assessing charges and all other purposes will be corrected to a temperature of sixty degrees Fahrenheit by the use of factors derived from the American Petroleum Institute Manual of Petroleum Measurement, after deduction of impurities shown by tests made by the Carrier prior to receipt and upon Delivery. All measurement procedures are to be conducted in accordance with API/ASTM standards and pipeline industry practice or such other tests as may be agreed upon by Carrier and Shipper.</p> <p>(c) Pursuant to Item 60, Crude Petroleum or Sour Condensate quantities transported may be adjusted to allow for volume losses, including but not limited to shrinkage, evaporation and normal "over and short" losses. A deduction on one-tenth of 1% (0.1%) will be made to cover evaporation and other normal losses occurring during transportation.</p> <p>(d) The net quantities as determined in paragraphs (b) and (c) of this item will be the amounts accountable at destination.</p> <p>(e) Carrier's representatives, upon reasonable notice to Shipper, shall have the right to enter upon the Shipper's premises where Crude Petroleum is stored and have access to any and all tankage for the purpose of making any examination, inspection, measurement or test provided for under these rules and regulations.</p>
40	STORAGE IN TRANSIT	<p>(a) The Carrier has a working tank required in the process of transporting Sour Condensate, but has no other tankage and, therefore, does not have facilities for tendering, nor does it offer, a storage service.</p> <p>(b) Each Shipper will be required to furnish Crude Petroleum or Sour Condensate into inventory for their proportionate share of the line fill in such amount as deemed necessary by Carrier.</p>

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45	DELIVERY AND ACCEPTANCE	<p>(a) Subject to item 60, Carrier will transport and Deliver Crude Petroleum or Sour Condensate with reasonable diligence and dispatch, but will accept no Crude Petroleum or Sour Condensate to be transported in time for any particular market, Shipper shall accept and remove its shipment from the facilities of Carrier upon Delivery of the Crude Petroleum.</p> <p>(b) Commencing after the first seven o'clock a.m. after arrival a demurrage charge of [U] 1.12 cents per barrel per day of twenty-four hours shall accrue on any part of said shipment offered for delivery and not taken. If Shipper fails to remove its Crude Petroleum from the facilities or custody of Carrier upon Carrier's Delivery, then Carrier shall have the right to remove and sell such Crude Petroleum in such lawful manner as deemed appropriate by Carrier. Carrier shall pay from the proceeds of such sale all costs incurred by Carrier with respect to the storage, removal and sale of such Crude Petroleum. The remainder of such proceeds, if any, shall be held by Carrier for the Shipper and any other party lawfully entitled to such proceeds.</p>
50	RATES APPLICABLE	Crude Petroleum or Sour Condensate transported shall be subject to the rates in effect on date such Crude Petroleum or Sour Condensate is received by the Carrier irrespective of date of tender
55	PAYMENT OF CHARGES	<p>The Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and if required, shall prepay such charges or furnish guaranty of payment satisfactory to the Carrier. The Carrier will have a lien on all Crude Petroleum or Sour Condensate accepted for transportation to secure the payment of all charges, including demurrage charges, and may refuse to Deliver Crude Petroleum or Sour Condensate until all charges have been paid. If said charges or any part thereof shall remain unpaid five days, computed from the first seven o'clock a.m. after written notice is mailed to Shipper of intention to enforce Carrier's lien as herein provided, or when there shall be failure to take the Crude Petroleum or Sour Condensate at the Delivery Point as provided in Item 45 Carrier shall have the right through an agent to sell said Crude Petroleum or Sour Condensate at public auction for cash between the hours of ten o'clock a.m. and four o'clock p.m. on any day not a legal holiday and not less than twenty-four hours after notice of the time and place of such sale and the quantity, general description and location of the Crude Petroleum or Sour Condensate to be sold has been published in a daily newspaper of general circulation published in the town or city where the sale is to be held, and sent by email or fax to 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, demurrage, and other lawful charges, expense of notice, advertisement, sale, and other necessary expense, and of caring for and maintaining the Crude Petroleum or Sour Condensate, and the balance shall be held for whomsoever may be lawfully entitled thereto</p>
60	LIABILITY OF CARRIER	<p>(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 or Sour Condensate, including without limitation the breakdown of the facilities of the Carrier.</p> <p>(b) Any losses of Crude Petroleum or Sour Condensate (other than inherent losses covered by Item 35) will be charged proportionately to each Shipper in the ratio that his Crude Petroleum or Sour Condensate, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Crude Petroleum or Sour Condensate then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs; and the Carrier will be obligated to Deliver only that portion of such Crude Petroleum or Sour Condensate remaining after deducting Shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity Delivered.</p>

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65	TITLE	A tender of Crude Petroleum or Sour Condensate shall be deemed a warranty of title by the party tendering, but acceptance shall not be deemed a representation by the Carrier as to title. The Carrier may, in the absence of adequate security, decline to receive any Crude Petroleum or Sour Condensate which is in litigation, or as to which a dispute over title may exist, or which is encumbered by any lien of which the Carrier has notice.
70	TIME LIMITATION ON CLAIMS	As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within nine months and one day after Delivery of the property, or in case of failure to make Delivery then within nine months and one day after reasonable time for Delivery, based on Carrier's normal operations, has elapsed; and suits shall be instituted against the Carrier only within two years and one day from the day when notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, no Carrier hereunder will be liable, and such claims will not be paid.
75	RECONSIGNMENT	Crude Petroleum or Sour Condensate in transport may be reconsigned without an additional charge to another Shipper at point of destination only, provided such reconsignment is made in writing by the tendering Shipper prior to Delivery at original destination. This will be allowed subject to the rates, rules and regulations applicable from Receipt Point to Destination Points. Reconsignment shall not affect the liability of the tendering Shipper for all charges under Item No. 55.
80	PRORATION	<p>[C] All information in this Item No. 80 is new.</p> <p>a) Definitions. For purposes of this Item No. 80, the following definitions will apply:</p> <ol style="list-style-type: none"> i. "Actual Shipments" means the Barrels of Crude Petroleum that a Shipper delivered to Carrier at [W] an Receipt Point for transportation on Carrier's system during [C] a Proration Month [N] a particular month. <u>For any month during the Base Period that a shipper does not ship on Carrier's system, the Shipper's Actual Shipments for that month will be considered zero.</u> ii. "Allocated Capacity" shall have the meaning set forth in subpart (b)(iii). iii. "Available Capacity" shall have the meaning set forth in subpart (b)(i). iv. [N] <u>"Base Period" shall be the twenty-four (24) month period that begins twenty-five (25) months immediately prior to the Proration Month.</u> <p>[W] iv. <u>v.</u> "Excess Barrels" shall have the meaning in subpart (d).</p> <p>[W] v. <u>vi.</u> "Final Nomination" shall have the meaning in subpart (b)(iv).</p> <p>[W] vi. <u>vii.</u> "Initial Nomination(s)" shall be the requests for service on Carrier's system (<i>i.e.</i>, "Tenders") that are due by the deadline specified in Item No. 15 of this Tariff.</p> <ol style="list-style-type: none"> viii. [N] <u>"New Shipper" shall be any Shipper that is not a Regular Shipper.</u> <p>[C] vii. [C] <u>"Over-Nomination" shall have the meaning in subpart (d).</u></p> <p>[C] viii. [C] <u>"Over-Nomination Penalty" shall have the meaning set forth in subpart (d).</u></p> <p>[C] ix. [C] <u>"Penalty Month" shall have the meaning in subpart (d).</u></p> <p>[W] x. <u>ix.</u> "Proration Month" shall have the meaning set forth in subpart (b) [W] (iii) (i).</p> <p>[N] <u>x.</u> [N] <u>"Regular Shipper" shall be any Shipper that has shipped Crude Petroleum on Carrier's system in at least twenty (20) months of the Base Period.</u></p>

[N] xi. **[N]** "Regular Shipper Available Capacity" shall have the meaning set forth in subpart (c)(ii).

[W] xi xii. "Revised Nomination" shall have the meaning in subpart (b)(ii).

b) When System Capacity will be Prorated.

- i. When Carrier receives more requests for transportation on its system in a month than Carrier is able to transport, Carrier shall allocate the capacity available for transportation on its system during such month **[C]** (~~"Available Capacity"~~) **[N]** ("**Proration Month**") under the provisions of this Item No. 80. **[N]** The available capacity of Carrier's system during a Proration Month shall be determined based on the operational conditions of the system, as determined by Carrier ("Available Capacity"). Carrier may allocate the Available Capacity on a line segment basis as Carrier determines is necessary.
- ii. Following Carrier's receipt of the Initial Nominations for a given month in accordance with the provisions of Item No. 15 of this Tariff, Carrier shall determine the Available Capacity on its system for the month. In the event that the total Initial Nominations received exceed the Available Capacity, Carrier shall notify all Shippers who submitted an Initial Nomination of this fact, and Carrier will thereafter give each such Shipper an opportunity to submit a revised nomination for the month, which revised nomination must be equal to or less than the Shipper's Initial Nomination ("**Revised Nomination**"). A Shipper must submit a Revised Nomination to Carrier within 24 hours of Carrier notifying the Shipper of the opportunity to submit a Revised Nomination. If a Shipper does not submit a Revised Nomination within such 24-hour time period, the Shipper's Initial Nomination shall be deemed to be its Revised Nomination.
- iii. If the total Revised Nominations still exceed the Available Capacity for the month, Carrier shall thereafter allocate the Available Capacity for **[N]** the Proration Month **[C]** ~~such month (the "**Proration Month**")~~ **[N]** in accordance with the provisions of subpart (c) below. The allocation that each Shipper receives pursuant to such process shall be referred to as its "**Allocated Capacity**." **[C]** on a pro-rata basis to all Shippers based on Revised Nominations for the Proration Month. Under such allocation, each Shipper shall receive its pro-rata share of Available Capacity for the Proration Month ("**Allocated Capacity**"), which shall equal the product of (1) the Available Capacity for the Proration Month, multiplied by, (2) a fraction, the numerator of which shall equal Shipper's Revised Nomination for the Proration Month and the denominator of which shall equal the total Revised Nominations for the Proration Month.
- iv. Carrier shall notify each Shipper of its Allocated Capacity following the allocation process set forth in **[W]** subparts (c) below ~~subpart b(iii)~~, and each Shipper must then submit a new nomination confirming to Carrier, within 24-hours of receiving its Allocated Capacity, the amount of Crude Petroleum that Shipper intends to ship during the Proration Month ("**Final Nomination**"). If a Shipper does not submit a Final Nomination within such 24-hour time period, the Shipper's Final Nomination shall be deemed to be its Allocated Capacity.

c) **[N]** Allocation Process

- i. Allocation of Available Capacity to New Shippers:
 1. Carrier shall first allocate not more than ten percent (10%) of the Available Capacity to New Shippers during the Proration Month.
 2. Each New Shipper shall be allocated an amount of capacity that is equal to the lesser of its Revised Nomination or its pro-rata share of ten percent (10%) of the Available Capacity; provided that no individual New Shipper will be allocated more than five percent (5%) of the Available Capacity.
- ii. Allocation of Available Capacity to Regular Shippers: After the allocation of capacity to New Shippers pursuant to subpart (c).i above, the remaining Available Capacity, which shall be at least equal to ninety percent (90%) of the total Available Capacity for the Proration Month (the "**Regular Shipper Available Capacity**"), shall be allocated to Regular Shippers that have submitted a Revised Nomination for the Proration Month. Each such Regular Shipper shall receive an allocation equal to the lesser of (i) its Revised Nomination, or (ii) its percentage share of the Regular Shipper Available Capacity, which percentage shall be calculated by comparing the Regular Shipper's Actual Shipments during the Base Period to the Actual Shipments of all Regular Shippers during the Base Period.
- iii. Remaining Available Capacity: Any remaining Available Capacity that is not allocated through the application of subparts (i) and (ii) above will first be allocated among all Regular Shippers having remaining unmet Revised Nominations, in proportion to each such Shipper's initial capacity allocation for the Proration Month pursuant to subpart (ii). If any Available Capacity remains after the allocation to Regular Shippers under this subpart(iii), then Carrier shall allocate the remaining Available Capacity among all New Shippers having remaining unmet Revised Nominations, in proportion to each such Shipper's initial capacity allocation for the Proration Month pursuant to subpart (i). If an allocation to any Shipper pursuant to this subpart c(iii) exceeds its remaining Revised Nomination, then the excess

		<p><u>volume will be allocated among all other remaining Revised Nominations until the remaining capacity is fully allocated or all of the remaining Revised Nominations have been fulfilled.</u></p> <p>[W] e) d) Limitations on Nominations. Carrier shall not consider any Initial Nomination, Revised Nomination, or Final Nomination from a Shipper that is in excess of the amount of Crude Petroleum that the Shipper has readily accessible for shipment on Carrier's system in a Proration Month. In addition, any Initial Nomination, Revised Nomination or Final Nomination that is submitted to Carrier that is in excess of the Carrier's Available Capacity shall be reduced to the level of Carrier's Available Capacity, for purpose of applying this proration policy.</p> <p>[C]</p> <p>d) Over-Nomination Penalty. If: (i) a Shipper submits a Final Nomination in a Proration Month that is less than the Shipper's Allocated Capacity for that Proration Month (the difference between these two amounts being the "Over-Nomination"); or (ii) a Shipper's Actual Shipments in a Proration Month are less than 95 percent of the Shipper's Final Nomination for such month (the difference between Shipper's Actual Shipments and Shipper's Final Nomination being the "Excess Barrels"), then, if apportionment is required in the next month to be scheduled following the occurrence of either (i) or (ii) (the "Penalty Month"), Carrier shall reduce the Shipper's Allocated Capacity for such Penalty Month by the greater of either Shipper's Over-Nomination or Shipper's Excess Barrels ("Over-Nomination Penalty"); provided, however, that Carrier shall not apply the Over-Nomination Penalty in the Penalty Month if a Shipper's Over-Nomination and/or Excess Barrels were the result a force majeure event or operational constraints on Carrier's system, as determined by Carrier.</p>
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Explanation of reference marks:

- [C] Cancel
- [N] New
- [U] Unchanged rate
- [W] Change in wording only