

O.C.C. No. 1.5.0
(Cancels O.C.C. No. 1.4.0)

[N] CANCELLATION NOTICE

MAGELLAN PIPELINES HOLDINGS, L.P.

[C] ~~LOCAL PIPELINE TARIFF~~

CONTAINING

~~RATES, RULES AND REGULATIONS~~

~~GOVERNING THE TRANSPORTATION AND HANDLING~~

OF

~~CONDENSATE AND CRUDE PETROLEUM~~

~~TRANSPORTED BY PIPELINE
WITHIN THE STATE OF OKLAHOMA~~

~~[C] The rates named in this Tariff are expressed in cents a barrel of 42 U.S. Gallons and are subject to changes as provided by law; also to the Rules and Regulations published herein, Supplements hereto and reissues hereof. Issued under authority of the State Corporation Commission of Oklahoma.~~

~~The matter published herein will have no adverse effect on the quality of the human environment.~~

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Issued & Compiled By: Tina R. Granger, Pipeline Tariffs
MAGELLAN PIPELINES HOLDINGS, L.P.
One Williams Center
Tulsa, Oklahoma 74172
(918) 574-7415

[C] RULES AND REGULATIONS

20. DEFINITIONS

"A.P.I." means American Petroleum Institute.

"Barrel" means forty-two (42) United States gallons.

"Carrier" means Magellan Pipelines Holdings, L.P.

"Consignee" means the party to whom Shipper has designated to receive the delivery of Product at the destination.

"Product" means crude petroleum or condensate that meets the quality specifications set forth in Item 25, and which Carrier has undertaken to transport.

"Shipper" means any party who contracts with Carrier for transportation of Product pursuant to the terms and conditions of this tariff.

"U.S." means the United States of America.

25. MERCHANTABLE OIL

Shipper will not deliver any Product unless it meets the specifications listed in the chart below and unless other properties of such Product are such that it will be readily susceptible to transportation through Carrier's pipeline system. These specifications shall apply to each Barrel of Shipper's nomination and not be limited to the composite sample of the nomination.

	Crude Condensate
API Gravity, ° API	3248 to 60-44
Sulfur Content, Weight %	≤ 1.0 ≤ 0.40
Max True Vapor Pressure, psi	11.0
BS & W	≤ 1.0%
Hydrogen Sulfide Content in Product, ppm	2.0
Hydrogen Sulfide Content in Vapor Space, ppm	10.0

Carrier reserves the right to reject all nominations or any part thereof when, in Carrier's discretion, the Product does not meet the quality specifications set forth in this Item 25 or contains any other excessive metals, chemicals, salts, refinery or chemical plant process or by product materials, or has any other material which may adversely affect the refining process, as determined by Carrier.

30. STORAGE

Storage necessarily incident to transportation and only such storage will be provided by the Carrier.

40. MINIMUM SHIPMENTS

Quantities of Product will be accepted for transportation as a single shipment to destinations shown herein in amounts of not less than 25,000 Barrels. Quantities of less than 25,000 Barrels may be accepted for transportation if operating conditions permit and if such Product of like quality and characteristics of that currently being transported.

50. QUALITY AND QUANTITY OF RECEIPT AND DELIVERIES

Carrier will accept for transportation Product that can be commingled or intermixed with a grade of Product, which Carrier regularly transports between the origination and destination points of the shipment without materially reducing the value or altering the quality of any grade of Product, which Carrier regularly transports over the route of the shipment.

Carrier will accept Product for transportation only on condition that Carrier shall not be liable to Shipper or Consignee for changes in gravity or quality which may occur from commingling or inter-mixing such Product with other Product in transit; and that Carrier will not be obligated to deliver to Consignee the identical Product received from Shipper. However, Carrier will deliver to Consignee a grade of Product as nearly like the grade of Product received from Shipper as Carrier is regularly transporting as a common stream to destination points of the shipment.

Shipper agrees to participate and abide by the Quality Bank rules established by Carrier, as such rules may be modified or replaced from time to time.

Carrier will not make a delivery of less than 25,000 barrels of Product at any destination point on its trunk line except when necessitated by dispatching contingencies.

60. MEASUREMENT AND TENDER DEDUCTIONS

The volume of Product received and delivered by Carrier will be measured in Barrel units by meter or by gauge. Measured volumes at recorded or observed temperatures will be converted to volumes at sixty degrees Fahrenheit (60°F). Quantities shall be determined in accordance with the applicable A.P.I. Manual of Petroleum Measurement Standards.

The volume of impurities in Product received and delivered by Carrier will be measured by an electrical or mechanical device or by physical test and such volume will be deducted from the volume of such receipts and deliveries.

Carrier shall determine all measurements, but Shipper and Consignee or their representatives may be present to witness them.

In the event Carrier experiences shrinkage, that it can demonstrate to Shipper, during the shipments contemplated hereby, Carrier may impose a shrinkage factor on all deliveries sufficient to cover such demonstrable losses.

A deduction of two tenths (2/10) of one percent by volume will be assessed on each shipment of Product received by Carrier.

70. NOMINATIONS

Product for shipment through Carrier's pipeline system will be received only on proper notice showing the point at which the Product is to be received, point or points of delivery, Consignee (if any), and amount of Product to be transported. The notice shall be received by the Carrier on or before 5:00 p.m. Central Time on the twentieth (20th) day of the calendar month preceding the desired shipment date; provided, however, to accommodate the administration of the lottery process, if Shipper is a New Shipper (as defined in Carrier's Pipeline Proration Procedure), its nominations must be received by Carrier on or before 5:00 p.m. Central Time the eighteenth (18th) day of the calendar month preceding the desired shipment date. If the eighteenth (18th) or twentieth (20th) day of the month falls on a weekend or holiday, nominations are due on the last workday before the eighteenth (18th) or twentieth (20th) day of the month. The nomination may be e-mailed, faxed or submitted via Carrier's COBALT (or successor) system. A nomination must specify, for each shipment, the quantity, product grade, origin, destination and Shipper.

Upon receipt of nominations from Shippers, Carrier may conduct upstream and downstream verifications in accordance with the terms of the Nomination Verification Procedure set forth below. To the extent that a Shipper's nomination cannot be fully verified in accordance with such terms, as determined by Carrier in its sole discretion, the Shipper's nomination will be reduced by Carrier in accordance with the Procedure set forth below.

Nomination Verification Procedure:

Upon receipt of each month's nominations, Carrier may verify with each receipt point and delivery point a volume based on the volumes nominated to it (the "Verified Volume").

1.) Carrier may request that upstream connecting carriers or facilities verify the Shipper's nomination of volume to Carrier by the close of the first day of the nomination month. The volumes verified will be the Shipper's Verified Volume.

2.) With respect to nominations for delivery to a specific connecting carrier or other connecting party, Carrier may contact such party and request verification of each Shipper's volume nominated for delivery to its facility. Downstream connecting carriers and other connecting parties will follow their own procedure for verifying volumes to Carrier. The volumes verified will be the Shipper's Verified Volume.

80. TITLE UNENCUMBERED

The act of delivering Product to the Carrier for transporting shall constitute a warranty that the Shipper or Consignee has unencumbered title thereto or the unencumbered right to ship such Product, and that such Product was produced in accordance with concerned laws and regulations. When any Product tendered for transportation is involved in litigation, or the ownership of which may be in dispute, or which may be encumbered by lien or charge of any kind, the Carrier may require of Shippers an indemnity bond to protect it against all loss.

90. LIABILITY OF CARRIER

The Carrier shall not be liable for any loss or damage or delay caused by act of God, public enemy, quarantine, authority of law, strike, riots, fire or the act or default of Shipper or Owner, or for any other cause (a) not due to the negligence of the Carrier, whether similar or dissimilar to the causes herein enumerated or (b) not arising out of the failure of Carrier to comply in all material respects with all applicable federal, state or local governmental laws, rules and regulations; and in case of loss from any such causes set forth in (a) or (b) above, after Product has been received for transportation and before the same has been delivered to the Shipper or Consignee, the Shipper shall bear a loss in such proportion as the amount of its shipment is to all of the Product in the custody of the Carrier at the time of such loss, and the Shipper shall be entitled to have delivered only such portion of its shipment as may remain after a deduction of its due proportion of such loss but in such event the Shipper shall be required to pay charges only on the quantity of Product delivered.

100. DUTY OF CARRIER

The Carrier shall not be required to transport Product except with reasonable diligence, considering the quality of the Product, the distance of transportation and other material elements; but in the event Shipper fails to provide adequate facilities for receipt at destination or has not ascertained from the Carrier that it has facilities available for receipt at destination, Carrier shall have the right on 24 hour notices, to divert or re consign, subject to the rates, rules and regulations applicable from point of origin to actual final destination, or make whatever arrangements for disposition as are deemed appropriate to clear the Carrier's facilities, including the right of private sale for the best price reasonably obtainable. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, the Carrier shall pay itself all transportation and all other applicable lawful charges and necessary expenses of the sale and the expense of caring for and maintaining the Product until disposed of and the balance shall be held for whomsoever may be lawfully entitled thereto.

110. PAYMENT OF TRANSPORTATION AND OTHER CHARGES

Shipper shall pay the transportation and all other charges, including the administrative fee described in Item 230, accruing on Product delivered, adjusted to sixty degrees Fahrenheit (60°F). Carrier shall have a carrier's lien, as provided by Article 7, Part 3 of the Oklahoma Uniform Commercial Code, on all Product accepted for transportation to secure the payment of all charges, and may withhold said Product from delivery until all of the said charges shall have been paid.

Carrier will bill Shipper each month for transportation and other charges incurred during the previous month. If such a bill is not paid within ten (10) days after date of invoice or, if later, any other due date, Carrier shall have the right to assess a late charge at an interest rate of 1.5% per month, unless such rate is greater than the maximum rate allowed by law, in which case the maximum rate allowed by law will be used. Such late charge shall accrue from ten (10) days after date of invoice until payment is made.

Carrier may require that all payments to Carrier for services pertaining to the transportation of Product be by wire transferred in accordance with the instructions on the Carrier's invoice to Shipper.

In the event Carrier determines that the financial condition of a Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines it is necessary to obtain security from a Shipper, Carrier will provide notice to Shipper and Shipper will provide, at Shipper's option to the extent acceptable to Carrier in the exercise of Carrier's good faith judgment, one of the following prior to Carrier's delivery of Shipper's Products in Carrier's possession or prior to Carrier's acceptance of Shipper's Product: (1) prepayment of all charges by wire transfer, which shall be held by Carrier without interest accruing thereon until credited to Shipper, (2) a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier in Carrier's good faith judgment, or (3) a guaranty in an amount sufficient to ensure payment of all such charges, and in a form, and from a third party acceptable to Carrier in Carrier's good faith judgment. In the event Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to this tariff until such requirement is fully met.

In addition to all other liens, statutory or otherwise, to which Carrier is entitled and unless the following grant is expressly prohibited by the terms of one or more security agreements or credit agreements creating prior, perfected security interests in the hereinafter defined Collateral, Shipper hereby grants to Carrier a first priority, continuous and continuing security interest in all of the following, whether now or hereafter existing or acquired, as collateral for the prompt and complete payment and performance of Shipper's Obligations (as defined below): (a) All Product accepted by Carrier for transportation, terminaling, storage, or otherwise while in the possession of Carrier; (b) all other property of Shipper now in the possession of and at any time and from time to time hereafter delivered to Carrier or its agents but only while in the possession of Carrier; and (c) all of Shipper's pre-payments, deposits, balances, and credits with, and any of its claims against, Carrier, at any time existing. The property described or referred to in subsections (a) through (c) above is collectively referred to as the "Collateral." This grant secures the following (collectively the "Obligations"): (a) all antecedent, current and future transportation, storage, terminaling, special, ancillary and other lawful charges arising under or related to this tariff or the contracts entered into in connection with this tariff; (b) the repayment of any amounts that Carrier may advance or spend for the maintenance, storage or preservation of the Collateral; (c) all amounts owed under any modifications, renewals or extensions of any of the foregoing obligations; and (d) all other amounts now or in the future owed by Shipper to Carrier, whether or not of the same kind or class as the other obligations owed by Shipper to Carrier. Shipper authorizes Carrier to file such financing statements or other documents necessary to perfect and maintain the security interest herein granted.

120. CLAIMS TIME FOR FILING

Except where property is lost or damaged in transit by carelessness or negligence of the Carrier, claims for loss or damage must be made in writing to the Carrier within ninety-one (91) days after delivery of the property, or in case of a failure to make delivery, then within ninety-one (91) days after a reasonable time for delivery has elapsed. Suits for loss or damage shall be instituted only within two (2) years and one (1) day after delivery of the property, or in the case of failure to make delivery, then within two (2) years and one (1) day after a reasonable time for delivery has elapsed; provided, however, that where claims have been duly filed with the Carrier, suit must be brought within two (2) years and one (1) day after 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 for loss or damage are not filed for suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and the Carrier will not be liable.

130. PIPEAGE CONTRACT REQUIRED

Separate pipeage contracts in accord with this tariff and these regulations covering further details may be required by the Carrier before any duty of transportation shall arise.

140. DIVERSION OR RECONSIGNMENT

No diversion or reconsignment will be allowed.

150. APPORTIONMENT WHEN TENDERS ARE IN EXCESS OF FACILITIES

The initial capacity of Carrier's pipeline system is approximately fifteen thousand (15,000) Barrels per day. When there shall be tendered to the Carrier, for transportation, more Product than can be immediately transported, the transportation furnished by the Carrier shall be apportioned among Shippers as provided in Carrier's Pipeline Proration Procedure. Carrier's Pipeline Proration Procedure dated November 1, 2015 is available on Carrier's website at <http://www.magellanlp.com/WhatWeDo/LiquidPipelineTariffs.aspx> or on request.

160. APPLICATION OF RATES FROM INTERMEDIATE POINTS

Product received from a point on Carrier's lines which is not named in this tariff, but which is intermediate to a point from which rates are published, will be assessed the rate in effect from the next more distant point published in this tariff.

170. APPLICATION OF RATES TO INTERMEDIATE POINTS

Product destined to a point on Carrier's lines which is not named in this tariff, but which is intermediate to a point to which rates are published, will be assessed the rate in effect to the next more distant point published in this tariff.

180. LINE FILL AND TANK BOTTOMS INVENTORY REQUIREMENTS

Prior to delivering Barrels out of Carrier's pipeline system, each Shipper will be required to supply certain volumes of Product, as required by Carrier, necessary for pipeline and tankage fill to ensure efficient operation of Carrier's pipeline system and Carrier shall, at a minimum, revise its line fill apportionment every calendar quarter based on the volume shipped during such calendar quarter. Product provided by Shippers for this purpose shall be redelivered to Shipper promptly after Shipper's share is reduced pursuant to the preceding sentence (if applicable) and also promptly after: (1) Shipper's shipments have ceased and the Shipper has notified Carrier in writing of its intention to discontinue shipments in Carrier's system, and (2) Shipper balances have been reconciled between Shipper and Carrier pursuant to Item 210. Carrier, at its discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system, and any unpaid account receivables, before final delivery will be made. Carrier shall have a reasonable period of time, not to exceed ninety (90) days, from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal.

190. ORIGATION FACILITIES

Product will be received only from pipelines, tanks, trucks, or other facilities that are provided by Shipper, Shipper's designee or a connecting carrier. Carrier will determine and advise Shippers of the size and capacity of the facilities to be provided at the point of receipt to meet the operating conditions of Carrier's facilities at such point. Carrier will not accept Product for transportation unless such facilities have been provided.

200. DESTINATION FACILITIES & ACCEPTANCE OF DELIVERY

Carrier will deliver Product to a Shipper at Carrier's designated destination points. Shipper is responsible for arranging adequate facilities and services to receive and take the Product away at the destination points.

If a Shipper is not able to receive Product from Carrier at the time when Carrier has scheduled a delivery and if Carrier has no means of withholding delivery of such Product, then Carrier shall have the right to sell such Product to the first available purchaser at the best price reasonably obtainable; to use the proceeds thereof to pay pipeline transportation charges which shall be due as if delivery had been made; and to pay the balance of such proceeds to Shipper, unless conflicting claims for such remaining proceeds have been received by Carrier in which case Carrier shall be entitled to hold the balance of such proceeds for whomsoever may be entitled thereto.

210. SETTLEMENT OF OVER/SHORT POSITIONS

On or about the tenth (10th) day of each month (the "Balancing Date"), Carrier will calculate and notify Shipper of its volumetric position on Carrier's system as of the end of the prior month and any imbalance will be settled on the fifth (5th) business day after the Balancing Date (the "Settlement Date") as follows, if not otherwise cured by Shipper prior to the Settlement Date:

Over Position: If Shipper tendered more Barrels to Carrier than Shipper was entitled to inject into Carrier's system pursuant to its confirmed nomination allocation for such month (an "Over Position"), Shipper will pay Carrier a monthly storage fee equal to the number of Barrels in the Over Position multiplied by \$3.55 (the "Storage Fee"), beginning with the month in which the Over Position occurs (the "Initial Month") and continuing with each successive calendar month in which the Over Position is not fully reconciled by the first day of such calendar month (a "Successive Month"). Storage Fees will not be prorated if Shipper cures its Over Position after the Settlement Date, in the case of the Initial Month, or after the first day of a Successive Month. Storage Fees will be billed and paid for in accordance with the terms and conditions set forth in Item 110.

Carrier reserves the right, in order to clear its system as it deems necessary, to fully or partially reconcile a Shipper's Over Position by, on 24 hours' notice, selling for the best price reasonably obtainable at a private sale any or all Barrels in a Shipper's Over Position. Carrier may be a purchaser at such sale. Out of the proceeds of such sale, Carrier will pay itself all accrued but unpaid Storage Fees and all other applicable lawful charges and necessary expenses of the sale and the balance, if any, shall be held for whomsoever may be lawfully entitled thereto.

Short Position: If Shipper tendered fewer Barrels to Carrier than Carrier delivered on behalf of Shipper for such month (a "Short Position"), Shipper will provide to Carrier the number of Barrels representing the entire Short Position.

If Shipper fails to fully reconcile its Short Position for any month as provided herein, in addition to any other lawful remedies available to it, Carrier may on 24 hours' notice confiscate or sell, for the best price reasonably obtainable at a private sale, any or all Barrels provided to Carrier by Shipper pursuant to Item 180 as whole or partial satisfaction of such Short Position. Carrier may be a purchaser at such sale. Out of the proceeds of such sale, Carrier will pay itself all Short Position and all other applicable lawful charges and necessary expenses of the sale and the balance, if any, shall be held for whomsoever may be lawfully entitled thereto.

220. CHARGES FOR ENVIRONMENTAL RELATED MEMBERSHIPS AND FEES AND OTHER CHANGES IN LAW

To the extent Barrels transported over Carrier's facilities are the basis of a charge by any public or private agency or organization, which charge is related to compliance with federal, state or local environment laws or regulations (such as the Oil Pollution Act of 1990) or in the event Carrier is otherwise required by law to incur any additional expense in order to provide the services contemplated hereunder, Carrier shall have the right to assess Shipper for any such charge or expense on a pro-rata basis based on Shipper's actually transported Barrels, provided Carrier has first given thirty (30) days advance written notice to Shipper of its intention to make such assessment.

[C] LOCAL RATES				
Rates are for pipeline transportation only.				
[C] Item 250	FROM	TO	RATE TIER #1 Average of 0 – 3,499 barrels per day per month (Cents per Barrel)	RATE TIER #2 Average of 3,500+ barrels per day per month (Cents per Barrel)
		Pauls Valley, OK (Garvin County)	Magellan Terminals Holdings, L.P. Cushing, OK Terminal	85.00
	Various Destinations located near Cushing, Oklahoma (1)			

[C] CONTRACT RATES			
Rates are for pipeline transportation only.			
[C] Item 350	FROM	TO	CONTRACT RATE Average of 9,000 barrels per day per month (Cents per Barrel)
		Pauls Valley, OK (Garvin County)	Magellan Terminals Holdings, L.P. Cushing, OK Terminal
	Various Destinations located near Cushing, Oklahoma (1)		
CONTRACT RATE: The contract tariff rate for Product movements from Pauls Valley, OK (Garvin County) to Cushing, OK is available to all Shippers signing a three-month prior written agreement for the transportation of a minimum volume of 9,000 barrels per day per month.			

(1) ——— Includes the Blue Knight terminal, the Centurion terminal, the CVR Energy terminal, the Enbridge terminal, the Enterprise terminal, the NGL Energy Partners terminal, the Plains All-American terminal and the Rose Rock terminal.

REFERENCES:
[C] Cancel