

ALPHA CRUDE CONNECTOR, LLC

LOCAL TARIFF CONTAINING RATES FOR THE TRANSPORTATION OF CRUDE PETROLEUM

Governed, except as otherwise provided herein, by Rules and Regulations published in Alpha Crude Connector, LLC's FERC No. 2.0.0, supplements thereto and reissues thereof

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

ISSUED: October 1, 2015

EFFECTIVE: November 1, 2015

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SEGMENT 1

LIST OF POINTS FROM AND TO WHICH RATES APPLY AND RATES ON CRUDE PETROLEUM IN DOLLARS PER BARREL

RECEIPT POINTS

Each Tank Battery and/or other point of connection located in Eddy and Lea Counties, New Mexico and Culberson and Reeves Counties, Texas at which Carrier is physically able to receive crude petroleum into Segment 1 of Carrier's system, all of which are identified on the Schedule of Receipt Points posted on Carrier's website at www.frontierenergyllc.com, as such schedule may be amended from time to time.

DELIVERY POINTS ¹

Interconnect between Segment 1 of Carrier's System and Enterprise Crude Pipeline LLC's facilities in Lea County, New Mexico, Sunoco Pipeline L.P.'s facilities in Lea County, New Mexico, Holly Energy Partners Operating LLC's facilities in Eddy County, New Mexico, Western Refining Company Pipeline's facilities in Eddy County, New Mexico, HEP Pipeline, L.L.C.'s facilities in Culberson County, Texas, and Segment 2 of Carrier's System in Lea County, New Mexico and facilities of any other future third party pipelines, all of which are identified on the Schedule of Delivery Points posted on Carrier's website at www.frontierenergy llc.com, as such schedule may be amended from time to time.

**ALPHA CRUDECONNECTOR
TARIFF RATES
SEGMENT 1**

| | | | |
|----------------------------------|------------------|---------------------------------|---------------|
| COMMITTED SHIPPER ² | | | |
| | <u>“A-Level”</u> | <u>Avg BBL/d</u> ^{3,5} | <u>\$/BBL</u> |
| 10 YEAR COMMITMENT | First: | 0 – 10,000 | \$1.56 |
| ≥90,000 Acres | Next: | 10,001 – 20,000 | \$1.36 |
| | Next: | 20,001 to 30,000 | \$1.16 |
| | Above: | 30,000 | \$1.01 |
| COMMITTED SHIPPER ² | | | |
| | <u>“B-Level”</u> | <u>Avg BBL/d</u> ^{3,5} | <u>\$/BBL</u> |
| 10 YEAR COMMITMENT | First: | 0 – 10,000 | \$1.61 |
| ≥45,000 but < 90,000 Acres | Next: | 10,001 – 20,000 | \$1.41 |
| | Next: | 20,001 – 30,000 | \$1.21 |
| | Above: | 30,000 | \$1.06 |
| COMMITTED SHIPPER ² | | | |
| | <u>“C-Level”</u> | <u>Avg BBL/d</u> ^{3,5} | <u>\$/BBL</u> |
| 10 YEAR COMMITMENT | | All Volumes | \$1.71 |
| ≥6,000 but <15,000 Acres | | | |
| COMMITTED SHIPPER ² | | | |
| | <u>“D-Level”</u> | <u>Avg BBL/d</u> ^{3,5} | <u>\$/BBL</u> |
| 5 YEAR COMMITMENT | | All Volumes | \$1.40 |
| ≥10,000 BBL/Day | | | |
| UNCOMMITTED SHIPPER ⁴ | | | |
| | <u>“Walk-Up”</u> | <u>Avg BBL/d</u> ^{3,5} | <u>\$/BBL</u> |
| | | All Volumes | \$1.95 |

SEGMENT 2

**LIST OF POINTS FROM AND TO WHICH RATES APPLY
AND RATES ON CRUDE PETROLEUM IN DOLLARS PER BARREL**

RECEIPT POINTS

Interconnect between Segment 1 of Carrier's System and Segment 2 of Carrier's System, Interconnects between Segment 3 of Carrier's System and Segment 2 of Carrier's System and interconnect between the outlet of the Red Hills' Truck Unloading Facility and Segment 2 of Carrier's System, in each case located in Lea County, New Mexico, as identified on the Schedule of Receipt Points posted on Carrier's website at www.frontierenergyllc.com, as such schedule may be amended from time to time.

DELIVERY POINTS¹

Interconnect between Segment 2 of Carrier's System and Plains Pipeline, L.P.'s facilities, Kinder Morgan Wink Pipeline LLC's facilities, Western Refining Pipeline's facilities and Genesis Rail Services, LLC's facilities, all in Winkler County, Texas (Wink), and facilities of any other future third party pipelines, all of which are identified on the Schedule of Delivery Points posted on Carrier's website at www.frontierenergyllc.com, as such schedule may be amended from time to time.

**ALPHA CRUDE CONNECTOR
TARIFF RATES
SEGMENT 2**

All Shipper Levels

Rate: \$0.30/BBL

Shippers delivering crude petroleum at Segment 2 Receipt Points may elect to have such crude petroleum delivered to Segment 1 Delivery Points. In such event, the volumes of crude petroleum delivered at Segment 2 Receipt Points for delivery to Segment 1 Delivery Points shall, in lieu of the Segment 2 rate set forth above, be charged the applicable Segment 1 rates (i.e., the applicable Committed Shipper rate or the Uncommitted Shipper rate) as if such volumes were being delivered at Segment 1 Receipt Points.

**SEGMENT
3**

**LIST OF POINTS FROM AND TO WHICH RATES
APPLY
AND RATES ON CRUDE PETROLEUM IN DOLLARS PER
BARREL**

RECEIPT POINTS

Each Tank Battery and/or other point of connection located in Lea County, New Mexico and Loving and Winkler Counties, Texas at which Carrier is physically able to receive crude petroleum into Segment 3 of Carrier's system, all of which are identified on the Schedule of Receipt Points posted on Carrier's website at www.frontierenergyllc.com, as such schedule may be amended from time to time.

DELIVERY POINTS

Interconnect between Segment 3 of Carrier's System and Segment 2 of Carrier's system in Lea County, New Mexico and Winkler County, Texas and facilities of any other future third party pipelines, all of which are identified on the Schedule of Delivery Points posted on Carrier's website at www.frontierenergyllc.com, as such schedule may be amended from time to time.

**ALPHA CRUDE CONNECTOR
TARIFF RATES
SEGMENT 3**

All Shipper Levels

Rate: \$1.00/BBL

Shippers delivering crude petroleum at Segment 3 Receipt Points may elect to have such crude petroleum delivered to Segment 1 Delivery Points. In such event, the volumes of crude petroleum delivered at Segment 3 Receipt Points for delivery to Segment 1 Delivery Points shall, in lieu of the Segment 3 rates set forth above, be charged the applicable Segment 1 rates (i.e. the applicable Committed Shipper rate or the Uncommitted Shipper rate) as if such volumes were being delivered at Segment 1 Receipt Points.

MISCELLANEOUS

Pipeline Loss Allowance (PLA): (i) For each A-Level Committed Shipper and B-Level Committed Shipper, a Pipeline Loss Allowance of one-tenth of one percent (0.1%) shall apply to quantities tendered at the Segment 1 Receipt Point(s), the Segment 2 Receipt Point(s) or the Segment 3 Receipt Point(s) for Delivery to Delivery Point(s) for Segment 1 or for Segment 2. (ii) For each Committed Shipper that is not covered by subparagraph (i) above, a Pipeline Loss Allowance of one-tenth of one percent (0.1%) shall apply to quantities tendered at the Segment 2 Receipt Point(s) or the Segment 3 Receipt Point(s) for Delivery to Delivery Points for Segment 2. (iii) For each Committed Shipper, there shall be no Pipeline Loss Allowance for quantities tendered at the Segment 3 Receipt Point(s) for Delivery to Delivery Point(s) for Segment 3, (iv) For all Shippers not covered by subparagraphs (i), (ii) or (iii) above, a Pipeline Loss Allowance of two-tenths of one percent (0.2%) shall apply to quantities tendered at the Segment 1 Receipt Point(s), the Segment 2 Receipt Point(s) or the Segment 3 Receipt Point(s) for Delivery to Delivery Point(s) for Segment 1, for Segment 2 or for Segment 3.

Pump Over Fee:

A \$0.05/BBL Pump Over Fee will be charged on all Barrels received from any truck unloading station delivering crude oil directly into Carrier's tanks.

Rate Escalation:

The rates set forth in this Tariff shall be adjusted upward or downward by Carrier beginning on the first July 1st after the date that is 365 days after the date on which Carrier commences commercial service with respect to the receipt, transportation, storage, handling and delivery of Crude Petroleum on the System and each July 1st thereafter to reflect the inflation adjustments promulgated annually by the FERC pursuant to 18 C.F.R. § 342.3(d), provided, however, in no event shall the rates for service under a Dedication and Transportation Agreement (including the rates for any Sold Crude Petroleum shipped on Carrier's System) or a Throughput and Deficiency Agreement, be adjusted downward to be less than the initial rates to be charged Committed Shippers set forth in the initial filing of the Tariff. In lieu of the foregoing, Carrier may agree in writing with a Committed Shipper that the rate(s) set forth in the initial filing of the Tariff containing such rate(s) shall be escalated at a fixed rate per annum agreed in writing between Carrier and such Committed Shipper.

Notes:

1/ Subject to agreement with the entity whose facilities will interconnect with Transporter at the applicable Delivery Point(s). In the event such agreement is not entered into, such Delivery Point will be excluded from the Tariff.

2/ "Committed Shipper" means either a Dedicated Shipper or T&D Shipper, as distinguished by an Acreage Commitment (Dedicated Shipper) or BBL/Day Commitment (T&D Shipper). "Dedicated Shipper" means (i) a Shipper that has executed a Dedication and Transportation Agreement either prior to or during an Open Season conducted by Carrier seeking commitments for the transportation of Crude Petroleum on the Carrier's System, or (ii) a

Shipper that is nominating the receipt of Crude Petroleum from a Consignor that has executed (and which Crude Petroleum is dedicated under) such Consignor's Dedication and Transportation Agreement, but only as to such Crude Petroleum received from such Consignor (referred to as "Sold Crude Petroleum" - see Note 5/). A "T&D Shipper" means a Shipper that has executed a Throughput and Deficiency Agreement either prior to or during an Open Season conducted by Carrier seeking commitments for the transportation of Crude Petroleum on the Carrier's System.

3/ "Avg. BBL/d", for purposes of determining the applicable rate on the applicable Segment during the applicable Accounting Month, means:

(A) with respect to a Dedicated Shipper (or an Upstream Purchaser (as defined in Footnote 5) shipping Sold Crude Petroleum on Carrier's System, but only as to such Sold Crude Petroleum), the total number of barrels of Crude Petroleum dedicated under the Dedication and Transportation Agreement (including Sold Crude Petroleum) shipped on the System from all Receipt Points on the applicable Segment during such Accounting Month, provided, however that:

(1) in the event that volumes of Crude Petroleum (including Sold Crude Petroleum) tendered for Shipment on the System exceed the total capacity of the System after the commencement of commercial operations of the System: (i) a Dedicated Shipper's volumes of such Crude Petroleum that are dedicated to the services of Carrier under a Dedication and Transportation Agreement ("Dedicated Crude Petroleum") and which such Dedicated Shipper or its Upstream Purchaser is ready, willing and able to deliver to a Receipt Point on the applicable Segment and is ready, willing and able to receive at a Delivery Point, but which Transporter is unable to ship on the System due to such capacity constraints, curtailment or other interruption of the System, will be given a one-time credit in calculating the Avg. BBL/d for purposes of determining the applicable rate to be charged on the applicable Segment to such Dedicated Shipper and Upstream Purchaser for the shipment of Dedicated Crude Petroleum of such Dedicated Shipper.

(2) with respect to Dedicated Crude Petroleum (including Sold Crude Petroleum) of a Dedicated Shipper which is produced from the development area or dedication area, as applicable, under such Dedicated Shipper's Dedication and Transportation Agreement and which such Dedicated Shipper or its Upstream Purchaser is ready, willing and able to deliver to a Receipt Point on the applicable Segment (as listed in Exhibit A of such Dedication and Transportation Agreement as of the date of execution) and is ready, willing and able to receive at a Delivery Point, to the extent such Dedicated Crude Petroleum (including Sold Crude Petroleum) volumes are unable to be shipped on the System (i) due to any Receipt Points on the applicable Segment located in the foregoing areas (as listed in Exhibit A of such Dedication and Transportation Agreement as of the date of execution) not being connected to the System as of the date Carrier places Carrier's System into commercial

operation, and is instead produced and transported elsewhere or (ii) which Carrier is obligated to connect to Carrier's System on the applicable Segment under any such Dedication and Transportation Agreement, but which Carrier fails to connect within one hundred twenty (120) days following receipt of written notice from such Dedicated Shipper requesting such connection, and is instead produced and transported elsewhere, then such volumes of such Crude Petroleum (i.e. under either items (i) and (ii) above) will be given credit for purposes of calculating the Avg. BBL/d for purposes of determining the applicable rate to be charged on the applicable Segment to such Dedicated Shipper and Upstream Purchaser for the shipment of Dedicated Crude Petroleum (including Sold Crude Petroleum) of such Dedicated Shipper until such time as the aforementioned Receipt Points are connected to and ready to receive such Dedicated Crude Petroleum into the System.

(B) with respect to an Uncommitted Shipper, the total number of barrels of Crude Petroleum (excluding Sold Crude Petroleum) shipped on the System for such Shipper's account from all Receipt Points on the applicable Segment during such Accounting Month.

4/ "Uncommitted Shipper" means a Shipper that is not a Committed Shipper.

5/ Sold Crude Petroleum. In the event that any Dedicated Shipper ("Selling Shipper") sells to any other Shipper ("Upstream Purchaser") on the System any Dedicated Crude Petroleum, which is dedicated under a specific Dedication and Transportation Agreement of such Dedicated Shipper, at or upstream of any of the Receipt Points on a Segment and such Upstream Purchaser has such Crude Petroleum shipped on the System from such Receipt Points to one or more Delivery Point(s) (the "Sold Crude Petroleum") then:

(A) Selling Shipper, as to such Sold Crude Petroleum, shall not be in breach of such Dedication and Transportation Agreement for not delivering such Sold Crude Petroleum under such agreement;

(B) Selling Shipper shall have no obligations or liabilities under such Dedication and Transportation Agreement with respect to any such Sold Crude Petroleum, including any liabilities or payment obligations with respect to, derived from or attributable to such volumes of Sold Crude Petroleum;

(C) subject to Section 5(B) above, for the purposes of determining the applicable transportation rate charged on such Segment to any Dedicated Crude Petroleum of such Selling Shipper (which is dedicated under such Dedication and Transportation Agreement) shipped hereunder by any Selling Shipper, all volumes of such Sold Crude Petroleum sold by such Selling Shipper shall be deemed to constitute volumes shipped on such Segment by such Selling Shipper, for the purposes of determining such Selling Shipper's Average Daily Volumes of Dedicated Crude Petroleum in determining the transportation rates chargeable on such Segment;

(D) subject to Section 5(B), for the purposes of determining the applicable transportation rate charged on such Segment to any Sold Crude Petroleum of a Dedicated Shipper (which is dedicated under such Dedication and Transportation Agreement) shipped by any Upstream Purchaser on such Segment, all volumes of Dedicated Crude Petroleum (which are dedicated under such Dedication and Transportation Agreement) of such Selling Shipper shipped on such Segment by such Selling Shipper, all volumes of such Sold Crude Petroleum of such Selling Shipper shipped by such Upstream Purchaser on such Segment and all volumes of such Sold Crude Petroleum of such Selling Shipper shipped by any other Upstream Purchasers on such Segment, shall be deemed to constitute volumes shipped on such Segment by such Selling Shipper under such Dedication and Transportation Agreement of such Selling Shipper. As such, all such Sold Crude Petroleum of such Selling Shipper shipped by any Upstream Purchaser on such Segment shall be charged the same transportation rate as if such Sold Crude Petroleum, and all other such Sold Crude Petroleum of such Dedicated Shipper shipped by any other Upstream Purchaser on such Segment, had been shipped by such Selling Shipper on such Segment under such Dedication and Transportation Agreement. In no event shall any other volumes of Crude Petroleum shipped on the System other than the foregoing be used in determining the Average Daily Volumes under the Tariff in determining the applicable transportation rate charged on such Segment to any Sold Crude Petroleum of such Selling Shipper shipped by any Upstream Purchaser of Selling Shipper on such Segment; and

(E) Carrier shall provide to Shipper information regarding volumes of Crude Petroleum such that Shipper can calculate the applicable transportation rate to be charged to Upstream Purchaser's on a monthly basis.