

## ROCKY MOUNTAIN PIPELINE SYSTEM LLC

### Proration Policy – Reno to Casper

During any period of time when the aggregate volume of Crude Petroleum to be received and/or transported by Carrier exceeds the available pipeline capacity, space in Carrier's facilities shall be equitably allocated among all shippers in compliance with Carrier's obligations under Part I of the Interstate Commerce Act, as amended, and the following Proration Policy:

- (a) In order for Carrier to determine if it is necessary to allocate space in the Reno to Salt Creek line, Carrier will require shippers to nominate volumes to be shipped 6 or more days prior to the beginning of each shipping month.
- (b) When the total nominated volumes for any month exceed the capacity of Reno-Salt Creek line, the total nominated volume will be divided into the line capacity to determine the "proration ratio". Each shipper's allocation shall be determined by multiplying its nomination by the applicable proration ratio.
- (c) Carrier will notify shipper of such proration and the amount of space that will be allocated to each no later than the first working day of the shipping month.
- (d) If a shipper fails to use the space, shipper's allocated volume for each subsequent prorated scheduling month, not to exceed six months, will be reduced by up to the amount of the unused space; except that to the extent such failure is, in the sole opinion of Carrier, due to causes beyond the reasonable control of shipper, shipper will not be penalized in its allocated volume for the subsequent prorated scheduling period(s).
- (e) Allocated space of one shipper may not be assigned, conveyed or used by another during such time as this proration policy may be in effect.

All barrels tendered by shippers must be received at Rocky Mountain Pipeline System LLC's Reno Station on a prorata basis during the month. Failure of a shipper to make available said barrels at Reno Station on a prorata basis may cause inefficient use of the pipeline capacity. In such event, Rocky Mountain Pipeline System LLC may redistribute space allocation among other shippers to efficiently utilize the pipeline capacity. Any loss of space by a shipper due to such redistribution may not be carried forward to any subsequent month.