

F.E.R.C. No. 4.0.0
(Issued in lieu of F.E.R.C. No. 2.0.0 which was withdrawn)
(Cancels F.E.R.C. No. 1.7.0*)
*TexStar Crude Oil Pipeline, LP series

NuStar Crude Oil Pipeline L.P.

Rules and Regulations Governing the Interstate Transportation by Pipeline of CRUDE PETROLEUM

Rules and Regulations published herein apply only under tariffs which make specific reference by number to this tariff; such reference will include successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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

The rules and regulations are brought forward unchanged except where indicated herein from TexStar Crude Oil Pipeline, LP F.E.R.C. No. 1.7.0 in accordance with NuStar Crude Oil Pipeline L.P. Adoption Notice, F.E.R.C. No. 1.0.0 effective July 16, 2013.

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Rules and Regulations

Rule 1: Definitions

API	American Petroleum Institute.
API Gravity	Gravity determined in accordance with ASTM designation and expressed in degrees.
Assay	A laboratory analysis of Crude Petroleum to include API Gravity, Reid vapor pressure, pour point, sediment and water content, sulfur content, viscosity at 60 degrees Fahrenheit, and other characteristics as may be required by Carrier.
ASTM	American Society for Testing Materials.
Capacity	The quantity of Crude Petroleum the Pipeline Segment at issue is capable of transporting under the current operating conditions.
Carrier	[W] TexStar <u>NuStar</u> Crude Oil Pipeline, LP
Common Stream	Crude Petroleum moved through the pipeline and pipeline facilities which is commingled or intermixed with crude petroleum of like quality and characteristics as may be determined by Carrier based on Crude Petroleum assays and other pertinent analytical data.
Connecting Carrier	A connecting pipeline company as named or referred to herein.
Contract Operator	An operator of Carrier's owned or leased facilities used in rendering transportation services pursuant to this Tariff.
Consignee	The party to whom a Shipper has ordered the delivery of Crude Petroleum.
Crude Petroleum or Product	The direct liquid product of oil wells or a mixture of the direct product of oil wells and the indirect petroleum products resulting either from refining crude oil or the operation of gasoline recovery plants, gas recycling plants, or distillate recovery equipment in gas and distillate fields, or products broken out during the normal production or processing of natural gas and meeting the specifications referenced in Rule 2.
Delivery Point(s)	The outlet flange at the Destination Point of the South Texas System where the Product is delivered by Carrier into Shipper's, Shipper's designated Third Party Shipper's, or Shipper's other designee's storage, carrier, railway, pipeline or vessel. The point where the Product is delivered by Carrier into Shipper's, Shipper's designated Third Party Shipper's, or Shipper's other designee's storage, carrier, railway, pipeline or vessel at the point of interconnection between the outlet flange from the Pipeline, and the inlet flange of such storage, carrier, railway, pipeline or vessel near the

custody meter at the Corpus Terminal or any other mutually agreeable delivery point(s).

Destination Point	A point named in the tariff at which point Carrier will deliver Crude Petroleum to Shipper or its Consignee after transportation from an Origin.
FERC	Federal Energy Regulatory Commission.
Force Majeure	Shall include acts of God (and threats thereof), acts of government, acts of war, or acts of terrorists; storm, flood, earthquakes, sinkholes, extreme weather, or any threats of such events; accident, fire, freezing, or explosions; quarantine or authority of law; breakdown or accident to machinery or equipment; strikes or other industrial, civil, or public disturbances, insurrections, or rebellions; or any other cause reasonably beyond the control of the party experiencing Force Majeure, whether similar or dissimilar to the causes herein enumerated. <i>The term "Force Majeure" shall include Force Majeure events on the [C]TSCOS and NuStar systems but shall not include or excuse any of the following: (a) Shipper's or Carrier's decision to cease, or materially reduce, or change its operations in the market area served by the Pipeline; (b) Shipper's or Carrier's financial condition; (c) Shipper's or Carrier's obligation to pay money that has become due under the Agreement; (d) Shipper's inability to connect to or access Carrier's Origin Point(s) unless Shipper's failure to make such connection is the result of Carrier's acts or omissions; (e) the failure or inability of NuStar to perform services under the NuStar Agreements resulting from any reason other than Force Majeure ; or (f) either Party's failure to perform any release, indemnity, defense, hold harmless, or similar obligations in this Tariff.</i>
Force Majeure Event	An event caused by Force Majeure.
Governmental Authority	Any federal, state, or local government or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government or any other authority, agency, department, board, commission, or instrumentality of the United States, any state of the United States, or any political subdivision thereof, whether civil or military, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any governmental or non-governmental self-regulatory organization, agency, or authority.
Gravity Bank	See Rule 22.
Incentive Rate	The rate paid by an Incentive Shipper as published in Carrier's F.E.R.C. No. [W] 2.4.0 <u>5.0.0</u> or reissues thereof.
Incentive Shipper	Each Shipper participating in the Volume Incentive Program in Rule 24.

Law	Any applicable federal, state, local, municipal or other administrative order, constitution, ordinance, law, decree, directive, injunction, order, permit, requirement, statute, regulation, rule, or code issued or promulgated by a Governmental Authority.
Monthly Deficiency Payment	The amount that must be paid by Incentive Shipper if it tenders less than the Monthly Minimum Volume set forth in its T&D Agreement in any Month. The Monthly Deficiency Payment will be equal to the Incentive Shipper's Monthly Minimum Volume (less credits, if any, due hereunder), multiplied by the Incentive Rate paid by Incentive Shipper.
Monthly Minimum Volume	The product of eighty-five percent (85%) and Incentive Shipper's Monthly Volume Commitment.
Monthly Volume Commitment	The amount Incentive Shipper agrees to deliver, in the aggregate, each Month, as set forth in its T&D Agreement.
Nomination	A request by a Shipper to Carrier, to accept a stated quantity and grade of Crude Petroleum for transportation from a specified origin or origins to a specified destination or destinations in accordance with these rules and regulations.
NuStar	NuStar Logistics, L.P.
NuStar Line	The portion of the Pipeline leased by Carrier under a Pipeline Capacity Lease Agreement on the NuStar crude oil pipeline,
Origin	A point named in the tariff at which point Carrier will accept Crude Petroleum for transportation.
Origin Point or Point(s)	The input points located in Frio, LaSalle, Live Oak and McMullen Counties, Texas on the TRPS.
Pipeline	Carrier's pipeline, including owned and leased pipeline facilities.
Pipeline Segment	Section of Carrier's Pipeline, the limits of which are defined by two geographically identifiable points, that, because of the way that section of Carrier's Pipeline is designed and operated, must be treated as a unit for purposes of determining Capacity.
Reid vapor pressure	The absolute vapor pressure exerted by a liquid at 100° F (37.8°C), as determined by the test method ASTM-D-323.
Segregated Batch	A Tender of Crude Petroleum having specific identifiable characteristics which is moved through the pipeline and pipeline facilities so as to maintain its identity.

Shipper	A party who contracts with Carrier for transportation of Crude Petroleum, as defined herein and under the terms of this tariff, including a Third Party Shipper.
Sulfur Bank	See Rule 22.
Tariff	This FERC Tariff.
[C] TSCOS	[C] TexStar Crude Oil Services, LP.
Tender	A delivery by a Shipper to Carrier of a stated quantity and grade of Crude Petroleum, under a Nomination accepted by Carrier, for transportation in accordance with these rules and regulations.
T&D Agreement	A Throughput and Deficiency Agreement executed by an Incentive Shipper.
Third Party Shipper	A Person, other than Shipper and/or its affiliate(s), designated by Shipper to transport Crude Petroleum under this Tariff and a T&D Agreement.
TRPS	The portion of the Pipeline located upstream of the NuStar Line and known as the Three River Pipeline System or "TRPS."
Working Day	Monday, Tuesday, Wednesday, Thursday, or Friday of a calendar week, except when a Federal holiday falls on such day of the week.

Rule 2: Acceptance of Crude Petroleum

- (A) Carrier will reject Crude Petroleum containing more than two percent (2%) of basic sediment, water, and other impurities, except that:
 - (1) If required by operating conditions, Carrier will reject Crude Petroleum containing less than one percent (1%) of basic sediment, water and other impurities.
 - (2) Sediment and water limitations of a Connecting Carrier will be imposed upon Carrier (and thus, upon Shippers) when such limits are more restrictive than that of the Carrier, in which case the limitations of the downstream Connecting Carrier will be applied, and Carrier shall file to amend this Tariff.
- (B) No Crude Petroleum will be accepted for transportation which has a sulfur content that exceeds 0.5% by weight.
- (C) Carrier shall not accept any Crude Petroleum which contain organic chlorides.
- (D) Carrier will reject any and all of the following shipments:

- (1) Crude Petroleum having Reid vapor pressure in excess of 10 pounds above a temperature of 100 degrees Fahrenheit.
 - (2) Crude Petroleum where the Shipper or Consignee has failed to comply with all applicable laws, rules, and regulations made by any governmental authority regulating shipments of Crude Petroleum.
- (E) Carrier may waive the requirements set forth in Sections (A)-(D) of this Rule 2 on a non-discriminatory basis. If Carrier agrees in writing to accept Crude Petroleum that does not meet the applicable quality specifications in this Rule 2, then, as to such Crude Petroleum (but only as to the specifications waived), Shipper shall be deemed to be in compliance with this Rule 2 but only until such time as Carrier may withdraw any such agreement or waiver. Carrier will actively monitor deliveries of all Shippers' product into its pipeline, and it will work with all shippers to bring off-specification product into specifications. If such cooperative effort between any such shipper and Carrier does not result in on-specification deliveries within a mutually-agreed, reasonable period of time, Carrier will have the right to reject such shipper's continuing off-specification deliveries.

Rule 3: Additives

Crude Petroleum shall be free of any additives and inhibitors, including drag reducing agents, unless expressly approved by Carrier on a non-discriminatory basis.

Rule 4: Storage

Carrier owns no facilities for storage and will provide only minimal working tankage for storage that is incidental and necessary to the transportation of Crude Petroleum. Non-incidental storage is a separate service which Shipper must obtain from another person.

Rule 5: Receipt Facilities Required

Where Crude Petroleum to be shipped requires transportation in a Segregated Batch, Shipper or Consignee shall be responsible for providing tankage for the volume of Segregated Batch.

Rule 6: Destination Facilities Required

Carrier will refuse to accept Crude Petroleum for transportation unless documentary evidence is furnished that the Shipper or Consignee has provided the necessary facilities for the prompt receiving of Crude Petroleum. If the Shipper or Consignee is unable or refuses to receive said Crude Petroleum as it arrives at Destination, Carrier reserves the right to make arrangement for disposition of the Crude Petroleum as it deems appropriate (including sale of same, pursuant to the procedures set forth in Rule 17(D)), in order to clear the Carrier's pipeline. Any additional expenses incurred by Carrier in making such arrangements shall be borne by the Shipper or Consignee.

Rule 7: Rejection of Crude Petroleum Subject to Dispute, Liens, or Charges; Warranty of Title

Carrier will reject any Crude Petroleum which, when nominated for transportation, 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 unless the Shipper provides documentary evidence of the Shipper's

unencumbered title or satisfactory indemnity bond to protect Carrier. By nominating Crude Petroleum, the Shipper warrants and guarantees that it owns or controls, has the right to deliver or have delivered for its account, such Crude Petroleum, and agrees to defend, indemnify, and hold Carrier harmless for any and all loss, cost, liability, damage, and/or expense resulting from failure of ownership or control thereto, provided that acceptance for transportation by Carrier shall not be deemed: (a) a representation by Carrier as to ownership or control or (b) a waiver of Carrier's rights hereunder.

Rule 8: Gauging; Measurement

Crude Petroleum tendered to Carrier for transportation shall be measured by tank gauges and computations made from 100% of the full capacity of the tanks, or by mutually accepted custody transfer facilities. Shipper and Consignee shall have the privilege of being present or represented during measuring and testing of shipments by Carrier. Measurement by the Carrier is final, regardless of whether Shipper or Consignee is present.

Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit.

Carrier will adjust any overage or shortage of Crude Petroleum with Shippers to allow for inherent losses or gains, including but not limited to shrinkage, evaporation, interface mixture, product measurements, and other physical losses not due to negligence of Carrier. The adjustments for losses or gains will be allocated by grade by month, among the Shippers in the proportion that the total number of barrels of a given grade delivered out of the system, by grade, for each Shipper, bears to the total number of barrels of that grade delivered out of the system for all Shippers.

Rule 9: Evidence of Receipts and Deliveries

Crude Petroleum received from Shipper and Crude Petroleum delivered to Consignee shall, in each instance, be evidenced by tickets or Carrier's statements containing data essential to the determination of quantity.

Rule 10: Duty of Carrier

- (A) Carrier shall not be required to transport Crude Petroleum except with reasonable diligence, considering the quality of the Crude Petroleum, the distance of transportation, and other material elements, and will not accept Crude Petroleum to be transported in time for any particular market. Carrier will not be required to deliver the identical Crude Petroleum received.
- (B) Carrier will use reasonable care to transport Crude Petroleum it receives to the Destination, with a minimum of contamination and mixing, and will attempt to maintain the identity of each shipment.
- (C) Rule 10(B) does not apply to pipeline systems that are designated as "Common Stream".
- (D) Carrier may suspend transportation services on the Pipeline in order to comply with applicable Laws of any Governmental Authority, to perform maintenance, testing, inspections, or repairs, or to prevent injuries to persons, damage to property, or harm to

the environment, without incurring any obligation for any Liabilities (except for a proportionate decrease in the Monthly Deficiency Payment, if applicable, as provided in Rule 24(D)). Carrier will provide Shipper with advance notice of any routine or scheduled maintenance on the Pipeline: (i) for that portion of the Pipeline operated by Carrier, at least forty-five (45) days' notice; or, for that portion of the Pipeline operated by Contract Operator, Carrier shall provide such notice within five (5) Business Days, after it is notified by the Contract Operator.

Rule 11: Application of Rates from and to Intermediate Points

For Crude Petroleum accepted for transportation from any point on Carrier's lines not named in this Tariff, which is intermediate to a point for which rates are published in Carrier's F.E.R.C. No. 2.1.0 or reissues thereof, Carrier will apply the rates published in such tariff for the next more distant point specified in the tariff. For Crude Petroleum accepted for transportation to any point not named in the tariff which is intermediate to a point for which rates are published in Carrier's F.E.R.C. No. 2.1.0 or reissues thereof, the rate published therein for the next more distant point specified in the tariff will apply, and Carrier shall make a filing to add any such point to the tariff, if and as required by Section 341.10(a)(2) of the FERC's regulations.

Rule 12: Line Fill and Tank Bottom Inventory Requirements

Carrier will require each Shipper to supply a pro rata share of Crude Petroleum necessary for pipeline and tankage fill to ensure efficient operation of the pipeline system prior to delivery. Crude Petroleum provided by a Shipper for this purpose may be withdrawn only after: (1) shipments have ceased and the Shipper has notified Carrier in writing to discontinue shipments in Carrier's system; and (2) the Shipper's balances have been reconciled between all Shippers and Carrier. Carrier, at its reasonable discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system, and any unpaid accounts receivable, before final delivery will be made. Unless Shipper has not made any required payment, or unless otherwise prevented by force majeure or actions of the Shipper, Carrier shall have a reasonable period of time, not to exceed 90 days, from the receipt of the Shipper's written notice to Carrier, to complete administrative and operational requirements incidental to Shipper's withdrawal.

If Shipper's inventory balance drops below its pro rata portion of the volume of Crude Petroleum necessary for the efficient operation of Carrier's pipeline system (including working tankage), Carrier will require Shipper to provide the necessary volume to meet its pro rata portion of such volume of Crude Petroleum.

Rule 13: Prorating of Pipeline Capacity

When a quantity of Crude Petroleum is nominated by Shippers to Carrier which exceeds the Capacity of any Pipeline Segment from an Origin to a Destination, Crude Petroleum nominated by each Shipper for transportation from that Origin to that Destination will be transported in such quantities and at such times to the limit of Carrier's Capacity in a manner determined in accordance with the following rules. Except as provided in Rule 24, Carrier will not prorate capacity to Incentive Shippers:

(A) Definitions

- (1) "New Shipper" means a Shipper that, with respect to the volumes in question, is not an Incentive Shipper, as defined in Rule 1, and that has not delivered Crude

Petroleum to any Destination, on the Pipeline Segment to be prorated, within the Base Period.

- (2) "Regular Shipper" means a Shipper that, with respect to the volumes in question, is neither an Incentive Shipper nor a New Shipper.
- (3) "Current Nomination Basis" means that the portion of Capacity available (pursuant to Section B(2) of this Rule) to New Shippers will be allocated among all New Shippers in proportion to the volumes of Crude Petroleum nominated by each New Shipper for the month in which volumes are to be prorated.
- (4) "Base Period" is the 12-calendar-month period just preceding the Calculation Month.
- (5) "Base Shipment" for each Regular Shipper is the total deliveries of Crude Petroleum to all Destinations on the Pipeline Segment to be prorated for a Regular Shipper during the Base Period.
- (6) "Base Shipment Percentage" for each Regular Shipper shall be a percentage equal to such Regular Shipper's Base Shipment divided by all Regular Shippers' Base Shipments.
- (7) "Calculation Month" is the calendar month immediately preceding the month for which Capacity is being prorated.

(B) Prorating of Capacity

- (1) When Capacity will be Prorated. Subject to Rule 24, Carrier will allocate Capacity among all Shippers for any month for which the Carrier determines, in its reasonable discretion, that the aggregate volume of Crude Petroleum that all Shippers have nominated to all Destinations in a Pipeline Segment exceeds Capacity. Prorating will be applied separately to each Pipeline Segment where a need for prorating shall arise.
- (2) Availability and Allocation of Capacity to New Shippers. Up to ten percent (10%) of Capacity shall be made available to New Shippers and will be prorated among them on a Current Nomination Basis.
- (3) Availability of Capacity to Regular Shippers. After the allocation of the portion of Capacity to New Shippers that is required by Section (B)(2) of this Rule, the remaining portion of Capacity for that month, after application of Rule 24, shall be available to Regular Shippers who have nominated volumes for that month.
- (4) Allocation to each Regular Shipper. Such remaining portion of Capacity shall be allocated among Regular Shippers in proportion to their respective Base Shipment Percentages. In the event that the volume of Crude Petroleum that would be allocated to a Shipper on the basis of its Base Shipment Percentage is greater than the volume it nominates, the difference between its volume calculated on the basis of its Base Shipment Percentage and its volume nominated will be reallocated among all other Regular Shippers in proportion to their respective Base Shipment Percentages. Any remaining prorated allocation of Capacity, available after this reallocation among all Regular Shippers in proportion to their Base Shipment Percentages, shall be made available to New Shippers (if and to the extent New Shippers' volumes were prorated) and will be prorated among them on a Current Nomination Basis.

- (5) Allocation of Capacity to New Shippers and Regular Shippers during Force Majeure Event. During a Force Majeure Event, Rules 13(B)(2), 13(B)(3), and 13(B)(4) will be replaced with this Rule 13(B)(5). After application of Rule 24, any remaining Available Capacity (as defined in Rule 24) shall be made available to both New Shippers and Regular Shippers, and shall be allocated based upon the percentage that each such Shipper's most recent nominated monthly volume (preceding the Event) bears to the total of the most recent nominated monthly volumes for all New Shippers and Regular Shippers.
- (6) Basis of Allocation; Notification. When prorating is in effect, Capacity shall be allocated among eligible Shippers on a monthly basis. If prorating is expected to extend to the next calendar month, Carrier shall use reasonable efforts to notify each Shipper entitled to an allocation of a portion of Capacity of the amount of its allocation no later than the 25th day of the month proceeding the month for which the allocation is made.
- (7) Good Faith Nominations. Carrier will accept only good faith Nominations from Shippers, and Carrier shall use whatever reasonable means necessary to determine whether Nominations are made in good faith. Good Faith means the non-contingent ability and willingness of Shipper to deliver to Carrier at the Origins specified in the Nomination all of the Barrels to be tendered during the month for which the Nomination is made.
- (8) Failure to Use Allocated Portion of Capacity. Notwithstanding the foregoing provisions of this Rule, if a New Shipper making a Good Faith Nomination fails to deliver, at the Origins specified by it in its Nomination, Crude Petroleum sufficient to fill the portion of Capacity allocated to it and such failure has not been caused by Force Majeure, as substantiated in a manner satisfactory to the Carrier, Carrier will reduce such Shipper's allocation for the next prorating period (after the end of the month during which such failure occurred) for which such Shipper nominates Crude Petroleum, by the allocated portion of Capacity not utilized. In addition, if a New or Regular Shipper Tenders a volume greater than or equal to ninety-five percent (95%) of its binding Nomination, then such Shipper will be invoiced based on its delivered volumes. If a New or Regular Shipper Tenders less than ninety-five percent (95%) of its binding Nomination, then such Shipper shall be invoiced for its delivered volumes that month, plus the product of the applicable tariff and volume equal to the difference between the actual volume Tendered and a volume equal to ninety-five percent (95%) of such Shipper's binding Nomination or such Shipper's prorated binding Nomination, as adjusted by further prorating or operational factors.
- (9) Transfer of Base Shipment Percentage or Allocated Portion of Capacity; Use of Affiliates. Subject to Rule 24, neither a Shipper's Base Shipment Percentage nor volumes allocated to it during a period when prorating is in effect shall be assigned, conveyed, loaned, transferred to, or used in any manner by, another Shipper, and any such attempt to make such an assignment shall be void. However, a Shipper's Base Shipment Percentage or its allocation may be transferred as an incident of the bona fide assignment of a transportation service agreement or a material portion of the assets of a Shipper relating to a transportation service agreement or to a successor to the Shipper's business by the operation of law, such as an executor or

trustee in bankruptcy. A Shipper may not use an affiliated or cooperating entity to increase its Base Shipment Percentage or its allocated portion of Capacity.

- (10) Enhancement of Allocation. In no event will an allocation to a Shipper be used in such a manner that will enhance the allocation of another Shipper beyond the allocation that such Shipper would be entitled to under this policy. Carrier may require written assurances from a responsible officer of Shipper regarding its use of its allocated portion of Capacity stating that Shipper has not violated this policy. Notwithstanding the foregoing provisions of this Rule, in the event any Shipper shall, by any device, scheme, or arrangement whatsoever, attempt to transfer all or any part of its allocated portion of Capacity to any other Shipper in violation of this policy, or in the event any Shipper shall attempt to receive and use such portion of Capacity, the portion of Capacity allocated to such Shipper will be reduced, in the next month that is subject to prorating after the date that the violation is discovered, by a volume equal to such attempted transfer.

Rule 14: Nominations; Minimum Quantity

Crude Petroleum will be transported by Carrier only under a Nomination accepted by Carrier. Any Shipper desiring to tender Crude Petroleum for transportation shall make such Nomination to Carrier in writing on or before 4:15 PM central standard time, the last Working Day prior to the 20th day of the month preceding the month during which the transportation under the Nomination is to begin; except that, if space is available for current movement and at the reasonable discretion of Carrier, a Shipper may submit a Nomination after such 4:15 PM central standard time deadline.

Nominations for the transportation of Crude Petroleum for which Carrier has facilities will be accepted under the Tariff in quantities of not less than the following:

Type of Nomination:	Minimum Aggregate Nomination:
Common Stream	500 barrels per day

from one Shipper to one Consignee, and Destination as operations permit, and provided such Crude Petroleum is of similar quality and characteristics as is being transported from Origin to Destination points.

Segregated batches may be accepted from time to time if operationally feasible.

Before Carrier will accept a Nomination from a new Shipper, such Shipper must: (i) comply with Rule 17(A); (ii) demonstrate to Carrier the adequacy of such Shipper's arrangements and facilities as referenced in Rule 5 and Rule 6; and (iii) provide any other information reasonably requested by Carrier.

Rule 15: Application of Rates

Crude Petroleum accepted for transportation shall be subject to the rates in effect on the date of the Tender.

Rule 16: Legality of Shipments

Carrier will reject Crude Petroleum where the Shipper or Consignee has failed to comply with all applicable laws, rules, and regulations made by any governmental authority regulating shipments of Crude Petroleum, unless this Rule is waived by Carrier on a non-discriminatory basis.

Rule 17: Payment of Carrier Charges; Adequate Assurance

- (A) Prior to becoming a Shipper, a prospective Shipper must submit to Carrier sufficient financial information to establish creditworthiness. The types of information Carrier may request from a prospective Shipper include but are not limited to: most recent year-end financials, 10Q or 10K reports, other filings with regulatory agencies, and bank references. If a Party (Insecure Party) has reasonable grounds for insecurity regarding the ability of the other Party (Other Party) to provide indemnities or perform other obligations (including minimum insurance requirements) hereunder, or the Other Party's creditworthiness is or becomes unsatisfactory to the Insecure Party, or if the Other Party is Shipper and Shipper's title to any Product is disputed, the Insecure Party may require the Other Party to provide adequate assurance of performance. As adequate assurance, the Insecure Party may require the Other Party to provide: (a) an irrevocable stand-by letter of credit from a bank reasonably acceptable to the Insecure Party, with terms reasonably acceptable to the Insecure Party, and in an amount reasonably acceptable to the Insecure Party; (b) a parent guaranty with terms reasonably acceptable to the Insecure Party; or (c) prepayment at least ten (10) calendar days prior to the first day of each Month of an amount of money reasonably calculated by the Insecure Party to cover all charges or liabilities under this Tariff likely to be incurred by the Other Party during such month. If the Insecure Party requires the Other Party to provide adequate assurance, the Insecure Party will provide the Other Party with notice. If the Other Party fails to provide the required adequate assurance within five (5) Business Days of its receipt of such notice from the Insecure Party, the Insecure Party may, without liability, immediately cease tendering or receiving deliveries from the Other Party, as applicable, provided, however, that if the Carrier and Shipper are parties to a T&D Agreement, if the Other Party is the Incentive Shipper as defined in Rule 24 Carrier may, pursuant to the procedures set forth in the T&D Agreement, terminate the T&D Agreement with such Shipper upon notice to Shipper and may declare the Monthly Deficiency Payment as defined in Rule 24 due for all remaining Months in the initial term or extended term in which Shipper fails to provide the required adequate assurance, and if the Other Party is Carrier, the Incentive Shipper shall have a claim against Carrier for its actual damages as a result of such termination.
- (B) Shipper shall pay all transportation and other fees and lawful charges accruing on Crude Petroleum delivered to and accepted by Carrier for shipment as measured at the Origin points by the due date stated in Carrier's invoice.
- (C) For Incentive Shippers as defined in Rule 1, at the beginning of each Month during the Term, Carrier shall invoice Shipper either: (a) at the applicable rate for the volume transported by Shipper for the previous Month, as measured at the Origin Point(s), or (b) the Monthly Deficiency Payment, if greater. Within ten (10) days after the receipt (or

posting) of an invoice by Carrier for the amounts due under the T&D Agreement, Shipper shall pay such invoiced amount absent any clear errors; provided, however, in the event Shipper disputes any portion of any invoice, Shipper shall promptly notify Carrier in writing of the disputed portion and pay the undisputed portion according to the terms of this Section. After receipt of such notice, the parties shall promptly work together to resolve the dispute. The provisions of the T&D Agreement shall apply to any disputed invoices. Payment shall be made by electronic funds transfer or by wire of immediately available funds to the bank and bank account set forth on each invoice. For any invoice submitted hereunder, Carrier shall promptly provide any supporting documentation reasonably requested by Shipper. Invoices shall be subject to audit, as provided in the T&D Agreement, excepting those based on the Monthly Deficiency Payment.

- (D) All undisputed amounts owed to Carrier, which are not timely paid to Carrier, shall bear interest from the date due until paid. Such interest will be assessed at a rate equal to: (a) one and one-half percent (1.5%) per month, or (b) the highest rate permitted by Law, whichever is less, for any invoice not paid pursuant to the terms of this Agreement. If any amount is disputed, interest will accrue from the date due until the date paid but will only be due after the dispute is resolved and based on the amount found or agreed to be due. If Shipper disputes any portion of an invoice, Shipper shall promptly notify Carrier in writing (no later than 30 days from the date of the invoice) and give reasons, with reasonable detail, for the disputed matters. Carrier and Shipper shall then endeavor to resolve the disputed amount in accordance with the provisions of the T&D Agreement, if applicable. Any payment due resulting from such Dispute Resolution shall be due within five (5) Business Days following the receipt by Shipper of an amended invoice relating to such resolution. If the Shipper has not entered into a T&D Agreement, Carrier and Shipper shall each have the right to pursue claims against the other in a court of competent jurisdiction.
- (E) Carrier shall have the right to withhold an amount of Crude Petroleum belonging to Shipper from delivery that would be sufficient to cover all unpaid charges due to Carrier from Shipper until all such unpaid charges have been paid. Furthermore, Carrier shall retain a perfected possessory lien under the Texas Bus. & Comm. Code, Title 1, Chapter 9 (section 9.101, *et seq.*), as applicable, on an amount of a Shipper's Crude Petroleum in Carrier's possession sufficient to secure payment of any and all amounts owed by such Shipper to Carrier. Carrier reserves the right to set-off any such charges against any monies owed to Shipper by Carrier on any Crude Petroleum of Shipper in Carrier's custody. If said charges remain unpaid five (5) days after the due date therefor, Carrier shall have the right, through an agent, to sell such Crude Petroleum at public auction, on any day not a legal holiday, in not less than forty-eight (48) hours after publication of notice of such sale in a daily newspaper of general circulation published in the town or city where the sale is to be held, stating the time, place of sale, and the quantity and location of Crude Petroleum to be sold. At said sale, Carrier shall have the right to bid, and if the highest bidder, to become the purchaser. From the proceeds of said sale, Carrier will pay itself the transportation and all other lawful charges, including expenses incident to said sale, and the balance remaining, if any, shall be paid to Shipper.

Rule 18: Liability of Carrier; Limitation of Liability; Limitation of Damages; and Indemnity

- (A) Carrier shall not be liable for: (i) any action allowed under Rule 10(D), (ii) any delay in delivery of Crude Petroleum, or (iii) for any contamination, damage, discoloration, deterioration, degradation, change in density or quality, or other loss (Loss) of Crude Petroleum caused by a Force Majeure Event. Any Loss caused by a Force Majeure Event shall be apportioned by Carrier to each Shipper of Crude Petroleum in the proportion to Shipper's total volume transported in the calendar month in which such loss occurs. Shipper shall be entitled to receive only that portion of its Crude Petroleum remaining after deducting such Shipper's proportion of such loss, as above determined. Carrier shall prepare and submit a statement to each Shipper showing the apportionment of any such Loss of Crude Petroleum.
- (B) Carrier shall be responsible for any loss, damage, contamination, or degradation of Shipper's Product resulting from Carrier's negligence, willful misconduct, strict liability, or breach of this Tariff, or (as to the NuStar Line) the negligence, willful misconduct, strict liability, or breach by NuStar of the NuStar Agreements; provided, however, Carrier's liability shall be for actual damages only and will not exceed: (i) the resulting loss in value (market value of the Product less the market salvage value of the degraded product) for any contamination, damage, degradation, or loss of product, all on the day of such contamination, damage, degradation, or loss, to the extent resulting from Carrier's or NuStar's negligence, willful misconduct, strict liability, or breach; and (ii) a credit equal to the applicable Incentive Rate, multiplied by the amount of the Product not delivered by Carrier.
- (C) Carrier shall be liable to Shipper for actual damages (and only actual damages) to Shipper resulting from a material breach of the terms and conditions of this Tariff or any representations and warranties contained herein; provided, however, that, in the case of a material breach by Carrier, Shipper's damages may include, by way of illustration and not limitation, the market value of any Product delivered to Carrier and not redelivered by Carrier at the Delivery Point(s) and the difference between the costs Shipper would have incurred under this Tariff for the transportation of Shipper's Product and the costs actually incurred by Shipper under alternative transportation arrangements entered into by Shipper for the transportation of Shipper's Product.
- (D) As between Carrier and Shipper, Carrier shall be deemed to be in possession and control of the Product after the Product enters an Origin Point and until the Product is delivered at a Delivery Point and Shipper shall be deemed to be in possession and control of the Product before the Product enters an Origin Point and after the Product is delivered at a Delivery Point.
- (E) Except as to liabilities assumed by Shipper in Rule 19, Carrier shall defend, indemnify, and hold Shipper, its affiliates, and its and their shareholders, officers, directors, employees, agents, partners, and members (Shipper Indemnified Parties) harmless from and against any and all claims, damages, fees, causes of action, liabilities and costs (including, without limitation, reasonable attorneys' fees and costs of investigation and defense) but limited to actual, direct damages only arising from or related to Carrier's possession and control of the Product including, without limitation, if it is alleged or proven that one or more Shipper

Indemnified Parties caused the damages at issue through their sole, own, or concurrent negligence, strict liability, or other legal fault. Provided, however, that Carrier shall have no duty to defend or indemnify a Shipper Indemnified Party that is grossly negligent or that engages in willful misconduct. Provided, further however, that Carrier shall have no duty to defend or indemnify a Shipper Indemnified Party to the extent the claim at issue is caused by the Shipper delivering Product which failed to comply with Rule 2 of this Tariff.

- (F) Notwithstanding anything to the contrary contained in this Tariff, and excepting damages resulting from Carrier's gross negligence or willful misconduct, Carrier will not be liable to Shipper pursuant to any indemnity or any other provision hereof for, and Shipper hereby waives, any and all consequential damages (including, without limitation, lost profits, lost business opportunities, loss of use, or other business interruption damages), indirect, incidental, punitive, exemplary, or special damages arising out of or in connection with this Tariff, regardless of how caused and regardless of the theory of recovery (other than gross negligence or willful misconduct of Carrier), including, without limitation, the negligence (whether simple, sole, joint, concurrent, comparative, contributory, active, passive, or otherwise), strict liability, statutory liability, or other fault of, or the breach of this Tariff by, Carrier.
- (G) The indemnities and other provisions expressed in this Rule 18 shall survive the expiration or termination of this Tariff and/or any agreement subject hereto. The parties hereby waive and relinquish all rights and remedies inconsistent with Rules 18 and 19.
- (H) Any claims made by Shipper under Rules 18(B) and 18(C) for the contamination, damage, degradation, or loss of Product must be made by notice to Carrier within twenty-five (25) calendar days of the date that Shipper knew or should have known of the contamination, damage, degradation, or loss, and Shipper irrevocably waives any claim for which the required notice is not provided within the required time.

Rule 19: Liability of Shipper; Limitation of Liability; Limitation of Damages; and Indemnity.

- (A) If Shipper fails to make arrangements for the removal of its Crude Petroleum from Carrier's facilities upon delivery and a disruption of Carrier's operations or the operation of downstream facilities results, Shipper shall be liable for any actual damages incurred by Carrier as a result of such disruption.
- (B) Shipper shall pay or cause to be paid any and all taxes, duties, charges, levies, and other assessments made or imposed by any governmental or regulatory authority having jurisdiction with respect to the Crude Petroleum to be transported by Carrier for such Shipper's account, and shall indemnify and save harmless Carrier from any such taxes, duties, charges, levies, and assessments so made or imposed.
- (C) Shipper shall be liable to Carrier for all actual damages (and only actual damages) to the Pipeline resulting from Shipper's delivery of crude petroleum which fails to comply with Rule 2 of this Tariff.

- (D) Shipper shall be liable to Carrier for actual damages (and only actual damages) to Carrier resulting from a material breach of the terms and conditions of this Tariff or any representations and warranties contained herein.
- (E) Except as to liabilities expressly assumed by Carrier in Rule 18, Shipper shall defend, indemnify, and hold Carrier, its affiliates, and its and their shareholders, officers, directors, employees, agents, partners, and members (Carrier Indemnified Parties) harmless from and against any and all claims, damages, fees, causes of action, liabilities, and costs (including, without limitation, reasonable attorneys' fees and costs of investigation and defense) but limited to actual, direct damages only arising from or related to Shipper's possession and control of the Product, as defined in Rule 18(D), including, without limitation, if it is alleged or proven that one or more Carrier Indemnified Parties caused the damages at issue through their sole, own, or concurrent negligence, strict liability, or other legal fault. Provided, however, that Shipper shall have no duty to defend or indemnify a Carrier Indemnified Party that is grossly negligent or that engages in willful misconduct.
- (F) Notwithstanding anything to the contrary contained in this Tariff, and excepting damages resulting from Shipper's gross negligence or willful misconduct, Shipper will not be liable to Carrier pursuant to any indemnity or any other provision hereof for, and Carrier hereby waives, any and all consequential damages (including, without limitation, lost profits, lost business opportunities, loss of use, or other business interruption damages), indirect, incidental, punitive, exemplary, or special damages arising out of or in connection with this Tariff, regardless of how caused and regardless of the theory of recovery (other than gross negligence or willful misconduct of Carrier), including, without limitation, the negligence (whether simple, sole, joint, concurrent, comparative, contributory, active, passive, or otherwise), strict liability, statutory liability, or other fault of, or the breach of this Tariff by, Shipper.
- (G) The indemnities and other provisions expressed in this Rule 19 shall survive the expiration or termination of this Tariff and/or any agreement subject hereto. The parties hereby waive and relinquish all rights and remedies inconsistent with Rules 18 and 19.

Rule 20: Scheduling of Delivery

When Shippers request delivery from the pipeline at a Destination of a volume of Crude Petroleum greater than can be immediately delivered, Carrier shall schedule delivery. Carrier shall not be liable for any delay in delivery of any such volume resulting from such scheduling of delivery.

Rule 21: Pipage or Other Contracts

Separate pipage and other contracts, in accordance with this Tariff and these regulations covering further details, may be required by Carrier before any duty for transportation shall arise.

Rule 22: Gravity Banks and Sulfur Banks

Carrier has established gravity and sulfur banks to calculate, collect, and remit monetary adjustments among all Shippers tendering within the common streams from changes in gravity and sulfur which result from common stream operations. Each Shipper on this system will be required as a condition of nominating Crude Petroleum, to participate in Carrier's Gravity and Sulfur Banks. Each Shipper agrees to pay the Carrier the computed gravity and sulfur adjustments due from such Shipper in accordance with these rules and regulations. An explanation of the gravity and sulfur Banks is provided in [W] ~~TexStar's~~ NuStar's Gravity and Sulfur Banks Handbook, dated [W] ~~June 27, 2012~~ July 16, 2013, a copy of which is available upon request to the person listed on the title page as being responsible for compiling and issuing this Tariff.

Rule 23: Establishment of Grades

Carrier will from time to time determine which grades or grade blends of Crude Petroleum it will regularly transport as a Common Stream between particular Origins and Destinations on its pipelines.

Common stream segregated grades which Carrier shall use are:

Grade	Minimum API Gravity	Maximum API Gravity
Heavy Crude Oil		Less than or equal to 45 API
Light Crude Oil	Greater than 45 API	Less than or equal to 55 API
Condensate	Greater than 55 API	

Rule 24: Volume Commitment Incentive Program

The rates applicable to this Rule 24 are listed in Carrier's F.E.R.C. No. 2.1.0 and reissues thereof, and are subject to the following conditions:

- (A) Term. All Shippers who execute a T&D Agreement with Carrier containing a term of five (5) years and a daily volume of 2,500 barrels per day or more, on or prior to July 31, 2012, shall be entitled to the rights and benefits of Carrier's Volume Commitment Incentive Program set forth in this Rule 24.
- (B) Payments. During the initial term of five (5) years and, if applicable, the extended term of five (5) years of the T&D Agreement, Incentive Shipper shall pay Carrier the applicable Incentive Rate times the volume of Crude Petroleum actually tendered by Incentive Shipper at an Origin point during a Month up to the Monthly Volume Commitment. In the event Shipper tenders less than the Monthly Minimum Volume in any Month, Shipper shall pay a Monthly Deficiency Payment. Shipper will be due a credit against the payment(s) due under the T&D Agreement in the event Rule 24(D) applies.
- (C) Excess Volumes. During the initial term and, if applicable, the extended term of the T&D Agreement, transportation service as to all volumes of Crude Petroleum tendered in excess of the Monthly Volume Commitment shall be charged the Base Transportation Rate.

- (D) Excused Payment. If Carrier cannot provide the throughput services through the Pipeline, for any reason in any month, for more than two (2) calendar days, Shipper's obligation to pay the Monthly Deficiency Payment, if applicable, will be reduced proportionately to the extent that Carrier is unable to provide the services beyond such two-day period and is unable to deliver the lesser of: (a) the Monthly Volume Commitment or (b) the volume scheduled for such month by Shipper.
- (E) No Prorating of Capacity for Oversubscription. A Nomination of Crude Petroleum to Carrier by an Incentive Shipper that does not exceed the Shipper's Monthly Volume Commitment shall not be subject to prorating pursuant to Carrier's Prorating policy except when a Force Majeure Event triggers the application of Section (F) below.
- (F) Effect of Force Majeure. If Carrier is unable to transport all Shipper's daily volumes, due to a Force Majeure Event, each Incentive Shipper shall be allocated that portion of total capacity of the Pipeline Segment that remains available or usable to transport Crude Petroleum during the continuation of the Force Majeure event (Available Capacity), equal to the lower of: (a) each Incentive Shipper's nominated volume or (b) each Incentive Shipper's Monthly Volume Commitment for such Pipeline Segment; provided, however, if the Available Capacity is insufficient to cover such allocated volumes, then each Incentive Shipper will be allocated a percentage of the Available Capacity equal to:
[Shipper's Monthly Volume Commitment (for such Pipeline Segment)] ÷ [the aggregate of the Monthly Volume Commitments for all Incentive Shippers (for such Pipeline Segment)]

In the event all Incentive Shippers' nominations are able to be scheduled, the remaining Available Capacity, if any, shall be allocated in accordance with Carrier's prorating policy, as stated in Rule 13.

- (G) Purpose and Revisions. The Volume Commitment Incentive Program is an incentive program to encourage volume commitments necessary in order for the Pipeline to be built. Carrier may, in its discretion, add Origin Points or Destination Points to the Volume Commitment Incentive Program.
- (H) Assignment. Neither Party may assign the T&D Agreement, or any of its rights or obligations thereunder or under the Volume Commitment Incentive Program, without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned, or delayed. However, Shipper may, from time to time, by written document provided to Carrier, designate an agent to act on its behalf, with regard to making nominations or scheduling Product for delivery under the T&D Agreement. Additionally, Shipper may assign all or part of its rights thereunder, without the prior written consent of the Carrier, to: (i) a designated Third Party Shipper as provided in the T&D Agreement, or (ii) Shipper's co-working interest owner(s) but without relieving Shipper of its obligations thereunder. It is further provided that any assignment by either Party without the prior written consent of the other Party (if consent is required) shall not relieve the assignor of its liability under the terms of the T&D Agreement and this Tariff for any breaches

thereof and hereof by its assignee. Any assignment that is made contrary to these provisions shall be *void ab initio*.

- (I) Shipper History. An Incentive Shipper shall be entitled to include volumes shipped under the Volume Commitment Incentive Program, as well as any volumes shipped that exceed such shipper's Volume Commitment (Shipper History) in establishing Regular Shipper eligibility and Base Period Percentages during any Month following the expiration of a qualified T&D Agreement. Shipper, as the primary obligor pursuant to the Volume Commitment Incentive Program, shall be credited with all Shipper History on the Pipeline attributable to the Crude Petroleum, whether shipped by Shipper or a designated Third Party Shipper. In the event that Shipper assigns the rights and obligations under the Volume Commitment Incentive Program, or a material portion of the assets of Shipper relating to this Program, to another person (and consent from Carrier is obtained, if required), Shipper may assign its Shipper History on the Pipeline to such person (Assignee Shipper). Carrier shall be given notice of such assignment in writing by the Shipper. To the extent the Carrier itself is deemed to be creating Shipper History with NuStar for Product transported on the NuStar Line on behalf of Shipper, Carrier shall credit and transfer such Shipper History to Shipper at the request of Shipper. For any purpose under this tariff for which Shipper History is relevant, the assigned Shipper History shall apply to the Assignee Shipper as though it had been earned by the Assignee Shipper itself.

Explanation of Reference Marks

- [C] Cancel
[W] Change in wording only

F.E.R.C. No. 5.0.0
(Issued in lieu of F.E.R.C. No. 3.0.0 which was withdrawn)
(Cancels F.E.R.C. No. 2.6.0 *)
*TexStar Crude Oil Pipeline, LP series

NuStar Crude Oil Pipeline L.P.

Containing the Rates Applicable to the
Interstate Transportation by Pipeline of

CRUDE PETROLEUM

Rates herein are governed by Rules and Regulations provided in NuStar Crude Oil Pipeline L.P.'s F.E.R.C. No. 4.0.0 and reissues thereof.

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

The rates are brought forward unchanged from TexStar Crude Oil Pipeline, LP F.E.R.C. No. 2.6.0 in accordance with NuStar Crude Oil Pipeline L.P. Adoption Notice, F.E.R.C. No. 1.0.0 effective July 16, 2013.

Filed in compliance with 18 CFR 341.6(c) (Complete Adoption)

ISSUED: July 17, 2013

EFFECTIVE: August 17, 2013

Issued by:

Danny Oliver
Senior Vice President
NuStar Crude Oil Pipeline L.P.
19003 IH-10 West
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Compiled by:

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Phone: 210-918-4577

Rates in Dollars per Barrel

BASE TRANSPORTATION FEE

FROM:	TO:	RATE:
Frio County, Hwy.85, Texas McMullen County, Hwy. 97, Texas McMullen County, Hwy. 16, Texas La Salle County, Gardendale, Texas Live Oak County, Three Rivers, Texas	Nueces County, NuStar's Corpus Christi North Beach Terminal, Texas	[U] 1.78

The Base Transportation Fee shown above is subject to adjustment each July 1 in accordance with the mechanism set forth in FERC regulation 18 C.F.R. § 342.3, or any successor thereto. The first adjustment will occur in 2013. Interest will be due on payments not made when due, as provided in Rule 17 of the Rules and Regulations Tariff.

Participation in the Gravity Banks and the Sulfur Banks is a requirement of transportation.

VOLUME COMMITMENT INCENTIVE PROGRAM RATES FOR VOLUMES DELIVERED

FROM:	TO:	VOLUMES (IN BARRELS PER DAY)	RATE:
Frio County, Hwy.85, Texas McMullen County, Hwy. 97, Texas McMullen County, Hwy. 16, Texas La Salle County, Gardendale, Texas Live Oak County, Three Rivers, Texas	Nueces County, NuStar's Corpus Christi North Beach Terminal, Texas	2,500 up to 4,999 5,000 up to 9,999 10,000 or more	[U] 2.14 [U] 2.04 [U] 1.83

The Volume Commitment Incentive Program Rates shown above are subject to adjustment each July 1 in accordance with the mechanism set forth in FERC regulation 18 C.F.R. § 342.3, or any successor thereto; provided, however, that if the indexing policy would decrease the then current rate, it shall not apply and said rate shall not be decreased. The first increase will occur in 2013. Interest will be due on payments not made when due, as provided in Rule 17 of the Rules and Regulations Tariff.

Participation in the Gravity Banks and the Sulfur Banks is a requirement of transportation.

Explanation of Reference Marks

[U] Unchanged rate