

CALIBER NORTH DAKOTA LLC

LOCAL TARIFF

Containing

**RATES, RULES, AND REGULATIONS
GOVERNING THE INTERSTATE TRANSPORTATION
OF**

NATURAL GAS LIQUIDS

(as defined herein)

BY PIPELINE

From and To Points Named Herein

This tariff is filed under authority of 18 C.F.R. § 342.2(b).

The rates in this tariff are expressed in cents per Barrel and are subject to change as provided by law, and to the Rules and Regulations published herein, supplements hereto and revisions hereof.

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

ISSUED: October 30, 2014

EFFECTIVE: December 1, 2014

ISSUED AND COMPILED BY:

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TABLE OF CONTENTS

Subject	Item No.	Page
Definitions	5	3
Product Specifications	10	4
Linefill	15	5
Nominations, Funding, and Scheduling	20	5
Mixtures	25	6
Storage, Origin, and Destination Facilities	30	6
Title	35	6
Measurement	40	6
Failure to Take Delivery at Delivery Point(s)	45	6-7
Payment of Carrier Charges	50	7
Claims, Suits, and Time for Filing	55	8
Proration of Pipeline Capacity	60	8-9
Liability of Carrier	65	9-10
Gains or Losses	70	10
Other Charges	75	10
Additional Contracts	80	10
Rates Applicable to Transportation of Product	85	11

PART I. GENERAL RULES AND REGULATIONS

ITEM NO. 5 - DEFINITIONS

“Barrel” means forty-two (42) United States Gallons measured at a temperature of at sixty degrees Fahrenheit (60°F).

“Carrier” means Caliber North Dakota LLC.

“Day” means the twenty-four (24) hours between 7:00 a.m. prevailing Central Time and 7:00 a.m. prevailing Central Time the following day.

“Delivery Point(s)” means the Pipeline delivery point(s) listed in this Tariff and tariffs making reference hereto and incorporating this Tariff by reference.

“Force Majeure” means any event or occurrence beyond the reasonable control of Carrier that prevents in whole or in part the performance by Carrier of any obligation or condition under this Tariff (and/or any tariffs making reference hereto and incorporating this Tariff by reference therein), including but not limited to strikes, lockouts, or other industrial disturbances, wars, sabotage, terrorism, blockades, insurrections, or acts of the public enemy; epidemics, landslides, lightning, earthquakes, tornadoes, loss of utilities, fires, explosions, storms, floods, washouts, or other acts of God; arrests or restraints of governments and people; riots or civil disturbances, failures, disruptions, breakdowns, or accidents to machinery, facilities, or lines of pipe (whether owned, leased or rented); freezing of lines; embargoes, priorities, expropriation, or condemnation by government or governmental authorities; interference by civil or military authorities; compliance with any orders, directives, rules or regulations issued by governmental authority.

“Gallon” means a U.S. gallon of 231 cubic inches at sixty degrees Fahrenheit (60°F) and equilibrium vapor pressure.

“Linefill” means the quantity of Product needed to occupy the physical space in the pipeline.

“Month” means a period of time commencing at the start of the first Day of a calendar month and ending at the start of the first Day of the next calendar month.

“Nomination” means a written designation by a Shipper to the Carrier of a stated quantity of Product for transportation from a specified Receipt Point(s) to a specified Delivery Point(s) over a period of one operating Month in accordance with this Tariff.

“Receipt Point(s)” means the Pipeline receipt point(s) listed in this Tariff and in tariffs making reference hereto and incorporating this Tariff by reference therein.

“Party” means Carrier or Shipper when referred to individually or “Parties” when referred to collectively.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, or limited liability company.

“Pipeline” shall mean the Caliber North Dakota LLC pipeline, originating at the Hay Butte Gas Plant in McKenzie County, North Dakota and terminating at an interconnect with the ONEOK Rockies Midstream LLC Williston Basin NGL System in McKenzie County, North Dakota.

“Product(s)” means the mixture of liquid hydrocarbons and non-hydrocarbon components that are condensed, adsorbed and/or absorbed from or separated out of natural gas conforming to Carrier’s specifications, as set forth in Item No. 10 of this Tariff.

“Shipper” means any party who gives notice to ship Product under the terms and conditions of this Tariff and in accordance with applicable law.

“Tariff” means this tariff.

ITEM NO. 10 - PRODUCT SPECIFICATIONS

- (a) Carrier is engaged in the transportation of Product as herein defined and will not accept any other commodity for transportation under this Tariff. Carrier will transport Product as defined herein with reasonable diligence, considering the quality of such Product, the distance of transportation and other material elements.
- (b) Product will be accepted for transportation only if it meets the quality and specifications provided in Carrier’s Product Specifications dated October 30, 2014 (available upon request from Skip Vest (720-684-4388)).

Carrier reserves the right to refuse to accept any Product that (i) does not conform to its quality and specifications, (ii) is not merchantable, (iii) is not readily acceptable for transportation through Carrier’s Pipeline and/or (iv) would otherwise adversely affect Carrier’s Pipeline or another Product. As a prerequisite to transportation on the Pipeline, Shipper’s Product must also conform to the quality specifications of any receiving pipeline at the Nominated Delivery Point(s).

- (c) Carrier may request a certificate from Shipper stating the specification of each shipment of Product. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and in the event of a difference between the certificate and Carrier’s test, Carrier’s test shall prevail.
- (d) For Product received by Carrier that does not meet Product specifications or the requirements of the first paragraph of this Item No. 10, Carrier reserves the right to charge Shipper the greater of (i) the actual costs and expenses incurred by Carrier to treat or otherwise dispose of all contaminated Product, including Product of other Shippers contaminated by such Shipper’s failure to meet the Specifications and settle any claims from other shippers or third parties, and (ii) a one-hundred (100) cents per Barrel treating and handling charge.

ITEM NO. 15 - LINEFILL

Each Shipper will supply a pro rata share of Product for Linefill as Carrier determines is necessary to maintain efficient operations of Carrier's Pipeline. Each Month Carrier shall adjust the Linefill so that each Shipper shall provide its pro-rata amount of Linefill based upon a ratio of the total shipments by the Shipper to the total shipments over the respective Pipeline for the preceding Month. Subject to the provisions of Item No. 55 (Payment of Carrier Charges), Product furnished to Carrier pursuant to this Item No. 15 shall be returned to Shipper and charged applicable Tariff rates in Item No. 85 (Rates Applicable to Transportation of Product) after such Shipper has provided written notice to Carrier of Shipper's intent to cease shipping and after a reasonable period of time to allow for administrative and operational requirements associated with the withdrawal of such Product.

ITEM NO. 20 – NOMINATIONS, MINIMUM TENDER AND SCHEDULING

- (a) Any Shipper desiring to tender Product for transportation hereunder shall submit on or before the twentieth (20th) day of the Month preceding the Month of shipment a written Nomination to Carrier, on a form acceptable to Carrier, specifying the Receipt Point(s), Delivery Point(s), and quantity of Product to be shipped except that, if space is available for current movement, a Shipper may nominate Product for transportation after the twentieth (20th) day of the Month preceding the Month during which the transportation under the nomination is to begin. Unless a Shipper makes a timely Nomination, Carrier shall be under no obligation to accept Product from such Shipper for transportation.
- (b) Product will be accepted for transportation only where there has been tendered by the Shipper(s) a quantity of Product of no less than five hundred (500) Barrels in the applicable Month, provided, however, Carrier may for its convenience, transport same by intermittent pumping, and Carrier may in its discretion choose to accept a smaller quantity from time to time if system operations permit. Where delivery must be made by Carrier directly into a connecting pipeline, minimum shipments shall be of a volume equal to or in excess of the minimum shipment requirements of the receiving pipeline and such Product shall be of the same specification as that currently being pumped by such receiving pipeline.
- (c) Carrier will transport and deliver Product with reasonable diligence considering the quantity and quality of the Product, distance of transportation, safety of operations, and other material factors but will accept no Product to be transported at a particular time for any particular market. Carrier shall not be liable for any delay in shipments resulting from such scheduling.
- (d) Carrier will transport and deliver Product with reasonable diligence and dispatch considering the quantity and quality of the Product, the distance of transportation, safety of operations, and other material factors, but will accept no Product to be transported in time for any particular market.

ITEM NO. 25 – MIXTURES

Product will be accepted for transportation only on condition that it shall be subject to such changes in characteristics while in transit that may result from the mixture with other Product, and Carrier shall be under no obligation to make delivery of the identical Product, but may make delivery out of common stock. Carrier reserves the right to make such deliveries out of common stock Product meeting the specifications in Item No. 10. Shippers will be required to accept delivery of such common stream Product, the characteristics of which may have changed due to mixing with other Product.

ITEM NO. 30 - STORAGE, ORIGIN AND DESTINATION FACILITIES

- (a) Carrier does not furnish storage facilities or services at the Receipt Point(s) or the Delivery Point(s).
- (b) Product will be accepted for transportation only when the Shipper has provided the necessary equipment and facilities, including storage facilities, satisfactory to Carrier for delivering such tenders to Carrier at the Receipt Point(s) at a pumping rate equal to the current rate of pumping and for receiving same without delay upon arrival at the Delivery Point(s). Satisfactory evidence may be required by Carrier showing that necessary facilities are available for delivering shipments at Receipt Point(s) and receiving shipments at Delivery Point(s) before any obligation to furnish transportation shall arise.

ITEM NO. 35 – TITLE

Product will be accepted for transportation only when free from all liens and charges. When any Product tendered for transportation is involved in litigation, or when the ownership thereof may be in dispute, Carrier will require of Shipper an indemnity bond to protect against all loss.

ITEM NO. 40 - MEASUREMENT

All Product transported by Carrier will be measured at the time of receipt and delivery by Carrier in accordance with applicable Carrier and industry accepted practices and procedures. All measurements and tests shall be performed by Carrier, but Shipper or its representatives may be present to witness. All measurements and tests performed by Carrier shall be determinative unless they are contested by Shipper within ninety (90) days of such action.

ITEM NO. 45 - FAILURE TO TAKE DELIVERY AT DELIVERY POINT(S)

If Shipper fails to remove Product from Carrier's Pipeline at the Nominated Delivery Point(s), threatens or prevents succeeding shipments into or out of Carrier's Pipeline or otherwise by Shipper's actions or inactions causes congestion on Carrier's Pipeline, Carrier shall have the right, but without obligation or liability to the Shipper, to make arrangements for the Product as Carrier deems appropriate. Shipper shall pay all charges, costs, and damages associated with the disposition of Product to Carrier the same as if Shipper had authorized such. In addition to any remedy available to Carrier, including remedies under this Item No. 45, Carrier may assess a daily

demurrage charge in the event Shipper fails to remove Product from Carrier's pipeline and that failure prevents or threatens the movement of succeeding shipments. The daily demurrage charge will be calculated by multiplying the Tariff rate in Item No. 85 (Rates Applicable to Transportation of Product) based upon the Nominated Receipt Point(s) and Delivery Point(s), times the Pipeline system Linefill.

ITEM NO. 50 - PAYMENT OF CARRIER CHARGES

- (a) Carrier shall assess transportation and all other lawful charges accruing on Product accepted for transportation at the rate in effect at the date Product is received for transportation at the specified Receipt Point(s). Carrier will invoice Shipper for transportation charges and all other lawful charges accruing on Product accepted in accordance with Carrier's then current payment policies and procedures at the rates published herein.
- (b) Carrier may invoice Shipper monthly for all transportation charges and other charges due based upon the number of Barrels accepted for transportation by Shipper from or on behalf of Carrier, less any adjustments made by Carrier pursuant to Item No. 70 of this Tariff. Shipper shall pay the full amount due under the invoice within ten (10) days from receipt of the invoice, even if such due date is prior to delivery at the Delivery Point(s). In the event Shipper fails to pay any such charges when due, in addition to any other remedies available to Carrier under this Tariff or under applicable law, Carrier shall not be obligated to provide Shipper access to the Pipeline or provide services pursuant to this Tariff until such time as payment is received by Carrier.
- (c) If any transportation or other charges are not paid by the due date stated on the invoice, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full at the rate equal to one hundred twenty-five percent (125%) of the prime rate of interest charged by Citibank N.A., New York, New York, as of the due date, or the maximum finance charge rate allowed by law, whichever is less. Carrier reserves the right to set-off any charges due Carrier by Shipper against any monies owed to Shipper by Carrier or any Product of Shipper in Carrier's custody.
- (d) Carrier shall have a lien on all Product to cover all charges accruing under the Tariff until such charges are paid. Carrier, at its option, may require Shipper to pay all such charges and fees in advance or to provide an irrevocable letter of credit satisfactory to Carrier. Products not released due to failure to pay or not taken by Shipper at the time of scheduled delivery are subject to sale. Such sale will be at a private sale for the best price obtainable. Carrier may pay itself all lawful charges, including incidental expenses associated with the sale. Should the sales proceeds be insufficient to pay all lawful charges including incidental expenses, Shipper shall remain liable to Carrier for the unpaid balance. Should the same proceeds exceed all lawful charges including incidental expenses due Carrier, Carrier will remit to Shipper the balance of the excess.

ITEM NO. 55 - CLAIMS, SUITS AND TIME FOR FILING

As a condition precedent to recovery, claims against Carrier must be filed in writing with Carrier within nine (9) Months after delivery of the Product, or in the case of a failure to make delivery, then within nine (9) Months after a reasonable time for delivery has elapsed. Suit shall be instituted against Carrier only within two (2) years and one (1) day that notice is given in writing by Carrier to the claimant that Carrier has disallowed the claim or nay part or parts thereof specified in the notice. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier shall not be liable and such claims will not be paid.

ITEM NO. 60 – PRORATION OF PIPELINE CAPACITY

(a) The following definitions apply to this Item No. 60:

“Base Period” means the twelve (12) Month period beginning thirteen (13) Months prior to the Proration Month and excluding the Month preceding the Proration Month. If Carrier has been in operation less than twelve (12) Months, then the Base Period shall be number of Months during which the Carrier has been in operation, excluding the Month preceding the Proration Month.

“Regular Shipper” means a Shipper that has shipped Product during the entirety of the Base Period.

“New Shipper” means a Shipper that does not qualify as a Regular Shipper.

“Proration Month” means the Month for which capacity on the Pipeline is subject to prorating pursuant to this Item No. 60

“Total Shipments” means the sum of the volumes a Regular Shipper or New Shipper, as applicable, has shipped on the Pipeline during each Month of the Base Period.

“Total Throughput” – The “Total Throughput” equals the sum of the Total Shipments of all Regular Shippers and New Shippers during the Base Period.

(b) When Carrier receives more Nominations in a month for transportation of Product than Carrier is able to transport on the Pipeline, Carrier shall apportion the Pipeline capacity in the following manner:

- (1) Regular Shippers: The percentage of capacity to be allocated to each Regular Shipper will be calculated by dividing the sum of the Total Shipments of each Regular Shipper by the Total Throughput. The resulting percentages will then be applied to the Pipeline capacity to determine the capacity allocation for each Regular Shipper. Each Regular Shipper will receive the lesser of its Nomination or its allocation resulting from the above calculation. In the event that the above calculation results in any Shipper being allocated more capacity than its Nomination, the excess of the calculated allocation over the Shipper’s Nomination will be reallocated per capita among all other New Shippers and Regular Shippers whose Nominations would not be fulfilled through the allocations calculated in subparts (b)(1) and (b)(2) of this Item No. 60. Carrier will repeat this reallocation process

until all of the capacity has been allocated. Allocations for Regular Shippers will be subject to pro rata reduction on the basis of the percentages calculated in this subpart (b)(1), if required, to accommodate New Shippers.

- (2) New Shippers: Up to two and one-half percent (2.5%) of Pipeline capacity will be allocated to each New Shipper, subject to a cap of ten percent (10%) of capacity for all New Shippers. During periods of prorationing, New Shippers will be allocated capacity as follows:

If less than four (4) New Shippers have submitted Nominations, each New Shipper will be allocated the lesser of either two and one-half percent (2.5%) of capacity or its Nomination. In the event that four (4) or more New Shippers have submitted Nominations, the Nominations for each New Shipper shall be totaled and divided into ten percent (10%) of the Pipeline capacity. The resulting percentage shall be the initial New Shipper's Proration Factor. Each New Shipper will be allocated capacity equal to the lesser of:

- (i) 2.5% of available capacity, or
- (ii) its Nomination, or
- (iii) its Nomination multiplied by the initial New Shipper Proration Factor.

Any remaining Pipeline capacity, subject to the maximum cap of ten percent (10%) of all available capacity, as outlined above, will be allocated equally among the New Shippers whose Nominations were not fulfilled under the allocations calculated in this subpart (b)(2).

ITEM NO. 65 - LIABILITY OF CARRIER

- (a) Carrier shall not be liable to Shipper for any loss of Product or damage thereto caused by Force Majeure or act of default of Shipper or Consignee, or from any cause not due to the gross negligence of the Carrier. Any such loss or damage to Product in Carrier's custody shall be apportioned to each shipment in the same proportion that such shipment, or portion thereof, received and undelivered at the time such loss or damage occurs bears to the total of all shipments, or portion thereof, then in the custody of Carrier for transportation. Each Consignee shall be entitled to receive only that portion of its shipment remaining after deducting its proportion, as so determined, of such loss or damage. Carrier shall not be liable for discoloration, contamination, or deterioration of Product transported unless such discoloration, contamination, or deterioration of Product transported results from the gross negligence of Carrier.
- (b) The Carrier operates under this tariff solely as a common carrier and not as an owner, manufacturer, or seller of the Product transported or stored hereunder, and Carrier expressly disclaims any liability for any expressed or implied warranty for Product transported or stored hereunder including any warranties of merchantability or fitness for intended use.

AS A CONDITION TO CARRIER'S ACCEPTANCE OF PRODUCT UNDER THIS TARIFF, EACH SHIPPER AGREES TO PROTECT AND INDEMNIFY CARRIER AGAINST ANY INDEMNIFIABLE CLAIM ASSERTED BY ANYONE RESULTING FROM OR ARISING OUT OF (1) ANY BREACH OF OR FAILURE TO ADHERE TO ANY PROVISION OF THIS TARIFF BY SHIPPER, CONSIGNEE, THEIR AGENTS, EMPLOYEES OR REPRESENTATIVES; (2) THE NEGLIGENT ACT(S) OR FAILURE(S) TO ACT OF SHIPPER, CONSIGNEE, THEIR AGENTS, EMPLOYEES OR REPRESENTATIVES IN CONNECTION WITH DELIVERY OR RECEIPT OF PRODUCT; AND/OR (3) ANY OFF-SPEC PRODUCT DELIVERED BY OR ON BEHALF OF SHIPPER TO CARRIER, INCLUDING, WITHOUT LIMITATION, THOSE ARISING FROM CONTAMINATION OF OTHER SHIPPERS' PRODUCT. THIS INDEMNITY OBLIGATION SHALL EXTEND TO ANY INDEMNIFIABLE CLAIM EVEN THOUGH SUCH CLAIM ARISES AS A RESULT OF THE NEGLIGENCE OF THE PARTY INTENDED TO BE INDEMNIFIED BY THE APPLICABLE INDEMNITY PROVISION, EXCEPT THAT THIS INDEMNITY SHALL NOT EXTEND TO ANY PORTION OF AN INDEMNIFIABLE CLAIM THAT ARISES AS A RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY INTENDED TO BE INDEMNIFIED BY THIS INDEMNITY PROVISION.

ITEM NO. 70 – GAINS OR LOSSES

In addition to Item No. 65 (Liability of Carrier), Shippers are responsible for pipeline gains and losses (including component imbalances), calculated as the difference between measured receipts and measured deliveries. Gains or losses will be apportioned according to each shipper's proportionate share of measured deliveries.

ITEM NO. 75 – OTHER CHARGES

In addition to the transportation charges and all other charges accruing on Product accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Carrier in connection with such Product pursuant to any federal, state, or local act or regulation which levies a tax, fee, or other charge on the receipt, delivery, transfer, or transportation of such Product within its jurisdiction. Such charge shall, without limitation, apply to any tax, fee, or other charge levied against Carrier for the purpose of creating a fund for the prevention, containment, clean up, and/or removal of spills and/or the reimbursement of persons sustaining a loss therefrom or any program where Carrier is acting as a collecting agent.

ITEM NO. 80 - ADDITIONAL CONTRACTS

Separate agreements in accord with this Tariff, and applicable regulations covering further details, may be required by Carrier before any duty for transportation shall arise.

PART II. TRANSPORTATION RATES

ITEM NO. 85 – RATES APPLICABLE TO TRANSPORTATION OF PRODUCT

(in cents per Barrel)

Receipt Point(s)	Delivery Point(s)	RATE
Hay Butte Gas Plant McKenzie County, ND	Interconnect to ONEOK Rockies Midstream LLC Williston Basin NGL System, McKenzie County, ND	126 ¹

¹ Subject to increase each July, in accordance with the mechanism set forth in FERC regulation 18 C.F.R. § 342.3 or any successor thereto.