

## **ALLOCATION OF TRANSPORTATION ON SEMINOLE PIPELINE**

**Effective September 25, 1992**

When there is offered to Carrier Product quantities greater than can be transported from Gaines, Texas to Clemens, Stratton Ridge, and Mont Belvieu, Texas on Seminole Pipeline, Carrier shall allocate transportation capacity.

Allocation of capacity will be based on the Shipper's Historical Volume. The Historical Volume is the Shipper's product movement during the first twelve (12) calendar months following a date thirteen (13) calendar months prior to the first day of the calendar month during which capacity will be allocated.

Allocation will be given as a daily volume and will be calculated for the calendar month. Unused allocation will be used to reduce backlog volumes.

Allocation will not be transferred. With agreement of the shippers concerned, Historical Volumes will be transferred under the following conditions:

- No commercial transaction occurs between the participating shippers with regard to Historical Volumes.
- The transfer is irrevocable.
- The request to transfer must be the result of an unusual situation as may be reasonably determined by the Carrier.

Shippers that desire to ship, but have less than five hundred (500) barrels per day of capacity are designated "New Shippers". New Shippers will receive five hundred (500) barrels per day of capacity until the total barrels received by the New Shippers exceeds ten percent (10%) of the total capacity at which time all New Shippers will receive an equal portion of the 10% of the total capacity.