**JUPITER PIPELINE**

**OPEN SEASON TERMS**

**A. Purpose of Open Season**

Through this open season (“Open Season”), Jupiter Pipeline, LLC (“Carrier”) provides prospective shippers with the opportunity to secure certain benefits in exchange for making long-term minimum volume commitments to the Jupiter Pipeline, thereby becoming “Committed Shippers” with volume- and term-based committed shipper rates and a fixed historic shipment ratio for the purposes of allocation of capacity in the event of prorationing during the term of their transportation service agreements (“TSAs”).

These Open Season Terms (the “Open Season Terms”) are supplemental to, and should be read in conjunction with, the Notice of Open Season dated November 30, 2018 and updated February 28, 2019, as amended from time to time (the “Notice of Open Season”) and the form of TSA. In the event of a conflict between these Open Season Terms and the terms of a TSA, the TSA shall control.

**B. Description of the Jupiter Pipeline**

Carrier is developing a new greenfield crude oil pipeline from an origin(s) in the Permian Basin to the destination of the Port of Brownsville, Texas, where crude oil will be able to access a deep water port and a fully capable VLCC loading facility (the “Jupiter Pipeline”).

The Jupiter Pipeline is initially expected to provide transportation of up to approximately 1,000,000 barrels per day (“bpd”) of crude petroleum, with service on the initial capacity expected to commence in the fourth quarter of 2020. The Jupiter Pipeline will initially provide service to the Port of Brownsville from Crane, Texas and Gardendale / Three Rivers, Texas, providing additional connectivity to sources and markets for crude oil within and outside Texas.

Carrier reserves the right, in Carrier’s sole discretion, to expand the capacity offered in this Open Season above that described above in the event of oversubscription in the Open Season, and prospective shippers shall be bound by their elected commitment levels in the event of such expansion of capacity.

**C.** **Summary of Certain Commercial Terms** **of TSA**

The following summarizes some of the key commercial terms of the TSA:

1. Tariff Rates. Subject to applicable law, Committed Shippers, during the term of their commitments, will be eligible for tariff rates which are at a discount to the uncommitted tariff rate. The initial committed tariff rates are set out in Schedule B to the TSA. Committed tariff rates apply to Committed Shippers’ volumes up to 125% of each Committed Shipper’s volume commitment (with nominations and actual volumes accepted for transportation subject at all times to the Proration Policy).

2. Prorationing. Subject to applicable law, during the term of the TSA the Prorationing Policy for the Jupiter Pipeline shall provide that Committed Shippers shall be deemed regular shippers with historic shipment ratios based on the greater of their total committed volumes or actual shipments of crude petroleum during a defined period. Up to 90% of the available capacity of the Jupiter Pipeline will be allocated to Committed Shippers and other shippers who have established history in accordance with the Proration Policy (Schedule D to the TSA), with at least 10% reserved for uncommitted shippers without the requisite history of shipping.

4. Deficiency Payments. Deficiency payments will be payable if a Committed Shipper does not ship its volume commitment in any month. Deficiency payments can be applied as prepaid transportation credits, as provided in the TSA. Subject to exceptions set forth in the TSA, Committed Shippers will receive a credit against their volume commitment to the extent they do not transport their full volume commitment for certain causes beyond the control of the Committed Shipper, whether due to force majeure events or prorationing.

5. Alternate Hauls. To the extent Carrier offers service from origin points or destination points on the Jupiter Pipeline other than the points for which a Committed Shipper has made a volume commitment, and to the extent permitted by applicable legal requirements, such Committed Shipper shall be eligible to ship to or from those other points, provided that the Committed Shipper’s tariff rate for its committed path will apply to such movements up to its volume commitment to the extent that such rate is higher than the rate that would otherwise apply to the movement, and such volumes shipped shall count towards a Committed Shipper’s volume commitment.

6. Term. Potential Committed Shippers will be permitted to select a term of five, seven, or ten years commencing on the full service date of the Jupiter Pipeline.

The foregoing is neither a complete summary of the terms of the TSA nor a complete summary of the provisions described, so interested potential shippers should read the TSA and its schedules in their entirety. If there is a discrepancy between the summaries contained in these Open Season Terms and the TSA, the TSA shall control.

**D. Open Season Procedures.**

1. Open Season Documents.

The open season documents (the “Open Season Documents”) are:

(a) Notice of Open Season

(b) Open Season Terms

(c) Transportation Services Agreement, attaching a pro forma Rules and Regulations Tariff, and a pro forma Proration Policy (“TSA”)

Delivery of the Open Season Documents to potential shippers does not constitute an offer by Carrier to proceed with the Jupiter Pipeline or to provide transportation services, but enables potential shippers to review, complete, execute and return copies of the TSA to Carrier so as to be eligible to receive transportation service as Committed Shippers if the Jupiter Pipeline proceeds and Carrier executes the TSAs of such shippers.

Changes to the Open Season Documents will be notified directly to potential shippers who have timely signed and delivered Confidentiality Agreements pursuant to the Notice of Open Season. Extensions of the Open Season or the date for the execution and return of the TSA by Carrier may also be posted to https://www.jupitermlp.com/open-season.

2. Execution of TSA by Potential Shippers.

**A potential shipper that desires to become a Committed Shipper must complete, execute and deliver (i) two copies of the TSA, (ii) reasonable evidence of such potential shipper’s ability to receive its minimum volume commitment at the selected destination point(s), and (iii) such documentation as shall be necessary to satisfy the credit requirements of Section 11 of the TSA to Carrier by 5:00 p.m. CDT on or before May 31, 2019 (the “Deadline”), by courier or hand delivery, to the following person and address:**

**Albert Johnson**

**President**

[**albertjohnson@jupitermlp.com**](mailto:albertjohnson@jupitermlp.com)

**700 Louisiana St. Suite 2410**

**Houston, Texas 77002**

Email delivery which is confirmed received prior to such time must be followed by original copies sent by courier or hand delivery within two (2) business days. A TSA that has been altered or amended in any way by a potential shipper, other than by the insertion of the potential shipper’s name, place of organization, incorporation or formation, address and contact information, term of service, and minimum volume commitment(s) in Schedule A to the TSA may not be executed by Carrier and in such event that potential shipper will not be eligible to be a Committed Shipper if Carrier proceeds with the Jupiter Pipeline. If a potential shipper fails to deliver reasonable evidence of such shipper’s ability to receive its minimum volume commitment at the destination point or fails to satisfy Carrier’s credit requirements, such shipper’s TSA may be rejected by Carrier as non-compliant with these Open Season Terms.

The Open Season will be considered closed at the Deadline, unless extended by Carrier in its sole discretion.

3. Extension or Discontinuation of Open Season.

In the event that Carrier determines in its sole discretion that more time is desirable for evaluation of the terms of committed service being offered, Carrier may elect to extend the term of the Open Season. Carrier may also, at any time in its sole discretion, discontinue and terminate the Open Season and/or decline to proceed with development of the Jupiter Pipeline.

4. Over-Subscription.

If the aggregate volume commitments in TSAs by potential Committed Shippers exceed the proposed capacity that is being made available for volume commitments, Carrier may elect to increase the capacity offered in this Open Season.

If the Carrier does not, in its sole discretion, decide to increase such capacity, or decide, in its sole discretion to increase capacity to a volume that is still less than the volumes committed by potential Committed Shippers, such capacity will be allocated to potential shippers that meet Carrier’s creditworthiness requirements and otherwise submitted a valid binding TSA as follows:

(a) First, such capacity will be allocated among the potential shippers that commit in their TSAs to a total minimum volume commitment of at least 200,000 bpd, until each receives its entire desired minimum volume commitment. If the aggregate volumes committed to by such shippers exceed the pipeline capacity being made available for volume commitments, that capacity will be allocated to such shippers based on the length of their desired TSA term, with allocations first to shippers selecting a ten year term, then to shippers selecting a seven year term, and then to shippers selecting a five year term. If allocation is required between shippers committing at least 200,000 bpd and for the same length of term, then such allocation shall be done on a pro rata basis (rounded as appropriate).

(b) Next, any remaining capacity will be allocated among the potential shippers that commit in their TSAs to a total minimum volume commitment of between 150,000 and 199,999 bpd until each receives its entire desired minimum volume commitment. If the aggregate volumes committed to by such shippers (and shippers committing to higher volume commitments) exceed the pipeline capacity being made available for volume commitments, that capacity will be allocated to such shippers based on the length of their desired TSA term, with allocations first to shippers selecting a ten year term, then to shippers selecting a seven year term, and then to shippers selecting a five year term. If allocation is required between shippers committing between 150,000 and 199,999 bpd and for the same length of term, then such allocation shall be done on a pro rata basis (rounded as appropriate).

(c) Next, any remaining capacity will be allocated among the potential shippers that commit in their TSAs to a total minimum volume commitment of between 100,000 and 149,999 bpd until each receives its entire desired minimum volume commitment. If the aggregate volumes committed to by such shippers (and shippers committing to higher volume commitments) exceed the pipeline capacity being made available for volume commitments, that capacity will be allocated to such shippers based on the length of their desired TSA term, with allocations first to shippers selecting a ten year term, then to shippers selecting a seven year term, and then to shippers selecting a five year term. If allocation is required between shippers committing between 100,000 and 149,999 bpd and for the same length of term, then such allocation shall be done on a pro rata basis (rounded as appropriate).

(d) Next, any remaining capacity will be allocated among the potential shippers that commit in their TSAs to a total minimum volume commitment of between 50,000 and 99,999 bpd until each receives its entire desired minimum volume commitment. If the aggregate volumes committed to by such shippers (and shippers committing to higher volume commitments) exceed the pipeline capacity being made available for volume commitments, that capacity will be allocated to such shippers based on the length of their desired TSA term, with allocations first to shippers selecting a ten year term, then to shippers selecting a seven year term, and then to shippers selecting a five year term. If allocation is required between shippers committing between 50,000 and 99,999 bpd and for the same length of term, then such allocation shall be done on a pro rata basis (rounded as appropriate).

(e) Finally, any remaining capacity will be allocated among the potential shippers that commit in their TSAs to a total minimum volume commitment of between 25,000 and 49,999 bpd, until each receives its entire desired minimum volume commitment. If the aggregate volumes committed to by such shippers exceed the pipeline capacity being made available for volume commitments, that capacity will be allocated to such shippers based on the length of their desired TSA term, with allocations first to shippers selecting a ten year term, then to shippers selecting a seven year term, and then to shippers selecting a five year term. If allocation is required between shippers committing between 25,000 and 49,999 bpd and for the same length of term, then such allocation shall be done on a pro rata basis (rounded as appropriate).

If permitted by applicable law, in the event any shipper’s volume commitment is revised down by this allocation method, such shipper will remain eligible for the tariff rate applicable to the volume commitment tier selected by such shipper prior to allocation in accordance with this Part D.4.

By signing and submitting a TSA, each potential Committed Shipper authorizes Carrier to modify Schedule A to its TSA to reflect any adjustments to its Minimum Volume Commitment pursuant to this Part D.4. Once the capacity that is being made available to potential shippers has been so adjusted, Carrier will give written notice to each potential shipper of the final capacity allocated to it. Such notice will attach a revised copy of Schedule A to the TSA submitted by such potential shipper reflecting its adjusted minimum volume commitment and such revised Schedule A will replace the Schedule A attached to the TSA submitted by such potential shipper.

5. Execution of TSAs by Carrier.

After the Open Season closes and Carrier completes any adjustments for over-subscription, Carrier will indicate its acceptance of TSAs by executing and returning one copy of the TSA submitted by each potential shipper that satisfies Carrier’s creditworthiness requirements including the Schedule A submitted by such potential shipper or the revised Schedule A prepared by Carrier. Each TSA, once executed and delivered by both parties shall constitute a binding agreement, subject to its terms and conditions. Carrier is, however, in no way bound to execute any TSAs. Carrier may not execute or return any TSA that is withdrawn or deemed withdrawn in accordance with these Open Season Terms.

If a TSA has not been executed and returned to potential shippers by Carrier within sixty (60) days after the close of this Open Season, as this Open Season is extended from time to time, it will become ineffective with no further obligations under the TSA or this Open Season on the part of either Carrier or the potential shippers.

A potential shipper that submits an executed TSA pursuant to these Open Season Terms may not withdraw or cancel that TSA prior to the outside date provided for above for execution and return of TSAs by Carrier except as expressly provided herein.

Carrier reserves the right to terminate this Open Season, in its sole and absolute discretion, at any time up until the TSAs have been fully executed by both shippers and Carrier. Carrier reserves the right to execute TSAs for only origin points and destination points for which Carrier elects to proceed in its sole discretion.

**E. Credit Qualification**

At Carrier’s request, a potential shipper that submits a TSA may be required to provide to Carrier evidence that such potential shipper satisfies the minimum credit ratings required by the financial assurance provisions of the TSA or that it can and will provide the financial assurances required by the TSA.

A Committed Shipper whose credit is initially approved pursuant to the procedures in these Open Season Terms will remain subject to the financial assurances provisions of the TSA.

**F. Regulatory Matters**

These Open Season Terms are intended to be used solely for the services discussed herein and are not intended to be in lieu of the requirements of the U.S. Federal Energy Regulatory Commission or any other applicable federal or state laws.

**G**. **Information Requests**

Potential shippers should direct any questions about this Open Season to the following:

Albert Johnson

Telephone: (713) 600-1616

Email: albertjohnson@jupitermlp.com