June 3, 2019

Dear Pipeline System Operator:

New Mexico Law (§70-3-2 NMSA 1978) requires that “... each operator of a pipeline or pipelines operated in the State of New Mexico for the transportation of crude oil, natural gas or the products derived there from shall, during the month of July, obtain a license for the operation of such pipeline ...”. The fee, as prescribed in §70-3-2 NMSA 1978, applies to both interstate and intrastate pipelines operating in New Mexico. The foregoing provisions of Section 70-3-2 NMSA 1978 shall not apply to gathering lines or systems operated exclusively for the gathering of oil or gas in any field or area; to any gas distribution system; or to pipelines constituting a part of any tank farm, plant facilities of any processing plant, gasoline plant, refinery, carbon-black plant, pressure maintenance, underground storage projects, recycling system or other similar operations and such lines and systems shall not be included in computing the fees payable under the licensing provision of Section 70-3-2 NMSA 1978.

Enclosed please find the application for obtaining an annual pipeline license for Fiscal Year 2020 (July 1, 2019 through June 30, 2020). Please submit your check for the full amount of the calculated fees payable to the New Mexico Public Regulation Commission, along with the signed, dated, and notarized application to:

New Mexico Public Regulation Commission
Pipeline Safety Bureau
PO Box 1269
Santa Fe, New Mexico 87504-1269.

Upon receipt of the complete application and the fee, the PSB will issue a license certificate valid for Fiscal Year 2020. Please designate the payment for “Annual License for FY 2020”. Feel free to contact me if you have any questions.

Sincerely,

Jason N. Montoya, P.E.
Interim Chief of Staff
Pipeline Safety Bureau Chief

Attachment: FY 2020 Annual License Application
NEW MEXICO PUBLIC REGULATION COMMISSION
PIPELINE SAFETY BUREAU

APPLICATION FOR PIPELINE LICENSE

FISCAL YEAR: JULY 1, 2019 THROUGH JUNE 30, 2020

PLEASE READ THESE INSTRUCTIONS. A license is required for pipelines operating in the State of New Mexico for the transportation of oil or oil products and natural gas or natural gas products. The basic fee applies to each. There is also a separate provision for basic fees on oil or oil products pipelines that are jointly owned.

Please submit your check for full amount of the calculated fees with this application before July 31, 2019.

NAME OF COMPANY: _____________________________________________________________

CURRENT ADDRESS: _____________________________________________________________

CITY, STATE, ZIP CODE: ____________________________________________________________

DOT# Contact: ________________________________________________________________

PHONE NUMBER: ___________________________ EMAIL ADDRESS: _______________________

FAX NUMBER: ________________________________

PART I

FOR PIPELINE(S) TRANSPORTING OIL OR PRODUCTS DERIVED THEREFROM WITHIN ANY PART OF THE STATE OF NEW MEXICO PLEASE COMPLETE THE FOLLOWING:

Required Location within the State of New Mexico: ______________________________________

Total length of lines owned by a single entity:

Pipe 8 inches or less in diameter: _______ Intrastate miles __________ Interstate miles _______

Pipe over 8 inches in diameter: _______ Intrastate miles __________ Interstate miles _______

Total length of pipelines jointly owned:

Pipe less than 20 inches in diameter: _______ Intrastate miles __________ Interstate miles _______

Pipe 20 inches or more in diameter: _______ Intrastate miles __________ Interstate miles _______
FILL IN THE FOLLOWING:

Basic Fee for lines owned by a single entity = $500.00

OR

Basic Fee for lines jointly owned but under 20” diameter = $500.00

OR

Basic Fee for lines jointly owned and 20” or more diameter = $850.00

BASIC FEE = ______________

PLUS

FOR ALL LINES UP TO AND INCLUDING 8” IN DIAMETER:

__________ miles @ $13.00 per mile for the first 50 miles = ____________

__________ miles @ $ 7.00 per mile for the next 25 miles = ____________

__________ miles @ $ 4.00 per mile for the next 25 miles = ____________

__________ miles @ $ 1.00 for each mile over 100 = ____________

AND/OR

FOR ALL LINES MORE THAN 8” IN DIAMETER:

__________ miles @ $18.00 per mile for the first 25 miles = ____________

__________ miles @ $13.00 per mile for the next 25 miles = ____________

__________ miles @ $ 9.00 per mile for the next 25 miles = ____________

__________ miles @ $ 6.00 per mile for the next 25 miles = ____________

__________ miles @ $ 2.00 per mile for each mile in excess of 100 miles = ____________

TOTAL LICENSE FEE FOR PIPELINES TRANSPORTING OIL OR OIL PRODUCTS = ____________
PART II
FOR PIPELINE(S) TRANSPORTING NATURAL GAS OR PRODUCTS DERIVED THEREFROM WITHIN ANY PART OF THE STATE OF NEW MEXICO PLEASE COMPLETE THE FOLLOWING:

Required Location within the State of New Mexico: ____________________________________________

Miles of intrastate pipeline: ________________________________
Miles of interstate pipeline: ___________________________________

Required Please list your compressor stations as follows:

<table>
<thead>
<tr>
<th>COMPRESSOR STATIONS</th>
<th>HORSE POWER</th>
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PLEASE COMPUTE AND FILL IN YOUR LICENSE FEE ACCORDING TO THE FOLLOWING:

BASIC FEE........................................................................................................................................ $500.00

PLUS

Aggregate installed rated horsepower of compression facilities:

Not exceeding 10,000 horsepower: No Additional Fee

Exceeding 10,000 but not exceeding 30,000 ($2,275.00) ____________

Exceeding 30,000 but not exceeding 50,000 horsepower ($4,000.00) ____________

Exceeding 50,000 but not exceeding 75,000 horsepower ($5,000.00) ____________

Exceeding 75,000 but not exceeding 100,000 horsepower ($5,500.00) ____________

Exceeding 100,000 - $5,925.00 plus $75.00 additional for each 10,000 horsepower or fraction thereof in excess of 100,000 horsepower ____________

TOTAL LICENSE FEE FOR NATURAL GAS OR GAS PRODUCTS PIPELINES = $ ____________
Part III does not apply to gathering lines or systems operated exclusively for the gathering of oil or gas in any field or area; to any gas distribution system; or to pipelines constituting a part of any tank farm, plant facilities of any processing plant, gasoline plant, refinery, carbon-black plant, pressure maintenance, underground storage projects, recycling system or other similar operations.

<table>
<thead>
<tr>
<th>Operator</th>
<th>Operator OPID #</th>
<th>Unit Name(s)</th>
<th>Unit Contact Name and Phone number</th>
<th>Commodity</th>
<th>Location within New Mexico</th>
<th>Number of Miles</th>
<th>interstate Miles</th>
<th>Intra state Miles</th>
<th>Regulated Yes or No</th>
<th>Gathering Miles</th>
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OATH

State of ________________________________ )
ss.
County of ________________________________ )

I, _________________________ of the _________________________ on my oath, do say that the foregoing document has been prepared under my direction, from the original books, papers and records of said Company, that I have carefully examined the same and declare the same to be a complete and correct statement to the best of my knowledge and belief.

_____________________________________
Signature

_____________________________________
Name/Title (Please Print or Type)

Subscribed and sworn before me, this ________ day of __________________.

_____________________________________
Notary Public

My commission expires __________________, _________.