CONDITIONS FOR DEVELOPMENT

AROUND NUSTAR HIGH PRESSURE PETROLEUM & ANHYDROUS AMMONIA PIPELINES

Rev. 06/14/09

The following terms and conditions should be taken into consideration for development around NuStar Pipe Line Operating Partnership, L.P. (formerly Kaneb Pipe Line Operating Partnership, L.P.) high-pressure petroleum products & anhydrous ammonia pipelines:

1. NuStar would require any existing blanket easement, on record, to be released to a defined easement. Typically, said easement being a minimum of twenty-five (25) feet either side of NuStar’s pipeline(s). If a defined easement already exists, this defined easement is subject to these conditions.
2. No cover shall be removed from over the pipeline or easement.
3. No fill (in excess of 24 inches) shall be placed upon the easement without written approval form NuStar. Excessive fill can impact the ability for NuStar to maintain, operate, and protect the pipeline(s).
4. All street or road crossings must have a minimum of 5 feet of cover over the pipelines and a minimum of 3 feet of cover in any borrow or drainage ditches, if there are any. All streets or roads must cross as close to a 90-degree angle as possible and not parallel to the pipelines upon the easement. Approved parking areas must have a minimum of 5 feet of cover over the pipelines.
5. There shall be no fences (except for agricultural fences), obstructions, buildings, engineering works or other structures constructed or permitted to be constructed upon the aforementioned easement.
6. All utility crossings must be installed below any NuStar pipelines with a minimum of 24-inches separation below the bottom of NuStar’s pipelines and the top of the utility. All utilities (except concrete sewer mains and rigid non-metallic water lines) must be placed in rigid non-metallic casing, which must extend to the full width of the easement. Utility must cross pipelines at an angle of not less than 45 degrees from the pipelines. No utility may be installed parallel and within the aforementioned easement.
7. NuStar must approve landscaping within twenty-five (25) feet either side of NuStar’s pipelines. No trees may be planted within fifteen (15) feet of the pipelines.
8. No dwelling, building, structure, or area of congregation may be within fifty (50) feet of NuStar’s pipelines, unless the pipelines are provided with a minimum of 48-inches of cover. Any addition of cover, to meet this requirement, must be approved by NuStar prior to the addition of the cover over the pipeline and easement.
9. There shall be no seismic testing, or blasting of any kind, performed within 200 feet of any NuStar pipelines without the approval of NuStar.
10. No activity shall be performed within the easement r, or in the vicinity of the pipelines, without providing NuStar with 48 hours notice. This will enable NuStar to schedule a representative present to mark the exact location and depth of the pipelines and to be present for any activities. Remember, it is a state law that any individuals performing excavation activities MUST contact their state’s one-call agency at least 48-hours prior to excavation activities.
11. Should any modifications be required for NuStar to maintain, operate, or protect the pipelines to meet the conditions stated herein, all costs associated with the modifications, etc. shall be at the sole expense of the Owner unless otherwise stated in the existing easement. Owner would be required to enter into a reimbursement agreement with NuStar prior to any modifications being taken.
12. NuStar will not be responsible for the damage to, repair or replacement of any encroachment due to NuStar exercising its rights granted within the right-of-way grant and any agreements between the parties hereto, their heirs, successors, and assigns.
13. Pot holing: Contractor performing potholing may be held liable for any damage to pipeline or pipeline coating during potholing operations regardless of method used for potholing.
14. Boring/Directional Drilling: Contractor will be required to excavate an observation hole approximately 24-inches from pipeline, on the side of the drilling rig, and to a depth of a minimum of 24-inches below the pipeline. Boring or directional drilling auger must cross a minimum of five feet below NuStar’s pipeline at all times.

The terms, conditions, and provisions hereof shall extend to and be binding upon the parties hereto, their heirs, successors, and assigns.

NuStar owns and maintains steel, high-pressure petroleum products & anhydrous ammonia pipelines. These conditions would be necessary to comply with the rights granted to NuStar by the right-of-way grants, to maintain compliance with the Department of Transportation (D.O.T.) regulations, and to provide as much protection as possible for NuStar’s pipeline facilities and any proposed development in the vicinity of the pipeline facilities.