

TRADING PROTOCOL - SEMGROUP, LP AND AFFILIATE COMPANIES

For the duration of the Effective Term, SemGroup, LP (“SemGroup”) and its affiliate companies, SemCrude, L.P. (“SemCrude”), SemFuel, L.P. (“SemFuel”), SemStream, L.P. (“SemStream”), SemMaterials, L.P. (“SemMaterials”), and SemGas, L.P. (“SemGas”) (collectively, the “Business Units”) hereby agree, as of September __, 2008, to adhere to the provisions in this Trading Protocol (the “Protocol”).

In the event that provisions in this Protocol contradict provisions in SemGroup’s or any of the Business Unit’s policies, the provisions in this Protocol shall govern.

1.1 TRANSACTION GUIDELINES

1.1.1 Each of SemGroup and the Business Units will adhere to the following.

- i. Only enter into physical or financial transactions, as applicable, for the purpose of helping to preserve value and to assure positive gross margin.*
- ii. Only enter into physical or financial hedge transactions that collectively have an opposite position at either (a) the same location or price index or (b) at a location or price index that can be delivered utilizing SemGroup or the Business Unit’s contracted for common carrier, readily available or owned supply, transportation or storage and/or pipeline assets, for either (1) the same Delivery Period or (2) a Delivery Period in which the commodity can be stored using the Business Unit’s contracted for common carrier, readily available or owned storage assets, with a similar underlying commodity, and the same pricing settlement terms (e.g., 30-day average, last day settle, etc.) and include those transactions that are Approved Imperfect Hedge Transactions such that from the Effective Date each Business Unit’s Net Position will not exceed 15% of the Business Unit’s Petroleum Inventory (“Portfolio Position Limits”). Approved Imperfect Hedge Transactions will only be entered as a secondary choice.*
- iii. Only enter into physical or financial transactions, as applicable, in which the term of the transaction ends on a date that is not more than 12 months from the date the trade is executed; except SemMaterials will be permitted to enter transactions in which the term of the transaction ends on or before December 31, 2009.*
- iv. Provide an exposure summary report to the Trading Protocol Committee by the third Business Day of each week, for activity as of the last Business Day of the previous week. The exposure summary report will show the Mark-to-Market Exposure and volumetric fixed price exposure with the starting Petroleum Inventory and net purchases and sales by commodity, location and forward month for each Business Unit. The exposure summary report will also include a comparison of such exposures to Portfolio Position Limits and other data reasonably available and agreeable to the Trading Protocol Committee and SemGroup that will detail and demonstrate compliance with the Protocol.*
- v. Only enter into physical or financial transactions, as applicable, upon completing a counterparty credit and contractual review.*

- vi. Report any Violation to the Trading Protocol Committee within 24 hours of discovery with a description of such Violation and proposed remedial action (if appropriate).*
- vii. Not modify the Protocol without written consent from the Trading Protocol Committee or order of the Bankruptcy Court.*
- viii. Request written consent via email from the Trading Protocol Committee for potential transactions that do not adhere to the provisions in the Protocol that, if entered into, may not comply with the Protocol, provided such request shall include information and supporting detail reasonably available, and as may be requested, detailing the potential transaction, its merits, risks, proposed mitigation, and implications to the Business Units and the Protocol, SemGroup and the Business Units maintain the ability to protect market sensitive data (“Supporting Information”).*

1.2 TRADING PROTOCOL COMMITTEE’S RESPONSIBILITIES AND AUTHORITIES

- i. A Trading Protocol Committee will be formed within 3 Business Days of the Effective Date.*
- ii. The representatives of the Trading Protocol Committee will respond via email to any requests for consents to enter into proposed transactions that may not comply with the Protocol within 3 Business Days of receipt of Supporting Information reasonably necessary to evaluate the merits of the proposed transaction. Anything requiring the consent or approval of the Trading Protocol Committee must be approved by both representatives of the Trading Protocol Committee in order to constitute valid consent or approval of the Trading Protocol Committee.*
- iii. Representatives of the Trading Protocol Committee that do not affirmatively withhold consent via email with respect to a particular transaction will be deemed to have granted consent for such transaction 3 Business Days after receipt of Supporting Information.*

In the event one representative of the Trading Protocol Committee provides consent and one representative withholds consent, the Trading Protocol Committee and SemGroup representatives will conduct a conference call to review the withholding Trading Protocol Committee representative’s concerns. In the event of a split decision, SemGroup and the Business Units reserve the right to seek Bankruptcy Court approval, on an expedited basis, for the transaction assuming the economic benefits of the transaction exceed the business risks and the transaction is consistent with industry practice. In the event SemGroup or any of the Business Units seek such Bankruptcy Court approval on an expedited basis, neither the Official Committee of Unsecured Creditors of SemCrude, L.P. nor Bank of America as Agent for the prepetition and post petition secured lenders of SemGroup shall be permitted to object to any such shortened notice period, provided that advance notice of any such hearing is provided to such parties.

1.3 APPROVED IMPERFECT HEDGE TRANSACTIONS

1.3.1 SemStream

SemStream will be permitted to hedge as follows (each, an “Approved Imperfect Hedge Transaction”):

- i. Propane delivered or indexed to Hattiesburg, and Adamana /Burnstead, Edmonton and other Western Canadian locations with propane swaps indexed to Mt. Belvieu Propane (OPIS).*
- ii. Propane delivered or indexed to Regina with propane Swaps indexed to Conway Propane (OPIS).*
- iii. Propane and butane deliverable to any location with Transactions indexed to NYMEX WTI Crude Oil.*

1.4 NOTIONAL HEDGING LIMITS

1.4.1 SemStream

The total notional volume of aggregate financial instruments indexed to Mt. Belvieu Propane (OPIS), Conway Propane (OPIS) and NYMEX WTI Crude Oil will not exceed 105,000,000 gallons of Propane (also expressed as 2,500,000 bbl) and 8,400,000 gallons of Butane (also expressed as 200,000 bbl); in the event that NYMEX WTI Crude Oil is transacted as an Approved Imperfect Hedge Transaction, then quantities expressed in barrels will be multiplied by 42 to convert to gallons for the purpose of determining adherence to limits.

1.5 APPROVED TRANSACTION TYPES

SemGroup and the Business Units are approved to transact in the following instruments (each, an “Approved Transaction Type”):

- i. Physical fixed price or index sales and purchases*
- ii. OTC financial fixed for floating swaps*
- iii. Exchange-Traded Futures*
- iv. OTC Basis Swaps*
- v. Exchange for Physicals (EFPs)*

For the avoidance of doubt, options, or embedded options in the instruments above, either buying or selling, are not Approved Transaction Types.

1.6 APPROVED LIMITS OF AUTHORITY

The authority to enter into an Approved Transaction Type granted to a specified SemGroup position or Business Unit representative, (each such position or representative, an “Approved Transactor”), based on the tenor or dollar amount of a specific transaction is as follows:

Role	Tenor	Dollar Value (MM)
CRO	<= 12 Months, except SemMaterials for which the tenor shall not go beyond December 31, 2009	\$25
Treasurer (Alisa Perkins)/ CAO (Mark Lietzke)	<= 9 Months, except SemMaterials for which the tenor shall not go beyond December 31, 2009	\$15
Business Unit President or Designee. Designees will be identified.	< 6 Months, except SemMaterials for which the tenor shall not go beyond December 31, 2009	\$10

Within 10 Business Days of the Effective Date and on an annual basis thereafter, Approved Transactors shall sign a statement that will confirm that they have (a) read the Protocol (b) understand and will comply with the Protocol and (c) understand and will comply with the code of conduct.

1.7 RESERVATION OF RIGHTS

Subject to and in accordance with the terms hereof, SemGroup, the Business Units, the Trading Protocol Committee and their respective representatives (individually “Party” and collectively the “Parties”) expressly reserve the right to petition the Bankruptcy Court, on an expedited basis, regarding any dispute that may arise hereunder, including but not limited to compliance with the Protocol, any proposed Protocol modifications that may not otherwise be agreeable to the Parties, or any objection to requested transactions not addressed in the Protocol or otherwise not in compliance with any of the terms thereof. In the event any Party seeks such Bankruptcy Court filing on an expedited basis, none of the other Parties shall be permitted to object to any such shortened notice period, provided that advance notice of any such hearing is provided to all Parties.

1.8 COURT APPROVAL

SemGroup and/or the Business Units shall seek Bankruptcy Court approval of this Protocol as soon as practical. The form and substance of the proposed order shall be acceptable to the Official Committee of Unsecured Creditors of SemCrude, L.P. To the extent necessary to protect competitive position, the Parties consent to the filing of this

detailed Protocol under seal. The Parties hereby consent to the commencement of activities contemplated hereunder pending Bankruptcy Court approval.

1.9 DEFINED TERMS

Bankruptcy Court: The Bankruptcy Court for the District of Delaware with jurisdiction over the Business Units' bankruptcy cases.

Basis Swap: Financial instrument hedging the difference between any two specified indices or locations.

Business Day: Any day other than Saturday, Sunday, or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, Oklahoma and/or the New York Mercantile Exchange is closed.

Delivery Period: The period in which a contract expires or delivery of the underlying asset or cash is required.

DIP: The Debtor-In-Possession Credit Agreement dated August 8, 2008 among as the borrower and as debtor and debtor-in-possession, SemGroup, L.P., as a guarantor and as debtor and debtor-in-possession, SemOperating G.P., L.L.C., as a guarantor and as debtor and debtor-in-possession, Bank of America, N.A., as administrative agent and L/C issuer, and the other lenders party thereto, Banc of America Securities LLC, as sole lead arranger and sole book manager, as the same may be amended, supplemented or otherwise modified from time to time.

Effective Date: The date of the Protocol as written in the first paragraph of this Protocol.

Effective Term: The period of time from and including the Effective Date through the date on which the Official Committee of Unsecured Creditors of SemCrude, L.P. and SemGroup mutually agree to terminate the Protocol.

Exchange for Physical (EFP): The conversion of a futures position into a physical position by notifying and posting to the exchange a bilateral agreement to do so.

Exchange-Traded Futures: Forward contracts traded on an exchange and regulated by the Commodities Futures Trade Commission.

Mark-to-Market Exposure: Difference between the fair market value and the current transaction carrying value.

Net Position: (i) Petroleum Inventory; (ii) plus post-Effective Date purchases; (iii) less post-Effective Date sales; (iv) less post-Effective Date inventory purchased for pre-Effective Date sales; (v) less post-Effective Date sales for pre-Effective Date inventory, each of (ii) – (v) to the extent not included in Petroleum Inventory.

NGLs: Natural gas liquids including ethane, propane, normal butane, isobutene, natural gasoline, and butane.

OTC: The trading of commodities, contracts, or other instruments not listed on any exchange. OTC transactions can occur electronically or over the telephone.

OTC Financial Fixed for Floating Swap: A financial instrument that settles financially based on the difference between a predetermined price and an index for a given volume.

Petroleum Inventory: Any inventory or inventories of crude oil, condensate, natural gas, NGL, refined petroleum products, liquefied petroleum gases, any blend thereof and asphalt products that results from transactions entered into during the Effective Term. For avoidance of doubt, the calculation of Petroleum Inventory excludes inventories received under transactions executed prior to the Effective Date including contracts with automatic renewals and extensions.

Physical Transaction(s): Purchase or sale of a contracted position associated with a commodity instrument.

Trading Protocol Committee: Composed of two members, consisting of one representative from each of (i) the Official Committee of Unsecured Creditors of SemCrude, L.P. and (ii) Bank of America as Agent for the prepetition and post petition secured lenders of SemGroup.

Violation(s): An event that exceeds the boundaries of this Protocol during the Effective Term.

WTI Crude Oil: West Texas Intermediate Crude Oil as defined by the New York Mercantile Exchange.