

CHEVRON PIPE LINE COMPANY

LOCAL TARIFF

Applying on the Transportation of

CRUDE PETROLEUM

(As Defined Herein)

Subject to Rules and Regulations shown on Pages 2 through 6.

Rates filed in compliance with 18 C.F.R. § 342.4(a) – Cost-of-Service Rates

TABLE OF RATES

FROM (Origin)	TO (Destination)	RATE IN CENTS PER BARREL OF 42 UNITED STATES GALLONS
Fourchon Terminal, Receipts from Shell Pipeline (Mars/Amberjack), La Fourche Parish, Louisiana	Empire Terminal, Plaquemines Parish, Louisiana	[I] 79.62

TERMINAL CHARGES

- For delivering to Northwest Terminalling Company facilities at Empire, a charge of [U] 9.97 cents per barrel will be assessed and will be in addition to all other charges listed.
- For receiving from Northwest Terminalling Company facilities at Empire, a charge of [U] 4.53 cents per barrel will be assessed and will be in addition to all other charges listed.

Issued: December 1, 2009

Effective: January 1, 2010

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

Issued by:
Rebecca B. Roberts
President
Chevron Pipe Line Company
P. O. Box 430
Bellaire, TX 77402-0430

Compiled by:
G.M. Smale
Regulatory Specialist
Chevron Pipe Line Company
4800 Fournace Place
Bellaire, TX 77401-2324
281-596-2889
gmsm@chevron.com

EXPLANATION OF TECHNICAL TERMS AND ABBREVIATIONS

<u>Terms and Abbreviations</u>	<u>Explanation</u>
API	American Petroleum Institute.
ASTM	American Society for Testing Materials.
Carrier	Chevron Pipe Line Company
°	Degrees
FERC	Federal Energy Regulatory Commission
No.	Number

GENERAL RULES AND REGULATIONS

This Carrier will receive Crude Petroleum for pipeline transportation only to established delivery points subject to the following rules and regulations:

5. Definitions

“Barrel” as used herein means forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit and zero (“0”) gauge pressure if the vapor pressure of the petroleum is at or below atmospheric pressure, or at equilibrium vapor pressure if the vapor pressure of the petroleum is greater than atmospheric pressure.

“Crude Petroleum” as used herein means the direct liquid products of oil wells, condensate or a mixture thereof from oil or gas wells located in the Southern Louisiana oil province (consisting of the Outer Continental Shelf, State and Federal waters, and onshore Gulf coast production) with a distillation range, quality and general characteristics typical of South Louisiana Crude.

“BS&W” as used herein means basic sediment, water, and other impurities.

“Condensate” as used herein means, liquid products of oil wells and gas wells resulting from condensation of petroleum hydrocarbons existing initially in gaseous phase in an underground reservoir that are recovered at the surface without resorting to processing.

10. Quality of Crude Petroleum

Crude Petroleum accepted for transportation by the Carrier must be good merchantable oil of such viscosity, pour point and temperature as will permit its being freely handled and transported under conditions existing in the pipeline, and which is properly warranted. Crude Petroleum will be accepted for transportation at such times as Crude Petroleum of similar grade and general characteristics is being transported from origin point to destination point.

Carrier may require the Shipper to furnish certified laboratory reports showing the results of tests of the Crude Petroleum offered for transportation. Carrier may also make such tests of the Crude Petroleum as it deems necessary, but shall not be required to, and in the event of variances between Shipper’s report and Carrier’s test, Carrier’s test shall prevail.

Carrier reserves the right to reject any and all of the following shipments:

- (a) Crude Petroleum whose gravity, viscosity, vapor pressure, BS&W, free sulphur, hydrogen sulfide (H₂S), and other characteristics are such that it is not readily susceptible of transportation through the Carrier’s existing facilities, will damage the quality of other shipments or cause disadvantage to other shippers and/or the Carrier.

- (b) Crude Petroleum containing basic sediment, water and other impurities totaling in excess of one percent (1%) as determined by centrifugal test or by such other tests as may be agreed upon by the Shipper and Carrier. Crude Petroleum whose Reid vapor pressure exceeds twelve (12) psia; Crude Petroleum containing a Hydrogen Sulfide content exceeding 50 parts per million (ppm); Crude Petroleum containing free gas.
- (c) Crude Petroleum where the Shipper or Consignee has failed to comply with all applicable laws, rules and regulations made by any government authorities regarding shipment of Crude Petroleum.

12. Compensation to Sweet Crude Shippers

Shippers of sour crude shall compensate sweet crude Shippers for all sweet crude contaminated by Shipper's sour crude during batching operations from Fourchon Terminal to Empire Terminal. Compensation to sweet crude shippers for sweet crude contaminated by Shipper's sour crude shall be made by Shipper as follows:

- (a) Shipper shall purchase all sweet crude contaminated by its sour crude from the sweet crude shippers at a fair market price, as determined by Platt's posted price for the sweet crude on the date of the contamination. Should the date of the contamination fall on a non-business day, the fair market price shall be as determined by Platt's posted price on the most recent business day prior to the contamination; or
- (b) Shipper shall resupply the sweet crude shippers with an equal amount of sweet crude of the same material quality as contaminated by its sour crude.

15. Pipage or Other Contract Required

Separate pipage and other contracts in accordance with these rules and regulations covering further details may be required by the Carrier before any duty for transportation shall arise.

20. Pumping

Shippers or Consignee shall furnish or arrange with platform owners to furnish pumping equipment necessary to inject its Crude Petroleum into the pipeline. Carrier shall have the right to limit and control the maximum pumping rate and schedule pumping periods for injection into the pipeline.

25. Nominations

Carrier's pipeline facilities used in the transportation services provided hereunder are used for segregated movements of crude petroleum of various qualities. Crude Petroleum will be accepted for transportation only at such time as Crude Petroleum of the same quality and general characteristics is being transported.

Any shipper desiring to nominate Crude Petroleum for transportation hereunder, shall on or before the 25th of the month place a notice including the name of the Shipper, destination and consignee if other than the shipper, of the quantity of Crude Petroleum to be nominated during the following month with the Scheduler, Chevron Pipe Line Company, P.O. Box 430, Bellaire, Texas 77402-0430.

27. Minimum Nomination

Crude Petroleum will be accepted for transportation in quantities of not less than 15,000 barrels at one point of origin from one Shipper. Shipper must deliver the minimum nominated within a 24 hour period of time.

30. Crude Petroleum Involved In Litigation

The Carrier shall have the right to reject any Crude Petroleum, when nominated for transportation which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by lien or charge of any kind. If Carrier has reasonable basis to believe that such a situation exists, it will require of the Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity to protect Carrier against any and all loss resulting from transporting Petroleum Products involved in litigation.

45. Liability of Carrier

The Carrier, while in possession of Crude Petroleum herein described, shall not be liable for any loss thereof, damage thereto, or delay caused by act of God, war, sabotage, act of the public enemy, quarantine, the authority of law, requisition or necessity of the Government of the United States in time of war, or default of Shipper or Consignee, or for any other cause not due to the sole negligence of Carrier whether similar or dissimilar to the causes herein enumerated. In case of loss of any Crude Petroleum, from any such causes, after it has been received for transportation and before the same has been delivered to Consignee, the loss will be charged proportionately to each Shipper in the ratio that his Crude Petroleum, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Crude Petroleum then in the custody of the Carrier for transportation via the lines or other facilities in which the loss occurs; and The Carrier will be obligated to deliver only that portion of such Crude Petroleum remaining after deducting shipper's proportion of such loss determined as aforesaid. Transportation charges will be assessed only on the quantity delivered. Carrier will compensate Shipper for Crude Petroleum losses for which the Carrier is liable by paying the value of such Crude Petroleum at the point where and at the time when transportation originated.

50. Duty of Carrier

The Carrier shall not be required to transport Crude Petroleum except with a reasonable diligence considering the quality of the Crude Petroleum, the distance of transportation, and other material elements.

55. Gauging and Testing

Crude Petroleum offered to Carrier for transportation shall be measured and tested by a representative of Carrier. The design, performance, operation, maintenance, and calibration of the metering and sampling equipment provided by all Shippers will be subject to reasonable standards as established by Carrier, and Carrier shall have the right to witness the meter calibration and sampling procedures utilized by such Shippers or their operating representatives. Crude Petroleum delivered at destination shall be measured and tested by a representative of Carrier and quantities shall be determined by tank gauging, or, when available, by meters. Volumes thus determined will be corrected as to temperature from the observed temperature to 60 degrees Fahrenheit basis by use of applicable API-ASTM volume correction factor tables. A centrifuge machine, or other methods agreed upon, shall be used for ascertaining the percentage of basic sediment, water or other impurities in the Crude Petroleum and the full amount of basic sediment, water or other impurities in the Crude Petroleum thus determined shall be deducted from the corrected volume.

The Shipper shall have the privilege of being present or represented at the gauging and testing.

60. Payment of Transportation and Other Charges

Transportation charges will be assessed and collected on the total volume of Crude Petroleum nominated to Carrier. Shipper or Consignee shall pay the transportation and all other charges applicable to the shipment, and, if required, shall prepay or guarantee the same before acceptance by the Carrier, or pay the same before delivery. The Carrier shall have a lien on all Crude Petroleum in its possession belonging to the Shipper to secure the payment of all unpaid transportation charges and may withhold such Crude

Petroleum from delivery until all of such unpaid charges shall have been paid. In the absence of unpaid charges, when there shall be failure to take the Crude Petroleum at the point of destination as provided in these rules and regulations, the Carrier may, by an agent, sell said Crude Petroleum at public auction for cash, making said sale at its public office in New Orleans, Louisiana, on any day not a legal holiday, and not less than forty-eight (48) hours notice will be given in a daily newspaper in said city of the time and place of the sale and the quantity of Crude Petroleum to be sold. The Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale, the Carrier may pay itself all transportation, including demurrage, and any other lawful charges, including expense of notice, advertisement, sale and other necessary expense, and expense of caring for and maintaining the Crude Petroleum. The balance shall be held for whomsoever may be lawfully entitled thereto.

65. Evidence of Receipts and Deliveries

Crude Petroleum received from the Shipper and Crude Petroleum delivered to the Consignee shall, in each instance, be evidenced by tickets, showing opening and closing tank gauges or meter readings, as applicable, temperature, basic sediment and water, and any other data essential to the determination of quantity. Such tickets shall be jointly signed by representatives of Carrier and the Shipper or Consignee, as appropriate, and shall constitute full receipt for (a) the Crude Petroleum received; (b) the Crude Petroleum delivered.

70. Quantities Deliverable

The quantity of Crude Petroleum deliverable at destination shall be the quantity received at origin, less shrinkage, evaporation or other loss in transit, including leaks and breaks resulting from any cause other than the sole negligence of the Carrier, and shall be determined in the manner described in Item 45 above.

75. Apportionment when Nominations Are in Excess of Facilities

When there shall be nominated to the Carrier for transportation, more Crude Petroleum than can be immediately transported, the transportation furnished by the Carrier shall be apportioned among all shippers in proportion to the amounts nominated by each, based on the capacity of the system. Shippers will be required to submit nominations by the twenty-fifth (25th) of the month preceding the month of shipment and no nomination shall be considered beyond the amount which the party requesting shipment has readily accessible for shipment. If a shipper fails to deliver for transportation during the month of shipment the volumes so nominated by it, its volumes for the succeeding month may be reduced by the amount of allocated throughput not utilized during the preceding month.

80. Notice of Claims

Claims for loss or damage must be made in writing to the Carrier, P.O. Box 4879, Houston, Texas 77210-4879, within nine (9) months after delivery of the property, or in case of a failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed.

Suits for loss or damage shall be instituted only within two (2) years and one (1) day after delivery of the property, or in case of a failure to make delivery, then within two (2) years and one (1) day after a reasonable time for delivery has elapsed; provided, however, that where claims have been duly filed with the Carrier, suit must be brought within two (2) years and one (1) day after notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and the Carrier will not be liable.

85. Use of Communication Facilities

Without additional charge the Carrier will transmit messages for shippers incident to the business hereunder over the private communication facilities of the Carrier, but the Carrier shall not be obligated to

deliver messages, nor shall it be liable for failure of delivery of messages, and it shall not be liable for errors or delay in transmission or for interruption of the service.

In the event Carrier should decide to transmit meter readings or other data from the platform from which Shipper's oil is run, Shipper will allow or cause the owner(s) to allow reasonable access to and use of communication facilities which may be available at the platform.

90. Deliveries in Excess of Nominations

If a Shipper is delivered Crude Petroleum at Empire Terminal that is in excess of that Shipper's nominated volumes due to mixing with other Shippers' Crude Petroleum, then the Shipper receiving the additional Crude Petroleum will replace the Crude Petroleum gained with Crude Petroleum of like quality and characteristics at Empire Terminal by an inventory transfer or delivery into tankage on the first day of the month following the month of shipment.

95. Connection Policy

Connections to Carrier's pipeline(s) will only be considered if made by formal written notification to Carrier and all requests will be subject to the following standards and conditions.

All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of the Carrier's pipeline(s) in accordance with generally accepted industry standards. Acceptance of any request for connection will be subject to compliance with governmental regulations.

100. Application of Rates from/to Intermediate Origin/Destination Points

For Crude Petroleum accepted for transportation from any origin point on Carrier's lines not named in the individual tariffs, which is intermediate to any published origin and/or destination points for which rates are published, Carrier will apply from such unnamed point the rate published from the next more distant point specified. If branch or diverging lines create two or more "next most distant points", Carrier will apply the rate which will result in the lowest charge.

For Crude Petroleum accepted for transportation to any destination point on Carrier's lines not named in the individual tariffs, which is intermediate to any published destination and/or origin points for which rates are published, Carrier will apply to such unnamed point the rate published to the next more distant point specified. If branch or diverging lines create two or more "next most distant points", Carrier will apply the rate which will result in the lowest charge.

Carrier will file a tariff applicable to such transportation movements within 30 days of the start of the service if the intermediate point is to be used on a continuous basis for more than 30 days.

105. Destination Facilities Required

The Carrier may refuse to accept Crude Petroleum for transportation unless satisfactory evidence be furnished that the shipper or consignee has provided the necessary facilities for the prompt receiving of said Crude Petroleum at its destination.

110. Credit-worthiness of Shippers

All prospective Shippers must submit sufficient financial information to establish credit-worthiness. If a potential Shipper is not credit-worthy or if Shipper's credit deteriorates, Carrier may require prepayment of tariff related charges and / or a letter of credit from an appropriate financial institution in acceptable form to Carrier.

EXPLANATION OF REFERENCE MARKS:

[I] Increased rate

[U] Unchanged rate