

# CHEVRON PIPE LINE COMPANY

SALT LAKE CRUDE PIPELINE SYSTEM

LOCAL PIPELINE TARIFF

Governing the Transportation of

**CRUDE PETROLEUM**

(As Defined Herein)

From Points in Colorado and Utah  
To  
Points in Utah

**Issued under authority of 18 C.F.R. § 342.3, Indexing**

---

Subject to Rules and Regulations shown on Pages 2 through 10.

---

**Issued:** May 28, 2010

**Effective:** July 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  
4800 Fournace Place  
Bellaire, TX 77401

**Compiled by:**  
James Halbouty  
Regulatory Specialist  
4800 Fournace Place  
Bellaire, TX 77401  
P.O. Box 430  
Bellaire, TX 77402-0430  
713.432.2866  
[jhalbouty@chevron.com](mailto:jhalbouty@chevron.com)

**TABLE OF CONTENTS**

<b><u>Subject</u></b>	<b><u>Item</u></b>	<b><u>Page</u></b>
Application of Rates from/to Intermediate Origin/Destination Points .....	10	6
Clear Title Required .....	7	6
Connection Policy.....	19	8
Commingled Shipments .....	2	4
Commingling While in Transit .....	6	5
Credit-worthiness of Shippers .....	20	8
Destination Facilities Required.....	3	5
Discount Program.....	22	9
Duty of Carrier .....	8	6
Explanation of Reference Marks .....	--	10
Explanation of Terms and Abbreviations .....	--	3
Inventory Requirements .....	9	6
Liability of Parties .....	13	7
Measurement and Adjustments .....	5	5
Minimum Tender .....	4	5
Notice of Claims .....	14	8
Payment of Transportation and Other Charges .....	11	6
Pipeage or Other Contracts Required .....	17	8
Proration.....	12	7
Rates .....	--	10
Rate Change.....	21	8
Specifications and Restrictions .....	1	4
Transfers Within System .....	15	8
Use of Communication Facilities.....	16	8

## EXPLANATION OF TECHNICAL TERMS AND ABBREVIATIONS

<b>Terms and Abbreviations</b>	<b>Explanation</b>
API.....	American Petroleum Institute.
ASTM .....	American Society for Testing Materials.
Barrel.....	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 pressure if the vapor pressure of the petroleum is above atmospheric pressure.
Carrier .....	Chevron Pipe Line Company.
Common Stream .....	Crude Petroleum moved through the pipeline and pipeline facilities which is commingled or intermixed with other Crude Petroleum.
Consignee .....	Party, including a connecting pipeline system to whom Shipper has ordered Delivery of Crude Petroleum.
Crude Petroleum .....	Direct liquid products of oil wells, or a mixture of the direct liquid products of oil wells and indirect liquid products of oil or gas wells.
Delivery.....	Transfer from Carrier at destination to Shipper or Consignee.
Gross Standard Volume.....	Volume corrected to a temperature of sixty degrees (60°) Fahrenheit, in accordance with the latest API/ASTM measurement standards, and at equilibrium vapor pressure.
Receipt .....	Transfer from Shipper at origin to Carrier for transportation.
Segregated Batch.....	Crude Petroleum having specific identifiable characteristics different from the Common Stream which is moved through the pipeline so as to maintain its identity.
Shipper .....	Party who contracts with Carrier for transportation of Crude Petroleum under the terms of this tariff.
Nomination .....	Written designation by a Shipper to the Carrier of an approximate quantity of Crude Petroleum for transportation from a specified origin point(s) to a specified destination point(s) over a period of one calendar month in accordance with these rules and regulations.

## GENERAL RULES AND REGULATIONS

Chevron Pipe Line Company will receive only Crude Petroleum as defined herein and only for transportation to established Delivery points subject to the following rules and regulations:

### ITEM 1 Specifications and Restrictions

Subject to agreement between Shipper and Carrier regarding transportation from intermediate points, Carrier will receive Crude Petroleum through its present facilities at only the origin point(s) named in individual tariffs making reference to this Rules and Regulations Tariff. Crude Petroleum will be accepted for transportation at such time as Crude Petroleum of similar grade and general characteristics is being transported from origin point(s) to destination point(s). Crude Petroleum tendered for transportation which differs in grade and general characteristics from that usually transported by Carrier will, at the Carrier's option, be transported only under terms agreed upon, in writing, by Shipper and Carrier.

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

- (a) Crude Petroleum whose gravity, viscosity, and other characteristics are such that it is not readily susceptible to transportation through the Carrier's existing facilities, will damage the quality of other shipments or cause disadvantage to other Shippers and/or Carrier.
- (b) Crude Petroleum containing basic sediment, water or other impurities totaling in excess of two (2) percent as determined by centrifugal test, or by such other tests as may be agreed upon by the Shipper and Carrier.
- (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.

### ITEM 2 Commingled Shipments

Commingled shipments of the direct liquid products of oil wells and the indirect liquid products of oil or gas wells including Natural Gasoline and Liquefied Petroleum Gases will be accepted for transportation under the following conditions:

- (a) The Shipper shall provide tanks or storage equipment that will hold the Natural Gasoline and Liquefied Petroleum Gases in liquid state until such Natural Gasoline and Liquefied Petroleum Gases can be commingled in the course of transportation with the direct liquid products of oil wells consigned by the same Shipper to the same destination in such proportions and manner as the Carrier shall prescribe.
- (b) The Natural Gasoline and Liquefied Petroleum Gases shall be tested by the Carrier before being commingled with the direct liquid products of oil wells and the quantities shall be shown separately on the tender of shipment.
- (c) The quantities of Natural Gasoline and Liquefied Petroleum Gases delivered to the Carrier shall be determined in Barrels by tank gauge or meters.
- (d) The vapor pressure of any mixture of Natural Gasoline and Liquefied Petroleum Gases shall not exceed fifty-five (55) pounds per square inch, at one hundred degrees (100°) Fahrenheit determined by the Reid Method.
- (e) No shipments of indirect liquid products of oil or gas wells will be accepted in such quantities that the resulting mixture, in transportation, with the direct liquid products of oil wells will produce a Reid vapor pressure of the mixture in excess of twelve (12) pounds per square inch at one hundred degrees (100°) Fahrenheit. Carrier reserves the right to limit the Reid vapor pressure of the mixture to such lower levels as may be required by Carrier's facilities and operating conditions.

### **ITEM 3 Destination Facilities Required**

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

Carrier does not furnish storage facilities. Carrier's storage is only that necessary for the operation of the pipeline system.

### **ITEM 4 Minimum Tender**

Crude Petroleum will be accepted for transportation under this tariff in shipments of not less than ten thousand (10,000) Barrels from one Shipper to one Consignee and destination point(s) under the following conditions:

- (a) The minimum tender of ten thousand (10,000) Barrels of Crude Petroleum may be a mixture of the direct liquid products of oil wells and the indirect liquid products of oil or gas wells including Natural Gasoline and Liquefied Petroleum Gases.
- (b) The 'direct liquid products of oil wells' portion of the minimum ten thousand (10,000) Barrels tender and shipment may have one or more origin points.
- (c) Both the 'direct liquid products of oil wells' portion and the 'indirect liquid products of oil or gas wells including Natural Gasoline and Liquefied Petroleum Gases' portion of the mixture-shipment may be in varying quantities providing the total of the shipment is not less than the minimum of ten thousand (10,000) Barrels and meets the conditions in Item 2 of this tariff.
- (d) Any Shipper desiring to tender Crude Petroleum for transportation hereunder, shall make such Nomination to Carrier in writing on or before the 25th day of the month preceding the month during which transportation under the Nomination is to begin. Such Nomination shall be placed with the Scheduler, Chevron Pipe Line Company, P.O. Box 4879, Houston, TX 77210-4879. Unless such notification is made, Carrier shall be under no obligation to accept Crude Petroleum for transportation.

### **ITEM 5 Measurement and Adjustments**

All shipments tendered to Carrier for transportation shall be tested, gauged or metered by a representative of Carrier prior to, or at the time of Receipt from the Shipper or Delivery Consignee, but the Shipper or Consignee shall at all times have the privilege of being present or represented during the testing, gauging or metering.

- (a) Quantities for receiving, delivering, assessing charges and all other purposes will be corrected to a temperature of sixty degrees (60°) Fahrenheit, in accordance with the latest API-ASTM measurement standards, and at equilibrium vapor pressure after deductions of impurities shown by tests made by the Carrier prior to Receipt and upon Delivery. Quantities may be computed from tank tables compiled or accepted by the Carrier.
- (b) In addition to deductions for losses as provided for in the Liability of Parties section of this tariff, Crude Petroleum quantities received for transportation may be adjusted to allow for inherent losses including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses. Carrier's loss adjustment will be made monthly on the basis of total quantities transported and shall be based on the prior three calendar years' actual historical loss experience, adjusted to actuals at the end of the year.
- (c) The net quantities as determined under paragraphs (a) and (b) of this item will be the amounts accountable at destination point(s).

### **ITEM 6 Commingling While in Transit**

Crude Petroleum will be accepted for transportation only on condition that it shall be subject to such changes in gravity, quality or characteristics, while in transit as may result from commingling with other Crude Petroleum, and the Carrier will be under no obligation to make Delivery of the identical Crude Petroleum received, but may make Delivery out of its Common Stream. There shall be no adjustment for

downgrading or upgrading of Crude Petroleum tendered for transportation as a result of commingling while in transit.

However, where Carrier has the facilities and line availability to ship and segregate such Crude Petroleum while in transit, Carrier may accept Crude Petroleum for transportation in a Segregated Batch provided that:

- (a) Carrier will not be liable to Shipper or Consignee for change in the quality of such grade of Crude Petroleum while it is in transit; and
- (b) The interface generated between such batches shall be divided equitably between those shipments that precede and follow the interface.

#### **ITEM 7 Clear Title Required**

Carrier shall have the right to reject any Crude Petroleum, when tendered 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, and it may 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 Crude Petroleum involved in litigation.

#### **ITEM 8 Duty of Carrier**

Carrier will receive and/or transport and deliver Crude Petroleum with reasonable diligence and dispatch. The Shipper or Consignee will be notified twenty-four (24) hours prior to the arrival of a shipment of Crude Petroleum and if the Shipper or Consignee is unable or refuses to receive the Crude Petroleum shipment as it arrives at destination point(s), the Carrier reserves the right to make whatever arrangements for disposition of the Crude Petroleum it deems appropriate in order to clear its pipeline. Any expense incurred by the Carrier in making such arrangements shall be borne by the Shipper or Consignee, which charges are in addition to transportation charges accruing to Shipper or Consignee.

#### **ITEM 9 Inventory Requirements**

Carrier will require each Shipper to supply a prorata share of Crude Petroleum necessary for pipeline fill and working stock for efficient operation of the Carrier's pipeline system prior to Delivery. Based on the total line fill of the segment(s) utilized by Shipper, Crude Petroleum provided by a Shipper for this purpose may be withdrawn from the system only after shipments have ceased and if written notice to discontinue shipments in Carrier's system is received on or before the 25th day of the preceding calendar month.

#### **ITEM 10 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.

#### **ITEM 11 Payment of Transportation and Other Charges**

Transportation charges will be assessed and collected by Carrier at the rates in effect on the date Crude Petroleum is received by Carrier for transportation on the basis of the Gross Standard Volume actually received at origin point(s) after making the adjustments provided in Item 5b above.

The 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. 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 due by such Shipper, and may withhold such Crude Petroleum from Delivery until all of such unpaid charges shall have been paid.

If said charges shall remain unpaid five (5) days after the time which may be fixed for Delivery as provided for in Item 8, or, in the absence of unpaid charges, when there shall be failure to take the Crude Petroleum at the destination point as provided in these rules and regulations, the Carrier may, by an agent, sell said Crude Petroleum at public auction for cash on any day not a Sunday or legal holiday, and not less than forty-eight (48) hours after publication of notice, in a daily newspaper, of the time and place of such 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 and any other lawful charges, expense of notice, advertisement, sale, and other necessary expense, and of caring for and maintaining the Crude Petroleum, and the net balance shall be held without interest for whomsoever may be lawfully entitled thereto.

#### **ITEM 12 Proration**

When the total volumes nominated for shipment by all Shippers is greater than can be transported within the period and between the locations specified by such Nominations, 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.

#### **ITEM 13 Liability of Parties**

As a condition to Carrier's acceptance of Crude Petroleum under this tariff, each Shipper agrees to protect and indemnify Carrier against claims or actions for injury and/or death of any and all persons whomever and for damage to property of Carrier, Shipper, Consignee and/or any third party resulting from or arising out of 1) any breach of or failure to adhere to any provision of this tariff by Shipper, Consignee, their agents, employees or representatives and 2) the negligent act(s) or failure(s) to act of Shipper, Consignee, their agents, employees or representatives in connection with Delivery or Receipt of Crude Petroleum.

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, act of the public enemy, quarantine, the authority of law, strikes, riots, civil disorder, requisition or necessity of the Government of the United States in time of war, default of Shipper or owner, or from any other cause not due to the sole negligence of the Carrier.

- (a) 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 Shipper or Consignee, such 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.
- (b) 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.
- (c) Carrier will compensate Shippers for Crude Petroleum losses for which Carrier is liable by paying the value of such Crude Petroleum at the point where transportation originated.

**ITEM 14 Notice of Claims**

Claims for loss or damage must be made in writing with Carrier 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.

**ITEM 15 Transfers Within System**

Intrasystem transfers will not be recognized by Carrier for Crude Petroleum in Carrier's custody, except for transfers resulting from application of Item 11 herein.

**ITEM 16 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.

**ITEM 17 Pipeage or Other Contracts Required**

Separate pipeage 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.

**ITEM 19 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.

**ITEM 20 Credit-worthiness of Shippers**

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

This is in addition to, and does not limit, Carrier's right to prepayment or furnishing of guaranty of payment under Item 11.

**ITEM 21 Rate Change**

Based on consent of all then-current Shippers, Carrier implemented a [U] \$0.15 per Barrel rate increase effective September 1, 2008 in order to fund the conversion of Carrier's Salt Lake Crude Pipeline System to a Segregated Batch operation from its current Common Stream system operation. The agreement of all then-current Shippers was based on Carrier's obligation to complete the conversion project by August 1, 2010. If that agreed-upon completion date is not met, Carrier will reduce its then-effective transportation rates by [U] \$0.15 per Barrel, as modified by rate adjustments attributable to Indexing under 18 C.F.R. § 342.3. In addition Carrier will provide transportation credits to Shippers based on volumes billed and paid for during the time the \$0.15 rate increase, as modified by rate adjustments attributable to Indexing under 18 C.F.R. § 342.3 is in effect, calculated on [U] \$0.15 per Barrel, as modified by rate

adjustments attributable to Indexing under 18 C.F.R. § 342.3 reduced for any transportation discounts the Shipper realized in accordance with Item 22. Upon completion of the conversion project, additional tariff language will be filed as necessary for Segregated Batch operations.

## **Item 22 Discount Program**

Carrier shall provide a discount from the Rate ("Term Discount") to all Shippers who entered into a five (5) and/or ten (10) year Volume Dedication Agreement with Carrier. The Term Discount for Shipper's committed volume shall be **[U]** \$0.05 per Barrel for a five year Volume Dedication Agreement and **[U]** \$0.10 per Barrel for a ten (10) year Volume Dedication Agreement. All volumes shipped in excess of the committed volume will be charged the undiscounted Rate, unless such volumes qualify for a discount under a Volume Dedication Agreement executed in conjunction with this Item 22.

If during any annual period, Shipper's actual shipments of Crude Oil are less than the committed volume, Shipper will be billed for the difference between the committed volume and the actual shipments on the pipeline ("Deficiency Payment") pursuant to the terms of the Volume Dedication Agreement.

If Shipper's shipments on the pipeline have been curtailed during an annual period due to proration on Carrier's pipeline or a Force Majeure Event, then Shipper will receive a credit against its committed volume in determining a Deficiency Payment, if any, pursuant to the terms of the Volume Dedication Agreement.

**[D] ALL RATES ON THIS PAGE ARE DECREASED UNLESS OTHERWISE INDICATED**

**TABLE OF RATES**

<b>FROM</b>	<b>TO</b>	<b>Rate in Cents per Barrel of 42 United States Gallons</b>
Rangely Station Rangely, Rio Blanco County, Colorado	Salt Lake Station Salt Lake City, Davis County, Utah	89.69*

\* See Items 21 and 22 for application of rate.

**Gathering Charges**

When gathering services are performed by Chevron Pipe Line Company at the Rangely, Colorado point of origin, a gathering charge of 15.88 cents per Barrel will apply, and will be in addition to the transportation rate named herein.

**Loading and Unloading Charges**

When Crude Petroleum is unloaded from tank trucks, an unloading charge of 19.30 cents per Barrel will be made to Shipper's account for all Crude Petroleum received.

When Crude Petroleum is loaded into tank trucks, a loading charge of 19.30 cents per Barrel will be made to Shipper's account for all Crude Petroleum delivered.

---

**EXPLANATION OF REFERENCE MARKS:**

**[D]** Decrease

**[U]** Unchanged Rate