

CHEVRON PIPE LINE COMPANY

KIMBALL JUNCTION CRUDE PIPELINE SYSTEM

LOCAL PIPELINE TARIFF

Governing the Transportation of

CRUDE PETROLEUM

(As Defined Herein)

From Points in 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 [W] 9.

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.

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EXPLANATION OF TECHNICAL TERMS AND ABBREVIATIONS

Terms and Abbreviations	Explanation
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.
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 or synthetic crude petroleum.
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.
Super Heavy Crude.....	Crude Petroleum with a viscosity from 150 up and including 350 centistokes at pumping temperature and a density from 25° API gravity down to 19° API gravity.
Heavy Crude.....	Crude Petroleum with a viscosity from 100 up to but not including 150 centistokes at pumping temperature and a density from 25° API gravity down to 21° API gravity.
Light Crude.....	Crude Petroleum with a viscosity up to but not including 20 centistokes at pumping temperature and with a density greater than 30° API gravity.
Medium Crude.....	Crude Petroleum with a viscosity from 20 up to but not including 100 centistokes at pumping temperature and a density greater than 25° API gravity up to and including 30° API gravity.
Minimum Tender	Physical transfer of a minimum prescribed number of Barrels of Crude Petroleum tendered from Shipper to Carrier at Receipt location on a monthly basis in accordance with Item 4 herein.
Receipt	Transfer from Shipper at origin to Carrier for transportation.
Segregated Batch.....	Crude Petroleum having specific identifiable characteristics 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.
Test Crude.....	Crude Petroleum of a type or grade not currently handled by the Carrier that would be tight lined through Carrier's system for Delivery to a refiner, on a one time basis, subject to system availability.
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 this 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.
- (d) Test Crude.

ITEM 2 Batched Shipments

Carrier operates its Kimball Junction Crude Pipeline System as a batched pipeline system.

Segregated Batches will be accepted for transportation under the following conditions:

- (a) The vapor pressure of any Segregated Batch tendered for shipment shall not exceed fifty-five (55) pounds per square inch, at one hundred degrees (100°) Fahrenheit determined by the Reid Method.
- (b) No Segregated Batch shall produce a Reid vapor pressure 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 any tender to such lower levels as may be required by Carrier's facilities and operating conditions.
- (c) The interface generated between Segregated Batches shall be divided equitably between those shipments that precede and follow the interface.

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.

ITEM 4 Minimum Tender

The Minimum Tender for Carrier's Kimball Junction Crude Pipeline System is 5,000 Barrels per crude type per month.

Crude Petroleum will be accepted for transportation under this tariff in shipments of not less than the Minimum Tender from one Shipper to one Consignee and destination point(s).

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. Quantities of Crude Petroleum tendered to the Carrier shall be measured in Barrels by tank gauge or meters.

- (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.
- (c) The net quantities as determined under paragraphs (a) and (b) of this item will be the amounts accountable at destination point(s).

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. If Carrier has a reasonable basis to believe 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 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

Line-fill for Carrier's Kimball Junction Crude Pipeline System shall be provided by Shippers upon request by Carrier. Due to the batched nature of the system, Carrier apportions line-fill to one Shipper where such Shipper has agreed to provide line-fill for the system. Should the Shipper who has volunteered such line-fill choose otherwise, Carrier will request another Shipper to provide the line-fill. In the event no Shipper volunteers the line-fill, Carrier will institute the following procedure:

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. However, the basis of the transportation charges will be the Gross Standard Volume actually delivered at destination point 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, upon receipt of monthly statement and invoice; 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 remain unpaid thirty (30) days after receipt of monthly statement and invoice, or in the absence of unpaid charges, when there shall be failure to take Delivery of Crude Petroleum at the destination point(s), Carrier may, by an agent, sell said Crude Petroleum through any means necessary. Out of the proceeds of said sale, the Carrier will pay itself all transportation and other charges due, and any other lawful charges incurred in the disposition of the Crude Petroleum, including but not limited to, attorney fees, expense of notice, advertisement, sale, storage, further transportation, care and maintenance, and other necessary expense. 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.

In addition, the proration calculation will be handled as follows:

- A. No Shipper's Nomination in excess of 70% of the Carrier's total capacity for that month will be accepted nor used in proration calculations.
- B. During the months of proration, Test Crude Nominations will be prorated prior to any other crude type being prorated. This will mean that one hundred percent of all Test Crude Nominations will be eliminated before any proration to normal established crude types.
- C. For the purpose of proration, all affiliate Nominations will be counted as one Shipper.
- D. Transportation of Medium, Heavy and Super Heavy Crude shall be limited to a total pipeline volume not to exceed 7,500 Barrels per day during any month in which the pipeline is prorated.

Prorated Nominations will continue to have to meet all minimum batch size requirements. As during non-prorated months, Nominations of similar crude from differing parties will be combined for minimum batch calculations.

Shippers will be notified by electronic transmission of the prorated adjustment in volumes and given a date by which renominations confirming allocated volumes must be received. Allocations will be given as a daily volume and will be calculated for the current calendar month.

Shippers will be required to reduce their renominated volumes to the exact prorated amount, by the due date given.

If during the month of prorating, a Shipper fails to use all of its allocated capacity, such unused capacity shall be made available to the other Shippers.

Carrier will not allow a Shipper to assign all or a portion of their volumes to another existing or potential Shipper, or affiliate. In the event that any Shipper shall, by any device, scheme, or arrangement whatsoever, make space available to itself or other Shippers, through the violation of this rule, the allocated space for such Shipper will be reduced to the extent of the excess space so made available or used, in the next proration month following discovery of the violation.

Carrier operates a segregated pipeline system from Kimball Junction to Salt Lake Station. Although every effort will be made to deliver prorated volumes as equitably as is practicable, Carrier will deliver Crude Petroleum as necessary to clear its pipeline, or as required for operational purposes.

In an effort to maximize throughput through the system during periods of proration, Carrier will proportionately reduce Shipper Nominations for destinations where downstream connecting pipelines cause Carrier to reduce the pumping rate at Kimball Junction.

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 Nominations

Any Shipper desiring to tender Crude Petroleum for transportation hereunder, shall make such Nomination to Carrier in writing by the final Nomination deadline. The final Nomination deadline is 3:00 p.m. 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.

After the final Nomination deadline, changes to Nominations will be accepted only in writing and only if space is available and such change will not impair the movement of Crude Petroleum nominated by other Shippers who met the final Nomination deadline.

ITEM 22 Scheduling

For each calendar month, Carrier will establish a sequence for pumping Crude Petroleum through its facilities and will schedule the approximate time when Crude Petroleum nominated for shipment will be received by Carrier at origin points and delivered by Carrier at destination points.

A change in destination may be made without charge if requested by the Shipper prior to arrival at original destination subject to the rates, rules, and regulations applicable from point of origin to point of final destination, provided that current pipeline operations of the Carrier will permit such a change of destination. Such a request must be in writing.

ITEM 23 Storage Facilities

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

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

TABLE OF RATES

Rates are expressed in cents per Barrel of 42 United States Gallons.

FROM	TO	Rate		
		Light Crude	Medium and Heavy Crude	Super Heavy Crude
Kimball Junction Summit County, Utah	Salt Lake Station Salt Lake City, Davis County, Utah	17.35	19.10	21.40
Kimball Junction Summit County, Utah	Woods Cross Lateral Salt Lake City, Davis County, Utah	17.35	19.10	21.40

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

[W] Change in wording only