

CHEVRON PIPE LINE COMPANY

LOCAL TARIFF

Applying on the Interstate Transportation of

CRUDE PETROLEUM

(As Defined Herein)

Rates filed in compliance with 18 C.F.R. § 342.3, Indexing

The rates published in this tariff are subject to the Rules and Regulations published in Chevron Pipe Line Company's F.E.R.C. No. 809, supplements thereto, and successive issues thereof. (See Exceptions, Page 2 through 7.)

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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Exceptions to F.E.R.C. No. 809
(Supplements thereto and successive issues thereof)

In addition to the Explanation of Terms and Abbreviations in F.E.R.C. No. 809, the following definitions and abbreviations apply.

The following Definition of Crude Petroleum applies.

Terms and Abbreviations

Explanation

Crude Petroleum

“Crude Petroleum” as used herein means the direct liquid product 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 including a sulfur content of less than or equal to 0.5 percent by weight as determined by ASTM Method D4294 without centrifuge.

Consignee

As used herein means an entity that has been authorized in writing to schedule with Carrier delivery of a specific amount of Crude Petroleum out of Carrier’s system.

Shipper

Shipper as used herein means the entity that originally nominates Crude Petroleum from a reception point listed in this tariff and is responsible to Carrier for all charges and obligations hereunder, except as otherwise noted.

The following Abbreviation applies.

Terms and Abbreviations

Explanation

BS&W

Basic Sediment, Water and other impurities

RULES AND REGULATIONS

The following items are exceptions to the same Item numbers in F.E.R.C. No. 809, and apply to this tariff.

1. Specifications and Restrictions

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

- (a) Crude Petroleum which is not good merchantable oil, which does not meet quality standards established pursuant to Item No. 4 or which will otherwise materially affect or damage the quality of other shipments or cause disadvantage to other Shippers and/or Carrier.
- (b) Crude Petroleum whose gravity, viscosity or other characteristics are such that it is not readily susceptible to transportation on Carrier's existing facilities.
- (c) Crude Petroleum containing BS&W or 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.
- (d) Crude Petroleum where the Shipper or Consignee has failed to comply with all applicable laws, rules and regulations.

Crude Petroleum with a gravity of 34.9° API or less shall not exceed 8.0 pounds per square inch of absolute (psia) Reid Vapor Pressure. Crude Petroleum with a gravity of 35.0° API or greater shall not

exceed 10.0 psia Reid Vapor Pressure. Crude Petroleum shall not exceed 11 psia True Vapor Pressure at the receiving temperature independent of gravity.

When Carrier and Shipper or Consignee agree that an accurate and economic method exists to determine the volumes of oil and BS&W in a stream of Crude Petroleum which contains more than 1% BS&W, the carrier will accept Nomination of such stream for shipment upon the following conditions:

1. Subject to Item No. 20, F.E.R.C. 809, the full volume of net oil (after deduction of BS&W) Nominated by Shippers of Crude Petroleum containing 1% BS&W or less shall be redelivered to the respective Shipper or Consignee after treatment at destination of the commingled stream.
2. Satisfactory evidence is furnished to Carrier that the Shipper or Consignee as provided or arranged for use of facilities necessary for the prompt receiving and disposal of Shipper's excess BS&W.

5. Nominations

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. Carrier will accept changes to nominations during the shipping month subject to capacity limitations.

6. Scheduling

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

Carrier will inform each Shipper at the time within each calendar month when Crude Petroleum will be received from such Shipper at origin points and Carrier will inform each Shipper or his Consignee of the approximate time within each calendar month when Crude Petroleum will be delivered to such Shipper or Consignee at destination points.

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, which charges are in addition to transportation charges accruing to Shipper.

10. 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 at any destinations. Carrier's storage is only that necessary for the operation of the pipeline system.

Due to capacity limitations on third party pipeline facilities at Fourchon Terminal, Carrier will require satisfactory evidence that Shipper or Consignee has acquired the necessary space on the connecting pipeline before Carrier accepts nominations for transportation to Fourchon Terminal.

11. Minimum Nomination

Minimum Nomination volumes do not apply.

14. Mixed Shipment

Shipment Carrier will not accept Indirect Liquid Petroleum products or mixtures containing Indirect Liquid Petroleum Products.

19. Liability for Charges

The Shipper shall be liable for the payment of gathering and transportation charges, fees, and other lawful charges accruing to or due Carrier by Shipper, including but not limited to, penalties, interest and late payment charges on Crude Petroleum delivered by Carrier to Consignee. All accrued charges are due on delivery of Crude Petroleum by Carrier to Consignee.

23. Gravity Bank

Adjustments for downgrading or upgrading of Crude Petroleum entering this system are administered by the Gravity Bank in F.E.R.C. No. [W] 1122, supplements thereto and successive issues thereof.

30. Inventory Requirements

- (a) The Carrier will require each shipper to supply a prorata share of Crude Petroleum necessary for pipeline fill and working stock (which includes tank bottoms) for efficient operation of the Carrier's pipeline system prior to delivery. 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.
- (b) An Inventory Management Fee of \$.20/barrel for each barrel that is in excess of +/- 25% of a shipper's required inventory shall be assessed as follows:
 - CPL will calculate an overall monthly volume that is needed for system linefill and tank bottoms, hereafter referred to as "system inventory", during hurricane season and non-hurricane season.
 - Each month, CPL will calculate a closing month inventory for each shipper based on each shipper's opening month inventory, total receipts, total deliveries, and loss allowance.
 - Each month, CPL will calculate each shipper's prorated share of the system inventory based on the last six (6) months of receipts from each shipper. This will be the shipper's required inventory volume- CPL will provide current month data to assist each shipper in calculating its upcoming month inventory nomination in order to remain close to its required inventory.
 - To the extent that a shipper's closing inventory for each month is within +/- 25% of its required inventory as calculated by CPL, no fee will be charged. If the shipper is outside its 25% threshold, then a fee will be charged for each barrel outside the 25% threshold.

Example of Inventory Management Fee Calculation:

Shipper	Required Inventory	Allowed Over/Under Percentage	Minimum Required Inventory	Maximum Required Inventory	Actual Closing Inventory	\$/Bbl Fee	Inventory Outside Allowed %	Inventory Fee Total
Shipper 1	1,330	25%	997	1,663	(1,146)	\$0.20	(2,143)	\$428.60
Shipper 2	99,385	25%	74,539	124,231	101,254	\$0.20	0	\$0
Shipper 3	1,306	25%	979	1,633	2,413	\$0.20	780	\$156.00

The following items are in addition to the Items in F.E.R.C. No. 809.

65. Payment of Transportation and Other Charges

Transportation charges will be assessed and collected by Carrier at the rates named herein on the basis of Gross Standard Volume actually received/delivered at the origin/delivery point(s) after making adjustments provided in F.E.R.C. No. 809 Item 13 (c) and (d).

The Shipper 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 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.

33. 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 will require prepayment of tariff related charges and / or a letter of credit from an appropriate financial institution in acceptable form to Carrier.

40. Gauging and Testing

In the event that Carrier Nomination accepts tender of Crude Petroleum containing more than 1% BS&W under the conditions set forth in Item No. 1 above, the total quantities of oil and BS&W in such Crude Petroleum shall be determined by periodic well tests or measured by means of meters, net oil analyzers, automatic samplers, and/or procedures reasonably required by Carrier. The design, performance, operation and maintenance of well testing or metering and sampling equipment, as applicable provided by Shippers will be subject to reasonable standards as established by Carrier; and Carrier shall have the right to witness the well test, meter calibration and sampling procedures utilized by the Shippers or their operating representatives. The total quantities of oil to which Shippers tendering Crude Petroleum containing more than 1% BS&W shall be entitled to receive at destination, after treatment of the commingled stream, shall be the quantities of oil available after treatment and after subtracting the redelivered quantities to which Shippers of Crude Petroleum containing 1% BS&W or less are entitled as set for in Item 1 above. The total of such quantities of oil available shall be allocated to each Shipper tendering Crude Petroleum containing more than 1% BS&W at each receipt point by multiplying the total of such quantities of oil available by a percentage obtained by dividing the quantities of oil received at each receipt point from each Shipper of Crude Petroleum containing more than 1% BS&W by the total quantities of oil received from all Shippers of Crude Petroleum containing more than 1% BS&W. Subject to Item No. 20 of F.E.R.C. 809, if Nomination of such Crude Petroleum is accepted, the quantities received from Shippers tendering Crude Petroleum containing 1% BS&W or less shall be redelivered, in accordance with item No. 1 above, at destination, after treatment of the commingled stream.

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° 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 BS&W in the Crude Petroleum and the full amount of basic sediment, water and other impurities, 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.

45. Evidence of Receipts or Deliveries

Shippers of Crude Petroleum Containing 1% BS&W or Less

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, BS&W, 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.

Shippers of Crude Petroleum Containing More Than 1% BS&W

Crude Petroleum received from Shipper and delivered to the Consignee shall be determined as set forth in Item No. 40, and Shipper shall furnish or cause to be furnished, to Carrier, timely reports and/or documents, satisfactory to Carrier, that are necessary to make allocation of Crude Petroleum quantities to Shipper at receipt point(s), Crude Petroleum delivered to the Shipper or Consignee shall be evidenced by tickets, showing opening and closing tank gauges or meter readings, as applicable, temperature, BS&W, 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.

55. Pumping

Shippers 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. Such pumping equipment shall be sized so that the pumping rate shall not exceed 120% of the average rate required to inject the quantities of Crude Petroleum scheduled for shipment from the production platform during the schedule period.

60. Reconsignment

Reconsignments may be made if requested in writing by the Shipper prior to delivery at original destination, subject to the rates, rules and regulations applicable from point of origin to point of final destination. Such reconsignments will be subject to Carrier's Consignment Fee as stated herein.

66. Inventory Transfers within Systems

A Shipper may transfer Crude Petroleum that has been consigned to it to its inventory after all owned Crude Petroleum has been put into inventory first. To do so, a Shipper must nominate the consigned Crude Petroleum to its inventory. All transfers of consignments to a Shipper's inventory shall take effect at the end of the month. All charges, obligations and risk of loss accruing under this tariff through the end of the month remain with the original Shipper and all charges, obligations and risk of loss accruing after the end of the month are those of the transferee Shipper.

67. Consignment

A Shipper may consign Crude Petroleum to another Shipper or a Consignee. A Consignee may further consign Crude Petroleum to another Consignee. To do so, the Shipper or Consignee must notify Carrier in writing of the specific amount of crude petroleum consigned and the name of the Consignee. Carrier does not recognize any transfer(s) of title of Crude Petroleum to a transferee Shipper or Consignee while

the crude petroleum is within Carrier's system, except as provided in Item 66. Unless a Shipper has transferred consigned Crude Petroleum to its inventory pursuant to Item 66, all charges, obligations and risk of loss under this tariff are those of the original Shipper, with the exception of the consignment fee, which will be charged to the Consignee or transferee Shipper.

A Consignee may provide Carrier with one or more Shipper accounts to balance its consignments against, with the written consent of the Shipper(s). If Consignee does not or cannot provide Carrier with a Shipper balancing account, Carrier will balance Consignee's consignments on a pro rata basis against the account of each Shipper whose Crude Petroleum has been consigned to Consignee in that month.

[D] Decreased rate. All rates on this page are decreased except as otherwise indicated.

TRANSPORTATION RATES

FROM (Offshore Louisiana)	TO	RATE IN CENTS PER BARREL OF 42 UNITED STATES GALLONS
South Timbalier Block 27		60.19
South Timbalier Block 41		98.18
South Timbalier Block 131		98.18
Grand Isle Block 75 SSTI		103.49
South Timbalier Block 63		120.36
South Timbalier Block 132	Fourchon Terminal Lafourche Parish, Louisiana	142.51
South Timbalier Block 151		145.73
South Timbalier Block 52		167.87
South Timbalier Block 161		190.06
South Timbalier Block 177		221.75
South Timbalier Block 265		339.43
South Timbalier Block 72		361.75

TERMINAL CHARGES

For delivering to connecting pipeline at Fourchon Terminal, a charge of 31.72 cents per barrel will be assessed and will be in addition to all other charges listed in this tariff.

For delivering to water treating facilities of others, a charge of 30.09 cents per barrel of Crude Petroleum will be assessed and will be in addition to all other charges listed in this tariff.

CONSIGNMENT FEE

When operations permit, Carrier will allow consignments as requested by Shipper. A consignment fee of **[U] \$200.00** per transaction will be assessed to the transferee of those transactions at Empire or Fourchon Terminal for which a consignment occurs. Examples of such transactions include: line transfer to inventory; line transfer to line transfer; and line transfer to custody transfer.

EXPLANATION OF REFERENCE MARKS:

- [D]** Decrease
- [U]** Unchanged rate
- [W]** Change in wording only