

CHEVRON PIPE LINE COMPANY

Governing the Gathering and Transportation of

RULES AND REGULATIONS TARIFF

CRUDE PETROLEUM

(As Defined Herein)

BY PIPELINE

BETWEEN

POINTS IN TARIFFS MAKING REFERENCE HERETO

GENERAL APPLICATION

Carrier will accept and transport Crude Petroleum offered for transportation through Carrier's facilities only in accordance with this Rules and Regulations Tariff. Specific rules and regulations published in individual tariffs will take precedence over the general rules and regulations published in this tariff.

The rules and regulations published herein, apply only under tariffs making specific reference by F.E.R.C. Number to this tariff; such reference will include supplements thereto and successive issues hereof.

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

Explanation of Reference Marks

[N] New

[W] Change in wording only

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TABLE OF CONTENTS

SUBJECT	ITEM NO.	PAGE NO.
Additives	27	[W] 12
Application of Rates from/to Intermediate Origin/Destination Points	24	[W] 12
Charge for Spill Compensation	25	[W] 12
Clear Title Required	3	4
Connection Policy	32	[W] 14
Destination Facilities Required	10	6
Duty of Carrier	8	5
Establishment of Quality	4	4
Explanation of Terms and Abbreviations	—	3
Gravity Bank	23	[W] 8
Inventory Requirements	30	[W] 13
Liability for Charges	19	[W] 7
Liability of Parties	20	8
Liability for Non-compliance with Tariff	—	—
Measurement and Adjustments	13	6
Minimum Tender	11	6
Mixed Shipments	14	7
Mixing in Transit	29	[W] 13
Nominations	5	5
Notice of Claims	21	[W] 8
Origination Facilities Required	9	[W] 5
Payment of Transportation and Other Charges	31	[W] 13
Pipage or Other Contracts Required	16	[W] 7
Proration	28	[W] 12
Rates Applicable: Receipt Based Systems	17	[W] 7
Rates Applicable: Delivery Based Systems	18	[W] 7
Scheduling	6	5
Specifications and Restrictions	1	4
Symbols	—	—
Transfers Within System	7	5
Use of Communication Facilities	26	[W] 12
Volumetric Adjustment	22	[W] 8

EXPLANATION OF TERMS AND ABBREVIATIONS

Terms and Abbreviations	Explanation
API.....	American Petroleum Institute
ASTM	American Society for Testing Materials
Barrel (Bbl).....	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
CPUC.....	California Public Utilities Commission
Condensate.....	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.
Crude Petroleum.....	Direct liquid products of oil wells, condensate or a mixture thereof.
°.....	Degrees
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.
Indirect Liquid Products of Oil or Gas Wells	Liquid products resulting from the operation of gasoline recovery plants, gas recycling plants, or distillate recovery equipment in gas or oil fields, or a mixture of such products including Natural Gasoline or Natural Gas Liquids.
Net Standard Volume	Gross Standard Volume less deductions of impurities shown by tests made by Carrier prior to receipt and upon delivery.
Receipt.....	Transfer from Shipper at origin to Carrier for transportation
Shipper.....	Party who contracts with Carrier for the transportation of Crude Petroleum under the terms of this tariff
Tender.....	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

Item No.	Subject	Rules, Regulations And Conditions
1	Specifications and Restrictions	<p>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 the same quality and general characteristics is being transported from origin point(s) to destination point(s). Crude Petroleum tendered for transportation which is not of the same quality and general characteristics of that which is being transported by Carrier will be transported under the terms agreed upon in conformance with the filed tariffs.</p> <p>Carrier reserves the right to reject any and all of the following shipments:</p> <ul style="list-style-type: none"> (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 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. (d) Crude Petroleum where the Shipper or Consignee has failed to comply with all applicable laws, rules and regulations. <p>Crude Petroleum with a gravity of 34.9° API or less shall not exceed 8.0 pounds per square inch 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.</p> <p>In addition, Crude Petroleum tendered for transportation to Carrier shall be subject to the following limitations on gravity and temperature based upon tender location. These minimum specifications are physical limitations imposed by Carrier's equipment.</p>
3	Clear Title Required	<p>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 dispute, or which may be encumbered by lien or charge of any kind. If Carrier has a 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.</p>
4	Establishment of Quality	<p>In addition to the general requirements for transportation set forth in Item No. 1 above, Carrier will from time to time determine the quality of Crude Petroleum it will regularly gather from certain areas and the quality and general characteristics of Crude Petroleum it will regularly transport as a common stream between particular origin points and destination points on its trunk pipelines. Carrier will inform all interested persons of such Crude Petroleum quality and general characteristics upon request by them. Changes in petroleum quality standards will be made by new tariff filings.</p> <p>Crude Petroleum quality and general characteristics include, but are not limited to, whole crude properties such as A.P.I. gravity, sulfur, S. & W., Reid Vapor Pressure, pour point, viscosity, hydrogen sulfide, metals, nitrogen, chlorinated and/or oxygenated hydrocarbons, salt content, and product yields.</p>

Item No.	Subject	Rules, Regulations And Conditions
5	Nominations	<p>All Shippers and Consignees desiring to ship or receive Crude Petroleum through the pipelines of Carrier shall provide Carrier, in writing, the following information needed by Carrier to schedule and dispatch each shipment of Crude Petroleum: the kind, quantity, receipt point, sequence of delivery, delivery point and Shipper of each proposed Crude shipment. Nominations must be received by the Final Nomination Deadline. The Final Nomination Deadline is 3:00 p.m. on the twenty-fifth (25th) day (excluding Carrier holidays) of the month preceding the month in which Shipper desires to ship. Carrier will inform Shippers of Carrier holidays at the time they become Shippers and thereafter on January 15 of each year in the event the holidays are changed.</p> <p>Nominations or changes in nominations received after the Final Nomination Deadline will not be accepted from the Final Nomination Deadline date to the first day of the following month. After the first of the month, changes will be accepted only in writing and only if space is available and the additional or changed nominations do not impair the movement of Crude nominated prior to the Final Nomination Deadline.</p> <p>All Nominations must contain a final destination point to be accepted.</p> <p>In the event the total nominations submitted for shipment in a pipeline segment exceed the capacity of that segment, the capacity will be prorated equitably among all shipments according to the proration procedure set forth in Item No. 28.</p>
6	Scheduling	<p>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.</p> <p>Carrier will inform each Shipper of 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.</p> <p>A change in destination point 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 then current pipeline operations of the Carrier will permit such a change of destination. Such a request must be in writing.</p>
7	Transfers Within System	<p>Intrasystem transfers will not be recognized by Carrier for Crude Petroleum in Carrier's custody, except for transfers resulting from application of Item No. 29 herein.</p>
8	Duty of Carrier	<p>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.</p>
9	Origination Facilities Required	<p>Carrier will receive Crude Petroleum from Shippers at stations on its gathering lines; at leases or plants to which its gathering lines connect; and at origin points on its trunk lines. Crude Petroleum will be received only from pipelines, tanks or other facilities which are provided by Shipper. Carrier will determine and advise Shippers of the size and capacity of pipelines, tanks and/or metering facilities to be provided by Shipper at the point of receipt to meet the operating conditions of Carrier's facilities at such point. Carrier will not accept Crude Petroleum for transportation unless such facilities have been provided to meet industry standards.</p>

Item No.	Subject	Rules, Regulations And Conditions										
10	Destination Facilities Required	<p>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.</p> <p>Carrier does not furnish storage facilities at any destinations. Carrier's storage is only that necessary for the operation of the pipeline system.</p>										
11	Minimum Tender	<p>Crude Petroleum (as defined in Explanation of Terms and Abbreviations of this tariff) will be accepted for transportation under this tariff in shipments of not less than two thousand (2,000) Barrels from one Shipper to one Consignee and destination point(s) under the following conditions:</p> <p>(a) The minimum tender of two thousand (2,000) 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 Natural Gas Liquids.</p> <p>(b) The "direct liquid products of oil wells" portion of the minimum two thousand (2,000) Barrels tender and shipment may have one or more origin points. However, tenders from each origin point shall be subject to the quality specifications of Item No. 1 herein.</p> <p>(c) Both the "direct liquid products of oil wells" portion and the "indirect liquid products of oil or gas wells including Natural Gasoline and Natural Gas Liquids" portion of the mixture-shipment may be in varying quantities providing the total of the shipment is not less than the minimum two thousand (2,000) Barrels and meets the conditions in Item 14 of this tariff.</p>										
13	Measurement and Adjustments	<p>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 and Delivery to Consignee, but the Shipper or Consignee shall at all times have the privilege of being present or represented during the testing, gauging or metering.</p> <p>(a) Quantities for receiving and delivering will be Net Standard Volume. Quantities may be computed from tank tables compiled or accepted by the Carrier.</p> <p>(b) The volume of impurities in Crude Petroleum received and delivered by Carrier will be measured by centrifugal test, or by such other tests as may be agreed upon by the Shipper and Carrier. The volume of impurities will be deducted from the volume of such receipts and deliveries.</p> <p>(c) 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.</p> <p>(d) In addition, whenever the product of oil or gas wells with a gravity that equals or exceeds fifty-five degrees (55°) A.P.I. is permitted to be commingled with other Crude Petroleum in transit, Carrier shall deduct at the point of origin a percentage of the volume of such Crude Petroleum in accordance with the following table:</p> <table border="0" data-bbox="532 1688 1230 1850"> <thead> <tr> <th data-bbox="532 1688 760 1717"><u>Degrees A.P.I. Gravity</u></th> <th data-bbox="1003 1688 1230 1717"><u>Percentage Deduction</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="553 1724 683 1751">Less than 55</td> <td data-bbox="1089 1724 1149 1751">None</td> </tr> <tr> <td data-bbox="565 1757 672 1785">55 to 74.9</td> <td data-bbox="1110 1757 1128 1785">2</td> </tr> <tr> <td data-bbox="565 1791 672 1818">75 to 99.9</td> <td data-bbox="1110 1791 1128 1818">4</td> </tr> <tr> <td data-bbox="544 1824 693 1852">100 and above</td> <td data-bbox="1110 1824 1128 1852">5</td> </tr> </tbody> </table> <p>The net balance after all deductions will be the quantity Carrier is obligated to deliver to the Consignee.</p>	<u>Degrees A.P.I. Gravity</u>	<u>Percentage Deduction</u>	Less than 55	None	55 to 74.9	2	75 to 99.9	4	100 and above	5
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14	Mixed Shipments	<p>Mixed shipments of Crude Petroleum and the Indirect Liquid Products of Oil or Gas Wells including Natural Gasoline and Natural Gas Liquids will be accepted for transportation under the following conditions:</p> <p>(a) The Shipper shall provide tanks or storage equipment that will hold the Indirect Liquid Products of Oil or Gas Wells in liquid state until such Indirect Liquid Products of Oil or Gas Wells can be mixed in course of transportation with Crude Petroleum consigned by the same Shipper to the same destination in such proportions and manner as the Carrier shall prescribe.</p> <p>(b) The Indirect Liquid Products of Oil or Gas Wells shall be tested by the Carrier before mixing with Crude Petroleum and the quantities shall be shown separately on the tender of shipment.</p> <p>(c) The quantities of Indirect Liquid Products of Oil or Gas Wells delivered to the Carrier shall be determined by tank gauge or meters. Such quantities shall be received on the basis of volume corrections for temperature from observed degrees Fahrenheit to sixty degrees (60°) Fahrenheit and at equilibrium vapor pressure.</p> <p>(d) The Reid Vapor Pressure of any mixture of Indirect Liquid Products of Oil or Gas Wells shall not exceed twenty-five (25) pounds per square inch.</p> <p>(e) The resulting mixture with a gravity of 34.9° API or less shall not exceed 8.0 psia Reid Vapor Pressure. A mixture with a gravity of 35.0° API or greater shall not exceed 10.0 psia Reid Vapor Pressure. The True Vapor Pressure of the resulting mixture shall not exceed eleven (11) pounds psia at the receiving temperature independent of gravity.</p> <p>(f) Carrier will not accept a mixture containing any of the following: Waste oils, lube oils, crankcase oils, PCB's or Dioxins.</p> <p>(g) Any Indirect Liquid Products of Oil or Gas Wells must be blended with Crude Petroleum before entering Carrier's system.</p>
16	Pipage or Other Contracts 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.
17	Rates Applicable: Receipt Based Systems	The rate which shall apply to the transportation of Crude Petroleum and mixed shipments shall be the rate in effect on the date Crude Petroleum and mixed shipments is received by Carrier for transportation. Likewise, the rules and regulations which shall govern the transportation of Crude Petroleum and mixed shipments shall be the rules and regulations in effect on the date Crude Petroleum and mixed shipments are received by the Carrier for transportation.
18	Rates Applicable: Delivery Based Systems	<p>In California: <u>Ventura Pipeline System</u></p> <p>In Texas: <u>West Texas Crude/Wortham-Corsicana/Mesa/Wink-Odessa/Lucas Crude/El Paso Crude Pipeline Systems</u></p> <p>The rate which shall apply to the transportation of Crude Petroleum and mixed shipments shall be the rate in effect on the date Crude Petroleum and mixed shipments is delivered by Carrier to Consignee. The rules and regulations which shall govern the transportation of Crude Petroleum and mixed shipments shall be the rules and regulations in effect on the date Crude Petroleum and mixed shipments are received by the Carrier for transportation.</p>
19	Liability for Charges	The Shipper and Consignee shall be jointly and severally liable for the payment of gathering and transportation charges, fees, and other lawful charges accruing to or due Carrier by Shipper or Consignee, 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.

Item No.	Subject	Rules, Regulations And Conditions
20	Liability of Parties	<p>As a condition to Carrier's acceptance of Crude Petroleum under this tariff, each Shipper agrees to defend, indemnify and hold harmless Carrier against claims or actions for injury and/or death of any and all persons whomever and for damage to property of or any other loss sustained by 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.</p> <p>The Carrier, while in possession of Crude Petroleum herein described, shall not be liable for any loss thereof; damage hereto; or delay caused by act of God, war, act of 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 cause not due to the sole negligence of the Carrier.</p> <p>(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.</p> <p>(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.</p> <p>(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. The dollar value of such loss shall be determined by the average posted price of all postings of Crude Petroleum of like gravity and quality in the field or fields from which the Crude Petroleum so lost was produced. The average posted price shall be determined by the postings of Crude Petroleum in effect on the date the Crude Petroleum was lost. If there are no posted prices for the Crude Petroleum lost, the dollar value of such loss shall be its market price based upon the average of the two highest and two lowest prices posted for crude oil of similar gravity and quality in effect on the date the Crude Petroleum was lost.</p>
21	Notice of Claims	<p>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 for 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.</p>
22	Volumetric Adjustment	<p>Any volumetric difference between receipts from Shipper and delivery to Shipper or Consignee during a current month as a result of scheduling will be adjusted in the following month without any further liability to Carrier, taking into consideration all prior deductions allowed pursuant to the rules and regulations contained herein.</p>
23	Gravity Bank	<p>In order to insure that Shippers will not be materially damaged or allowed to benefit from changes in gravity as a result of common stream operations, the Carrier has established gravity banks to calculate, collect and remit monetary adjustments among all Shippers tendering within the common stream, on systems that reference such gravity banks.</p> <p>Should a system provide for a gravity bank, then each Shipper in such a system shall be required to participate in the gravity bank. Each Shipper agrees to pay the Carrier the computed adjustments due from said Shipper in accordance with these rules and regulations.</p>

Item No.	Subject	Rules, Regulations And Conditions
23	Gravity Bank (continued)	<p>A Gravity Value Table will be determined by Carrier, as described below, for each system in which Carrier administers a gravity bank. Gravity Value Tables will be issued as separate tariff filings.</p> <p>Factors in the applicable Gravity Value Table(s) are determined by posted crude oil price adjustment scales as published by major purchasers of regional crude oils shipped in the applicable system(s) or by reference to industry standard gravity adjustment systems. Carrier will revise Gravity Value Table(s) only if there has been an increase or decrease made in a majority of the crude oil price adjustment scales or in the industry reference upon which the current Gravity Value Table(s) is(are) based.</p> <p>Carrier shall administer the gravity bank providing adjustments for the value of crudes of different gravities in the manner specified below:</p> <p>I. <u>Common Stream Calculation</u></p> <p>▲ At the end of each month, the weighted average gravity value of the gravity bank will be determined for all crude petroleum being received (Receipt Bank) into the commingled common stream system and similarly for the crude petroleum being delivered (Delivery Bank) out of the system. This value will be determined by dividing the total number of barrels received into the sum total of the products obtained by multiplying each receipt volume in such stream by the gravity value per barrel obtained from the gravity value table. Similar calculations will be made with respect to the deliveries.</p> <p>II. <u>Shipper Calculation</u></p> <p>At the end of each month, each Shipper's gravity value will be determined by multiplying the quantity of barrels received from such Shipper by the gravity value per barrel obtained from the gravity value table. Similar calculations will be made with respect to the deliveries.</p> <p>III. <u>Receipt Bank</u></p> <p>(a) If the weighted average gravity value per barrel for a Shipper as determined under II is greater than that determined for the common stream under I, the Shipper will be credited an amount which shall be calculated by multiplying the differences in gravity value per barrel by the total barrels received from such Shipper.</p> <p>(b) If the weighted average gravity value per barrel for a Shipper as determined under II is less than that determined for the common stream under I, the Shipper will be debited an amount which shall be calculated by multiplying the differences in gravity value per barrel by the total barrels received from such Shipper.</p> <p>(c) The sum of debits and credits for all Shippers is zero.</p> <p>(d) Carrier will provide at the end of each month a record of the Shipper's calculation and debit or credit amount.</p> <p>IV. <u>Delivery Bank</u></p> <p>(a) If the weighted average gravity value per barrel for a Shipper as determined under II is greater than that determined for the common stream under I, the Shipper will be debited an amount which shall be calculated by multiplying the difference in gravity value per barrel by the total barrels delivered for such Shipper.</p> <p>(b) If the weighted average gravity value per barrel for a Shipper as determined under II is less than that determined for the common stream under I, the Shipper will be credited an amount which shall be calculated by multiplying the difference in gravity value per barrel by the total barrels delivered for such Shipper.</p> <p>(c) The sum of debits and credits for all Shippers is zero.</p> <p>(d) Carrier will provide at the end of each month a record of the Shipper's calculation and debit or credit amount.</p>

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23	Gravity Bank (continued.)	<p>V. <u>Example of Gravity Bank Settlement</u></p> <p>(a) Receipt Bank</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 15%; text-align: center;">Shipment Volume (Bbls) <u>Received</u></th> <th style="width: 15%; text-align: center;">Measured Gravity ° API</th> <th style="width: 15%; text-align: center;">Gravity Value \$/Bbl*</th> <th style="width: 15%; text-align: center;">Volume x Value \$</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><u>Shipper</u></td> <td style="text-align: center;">50</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;"><u>20</u></td> <td style="text-align: center;">24.5</td> <td style="text-align: center;">2.175</td> <td style="text-align: center;">108.75</td> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">70</td> <td style="text-align: center;">23.7</td> <td style="text-align: center;">2.055</td> <td style="text-align: center;"><u>41.10</u></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>30</u></td> <td></td> <td></td> <td style="text-align: center;">149.85</td> </tr> <tr> <td style="text-align: center;">B</td> <td style="text-align: center;">100</td> <td style="text-align: center;">24.9</td> <td style="text-align: center;">2.235</td> <td style="text-align: center;"><u>67.05</u></td> </tr> <tr> <td style="text-align: center;">Total</td> <td></td> <td></td> <td></td> <td style="text-align: center;">216.90</td> </tr> </tbody> </table> <p>* Using example table Common Stream Value = 216.90 ÷ 100 = 2.16900</p> <p>Shipper A Calculation: \$ Weighted average gravity value per bbl. = 149.85 ÷ 70 = 2.14071 (2.14071 - 2.16900) x 70 = -1.98 Shipper A pays 1.98</p> <p>Shipper B Calculation: (2.235 - 2.16900) x 30 = 1.98 Shipper B receives <u>(1.98)</u></p> <p>Sum of Payments and Receipts is zero 0</p> <p>(B) Delivery Bank</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 15%; text-align: center;">Shipment Volume (Bbls) <u>Received</u></th> <th style="width: 15%; text-align: center;">Measured Gravity ° API</th> <th style="width: 15%; text-align: center;">Gravity Value \$/Bbl*</th> <th style="width: 15%; text-align: center;">Volume x Value \$</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><u>Shipper</u></td> <td style="text-align: center;">40</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;"><u>29</u></td> <td style="text-align: center;">24.4</td> <td style="text-align: center;">2.160</td> <td style="text-align: center;">86.40</td> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">69</td> <td style="text-align: center;">24.8</td> <td style="text-align: center;">2.220</td> <td style="text-align: center;"><u>64.38</u></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>29</u></td> <td></td> <td></td> <td style="text-align: center;">150.78</td> </tr> <tr> <td style="text-align: center;">B</td> <td style="text-align: center;">98</td> <td style="text-align: center;">24.2</td> <td style="text-align: center;">2.130</td> <td style="text-align: center;"><u>61.77</u></td> </tr> <tr> <td style="text-align: center;">Total</td> <td></td> <td></td> <td></td> <td style="text-align: center;">212.55</td> </tr> </tbody> </table> <p>* Using example table Common Stream Value = 212.55 ÷ 98 = 2.16888</p> <p>Shipper A Calculation: \$ Weighted average gravity value per bbl. = 150.78 ÷ 69 = 2.18522 (2.18522 - 2.16888) x 69 = 1.13 Shipper A pays 1.13</p> <p>Shipper B Calculation: (2.130 - 2.16888) x 29 = -1.13 Shipper B receives <u>(1.13)</u></p> <p>Sum of Payments and Receipts is zero 0</p>						Shipment Volume (Bbls) <u>Received</u>	Measured Gravity ° API	Gravity Value \$/Bbl*	Volume x Value \$	<u>Shipper</u>	50				A	<u>20</u>	24.5	2.175	108.75	A	70	23.7	2.055	<u>41.10</u>		<u>30</u>			149.85	B	100	24.9	2.235	<u>67.05</u>	Total				216.90		Shipment Volume (Bbls) <u>Received</u>	Measured Gravity ° API	Gravity Value \$/Bbl*	Volume x Value \$	<u>Shipper</u>	40				A	<u>29</u>	24.4	2.160	86.40	A	69	24.8	2.220	<u>64.38</u>		<u>29</u>			150.78	B	98	24.2	2.130	<u>61.77</u>	Total				212.55
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V. EXAMPLE GRAVITY VALUE BANK SETTLEMENT (continued)

API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl
13.0	0.450	18.0	1.200	23.0	1.950	28.0	2.7002	33.0	3.450	38.0	4.000
13.1	0.465	18.1	1.215	23.1	1.965	28.1	715	33.1	3.465	38.1	4.010
13.2	0.480	18.2	1.230	23.2	1.980	28.2	2.730	33.2	3.480	38.2	4.020
13.3	0.495	18.3	1.245	23.3	1.995	28.3	2.745	33.3	3.495	38.3	4.030
13.4	0.510	18.4	1.260	23.4	2.010	28.4	2.760	33.4	3.510	38.4	4.040
13.5	0.525	18.5	1.275	23.5	2.025	28.5	2.775	33.5	3.525	38.5	4.050
13.6	0.540	18.6	1.290	23.6	2.040	28.6	2.790	33.6	3.540	38.6	4.060
13.7	0.555	18.7	1.305	23.7	2.055	28.7	2.805	33.7	3.555	38.7	4.070
13.8	0.570	18.8	1.320	23.8	2.070	28.8	2.820	33.8	3.570	38.8	4.080
13.9	0.585	18.9	1.335	23.9	2.085	28.9	2.835	33.9	3.585	38.9	4.090
14.0	0.600	19.0	1.350	24.0	2.100	29.0	2.850	34.0	3.600	39.0	4.100
14.1	0.615	19.1	1.365	24.1	2.1152	29.1	2.865	34.1	3.610	39.1	4.110
14.2	0.630	19.2	1.380	24.2	130	29.2	2.8802	34.2	3.620	39.2	4.120
14.3	0.645	19.3	1.395	24.3	2.145	29.3	895	34.3	3.630	39.3	4.130
14.4	0.660	19.4	1.410	24.4	2.160	29.4	2.910	34.4	3.640	39.4	4.140
14.5	0.675	19.5	1.425	24.5	2.175	29.5	2.925	34.5	3.650	39.5	4.150
14.6	0.690	19.6	1.440	24.6	2.190	29.6	2.940	34.6	3.660	39.6	4.160
14.7	0.705	19.7	1.455	24.7	2.205	29.7	2.955	34.7	3.670	39.7	4.170
14.8	0.720	19.8	1.470	24.8	2.220	29.8	2.970	34.8	3.680	39.8	4.180
14.9	0.735	19.9	1.485	24.9	2.235	29.9	2.985	34.9	3.690	39.9	4.190

(Actual Table(s) Filed and Published Separately)

Item No.	Subject	Rules, Regulations and Conditions
23	Gravity Bank (continued.)	<p>VI. <u>Payments</u></p> <p>At the end of each Quarter, a statement shall be rendered to each Shipper setting forth the net debit or credit balance of said Shipper's gravity value account and specifying the amount required to be paid (or received) to settle the account.</p> <p>All payments due from Shippers shall be made within (twenty) 20 days of the statement date. All crude petroleum which is received from a Shipper who has failed to pay such amounts shall be subject to the imposition of a lien to obtain payment of such amounts.</p> <p>Carrier may, at its option, require the Shipper to pay all estimated obligations in advance or to provide an irrevocable letter of credit satisfactory to the Carrier for such obligations.</p> <p>Payments to or from the Shippers as a result of Item 23, Gravity Bank, are not part of the transportation tariff rate of Carrier and said payment shall not be off set or otherwise claimed by any Shipper against sums due Carrier for transportation or other charges collected pursuant to Carrier's tariff rules and regulations.</p> <p>VII. <u>Table of Gravity Values</u></p> <p>Actual Table(s) shall be filed and published separately as tariffs and shall be numerically referenced by the applicable system rate sheets. See CPL F.E.R.C. No. 323, supplements thereto and successive issues thereof, for gravity values.</p>

Item No.	Subject	Rules, Regulations and Conditions
24	Application of Rates from/to Intermediate Origin/Destination Points	<p>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.</p> <p>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.</p> <p>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.</p>
25	Charge for Spill Compensation	<p>In addition to the transportation charges and all other charges accruing on Crude Petroleum accepted for transportation, a per Barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against the Carrier in connection with such a commodity, pursuant to any Federal, State or local act or regulation which levies a tax, fee, or other charge, on the receipt, delivery, transfer or transportation of such commodities within their jurisdiction for the purpose of creating a fund for the prevention, containment, cleanup and/or removal of spills and/or the reimbursement of persons sustaining loss therefrom.</p>
26	Use of Communication Facilities	<p>Without additional charge 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.</p>
27	Additives	<p>Carrier reserves the right to require, approve or reject the injection of corrosion inhibitors, viscosity depressants, pour point depressants, drag reducing additives, or other such additives in the Crude Petroleum to be transported.</p>
28	Proration	<p>During any month in which the total nominations submitted for shipment in a pipeline segment exceed the capacity of that segment, the capacity will be prorated equitably among all Shippers as described by the following Proration Policy:</p> <p>I. <u>Prorating:</u></p> <p>At such times as Carrier determines that it may be necessary to allocate space in a pipeline segment, Carrier will notify all Shippers of the necessity to prorate the segment. Carrier will also notify each Shipper of its allocated space for the month. The allocation will be determined according to the procedure described in Section II of this Item.</p> <p>II. <u>Allocation Procedure:</u></p> <p>When the nominated volumes for any month exceed the capacity of any one or more segments of the system, the total nominated volumes for the segment(s) shall be divided into each Shipper's nominated volume to determine the factor for that Shipper. Each Shipper's allocation for that segment(s) shall be determined by multiplying its factor for that segment(s) by the capacity of the prorated segment. Capacity will be defined as the throughput limit for the prorated segment in barrels per day as determined by Carrier.</p> <p>Carrier will require Shippers to nominate volumes to be shipped in the prorated line segment by the Final Nomination Deadline. The Final Nomination Deadline is 3:00 p.m. on the twenty-fifth (25th) day (excluding Carrier holidays) of the month preceding the month in which Shipper desires to ship. Such nominations are subject to provisions contained in Item 5. Shippers will be informed of their allocations one (1) day after the Final Nomination Deadline.</p>

Item No.	Subject	Rules, Regulations and Conditions
28	Proration (continued)	<p>Nominations are subject to provisions contained in Item 5. Shippers will be informed of their allocations one (1) day after the Final Nomination Deadline. Should Shipper(s) wish to change individual tender locations after being notified of their allocation Shipper(s) will be required to resubmit their allocated nomination two (2) days after the Final Nomination Deadline. Acceptance of tender location changes will be subject to pumping limitations of Carrier's lines.</p> <p>III. <u>General</u></p> <p>Volumes injected into Carrier's pipeline system will be limited to throughput capacity as determined by Carrier. Lease sites will also be limited to historic production as determined by Carrier.</p> <p>Shipper must have unencumbered title to all volumes which are nominated. Space allocated to a Shipper may only be used by such Shipper and may not be assigned, sold or otherwise transferred to another Shipper. Any Shipper violating this provision will not be allowed to ship in the following prorated scheduling month if proration continues.</p> <p>If a Shipper fails to use its total allocated space for the month then such Shipper's allocated volume for each subsequent prorated scheduling month, will be reduced by up to the amount of unused space; except that to the extent such failure is, in the sole opinion of Carrier, due to causes beyond the reasonable control of Shipper or due to other reasonable cause, in which event Shipper will not be penalized in its allocated volume for the subsequent prorated scheduling period(s).</p> <p>Any undue preference or advantage Shippers in Systems in California may offer, grant, give, solicit, accept or receive with respect to the allocation of shipping space may be a violation of Section 494, California Public Utilities Code, and other applicable laws.</p>
29	Mixing in Transit	<p>Crude Petroleum will be accepted for transportation only on condition that it shall be subject to such changes in gravity, quality, or general characteristics, while in transit as may result from the mixture with other Crude Petroleum received, and the Carrier shall be under no obligation to make Delivery of the identical Crude Petroleum received, but may make Delivery out of its common stock.</p> <p>Except in systems where Carrier administers gravity banks, there will be no adjustment for downgrading or upgrading of Crude Petroleum tendered for transportation as a result of mixing in transit.</p>
30	Inventory Requirements	<p>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 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 twenty-fifth (25th) day of the month preceding the last calendar month in which the Shipper intends to ship.</p>
31	Payment of Transportation and Other Charges	<p>Transportation charges will be assessed and collected by Carrier at the rates in effect as provided in Item 17 and Item 18 above on the basis of Gross Standard Volume actually received/delivered at the origin/delivery point(s) after making adjustments provided in Item 13 (c) and (d) above.</p> <p>The Shipper or Consignee shall pay the transportation and all other [W] 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.</p>

Item No.	Subject	Rules, Regulations and Conditions
31	Payment of Transportation and Other Charges (continued)	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.
32	Connection Policy	<p>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.</p> <p>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.</p>

[N] * Including all applicable charges as referenced in Chevron Pipe Line Company Non-Jurisdictional Terminal Charges a listing of which may be requested from Chevron Pipe Line Company, P.O. Box 4879, Houston, TX 77210-4879, Attention: Tariff Analyst.