

F. E. R. C. No. 223
(Cancels F.E.R.C. No. 222)

ExxonMobil Pipeline Company

IN CONNECTION WITH

SemPipe, L. P.

LOCAL AND JOINT TARIFF

CONTAINING

RULES AND REGULATIONS

GOVERNING

**THE GATHERING AND TRANSPORTATION OF CRUDE PETROLEUM
BY PIPELINE**

GENERAL APPLICATION

The rules and regulations published herein apply only under tariffs making specific reference by number to this tariff; such reference will include supplements hereto and successive issues hereof. Specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

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

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(For explanation of Abbreviations and Reference Marks, see Page 9 herein.)

SECTION I RULES AND REGULATIONS

5. DEFINITIONS:

“Crude Petroleum,” as used herein, means the direct product of oil wells, indirect petroleum products resulting either from refining Crude Petroleum or from the operation of gasoline recovery plants, gas recycling plants or distillate recovery equipment in gas and distillate fields, or a mixture of direct product and indirect petroleum products.

“Barrel,” as used here in, means 42 United States gallons of Crude Petroleum at a temperature of 60 degrees Fahrenheit.

“Carrier,” as used herein, means ExxonMobil Pipeline Company (EMPCo) and other pipeline companies which may, by proper concurrence, be parties to joint tariffs incorporating these regulations by specific reference.

“Consignee,” as used herein, means the party to whom a Shipper has ordered delivery of Crude Petroleum.

“A.P.I. Gravity” as used herein, means gravity determined in accordance with American Society for Testing Materials Designation D-287.

“Nomination,” as used herein, means a written offer (in form and context specified by Carrier) made by a Shipper to Carrier of a stated quantity of Crude Petroleum for transportation from a specified origin to a specified destination in accordance with Carrier’s applicable tariff or tariffs.

“Shipper,” as used herein, means a party who contracts with Carrier for transportation of Crude Petroleum as defined herein and under the terms of these rules.

- 10. SHIPMENT OF INDIRECT PETROLEUM PRODUCTS:** Indirect petroleum products will be accepted for gathering and/or transportation only on condition that they have been mixed with direct products of oil wells, or on condition that they can be mixed with direct products of oil wells in the tanks or lines of Carrier at the point offered, and provided that both the indirect products and the direct oil well products with which they are so mixed are owned by the same Shipper and are consigned to the same destination. Carrier reserves the right to require that all deliveries of indirect petroleum products with a vapor pressure in excess of atmospheric pressure be made from pressurized tanks. The Shipper shall provide arrangements whereby such tanks shall be kept under constant pressure during the time liquid is being run from said tanks by charging, from an external source, the vapor space of the tanks with vapors of the same indirect petroleum being run.

- 15. SPECIFICATIONS AS TO QUALITY AND LEGALITY OF SHIPMENTS:** Carrier reserves the right to reject any and all of the following shipments:

- A. Crude petroleum having a vapor pressure in excess of ten pounds absolute at a temperature of 100 degrees Fahrenheit and/or an A.P.I. gravity in excess of 120.9 degrees.
- B. Crude petroleum containing water, sediment and other impurities totaling in excess of one percent (1%) from Texas, Louisiana and Mississippi points, and one half of one percent (1/2%) from other points as determined by centrifugal tests, 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 governmental authorities regulating shipments of Crude Petroleum.

- D. If Carrier determines that a Shipper has delivered to Carrier's facilities Crude Petroleum that has been contaminated by the existence of and or excess amounts of impure substances, including but not limited to chlorinated and/or oxygenated hydrocarbons, arsenic, lead and/or other metals which causes harm to other shippers, carriers, users of the contaminated Crude Petroleum or Carrier, such Shipper will be excluded from further entry into applicable segments of the pipeline system until such time as the quality of the Crude Petroleum is to the satisfaction of the Carrier. Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to dispose of any contaminated Crude Petroleum blocking its pipeline system. Disposal thereof may be made in any reasonable manner including but not limited to commercial sales, and any liability associated with the contamination or disposal of any Crude Petroleum shall be borne by the Shipper introducing the contaminated Crude Petroleum into Carrier's system. Shipper liability includes, but is not limited to, claims from other shippers, carriers, or users of the contaminated Crude Petroleum and the costs of any regulatory or judicial proceeding.

20. NOMINATIONS:

- A. Applications for the gathering and/or transportation of Crude Petroleum shall be submitted in writing on Carrier's prescribed nomination form and shall be for a quantity of not less than 10,000 barrels from one Shipper to one Consignee destination.
- B. Any Shipper desiring to nominate Crude Petroleum for transportation shall make such nomination to the initial carrier in writing on or before the twenty-fifth day of the month preceding the month during which the transportation under the nomination is to begin; except that, if space is available for current movement, a Shipper may nominate Crude Petroleum for transportation after the twenty-fifth day of the month preceding the month during which the transportation under the nomination is to begin.

21. LINE FILL AND TANK BOTTOM INVENTORY:

Either prior to or after the acceptance of Crude Petroleum for transportation through the system, Carrier will require each Shipper to provide a pro rata part of the volume of Crude Petroleum necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the system **[N]** or to safeguard Carrier's tankage during the passage of a tropical storm or hurricane. Crude Petroleum provided by Shipper for this purpose may be withdrawn after reasonable written notice of Shipper's intention to discontinue shipment in the system pursuant to Carrier's applicable tariff or tariffs. Carrier may require advance payment of final transportation charges and settlement of any unpaid accounts receivable, before final delivery will be made.

In the event a Shipper's inventory balance drops below its pro rata part of the volume of Crude Petroleum necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the system, then Carrier will require such Shipper to provide the necessary volume to meet its pro rata part of such volume of Crude Petroleum.

In the event that Shipper maintains an inventory balance after Shipper ceases movements on the system or Shipper gives written notice of its intent to cease movements over the system and such Shipper is unable to schedule appropriate shipments to clear the inactive inventory balance, Shipper will be required to settle the inactive inventory balance through Carrier. In the event no such Shipper notice is given, then Carrier may require either an adjustment in Shipper's inventory balance in accordance with the preceding Line Fill and Tank Bottom Inventory provision or settlement of the Shipper's inventory balance at any time after Shipper has ceased making movements over the system for a period of six months. Such settlement will be based upon the fair market value of the Crude Petroleum, as published by Platts, at the time Shipper informs Carrier in writing of its intention to discontinue shipments on the system pursuant to Carrier's applicable tariff or tariffs or if no such written notice is given, then at such time as Carrier calls for the settlement of the Shipper's inventory balance.

- 25. RECEIPT, DELIVERY AND IDENTITY OF SHIPMENTS:** Crude petroleum offered for gathering and/or transportation will be received into the pipelines of Carrier only on the conditions that:
- A. A minimum quantity of 10,000 barrels consigned to the same destination, is available from each Shipper at the point of reception, either immediately on the date of nomination, or within a subsequent period of time which Carrier considers necessary in view of pipeline facilities available for handling the Crude Petroleum as it is received, and,
 - B. It shall be subject to such change in gravity or quality as may result from the mixture of indirect petroleum products with the direct products of oil wells in the tanks or lines of Carrier, as provided in Item No. 10 above; and,
 - C. If the Crude Petroleum offered for shipment is of such kind or quality as would damage the quality of other shipments then being transported to the same or different destinations through the same line through which the Crude Petroleum would move, it will be received only if Carrier has facilities for transporting it without damaging the quality of other shipments.
 - D. Carrier will be under no obligation to deliver the identical Crude Petroleum received and reserves the right to make deliveries out of its common stock.
- 30. APPORTIONMENT WHEN CURRENT OFFERINGS ARE IN EXCESS OF FACILITIES:** When pursuant to nominations hereunder, there shall be offered to Carrier more Crude Petroleum than can be immediately gathered and/or transported, the gathering and/or transportation shall be apportioned equitably among all Shippers in such quantities and at such times to the limit of capacity so as to avoid discrimination among all Shippers. Carrier will not recognize for apportionment purposes any nomination by a Shipper which exceeds Carrier's pipeline capacity. When such apportionment becomes necessary, it shall be performed in accordance with Carrier's "Proration Procedures, Lower 48 States Systems" dated [W] November 1, 2004, supplements thereto and reissues thereof which is available upon request.
- 35. APPLICATION OF RATES:** Crude petroleum accepted for gathering and/or transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of the nomination.
- 36. LIABILITY OF CARRIER:** Carrier in possession of Crude Petroleum herein described, shall not be liable for any loss thereof; damage thereto; or delay caused by fire, storm, flood, epidemics, Act of God, riots, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, requisition or necessity of the Government of the United States in time of war or default of Shipper or Owner. In case of loss of any Crude Petroleum from any such causes, after it has been received for gathering and/or transportation and before the same has been delivered to Consignee, Shipper shall stand a loss in such proportion as the amount of his shipment, already delivered to Carrier, bears to all of the Crude Petroleum then in the custody of Carrier, for shipment via the lines or other facilities in which the loss or damage occurs, and the Shipper shall be entitled to have delivered only such portion of his shipment as may remain after deduction of his due proportion of such loss, but in such event Shipper shall be required to pay charges only upon the quantity delivered.
- 45. DESTINATION FACILITIES:** Carrier will accept Crude Petroleum for gathering and/or transportation only when the Shipper or Consignee has provided the necessary facilities for receiving the shipment as it arrives at destination.

- 46. NOTICE OF ARRIVAL, DELIVERY AT DESTINATION:** After a shipment has had time to arrive at destination, and on 24 hours notice to Shipper or Consignee, Carrier may begin delivery of such shipment from its common stock to Consignee at Carrier's current rate of pumping. If Shipper or Consignee is unable or refuses to receive said shipment, a demurrage charge of two and five-tenths cents [**U**] (2.5¢) per barrel per 24 hours shall accrue from the time said notice expires, on that part of such shipment which is not received by Consignee. Carrier reserves the right, if deemed necessary to clear its pipeline system to make whatever arrangements for disposition of the shipment that are appropriate which includes selling the shipment to the first available purchaser at the best price obtainable. Any expenses incurred by the Carrier in making such arrangements shall be borne by the Shipper or Consignee, in addition to any demurrage charges.
- 50. CRUDE PETROLEUM INVOLVED IN LITIGATION:** Crude petroleum which is in any way involved in litigation, or which is encumbered by a lien or charge of any kind, will not be accepted for shipment, unless and until the Shipper or Consignee shall furnish a bond or other form of indemnity satisfactory to Carrier, protecting it against any liability or loss arising as a result of such litigation, lien or charge.
- 55. PAYMENT OF TRANSPORTATION AND OTHER CHARGES:** The Shipper or Consignee shall pay, as provided below, all applicable gathering, transportation, and all other charges accruing on Crude Petroleum delivered to and accepted by Carrier for shipment.

All payments are due within 10 days of receipt of the invoice, unless the Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it necessary to do so, in which case the payment due date shall be that specified in a written notice to the Shipper.

If any charge remains unpaid after the due date specified in Carrier's invoice, then such amount due shall bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the lesser of (1) 125% of the prime rate of interest, as of the date of Carrier's invoice, charged by the Citibank N.A. of New York, New York, for ninety (90) day loans made to substantial and responsible commercial borrowers or (2) the maximum rate allowed by law. In addition Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts.

In the event Shipper fails to pay any such charges when due, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to Carrier's tariff until such time as payment is received by Carrier and Shipper meets the requirements of the following paragraph. In addition, in the event Shipper fails to pay any such charges when due, Carrier shall have the right to setoff such amounts owed and future amounts owed against those amounts Carrier owes Shipper.

In the event Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it is necessary to obtain security from Shipper, Carrier, upon notice to Shipper, may require any of the following prior to Carrier's delivery of Shipper's Crude Petroleum in Carrier's possession or prior to Carrier's acceptance of Shipper's Crude Petroleum: (1) prepayment of all charges, (2) a letter of credit at Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier, or (3) a guaranty in an amount sufficient to ensure payment of all such charges and in a form and from a third party acceptable to Carrier. In the event, Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide services pursuant to this tariff until such requirement is fully met.

Carrier shall have a lien on all Crude Petroleum delivered to Carrier to secure the payment of any and all gathering, transportation, or any other charges that are owed Carrier. Such lien shall survive delivery of Crude Petroleum to Shipper. Such lien shall extend to all Crude Petroleum in Carrier's possession beginning with Shipper's first receipt of transportation or other services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by statute or applicable law. Carrier may withhold delivery to Shipper of any of Shipper's Crude Petroleum in its possession and exercise any other rights and remedies granted under this tariff or existing under applicable law until all such charges have been paid as provided above.

If Shipper fails to pay an invoice by the due date, in addition to any other remedies under this tariff or under applicable law, Carrier shall have the right, either directly or through an agent, to sell at a private sale any and all Crude Petroleum of such Shipper in its custody at fair market value at the time of sale. The proceeds of any sale shall be applied to the following order: (A) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier; and (B) To the satisfaction of the Shipper's indebtedness including interest herein provided from the date of payment is due. The balance of the proceeds of the sale remaining, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto.

- 60. CLAIMS, SUITS AND TIME FOR FILING:** As a condition precedent to recovery, claims must be filed in writing with Carrier within nine months after delivery of shipment, or, in case of failure to make delivery, then within nine months after a reasonable time for delivery has elapsed; and suits shall be instituted against Carrier only within two years and one day from the day when notice in writing is given by Carrier to the Claimant that Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims are not filed or suits are not instituted thereon, in accordance with the foregoing provisions. Carrier shall not be liable and such claims will not be paid.
- 65. PUMPING SERVICE:** For loading aboard tank cars or delivery to Shipper's or Consignee's tanks where the receiving station has to perform additional pumping service, an additional charge of four and five-tenths cents [**U**] (4.5¢) per barrel will be made.
- 70. APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS:** For shipments accepted for transportation from any point not named in tariffs making reference hereto which is intermediate to a point from which rates are published in said tariffs, through such unnamed point, the rate published therein from the next more distant origin point specified in the tariff will apply from such unnamed point, and the gathering charge at the next more distant origin point shall apply when gathering service is performed. For shipments accepted for transportation to any point not named in tariffs making reference hereto which is intermediate to a point to which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant destination point specified in the tariff will apply. Continuous use of intermediate point rate application for more than 30 days requires establishment of a rate for the transportation service.
- 75. MEASUREMENT AND TESTING:** Crude petroleum offered to Carrier for gathering and/or transportation shall be measured and tested by a representative of Carrier prior to its receipt from Shipper. Shipper shall have the privilege of being present or represented at the measurement and testing. Quantities shall be measured by meters and calculated in accordance with applicable A.P.I. Manual of Petroleum Measurement Standards. All shipments of required specifications will be received and delivered as net standard volume, as the total volume excluding water, sediment and other impurities, corrected by the appropriate volume correction factor for the observed temperature and A.P.I. gravity, relative density, or density to a standard temperature of 60 degrees Fahrenheit and also corrected by the applicable pressure correction factor and meter factor. The centrifuge method, Karl Fischer method, or other methods agreed upon, shall be used for ascertaining the percentage of water, sediment and other impurities.

80. DEDUCTIONS AND QUANTITIES DELIVERABLE:

- A. All shipments of Crude Petroleum of 50 degrees or above shall be subject to a deduction to cover the shrinkage resulting from the mixture thereof, in the facilities of ExxonMobil Pipeline Company, with Crude Petroleum of A.P.I. gravity of 49.9 degrees or less according to the following table:

<u>A.P.I. Gravity</u>	<u>% Deduction</u>
50° through 59.9°	1%
60° through 74.9°	2%
75° through 84.9°	3%
85° through 94.9°	4%
95° through 104.9°	5%
105° through 120.9°	6%

- B. The quantities deliverable by Carrier shall be the net standard volume, as outlined in Item No. 75, less five one-hundredths of one percent (.05%) for losses during transportation and less the applicable deduction for shrinkage. Transportation charges will be assessed on the net balance thus reduced. When gathering service is performed by Carrier, gathering charges will be assessed on the net corrected volume thus computed, with no deduction being made for shrinkage.

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

90. UNLOADING CHARGES:

- A. All shipments unloaded from tank trucks into trunk line facilities of ExxonMobil Pipeline Company will be subject to a charge of eight cents [U] (8.0¢) per barrel. All shipments unloaded from tank trucks into gathering facilities of Carrier will be subject to the applicable gathering charge for said gathering facility.
- B. Such charges will be in addition to all other transportation charges.

- 95. COMMON STREAM CRUDE PETROLEUM – CONNECTING CARRIERS:** When receipts from and/or deliveries to a connecting Carrier of substantially the same grade of Crude Petroleum are scheduled at the same interconnection or at interconnections along the same pipeline system, Carrier reserves the right, with cooperation of the connecting Carrier, to offset like volumes of such common stream Crude Petroleum in order to avoid capacity constraints or the unnecessary use of energy which would be required to physically pump the offsetting volumes. When this right is exercised, Carrier will make the further deliveries for the Shipper involved from its common stream Crude Petroleum.

- 96. CHARGE FOR FUND COMPENSATION:** In addition to all other charges accruing on Crude Petroleum accepted for gathering and/or transportation, a per barrel charge will be assessed and collected in the amount of any tax, fee, or other charge levied against Carrier by any Federal, State or local act, regulation or agency for the purpose of providing a fund for the reimbursement of parties who sustain costs or losses resulting from oil pipeline industry operations. Such charge will be included in the appropriate tariff filed with the Commission.

SECTION II STORAGE OF CRUDE PETROLEUM IN TRANSIT

100. GENERAL APPLICATION: Carrier will provide working tankage that is incident and necessary to the transportation of Crude Petroleum, but does not provide or offer storage service. Shipper or Consignee may, by request on the original nomination or shipping order, or by order of diversion or reconsignment enroute, have Crude Petroleum nominated for shipment stored in tanks furnished by the Shipper or Consignee at points on the lines of Carrier when intermediate to the destination shown on the nomination of shipments, subject to the conditions provided in this section.

105. RATES APPLICABLE:

- A. All lawful transportation charges from point of origin to the storage point published in tariffs lawfully on file with the Federal Energy Regulatory Commission shall be paid upon delivery of Crude Petroleum into the tanks at storage point or may be required in advance of such transportation at the option of Carrier.
- B. In the absence of a through rate from point of origin to the storage point, the rate to the next point beyond shall be applied.
- C. If shipments are placed in in-transit storage at request of Shipper, and such stop-over causes an additional pumping by Carrier upon reshipment from the in-transit point which would not otherwise have been required for delivery to final destination on Carrier's system, then such shipments shall be subject to a charge for stop-over service of four and five-tenth cents [U] (4.5¢) per barrel. The stop-over charge shall be in addition to all other transportation charges and shall be payable when shipment is reshipped from the in-transit point.
- D. Transportation charges on Crude Petroleum stopped, stored, and subsequently forwarded to destination within a period not exceeding two years from date of original shipment shall be assessed at the balance of the through rate from the original point of origin to final destination, via the storage point in effect on the date of original shipment, provided for in tariffs of Carrier lawfully on file with Federal Energy Regulatory Commission.
- E. Crude petroleum disposed of locally will be subject to the local rate into the storage point and Crude Petroleum not forwarded from storage point within the specified time will be subject to the local rate into, and out of the storage point published in Carrier's tariffs lawfully on file with the Federal Energy Regulatory Commission.

110. DELIVERY INTO STORAGE TANKS: Upon delivery of Crude Petroleum into storage tanks furnished by the Shipper or Consignee, its custody and possession shall be that of the Shipper or Consignee and not that of Carrier, and Carrier shall not be liable for loss of or damage to such Crude Petroleum while in storage. However, Carrier reserves the right to gauge and examine such Crude Petroleum from time to time as desired while it is in said tanks.

115. NOMINATION AT STORAGE TANKS: When the Crude Petroleum is nominated for forwarding to destination, a new nomination must be issued making proper reference by number and date to the original nomination or shipping order for shipment.

EXPLANATION OF REFERENCE MARKS AND ABBREVIATIONS

- A.P.I. American Petroleum Institute
- [W] Change in Wording Only
- [U] Unchanged rate
- [N] New