

**[W] ExxonMobil Pipeline Company LLC
(EMPCo)**

LOCAL TARIFF

CONTAINING

RULES AND REGULATIONS

GOVERNING

TRANSPORTATION OF CRUDE PETROLEUM

BY PIPELINE

GENERAL APPLICATION

**FROM
POINTS IN THE STATE OF NEW MEXICO**

**TO
POINTS IN THE STATE OF TEXAS**

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.

Filed in compliance with **[W]** 18 CFR §341.6 (Adoption of tariff by a successor) 18-CFR-341.3 (Form of a tariff).

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

[N] REQUEST FOR SPECIAL PERMISSION

Issued on less than 1 days' notice under authority of 18 C.F.R. § 341.14. This tariff publication is conditionally accepted subject to refund pending a 30-day review period.

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SECTION I RULES AND REGULATIONS

5. DEFINITIONS:

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

“Barrel” means 42 United States gallons of Crude Petroleum at a temperature of 60 degrees Fahrenheit.

“Business Day” means any day other than Saturday, Sunday and any other day when banks are closed for business in New York, New York.

“Carrier” means **[W]** ExxonMobil Pipeline Company LLC.

“Change in Law” means any Law or amendment or modification to any existing Law that is promulgated or adopted and implemented subsequent to the effective date of this Tariff that requires Carrier to incur additional expenses (a) to make additions or modifications to the Pipeline in order to comply with such Law, (b) to change methods of operation in order to comply with such Law, (c) to implement increased training, testing or verification programs with respect to the operation of the Pipeline in order to comply with such Law or (d) to comply with the conditions of any permit necessary to operate the Pipeline.

“Compliance Costs” means all actual documented incremental expenses and costs, including capital expenditures, incurred and paid by Carrier as a result of any Change in Law, but excluding any and all costs or expenses (including fines or penalties) that are levied against or incurred by Carrier specifically as a result of Carrier’s violation or non-compliance with applicable Law.

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

“Crude Petroleum” means the direct liquid product of oil wells, oil processing plants, the indirect liquid petroleum products of oil or gas wells, oil sands, or a mixture of such products.

“Governmental Authority” means any government, any governmental administrative or regulatory entity, authority, commission, board, agency, instrumentality bureau or political subdivision and any court, tribunal or judicial or arbitral body (in each case, federal, state, local, tribal, or foreign, or, in the case of an arbitral body, whether governmental public or private).

“In-Kind Settlement” means the physical delivery of Crude Petroleum to settle any Transportation Imbalance.

“Law” means any federal, state, local, municipal, foreign, tribal, or other law, statute, legislation, constitution, principle of common law, resolution, ordinance, code, proclamation, treaty, convention, rule, regulation, or decree, whether legislative, municipal, administrative, or judicial in nature, enacted, adopted, passed, promulgated, made, or put into effect by or under the authority of any Governmental Authority.

“Legal Requirement” means any law, statute, code, ordinance, order, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization, or other directional requirement of any Governmental Authority.

“Pipeline” means the pipeline that extends from and to the points set forth in this Tariff.

“Shipper” means a party for whom transportation services are provided under the terms of this Tariff.

“Transportation Imbalance” means, with respect to any month, the variance or differential (stated in Barrels), positive or negative, between (a) the aggregate number of Barrels of Crude Petroleum tendered for transportation by Shipper or its agent and received into the Pipeline for such month, as determined and calculated by Carrier, and (b) the number of Barrels delivered to Shipper from the Pipeline, net of any deductions by Carrier pursuant to Item No. 80.

“TSA” means a Transportation Services Agreement between Carrier and a Shipper.

10. SPECIFICATIONS AS TO QUALITY AND LEGALITY OF SHIPMENTS:

For Crude Petroleum received at the origin points contained herein, Carrier will segregate Crude Petroleum into separate common streams. Carrier has adopted specifications for four common streams of Crude Petroleum, West Texas Intermediate (“WTI”), West Texas Light (“WTL-A” and “WTL-B”) and Condensate (“COND.”), which shall meet the specifications set forth below.

	WTI	WTL-A	WTL-B	COND.
API Gravity	36.0°-44.0°	44.1°-50.0°	44.1°-48.0°	50.1°-55.0°
Sulfur Content, weight %	< 0.25	< 0.15	< 0.15	< 0.1
Ni + V, parts per million	< 3	< 3	< 3	< 3
T10 (vol%)	> 110° F	> 110° F	> 110° F	> 110° F

The Carrier shall be under no obligation to make delivery of the identical crude petroleum received, but will make delivery out of the segregated common stream, noted above, in which Shipper’s crude is transported.

Shipper is required to furnish Crude Petroleum assays upon the request of Carrier so that quality determinations can be made. For Crude Petroleum delivered into the Carrier’s mainline at the origin points contained herein from a central tank battery, if Carrier determines that the Crude Petroleum tendered for transportation does not meet the specifications contained herein or, in the opinion of Carrier, differs materially in character from Crude Petroleum being transported by Carrier, transportation may be either refused or only offered under such terms and conditions agreed to by Carrier and Shipper and consistent with this tariff.

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

- A. Crude Petroleum having a Reid Vapor Pressure in excess of nine (9) pounds per square inch absolute and/or an API gravity in excess of 84.9 degrees.
- B. Crude Petroleum containing water, sediment and other impurities totaling more than 1% by volume or in which the volume of water exceeds 0.5% of the volume offered for transportation, 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. Crude Petroleum that does not conform to the pipeline specifications of the downstream pipeline(s), as modified from time to time.

- E. A Shipper shall, as required by Carrier, provide to Carrier a certificate with respect to the specifications of Crude Petroleum to be received by Carrier from such Shipper. If a Shipper fails to provide Carrier with such certificate, then Carrier shall not be obligated to accept the Shipper's Crude Petroleum. Carrier reserves the right to sample and/or test any such shipment prior to acceptance or during receipt, and in the event of variance between the Shipper's certificate and Carrier's test, the latter shall prevail.
- F. If Carrier determines that a Shipper has delivered to Carrier's facilities Crude Petroleum that does not meet the specifications in this Item No. 10 or 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 Carrier. Carrier is not responsible for monitoring receipts or deliveries for contaminants. Further, Carrier reserves the right to treat or dispose of any contaminated Crude Petroleum blocking its pipeline system and Shipper shall reimburse Carrier for any actual disposal, treating, and/or handling costs plus an overhead charge of fifteen percent (15%). 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.

15. 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 25,000 barrels per day from one Shipper to one Consignee destination. All nominations shall contain information needed by Carrier to schedule and dispatch each shipment of Crude Petroleum. Carrier may refuse to receive Crude Petroleum for transportation until the Shipper has provided Carrier with such information.
- B. Any Shipper desiring to nominate Crude Petroleum for transportation shall make such nomination to Carrier in writing on or before the fifteenth (15th) day of the month preceding the month during which the transportation under the nomination is to begin; except that, in Carrier's sole discretion, if space is available for current movement, a Shipper may nominate Crude Petroleum for transportation after the fifteenth (15th) day of the month preceding the month during which the transportation under the nomination is to begin. If the fifteenth (15th) day of the preceding calendar month is a non-Business Day, then such notification will be due on the last Business Day immediately prior to the fifteenth (15th) day of the preceding calendar month.
- C. Shipper shall notify Carrier as promptly as practicable of (i) any differences between (a) the number of Barrels specified in Shipper's nomination for a given month and (b) the number of Barrels Shipper will actually tender for delivery in that month, and (ii) any daily changes in the rate of delivery of Crude Petroleum. Shipper shall take all reasonable actions necessary to avoid the incurrence of a Transportation Imbalance. Transportation Imbalances shall be settled through an In-Kind Settlement by no later than the month after which the Transportation Imbalance occurred.

20. LINE FILL AND TANK BOTTOM INVENTORY:

- A. 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 or to safeguard Carrier's tankage as deemed necessary by Carrier. 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.
- B. 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.
- C. 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 appropriate grade assessment, as published by Platt's, Argus or another industry recognized publication, 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. In the event the grade being settled is not assessed by Platt's, Argus or another industry publication, the assessment for the most similar grade will be used with an appropriate adjustment to determine the fair market value of the grade being settled as determined by Carrier.

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 25,000 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. 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 that, in Carrier's sole discretion, may be used for transporting it without damaging the quality of other shipments; and
- C. 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 Procedure, Delaware Connector Pipeline System" effective September 10, 2019 supplements thereto and reissues thereof which is available upon request.

35. APPLICATION OF RATES AND RULES:

Crude Petroleum accepted for gathering and/or transportation shall be subject to the rates, rules, and regulations in effect on the date of receipt by Carrier, irrespective of the date of the nomination.

40. LIABILITY OF SHIPPER AND CARRIER:

A. **SHIPPER WILL RELEASE, DEFEND, INDEMNIFY AND SAVE CARRIER HARMLESS FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, CAUSES OF ACTION, CLAIMS, LOSSES OR DEMANDS RELATING TO ANY LOSS, DAMAGE, COST, OR EXPENSE RELATING TO, CAUSED BY, OR ARISING OUT OF: (A) CRUDE PETROLEUM WHILE IN THE POSSESSION OR CONTROL OF SHIPPER, (B) THE PHYSICAL OPERATION BY SHIPPER OF ITS FACILITIES, (C) THE OWNERSHIP OF OR ANY INTEREST IN THE CRUDE PETROLEUM TENDERED FOR TRANSPORTATION SERVICES ON THE PIPELINE, (D) THE QUALITY (OR LACK THEREOF) OF SHIPPER'S CRUDE PETROLEUM OR THE FAILURE OF SHIPPER'S CRUDE PETROLEUM TO MEET THE SPECIFICATIONS DESCRIBED IN ITEM NO. 10, (E) THE BREACH BY SHIPPER OF ANY REPRESENTATION OR WARRANTY OR COVENANT MADE BY SHIPPER UNDER THIS TARIFF OR A TSA, OR (F) THE LOSS OF OR DAMAGE TO SHIPPER'S CRUDE PETROLEUM, IN EACH CASE, WITHOUT REGARD TO WHETHER THE ACT, OCCURRENCE, OR CIRCUMSTANCE GIVING RISE TO ANY SUCH INDEMNIFICATION OBLIGATION IS THE RESULT OF THE SOLE, ACTIVE, PASSIVE, CONCURRENT, OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY, BREACH OF DUTY (STATUTORY OR OTHERWISE), OR OTHER FAULT OF OR VIOLATION OF ANY LAW BY CARRIER, PROVIDED THAT NO SUCH INDEMNIFICATION WILL BE APPLICABLE TO THE EXTENT OF ANY GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CARRIER.**

B. If damage or loss to Crude Petroleum results from any cause other than the gross negligence or willful misconduct of Carrier while Carrier is in possession or control of such Crude Petroleum, 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 facilities for receiving the shipment as it arrives at destination.

50. NOTICE OF ARRIVAL, DELIVERY AT DESTINATION:

After a shipment has had time to arrive at destination and on twenty four (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 all of such shipment cannot be received by Shipper or Consignee by the end of such applicable 24 hour period, Shipper or Consignee shall pay a demurrage charge of one hundred cents (100.0¢) per barrel on the undelivered barrels, and at the end of each 24-hour period thereafter on the remaining balance. 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 Carrier in making such arrangements shall be borne by the Shipper or Consignee, in addition to any demurrage charges.

55. 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.

60. PAYMENT OF TRANSPORTATION AND OTHER CHARGES:

- A. 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.
- B. All payments are due within ten (10) days of receipt of the invoice, unless 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.
- C. 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.
- D. 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.
- E. 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.

- F. 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.
- G. 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: (i) 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 (ii) 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.

65. CLAIMS, SUITS AND TIME FOR FILING:

As a condition precedent to recovery, claims must be filed in writing with Carrier within nine (9) months after delivery of shipment, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Any suit shall be instituted against Carrier within two (2) years and one (1) day from the day when notice in writing is given by Carrier to the Shipper that Carrier has disallowed the claim or any part or parts of such claim. If a Shipper fails to file a claim or institute a suit within the time frames and as provided in this Item No. 65, in accordance with the foregoing provisions, such claim or suit shall be forever waived and released.

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 Carrier or its representative 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 or tank gauge in the event meters are unavailable 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 **[W]** ExxonMobil Pipeline Company LLC, 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. Crude Petroleum quantities transported may be adjusted to allow for inherent losses, including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses. A deduction of two-tenths of one percent (0.2%) will be made to cover evaporation, interface losses, and other normal losses during transportation.

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, crude type, gravity, temperature, pressure, basic sediment and water, and any other data essential to the determination of quantity as determined by Carrier. 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. 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.

95. CHARGE FOR FUND COMPENSATION; NEW TAXES; COMPLIANCE COSTS:

In addition to all other charges accruing on Crude Petroleum accepted for gathering and/or transportation, a per barrel charge will be assessed and Shipper shall reimburse Carrier for (A) any tax, fee, or other charge levied against Carrier by any Federal, State or local agency for the purpose of creating a fund for

the reimbursement of parties who sustain costs or losses resulting from oil pipeline industry operations, (B) any new taxes implemented or imposed after the effective date of the Tariff, or (C) any Compliance Costs incurred and paid by Carrier after the effective date of the Tariff, with respect to Carrier's performance under the Tariff or on any part of the Pipeline. Carrier shall not be under any obligation to contest or protest on behalf of Shipper or Consignee the legality of any such taxes, fees, costs or other charges. The per-Barrel charge to each Shipper for such fees, taxes or Compliance Costs will be included in the appropriate tariff filed with the Federal Energy Regulatory Commission.

SECTION V 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 Carrier will not provide, and Shipper or Consignee is responsible for providing, any necessary tankage or storage facilities or receiving, loading, or unloading facilities at the origin points and the delivery points.

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.

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

- [W]** Change in wording only
- [N]** New