

SAN PEDRO BAY PIPELINE COMPANY

LOCAL TARIFF

THE RATES AND CHARGES NAMED IN THIS TARIFF ARE FOR THE
TRANSPORTATION AND DELIVERY OF

PETROLEUM

AS DEFINED IN ITEM 5, BY PIPELINES, SUBJECT TO THE
REGULATIONS NAMED HEREIN:

FROM POINT IN:
**SAN PEDRO BAY,
OFFSHORE CALIFORNIA**

TO POINT IN:
CALIFORNIA

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

ISSUED: SEPTEMBER 24, 2008

EFFECTIVE: NOVEMBER 1, 2008

Issued by:
DARREN KATIC, President
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Compiled by:
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111 W. Ocean Blvd., Suite 1240
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RULES AND REGULATIONS

This Carrier will receive petroleum for trunk line intrastate transportation through its own lines only to established destinations named herein, subject to the following conditions:

Item No.	SUBJECT	RULES AND REGULATIONS
5	Definitions	<p>“Carrier” as herein used means San Pedro Bay Pipeline Company.</p> <p>“Barrel” as herein used means 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.</p> <p>“Petroleum” as herein used means the direct liquid products of oil wells, or a mixture of the direct liquid products of oil wells with the indirect liquid products of oil and gas wells including gasoline, as provided in Item 15.</p> <p>“Tender” as herein used means an offer by a shipper to the Carrier of a stated quantity of petroleum for transportation from a specified origin or origins to a specified destination in accordance with these rules and regulations.</p>
10	Commodity	The Carrier will transport petroleum as defined in Item 5, exclusively, and will not accept any other commodity for transportation.
15	Mixtures	<p>The indirect liquid products of oil and gas wells including gasoline, hereinafter referred to as indirect products, will be accepted and transported as a mixture with the direct liquid products of oil wells, hereinafter referred to as direct products, providing the vapor pressure of the resulting mixture does not exceed that permitted by Item 20 hereof.</p> <p>The indirect products portion of the mixture will be accepted for transportation at reception points other than the one at which the direct products portion of the same mixture is received, provided that the shipper, consignee, and destination are the same, and that operating conditions and the Carrier's facilities permit the indirect products portion to be mixed with the direct products of the same shipper or consignee. The rate to be assessed on each portion of the mixture shall be the rate applicable from the reception point at which each is received.</p> <p>The direct and indirect products will be measured and tested separately for determining volumes received. Each such measurement will be made in accordance with Item 40.</p> <p>Mixtures will be transported and delivered as petroleum only. Nothing in this rule is to be construed to waive provisions of Item 25 of this tariff or to require the Carrier to receive, transport, and deliver unmixed indirect products. However, unmixed indirect products may be transported for subsequent mixing with direct products in accordance with this rule where facilities exist and operations permit transporting such indirect products.</p>
20	Specification As To Quality Received	No petroleum will be accepted for transportation except good merchantable petroleum of the gravity of ten degrees (10°) A.P.I (American Petroleum Institute) or higher which is properly settled and contains not more than three percent (3%) of basic sediment, water, and other impurities (S & W), and has a temperature not less than one hundred and sixty degrees (160°) and not in excess of two hundred degrees (200°) Fahrenheit. Petroleum must not exceed 11.0 pounds per square inch absolute (psia) True Vapor Pressure at the temperature at the onshore delivery point. If petroleum containing S & W in excess of 3% is received by Carrier, Shipper shall incur a penalty of 4 cents per barrel per 0.1% that such petroleum exceeds the limit. If petroleum is accepted from tankage, settled bottoms in such tanks must not be above a point four inches (4”) below the bottom of the pipeline connection with the tank from which it enters Carrier's facilities. No petroleum will be accepted unless its gravity, viscosity, and other characteristics are such that it will be readily susceptible of transportation through the Carrier's existing facilities, and it will not materially affect the quality of other shipments or cause disadvantage to other shippers and/or the Carrier.
25	Shipments, Maintenance of Identity	Petroleum will be accepted for transportation only on condition that it may be subject to such changes in gravity or quality while in transit as would result from its mixture with other petroleum in the pipelines or tanks of the Carrier. Carrier shall be under no obligation to deliver the identical petroleum received but may make delivery out of common stock or out of Carrier's pipeline stream of substantially like petroleum.
30	Minimum Tender	Tenders for the transportation of such petroleum will be accepted under this tariff in quantities of not less than ten thousand (10,000) barrels from one shipper consigned to one consignee and destination. Petroleum so tendered to the Carrier for transportation will be received as currently available providing the total within a 30-day period is not less than ten thousand (10,000) barrels. The Carrier will not be obligated to forward petroleum so tendered until it has received from one or more shippers - to be delivered to a single destination in a common batch - a quantity aggregating not less than twenty-five thousand (25,000) barrels of the same quality, or of different qualities to be commingled - provided that the shippers agree to said commingling.

RULES AND REGULATIONS - Continued

Item No.	SUBJECT	RULES AND REGULATIONS
35	Title	The Carrier shall have the right to reject any 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, and it may require of the shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity bond to protect Carrier. By tendering petroleum, the shipper warrants and guarantees that the shipper has good title thereto and agrees to hold Carrier harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided, that acceptance for transportation shall not be deemed a representation by the Carrier as to title.
40	Gauging Testing, and Volume Corrections	<p>Petroleum shipped hereunder shall be measured and tested by representatives of the Carrier or by automatic equipment approved by the Carrier. Quantities shall be determined by dynamic or static measurement methods in accordance with appropriate American Petroleum Institute (API) standards, latest revision, and adjusted to base (reference or standard) conditions.</p> <p>The base conditions for the measurement of liquids, such as crude petroleum and its liquid products, having a vapor pressure equal to or less than atmospheric pressure at base temperature are as follows:</p> <p style="text-align: center;">Pressure 14,696 psia (101.325 kPa) Temperature 60.0 F (15.56 C)</p> <p>For liquids, such as liquid hydrocarbons, having a vapor pressure greater than atmospheric pressure at base temperature, the base pressure shall be the equilibrium vapor pressure at base temperature.</p> <p>Deductions will be made for the actual amount of non-merchantable quantities, specifically basic sediment and water and/or other impurities as ascertained by centrifuge test method or other tests agreed upon.</p> <p>When indirect liquid products are received from pressure vessels using static measurement methods, a further adjustment will be made to cover evacuation losses if a gas blanket at or in excess of the vapor pressure of the liquid is not used.</p>
45	Destination Facilities Required	The Carrier will accept petroleum for transportation only when the shipper or consignee has provided the necessary facilities for receiving said petroleum as it arrives at destination.
50	Origin Facilities Required for Automatic Custody Transfer	Where consignor (or shipper) elects to deliver petroleum to the Carrier at point of origin through automatic custody transfer facilities (in lieu of tankage), the consignor (or shipper) shall furnish the required automatic measuring and sampling facilities and the design, construction, and calibration of such facilities must be approved by the Carrier and any appropriate regulatory body. In the event automatic custody transfer is made by meters, the consignor (or shipper) shall also furnish whatever pumping service is necessary to insure that the petroleum being delivered to the meter is at a pressure in excess of the bubble point of the liquid.
55	Application of Rates and Charges	Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such petroleum by the Carrier. Trunk line transportation and all other lawful charges will be collected on the basis of the net quantities of petroleum delivered. All net quantities will be determined in the manner provided in Item 40.
60	Notice of Arrival, Delivery at Destination	<p>The obligation of the Carrier is to deliver at destination the quantity of petroleum to be transported, less deductions, and such delivery may be made upon twenty-four (24) hours' notice to the shipper or consignee who shall accept and receive said petroleum from the Carrier with all possible dispatch into the tanks or receptacles to be provided by the shipper or consignee.</p> <p>If the shipper, or consignee, is unable or refuses to receive said petroleum as it arrives at destination, the Carrier reserves the right to make whatever arrangements for disposition of the petroleum it deems appropriate in order to clear its pipeline. Any additional expenses incurred by the Carrier in making such arrangements shall be borne by the shipper or consignee.</p>
65	Apportionment When Tenders Are in Excess of Facilities	When there shall be tendered to the Carrier, for transportation, more petroleum than can be currently transported, the transportation furnished by the Carrier shall be apportioned among all shippers in proportion to the amounts tendered by each; provided, that in making such apportionment, no tender for transportation shall be considered beyond the amount which the party requesting the shipment will have available during the current month.

RULES AND REGULATIONS - Continued

Item No.	SUBJECT	RULES AND REGULATIONS
70	Payment of Transportation and Other Charges	The shipper or consignee shall pay all applicable transportation and other lawful charges accruing on petroleum delivered to and accepted by the Carrier for shipment, and if required shall pay or furnish guaranty of payment of same satisfactory to the Carrier before acceptance of shipment. The Carrier shall have a lien on all petroleum belonging to the shipper or consignee to secure the payment of any and all unpaid transportation and other charges that are due to the Carrier by the shipper or consignee, and may withhold such petroleum from delivery until all unpaid charges shall have been paid. If such charges remain unpaid five (5) days after notice and demand therefor, the Carrier, or its representatives, shall have the right to sell such petroleum at public auction at the office of the Carrier in Houston, Texas, on any day not a legal holiday, and not less than forty-eight (48) hours after notice stating the time and place of such sale and the quantity, general description, and location of the petroleum to be sold has been published in a daily newspaper of general circulation published in the said city where the sale is to be held, and notice sent by telegraph or facsimile transmission to the shipper. The Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale Carrier may pay itself all transportation and other lawful charges, and all expenses incident to the sale, and the balance shall be held for whosoever may be lawfully entitled thereto.
75	Liability of Carrier	The Carrier while in possession of any of the petroleum herein described shall not be liable for any loss thereof, damage thereto, or delay, except to the extent that liability therefor is imposed on the Carrier by law. In case of loss of petroleum for which Carrier is not responsible, the shippers shall bear the loss. Where losses or gains occur as a result of normal pipeline operations, each shipper shall bear such losses or share in such gains in such proportion as its shipments bear to the total shipments in the pipeline during the measurement period.
80	Claims, Suits, and Time for Filing	As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within nine (9) months after delivery of the petroleum, or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed; and suits arising out of such claims shall be instituted against the Carrier only within two (2) years from the time when the Carrier delivers, or tenders delivery of, the petroleum or, in case of failure to make or tender delivery, then within two (2) years after a reasonable time for delivery has elapsed. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.
90	Duty of Carrier	The Carrier shall not be required to transport petroleum except with reasonable diligence, considering the quantity of petroleum, the distance of transportation, the safety of operation, and other material factors.
95	Use of Communication Facilities	Without additional charge, shippers or consignee may use the private communication facilities of Carrier for the transmission of messages incident to a shipment, but Carrier shall not be obligated to deliver messages nor shall it be liable for failure to deliver messages, for errors or delay in transmission, or for interruption of the service.
110	Diversions	Subject to Item 30, change in destination or routing will be permitted without additional charge, on written request from the shipper, provided an applicable tariff is in effect for any requested destination or routing, and provided that no back-haul is required.
115	Other Fees and Assessments	In addition to any transportation revenue due Carrier from shipper hereunder, shipper shall also be liable to Carrier for any direct per-barrel fees or assessments levied upon Carrier by any duly constituted entity having legal authority and jurisdiction to assess such fees. Such fees or assessments, as they pertain to shipper's movements, shall be included as a charge on the invoices rendered each month for transportation charges and shall be due and payable in accordance with Item 70. If such fees or assessments are levied upon Carrier, a tariff will be filed.

RULES AND REGULATIONS - Continued

**LIST OF POINTS FROM AND TO WHICH RATES APPLY
and
RATES ON PETROLEUM IN CENTS PER BARREL OF 42 UNITED STATES GALLONS**

Route No.	FROM	Through Rate to Established Destination
		THUMS Manifold, Long Beach, Los Angeles County
1	Platform Elly San Pedro Bay Offshore California	[I]174.56

EXPLANATION OF REFERENCE MARKS:
[I] Increase

SAN PEDRO BAY PIPELINE COMPANY

TARIFF INDEX

THIS INDEX CONTAINS LIST OF TARIFF PUBLICATIONS

IN EFFECT ON NOVEMBER 1, 2008

THIS INDEX WILL BE REISSUED ON OR BEFORE NOVEMBER 1, 2012

ISSUED: NOVEMBER 1, 2008

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SECTION I

**Tariffs Under Which SAN PEDRO BAY PIPELINE COMPANY is
Shown as Initial Carrier**

APPLYING ON CRUDE PETROLEUM

FERC NO.	ISSUED BY	APPLIES FROM	APPLIES TO
5	SAN PEDRO	Platform Elly, San Pedro Bay, Offshore CA	THUMS Manifold, Long Beach, Los Angeles, CA

MISCELLANEOUS TARIFF

FERC NO.	ISSUED BY	
6	SAN PEDRO	Tariff Index

SECTION II

**Tariffs Under Which SAN PEDRO BAY PIPELINE COMPANY is
Shown as Delivering Carrier**

APPLYING ON CRUDE PETROLEUM

FERC NO.	ISSUED BY	APPLIES FROM	APPLIES TO
5	SAN PEDRO	Platform Elly, San Pedro Bay, Offshore CA	THUMS Manifold, Long Beach, Los Angeles, CA

SECTION III

**List of FERC Numbers Appearing on Tariffs Shown Herein
Which are Published by SAN PEDRO BAY PIPELINE COMPANY**

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