

**General Provisions for the Transportation of Crude Petroleum  
Through the Whitecap Pipeline System**

**WHITECAP PIPELINE COMPANY, L.L.C.**

General Office  
1400 Smith Street  
Houston, Texas 77002

**Transportation General Provisions and Rate Schedule**

**Notice to Shippers:**

This schedule contains the Transportation Rates and General Provisions for the transportation of crude petroleum through the Whitecap Pipeline System.

**Supplement No. 14**

**Effective Date:**

July 1, 2022

**Conditions:**

All movements of crude petroleum through the Whitecap Pipeline System are subject to the attached General Provisions, which are made available to all current and prospective customers of Whitecap Pipeline Company L.L.C.

**Contact Information:**

For questions concerning these Transportation Rates and General Provisions, please contact:

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**TRANSPORTATION RATES**

From the origin and to the destination in cents per barrel of 42 United States gallons		
Origin	Destination	Rate
Ship Shoal Block 208	Ship Shoal Block 28	[1] 306.43
Ship Shoal Block 183		[1] 232.96
Ship Shoal Block 169		[1] 218.62
Ship Shoal Block 146		[1] 168.45
Ship Shoal Block 122		[1] 168.45

## General Provisions for the Transportation of Crude Petroleum Through the Whitecap Pipeline System

Ship Shoal Block 99		[I] 157.70
Ship Shoal Block 35		[I] 120.06
Ship Shoal Block 28		[I] 66.30

### 1 Definitions

As used in these General Provisions, the following terms have the following meanings:

“**Barrel**” means forty-two 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**” means and refers to Whitecap Pipeline Company, L.L.C.

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

“**Merchantable Crude Petroleum**” means either 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 or gas wells, provided that the products meet the specifications provided in Item No. 5.

“**Nominations**” means a 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 operating month in accordance with these General Provisions.

“**Reid Vapor Pressure**” is a method of testing to determine absolute vapor pressure of volatile crude petroleum and volatile non-viscous petroleum products at one hundred degrees (100°) Fahrenheit in pounds per square inch.

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

### 2 Delivery Facilities Required

(a) Since Carrier does not have available and does not hold itself out to provide storage for Shippers’ crude petroleum at origin, destination, or intermediate points, no duty to transport will arise until evidence satisfactory to Carrier has been furnished that Shipper or Consignee has provided necessary facilities to which Carrier is connected and has made necessary arrangements for acceptance of delivery at destination.

(b) In the event there is a failure of Shipper or Consignee to take crude petroleum at destination as provided in this tariff, then Carrier shall have the right to sell such petroleum at private sale for the best price obtainable. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, Carrier may pay itself all transportation charges and other necessary expense of caring for and maintaining the crude petroleum, and the balance shall be held for whosoever may be lawfully entitled thereto.

## **General Provisions for the Transportation of Crude Petroleum Through the Whitecap Pipeline System**

### **3 Nominations**

- (a) Crude petroleum will be transported only under a Nomination from facilities connected to Carrier's system. All nominations shall include the name of the Shipper, the quantity of Merchantable Crude Petroleum, origin point, destination and Consignee if other than the Shipper.
- (b) Any Shipper desiring to submit a Nomination of crude petroleum for transportation shall make such Nomination to the Carrier in writing on or before twelve o'clock noon on the twenty-fifth (25<sup>th</sup>) day of the month preceding the month during which the transportation under the Nomination is to begin. Should the twenty-fifth (25<sup>th</sup>) day fall on a weekend, the Nomination will be due the preceding Friday. Unless such notification is made, the Carrier will be under no obligation to accept crude petroleum for transportation. However, if operating conditions permit, Nominations for crude petroleum may be accepted for transportation after the twenty-fifth (25<sup>th</sup>) day of the month preceding the month during which the transportation under the Nomination is to begin.

### **4 Mixing with Other Crude Petroleum**

All such crude petroleum will be accepted for transportation only on condition that it shall be subject to such changes in gravity or quality while in transit as may result from the mixture of said crude petroleum with other crude petroleum in the pipelines or tanks of this, or the connecting, company or companies.

### **5 Commodity**

This Carrier is engaged in the transportation of Merchantable Crude Petroleum exclusively, and, therefore, will not accept for transportation any commodity other than Merchantable Crude Petroleum adapted for refining or fuel purposes, including indirect and direct liquid products properly settled. The Company reserves the right to refuse to accept for transportation any crude petroleum containing more than five-tenths of one percent (0.5%) of basic sediment, water and other impurities, of which no more than two-tenths of one percent (0.2%) can be water, and a sulfur content of less than or equal to five-tenths of one percent (0.5%) by weight as determined by American Society for Testing Materials method D4294 without centrifuge.

The indirect liquid products of oil or gas wells, as used herein, means natural gasoline and/or petroleum condensate together with naturally occurring liquid components which may be derived from a processing plant. Such indirect products must be substantially free of propane and lighter hydrocarbons.

The direct liquid products of oil or gas condensate wells, as used herein, means liquids as produced in a natural state from such wells.

- (a) The indirect liquid products of oil or gas wells, hereinafter referred to as indirect products, will be accepted and transported as a mixture with the direct liquid products of oil or gas condensate wells, hereinafter referred to as direct products, only under the following conditions:
  - (1) The Reid vapor pressure of the indirect products shall not exceed forty (40) pounds per square inch, absolute, at temperature of one hundred (100) degrees Fahrenheit.
  - (2) The Reid vapor pressure of the resulting mixture of the direct products and the indirect products shall not exceed thirteen (13) pounds per square inch, absolute, at temperature of one hundred (100) degrees Fahrenheit.
  - (3) Carrier reserves the right to determine, under its operating conditions, the permissible limit and rate of injection of indirect products to direct products. The indirect products portion of the mixture may be accepted for transportation at points other than the points of receipt where the direct products are injected into the compatible stream.
- (b) The direct products and indirect products will be measured and tested separately and must be shown separately on the tender form.

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(c) Mixtures will be transported and delivered as crude petroleum. Nothing in this item will waive provisions of the rules of this tariff, or require the Carrier to receive, transport or deliver unmixed indirect products, except that unmixed indirect products will be gathered for subsequent mixing with direct products, in accordance with this rule, where facilities exist for performing a gathering service for such indirect products. When such gathering service of indirect products is performed, a deduction of five percent (5%) for loss in mixing will be made and will be in addition to the deductions specified in Rule 8.

(d) Carrier will not accept or transport crude petroleum containing more than five parts per million (5 ppm) of organic chlorides.

(e) Notwithstanding the foregoing, the Shipper who introduces into Carrier's system crude petroleum that in any way does not comply with the above specifications, is liable for all consequences of transportation by Carrier of such crude petroleum, including but not limited to damages, costs and expenses of disposal, costs and expenses necessary to return the Carrier's system facilities to service, claims from other shippers, carriers or users of the non-complying crude petroleum, and the costs of any regulatory or judicial proceeding.

### **6 Apportionment When Nominations Are in Excess of Facilities**

#### **I. Prorationing:**

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.

#### **II. Allocation Procedure:**

At such times as Carrier determines that it may be necessary to prorate space in a pipeline segment, the transportation furnished by Carrier shall be prorated among "Regular Shippers" and "New Shippers" as follows:

- (1) New Shippers shall be allocated up to a total of five percent (5%) of the available pipeline capacity with up to one and one-quarter percent (1.25%) of available capacity on the affected line segment to be allocated to each New Shipper. If more than four New Shippers have nominated volumes, pipeline space shall be allocated proportionately to each New Shipper in relation to the total Nominations by New Shippers, so that the total pipeline capacity allocated for all New Shippers shall not exceed five percent (5%) of the available pipeline capacity. If less than four New Shippers have submitted nominated volumes for the affected line segment, each New Shipper will be allocated the lesser of either one and one-quarter percent (1.25%) of available capacity on the affected line segment or its existing capacity Nomination.
- (2) The remaining capacity shall be allocated among Regular Shippers in proportion to their base period shipment volumes. The "base period" is a period of 12 months beginning 13 months prior to the month of allocation and excluding the month preceding the month of allocation.

A "Regular Shipper" is any Shipper having a record of movements in the line segment being prorated during the base period, or a New Shipper that has graduated by shipping crude oil on the affected line segment in each month of the base period. A "New Shipper" is a Shipper who does not qualify as a Regular Shipper under the above definition. No Nominations shall be considered beyond the amount which the party requesting shipment has available for shipment. Carrier reserves the right to require Shipper to show sufficient evidence of available volume.

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### **7 Liability of Carrier**

Carrier, while in possession of any crude petroleum, will not be liable for any loss thereof, or damage thereto, caused by an act of God, the public enemy, quarantine, the authority of law, strikes, riots or the act or default of the Shipper, or from any other cause beyond the reasonable control of Carrier. In the event there is any loss of crude petroleum due to a cause beyond the reasonable control of Carrier, the Shipper(s) whose crude petroleum has been tendered to the Carrier and scheduled for transportation over that segment of the System in which the loss occurs shall bear such loss in the same proportion as the amount of its tendered crude petroleum scheduled for transportation over such segment. Such Shipper(s) shall be entitled to receive only such remaining portion of its tender as is left after deducting its due portion of the loss.

### **8 Gauging, Metering, Testing and Deductions**

Crude petroleum tendered to this Carrier shall be gauged or metered and tested by a representative of this Carrier prior to its acceptance for transportation. The Shipper shall have the privilege of being present or represented at the gauging or metering and testing. If tank tables are used, quantities shall be computed from correctly compiled tank tables on a one hundred percent (100%) volume basis showing the gross volume at the observed fluid temperature, and corrections will be made to the basis of sixty degrees (60°) Fahrenheit on the basis of the latest available ASTM-IP petroleum measurement tables, latest American edition. A centrifuge machine or other method shall be used for ascertaining the percent of basic sediment, water or other impurities as ascertained shall be deducted from the corrected volume. The net (corrected) balance at sixty degrees (60°) Fahrenheit will be the quantity deliverable by pipeline.

Quantities transported may be adjusted for inherent losses, including but not limited to, shrinkage, evaporation, interface and normal "over and short" losses. Loss adjustments will be made on the basis of total quantities transported and shall be based on actual loss experience.

Whenever there is substantial evidence of meter malfunction in a custody transfer measurement, the parties involved in the custody transfer shall negotiate an appropriate adjustment on the basis of the most reliable and accurate information available.

Participation in the Whitecap Gravity Bank is a requirement of transportation. The Gravity Bank shall be administered by a third party chosen by Whitecap Pipeline Company L.L.C. A copy of Gravity Bank procedures and adjustment factors is available upon request from Carrier.

### **9 Payment of Charges**

The Shipper shall be obligated to pay Carrier all charges and fees upon Carrier's performance of the designated service(s). Payment of such charges and fees shall be made in accordance with invoice terms and these General Provisions. The Carrier may, at its option, require the Shipper to pay all such charges and fees in advance or to provide a letter of credit satisfactory to the Carrier.

Carrier is entitled to a lien for all accrued charges and fees. Such lien attaches to any crude petroleum retained by Carrier for the Shipper's account. Carrier may, at its option, refuse to: (1) deliver to the Shipper, or (2) recognize any change in ownership of crude petroleum for the account of a Shipper until all charges or fees owed to Carrier have been paid in full.

If any charge remains unpaid after the payment due date, then such amount due shall bear interest from the due date until the date of receipt of payment by Carrier at a rate equal to the lower of (a) the then effective prime lending rate of interest published under "Money Rates" by The Wall Street Journal, plus two (2) percentage points per annum, or (b) the maximum applicable lawful interest rate.

If any such charges or fees remain unpaid for thirty (30) calendar days after the payment due date, the Carrier shall have the right, either directly or through an agent, to sell any of the Shipper's crude petroleum within the custody of the Carrier.

## **General Provisions for the Transportation of Crude Petroleum Through the Whitecap Pipeline System**

From the proceeds of this sale, Carrier will deduct all transportation charges, change in ownership charges, other lawful charges, fees and interest due to Carrier, including expenses incident to said sale. The balance of the remaining proceeds, if any, shall be held by Carrier for whosoever may be lawfully entitled thereto. If proceeds from such sale are not sufficient, Shipper will remain liable for any deficiency, including the above interest charges.

**10 Claims, Suits, Time for Filing**

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. Parties other statutory or contractual rights shall not otherwise be diminished by this provision. 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.

**11 Common Stream Petroleum Connecting Carriers**

When both receipts from and/or deliveries to a connecting carrier of substantially the same grade of crude petroleum are scheduled at the same interconnection, Carrier reserves the right to offset like volumes of such common stream crude petroleum.

**12 Rates Applicable**

Crude petroleum transported shall be subject to the rates and governed by the General Provisions in effect on date such crude petroleum is received by the Carrier.

**13 Application of Carrier's Rates From Intermediate Points**

On crude petroleum accepted for transportation from any point on the originating lines, but not named in its tariff, which is intermediate to a point from which rates are published through such unnamed point, the rate published herein from the next more distant point specified in the tariff will apply from such unnamed point.

**14 Diversion or Reconsignment**

Diversion or reconsignment may be made, without charge, if requested in writing by the Shipper prior to delivery at original destination, subject to the rates, General Provisions applicable from point of origin to point of final destination, provided that no out-of-line or backhaul movement will be made.

**15 Charge for Spill Compensation**

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 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.

**16 Additional Arrangements**

Carrier reserves the right to impose additional requirements, not specifically nominated herein, that may be necessary to meet its obligations to other pipeline Carriers or Operators.

**17 Pumping Equipment Necessary**

Shippers shall furnish or arrange with platform operators to furnish pumping equipment necessary to inject its crude petroleum into the pipeline. The Carrier shall have the right to limit and control the maximum pumping rate and the scheduled pumping period for injection into the pipeline. Such pumping equipment shall be sized to meet the specifications issued by the Carrier. Specifications may be changed from time to time to facilitate the safe, efficient and economical use of Carrier's facilities to accommodate all Shippers.

## **General Provisions for the Transportation of Crude Petroleum Through the Whitecap Pipeline System**

**18 Title**

When any crude petroleum nominated for transportation is involved in litigation, a dispute over ownership or title, or encumbered by a lien or charge of any kind, the Shipper shall so advise Carrier in writing not less than five (5) business days before nominating for shipment. If Shipper, due to litigation, disputed ownership or encumbrance, has caused title in the crude petroleum to be in dispute, Carrier will refuse receipt or delivery of the crude petroleum until Shipper provides an indemnity bond equal to the value of the crude petroleum.

**19 Line Fill Inventory Requirements**

Prior to delivering Barrels out of Carrier's pipeline system, each Shipper will be required to supply a pro rata share of Crude petroleum necessary for pipeline fill to ensure efficient operation of Carrier's pipeline system. Crude Petroleum provided by Shippers for this purpose may be withdrawn only after: (1) shipments have ceased and the Shipper has notified Carrier in writing of its intention to discontinue shipments in Carrier's system; and (2) Shipper balances have been reconciled between Shipper and Carrier. Carrier shall have a reasonable period of time from the receipt of said notice to complete administrative and operational requirements incidental to Shipper withdrawal.

**20 Prior Period Adjustments**

Carrier's time limit for processing prior period adjustments is nine months from the date of the transportation invoice. Prior period adjustments that are older than nine months or that involve an inactive shipper will not be processed. Carrier reserves the right to require that all affected shippers agree with the prior period adjustment prior to processing the adjustment. This time limit will not apply where the prior period adjustment is related to Carrier custody measurement changes or in the case of omission or misrepresentation or mutual mistake of fact.

**21 Pipeline Loss Allowance (PLA)**

A deduction of two-tenths of one percent (.2%) will be made to allow for inherent losses including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses.

**22 Creditworthiness of Shippers**

All prospective Shippers must submit sufficient financial information to establish credit-worthiness. If a potential Shipper is not credit-worthy or if Shipper's credit deteriorates, Carrier will require prepayment of tariff related charges and / or a letter of credit from an appropriate financial institution in acceptable form to Carrier.

### **END OF GENERAL PROVISIONS**

- [C] Cancel
- [N] New
- [I] Increase
- [U] Unchanged