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RULES AND REGULATIONS

DEFINITIONS: "Petroleum Products", as used herein, means a mixture of light liquid Hydrocarbons. "Barrel", as used herein, means 42 United States gallons of petroleum products at a temperature of 60 degrees Fahrenheit. "Carrier", as used herein, means Central Crude, Inc.

RECEIPT, DELIVERY AND LEGALITY OF SHIPMENTS TENDERED: Petroleum products tendered for transportation will be received into the pipelines of Carrier only on the condition that:

Petroleum products tendered for shipment are of the same kind and quality of petroleum products being transported by Carrier and the transportation of such petroleum products would result in no damage to the quality or characteristics of other shipments; and

The Shipper or Consignee has provided adequate facilities for receiving the shipment as it arrives at destination; and

Shipper and Consignee have complied with all applicable laws, rules and regulations made by any governmental authorities regulating the shipment of petroleum products.

IDENTITY OF SHIPMENTS: Because of the characteristics of the product being transported, Carrier cannot undertake to deliver the identical product tendered, but will make delivery at destination from a common stock in pipeline. Carrier will not be liable for discoloration, contamination or deterioration of petroleum products transported unless such discoloration, contamination or deterioration is caused by negligence of Carrier.

APPORTIONMENT WHEN CURRENT OFFERINGS ARE IN EXCESS OF

FACILITIES: When pursuant to tenders hereunder, there shall be offered to Carrier more petroleum products than can be immediately transported, the transportation shall be apportioned among all shipped in proportion to the rate at which deliveries are currently available for shipment under tenders then in effect.

APPLICATION OF RATES: Petroleum products accepted for transportation shall be subject to the rates in effect on the date of receipt by Carrier, irrespective of the date of tender.

LIABILITY OF CARRIER: Carrier in possession of petroleum products herein described, shall not be liable for any loss thereof; damage thereto; or delay caused by fire, explosion, storm, flood, epidemics, Acts of God, riots, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, or from any other cause not due to the negligence of Carrier. In case of loss of any petroleum products from any such causes, after they have been received for transportation and before the same have 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 petroleum products 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.

PETROLEUM PRODUCTS INVOLVED IN LITIGATION: Petroleum products which are in any way involved in litigation, or which are 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.

PAYMENT OF TRANSPORTATION AND OTHER CHARGES: The Shipper or Consignee shall pay all applicable gathering, transportation, and all other lawful charges accruing on petroleum delivered to and accepted by Carrier for shipment, and, if required, shall prepay or guarantee the same before acceptance by the Carrier, or pay the same before delivery. Carrier shall have a lien on all petroleum in its possession belonging to Shipper or Consignee to secure the payment of any and all unpaid gathering, transportation, or any lawful charges that are due Carrier that are unpaid by Shipper or Consignee, and may withhold such petroleum from delivery until all unpaid charges have been paid.

If any charge remains unpaid after the due date of Carrier's invoice, then such amount due shall bear interest from the date of the invoice until paid, calculated at an annual rate equivalent to 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 the maximum rate allowed by law, whichever is the lesser. If the invoice is not paid within thirty (30) days from the date of invoice, Carrier shall have the right, either directly or through an agent, at any time after

such thirty (30) day period to sell any petroleum of such shipper in its custody at public auction, on any day not a legal holiday, not less than 48 hours after the publication of notice of such sale in a daily newspaper of general circulation published in the town, city, or general area where the sale is to be held, stating the time and place of sale and the quantity and location of the petroleum to be sold. At said sale, Carrier shall have the right to bid, and, if it is the highest bidder, to become the purchaser. The proceeds of disposition shall be applied in 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 indebtedness secured hereby including interest herein provided from the date of invoice to date of sale. The balance of the proceeds of the sale remaining, if any, shall be held for whomsoever may be lawfully entitled thereto.

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 date 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.

QUALITY SPECIFICATIONS: No crude petroleum will be accepted for transportation except merchantable crude petroleum which is properly settled and contains not more than one percent (1%) of basic sediment, water, and other impurities, and has a temperature not in excess of one hundred and twenty degrees (120) Fahrenheit, and its gravity, viscosity, pour point, and other characteristics are such that it will be readily susceptible to transportation through the Carrier's existing facilities, and will not materially affect the quality of other shipments or cause disadvantage to other Shippers and/or the Carrier. If crude 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.

Sediment and water limitations of a connecting carrier may be imposed upon Carrier when such limits are less than that of Carrier, in which case the limitations of the connecting carrier will be applied.

If, upon investigation, 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, such Shipper will be excluded from further entry into applicable segments of the pipeline system until such time as quality specifications are met to the satisfaction of Carrier. Further, Carrier reserves the right to dispose of any contaminated crude petroleum blocking its pipeline system. Disposal thereof, if necessary, may be made in any reasonable commercial manner, and any liability associated with the contamination of disposal of any crude

petroleum shall be borne by the Shipper introducing the contaminated crude petroleum into Carrier's system.

QUANTITIES DELIVERABLE: The quantity of petroleum products deliverable at destination shall be the quantity received at origin, less shrinkage, evaporation or other loss in transit, including leaks and breaks, resulting from any cause other than negligence on the part of Carrier.

LINE FILL AND TANK BOTTOM INVENTORY: Either prior to or after the acceptance of Petroleum for transportation through the System, Carrier may, upon reasonable notice, require each Shipper to provide a pro rata part of the Volume of Petroleum necessary for pipeline fill, unavailable stocks below tank connections, and reasonable additional minimum quantities required for the efficient operation of the System. Petroleum provided by a Shipper for this purpose may be withdrawn from the System only with the prior approval of Carrier or after reasonable notice of such Shipper's intention to discontinue shipment in the System pursuant to Carrier's applicable tariff or tariffs.

MIXTURES: The indirect liquid products of oil and gas wells, including gasoline and liquefied petroleum gasses, 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, provided that the vapor pressure of the resulting mixture does not exceed that permitted by Carrier's facilities and operating conditions.

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. Mixtures will be transported and delivered as crude petroleum only. Nothing in this rule is to be construed to waive provisions of Item 3 (IDENTITY OF SHIPMENTS) of these rules 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.

ADDITIVES: Carrier reserves the right to require, approve or reject the injection of corrosion inhibitors, viscosity or pour point depressants or other such additives in crude petroleum to be transported.

GAUGING, TESTING AND DEDUCTIONS: Crude 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.

When, in Carrier's opinion, a lease operator or connecting carrier's tanks are unsafe or unsuitable for use in custody transfer because of improper connections, high bottom

accumulations of any extraneous matter, incrustations on the inside of the tank walls, or any other conditions unacceptable to Carrier, Carrier may reject the use of such tank until the unacceptable conditions have been corrected. Alternatively, in the case of incrustation inside any tank, Carrier may determine and apply a correction factor to ascertain the correct tank capacity.

Corrections will be made for temperature from observed degrees Fahrenheit to 60 degrees Fahrenheit and for pressure to 14.696 psia. Carrier will deduct the full amount of sediment, water and other impurities as the centrifugal or other test may show.

ORIGIN FACILITIES REQUIRED FOR AUTOMATIC CUSTODY TRANSFER: Where Consignor (or Shipper) elects to deliver crude 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 crude petroleum being delivered to the meter is at a pressure in excess of the bubble point of the liquid.

CHARGE FOR COMPENSATION FUND FEES INCURRED BY COMPANY: In addition to all other charges accruing on crude petroleum accepted for transportation through Carrier's facilities, 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 agency for the purpose of creating a fund for the reimbursement of parties who sustain costs or losses resulting from oil pipeline industry operations.