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Gas Services Department  
Railroad Commission of Texas

**Arrowhead Gulf Coast No. 1.5.0  
(Cancels Arrowhead Gulf Coast No. 1.4.0)**

## **ARROWHEAD GULF COAST PIPELINE, LLC**

TEXAS LOCAL AND PIPE LINE TARIFF

Applying on the Intrastate Transportation of  
CRUDE PETROLEUM

From and To POINTS IN TEXAS

RATES IN CENTS PER BARREL OF 42 UNITED STATES GALLONS

<b>FROM</b>	<b>TO</b>	<b>RATE</b>
Arrowhead Gulf Coast Pipeline, LLC Sabine Pass Terminal, Jefferson County	Arrowhead Gulf Coast Pipeline, LLC Sabine Pass Dock Facility, Jefferson County	[I] <u>22.36</u>
Arrowhead Gulf Coast Pipeline, LLC Sabine Pass Dock Facility, Jefferson County	Arrowhead Gulf Coast Pipeline, LLC Sabine Pass Terminal, Jefferson County	[I] <u>22.36</u>

**COASTAL PROTECTION FEE:** In addition to the rates noted above, Carrier will also assess and collect a Coastal Protection Fee of 1.333 cents per barrel on Crude Petroleum delivered at either Arrowhead Gulf Coast Pipeline, LLC Sabine Pass Terminal, Jefferson County or Arrowhead Gulf Coast Pipeline, LLC Sabine Pass Dock Facility, Jefferson County. This fee is in accordance with the State of Texas Natural Resource Code § 40.155 and § 40.156.

### **APPLICATION OF RATE**

The rates named in this tariff are for trunk line transportation and gathering of crude petroleum by pipelines, and are subject to the Rules and Regulations published herein, supplements hereto and reissues thereof.

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

P-5 Operator ID: P-363086; T-4 Permit Information: T-05404

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**EFFECTIVE: July 1, 2022**

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### **EXPLANATION OF REFERENCE MARKS:**

[I] Increased Rate.  
[U] Unchanged rate.

## RULES AND REGULATIONS

### **(1) All Marketable Oil To Be Received For Transportation.**

By the term "marketable oil" is meant any crude petroleum adapted for refining or fuel purposes, properly settled and containing not more than 2.0% of basic sediment, water, or other impurities above a point six inches below the pipeline connection with the tank. Pipelines shall receive for transportation all such "marketable oil" tendered; but no pipeline shall be required to receive for shipment from any one person an amount exceeding 3,000 barrels of petroleum in any one day; and, if the oil tendered for transportation differs materially in character from that usually produced in the field and being transported therefrom by the pipeline, then it shall be transported under such terms as the shipper and the owner of the pipeline may agree or the commission may require.

### **(2) Basic Sediment, How Determined – Temperature.**

In determining the amount of sediment, water, or other impurities, a pipeline is authorized to make a test of the oil offered for transportation from an average sample from each such tank, by the use of centrifugal machine, or by the use of any other appliance agreed upon by the pipeline and the shipper. The same method of ascertaining the amount of sediment, water or other impurities shall be used in the delivery as in the receipt of oil. A pipeline shall not be required to receive for transportation, nor shall consignee be required to accept as a delivery, any oil of a higher temperature than 90 degrees Fahrenheit, except that during the summer oil shall be received at any atmospheric temperature, and may be delivered at like temperature. Consignee shall have the same right to test the oil upon delivery at destination that the pipeline has to test before receiving from the shipper.

### **(3) "Barrel" Defined.**

For the purpose of these sections, a "barrel" of crude petroleum is declared to be 42 gallons of 231 cubic inches per gallon at 60 degrees Fahrenheit.

### **(4) Oil Involved in Litigation, Etc. – Indemnity Against Loss.**

When any oil offered for transportation is involved in litigation, or the ownership is in dispute, or when the oil appears to be encumbered by lien or charge of any kind, the pipeline may require of shippers indemnity bond to protect it against all loss.

### **(5) Storage.**

Each pipeline shall provide, without additional charge, sufficient storage, such as is incident and necessary to the transportation of oil, including storage at destination or so near thereto as to be available for prompt delivery to destination point, for five days from the date of order of delivery at destination

### **(6) Identity of Oil, Maintenance of Oil.**

A pipeline may deliver to consignee either the identical oil received for transportation, subject to such consequences of mixing with other oil as are incident to the usual pipeline transportation, or it may take delivery from its common stock at destination; provided, if this last be done, the delivery shall be of substantially like kind and market value.

### **(7) Minimum Quantity To Be Received.**

A pipeline shall not be required to receive less than one tank car-load of oil when oil is offered for loading into tank cars at destination of the pipeline. When oil is offered for transportation for other than tank car delivery, a pipeline shall not be required to receive less than 500 barrels.

**(8) Gathering charges.**

Tariffs to be filed by a pipeline shall specify separately the charges for gathering of the oil, for transportation, and for delivery.

**(9) Measuring, Testing and Deductions (reference Special Order Number 20-63,098 effective June 18, 1973).**

(A) Except as provided in subparagraph (B) of this paragraph, all crude oil tendered to a pipeline shall be gauged and tested by a representative of the pipeline prior to its receipt by the pipeline. The shipper may be present or represented at the gauging or testing. Quantities shall be computed from correctly compiled tank tables showing 100% of the full capacity of the tanks.

(B) As an alternative to the method of measurement provided in subparagraph (A) of this paragraph, crude oil and condensate may be measured and tested, before transfer of custody to the initial transporter, by:

(i) lease automatic custody transfer (LACT) equipment, provided such equipment is installed and operated in accordance with the latest revision of American Petroleum Institute (API) Manual of Petroleum Measurement Standards, Chapter 6.1, or;

(ii) any device or method, approved by the commission or its delegate, which yields accurate measurements of crude oil or condensate.

(C) Adjustments to the quantities determined by the methods described in subparagraphs (A) or (B) of this paragraph shall be made for temperature from the nearest whole number degree to the basis of 60 degrees Fahrenheit and to the nearest 5/10 API degree gravity in accordance with the volume correction Tables 5A and 6A contained in API Standard 2540, American Society for Testing Materials 01250, Institute of Petroleum 200, first edition, August 1980. A pipeline may deduct the basic sediment, water, and other impurities as shown by the centrifugal or other test agreed upon by the shipper and pipeline; and 1.0% for evaporation and loss during transportation. The net balance shall be the quantity deliverable by the pipeline. In allowing the deductions, it is not the intention of the commission to affect any tax or royalty obligations imposed by the laws of Texas on any producer or shipper of crude oil;

(D) A transfer of custody of crude between transporters is subject to measurement as agreed upon by the transporters.

**(10) Delivery and Demurrage**

Each pipeline shall transport oil with reasonable diligence, considering the quality of the oil, the distance of transportation, and other material elements, but at any time after receipt of a consignment of oil, upon 24 hours' notice to the consignee, may offer oil for delivery from its common stock at the point of destination, conformable to paragraph (6) of this section, at a rate not exceeding 10,000 barrels per day of 24 hours. Computation of time of storage (as provided for in paragraph (5) of this section) shall begin at the expiration of such notice. At the expiration of the time allowed in paragraph (5) of this section for storage at destination, a pipeline may assess a demurrage charge on oil offered for delivery and remaining undelivered, at a rate for the first 10 days of \$.001 per barrel; and thereafter at a rate of \$.0075 per barrel, for each day of 24 hours or fractional part thereof.

**(11) Unpaid Charges, Lien For and Sale to Cover.**

A pipeline shall have a lien on all oil to cover charges for transportation, including demurrage, and it may withhold delivery of oil until the charges are paid. If the charges shall remain unpaid for more than five days after notice of readiness to deliver, the pipeline may sell the oil at public auction at the general office of the pipeline on any day not a legal holiday. The date for the sale shall be not less than 48 hours after publication of notice in a daily newspaper of general circulation published in the city where the general office of the pipeline is located. The notice shall give time and place of the sale, and the quantity of the oil to be sold. From the proceeds of the sale, the pipeline may deduct all charges lawfully accruing, including demurrage, and all expenses of the sale. The net balance shall be paid to the person lawfully entitled thereto.

**(12) Notice of Claims.**

Notice of claims for loss, damage, or delay in connection with the shipment of oil must be made in writing to the pipeline within 91 days after the damage, loss, or delay occurred. If the claim is for failure to make delivery, the claim must be made within 91 days after a reasonable time for delivery has elapsed.

**(13) Telephone-Telegraph Line-Shipper To Use.**

If a pipeline maintains a private telegraph or telephone line, a shipper may use it without extra charge for messages incident to shipments. However, a pipeline shall not be held liable for failure to deliver any messages away from its office or for delay in transmission or for interruption of service.

**(14) Contracts of Transportation.**

When a consignment of oil is accepted, the pipeline shall give the shipper a run ticket, and shall give the shipper a statement that shows the amount of oil received for transportation, the points of origin and destination, corrections made for temperature, deductions made for impurities, and the rate for such transportation.

**(15) Shipper's Tanks, Etc. – Inspection.**

When a shipment of oil has been offered for transportation the pipeline shall have the right to go upon the premises where the oil is produced or stored, and have access to any and all tanks or storage receptacles for the purpose of making any examination, inspection, or test authorized by this section.

**(16) Offers in Excess of Facilities.**

If oil is offered to any pipeline for transportation in excess of the amount that can be immediately transported, the transportation furnished by the pipeline shall be apportioned among all shippers in proportion to the amounts offered by each; but no offer for transportation shall be considered beyond the amount which the person requesting the shipment then has ready for shipment by the pipeline. The pipeline shall be considered as a shipper of oil produced by itself and held for shipment through its line, and its oil shall be entitled to participate in such apportionate.

**(17) Interchange of Tonnage.**

Pipelines shall provide the necessary connections and facilities for the exchange of tonnage at every locality reached by two or more pipelines, when the commission finds that a necessity exists for connection, and under such regulations as said commission may determine in each case.

**(18) Receipt and Delivery – Necessary Facilities For.**

Each pipeline shall install and maintain facilities for the receipt and delivery of marketable crude petroleum of shippers at any point on its line if the commission finds that a necessity exists therefor, and under regulations by the commission.

**(19) Reports of Loss From Fires, Lightning and Leakage.**

(A) Each pipeline shall immediately notify the commission district office, electronically or by telephone, of each fire that occurs at any oil tank owned or controlled by the pipeline, or of any tank struck by lightning. Each pipeline shall in like manner report each break or leak in any of its tanks or pipelines from which more than five barrels escape. Each pipeline shall file the required information with the commission in accordance with the appropriate commission form within 30 days from the date of the spill or leak.

(B) No risk of fire, storm, flood, or act of God, and no risk resulting from riots, insurrection, rebellion, war, or act of the public enemy, or from quarantine or authority of law or any order, requisition or necessity of the government of the United States in time of war, shall be borne by a pipeline, nor shall any liability accrue to it from any damage thereby occasioned. If loss of any crude oil from such causes occurs after the oil has been received for transportation, and before it has been delivered to the consignee, the shipper shall bear a loss in such proportion as the amount of his shipment is to all the oil held in transportation by the pipeline at the time of such loss, and the shipper shall be entitled to have delivered only such portion of his shipment as may remain after a deduction of his due proportion of such loss, but in such event the shipper shall be required to pay charges only on the quantity of oil delivered. This section shall not apply if the loss occurs because of negligence of the pipeline.

(C) Common carrier pipelines shall mail (return receipt requested) or hand deliver to landowners (persons who have legal title to the property in question) and residents (persons whose mailing address is the property in question) of land upon which a spill or leak has occurred, all spill or leak reports required by the commission for that particular spill or leak within 30 days of filing the required reports with the commission. Registration with the commission by landowners and residents for the purpose of receiving spill or leak reports shall be required every five years, with renewal registration starting January 1, 1999. If a landowner or resident is not registered with the commission, the common carrier is not required to furnish such reports to the resident or landowner.

**(20) Application of Rates From Intermediate Points.**

For marketable oil accepted for transportation from any point on the pipeline not named on this tariff which is intermediate to a point from which rates are published herein, through such unnamed point, the pipeline will apply from such unnamed point the rate published herein from the next more distant point specified in these sections.

**(21) Deductions and Quantities Deliverable.**

(A) All shipments of marketable oil of 51 degrees through 70 degrees shall be subject to a 1% deduction to cover the shrinkage resulting from the mixture thereof with oil in the pipeline facilities having a gravity of 50.9 degrees or less.

(B) All shipments of marketable oil of 70.1 degrees or greater shall not be accepted by pipeline.

(C) The quantities shall be the net corrected volume, as outlined in paragraph (9) of these sections, less the applicable deduction for shrinkage.

**(22) Tenders.**

(A) Applications for the transportation of marketable oil shall be submitted in writing on pipeline's prescribed tender of shipment form.

(B) Any shipper desiring to tender marketable oil for transportation shall make such tender to the pipeline in writing on or before the 25th day of the month preceding the month during which the transportation under the tender is to begin; except that, if space is available for current movement, a shipper may tender marketable oil for transportation after the 25th day of the month preceding the month during which the transportation under the tender is to begin.

(C) Shipper warrants that the crude oil and condensate delivered to pipeline shall be of merchantable quality and fit for normal refinery processing. Merchantable crude and condensate is defined as virgin crude and/or condensate produced from wells which are free of foreign contamination (whether injected or outside) and free of added chemicals containing, by way of illustration and not of limitation, halogenated organic compounds and/or oxygenated compounds. Pipeline may reject and return any crude oil or condensate containing contaminants in which event shipper agrees to accept returned crude oil or condensate reimburse pipeline for any costs incurred, and be liable for all damages, including consequential damages and loss of profits suffered by pipeline. Pipeline reserves the right to reject crude oil or condensate having a Reid Vapor Pressure of 10 PSI or above.

(D) Pipeline may, at its option, require Shipper to provide an irrevocable letter of credit, or other form of security, satisfactory to Pipeline to secure the value of the oil tendered.

**(23) Application of Rates.**

Marketable oil accepted for transportation shall be subject to the rates in effect on the date of receipt by pipeline, irrespective of the date of the tender.

**(24) Specifications As To Quality and Legality of Shipments.**

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

(A) Marketable oil having vapor pressure in excess of ten pounds above a temperature of 100 degrees Fahrenheit and/or an API gravity in excess of 70 degrees.

(B) Marketable oil where shipper has failed to comply with all applicable laws, rules and regulations made by any governmental authority regulating shipments of marketable oil.

**(25) Engineering Specifications.**

Pipeline reserves the right to set engineering specifications for interconnects with the pipeline system. It is the responsibility of the shipper to satisfy the engineering specifications, provide the necessary equipment, and operate the equipment at its sole cost, risk and expense.

**(26) Barge or Tanker Loading.**

The transportation rates named herein including barge or tanker loading at Pipeline's Sabine Pass Dock Facility. Shipper shall indemnify and hold Pipeline harmless against any and all claims (whether made by the vessel owner or any other party) for demurrage or any other charges arising out of any delay of such vessel. Shipper shall be responsible, at its sole cost and expense, for berthing of barges and tankers at Pipeline's dock and shall provide a stand-by tug full time during barge and/or tanker loading. Shipper shall provide all labor required for loading barges and/or tankers, including connecting and disconnecting loading arms or hoses to the barge and/or tanker manifold. In no event will Pipeline be subject to any liability for damage, loss or injury occasioned by or occurring in the process of docking and loading from barges or tankers.

**(27) Barge or Tanker Unloading.**

Pipeline will receive oil through its unloading and dock facilities at its Sabine Pass Dock Facility only upon the following conditions:

(A) Barges of less than ten thousand (10,000) barrel capacity will not be accepted for unloading unless Pipeline's operating conditions permit.

(B) Shipper shall dock its barges or tankers directly at the dock and furnish a stand-by tug during barge unloading activities. Pipeline will not provide any barge or tanker tugging facilities for docking nor any storage facilities, nor will any provision be made for barge or tanker loading, bunkering, deballasting or water bottom treating.

(C) Pipeline will not provide any pumping equipment for unloading oil from barges or tanker.

(D) Shipper shall furnish, at its own expense, all labor required for unloading, including, but not limited to, connecting and disconnecting unloading arms or hoses at the barge or tanker manifold.

(E) All barges and tankers must be equipped to unload oil at a minimum rate of Two Thousand Five Hundred (2,500) barrels per hour.

(F) Shipper shall indemnify and hold Pipeline harmless against any and all claims (whether made by the vessel owner or any other party) for demurrage or any other charges arising out of any delay of such vessel.

(G) In no event will Pipeline be subject to any liability for damage, loss or injury occasioned by or occurring in the process of docking and unloading from barges or tankers.

(H) Pipeline will assume custody of the oil only at the time such oil is received through its custody transfer meters at the terminal.

**(28) Origination Facilities.**

Pipeline will receive oil from pipelines, tanks or other facilities which are provided by Shipper. Pipeline will determine and advise Shippers of the size and capacity of pipelines, tanks and/or metering facilities to be provided by Shipper at the point of receipt to meet the operating conditions of Pipeline's facilities at such point. Pipeline will not accept oil for transportation unless such facilities have been provided.

**(29) Apportionment when Tenders are in Excess of Facilities.**

When there shall be tendered to pipeline, for transportation, more oil than can be currently transported, the transportation furnished by pipeline 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.

**(30) Payment of Spill Tax, Transportation and Other Charges.**

Shipper shall pay all applicable spill tax, transportation and other lawful charges accruing on oil delivered to and accepted by pipeline for shipment, and, if required, shall pay or furnish guaranty of payment of same satisfactory pipeline before acceptance of shipment. Pipeline may be a bidder and a purchaser at such sale provided for in paragraph (11) of these sections.

**(31) Nominations.**

Any Shipper desiring to tender Crude Petroleum for transportation shall make a Nomination to the Carrier before 12:00 noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the twenty-fifth (25th) of the month preceding the movement. When the twenty-fifth (25th) of the month falls on a weekend, nominations will be required prior to 12:00 noon Central Standard Time/Central Daylight Saving Time, whichever is applicable, on the preceding workday. When the twenty-fifth (25th) of the month falls on a holiday, nominations will be required prior to 12:00 NOON Central Standard Time/Central Daylight Saving Time, whichever is applicable, two (2) workdays prior to the holiday. The Nomination may be e-mailed, faxed or submitted in writing. Unless such notification is made, the Carrier will be under no obligation to accept Crude Petroleum for transportation.

**(32) Intrasystem Transfers.**

An intrasystem transfer of title to Crude Petroleum may be allowed on Carrier's System for a fee of **[1] 0.72** cent per Barrel charged to the Transferor; provided, however, that no transfer fee shall be assessed to the Transferor if the Transferor pays the transportation and/or other charges to the specified transport point for the barrel and, at the time of nomination, consigns the barrel to the Transferee at the transfer point. The transfer point must be a location listed in the tariff. The Transferee accepting volumes on an intrasystem transfer shall be responsible for payment of transportation charges of those volumes from the transfer point to destination. Carrier shall not be obligated to recognize any intrasystem transfer and shall incur no liability with respect thereto or for any losses or damages accruing to any party involved in an intrasystem transfer. All intrasystem transfer requests must be submitted in a nomination to Carrier, made in accordance with requirements stipulated in Rule 31, Nominations, of these Rules and Regulations. In addition, the Transferor and Transferee, upon the request of Carrier and at Carrier's option, shall provide financial assurances to Carrier pursuant to Rule 30, Payment of Spill Tax, Transportation and Other Charges, contained herein. "Transferor" as used herein means the entity transferring volumes pursuant to an intrasystem transfer of title to Crude Petroleum, as described in this Rule 32 to these rules and regulations. "Transferee" as used herein means the entity accepting volumes pursuant to an intrasystem transfer of title to Crude Petroleum, as described in this Rule 32 to these rules and regulations.