

ARROWHEAD LOUISIANA GATHERING LLC

LOCAL RATES, RULES AND REGULATIONS TARIFF

Applying on the Gathering of

CRUDE PETROLEUM

(As Defined Herein)

FOR NON-VOLUME AND VOLUME INCENTIVE RATES

FROM
POINTS IN OFFSHORE LOUISIANA AND LOUISIANA
TO
POINTS IN OFFSHORE LOUISIANA AND LOUISIANA

Issued: May 31, 2017

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

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The Carrier will accept only Crude Petroleum as Defined herein and only for gathering to established delivery stations on its own lines, subject to the following conditions:

RULES, REGULATIONS AND CONDITIONS

Item

1. Definitions

"Barrel" as used herein 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 vapor pressure if the vapor pressure of the petroleum is greater than atmospheric pressure.

"Carrier" as used herein means Arrowhead Louisiana Gathering LLC

"Condensate" as used herein means, liquid products of oil wells and gas wells resulting from condensation of petroleum hydrocarbons existing initially in gaseous phase in an underground reservoir that are recovered at the surface without resorting to processing.

"Crude Petroleum" as used herein means the direct liquid products of oil wells, condensate or a mixture thereof from oil or gas wells located in the Southern Louisiana oil province (consisting of the Outer Continental Shelf, State and Federal waters, and onshore Gulf coast production) with a distillation range, quality and general characteristics typical of South Louisiana crude including a sulfur content of less than or equal to 0.5 percent by weight as determined by ASTM Method D4294 without centrifuge.

"Receipt" means the transfer from Shipper at origin to Carrier for gathering.

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

"API" as used herein means American Petroleum Institute.

"ASTM" as used herein means American Society for Testing Materials.

2. Quality of Crude Petroleum

Crude Petroleum accepted for gathering by the Carrier must be good merchantable oil of such viscosity, pour point and temperature as will permit its being freely handled and gathered under conditions existing in the pipeline, and which is properly warranted. The Carrier reserves the right to reject any Crude Petroleum containing more than one percent (1%) of basic sediment, water and other impurities, or having a Reid vapor pressure in excess of 12 pounds per square inch at 100 degrees Fahrenheit, or having pour point, viscosity, or other characteristics such that it will not be readily susceptible for gathering through Carrier's existing facilities, or which will materially affect or damage the quality of other shipments or cause disadvantage to other Shippers and/or the Carrier; or having an API gravity of less than 20 degrees.

3. Storage Facilities

The Carrier does not furnish storage facilities. Carrier's storage is only that necessary for the operation of the pipeline system.

4. Nominations

Crude Petroleum will be accepted for gathering only at such time as Crude Petroleum of the same quality and general characteristics is being gathered. Any Shipper desiring to nominate Crude Petroleum for gathering hereunder, shall on or before the 25th of the month place a notice including the name of the Shipper, destination and consignee if other than the Shipper, of the quantity of Crude Petroleum to be nominated during the following month with Carrier. Carrier will accept changes to nominations during the shipping month subject to capacity limitations.

5. Crude Petroleum Involved In Litigation

The Carrier shall have the right to reject any Crude Petroleum, when nominated for gathering 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. If Carrier has a reasonable basis to believe that such a situation exists, it will require of the Shipper satisfactory evidence of his perfect and unencumbered title or satisfactory indemnity to protect Carrier against any and all loss resulting from gathering Petroleum Products involved in litigation.

6. Gauging, Testing, and Deductions

- (a) Quantities for receiving, delivering, assessing charges and all other purposes will be corrected to a temperature of sixty degrees Fahrenheit, in accordance with the latest API/ASTM measurement standards, after deductions of impurities shown by tests made by the Carrier prior to receipt and upon delivery. Quantities will be computed by reference to producer-owned meters. Quantities may be computed from tank tables compiled or accepted by the Carrier, when approved by the Carrier.

- (b) Subject to Item 10, Liability of Carrier, Crude Petroleum quantities gathered shall be adjusted to allow for inherent losses including but not limited to shrinkage, evaporation, interface losses, and normal measurement discrepancies. Carrier's loss adjustment will be made monthly on the basis of total quantities received and shall be .05 %.
- (c) In addition, whenever the product of oil or gas wells with a gravity that equals or exceeds fifty-five degrees (55°) A.P.I. is permitted to be commingled with other Crude Petroleum in transit, Carrier shall deduct at the point of origin a percentage of the volume of such Crude Petroleum in accordance with the following table:

<u>Degrees A.P.I. Gravity</u>	<u>Percentage Deduction</u>
Less than 55	None
55 to 74.9	2
75 to 99.9	4
100 and above	5

- (d) The net quantities as determined under paragraphs (a), (b), and (c) of this item will be the quantity deliverable.

7. Mixing in Transit

Crude Petroleum will be accepted for gathering only on condition that it shall be subject to such changes in gravity, quality, or characteristics, while in transit as may result from the mixture with other Crude Petroleum, and the Carrier shall be under no obligation to make delivery of the identical Crude Petroleum received, but may make delivery out of common stock.

8. Origin Facilities Required

The Shipper shall provide such facilities as are necessary to deliver nominated Crude Petroleum to the Carrier's existing facilities at such pressure and rates as will permit the Carrier to gather the stock as scheduled.

9. Destination Facilities Required

The Carrier may refuse to accept Crude Petroleum for gathering unless satisfactory evidence be furnished that the Shipper has provided the necessary facilities for the prompt receiving of said Crude Petroleum at its destination.

10. Liability of Carrier

- (a) **Force Majeure.** The Carrier, while in possession of Crude Petroleum herein described, shall not be liable for any loss thereof, damage thereto, or delay caused by act of God, war, sabotage, act of the public enemy, quarantine, the authority of law, requisition or necessity of the government of the United States in time of war, or default of Shipper or owner. In case of loss of any Crude Petroleum, from any such causes, after it has been received for gathering and before the same has been delivered to consignee, the loss will be charged proportionately to each Shipper in the ratio that its Crude Petroleum, or portion thereof, received and undelivered at the time the loss occurs, bears to the total of all Crude Petroleum then in the custody of the Carrier for gathering via the lines or other facilities in which the loss occurs; and the Carrier will be obligated to deliver only that portion of such Crude Petroleum remaining after deducting Shipper's proportion of such loss determined as aforesaid.
- (b) **Other Losses.** Carrier will compensate Shippers for Crude Petroleum losses for which Carrier is liable by paying the value of such Crude Petroleum, based upon a calendar month average in the month of loss, at the point where gathering

originated, less .05% as provided in Item 6(b).

11. Inventory Requirements

The Carrier will require each Shipper to supply a pro rata share of Crude Petroleum necessary for pipeline fill and working stock (which includes tank bottoms) for efficient operation of the Carrier's pipeline system prior to delivery. Crude Petroleum provided by a Shipper for this purpose may be withdrawn from the system only after shipments have ceased and if written notice to discontinue shipments in Carrier's system is received on or before the 25th day of the preceding calendar month.

12. Duty of Carrier

The Carrier will receive and/or gather and deliver Crude Petroleum with reasonable diligence and dispatch. The Shipper will be notified twenty-four (24) hours prior to the arrival of a shipment of Crude Petroleum and if the Shipper is unable or refuses to receive the Crude Petroleum shipment as it arrives at destination, the Carrier reserves the right to make whatever arrangements for disposition of the Crude Petroleum it deems appropriate in order to clear its pipeline. Any expense incurred by the Carrier in making such arrangements shall be borne by the Shipper, which charges are in addition to gathering charges accruing to Shipper.

13. Payment of Gathering and Other Charges

Gathering charges will be assessed and collected by Carrier up to the rates named herein on the basis of Gross Standard Volume actually received at the origin/receipt point(s) after making adjustments provided in Item 6(b) above.

The Shipper shall pay the gathering and all other charges applicable to the shipment, and, if required, shall prepay or guarantee the same before acceptance by the Carrier, or pay the same before delivery. The Carrier shall have a lien on all Crude Petroleum in its possession belonging to the Shipper to secure the payment of all unpaid gathering charges as well as demurrage charges due by such Shipper, and may withhold such Crude Petroleum from delivery until all of such unpaid charges shall have been paid. If said charges shall remain unpaid five (5) days after the time which may be fixed for delivery as provided for in Item 12, or, in the absence of unpaid charges, when there shall be failure to take the Crude Petroleum at the point of destination as provided in these rules and regulations, the Carrier may, by an agent, sell said Crude Petroleum at public auction for cash, making said sale at its public office in Houston, Texas, on any day not a legal holiday, and not less than forty-eight (48) hours after publication of notice in a daily newspaper in said city of the time and place of such sale and the quantity of Crude Petroleum to be sold.

The Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale the Carrier may pay itself all gathering, including demurrage, and any other lawful charges, including expense of notice, advertisement, sale, and other necessary expense, and expense of caring for and maintaining the Crude Petroleum. The balance shall be held for whomsoever may be lawfully entitled thereto.

14. Apportionment when Nominations Are in Excess of Facilities

When there shall be nominated to the Carrier for gathering, more Crude Petroleum than can be immediately gathered, the gathering furnished by the Carrier shall be apportioned among all Shippers in proportion to the amounts nominated by each, based on the capacity of the system after allowing for provisions set forth in Item No. 17. Shippers will be required to submit nominations by the twenty-fifth (25th) of the month preceding the month of shipment and no nomination shall be considered beyond the amount which the party requesting shipment has readily accessible for shipment. If a Shipper fails to deliver for gathering during the month of shipment the volumes so nominated by it, its volumes for the succeeding month may be reduced by the amount of allocated throughput not utilized during the preceding month.

15. Notice of Claims

Claims for loss or damage must be made in writing to the Carrier, 1111 Travis, Houston, Texas 77002, within nine (9) months after delivery of the property, or in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. 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 or 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.

16. Connection Policy

Connections to Carrier's pipeline(s) will only be considered if made by formal written notification to Carrier and all requests will be subject to the following standards and conditions.

All connections will be subject to design requirements necessary to protect the safety, security, integrity and efficient operation of the Carrier's pipeline(s) in accordance with generally accepted industry standards. Acceptance of any request for connection will be subject to compliance with governmental regulations.

17. Application of Rates from/to Intermediate Origin/Destination Points

For Crude Petroleum accepted for gathering from any origin on Carrier's lines not named in the individual tariffs, which is intermediate to any published origin and/or destination points for which rates are published, Carrier will apply from such unnamed point the rate published from the next more distant point specified. If branch or diverging lines create two or more "next most distant points," Carrier will apply the rate which will result in the lowest charge.

For Crude Petroleum accepted for gathering to any destination point on Carrier's lines not named in the individual tariffs, which is intermediate to any published destination and/or origin points for which rates are published, Carrier will apply to such unnamed point the rate published to the next more distant point specified. If branch or diverging lines create two or more "next most distant points", Carrier will apply the rate which will result in the lowest charge.

Carrier will file a tariff applicable to such gathering movements within 30 days of the start of the service if the intermediate point is to be used on a continuous basis for more than 30 days.

18. Credit-worthiness 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.

19. Gravity Bank

In order to insure that Shippers will not be materially damaged or allowed to benefit from changes in gravity as a result of common stream operations, the Carrier has established a gravity bank to calculate, collect and remit monetary adjustments among all Shippers tendering within the common stream system from changes in gravity which result from common stream operations.

Each Shipper is required to participate in the gravity bank. Each Shipper agrees to pay the Carrier the computed adjustments due from said Shipper in accordance with these rules and

regulations.

Carrier shall administer the gravity bank providing adjustments for the value of crude of different gravities in the manner specified below:

I. Common Stream Calculation

At the end of each month, the weighted average gravity value of the gravity bank will be determined for all crude petroleum being received (Receipt Bank) into the commingled common stream system. The Common Stream value will be determined by using the gravity value per barrel from the gravity value table in Item 20.

II. Shipper Calculation

At the end of each month, each Shipper's gravity value will be determined by multiplying the quantity of barrels received from such Shipper by the gravity value per barrel obtained from the gravity value table.

III. Receipt Bank

- A. If the weighted average gravity value per barrel for a Shipper as determined under II is greater than that determined for the common stream under I, the Shipper will be credited an amount which shall be calculated by multiplying the differences in gravity value per barrel by the total barrels received from such Shipper.
- B. If the weighted average gravity value per barrel for a Shipper as determined in II is less than that determined for the common stream under I, the Shipper will be debited an amount as calculated in A above.
- C. The sum of debits and credits for all Shippers is zero.
- D. Carrier will provide at the end of each month a record of the Shipper's calculation and debit or credit amount.

IV. Example of Gravity Receipt Bank Settlement

<u>Shipper</u>	<u>Shipment Volume (Bbls) Received</u>	<u>Measure Gravity API</u>	<u>Gravity Value*</u>	<u>Volume X Value</u>
A	150,000	28.1°	1.965	\$294,750.00
B	30,000	30.8°	2.370	\$71,100.00
<u>Total All</u>	180,000			\$365,850.00

* Using Gravity Adjustment Authorization Table, Item 20.

Common Stream Value = \$365,850.00 ÷ 180,000 Bbl = \$2.0325

	\$
Shipper A Calculation: (\$1.965/Bbl - \$2.0325/Bbl) x 150,000 Bbls = Shipper A pays (is debited)	\$10,125
Shipper B Calculation: (\$2.370/Bbl - \$2.0325/Bbl) x 30,000 Bbls = Shipper B pays (is credited)	(\$10,125)
Sum of Payments and Receipts is zero	\$0.00

IV. Payments

At the end of each Quarter, a statement shall be rendered to each Shipper setting forth the net debit or credit balance of said Shipper's gravity value account and specifying the amount required to be paid (or received) to settle the account.

All payments due from Shippers shall be made within (twenty) 20 days of the statement date, and shall bear interest calculated at an annual rate, equivalent to 125% of the prime rate of interest of the Citibank N.A. of New York, New York, on ninety-day loans to substantial and responsible commercial borrowers as of the statement date for any delay in payment beyond such twenty (20) day period. All crude petroleum which is received from a Shipper who has failed to pay such amounts shall be subject to the imposition of a lien to obtain payment of such amounts. Carrier will make gravity payments to Shippers with a credit balance only after its receipt of payments from Shippers with a debit balance.

Carrier may, at its option, require the Shipper to pay all estimated obligations in advance or to provide an irrevocable letter of credit satisfactory to the Carrier for such obligations. Payments to or from the Shippers as a result of Item 19, Gravity Bank, are not part of the transportation tariff rates of Carrier and said payments shall not be offset or otherwise claimed by any Shipper against sums due Carrier for transportation or other charges collected pursuant to Carrier's tariff rules and regulations.

20. Table of Gravity Adjustment Authorization Factors

API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl
15.0	0.000	20.0	0.750	25.0	1.500	30.0	2.250	35.0	3.000	40.0	3.100
15.1	0.015	20.1	0.765	25.1	1.515	30.1	2.265	35.1	3.000	40.1	3.100
15.2	0.030	20.2	0.780	25.2	1.530	30.2	2.280	35.2	3.000	40.2	3.100
15.3	0.045	20.3	0.795	25.3	1.545	30.3	2.295	35.3	3.000	40.3	3.100
15.4	0.060	20.4	0.810	25.4	1.560	30.4	2.310	35.4	3.000	40.4	3.100
15.5	0.075	20.5	0.825	25.5	1.575	30.5	2.325	35.5	3.000	40.5	3.100
15.6	0.090	20.6	0.840	25.6	1.590	30.6	2.340	35.6	3.000	40.6	3.100
15.7	0.105	20.7	0.855	25.7	1.605	30.7	2.355	35.7	3.000	40.7	3.100
15.8	0.120	20.8	0.870	25.8	1.620	30.8	2.370	35.8	3.000	40.8	3.100
15.9	0.135	20.9	0.885	25.9	1.635	30.9	2.385	35.9	3.000	40.9	3.100
16.0	0.150	21.0	0.900	26.0	1.650	31.0	2.400	36.0	3.020	41.0	3.100
16.1	0.165	21.1	0.915	26.1	1.665	31.1	2.415	36.1	3.020	41.1	3.100
16.2	0.180	21.2	0.930	26.2	1.680	31.2	2.430	36.2	3.020	41.2	3.100
16.3	0.195	21.3	0.945	26.3	1.695	31.3	2.445	36.3	3.020	41.3	3.100
16.4	0.210	21.4	0.960	26.4	1.710	31.4	2.460	36.4	3.020	41.4	3.100
16.5	0.225	21.5	0.975	26.5	1.725	31.5	2.475	36.5	3.020	41.5	3.100
16.6	0.240	21.6	0.990	26.6	1.740	31.6	2.490	36.6	3.020	41.6	3.100
16.7	0.255	21.7	1.005	26.7	1.755	31.7	2.505	36.7	3.020	41.7	3.100
16.8	0.270	21.8	1.020	26.8	1.770	31.8	2.520	36.8	3.020	41.8	3.100
16.9	0.285	21.9	1.035	26.9	1.785	31.9	2.535	36.9	3.020	41.9	3.100
17.0	0.300	22.0	1.050	27.0	1.800	32.0	2.550	37.0	3.040	42.0	3.100
17.1	0.315	22.1	1.065	27.1	1.815	32.1	2.565	37.1	3.040	42.1	3.100
17.2	0.330	22.2	1.080	27.2	1.830	32.2	2.580	37.2	3.040	42.2	3.100
17.3	0.345	22.3	1.095	27.3	1.845	32.3	2.595	37.3	3.040	42.3	3.100
17.4	0.360	22.4	1.110	27.4	1.860	32.4	2.610	37.4	3.040	42.4	3.100
17.5	0.375	22.5	1.125	27.5	1.875	32.5	2.625	37.5	3.040	42.5	3.100
17.6	0.390	22.6	1.140	27.6	1.890	32.6	2.640	37.6	3.040	42.6	3.100
17.7	0.405	22.7	1.155	27.7	1.905	32.7	2.655	37.7	3.040	42.7	3.100
17.8	0.420	22.8	1.170	27.8	1.920	32.8	2.670	37.8	3.040	42.8	3.100
17.9	0.435	22.9	1.185	27.9	1.935	32.9	2.685	37.9	3.040	42.9	3.100
18.0	0.450	23.0	1.200	28.0	1.950	33.0	2.700	38.0	3.060	43.0	3.100
18.1	0.465	23.1	1.215	28.1	1.965	33.1	2.715	38.1	3.060	43.1	3.100
18.2	0.480	23.2	1.230	28.2	1.980	33.2	2.730	38.2	3.060	43.2	3.100
18.3	0.495	23.3	1.245	28.3	1.995	33.3	2.745	38.3	3.060	43.3	3.100
18.4	0.510	23.4	1.260	28.4	2.010	33.4	2.760	38.4	3.060	43.4	3.100
18.5	0.525	23.5	1.275	28.5	2.025	33.5	2.775	38.5	3.060	43.5	3.100
18.6	0.540	23.6	1.290	28.6	2.040	33.6	2.790	38.6	3.060	43.6	3.100
18.7	0.555	23.7	1.305	28.7	2.055	33.7	2.805	38.7	3.060	43.7	3.100
18.8	0.570	23.8	1.320	28.8	2.070	33.8	2.820	38.8	3.060	43.8	3.100
18.9	0.585	23.9	1.335	28.9	2.085	33.9	2.835	38.9	3.060	43.9	3.100
19.0	0.600	24.0	1.350	29.0	2.100	34.0	2.850	39.0	3.080	44.0	3.100
19.1	0.615	24.1	1.365	29.1	2.115	34.1	2.865	39.1	3.080	44.1	3.100
19.2	0.630	24.2	1.380	29.2	2.130	34.2	2.880	39.2	3.080	44.2	3.100
19.3	0.645	24.3	1.395	29.3	2.145	34.3	2.895	39.3	3.080	44.3	3.100
19.4	0.660	24.4	1.410	29.4	2.160	34.4	2.910	39.4	3.080	44.4	3.100
19.5	0.675	24.5	1.425	29.5	2.175	34.5	2.925	39.5	3.080	44.5	3.100
19.6	0.690	24.6	1.440	29.6	2.190	34.6	2.940	39.6	3.080	44.6	3.100
19.7	0.705	24.7	1.455	29.7	2.205	34.7	2.955	39.7	3.080	44.7	3.100
19.8	0.720	24.8	1.470	29.8	2.220	34.8	2.970	39.8	3.080	44.8	3.100
19.9	0.735	24.9	1.485	29.9	2.235	34.9	2.985	39.9	3.080	44.9	3.100

API Grav	Diff \$/Bbl	API Grav	Diff \$Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl	API Grav	Diff \$/Bbl
45.0	3.100	50.0	2.350	55.01	1.600						
45.1	3.085	50.1	2.335								
45.2	3.070	50.2	2.320								
45.3	3.055	50.3	2.305								
45.4	3.040	50.4	2.290								
45.5	3.025	50.5	2.275								
45.6	3.010	50.6	2.260								
45.7	2.995	50.7	2.245								
45.8	2.980	50.8	2.230								
45.9	2.965	50.9	2.215								
46.0	2.950	51.0	2.200								
46.1	2.935	51.1	2.185								
46.2	2.920	51.2	2.170								
46.3	2.905	51.3	2.155								
46.4	2.890	51.4	2.140								
46.5	2.875	51.5	2.125								
46.6	2.860	51.6	2.110								
46.7	2.845	51.7	2.095								
46.8	2.830	51.8	2.080								
46.9	2.815	51.9	2.065								
47.0	2.800	52.0	2.050								
47.1	2.785	52.1	2.035								
47.2	2.770	52.2	2.020								
47.3	2.755	52.3	2.005								
47.4	2.740	52.4	1.990								
47.5	2.725	52.5	1.975								
47.6	2.710	52.6	1.960								
47.7	2.695	52.7	1.945								
47.8	2.680	52.8	1.930								
47.9	2.665	52.9	1.915								
48.0	2.650	53.0	1.900								
48.1	2.635	53.1	1.885								
48.2	2.620	53.2	1.870								
48.3	2.605	53.3	1.855								
48.4	2.590	53.4	1.840								
48.5	2.575	53.5	1.825								
48.6	2.560	53.6	1.810								
48.7	2.545	53.7	1.795								
48.8	2.530	53.8	1.780								
48.9	2.515	53.9	1.765								
49.0	2.500	54.0	1.750								
49.1	2.485	54.1	1.735								
49.2	2.470	54.2	1.720								
49.3	2.455	54.3	1.705								
49.4	2.440	54.4	1.690								
49.5	2.425	54.5	1.675								
49.6	2.410	54.6	1.660								
49.7	2.395	54.7	1.645								
49.8	2.380	54.8	1.630								
49.9	2.365	54.9	1.615								

Note 1. Above 55.0 API gravity, use gravity value \$/barrel for 55.0.

This table represents the gravity adjustment schedule used by the majority of crude oil purchasers who have published postings for South Louisiana Sweet crude transported by Carrier. Table may be amended from time to time as a result of changes to the majority of posted gravity adjustment schedules. The table is independent of the price of crude oil.

21. Gathering Rates

FROM	TO	Rate (cents per barrel of 42 United States gallons)	
		Non-Volume Rate	Volume Incentive Rate (cumulative volume, barrels)
Reception Points (Plaquemines Parish, Louisiana)	Destination Point (Plaquemines Parish, Louisiana)		
Black Bay	Ostrica/Empire Terminal	[I] <u>280.56</u>	[N] <u>n/a</u>
XPLOR Main Pass Pipeline		[I] <u>280.56</u>	[N] <u>n/a</u>
Quarantine Bay		[I] <u>280.56</u>	[N] <u>n/a</u>
Mariner Energy Platform South Pass Block 24 (W1)	Arrowhead Offshore Pipeline, LLC West Bay System Interconnection South Pass Block 24 (W2)	[I] <u>397.77</u>	[I] <u>361.61</u> (>900,000)
Hilcorp Energy Company Burrwood (W5)		[I] <u>397.77</u>	n/a
Hilcorp Energy Company South Pass Central Facilities	Arrowhead Offshore Pipeline, LLC West Bay System Interconnection West Bay South Pass Area	[I] <u>361.61</u>	n/a

Exceptions to Item 6(b), Loss Adjustment and Item 19, Gravity Bank

Item 6(b), Loss Adjustment and Item 19, Gravity Bank do not apply to movements from Mariner Energy Platform South Pass Block 24 (W1) or Hilcorp Energy Company Burrwood South Pass (W5) to Chevron Empire Oil System Interconnection South Pass Block 24 (W2) and Hilcorp Energy Company South Pass Central Facilities to Chevron Empire Oil System Subsea Interconnect in West Bay South Pass Area.

Explanation of Reference Marks –

[I] Increase

[N] New

[W] Change in wording only