

SECTION 2

SHIPPER INFORMATION

2.1 Accepting Shipments

Explorer Pipeline Company accepts shipments in accordance with the terms of its current tariffs, copies of which are available on the Company web site located www.expl.com

2.2 Facility Requirements

2.2.1 Shipper's Facilities - Origin Points

- A. Shipper-designed origin facilities shall be capable of supplying clean products free from water and other impurities with a design emphasis on minimizing origin created interfacial mixture. Excessive interfacial mixture will be handled as transmix receipts for the account of the Shipper.
- B. Each Shipper will be expected to furnish the following facilities:
 - 1. Shipper shall furnish facilities to deliver petroleum products to Explorer manifold at origin stations at a compatible pressure and at a pumping rate equal to Explorer's full line pumping rate or injection rate, if applicable. Explorer's Operations Department should be contacted for applicable pressure and pumping rates.
 - 2. Pumps shall be compatible from "No Flow" to "Maximum Flow" in 10 seconds and running at "No Flow" conditions for three minutes.
 - 3. Purge lines sized to permit effective purging of Shipper's delivery lines where required.
 - 4. Check valves where necessary to prevent back flow to tankage.
 - 5. Electrical controls and data exchange to allow Explorer to start and stop pumps, operate valves, read meters and tank gauges, etc. if Explorer is required to operate the Shipper facilities.
 - 6. Approved data link to Explorer's origin facilities connected to Shipper.
 - 7. All products, except Aviation Turbine Fuel Jet, shall contain an oil soluble corrosion inhibitor approved by Explorer. Please refer to Item No. 85 of the current tariff.
 - 8. Injection of products into compatible materials will be at Explorer's option as set forth in Explorer's F.E.R.C. Tariff.

2.2.2

Explorer's Facilities - Origin Points

Explorer will furnish the following facilities:

1. Manifold valves and flanged connections at origin locations.
2. Main Line pumps at Port Arthur, Texas; Pasadena, Texas; Glenpool, Oklahoma and Wood River, IL; to boost stream to mainline rates.
3. Custody transfer metering systems and associated equipment for quality control.
4. Insulating flanges.
5. Data for each connected facility, to be sent over a shipper supplied link.
6. Operating personnel, if necessary, to make product changes at Explorer's manifolds, to start and stop receipts and perform other necessary pipeline operations.
7. All Shipper's origin lines will be monitored for water in products. Volumes of free water determined to be in products will be deducted from the meter tickets at origin locations and a processing fee assessed.

2.2.3

Shipper's Facilities-Delivery Points

Shippers will be expected to furnish the following facilities at destinations:

1. Adequate tankage to receive scheduled volumes at Explorer specified delivery rates.
2. Necessary facilities to permit Shipper to make terminal tank changes independent of pipeline, without disruption of pipeline operations.
3. Adequately sized tank lines so that the maximum backpressure at the terminal of Explorer facilities shall not exceed 50 psig at the specified delivery rates.
4. Explorer facilities will terminate at the terminal property line of the Shipper's facilities
5. Necessary tankage to receive transmix generated on lateral stub lines.
6. Data link between the Explorer facility and the Shipper's facility.

2.2.4

Explorer's Facilities - Delivery Points

Explorer will furnish the following facilities to be located on Explorer property as near to the mainline or Explorer tankage as practical:

1. Power operated mainline or stub line delivery valves.
2. Necessary equipment to manage flow through Shipper's receiving facilities to lines and tanks.
3. Necessary custody transfer meters and meter proving facilities. Tank gauges may be used in lieu of meters at Explorer discretion.
4. Necessary manifold delivery valves, power operated, to permit batch changes to be made with minimum contamination.
5. Necessary sampling and interface detection equipment for batch changes.
6. Data for each connected facility.
7. A maximum of two delivery line connections at Explorer's manifold. Lines to be sized to deliver to Shipper's facilities property line. Explorer will determine when separate delivery tank lines are required.

2.2.5

Explorer's Breakout Tankage

Explorer will provide the necessary tankage at certain locations for purposes of rescheduling volumes only. Explorer's common carrier breakout tankage is not for the storage of material by Shipper, except under the conditions set forth in Explorer's F.E.R.C. tariff.

2.3

Required Shipper Information

Explorer's general financial requirements for new Shippers are that Explorer receives the Shipper's most current financial statement, acceptable bank references and trade references. Special financial requirements will be provided by Explorer's Treasurer. Prepayment may be required.

2.4

New Connections

New connections for deliveries to and from Explorer will be considered on the basis of a revenue commitment generating favorable economics, compatibility with existing operations and sound business judgment. For connections meeting these requirements, Explorer requires execution of a Pipeage contract. Should you have an interest in a new connection or require more details, contact Explorer's **Manager, Shipper Relations & Product Quality** or **Manager, Business Development**.

2.5

Proration - General Requirements

Pursuant to Item 90 of the Petroleum Tariff, each segment of mainline or lateral line will be separately prorated, if necessary. Space in each segment will be allocated among "Regular Shippers" and any "New Shipper" as follows:

The forecast volumes for each Regular Shipper and New Shipper shall be totaled and divided into line capacity. The resultant fraction will be the "Proration Factor". Each New Shipper shall be allocated space equal to its forecast volumes multiplied by the Proration Factor. The remaining capacity shall be allocated among regular Shippers in proration to their base period shipments.

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 who received deliveries during the first month of the base period, or who previously has been classified as a Regular Shipper and who continues to receive deliveries in any one or more months of any succeeding base period. A "New Shipper" is a Shipper who does not qualify as a Regular Shipper under the above definition.

2.6

New Shippers

Explorer requires that a company seeking to become a New Shipper must notify Explorer's **Manager, Shipper Relations & Product Quality** in writing. Explorer will furnish the new prospective Shipper with the necessary documentation to be considered for Shipper status.

2.7

Transportation Charges

Transportation charges will be computed and collected at the rates provided in the current tariff, on the basis of the number of barrels of petroleum products delivered at destinations, after volume corrections as provided in Item No. 60 of the current tariff.