

# EPL PIPELINE, L.L.C.

## Local Tariff

Applying on the Transportation of

**CRUDE PETROLEUM**  
(As Defined Herein)

Subject to the Rules and Regulations shown on Pages 2 through 8.

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~~[C] Filed pursuant to 18 C.F.R. § 341.6(c) (Complete Adoption).~~

~~[C] This tariff brings forward unchanged (except as otherwise indicated) the rates, rules and regulations from Hilcorp Energy GOM, LLC's F.E.R.C. No. 2.2.0, in accordance with EPL Pipeline, L.L.C.'s Adoption Notice F.E.R.C. No. 3.0.0, effective November 1, 2012.~~

~~[C] Issued on less than one (1) days notice under authority of 18 C.F.R. § 341.14. This tariff is conditionally accepted subject to refund pending a 30-day review period.~~

~~[N] Filed pursuant to 18 C.F.R. § 342.3.~~

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**ISSUED: July 31, 2014**

**EFFECTIVE: September 1, 2014**

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

~~[C] Issued & Compiled by:~~

~~Tiffany J. Thom  
EPL Pipeline, L.L.C.  
201 St. Charles Avenue, Suite 3400  
New Orleans, Louisiana 70170  
(504) 569-1875~~

~~[N] Issued by:  
[N] Ben Marchive, Sr.  
[N] President  
[N] EPL Pipeline, L.L.C.  
[N] 1021 Main Street, Suite 2626  
[N] Houston, Texas 77002  
[N] (504) 569-1875~~

~~[N] Compiled by:  
[N] Leonard Waguespack  
[N] Pipeline Manager  
[N] EPL Pipeline, L.L.C.  
[N] 1021 Main Street, Suite 2626  
[N] Houston, Texas 77002  
[N] (504) 569-1875~~

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## 5. DEFINITIONS

"Barrel" as herein used means forty-two (42) United States gallons at sixty degrees (60°) Fahrenheit and zero (0) gauge pressure if the vapor pressure of the Crude Petroleum is at or below atmospheric pressure, or at equilibrium pressure if the vapor pressure of the Crude Petroleum is above atmospheric pressure.

"Carrier" as herein used means EPL Pipeline, L.L.C.

"Consignee" - as herein used means the party to whom a Shipper has ordered the delivery of Crude Petroleum.

"Consignor" - as herein used means the party from whom a Shipper has ordered the receipt of Crude Petroleum.

"Crude Petroleum" as herein used means 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 and gas wells including gasoline and liquefied petroleum gases, as provided in Item 40 (Mixtures).

"Nominate" or "Nomination" as herein used means an offer by a Shipper to the Carrier of a stated quantity of Crude Petroleum for transportation from a specified origin or origins to a specified destination in accordance with these rules.

"Shipper" as herein used means a party who contracts with Carrier for transportation of Crude Petroleum, as defined herein and under the terms of these rules.

## 10. Nominations

Crude Petroleum will be accepted for transportation only at such time as Crude Petroleum of the same quality and general characteristics is being transported. Any Shipper desiring to Nominate Crude Petroleum for transportation 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 the Scheduler, EPL Pipeline, L.L.C., [W] ~~204 St. Charles Avenue, Suite 3400, New Orleans, Louisiana 70170~~ 1021 Main Street, Suite 2626, Houston, Texas 77002. Carrier will accept changes to Nominations during the shipping month subject to capacity limitations.

## 15. Line Fill and Tank Bottom 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 and tankage 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, at its discretion, may require advance payment of transportation charges on the volumes to be cleared from Carrier's system, and any unpaid accounts receivable, before final delivery will be made.

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. Title

The Carrier shall have the right to reject any Crude Petroleum, when Nominated for transportation, which may be involved in litigation, or the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind, and it may require of the Shipper satisfactory evidence of its perfect and unencumbered title or satisfactory indemnity bond to protect Carrier. By Nominating Crude Petroleum, the Shipper warrants and guarantees that the Shipper has good title thereto and agrees to hold Carrier

harmless for any and all loss, cost, liability, damage and/or expense resulting from failure of title thereto; provided, that acceptance for transportation shall not be deemed a representation by the Carrier as to title.

#### **25. Specification As To Quality Received**

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.

Carrier may, from time to time, undertake to transport other or additional grades of Crude Petroleum and if, in the opinion of Carrier, sufficient quantities are Nominated or facilities are not available to justify continued transportation of other or additional grades, Carrier may, after giving reasonable notice to Shippers who may be affected, cease transporting particular grades of Crude Petroleum.

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 or disposal of any Crude Petroleum shall be borne by the Shipper introducing the contaminated Crude Petroleum into Carrier's system.

#### **30. Common Stream Crude Petroleum - Connecting Carriers**

When both receipts from and deliveries to a connecting pipeline of substantially the same grade of Crude Petroleum are scheduled at the same interconnection, Carrier reserves the right, with the cooperation of the operator of the connecting pipeline, to offset like volumes of such common stream Crude Petroleum in order to avoid the unnecessary use of energy which would be required to physically pump the offsetting volumes. When this right is exercised, Carrier will make the further deliveries for the Shipper involved from Carrier's common stream Crude Petroleum.

#### **35. Shipments, Maintenance of Identity**

Carrier shall not be liable to Shipper for changes in gravity or quality of Shipper's Crude Petroleum which may occur from commingling or intermixing Shipper's Crude Petroleum with other Crude Petroleum in the same common stream while in transit. Carrier is not obligated to deliver to Shipper the identical Crude Petroleum Nominated by Shipper; Carrier will deliver the grade of Crude Petroleum it is regularly transporting as a common stream.

Carrier shall have no responsibility in, or for, any revaluation or settlements which may be deemed appropriate by Shippers and/or Consignees because of mixing or commingling of Crude Petroleum shipments between the receipt and delivery of such shipments by Carrier within the same common stream.

#### **40. Mixtures**

The indirect liquid products of oil and gas wells, including gasoline and liquefied petroleum gases, 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 35 (Shipments, Maintenance of Identity) 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.

#### **45. 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.

#### **50. Duty of Carrier**

Carrier shall not be required to transport Crude Petroleum except with reasonable diligence, considering the quality of the Crude Petroleum, the distance of transportation and other material elements. Carrier can not commit to delivering Crude Petroleum to a particular destination, at a particular time.

#### **55. Origin Facilities Requires 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.

#### **60. Destination Facilities Required**

The Carrier will accept Crude Petroleum for transportation only when the Shipper or Consignee has made the necessary arrangements for shipment beyond or has provided the necessary facilities for receiving said Crude Petroleum as it arrives at the destination.

#### **65. Notice of Arrival and Delivery at Destination**

The obligation of the Carrier is to deliver the quantity of Crude Petroleum to be transported, less deductions, at the specified destination. Such delivery may be made upon twenty-four (24) hours notice to the Shipper or Consignee who shall accept and receive said Crude Petroleum from the Carrier with all possible dispatch into tanks or receptacles arranged for or provided by the Shipper or Consignee.

If the Shipper, or Consignee, is unable or refuses to receive said Crude Petroleum as it arrives at the specified 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 additional expenses incurred by the Carrier in making such arrangements shall be borne by the Shipper or Consignee.

#### **70. Gauging, Testing and Deductions**

All shipments Nominated to Carrier for transportation shall be tested, gauged or metered by a representative of Carrier prior to, or at the time of receipt from the Shipper and delivery to Consignee, but the Shipper or Consignee shall at all times have the privilege of being present or represented during the testing, gauging or metering.

- (a) Quantities for receiving and delivering will be Net Standard Volume. Quantities may be computed from tank tables compiled or accepted by the Carrier.
- (b) The volume of impurities in Crude Petroleum received and delivered by Carrier will be measured by centrifugal test, or by such other tests as may be agreed upon by the Shipper and Carrier. The volume of impurities will be deducted from the volume of such receipts and deliveries.
- (c) In addition to deductions for losses as provided for in the Liability of Parties section of this tariff, Crude Petroleum quantities received for transportation may be adjusted to allow for inherent losses including but not limited to shrinkage, evaporation, interface losses and normal "over and short" losses. Carrier's loss adjustment will be made monthly on the basis of total quantities transported and shall be based on the prior three calendar years' actual historical loss experience, adjusted to actuals at the end of the year.
- (d) 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:

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

The net balance after all deductions will be the quantity Carrier is obligated to deliver to the Consignee.

**75. Apportionment When Nominations Are In Excess of Facilities**

When there shall be Nominated to Carrier, for transportation, more Crude Petroleum than can be immediately transported, on a line segment, the transportation furnished by Carrier shall be apportioned among Shippers on an equitable basis. Line segments will be prorated separately if necessary. Space in each segment will be allocated among "Regular Shippers" and any "New Shippers" as follows:

- 1. The capacity of the line segment being prorated shall be divided by the total of all volumes Nominated by Regular Shippers and New Shippers. The resultant fraction will be the "proration factor".
- 2. Each New Shipper shall be allocated space equal to its Nominated volumes multiplied by the proration factor.
- 3. The remaining capacity shall be allocated among Regular Shippers in proportion 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 proceeding 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. A "New Shipper" is a Shipper who does not qualify as a Regular Shipper under the above definition.

**80. Application Of Rates and Charges**

Crude Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Crude Petroleum by the Carrier. Trunk line transportation and all other lawful charges will be collected on the basis of the gross standard quantities of Crude Petroleum received.

**85. Application Of Rates From And To Intermediate Points**

For Crude Petroleum accepted for transportation from any point on Carrier's lines not named in a particular tariff, which is intermediate to a point from which rates are published in said tariff, through such unnamed point, the rate published from the next more distant point specified in such tariff will apply. For Crude Petroleum accepted for transportation to any point not named in a particular tariff which is intermediate to a point to which rates are published in said tariffs, through such unnamed point, the rate published therein to the next more distant point specified in the tariff will apply.

**90. 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.

**100. Payment Of Transportation and Other Charges**

Shipper shall be responsible for payment of transportation and all other charges applicable to the shipment, and at the discretion of Carrier, may be required to prepay such charges or furnish guaranty of payment satisfactory to Carrier. Carrier shall have a lien on all Crude Petroleum accepted for transportation to cover payment of all charges, including demurrage and late charges and may refuse to make delivery of the Crude Petroleum until all charges have been paid. If said charges, or any part thereof, shall remain unpaid for five days after notice of readiness to deliver, the Carrier may sell the Crude Petroleum at public auction. Carrier shall have a lien on Crude Petroleum when there shall be failure to take the Crude Petroleum at the point of destination as provided in Item No. 65 (Notice of Arrival and Delivery at Destination). Carrier shall have the right to sell said Crude Petroleum at public auction, for cash. The auction will be held between the hours of ten o'clock a.m. and four o'clock p.m. on any day not a weekend or legal holiday, and not less than twenty-four hours after the Shipper has been officially notified of the time and place of such sale and the quantity, general description, and location of the Crude Petroleum to be sold. Carrier may be a bidder and purchaser at such sale. Out of the proceeds of said sale, Carrier shall pay itself for all transportation, demurrage, and other lawful charges, expenses of notice, advertisement, sale and other necessary expenses, and expenses of caring for and maintaining the Crude Petroleum, and the balance shall be held for whomsoever may be lawfully entitled thereto after the auction. If the proceeds of said sale do not cover all expenses incurred by Carrier, the Shipper and/or Consignee are liable to Carrier for any deficiency.

**105. Diversion**

Subject to Item 10 (Nominations) change in destination or routing will be permitted without additional charge, on written request from the Shipper, provided an applicable tariff is in effect for any requested destination or routing, and provided that no back-haul is required.

**110. Liability Of Carrier**

The Carrier while in possession of any of the Crude Petroleum herein described shall not be liable for any loss thereof, damage thereto, or delay, except to the extent that liability therefore is imposed on the Carrier by law. In case of loss of Crude Petroleum for which Carrier is not responsible, the Shipper shall bear the loss. Where such loss occurs in a tank containing Crude Petroleum which is the property of more than one Shipper, or in a line containing a segregated batch of Crude Petroleum which is the property of more than one Shipper, each Shipper shall bear the loss in such proportion as its volume in said tank or batch bears to the total volume in said tank or batch.

**115. Claims, Suits, and Time For Filing**

As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with the Carrier within six (6) months after delivery of the Crude Petroleum, or, in case of failure to make delivery, then within six (6) months after a reasonable time for delivery has elapsed; and suits arising out of such claims shall be instituted against the Carrier only within two (2) years from the time when the Carrier delivers, or arranges delivery of, the Crude Petroleum or, in case of failure to make or arrange delivery, then within two (2) years after a reasonable time for delivery has elapsed. Any such loss or damage shall be

determined solely on the basis of volumetric loss and not on the monetary value of the Crude Petroleum. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

**120. Pipeage or Other Contracts**

Separate pipeage and other contracts may be required of a Shipper, in accordance with the applicable tariff and these rules, before any duty of transportation by the Carrier shall arise.

**125. Credit-worthiness of Shippers**

All prospective Shippers must submit financial information to establish credit-worthiness. If a prospective 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.

**TRANSPORTATION RATES**

From	To	Rate in cents Per Barrel of 42 United States Gallons
South Marsh Island Block 239, Offshore Louisiana	Lighthouse Point A, South Marsh Island Block 207, Vermilion Parish, Louisiana	[I] 51.66
Mound Point B, South Marsh Island Block 215, Offshore Louisiana		

**EXPLANATION OF REFERENCE MARKS**

- [C] Cancel
- [I] Increase in Rates
- [N] New
- [W] Wording Change