

**United States Department of Energy  
Strategic Petroleum Reserve  
Crude Oil Storage Lease Agreement**

**JUNE 3, 2020**

SPR Crude Oil Storage Lease Agreement

**TERMS AND CONDITIONS**

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This Crude Oil Storage Lease Agreement (“Agreement”) and Operating Annex is made this 3rd day of June, 2020 by and between the United States Department of Energy, Office of Petroleum Reserves, representing the United States of America (hereinafter referred to as “SPR”) and the Commonwealth of Australia as represented by the Department of Industry, Science, Energy and Resources (and any successors to the Department of Industry, Science, Energy and Resources from time to time) (hereinafter referred to as “GOA”). The SPR and GOA are hereinafter each individually, a “Party” and collectively, the “Parties.”

### Section 1: General Terms

#### (A) Authority

The Secretary of Energy, under the authorities of the Department of Energy Organization Act, as amended, 42 U.S.C. § 7101, *et seq.*, and the Energy Policy Conservation Act, Public Law 94-163 (December 22, 1975), as amended (“EPCA”), 42 U.S.C. § 6201, *et seq.* (including without limitation section 168 of EPCA (42 U.S.C. § 6247a)), and applicable rules, orders, and regulations, enters into this Agreement having determined that the property hereby leased is not excess property as defined by Section 3(e) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. § 102), and that this Agreement for the long-term storage of GOA’s crude oil in the SPR facilities for use in a supply emergency and as otherwise permitted by law will be advantageous to the United States and in the public interest.

#### (B) Term of the Agreement

This Agreement shall commence on June 3, 2020, (the “Effective Date”) with an initial term of 10 years, unless terminated sooner pursuant to the terms hereof, and shall continue thereafter for further renewal periods of five years each commencing on and from the tenth anniversary of the Effective Date, unless terminated in accordance with the provisions of Section 2(C), *Termination*.

#### (C) Storage Services

1. In consideration of the observance and performance by GOA of the terms and conditions of this Agreement, the SPR will provide storage and distribution services for GOA’s (or one or more representatives of GOA that are identified in writing to the SPR) crude oil in the SPR’s foreign trade zone at the Big Hill, Texas storage facility and associated SPR distribution system, or such other SPR facility as agreed in writing by the Parties, (the “Facility”) in accordance with this Agreement.
2. In accordance with the terms of this Agreement, the SPR will:

- a. maintain the Facility in good order (including by adhering to a standard of practice which includes the exercise of that degree of skill, diligence, prudence and foresight which would reasonably be expected from a competent, experienced and qualified operator of a crude oil storage facility comparable to the Facility; provided that the operation of the Facility consistent with past practice shall be deemed to satisfy this standard) for the receipt, storage, and drawdown of GOA's crude oil;
  - b. receive (which shall mean throughout this Agreement both the physical receipt by the SPR of GOA's crude oil at the Facility and the transfer of title to GOA or its representative of crude oil already stored at the Facility as a consequence of the SPR tendering that crude oil to GOA) and store GOA's crude oil in any of the SPR's underutilized caverns at the Facility containing crude oil that meets the same SPR specification as GOA's crude oil;
  - c. provide security protection of the Facility;
  - d. use best efforts (which shall mean throughout this Agreement all reasonable due diligence and effort) to maintain the foreign trade zone status of the Facility; and
  - e. drawdown and timely deliver GOA's crude oil meeting the same SPR common crude stream specifications as the crude oil delivered to the SPR by GOA in accordance with the provisions of this Agreement.
3. No processing of the crude oil will occur during storage and no chemicals or additives will be introduced into the crude oil except at the SPR's sole discretion as follows:
- a. If the crude oil's vapor pressure increases during the storage, the SPR may reduce it, as necessary, to achieve acceptable environmental and operational safety limits during a drawdown; and
  - b. Hydrogen Sulfide scavenger may be injected to meet environmental regulations if crude oil vapor pressures exceed parameters.

**(D) Maximum Committed Storage Capacity & Minimum Storage Amount**

1. The capacity will be committed by the SPR to the storage of GOA's crude oil in any proportion of sweet crude oil and sour crude oil during the term of this Agreement equal to a maximum of (the "Maximum Committed Storage Capacity"):
  - a. in respect of crude oil that is tendered by the SPR to GOA , an amount s33, s45 ; or

- b. in respect of crude oil that is physically delivered by GOA to the Facility from a source other than the SPR, an amount not less than the Minimum Storage Amount (defined below) and, to the extent space is available in the Facility, up to s33, s45

provided that the aggregate capacity committed by the SPR to the storage of GOA's crude oil under this Agreement does not exceed s33, s45. Notwithstanding anything to the contrary herein, all crude oil delivered to the Facility for storage under this Agreement shall have been produced in the United States or in Australia, unless otherwise approved by SPR in writing, such approval not to be unreasonably withheld.

2. To the extent GOA wishes to store amounts of crude oil at the Facility in excess of the Maximum Committed Storage Capacity, the SPR and GOA shall negotiate in good faith to permit such additional storage; provided that such additional storage shall be at the SPR's sole discretion.
3. GOA shall store a minimum amount of crude oil at the Facility (the "Minimum Storage Amount") equal to s33, s45 no later than the earlier of (i) two years from the Effective Date and (ii) 30 days following the publication of the third Notice of Sale of crude oil from the Facility each of which equals or s33, s45 s33, s45 occurring after the Effective Date (such date, the "Storage Deadline"). In the event GOA fails to store the Minimum Storage Amount by the Storage Deadline, the SPR shall have the right to terminate this Agreement in accordance with Section 2(C)(5)(b), unless GOA pays the Daily Lease Fee based on the Minimum Storage Amount from and after the Storage Deadline in accordance with Sections 1(F) and 1(J).

#### **(E) Crude Oil Storage Lease Operating Annex Provisions**

GOA agrees to the provisions in the Crude Oil Storage Lease Operating Annex (the "Operating Annex", attached hereto and fully incorporated as part of this Agreement). The SPR may refuse to accept delivery of non-conforming crude oil, and all reasonable itemized costs occurring as the result of such refusal will be borne by GOA.

#### **(F) Daily Lease Fees**

The daily lease fee (the "Daily Lease Fee") for storage is calculated as follows:

$$DLF = A \times B \times C$$

Where:

1. **DLF** is the daily lease fee
2. s33, s45
3. **B** is s33, s45 subject to escalation as provided in Section 1(l), Fee Escalation; and
4. **C** is:
  - a. Prior to the Storage Deadline, the amount (in barrels) of GOA's crude oil stored at 11:59 pm Central Time on that day; or
  - b. On or after the Storage Deadline and subject to clause (c), the greater of (i) the amount (in barrels) of GOA's crude oil stored at 11:59 pm Central Time on that day and (ii) s33, s45
  - c. Notwithstanding clause (b), if GOA draws down under Section 1(G)(1)(a), *Drawdown of Crude Oil in Storage, Emergency Drawdown* and such drawdown results in the number of barrels of crude oil being stored by the SPR for GOA being less than s33, s45 of crude oil, then until the earlier of (i) 6 months from the date of such drawdown; and (ii) the date that the number of barrels of crude oil being stored by the SPR for GOA is equal to, or greater than s33, s45

**C** is the amount (in barrels) of GOA's crude oil stored at 11:59 pm Central Time on that day.

For the avoidance of doubt, after such date, **C** shall be calculated pursuant to clause (b).

#### **(G) Drawdown of Crude Oil in Storage**

1. GOA may draw down its crude oil only as provided below:
  - a. **Emergency Drawdown.** GOA may withdraw all or part of its crude oil to respond to a formally declared energy emergency without that drawdown counting towards the drawdown limits provided elsewhere in this Agreement. A formally declared energy emergency is limited to the following events:



- i. Activation of the emergency sharing system under the Agreement on an International Energy Program, done at Paris on November 18, 1974, as amended;
    - ii. A coordinated stock draw or other action recommended by the Governing Board of the International Energy Agency;
    - iii. The declaration of a severe energy supply interruption or a domestic or international energy supply shortage of significant scope or duration under the Energy Policy and Conservation Act by the President of the United States; or,
    - iv. A declaration of a national liquid fuel emergency by the Governor-General under the *Liquid Fuel Emergency Act 1984* (Cth) which requires the use of crude oil stockpiles or declaration of a severe energy supply interruption or a domestic or international energy supply shortage of significant scope or duration under Australian law.
  - b. Non-Emergency Drawdown. In addition to the emergency drawdowns and if permitted by law, GOA may withdraw its crude oil twice during the initial 10 year term and once during each five year renewal term. The drawdown may be for any quantity of GOA's crude oil in storage and may occur over a three month period of time. However, refill of any crude oil withdrawn in a non-emergency will not entitle GOA to an additional non-emergency drawdown until five years have elapsed since the prior non-emergency drawdown.
  - c. Termination Drawdown. Prior to the end of the term of this Agreement, GOA will arrange for the drawdown of all of its crude oil from the Facility, unless otherwise mutually agreed to by the SPR and GOA.
2. In accordance with section 168 of EPCA (42 U.S.C. § 6247a), under this Agreement, no term shall be construed in a manner that shall impair the ability of the United States Government to withdraw, distribute, or sell petroleum products which are part of the Strategic Petroleum Reserve in response to an energy emergency or to the obligations of the United States Government under the Agreement on an International Energy Program. Further, petroleum products to which GOA or its representative has title stored under this Agreement are not part of the Strategic Petroleum Reserve and may be exported without license from the United States.
3. If GOA requests a complete drawdown of its crude oil, the SPR will deliver a volume as close as reasonably practical to the net amount due to GOA in barrels,

net of pipeline losses of 0.25%. Volume delivered on individual cargos will be within operating parameters of (+/- 10%).

#### (H) Fill and Drawdown Lease Fees

1. A fee of s33, s45 physically received from GOA will apply to any fill. For the avoidance of doubt, this fee will not apply to any crude oil already stored at the Facility where the title of that crude oil is transferred to GOA or its representative as a consequence of the SPR tendering that crude oil.
2. A fee of U.S. One Dollar (\$1.00) per barrel physically delivered to GOA will apply to any drawdown.

#### (I) Fee Escalation

1. Every July 1, starting the first July after 24 months after the Effective Date, the Daily Lease Fees provided in Section 1(F) and Fill and Drawdown Lease fees in Section 1(H) shall be increased by the lesser of the percentage increase, if any, in the s33, s45 or s33, s45 in the aggregate during the initial term of 10 years, and seven point five percent (7.5%) in the aggregate over any renewal term. This adjustment percentage will be calculated by comparing the most recent publication of the index published to the publication of the index for the same period of the prior calendar year. If the s33, s45 ceases to be published, then the s33, s45 s33, s45 will be used. If both s33, s45 cease to be published, then the Parties will negotiate a replacement index. Notwithstanding anything to the contrary herein, GOA shall have the right to terminate this Agreement in the event that the fees payable to SPR increase by more than s33, s45 in the aggregate over the initial term or by more than s33, s45 over any renewal term, as a result of the fee escalation under this Section 1(I)(1); provided that SPR may waive the requirement of any fee escalation acting in its sole discretion.
2. In the event neither Party elects to terminate the Agreement in accordance with Section 2(C)(2) in connection with the end of the initial term or any renewal term, then either Party may request that the Parties enter into negotiations in good faith to adjust the fees (either to be increased or decreased) set by Section 1(F), *Daily Lease Fees*, and by Section 1(H), *Fill and Drawdown Lease Fees* applicable to any renewal term. In the event that the Parties are unable to reach agreement with

respect to such fee adjustment by the date that is one year prior to the commencement of the applicable renewal term, then this Agreement may be terminated by either Party under Section 2(C)(2), *Unilateral Termination*.

3. For any non-emergency drawdown under Section 1(G)(1)(b), GOA shall pay an increase in fees related to the actual electricity costs incurred by the SPR, which are adjusted for peak and off-peak periods by the electricity provider, to the extent caused by such drawdown.
4. For the purposes of section 168 of EPCA (42 U.S.C. § 6247a), SPR acknowledges that, as of the Effective Date, the fees payable by GOA to SPR hereunder fully compensate the United States for all related costs of storage and removals of petroleum products (including the proportionate cost of replacement facilities necessitated as a result of any withdrawals) incurred by the United States on behalf of GOA.

#### **(J) Payment of Fees**

1. Within 30 calendar days after the end of each quarter (which shall mean throughout this Agreement a period of 3 consecutive calendar months commencing on the first day of January, April, July, and October), the SPR will prepare an invoice for the quarterly lease fee for such quarter and deliver it, together with reasonable supporting documentation, to GOA. Each quarterly lease fee for a quarter will be calculated as follows:

QLF = the sum of the Daily Lease Fees for each calendar day in such quarter

Where **QLF** is the quarterly lease fee for that quarter.

The quarterly lease fee will be due 60 calendar days after GOA's receipt of the relevant invoice and supporting documentation.

2. For Fill and Drawdown Lease Fees under Section 1(H) and any additional fees arising in a quarter, including any costs under Section 1(I)(3) of this Agreement, the SPR will prepare, within 30 calendar days of the end of that quarter, an invoice based on quantities reflected on the SPR Crude Oil Delivery Report (CODR) for that quarter and forward it, together with appropriate supporting documentation, to GOA. The fees will be due 60 calendar days after GOA's receipt of the relevant invoice and supporting documentation.

3. No payment due to the SPR under this Agreement shall be subject to the reduction or set-off for any claim of any kind against the SPR or the United States arising from events not related to this Agreement.
4. In accordance with section 168 of EPCA (42 U.S.C. § 6247a), fees are comprised of all related costs of storage and removal of petroleum products (including the proportionate cost of replacement facilities necessitated as a result of any withdrawals) incurred by the U.S. Government on behalf of GOA.

#### **(K) Payment methods**

1. Fee payments shall be made by wire transfer to the account of the United States Department of the Treasury over the Fedwire Deposit System Network in accordance with the wire instructions provided in the applicable invoice.
2. The SPR may designate another place, later timing, or another method of payment after reasonable written notice to GOA.

#### **(L) Nonpayment**

1. Undisputed amounts due and payable to the SPR by GOA that are not paid in accordance with the articles of this Agreement governing such payments shall bear interest from the date due until the date payment is received by the SPR.
2. Interest shall be computed on a daily basis calculated on a 365-day year. The interest rate shall be in accordance with the United States Government Current Value of Funds rate as established by the United States Department of the Treasury in accordance with the Debt Collection Act of 1982 (P.L. 97-365, as amended; *see* 31 U.S.C. § 3717) and published periodically in Bulletins to the *Treasury Fiscal Requirements Manual* and in the *Federal Register*. As of the Effective Date such amount is 2.0%.
3. In the event that the undisputed delinquent payments exceed 90 calendar days fees plus interest, the SPR may, upon 30 calendar days' written notice in accordance with Section 2(B), *Notices*:
  - a. take possession of sufficient amounts of GOA's crude oil to recover such amounts due and sell that crude oil in payment of such amounts and all reasonable itemized costs and expenses of such sale;
  - b. terminate this Agreement in accordance with Section 2(C), *Termination*; or

- c. take such other action as may be permitted by applicable United States law.

#### **(M) Customs Requirements**

1. Compliance with United States Customs Requirements – Export or Transfer

The Parties recognize that foreign owned crude oil may be brought into the Facility and exported or transferred from there to other United States storage facilities without the payment of United States Customs duties to the extent such facilities are foreign trade zone subzones. Exportation or transfer must be made by a licensed carrier and must be made under United States Customs bond. GOA is responsible for arranging in bond transportation from the delivery points listed in Appendix I of the Operating Annex. The cost of such bonded exportation shall be borne by GOA.

2. Compliance with United States Customs Requirements – Entry for Consumption

- a. In the event GOA chooses to either trade or refine its crude oil (at a refinery that is not also a foreign trade zone subzone) in the United States rather than export it, GOA must comply with applicable United States Customs requirements, including the completion of Customs Form 3461, Entry/Immediate Delivery, and the payment of all duties.
- b. GOA will provide the SPR with copies of all Customs forms prepared if GOA's crude oil is entered into the United States Customs territory.

3. United States Customs Requirements – GOA Authorized Representative

For all transfers to and from the Facility, GOA shall have present an agent who is a United States Citizen duly authorized in accordance with United States Customs Regulation (19 C.F.R. Chapter 1, Subpart C) to transact United States Customs business. In the event of the failure of such agent to be present at the delivery of GOA's crude oil, all costs of any such suspension will be borne by GOA.

#### **(N) Final Settlement**

1. Final Reconciliation

- a. Within 90 calendar days after the completion of deliveries in a termination drawdown under Section 1(G)(1)(c) of this Agreement, the SPR will prepare and provide GOA with a reconciliation (accompanied by reasonable

supporting documentation) of final amounts due in settlement of all claims due under this Agreement, including the following:

- i. Daily Lease Fees due under Section 1(F), *Daily Lease Fees*;
  - ii. Drawdown fees under Section 1(H), *Fill and Drawdown Lease Fees*
  - iii. Interest due under Section 1(L), *Nonpayment*;
  - iv. Demurrage due under the terms of the Operating Annex;
  - v. Compensation for quality differentials under the terms of the Operating Annex;
  - vi. Adjustment for drawdown delivery shortages or overages under Section 1(N)(3) of this Agreement; and,
  - vii. Any other fees expressly due under this Agreement, including cash out of imbalance volumes owed by one Party to the other at market index prices reflecting the quality/location of the crude oil in question.
- b. Unless GOA submits a written request for negotiation of the SPR's reconciliation of the final amounts due to the Contracting Officer within 90 calendar days from the date GOA receives the reconciliation in accordance with Section 2(B), *Notices*, GOA shall be deemed to have accepted the final reconciliation.

## 2. Payment

- a. GOA shall pay any undisputed amounts due the SPR under the final reconciliation within 60 calendar days from the date of the final reconciliation provided, however, that such 60 calendar days deadline shall be extended for an additional 60 days in the event GOA has requested a negotiation of the final reconciliation pursuant to Section 1(N)(1)(b). Payment will be made in accordance with Section 1(K), *Payment Methods*. The wire transfer shall include the message "Payment for Final Reconciliation."
- b. Provided that GOA has not timely requested a negotiation of the final reconciliation, the SPR will pay any amount due to GOA, within 60 calendar

days after the date of the final reconciliation. To receive payment from the SPR, GOA will comply with Attachment A, attached hereto and incorporated herein.

### 3. Final Delivery Quantity Adjustment

- a. The final delivery quantity will be calculated by first determining the quantity of the over-delivery or under-delivery by first calculating the difference between 99.75% times the quantity of GOA's crude oil delivered to the SPR as shown on the DD-250, *Material Inspection and Receiving Reports*, and the quantity drawn down and delivered to GOA in the termination drawdown as shown on the SPR Crude Oil Delivery Report(s).
- b. The quantity of the over-delivery or under-delivery is then multiplied by the market price of GOA's crude oil on the day of loading of the final quantity of GOA's crude oil under the termination drawdown. The value of any under-delivery will be credited to GOA in the final reconciliation and the value of any over-delivery will be credited to the SPR in the final reconciliation adjusted for quality differential.
- c. The market price of GOA's crude oil will be derived from the appropriate data published in the ~~s33, s45~~ s33, s45 If s33, s45 ~~s33, s45~~ no longer is in business or no published prices are available, the SPR will notify GOA of an alternate publication price index.

## Section 2: Standard Terms

### (A) Modifications

1. This Agreement, including any appendices attached hereto, contains the entire contract between the Parties and no modification of this Agreement, or waiver of any requirement of this Agreement, or consent under this Agreement shall be valid unless in writing signed by the Secretary of Energy, or his/her authorized representative, and GOA's duly authorized representative. This requirement applies to this Section as well as all other Sections.
2. Notwithstanding any other section of this Agreement, the Secretary of Energy, or his/her authorized representative, shall be the only individual authorized on behalf of the SPR to accept any non-conforming crude oil for storage, provided that the non-conformity is minor in nature, as determined by the SPR.

**(B) Notices**

1. Any notices required to be given by one Party to this Agreement to the other shall be in writing forwarded to the addressee, by email or by registered or express mail, prepaid. Parties must provide each other written notice of address changes within 30 calendar days of the effective date of the change. Such notice of address change under this provision will not require amendment of this Agreement.

2. Notices to GOA must be forwarded to the following address:

Director – Global Oil Security Section  
Energy Security & Efficiency Division  
Department of Industry, Science, Energy and Resources  
GPO Box 2013  
CANBERRA ACT 2601  
AUSTRALIA  
Email: [LFS@industry.gov.au](mailto:LFS@industry.gov.au)

3. Notices must be forwarded to the SPR Contracting Officer at the following address:

U.S. Department of Energy  
Strategic Petroleum Reserve  
Project Management Office  
Acquisition and Sales Division  
Mail Stop FE-4451  
900 Commerce Road East  
New Orleans, Louisiana 70123  
Email: s47F [@spr.doe.gov](mailto:@spr.doe.gov)

4. Either Party will be presumed to have received regular mail 10 business days after its dispatch, and express mail five business days after its dispatch. Email is presumed to have been received at the time of transmission, provided that the message is not returned undelivered or as an error and no automatically generated "out of office" message (or other indication of non-receipt) is received by the sending party.

**(C) Termination**

1. Termination by agreement of the Parties.

This Agreement may be terminated by written consent of both Parties.



## 2. Unilateral Termination.

Either Party may unilaterally terminate this Agreement, provided that:

- a. the effective date of the termination shall be at the end of the current term (as established by Section 1(B)); and
- b. the Party gives written notice to terminate at least three years prior to the effective date of the termination or the Parties fail to agree to the fees applicable to a renewal term as contemplated by Section 1(I)(2).

## 3. Termination by the SPR for GOA Default.

- a. The SPR may terminate this Agreement for GOA's continuing default, without liability of the SPR, except for the obligation to provide a termination drawdown of GOA's crude oil within 120 calendar days after termination, by written notice to GOA in the event that:
  - i. The SPR does not receive payment of undisputed amounts due to SPR pursuant to the payment provisions of the Agreement;
  - ii. GOA fails to comply with any applicable United States Customs laws and regulations;
  - iii. GOA or its contractor fails to comply with United States environmental laws applicable to the transportation of crude oil; or
  - iv. GOA fails to comply with any other material term or condition of this Agreement,

in each case within 30 calendar days after GOA is deemed to have received written notice of such default from the SPR in accordance with Section 2(B), *Notices* and failed to cure such default; provided that, except for with respect to any default under subclause (i), such 30 calendar day period shall be extended to 90 calendar days to the extent GOA is diligently pursuing a cure of such default.

- b. GOA shall not be determined to be in default or be charged with any liability to the SPR due to circumstances which fall within Section 2(D), *Force Majeure*.

- c. In the event that the SPR exercises its right of termination for default, and it is later determined that GOA's failure to perform was excused in accordance with Section 2(C)(3)(b), the rights and obligations of the Parties shall be the same as if such termination was a termination without liability of the SPR under Section 2(C)(5).

4. Termination by GOA.

- a. GOA may terminate this Agreement for the SPR's default, without liability of GOA, except for the obligation to provide a termination drawdown of GOA's crude oil within 120 calendar days after termination, by written notice to the SPR in the event that:
  - i. GOA does not receive payment of undisputed amounts due to GOA pursuant to the payment provisions of this Agreement; or
  - ii. the SPR fails to comply with any other material term or condition of this Agreement,

in each case within 30 calendar days after SPR is deemed to have received written notice of such default from the GOA in accordance with Section 2(B), *Notices* and failed to cure such default; provided that, except for with respect to any default under subclause (i), such 30 calendar day period shall be extended to 90 calendar days to the extent SPR is diligently pursuing a cure of such default.

- b. GOA, upon written notice to SPR, may terminate this Agreement in the event it determines such termination is required as a result of the closure of the Facility.

5. Additional termination rights for the SPR.

In addition to any other right or remedy provided for in this Agreement, the SPR may, upon written notice to GOA, terminate this Agreement at any time whenever:

- a. the United States Congress enacts a law that requires this Agreement be terminated prior to the expiration of the term of the Agreement;
- b. the Secretary of Energy, or his/her authorized representative, determines that such termination is required:

- i. as a consequence of the SPR no longer being able to store crude oil due to the deterioration of the caverns in which crude oil is stored at the Facility;
- ii. as a result of the closure of the Facility;
- iii. in the event that an event of force majeure prevents the performance of the Parties' for a period exceeding one (1) year;
- iv. to comply with the Anti-Deficiency Act, 31 U.S.C. §1341, *et seq.*; or
- v. pursuant to Section 1(D)(3) as a result of GOA's failure to store the Minimum Storage Amount by the Storage Deadline unless GOA pays the Daily Lease Fee based on the Minimum Storage Amount from and after the Storage Deadline in accordance with Sections 1(F) and 1(J).

For any termination of this Agreement pursuant to Sections 2(C)(4), 2((C))(5)(a) or 2(C)(5)(b)(i), (ii), and (iv), the SPR shall be liable for such reasonable transportation costs incurred by GOA in removing its crude oil from the SPR facilities in excess of such costs which GOA would otherwise have incurred under this Agreement, but, under no circumstances shall the SPR be liable for consequential or incidental damages (except as expressly provided hereunder) or indirect damages, including lost profits, lost revenues, or lost business opportunities as a result of such termination, whether or not the SPR was aware or should have been aware of the possibility of these damages.

6. In the event this Agreement is terminated, GOA shall be liable to the SPR for:
  - i. Any payments required under the terms of this Agreement through the date of termination, including drawdown fees and applicable U.S. Customs duties and penalties; and
  - ii. in the case of termination for default of GOA, any additional costs for which the SPR would not otherwise have incurred or been liable for but for default of GOA, including but not limited to terminal storage throughput charges and terminal storage fees, and of which the SPR substantiates in writing.
7. With respect to any termination of this Agreement pursuant to Section 2(C), GOA shall provide a termination drawdown of GOA's crude oil within 120 calendar days after termination.
8. Nothing in this Section shall limit the SPR in enforcement of any legal or equitable remedy that it might otherwise have, and a waiver of any particular cause for

termination shall not prevent termination for the same cause occurring at any other time or for any other cause.

9. The term "subcontractor" or "subcontractors" in this Agreement include subcontractors at any tier.

#### **(D) Force Majeure**

1. Except as previously provided in this Agreement, neither Party shall be liable for demurrage, loss damage, claims, or demands of any nature arising out of delays or defaults in performance under this Agreement due to *force majeure*.

In this Agreement, *force majeure* shall mean any event or circumstance not reasonably within the control of the declaring Party and which is not able to be prevented or overcome by the exercise of reasonable diligence of the declaring Party, which shall include, but not be limited to events or circumstances of the following kind:

- i. acts of God or of the public enemy;
  - ii. floods;
  - iii. fire;
  - iv. explosion;
  - v. hostilities of war (whether declared or undeclared);
  - vi. blockades;
  - vii. strikes;
  - viii. riots; terrorism;
  - ix. insurrections or civil commotion;
  - x. quarantine restrictions, pandemics or epidemics (including, but not limited to, novel coronavirus disease 2019 and/or COVID-19) including, but not limited to, in relation to which any competent international, national, regional or local authority establishes guidelines and/or measures restricting, limiting and/or otherwise reducing the free movement, congregation or gathering of the population, declares an International, national, regional or local state of emergency, advises or orders any form of 'social distancing', or restricts, limits or otherwise reduces retail store hours of trading, in any region of Australia or the United States of America);
  - xi. electrical shortages;
  - xii. earthquakes; and
  - xiii. unusually severe weather.
2. Any Party claiming force majeure shall promptly notify the other of the occurrence of the event of force majeure relied upon. The Parties acknowledge and agree that

they enter into this Agreement in circumstances where an event of force majeure of the type contemplated by quarantine restrictions, pandemics or epidemics is or may be continuing, on the understanding that the nature, extent and duration of that event is unknown. Accordingly the parties acknowledge and agree that the fact that an event of force majeure is continuing on the date this Agreement is entered into does not prevent either party from relying on this Section (2)(D), *Force Majeure*, in relation to that event of force majeure at any time after this Agreement is entered into.

3. Nothing in this Section shall relieve GOA of its obligation to pay in full all payments due under this Agreement or of its obligation to comply with the United States Customs laws. Nothing in this Section shall relieve the SPR from its obligation to return to GOA 99.75 per cent (99.75%) of the quantity of crude oil delivered to the SPR for storage by GOA adjusted for quality differentials as specified in this Agreement.

**(E) Compliance with the U.S. Federal Law Applicable to the Transportation of Crude Oil**

GOA must comply with, and must ensure that its crude oil transportation contractors or subcontractors comply with, United States Federal law applicable to the transportation of crude oil to and from the Facility. Failure of GOA or GOA's crude oil transportation contractors or subcontractors to comply with all applicable rules and regulations may be considered a failure to comply with the terms of this Agreement and may result in termination for default, unless such failure was beyond the control and without the fault or negligence of GOA, its affiliates, or subcontractors as provided in Section 2(C), *Termination*.

**(F) Limitation of SPR Liability**

The SPR under no circumstances, unless expressly provided otherwise in this Agreement, shall be liable to GOA for the conduct of the SPR, or the SPR's contractors or subcontractors, for punitive, indirect, incidental, consequential, or special damages arising from conduct; nor shall the SPR be liable for any damages arising from the conditions of *Force Majeure* as provided in Section 2(D). Consequential, incidental, or indirect damages include lost profits, lost revenues, and lost business opportunity, whether or not the SPR was aware or should have been aware of the possibility of these damages. Notwithstanding the preceding or any other provisions in this Agreement to the contrary, except for provisions of this Agreement concerning quantity and quality reconciliations, the SPR shall be liable to GOA for the errors or omissions of the SPR and its contractors and subcontractors to the extent resulting in damages to GOA's crude oil while in the custody and control of the SPR.

**(G) Indemnity**

1. EXCEPT TO THE EXTENT SUCH LIABILITY ARISES AS A CONSEQUENCE OF THE NEGLIGENCE , WILFUL MISCONDUCT OR DEFAULT OF THE SPR OR ITS CONTRACTORS OR SUBCONTRACTORS, GOA AGREES TO ASSUME RESPONSIBILITY FOR, PAY FOR, AND INDEMNIFY AND HOLD HARMLESS THE SPR AND ITS CONTRACTORS OR SUBCONTRACTORS AT ANY TIER FOR ANY LIABILITY (EXCLUDING PUNITIVE, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGES, AT LAW OR IN EQUITY) INCURRED OR OCCASIONED BY GOA, ITS AGENT, CONTRACTOR OR SUBCONTRACTORS, TO THE EXTENT ARISING FROM OR RELATED TO THE TRANSPORTATION OF CRUDE OIL BY GOA OR ITS REPRESENTATIVES TO OR FROM THE POINTS LISTED IN SECTIONS 1(G) AND 2(J) OF THE OPERATING ANNEX. THIS PROVISION INCLUDES ANY COSTS ASSOCIATED WITH TERMINAL, PORT, VESSEL, AND PIPELINE SERVICES NECESSARY TO RECEIVE AND TRANSPORT THE CRUDE OIL, INCLUDING BUT NOT LIMITED TO DEMURRAGE CHARGES ASSESSED BY THE TERMINAL, BALLAST, OILY WASTE RECEPTION SERVICES OTHER THAN THOSE PROVIDED BY THE SPR OR ITS AGENT, MOORING, AND LINE HANDLING SERVICES, TANK STORAGE CHARGES, PORT CUSTOMS BOND CHARGES INCURRED IN THE DELIVERY OF GOA'S CRUDE OIL.
2. GOA FURTHER AGREES TO ASSUME RESPONSIBILITY FOR, PAY FOR, AND INDEMNIFY AND HOLD HARMLESS THE SPR AND SPR'S CONTRACTOR OR SUBCONTRACTOR AT ANY TIER FOR ANY LIABILITY RESULTING FROM A THIRD PARTY CLAIM INCURRED OR OCCASIONED BY THE SPR AND SPR'S CONTRACTOR OR SUBCONTRACTOR AT ANY TIER, IN CONNECTION WITH THE DRAWDOWN (FROM THE POINT RISK OF LOSS IN GOA'S CRUDE OIL PASSES TO GOA OR ITS REPRESENTATIVE UNDER THIS AGREEMENT) OR DELIVERY (UNTIL THE POINT RISK OF LOSS IN GOA'S CRUDE OIL PASSES TO THE SPR UNDER THIS AGREEMENT) OF GOA'S OR ITS REPRESENTATIVE'S CRUDE OIL PURSUANT TO THIS AGREEMENT, INCLUDING PUNITIVE, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGES, AT LAW OR IN EQUITY, EXCEPT TO THE EXTENT SUCH LIABILITY RESULTS FROM OR ARISES AS A CONSEQUENCE OF THE NEGLIGENCE, WILFUL MISCONDUCT OR DEFAULT OF THE SPR OR ITS CONTRACTORS OR SUBCONTRACTORS AT ANY TIER.
3. UNITED STATES CUSTOMS REQUIREMENTS – GOA FURTHER AGREES TO ASSUME RESPONSIBILITY FOR, PAY FOR, AND INDEMNIFY AND HOLD THE SPR HARMLESS FOR ANY CUSTOMS DUTIES, FEES, OR OTHER CHARGES WHICH MAY ARISE FROM THE FAILURE OF GOA, ITS CONTRACTOR OR AGENTS TO COMPLY WITH UNITED STATES CUSTOMS LAW.

**(H) Applicable Law and Forum**

This Agreement shall be governed by and interpreted in accordance with United States Federal law applicable to the United States Government acting in its contractual capacity. This Agreement is not an international agreement governed by international law. **ANY DISPUTE UNDER OR RELATED TO THIS AGREEMENT SHALL BE BROUGHT BEFORE THE FEDERAL COURTS OF COMPETENT JURISDICTION IN HARRIS COUNTY (HOUSTON DIVISION), TEXAS OR THE FEDERAL COURTS OF WASHINGTON, D.C., AND EACH PARTY WAIVES ALL RIGHTS TO CHALLENGE VENUE AND THE CONVENIENCE OF THE FORUM FOR ANY SUIT BROUGHT IN SUCH COURTS. EACH PARTY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY RIGHT TO A JURY TRIAL FOR ANY DISPUTES ARISING HEREUNDER OR RELATED HERETO.**

**(I) Assignment of Claims**

1. GOA shall not make or attempt to make any assignment of this Agreement or any interest therein contrary to the provision of Federal law, as set forth in 41 U.S.C. § 6305, which provides in part:

The party to whom the Federal Government [SPR] gives a contract or order may not transfer the contract or order, or any interest in the contract or order, to another party. A purported transfer in violation of this subsection annuls the contract or order so far as the Federal Government [SPR] is concerned, except that all rights of action for breach of contract are reserved to the Federal Government [SPR].

2. SPR agrees that any change in the identity of the department of the Commonwealth of Australia which is representing the Commonwealth of Australia under this Agreement (being, at the date of this Agreement, the Department of Industry, Science, Energy and Resources) shall not constitute an assignment for the purposes of this Section 2(I).
3. Nothing in this Section shall preclude GOA from requesting that the SPR deliver its crude oil to another party in a drawdown pursuant to this Agreement.

**(J) Gratuities**

1. The SPR, by written notice to GOA, may terminate the right of GOA to proceed under this Agreement if it is found, after notice and hearing, by the Secretary of Energy or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by GOA, or any agent or representative of GOA, to any officer or employee of the United States Government with the view toward securing this Agreement or securing favorable treatment with respect to the awarding, amending, or making of any determination with respect to the performing of such Agreement; provided that

the existence of the facts upon which the Secretary of Energy or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

2. In the event this Agreement is terminated as provided in paragraph 1 of this subsection, the SPR shall be entitled: (1) to pursue the same remedies against GOA as it could pursue in the event of a breach of this Agreement by GOA; and (2) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the United States Secretary of Energy or his duly authorized representative) that shall not be less than three nor more than ten times the cost incurred by GOA in providing any such gratuities to any such officer or employee.
3. The right and remedies of the United States Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by United States law or under this Agreement.

**(K) Officials Not to Benefit**

No member of or delegate to the United States Congress, or United States resident commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

**(L) Disputes**

In the event of a dispute arising under this Agreement, the Parties agree that, before filing any action in court, they shall put forth a reasonable good faith effort and attempt to resolve any issues arising out of or relating to this Agreement informally. If resolution is not achieved, then either Party may bring an action in a court of competent jurisdiction pursuant to Section 2(H).

**(M) Severability**

If any term or provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected and shall remain in place. The Parties intend that in lieu of any such invalid or unenforceable provision, there shall be added, as part of this Agreement, a provision as similar in terms to such invalid or unenforceable provision as is possible that is mutually agreeable to the Parties, maintains the commercial position of the Parties as negotiated herein, and is valid, legal and enforceable.

**(N) Survivability**



Any obligations or liabilities arising under this Agreement shall survive the termination of this Agreement.

**(O) Availability of Funds**

Implementation and performance under this Agreement by DOE is subject to the requirements of the Anti-Deficiency Act, 31 U.S.C. §1341, *et seq.* DOE's performance of any of the terms or conditions in this Agreement shall be subject to the availability of funds appropriated by Congress.

**(P) Entire Agreement**

This Agreement and its Attachments and the Operating Annex express the entire agreement of the Parties with respect to its subject matter, and amend, restate, replace and supersede all prior agreements and understandings, whether oral or written, between or among any of the Parties with respect to the subject matter hereof.

**(Q) Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

**(R) Date and time**

1. A reference in this Agreement to a date is to a Canberra, Australia date.
2. A reference in this Agreement to time is to Canberra, Australia time.

**(S) Confidentiality**

Except to the extent disclosure is required by applicable law, each Party shall maintain the terms contained in Sections 1(F), 1(H) and 1(I) of this Agreement confidential and shall not disclose such terms without the prior written consent of the other Party.

IN WITNESS WHEREOF, THE AUTHORIZED REPRESENTATIVES OF THE PARTIES HAVE EXECUTED THIS SPR  
CRUDE OIL STORAGE LEASE AGREEMENT AS OF THE DATE FIRST WRITTEN ABOVE.

UNITED STATES DEPARTMENT OF ENERGY

BY

WITNESS

\_\_\_\_\_  
Dan Brouillette  
Secretary of Energy

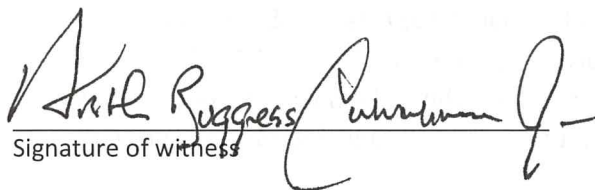
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Embassy of Australia

DATE: June 2, 2020

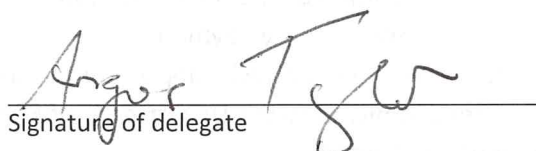
LOCATION: Washington, D.C., United States

Signed for and on behalf of the **Commonwealth of Australia** by the Hon. Angus Taylor, Minister for Energy and Emissions Reduction in the presence of



Signature of witness

Arthur Boggess Culvahouse Jr.  
Ambassador of the United States of America



Signature of delegate

Angus Taylor  
Australian Minister for Energy and Emissions Reduction

DATE: June 3, 2020

LOCATION: Canberra, Australia

## ATTACHMENT A

### G.6 INVOICING AND PAYMENT/BILLING INSTRUCTIONS

GOA must submit vouchers electronically through the Oak Ridge Financial Service Center's (ORFSC) Vendor Inquiry Payment Electronic Reporting System (VIPERS). VIPERS allows vendors to submit vouchers, attach supporting documentation and check the payment status of any voucher submitted to the Department of Energy ("DOE"). Submitting electronically provides benefits to vendors by:

- i. Reducing the cost of paper and postage.
- ii. Allowing supporting documentation to be attached and routed with the voucher to program and approving officials.
- iii. Immediately interfacing vouchers to DOE's accounting system saving several days of mail and manual processing time.
- iv. Decreasing potential errors caused by manual input.
- v. Facilitating the prompt payment of vouchers.

To obtain access to and to use VIPERS, please visit the web page at <https://vipers.doe.gov/>. Detailed instructions on how to enroll and use the system are provided on the web page. Please do not send a paper copy of a voucher that has been submitted electronically.

The DOE will make invoice payments under the terms and conditions specified in the contract by the 30th calendar day after the designated billing office receives a proper invoice from GOA. The Government considers payment as being made on the date of an electronic funds transfer (EFT).

A proper invoice must include the following:

- a. Government or its representative's name
- b. DOE contract number
- c. Invoice number
- d. Quantities
- e. Unit price (USD)
- f. Total amount due (USD)

**United States Department of Energy  
Strategic Petroleum Reserve**

**Crude Oil Storage Lease Agreement  
Operating Annex**

**JUNE 3, 2020**

### Section 1: Delivery of Crude Oil for Storage

The parties agree that this Section (1), other than Section (1)(G)(3), does not apply to any crude oil stored at the Facility acquired by GOA or its representative from SPR through tender to GOA or its representative.

#### (A) Delivery Notice

1. At any time after execution of the Crude Oil Storage Lease Agreement (“Agreement”), GOA may provide notices to the SPR under Section 2(B) of the Agreement, *Notices*, of the intent to deliver crude oil for storage (“Notice of the Intent to Deliver”). Each Notice of the Intent to Deliver shall include the crude stream, quantities and proposed delivery schedules.
2. A Notice of the Intent to Deliver shall be provided to SPR no later than the 15<sup>th</sup> of the month prior to the proposed month of delivery unless SPR agrees otherwise. The start of deliveries may not occur until after the effective date of the Agreement.
3. GOA may cancel a Notice of Intent to Deliver at any time prior to the proposed deliveries detailed in that notice. Such notice of cancellation must be provided in accordance with Section 2(B) of the Agreement, *Notices*.

#### (B) Delivery Arrangements

1. GOA, at its expense, shall be responsible for necessary arrangements including all terminal scheduling and logistics, and quality and quantity measurements, to transport and deliver its crude oil to the SPR delivery points listed in Appendix I of this Operating Annex. Terminal arrangements under Section 1(C)(1) of this Operating Annex shall be provided to the SPR and the Project Manager (“PMO”) in accordance with Section 2(B) of the Agreement, *Notices*.
2. At the current time, crude oil received at the SPR delivery points listed in Appendix I of this Operating Annex for transportation to the Facility will not be required to be transported under United States Custom’s bond. If GOA desires to deliver to another delivery point listed in Appendix I of this Operating Annex, GOA shall notify and confirm with the SPR whether the crude oil can be delivered at that point without having to be transported in bond. SPR will contact United States Customs to determine the need for a Custom’s bond for deliveries to that point. The SPR, in its sole discretion, may determine if proposed delivery arrangements satisfy its obligation as a storage facilities subzone operator. If the SPR, after consultation with United States Customs, determines that transportation in bond is required in order for GOA’s crude oil to retain its foreign status for United States Customs purposes while in SPR storage facilities, GOA shall be responsible for

SPR Crude Oil Storage Lease Operating Annex 1

arranging in bond transportation to the delivery points listed in Appendix I of this Operating Annex.

3. GOA shall also be responsible for meeting any delivery requirements imposed at the delivery points listed in Appendix I of this Operating Annex, including complying with the rules, regulations, and procedures contained in applicable port/terminal manuals, pipeline tariffs, or other applicable documents.
4. The SPR shall provide, as part of the fill fee paid to it under Section 1(H), *Fill and Drawdown Lease Fees*, transportation by pipeline from the delivery points listed in Appendix I of this Operating Annex to the Facility. GOA agrees to assume responsibility and pay for any costs associated with terminal, port, vessel and pipeline services necessary to receive and transport the crude oil, including but not limited to quality and quantity measurement charges, demurrage charges assessed by the terminal, ballast and oily waste reception services, mooring and line handling services, tank storage charges, terminal crude oil losses and port charges incurred in the delivery of GOA's crude oil to the SPR but excluding pipeline transportation charges by a lessee of the SPR pipeline.

#### **(C) Delivery Transportation and Scheduling**

1. A vessel delivery program included with a Notice of the Intent to Deliver shall specify the requested three calendar day delivery window for each vessel delivering crude oil and the quantity of crude oil to be delivered. A pipeline schedule included with a Notice of the Intent to Deliver shall specify the dates for which deliveries are to be tendered to the pipeline and the quantity tendered for each date. The customer with the earliest storage agreement effective date will be given preference with respect to scheduling deliveries when conflicting requests are received. SPR shall procure that the PMO will respond no later than the tenth calendar day prior to the proposed delivery month to confirm the schedule as originally submitted or propose alterations. GOA shall be deemed to have agreed to those alterations unless GOA requests PMO to reconsider within two business days after receipt of such alterations. The SPR shall procure that the PMO uses its best efforts to accommodate such requests, but its decision following any such reconsideration shall be final and binding, although the PMO or SPR have the discretion to amend the schedule at the request of GOA.
2. The PMO, subject to change by SPR, is:

Fluor Federal Petroleum Operations Company  
Attn: Chuck Costanza/ Ned Scheppegegrell  
Address: 850 Commerce East

SPR Crude Oil Storage Lease Operating Annex 2

New Orleans, La 70123

Telephone: s47F

Email Address: FFPOCOL@spr.doe.gov

SPR will provide written notice of any changes regarding the identity and contact information of PMO to GOA within 30 calendar days of the effective date of the change. Such notice of change of the PMO identity and contact information under this provision will not require amendment of the Agreement.

3. No schedules will be confirmed prior to the effective date of the Agreement.
4. Neither the Agreement, this Operating Annex, nor this section shall in any way limit SPR's authority to change the PMO or amend SPR's agreement with the PMO.

#### **(D) Vessel Unloading Procedures**

1. Vessel unloading procedures shall comply with terminal port procedures/guidelines and any contractual agreements between GOA and the terminal. SPR and PMO shall be copied or advised on all vessel nomination and scheduling notices that are submitted to the terminal.
2. The date of delivery, which will be recorded on the DD 250, *Material Inspection and Receiving Report* (Appendix V), is the date the vessel completes cargo discharge at the terminal. The time of completion of the delivery occurs upon disconnection of the discharge hoses.

#### **(E) Liability of Excessive Berth Time**

All costs associated with the failure of the GOA's vessel to comply with terminal berth times shall be the responsibility of GOA.

#### **(F) Pipeline Receipt Delivery Procedures**

1. Unless GOA has cancelled the delivery in accordance with Section (1)(A)(3) then, no later than the last day of the month preceding the month of delivery, GOA shall furnish SPR and the PMO with the following information: (i) confirmation of the pipeline's acceptance of the amount of crude oil proposed to be delivered; (ii) an estimated schedule (consistent with the terms of the Agreement) for delivery of the crude oil to the SPR's pipeline; and (iii) the name and telephone number of the pipeline point of contact with whom the SPR and the PMO must coordinate the crude oil delivery.

SPR Crude Oil Storage Lease Operating Annex 3



2. Once established, the pipeline delivery schedule can only be changed with the PMO's prior written consent other than for a cancellation of the delivery in accordance with Section (1)(A)(3). If the schedule provided by GOA in accordance with Paragraph 1 of this subsection varies from the original schedule, the PMO will provide its best efforts to accommodate this revised schedule but will incur no liability for failure to accept delivery on the alternative dates requested.
3. The date of delivery, which will be recorded on the DD 250, *Material Inspection and Receiving Report*, is the date delivery commenced at the custody transfer point as identified in Appendix I of this Operating Annex.
4. GOA shall make pipeline deliveries at a minimum batch size of 100,000 barrels per day. GOA is solely responsible for making the necessary arrangements with pipeline carriers, including storage, to achieve the stated minimum and to ensure that the crude oil retains its foreign status under United States Customs law.

#### **(G) Title and Risk of Loss**

At all times, title to the crude oil for storage in the SPR will remain with GOA or its representative, except as provided in Section 1(L) of the Agreement, *Nonpayment*. Risk of loss for GOA's crude oil will pass to the SPR at the delivery point as follows:

1. For vessel shipment – when the crude oil passes through the pipeline flange leaving the meter station as identified in Appendix I. Where quantity is determined by custody approved meter and/or opening and closing tank gauges on discharge of the tanks to the SPR pipeline, the quantity documented on the Form DD 250, *Material Inspection and Receiving Report*, provides the presumed quantity passing the terminal pipeline flange, unless the SPR can demonstrate that the crude oil was diverted before reaching the flange.
2. For pipeline shipment – when the crude oil passes the pipeline flange to the DOE meter station indicated in Appendix I of this Operating Annex.
3. For crude oil tendered by SPR – risk of loss for GOA's crude oil remains with SPR following the transfer of title to GOA or its representative.

#### **(H) Acceptance of Crude Oil**

If the crude oil delivered fails to meet the SPR specification in Appendix II, the SPR may refuse to accept delivery. In that event, all costs associated with the subsequent handling, storage, or transportation of the crude oil shall be the responsibility of GOA.

#### **(I) Delivery Acceptance and Verification**

SPR Crude Oil Storage Lease Operating Annex 4

1. Unless GOA has cancelled the delivery in accordance with Section (1)(A)(3), GOA shall provide written notice by email to the SPR and PMO at least 72 hours prior to the first delivery date of the name(s) of GOA's agent(s) authorized to sign delivery documentation (United States Customs Form 214, United States Government form DD 250, *etc.*) and the name(s) of the surveyor and laboratory responsible for conducting the quantity and quality measurements. Changes to this listing must be provided to the SPR and PMO in writing by email at least 72 hours before the first delivery to which such changes apply.
2. The delivery and determination of quantity and quality must be witnessed by the SPR's Quality Assurance Representative. Absence of GOA's authorized agent(s) constitutes acceptance of the delivery quantity and quality as determined by the SPR or its representative(s).

**(J) Determination of Quality**

1. The quality of the crude oil delivered by GOA will be determined from samples taken from the delivery tanks in accordance API Manual of Petroleum Measurement Standards, Chapter 8.1 Manual Sampling of Petroleum and Petroleum Products (ASTM D4057), latest edition; or from a representative sample collected by an automatic sampler whose performance has been proven in accordance with API Manual of Petroleum Measurement Standards, Chapter 8.2, Automatic Sampling of Petroleum Products (ASTM D4177), latest edition. Preference will be given to samples collected by automatic sampler when such a system is available. Quality determination costs will be paid for by GOA.
2. Standard tests to be performed by GOA in a laboratory acceptable to United States Customs are:

- a. Sediment and Water

Primary methods: API Manual of Petroleum Measurement Standards, Chapter 10.1, Determination of Sediment in Crude Oils and Fuel Oils by the Extraction Method (ASTM D473) (IP53), latest edition; or API Manual of Petroleum Measurement Standards, Chapter 10.8, Sediment in Crude Oil by Membrane Filtration (ASTM D4807), latest edition; and API Manual of Petroleum Measurement Standards, Chapter 10.2, Determination of Water in Crude Oil by Distillation (ASTM D4006) (IP358), latest edition; or API Manual of Petroleum Measurement Standards, Chapter 10.9, Water in Crude Oil by Coulometric Karl Fischer Titration (ASTM D4928), latest edition.

Alternate methods: API Manual of Petroleum Measurement Standards, Chapter 10.3, Determination of Water and Sediment in Crude Oil by the Centrifuge Method (Laboratory Procedure) (ASTM D4007) (IP359), latest edition.

b. Sulfur

Primary method: ASTM D4294, Sulfur in Petroleum Products (*Energy Dispersive X-ray Fluorescence Spectrometry method*), latest edition.

Alternative method: ASTM D2622, Sulfur in Petroleum Products (*Wavelength Dispersive X-ray Fluorescence Spectrometry method*), latest edition.

c. API Gravity

Primary method: Density, Relative Density (Specific Gravity), or API Gravity of Crude Petroleum and Liquid Products by Hydrometer Methods (ASTM 1298), or API Manual of Petroleum Measurement Standards, Chapter 9.1, Hydrometer Test Method for Density, Relative Density (Specific Gravity), or Density and Relative Density of Crude Oils by Digital Density Analyzer (ASTM D5002), latest edition.

Alternate method: API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method) (ASTM D287), latest edition.

3. To the maximum extent practicable, the primary methods will be used for determination of GOA's crude oil characteristics. However, because of conditions prevailing at the time of delivery, it may be necessary to use alternate methods as described in Section (1)(J)(2) of this Operating Annex or as approved under Section (1)(J)(4) of this Operating Annex of testing for one or more of the quality characteristics.
4. Further alternative methods to those described in Section (1)(J)(2) of this Operating Annex may be used if approved by the Secretary of Energy or his/her authorized representative. GOA shall submit requests to use such alternative methods to the Secretary of Energy or his/her authorized representative for determination of acceptability.

5. In case of disputes arising from a difference between origin and destination test results, results from testing of the destination sample using the primary test method shall be binding save in the case of manifest error.
6. SPR reserves the right to require additional tests listed in Appendix II to verify that GOA's crude oil meets the SPR specification as detailed in Appendix II. The SPR will not require the additional tests on crude oil streams delivered by GOA unless the SPR has reason to believe that the streams do not meet the SPR specification. The acceptability of any crude oil depends upon assay typical of current production quality of the stream using the tests indicated in Appendix II. The cost of such tests will be paid by GOA.

#### **(K) Determination of Quantity**

1. The quantity of crude oil delivered by GOA will be determined by custody approved meter and/or opening and closing tank gauges for both shore tank receipt and shore tank discharge with adjustment for opening and closing free water and sediment and water as determined from shore tank samples where an automatic sampler is not available, or delivery meter reports. All volumetric measurements will be corrected to net standard volume in barrels at 60F, using API Manual of Petroleum Measurement Standards, Chapter 11.1, Volume 1, Volume Correction Factors (ASTM D1250) (IP 200); Table 5A-Generalized Crude Oils, Correction of Observed API Gravity to API Gravity at 60F; Table 6A-Generalized Crude Oils, Correction of Volume to 60F Against API Gravity at 60F, latest edition, and by deducting the tank's free water, and the entrained sediment and water as determined by the testing of composite all-levels samples taken from the delivery tanks; or by deducting the sediment and water as determined by testing a representative portion of the sample collected by a certified automatic sampler, and also corrected by the applicable pressure correction factor and meter factor. Quantity determination costs will be paid by GOA.
2. The quantity determination shall be made and certified by the GOA representative responsible for delivery operation, and witnessed by the SPR Quality Assurance Representative at the delivery point. If GOA arranges for additional inspections services, such services will be for the account of GOA. If GOA does not arrange for services, then SPR's quantity determination shall be binding on GOA.

#### **(L) Delivery Documentation**

1. The vessel discharge/terminal tank receipt quantity and quality determination shall be documented in the U.S. Government Standard Form DD 250-1, *Tanker/Barge Material Inspection and Receiving Report* (Appendix VI) and United

SPR Crude Oil Storage Lease Operating Annex 7

States Customs Form 214, *Application for Foreign Trade Zone Admission*. The terminal tank discharge quantity and quality determination shall be documented on the U.S. Government Standard Form DD 250, *Material Inspection and Receiving Report*. The forms will be signed by GOA's agent, to acknowledge delivery of the quantity and quality of the crude oil indicated. Copies of the completed forms with applicable supporting documentation (*i.e.*, metering or tank gauging tickets and appropriate calculation worksheets), will be furnished to GOA and/or GOA's authorized representative after completion of delivery. At SPR's sole discretion, the lesser of the terminal tank receipt quantity or the terminal tank discharge quantity will serve as the basis for reconciliation on the termination drawdown of the crude oil, as well as for any associated services that may be provided (*e.g.*, further testing required by the terminal or for oil loss control), and GOA will be responsible for the costs of such associated services.

2. After the first month's deliveries by GOA and after each subsequent month in which there are deliveries, the SPR will determine the total weighted average API gravity of GOA's crude oil delivered by SPR sweet and sour specification and provide written notification and calculation to GOA. The calculation shall be made from the quality adjustment under Section 2(M), Compensation for Quality Differentials of the Agreement. Unless GOA submits a written request for recalculation of the weighted average to the Contracting Officer within 20 calendar days from the date GOA is deemed to have received the proposed API gravity, GOA shall be deemed to have accepted the calculated API gravity.

#### **(M) Delivery of the Crude Oil to the Facility**

All transportation charges for the transfer of crude oil from the terminal tanks or pipeline meter station to the Facility shall be paid by GOA, including but not limited to, Waterway security, Harbor maintenance, and Vessel handling fees.

### **Section 2: Drawdown of Crude Oil in Storage**

#### **(A) Drawdown Notice**

1. If, as provided in Section 1(G) of the Agreement, *Drawdown of Crude Oil in Storage*, GOA requests a drawdown of its crude oil, drawdown begins after notice under Section 2(B) of the Agreement, *Notices*. The notice shall include the type of drawdown under Section 1(G) of the Agreement, *Drawdown of Crude Oil in Storage*, as well as crude types, quantities, and proposed schedules.
2. For drawdowns during a United States declared severe energy supply interruption, obligations of the United States under the International Energy Program, or a

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United States declared domestic or international energy supply shortage of significant scope or duration (as authorized by 42 U.S.C. §6241), notice shall be provided by GOA by:

- a. in the case of the first drawdown by GOA during such period, the 1<sup>st</sup> of the proposed drawdown month with the proposed start of the drawdown to be on, or after, the 16<sup>th</sup> of the proposed drawdown month; and
  - b. in the case of subsequent drawdowns during such period, the 15<sup>th</sup> of the month preceding the proposed drawdown month with the proposed start of the drawdown to be on, or after, the 1<sup>st</sup> of the proposed drawdown month.
3. Except for drawdowns during as described in paragraph (2), the drawdown notice shall be provided by at least 15<sup>th</sup> of the month preceding the proposed drawdown month.
  4. GOA may cancel a notice of drawdown at any time prior to the proposed drawdown detailed in that notice. Such notice of cancellation must be provided in accordance with Section 2(B) of the Agreement, *Notices*.

#### **(B) Drawdown Operations**

1. The SPR recognizes the importance of timely delivery of strategic stocks in an energy emergency. SPR will use its best efforts to meet GOA's drawdown requests, subject to the terms and conditions of the Agreement and a variety of factors which affect SPR drawdown rates (*e.g.*, the amount of other crude oil stored at a site, site drawdown capacity and rates, the amount and type of GOA's crude oil, the amount of crude oil that has been withdrawn in prior months, and whether simultaneous drawdowns are occurring for other customers). For the avoidance of doubt, ordinary course scheduling procedures and activities shall not be considered to constitute an impediment to the delivery of strategic stocks.
2. Upon notice to the SPR in accordance with subparagraphs 1, 2 or 3 of Section 2(A) of this Operating Annex, *Drawdown Notice*, unless and until otherwise cancelled in accordance with subparagraph 4 of Section 2(A) of this Operating Annex, GOA may arrange for drawdown of its crude oil as provided in Section 1(G) of the Agreement, *Drawdown of Crude Oil in Storage*. Standard SPR operating procedure requires a minimum of 15 calendar day notice before any crude oil belonging to either the United States Government or its Facility customers can be delivered to the terminals serving the Facility. To the extent that drawdown and terminal

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capacity is available, SPR will use its best efforts to honor requests providing for less than 15 calendar days' notice. Further, GOA will use its best efforts to provide notice to the SPR as soon as possible.

### **(C) Drawdown Arrangements**

1. GOA shall make and pay for all necessary arrangement to transport its crude oil from the delivery points in Appendix I. Terminal arrangements under Section 1(C)(1) of this Operating Annex shall be provided to the SPR and PMO in accordance with Section 2(B) of the Agreement, *Notices*. The SPR will deliver and GOA will accept the crude oil at those delivery points. GOA also shall be responsible for meeting any delivery requirements imposed at those points, including complying with the rules, regulations, and procedures contained in applicable port/terminal manuals, pipeline tariffs or other applicable documents.
2. SPR shall provide, as part of the fee paid under Section 1(H), *Fill and Drawdown Lease Fees*, transportation by pipeline from the Facility to the supporting SPR distribution terminal facility or pipeline controlled by another party.
3. The United States Department of Transportation regulations implement the reception facility requirements of the International Convention for the Prevention of Pollutions from Ships, 1973 as modified by the 1978 Protocol relating to those requirements (MARPOL 73/78). These rules prohibit any oceangoing tankship, required to retain oil or oily mixtures on-board while at sea, from entering any port or terminal unless the port or terminal has a valid Certificate of Adequacy as to its oil waste reception facilities. SPR marine terminals (*see* Appendix I, SPR Delivery Point Data) have Certificated of Adequacy and reception facilities for vessel sludge and oil bilge water wastes, all costs for which will be borne by the vessel. The terminals, however, may not have reception facilities for oily ballast from loading tankships. Accordingly, tankships without segregated ballast systems will be required to make arrangements for and be responsible for all costs associated with appropriate disposal of such ballast, or they will be denied permission to load crude oil at terminals that lack reception facilities for oily ballast.

### **(D) Delivery and Transportation Scheduling**

1. Unless GOA has cancelled the relevant notice of drawdown in accordance with subparagraph 4 of Section 2(A) of this Operating Annex, GOA shall submit a proposed vessel lifting program and/or pipeline delivery schedule to the SPR and PMO via email no later than the 15 calendar days prior to the earliest delivery date requested by GOA. The vessel lifting program shall specify the requested three calendar day loading window for each tanker and the quantity to be lifted. The

pipeline schedule shall specify the dates for which deliveries are to be tendered to the pipeline and the quantity tendered for each date. The customer with the earliest storage agreement effective date will be given preference with respect to scheduling deliveries, when conflicting requests are received, unless the SPR is conducting a drawdown of its own crude oil. If the SPR is conducting its own drawdown, the provisions in Section 2(B) of this Operating Annex, *Drawdown Operations* will apply. The SPR will procure that PMO responds to each request no later than the tenth calendar day prior to the start of deliveries to confirm the schedule as originally submitted or propose alterations. GOA shall be deemed to have agreed to those alterations unless GOA requests the PMO reconsider within two calendar days after receipt of such alterations. The SPR will procure that the PMO uses its best efforts to accommodate such request, but the PMO's decision following any such reconsideration shall be final and binding.

2. Proposed schedules must be in writing and delivered by email to SPR and the PMO in accordance with Section 2(B) of the Agreement.
3. At the time of submission of each vessel lifting program or pipeline delivery schedule, GOA shall provide the PMO with a written notice of whether the crude oil is intended for entry into the United States Customs territory or export.
4. Notwithstanding the 15 calendar day notice requirement, GOA may request deliveries commencing less than 15 calendar days. In accordance with Section 2(B)(1) of this Operating Annex, SPR will use its best efforts to honor such requests, unless at its sole discretion, for example, unacceptable costs might be incurred by SPR, SPR schedules might be adversely affected, or other circumstances make it unreasonable to grant such request(s). SPR's decision following any such consideration for a change shall be final and binding. The customer with the earliest storage agreement effective date will be given preference with respect to deliveries when conflicting requests are received. SPR may not be able to confirm request for early deliveries until 24 hours prior to the load date.

#### **(E) Vessel Loading Procedures**

1. Concurrent with or after a drawdown notice, unless otherwise cancelled in accordance with subparagraph 4 of Section 2(A) of this Operating Annex, GOA shall provide the SPR and PMO a proposed schedule of vessel loading windows.
2. The length of the scheduled loading window shall be three calendar days. If GOA schedules more than one window, the average quantity to be lifted during any single loading window will be no less than 250,000 barrels for vessel delivery,



except for final deliveries under a termination drawdown which may be less than these limits.

3. GOA must ensure that the vessel selected to receive or discharge crude oil must meet the minimum pump rate as specified in the Port Manual of the loading/discharge terminal.
4. Unless GOA has cancelled the relevant notice of drawdown in accordance with subparagraph 4 of Section 2(A) of this Operating Annex, at least seven (7) calendar days in advance of the beginning of the scheduled loading window, GOA shall furnish the SPR and PMO with vessel nominations specifying: (i) name and size of vessel or advice that the vessel is "To Be Nominated" at a later date (such date to be no later than three (3) calendar days before commencement of the loading window); (ii) estimated date of arrival (to be narrowed to a firm date not later than 72 hours prior to the first day of the vessels' three-day window, as provided in paragraph (6) below); (iii) quantity to be loaded and Agreement number; and (iv) other relevant information requested by the SPR or PMO, including but not limited to a copy of the crew list, ships specification, last three ports and cargoes, vessel owner/operator and flag, any known deficiencies, and on board quantities of cargo and slop. SPR will procure that PMO advises GOA, in writing, of any acceptance or rejection of the nominated vessel within 24 hours of such a nomination. If no advice is furnished within 24 hours, the nomination will be firm. Once established, changes in such nomination details may be made only by mutual consent of the parties, to be confirmed by the PMO in writing. GOA shall be entitled to substitute another vessel of similar size for any vessel so nominated, subject to the SPR's advance written approval. The PMO must be given at least three (3) calendar days' notice prior to the first day of the three-day loading window of any such substitution. SPR will procure that PMO makes a reasonable effort to accept any nomination for which notice has not been given in strict accordance with the above provision.
5. In the event GOA intends to use more than one vessel to take delivery of the quantity scheduled to be delivered during a loading window, the information in paragraphs (4) and (6) shall be provided for each vessel.
6. The vessel or purchaser shall notify the SPR and PMO of the expected day of arrival 72 hours before the beginning of the three (3) calendar day loading window. This notice establishes the firm, agreed upon date of arrival which is the one-day window for the purpose of vessel demurrage (see Section 2(F) of this Operating Annex, *Vessel Lay-time and Demurrage*). If GOA fails to make notification of the expected day of arrival, the one (1) calendar day window will be deemed to be the

middle day of the scheduled three (3) calendar day window. The vessel shall also notify the SPR and PMO of the expected hour of arrival 72, 48, and 24 hours in advance of arrival, and after the first notice, to advice of any variation of more than 4 hours. With the first notification of the hour of arrival, the Master shall advise the SPR and PMO: (i) quantity of oily bilge wastes or sludge requiring discharge ashore; (ii) cargo loading rate requested; (iii) number, size, and material of vessels manifold connections; and (iv) defects in vessel equipment affecting performance or maneuverability.

7. Notice of Readiness shall be tendered upon arrival at berth or at customary anchorage which is deemed to be any anchorage within 24 hours vessel time to the SPR dock. The preferred anchorages are identified in Appendix I. The Notice of Readiness shall be confirmed promptly in writing by email to the PMO and the terminal responsible for coordination of crude oil loading operations. Such notice shall be effective only if given during the customary port operating hours. If notice is given after customary business hours of the port, it shall be effective as of the beginning of customary business hours on the next business day.
8. The PMO shall use its best efforts to berth GOA's vessel as soon as possible after receipt of the Notice of Readiness.
9. Standard hose and fittings (American Standard Association standard connections) for loading will be provided by the terminal. Purchaser or GOA must arrange for line handling, de-ballasting, tug boat and pilot service, both for arrival and departure, through the terminal or ship's agent, and bear all costs associated with such services.
10. Tankships, integrated tug-barges, and self-propelled barges shall be allowed berth time of 36 hours. Barges loading at Sunoco Terminal barge dock facilities shall be allowed berth time of three (3) hours plus the quotient determined by dividing the cargo size (gross standard volume barrels) by four thousand (4,000). Vessel loading cargo quantities in excess of 500,000 barrels shall be allowed a berth time of 36 hours plus 1 hour for each 20,000 barrels to be loaded in excess of 500,000 barrels. However, the vessel shall not remain at berth more than 6 hours after completion of cargo loading unless hampered by tide or weather.
  - a. Berthing time shall commence with the vessels first line ashore and shall continue until loading of the vessel, or vessels in case more than one vessel is loaded, is completed and the last line is off. In addition, allowable berth time will be increased by the amount of any delay occurring subsequent to the commencement of berth time and resulting from causes due to force

majeure, decisions made by port authorities affecting loading operations, actions of the SPR, its contractors and agents resulting in the delay of loading operations (provided this action does not arise through the fault of GOA or purchaser's agent), and customs and immigration clearance. The time required by the vessel to discharge oily wastes or to moor multiple vessels sequentially shall count as used berth time.

- b. For all hours of berth time used by the vessel in excess of the allowable berth time provide for above, GOA shall be liable for dock demurrage and also shall be subject to the conditions of Section 2(H) of this Operating Annex, *Liability for Excessive Berth Time*.

#### **(F) Vessel Lay-time and Demurrage**

1. The lay-time allowed the SPR for handling of GOA's vessel shall be 36 running hours. For vessels with cargo quantities in excess of 500,000 barrels, lay-time shall be 36 running hours plus 1 hour for each 20,000 barrels of cargo to be loaded in excess of 500,000 barrels. Vessel lay-time shall commence when the vessel is moored alongside (all fast) the loading berth or 6 hours after the receipt of a Notice of Readiness, whichever occurs first. It shall continue 24 hours per day, seven days per week without interruption from its commencement until loading of the vessel is completed and cargo hoses or loading arms are disconnected. Any delay to the vessel in reaching the berth caused by the fault or negligence of the vessel or purchaser, delay due to breakdown or inability of the vessel's facilities to load, decision made by vessel owners or operators or by port authorities affecting loading operation, discharge of ballast or slops, customs and immigration clearances, force majeure shall not count as used lay-time. In addition, movement on roads shall not count as used lay-time.
2. If the vessel is tendered for loading on a date earlier than the firm agreed upon arrival date, established in accordance with Section 2(E) of this Operating Annex, *Vessel Loading Procedures*, and other vessels are loading or have already been scheduled for loading prior to GOA's vessel, GOA's vessel shall await its turn and vessel lay-time shall not commence until the vessel moors alongside, or at 0600 hours local time on the firm agreed upon date of arrival, whichever occurs first. If the vessel is tendered for loading later than 2400 hours on the firm agreed upon date of arrival, the SPR will use its best efforts to have the vessel loaded as soon as possible in proper turn with other scheduled vessels, under the circumstances prevailing at the time. In such instances, vessel lay-time shall commence when the vessel moors alongside.

3. For all hours or any part thereof of vessel lay-time that elapse in excess of the allowed vessel lay-time for loading provided for above, demurrage shall be paid by the SPR, for United States flag vessels, at the lesser of the demurrage rate in the tanker voyage or charter party agreement, or the most recently available United State Freight Rate Average (USFRA) for a hypothetical tanker with a deadweight in long tons equal to the weight in long tons to the crude oil loaded multiplied by the most recent edition of the American Tanker Rate Schedule rate for such hypothetical tanker. For foreign flag vessels, demurrage shall be as determined above except that the London Tanker Brokers' Panel Average Freight Rate Assessment (AFRA) and most recent edition of the New Worldwide Tanker Nominal Freight Scale "Worldscale" shall be used as appropriate, if less than the charter party rates. For all foreign flag vessel loading that commence during a particular calendar month, the applicable AFRA shall be the one that is determined on the basis of freight assessments for the period ended on the 15th calendar day of the preceding month. The demurrage rate for barge will be the hourly rate contained in the charter of a chartered barge, or if it is not a chartered barge, at a rate determined by the SPR as a fair rate under prevailing conditions. If demurrage is incurred because of a breakdown of machinery or equipment of the SPR or its contractors (other than GOA), the rate of demurrage shall be reduced to one half the rate stipulated herein per running hour and pro rata of such reduced rate for part of an hour for demurrage so incurred. Demurrage payable by the SPR, however, shall in no event exceed the actual demurrage expense incurred by GOA as the result of the delay.
4. In the event GOA is using more than one vessel to load the quantity scheduled to be delivered during a single loading window, the terms of this Section 2(F) and SPR's liability for demurrage apply only to the first vessel presenting its Notice of Readiness in accordance with paragraph (1) above.
5. The primary source document and official record for demurrage calculations is the SPR/PMO Crude Oil Delivery Report, SPRPMO-F-6110.2-14b (Rev 8/91) ("SPRCODR", Appendix IV).

#### **(G) Vessel Loading and Expedition Options**

1. Notwithstanding Section 2(F) of this Operating Annex, to avoid disruptions in the SPR distribution process, the SPR may limit berthing time for any vessel receiving crude oil to that period required for loading operations and the physical berthing or un-berthing of the vessel. At the direction of the SPR, activities not associated with the physical loading of the vessel (*e.g.* preparing documentation, gauging, sampling, etc.) may be required to be accomplished away from the berth. Time

consumed by these activities will not be for the SPR account. If berthing time is to be restricted, the SPR will so advise the vessel prior to berthing of the vessel.

#### **(H) Liability for Excessive Berth Time**

The SPR reserves the right to direct a vessel loading crude oil for GOA at the delivery point specified in Appendix I to vacate the SPR berth, and GOA pay all costs associated with this movement, if the vessel, through its operational inability to receive oil at the average rates provided for in Section 2(E) of this Operating Annex, *Vessel Loading Procedures*, causes the berth to be unavailable for an already scheduled follow-on vessel. Furthermore, if a breakdown of the vessel's propulsion system prevent it from getting underway on its own power, the SPR may cause the vessel to be removed from the berth with all costs borne by the GOA.

#### **(I) Pipeline Delivery Procedures**

1. GOA shall receive pipeline deliveries at a minimum average rate of 100,000 barrels per day. GOA is solely responsible for making the necessary arrangements with pipeline carriers, including storage, to achieve the stated minimum.
2. No later than the last day of the month preceding the month of delivery, GOA shall furnish the SPR and PMO with the following information: (i) confirmation of the pipeline's acceptance of the amount of the crude oil proposed to be delivered in the delivery month; (ii) an estimated schedule (consistent with the terms of the Agreement) for delivery of the crude oil to the pipeline; and, (iii) the name, email address, and telephone number of the pipeline point of contact with whom the SPR and PMO should coordinate the crude oil delivery.
3. Once established, the pipeline delivery schedule can only be changed with the PMO's prior written consent other than for a cancellation of the delivery in accordance with Section (2)(A)(4). Should the schedule provided by the GOA under Section 2(D) of this Operating Annex, *Delivery and Transportation Scheduling*, vary from the original schedule, the PMO will provide its best efforts to accommodate this revised schedule but will incur no liability for failure to provide delivery on the dates requested.
4. The date of delivery, which will be recorded on the SPRCODR, is the date delivery commenced to the custody transfer point as identified in Appendix I.

#### **(J) Title and Risk of Loss**

Title for the crude oil remains with the GOA or its representative the entire time the crude oil remains in the Facility. Risk of loss for the crude oil will pass to GOA or its representative as follows:

1. For vessel shipment – when the crude oil passes through the pipeline flange leaving the meter station as identified in Appendix I.
2. For pipeline shipment – when the crude oil passes through the pipeline flange leaving the meter station as identified in Appendix I.

**(K) Acceptance of Crude Oil**

1. The SPR assumes no responsibility or deviations in crude oil quality except as provided in this Section and in Section 2(M) of this Operating Annex, *Compensation for Quality Differentials*.
2. In the event that the crude oil delivered to GOA both has a high Sulfur content (by weight) in excess of 2.0 percent if the crude oil was originally delivered by GOA met the SPR's sour crude specification, or 0.5 percent if GOA's crude met the SPR's sweet crude oil specification, and in addition, has an API gravity less than 30 API if a sour crude oil specification, or 30 API if a sweet crude oil specification, GOA shall accept the crude oil and either accept a price adjustment under Section 2(M) of this Operating Annex, *Compensation for Quality Differentials*, or request negotiation of the adjustment. Unless GOA submits a written request for an adjustment within 10 calendar days from the date of delivery, GOA shall be deemed to have accepted adjustment under Section 2(M) of this Operating Annex.

**(L) Delivery Acceptance and Verification**

1. Unless GOA has cancelled the relevant notice of drawdown in accordance with subparagraph 4 of Section 2(A) of this Operating Annex, GOA shall provide written notice by email to the SPR and PMO of the name(s) of its agent(s) authorized to sign/endorse delivery documentation (SPRCODR, etc.) and United States Customs documents at least 72 hours prior to the first scheduled drawdown delivery date. Upon request by the SPR, GOA will provide the SPR with copies of Customs Form 5291 or other United States Customs regulations approved power of attorney demonstrating the agent's authority to conduct United States Customs business. Any changes to this list must be provided in writing by email to the SPR and PMO at least 72 hours before any delivery to which the change applies. In the event an independent surveyor (separate from the authorized signatory agent) is to witness the delivery (gauging, sampling, testing, etc.), written notice must be provided by email to the SPR and PMO, no later than 72 hours prior to the scheduled delivery date.

2. Failure of GOA to have present an agent duly authorized to transact United States Customs business in accordance with United States Customs regulations (19 CFR Chapter 1, Subpart C), the SPR will withhold deliveries until such agent is present. Costs arising from such failure to have a duly authorized representative present to witness the delivery will be borne by GOA.

#### **(M) Compensation for Quality Differentials**

1. For API gravity variances quality differential compensation will only occur if the variation between the API gravity of the crude oil delivered to GOA, as shown on the SPRCODR, and the weighted average API gravity of GOA's crude oil delivered for storage as determined under Section 2(P) of this Operating Annex, *Drawdown Documentation*, is more than plus or minus five-tenths of one degree API (+/-0.5° API). If the API gravity of the crude oil drawn down exceeds the API gravity of the crude oil delivered for storage by more than 0.5° API, compensation shall be due to the SPR. If the API gravity of the crude oil drawn down falls below the API gravity of the crude oil delivered for storage by more than 0.5° API, compensation shall be due to the GOA.
2. For Sulfur variances quality differential compensation will only occur if the variation between the Sulfur of the crude oil drawn down and delivered to GOA, as shown on the SPRCODR, and the weighted average Sulfur of GOA's crude oil delivered for storage as determined under Section 2(P) of this Operating Annex, *Drawdown Documentation*, is more than plus or minus one-tenth of one degree Sulfur (+/-0.1°). If the Sulfur of the crude oil drawn down exceeds the Sulfur of the crude oil delivered for storage by more than 0.1°, compensation shall be due to the SPR. If the Sulfur of the crude oil drawn down falls below the Sulfur of the crude oil delivered for storage by more than 0.1°, compensation shall be due to the GOA.
3. For GOA crude oil quality adjustment, the per barrel compensation will be indexed to the Grav Cap table (Appendix III).
4. Price adjustments for SPR crude oil streams offered for sale will be calculated using the GravCap tables (Appendix III).
  - a. Note: For calculation purposes the following will apply:
    - i. API Gravity for each cargo reported in API Gravity 0.01° increments shall be rounded to the nearest tenth (0.1°) of one degree API.

- ii. Total Sulfur mass % for each cargo reported in 0.001 mass % increments shall be rounded to the nearest one-hundredth of one percent (0.01%) of total Sulfur.

#### **(N) Determination of Quality**

1. The quality of the crude oil delivered to GOA will be determined from samples taken from the referenced custody transfer delivery location taken in accordance with API Manual of Petroleum Measurement Standards, Chapter 8.1, Manual Sampling of Petroleum and Petroleum Products (ASTM D4057), latest edition; or from a representative sample collected with an automatic sampler whose performance has been proven in accordance with the API Manual of Petroleum Measurement Standards, Chapter 8.2, Automatic Sampling of Petroleum and Petroleum Products (ASTM D4177), latest edition. Preference will be given to samples collected by an automatic sampler when such a system is available. Tests to be performed by the SPR or its authorized contractor are the standard tests listed in Paragraph 2 of Section 1(J) of this Operating Annex, *Determination of Quality*.
2. To the maximum extent practicable, the primary methods will be used for determination of GOA's crude oil characteristics. However, because of conditions prevailing at the time of delivery, it may be necessary to use alternate methods of test for one or more of the quality characteristics.
3. GOA may arrange for a U.S. Citizen as a representative to witness and verify testing simultaneously with the SPR Quality Assurance Representatives. Such services, however, will be paid for by GOA. The SPR's test results will be binding in any dispute over quality characteristics of GOA's crude oil. If GOA chooses not to witness the testing, then the SPR findings will be binding on GOA.

#### **(O) Determination of Quantity**

1. The quantity of the crude oil drawn down and delivered to GOA will be determined by the SPR or its authorized contractor, in accordance with the standards set forth in Section 1(K) of this Operating Annex, *Determination of Quantity*.
2. GOA shall have the right to have a U.S. Citizen as a representative present at the gauging/metering, sample, and testing. The independent inspector appointed under Section (2)(L)(1) shall witness and verify the gauging/metering, sample, and testing. If GOA arrange for additional inspection services, such services will be for the account of GOA. If GOA does not arrange for additional services, then the SPR's quantity determination shall be binding on GOA.



**(P) Drawdown Documentation**

The quantity and quality determination shall be documented on the SPR/PMO Crude Oil Delivery Report (SPRCODR), SPRPMO-F-6110.2-14b. The SPRCODR will be acknowledged and signed via DocuSign by GOA's agent to acknowledge receipt of the quantity and quality of crude oil indicated. In addition, for vessel deliveries, the time statement on the SPRCOR will be signed by the vessel's Master when loading is complete. Copies of the completed SPRCODR, with applicable supporting documentation (*i.e.*, metering or tank gauging tickets and appropriate calculation worksheets), will be furnished to GOA and/or GOA's authorized representative after completion of delivery. They will serve as the basis for invoicing or credits for the drawdown and delivery of crude oil as well as for any associated services that may be provided.

**APPENDIX I – SPR Delivery Point Data****SUNOCO LOGISTICS TERMINAL**

Information in this appendix reflects the data available for the current published port manual at the time of submission. The SPR does not warrant any information and refers users to the current electronic version available on the port's website (available at: <http://pta.ports.moranshipping.com/Pages/Terminal%20Information.aspx?TID=7&PID=1>).

LOCATION: Nederland, Texas (on the Neches River at Smiths Bluff in southwest Texas, 34.6 nautical miles from the bar)

CRUDE OIL STREAMS: Big Hill Sweet and Big Hill Sour

DELIVERY POINTS: Sunoco Terminal marine dock facility and Sunoco Terminal connections to local commercial pipelines (Sun/DOE Meter skid - primary custody point for pipeline cargoes)

MARINE DOCK FACILITIES AND VESSEL RESTRICTIONS:

TANKSHIP DOCKS: 5 Docks: Nos. 1, 2, 3\*, 4 and 5

\*Dock 3 has been converted to LPG service and is not currently available for Crude.

MAXIMUM LENGTH OVERALL (LOA):

Dock	LOA	Beam	Max DWT	Draft	Air Draft
Ship Dock 1	875'	137'	85,000	40'	136'
Ship Dock 2	1000'	174'	150,000	40'	136'
Ship Dock 3*	1000'	174'	150,000	40'	136'
Ship Dock 4	1000'	174'	150,000	40'	136'
Ship Dock 5	900'	174'	150,000	40'	136'

## Sabine Pilot – Daylight Transit Restrictions

LOA 875'

Beam 125'

DWT 85,000

Vessels that meet or exceed these restrictions must transit during daylight hours only.

BARGE LOADING CAPABILITY:

Dock	LOA	Beam	Max DWT	Draft	Air Draft
A dock	410'	110'	n/a	15'	136'
B dock	400'	150'110'	n/a	15'	136'
C dock	700'	110'	n/a	15'	136'
#2 dock	1000'	174'	n/a	40'	136'
Upper anchorage	1000'	150'	150,000	40'	136'
Lower anchorage	1000'	150'	150,000	35'	136'

OILY WASTE RECEPTION FACILITIES:

Oil waste disposal is only allowed via mobile vacuum truck before or after discharge operations and requires the area to be boomed off to contain any potential spills. All disposal operations require 24 hour advance notification and approval from the Duty Foreman.

CUSTOMARY ANCHORAGE:

There is anchorage available South of S.B. Buoy (Lat. 29 deg. 25 min. N., and Long, 93 deg. 40 min. W.) and also at Sabine Bar for (5) vessels with fresh water draft of 36 ft. or less; and short term anchorage for vessels of less than 40 ft. draft in turning basin (2 hrs.) with permission of

Sabine Pilots Association. Sunoco Partners Marine Terminal (SPMT) has available two anchorage location adjacent to the Terminal (known as the "Old River") for two deep draft vessels and barges. The Upper Anchorage located in the northwestern part of the Terminal can accommodate vessels up to 40 ft. draft (MLT) and the Lower Anchorage located in the southern part of the Terminal can accommodate another vessel up to 35 ft. draft (MLT), The Lower Anchorage can also be used by Tugs and Barges as a waiting area until they are called in to berth at the Terminal, as long as they do not interfere with any vessel in this area. Deep draft vessels are required to make arrangements with the Terminal's Marine Scheduler for use of any of (SPMT's) lay berths off the Island adjacent to the Terminal.

**SHELL 20-INCH/DOE JEFFERSON COUNTY PIPELINE CONNECTION**

LOCATION: Jefferson County, Texas, seven miles west and one mile north of FM 365 and Old West Port Arthur Road

CRUDE OIL STREAMS: Big Hill Sweet and Big Hill Sour

DELIVERY POINT: Shell 20-Inch/DOE Jefferson County, Texas Pipeline Connection (Big Hill Site Meter Skid - primary custody point)

Sunoco Logistics Terminal

LOCATION: Nederland, Texas, (on the Neches River at Smith Bluff in southeast Texas, 47.6 nautical miles from the bar)

CRUDE OIL STREAMS: Big Hill Sweet and Big Hill Sour

**APPENDIX II**  
**STRATEGIC PETROLEUM RESERVE**  
**CRUDE OIL SPECIFICATIONS<sup>a</sup>**  
**(SPRO March 2020)<sup>ε1</sup>**

CHARACTERISTIC	SOUR	SWEET	PRIMARY ASTM TEST METHOD <sup>b</sup>
API Gravity [°API]	30-45	30-45	D1298 or D5002
Total Sulfur [Mass %], max.	1.99	0.50	D4294
Pour Point [°C], max.	10	10	D97
Salt Content [Mass %], max.	0.050	0.050	D6470
Viscosity			
[cSt @ 15.6°C], max.	32	32	D445
[cSt @ 37.8°C], max.	13	13	
Vapor Pressure			
[VPCR4(100F),psia(KPa)], max.	9 psia (62.1 kPa)	9 psia (62.1 kPa)	ASTM 6377
Total Acid Number [mg KOH/g], max.	1.00	1.00	D664
Water and Sediment [Vol. %], max.	1.0	1.0	473 and D4006, or D4928
Yields [Vol. %]			D2892 and D5236 <sup>c</sup>
Naphtha [28-191°C]	24-30	21-42	
Distillate [191-327°C]	17-31	19-45	
Gas Oil [327-566°C]	26-38	20-42	
Residuum [>566°C]	10-19	14 max.	
Light Ends [Liquid Vol. %] <sup>d</sup> , max			
Methane (C <sub>1</sub> )	0.01	0.01	IP344 or ITM 6008
Ethane (C <sub>2</sub> )	0.1	0.1	
Propane (C <sub>3</sub> )	1.0	1.0	

<sup>ε1</sup> This revision includes a limitation on light ends content (see Footnote <sup>d</sup>)

<sup>a</sup> Marketable crude petroleum suitable for normal refinery processing and free of foreign contaminants or chemicals including, but not limited to, pour point depressants, chlorinated and oxygenated hydrocarbons, and lead.

<sup>b</sup> Alternate methods may be used if approved by the contracting officer.

- <sup>c</sup> D 7169 data may be provided in requesting conditional acceptance of a crude oil. Distillation data according to D 2892 and D 5236 will still be necessary for final qualification of a crude oil's acceptance.
- <sup>d</sup> Light ends content specifications are interim and will be superseded if and when industry standards for light ends evaluation are implemented.
- <sup>e</sup> D 7900 may be provided in requesting conditional acceptance of a crude oil.

NOTE 1: The SPR reserves the right to refuse to accept any crude oil which meets these specifications but is deemed to be incompatible with existing stocks, or which has the potential for adversely affecting handling.

NOTE 2: The acceptability of any crude oil depends upon any assay typical of current production quality of the stream. Assays typical of current production quality are mandatory for any crude oil not received by the SPR within the last three years. Any crude oil offered to the SPR that meets these specifications may be subject to additional testing for acceptance.

NOTE 3: All Crude Oil shipments received by the SPR are tested to ensure they meet specifications. Crude streams found consistently not meeting required specifications will be removed from the list of acceptable crude oils.

NOTE 4: Vapor pressure change per Strategic Petroleum Reserve Vapor Pressure Committee March 2020.







APPENDIX IV - CODR Form

STRATEGIC PETROLEUM RESERVE CRUDE OIL DELIVERY REPORT

1. SALES CONTRACT NUMBER		2. TERMINAL REPORT NUMBER		3. CARGO NUMBER	
4. DATE DELIVERED		5. TRANSPORTATION MODE <input type="checkbox"/> TANKER <input type="checkbox"/> BARGE <input type="checkbox"/> PIPELINE		6. ACCEPTANCE POINT <input type="checkbox"/> ORIGIN <input type="checkbox"/> DESTINATION	
7. PRICE DATE		8. SHIPPING SPR SITE/TERMINAL		9. PURCHASER-NAME AND ADDRESS	
10. CARRIER		11. CONTRACT LINE ITEM MLI DLI		12. DESCRIPTION OF CRUDE OIL AND GROSS BBLs	
13. API GRAVITY		14. TOTAL SULPHUR %		15. DEL'D NET BBLs @ 60° F	
16. UNIT PRICE		17. AMOUNT DUE		18. QUALITY ADJUSTMENT - INCREASE/(DECREASE)	
18A. NET API GRAVITY/SULFUR ADJUSTMENT FROM 18B/C (4)		18B. CALCULATION OF API GRAVITY ADJUSTMENT (1) ADVERTISED API GRAVITY (2) ALLOWED API GRAVITY (+/- 0.5°) (3) DELIVERED API GRAVITY (4) API GRAVITY ADJUSTMENT \$/BBL. Qty. Table Computation Basis: Line (3) - Line (2)		18C. CALCULATION OF SULFUR MASS % ADJUSTMENT (1) ADVERTISED SULFUR % (2) ALLOWED SULFUR (+/- 0.10%) (3) DELIVERED SULFUR % (4) SULFUR ADJUSTMENT \$/BBL. Qty. Table Computation Basis: Line (2) - Line (3)	
21. TIME STATEMENT		DATE		TIME	
NOTICE OF READINESS TO LOAD		20. NET AMOUNT DUE		22. THE DELIVERED NET BARRELS, UNIT PRICE, PRICE DATE, QUALITY ADJUSTMENT AND CONTRACT MOD ADJUSTMENT DUE HAVE BEEN VERIFIED. SIGNATURE _____ ACCOUNTABLE OFFICER	
VESSEL ARRIVED IN ROADS		23. REMARKS		25. RECEIPT IS ACKNOWLEDGED FOR THE QUANTITY AND QUALITY SHOWN HEREON DATE RECEIVED: _____ AGENT: _____ BY: _____ NAME/PRINTED	
PILOT ON BOARD		26. I CERTIFY THAT THE TIME STATEMENT SHOWN HEREON IS CORRECT		SIGNATURE _____ MASTER OF VESSEL	
WEIGHED ANCHOR		24. GOVERNMENT INSPECTOR'S CERTIFICATE			
FIRST LINE ASHORE		I HEREBY CERTIFY THAT THE (VESSEL CARGO) (PIPELINE SHIPMENT) WAS INSPECTED, DELIVERED AND ACCEPTED AS SHOWN HEREON.			
MOORED ALONGSIDE		DATE _____ SIGNATURE _____			
STARTED BALLAST DISCHARGE		NAME TYPED/PRINTED			
FINISHED BALLAST DISCHARGE					
INSPECTED AND READY TO LOAD					
CARGO HOSES CONNECTED					
COMMENCED LOADING					
STOPPED LOADING					
RESUMED LOADING					
FINISHED LOADING					
CARGO HOSES REMOVED					
VESSEL RELEASED BY INSPECTOR					
COMMENCED BUNKERING					
FINISHED BUNKERING					
VESSEL LEFT BERTH (ACTUAL OR ESTIMATED)					

SPRPMO F-418 1-3 (Rev. 10/10)

APPENDIX V - Forms DD 250

MATERIAL INSPECTION AND RECEIVING REPORT						FORM APPROVED OMB No. 0704-0048		
<p>The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, (0704-0248), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0248) Washington, DC 20503. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p> <p>PLEASE DO NOT RETURN YOUR COMPLETED FORM TO EITHER OF THESE ADDRESSES. SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTRAINED IN THE DFARS, APPENDIX F-401.</p>								
1. PROCUREMENT INSTRUMENT IDENTIFICATION (CONTRACT) NO.		3. ORDER NO.		6. INVOICE NO./DATE		7. PAGE	OF	8. ACCEPTANCE POINT
2. SHIPMENT NO.		3. DATE SHIPPED		4. BIL TCN		5. DISCOUNT TERMS		
9. PRIME CONTRACTOR CODE		Fluor Federal Petroleum Operations 850 S. Clearview Pkwy. New Orleans, LA 70123		10. ADMINISTERED BY		DEPARTMENT OF ENERGY STRATEGIC PETROLEUM RESERVE PROJECT MANAGEMENT OFFICE		CODE
11 SHIPPED FROM (if other than 9)		CODE		FOB:		12. PAYMENT WILL BE MADE BY		CODE
13. SHIPPED TO		CODE		14. MARKED FOR		CODE		
15. ITEM NO.	16. STOCK/PART NO.	DESCRIPTION		17. QUANTITY	18. UNIT	19. UNIT PRICE	20. AMOUNT	
-	Gross			NET @ 60" F.	BARRELS			
21. CONTRACT QUALITY ASSURANCE				22. RECEIVER'S USE				
a. ORIGIN		b. DESTINATION		Quantities shown in column 17 were received in apparent good condition except as noted.				
<input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or in supporting documents.		<input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.		DATE RECEIVED				
DATE		DATE		SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE				
SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		TYPED NAME:				
TYPED NAME:		TYPED NAME:		TITLE:				
TITLE:		TITLE:		MAILING ADDRESS:				
MAILING ADDRESS:		MAILING ADDRESS:		COMMERCIAL TELEPHONE NUMBER:				
COMMERCIAL TELEPHONE NUMBER:		COMMERCIAL TELEPHONE NUMBER:		*If quantity received by the Government is the same as quantity shipped, indicate by (x) mark; if different, enter actual quantity received below quantity shipped and encircle.				
23. CONTRACTOR USE ONLY:								

DD FORM 250, AUG 2000

PREVIOUS EDITION IS OBSOLETE.

\*U.S. GPO:1990-0-261-056/0303

APPENDIX VI - Form DD 250-1

TANK/BARGE MATERIAL INSPECTION AND RECEIVING REPORT		FORM APPROVED OMB No. 8784-02-08	
Public reporting burden for this collection of information is estimated to average 35 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Service, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (8784-02-08), Washington, DC 20503.			
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO EITHER OF THESE ADDRESSES. SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401.			
1. TANKER BARGE <input type="checkbox"/> LOADING REPORT <input checked="" type="checkbox"/> DISCHARGE REPORT	2. INSPECTION OFFICE	3. REPORT NUMBER	
4. AGENCY PLACING ORDER ON SHIPPER, CITY, STATE AND/OR LOCAL ADDRESS (Loading)	5. DEPARTMENT	6. PRIME CONTRACT OR P.O. NUMBER	
7. NAME OF PRIME CONTRACTOR, CITY, STATE AND/OR LOCAL ADDRESS (Loading)		8. STORAGE CONTRACT	
9. TERMINAL OR REFINERY SHIPPED FROM, CITY, STATE AND/OR LOCAL ADDRESS (Loading)		10. ORDER NUMBER OR SUPPLIER	
11 SHIPPED TO (Receiving, Activity, City, State and/or Local Address)		12. B/L NUMBER	
		13. RECON. OR REQUEST NO.	14. CARGO NUMBER
15. VESSEL	16. DRAFT ARRIVAL FORE AFT	17. DRAFT SAILING FORE AFT	
18. PREVIOUS TWO CARGOES FIRST LAST	19. PRIOR INSPECTION		
20. CONDITION OF SHORE PIPELINE	21. APPROPRIATION (Loading)	22. CONTRACT ITEM NO. N/A	
23. PRODUCT	24. SPECIFICATIONS N/A		
25. STATEMENT OF QUANTITY			
	LOADED	DISCHARGED	LOSS/GAIN PER CENT
BARRELS (42 Gals/Net) NSV			
GALLONS (Net)			
<del>TONS (Long) Barrels GSV</del>			
26. STATEMENT OF QUALITY			
TEST RESULTS		VESSEL COMPOSITE	THIRD PARTY INSPECTOR VESSEL COMPOSITE
API GRAVITY			
BS&W			
S&W			
SULFUR (WT%)			
RVP			
VISC @ 60 DEG. F (CST)			
VISC @ 100 DEG. F (CST)			
SALT			
POUR			
TAN			
27. TIME STATEMENT			
NOTICE OF READINESS TO LOAD DISCHARGE	DATE	TIME	28. REMARKS (Note in detail cause of delays such as repairs, breakdowns, slow operations, stoppage, etc.)
VESSEL ARRIVED IN ROADS			
MOORED ALONGSIDE			
STARTED BALLAST DISCHARGE			
FINISHED BALLAST DISCHARGE			
INSPECTED AND READY TO LOAD DISCHARGE			
CARGO HOSES CONNECTED			
COMMENCED LOADING DISCHARGE			
STOPPED LOADING DISCHARGING			
RESUMED LOADING DISCHARGING			
FINISHED LOADING DISCHARGING			
CARGO HOSES REMOVED			
VESSEL RELEASED BY INSPECTOR			
COMMENCED BUNKERING			
FINISHED BUNKERING			
VESSEL LEFT BIRTH (Actual/Estimated)			(Signature)
30. I CERTIFY THAT THE CARGO WAS INSPECTED, ACCEPTED AND LOADED/DISCHARGED AS INDICATED HEREON.		31. I HEREBY CERTIFY THAT THIS TIME STATEMENT IS CORRECT.	
(Date)	(Signature of Authorized Government Representative)	(Master or Agent)	

DD Form 250-1, NOV 92 (EG)

Previous edition may be used

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