

## EXPLORER PIPELINE COMPANY OPEN SEASON NOTICE

On September 10, 2019, Explorer Pipeline Company (“Explorer”) issued a press release announcing the commencement of a binding open season to obtain shipper commitments to support the development of a proposed extension of Explorer’s pipeline system. The proposed project will combine historically underutilized capacity on Explorer’s existing system with new pipeline construction from tankage at Greenville, Texas, to a new delivery point near Melissa, Texas (“**Expansion Project**”). Upon completion of the Expansion Project, shippers will be able to obtain transportation service from the U.S. Gulf Coast receipt points on Explorer’s system to the new delivery point near Melissa, Texas. A new terminal is also planned to be constructed at the terminus of the Expansion Project near Melissa, Texas, which will be owned and operated by U.S. Oil.

Provided below is a summary of the key terms and conditions of service for the Expansion Project. A more detailed explanation of the key terms and conditions of service is provided in the Open Season Procedures, which will be available to any interested shipper with a bona fide shipping interest upon the execution of a confidentiality agreement. A copy of the Transportation Services Agreement with accompanying exhibits will also be available to such shippers upon the execution of a confidentiality agreement.

- Expansion Project expected to be operational during the first quarter of 2022.
- Shippers must make ship-or-pay volume commitment to the Expansion Project of at least 2,500 barrels per day.
- Shippers that make a volume commitment will have the ability to elect to receive priority capacity up to an amount equal to their volume commitments during periods of prorationing, subject to the payment of a premium rate.
- Shippers that make a volume commitment and do not receive priority capacity will be subject to discounted rates compared to the rates assessed to walk-up shippers, with the amount of the discount dependent on the level of the shippers’ volume commitment.

Any party interested in obtaining a copy of the Open Season Procedures and the Transportation Services Agreement, should contact Tony Romanello via telephone at 918-493-5146 or via email at [tromanello@expl.com](mailto:tromanello@expl.com). If you have any questions related to the proposed new terminal facility to be constructed near Melissa, Texas, please contact Shawn Barker at U.S. Oil via telephone at 918-332-2099 or via email at [sbarker@usoil.com](mailto:sbarker@usoil.com).