

From: [Gele, Kelly](#) on behalf of [Gele, Kelly <Kelly.Gele@SPR.DOE.GOV>](#)
To: [Oosterling, Paul S](#); [MacIntyre, Douglas \(HQ\)](#); [McGarry, Thomas \(HQ\)](#); [Perry, Robert](#); [Turner, Shenee \(HQ\)](#); [Gele, Lionel](#); [Williams, Rhonda \(HQ\)](#); [Treadway, Demetrius](#)
Cc: [Roark, Christopher](#); [Habbaz, Roy](#); [Roark, Mary](#); [Coleman, Jennifer](#); [Wormhoudt, Sheldra](#); [Harrell, Yolanda](#); [O'Shaughnessy, Kelly](#)
Subject: FY23 Emergency Drawdown No. 3D NOS
Date: Wednesday, October 19, 2022 9:18:39 AM
Attachments: [FY23 Emergency Drawdown No. 3D NOS.pdf](#)

All,

Subject Notice of Sale has been issued. It has been posted online and can be found at <https://www.spr.doe.gov/doesec/ActiveDocs.htm?type=oil%20sale>.

I've also attached a copy for everyone.

Thanks,

Kelly M. Gele'

**Director, Office of Acquisition and Sales
Strategic Petroleum Reserve
Department of Energy
New Orleans, LA 70123
(504)734-4343 (work)
(b) (6) (cell)**



Department of Energy
Strategic Petroleum Reserve Project Management Office
900 Commerce East
New Orleans, Louisiana 70123

NOTICE OF SALE
DE-NS96-23PO10000

Pursuant to the authority and direction of the President of the United States, the Strategic Petroleum Reserve (SPR) is conducting an emergency sale of SPR crude oil as provided for by the Department of Energy Organization Act (42 U.S.C 7101 et seq.), Section 161(d) of the Energy Policy and Conservation Act (42 U.S.C. 6241). The Department of Energy invites you to submit offers for the purchase of crude oil from the SPR. Contracts resulting from this sale shall be subject to contract price adjustment as set forth in the Supplements and Amendments to the Standard Sales Provisions (SSP). This Notice of Sale contains the terms and conditions of the sale and specific instructions for preparation and submittal of offers.

As stated in this Notice of Sale, you are required to submit your offer using the Crude Oil Sales Offer Program. **Manual offers will NOT be accepted.**

Offers are due by 10:00 a.m. Central Time, Tuesday October 25, 2022.

Please read this solicitation carefully. Questions regarding this Notice of Sale must be submitted via email by noon, Central Time, Monday October 24, 2022, to allow a reply to reach all prospective Offerors prior to submission of their offers. Any questions received after this date/time may not be answered prior to the date/time offers are due. Questions/Responses will be posted daily, by 5:00 p.m. Central Time at: <https://www.spr.doe.gov/doec/ActiveDocs.htm?type=oil%20sale>. Questions must be addressed to:

<u>Contact</u>	<u>Telephone</u>	<u>E-Mail</u>
Mary C. Roark (Contracting Officer)	(504) 734-4195	mary.roark@spr.doe.gov

A handwritten signature in black ink, appearing to read "Kelly M. Gelé".

Date: October 19, 2022

Kelly M. Gelé
Director, Office of Acquisition and Sales

NOTICE OF SALE
DE-NS96-23PO10000

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NOTICE OF SALE
DE-NS96-23PO10000

INSTRUCTIONS

GENERAL REQUIREMENTS

1. Offer must be submitted via the Crude Oil Sales Offer Program (COSOP) by the date/time specified in the Notice of Sale. **Manual offers will NOT be accepted.**
2. Offerors are required to submit an Offer Guarantee (See SSP B.12). Any entity that currently stores oil in the SPR under a Lease and Storage Agreement is exempt from the Offer Guarantee and Payment and Performance Letter of Credit requirements in this NOS.

Failure to submit the above documents or to comply with material requirements of the Notice of Sale may be cause for rejection of the offer.

SALE-SPECIFIC REQUIREMENTS

The following sales requirements are established for this sale:

1. The sale will be by price competition and shall be conducted pursuant to Title 10 Code of Federal Regulations Part 625 [Appendix A](#), except as may be supplemented or amended by this Notice of Sale. While the location of the [Appendix A](#): Standard Sales Provisions has changed, the provision itself has not changed since 2005.
2. The intent of this sale is to award up to 3 million sour barrels and award up to 12 million sweet barrels for a total of 15 million barrels. The delivery period for sour barrels for this sale shall be from December 1, 2022 to December 31, 2022 from Bryan Mound. The delivery period for sweet barrels for this sale shall be from December 1, 2022 to December 31, 2022 from Big Hill and West Hackberry. Requests for early deliveries in accordance with SSP C.5(c) will be accommodated to the maximum extent possible, terms to be negotiated.
3. The crude oil streams, delivery modes and periods, and the quantities offered in this sale, as well as minimum contract quantities, are shown in [Attachment A](#).

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are

finalized, Offerors who are awarded barrels at Bryan Mound (if offered) destined for Freeport Docks will submit nomination windows and vessel confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

SPR cargo nomination ranking will be in accordance with Standard Sales Provision C.5., Delivery and Transportation Scheduling.

4. Offers MUST be received by 10:00 a.m. Central Time, Tuesday October 25, 2022; any offers received after 10:00 a.m. Central Time will be determined to be late and will be rejected, except as provided in SSP B.11, “Late Offers, Modifications of Offers, and Withdrawal of Offers.”
5. **An electronic copy of the fully executed Offer Guarantee shall be emailed or e-faxed. The e-fax number is (504) 818-5195 or e-mailed to mary.roark@spr.doe.gov AND MUST be received not later than the time/date for receipt of offers. An original hardcopy of the Offer Guarantee is not required for this Notice of Sale.**
6. Pursuant to SSP B.7, *State of Hawaii Access to SPR Crude Oil*, by submission of a binding offer, the State of Hawaii, for this sale, is entitled to purchase up to three percent of the offering barrels of SPR petroleum. Pursuant to section 161(j)(4) of the Energy Policy and Conservation Act, 42 U.S.C. 624(j)(4), the quantity to be sold to the State of Hawaii may be adjusted upward or downward to match the full tanker load of approximately 450,500 barrels, or such lesser tanker capacity as may be designated by the State of Hawaii.
7. Pursuant to SSP B.9, Submission of Offers and Modifications of Previously Submitted Offers, paragraph (e), DOE will inform simultaneously all Offerors and other interested parties of the successful and unsuccessful Offerors and their offer data by means of a public “offer posting”. This offer posting will occur approximately one week after receipt of offers. This information will be provided by a posting on the Internet at the following address:
<https://www.spr.doe.gov/doesec/ActiveDocs.htm?type=oil%20sale>.

NOTICE OF SALE
DE-NS96-23PO10000

SUPPLEMENTS AND AMENDMENTS
TO THE STANDARD SALES PROVISIONS

For this sale only, the Standard Sales Provisions (SSPs) are supplemented or amended as follows:

1. Offerors are advised that the requirements of the “Jones Act” must be met for the marine delivery of crude oil purchased in this sale which is destined for U.S. ports. SSP B.4, *Requirements for Vessels-Caution to Offerors* and SSP C.7, *Application Procedures for “Jones Act” and Construction Differential Subsidy Waivers* are supplemented as follows:

The Secretary of the Department of Homeland Security has not issued a general (‘blanket’) waiver of the ‘Jones Act’ for the marine delivery of crude oil purchased in this sale. Consequently, it is necessary for an Apparently Successful Offeror (ASO) to follow the procedures of SSP C.7. Standard Sales Provision C.7 (a) is modified to provide the following address for submission of a Jones Act waiver request.

U. S. Customs and Border Protection
Office of International Trade/Regulations and Rulings
Chief, Cargo Security
Carriers and Restricted Merchandise Branch
U.S. Department of Homeland Security
Telephone No. (202) 860-7502
JonesActWaiverRequest@cbp.dhs.gov

For more information visit: <https://www.cbp.gov/trade/jones-act-waiver-request>

2. Standard Sales Provision B.5, *“Superfund” Tax on SPR Petroleum-Caution to Offerors*, is supplemented as follows:

The “Superfund” taxes are currently not imposed; however, purchasers are liable for Oil Spill Liability Trust Fund (OSLTF) taxes of \$0.09/barrel (*or any applicable increase/decrease as enumerated by the US government*) for deliveries for calendar year 2022 and 2023 if applicable, for all SPR crude oil streams and must comply with current OSLTF requirements if enacted by Congress. Additionally, purchasers are liable for: Coastal Protection fees, Waterway Navigation fees, state and local environmental fees, including the federal Harbor

Maintenance Trust Fund fees, if applicable will be rebillable to oil purchasers. In regards to OSLTF, per the authoritative source:

[https://www.uscg.mil/Mariners/National-Pollution-Funds-Center/About NPFC/osltf/](https://www.uscg.mil/Mariners/National-Pollution-Funds-Center/About_NPFC/osltf/):

3. Standard Sales Provision B.6, Export Limitations and Licensing – Caution to Offerors, is removed in its entirety. Offerors are advised to review section 101 of Division O of the Consolidated Appropriations Act, 2016 (Public Law 114-113) concerning the export of crude oil, and are required to comply with all U.S. export laws.

4. Standard Sales Provision B.12, *Offer Guarantee*, is amended as follows:

Exhibit C “Offer Standby Letter of Credit” is deleted and replaced with Attachment D of the NS. All references to Exhibit C shall mean Attachment D.

Paragraph (d) is amended as follows:

The fourth sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

Paragraph (g) is supplemented as follows:

For this sale the actual expiration date of the letters of credit furnished as offer guarantees will be December 26, 2022.

Paragraph (h) is amended as follows:

“Offer guarantee letters of credit cancellation letters will be returned via e-mail only, if requested, in accordance with Attachment D - REQUEST FOR OFFER GUARANTEE RETURNS, to an unsuccessful Offeror 5 business days after expiration of the Offeror's acceptance period, and, except as provided in (i) of this provision, to a successful Offeror upon receipt of a satisfactory payment and performance letter of credit.”

5. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, is supplemented with the following information:

Minimum delivery lot sizes are 350,000 barrels for pipelines, and 250,000 barrels for vessels. Offerors are reminded, however, of their responsibility to comply

with (1) any minimum tender provision of any pipelines by which they take delivery from an SPR terminal, and (2) the vessel usage and load rate restrictions specified in SSP C.8(c), *Vessel loading procedures*.

(Note: “vessel” is synonymous with “tank ship”), and (3) that Offerors are required to make arrangements with all parties downstream from the DOE site meters.

6. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, paragraph (a) has been amended as follows:

Delivery Points (from Beaumont, Texas): change from “Unocal Terminal” to “Phillips 66 Beaumont Terminal”.

7. Standard Sales Provision B.18, *Notice of Sale Line Item Schedule – Petroleum Quantity, Quality, and Delivery Method*, paragraph (h) is supplemented with the following information:

The quality characteristics of the crude oil streams offered for sale are those cited in the [Strategic Petroleum Reserve Crude Oil Assays](#).

This crude oil quality data is a weighted average composition of the specific caverns that comprise the streams offered for sale. Although a specific crude oil benchmark is referenced; SPR inventory contains a blend of domestic and global crude including Isthmus, Urals, Alaskan North Slope, Arabian Light, Saharan, and Dubai with segregation by Sweet and Sour storage caverns. The SPR has observed H₂S concentration (which is found naturally in crude oil) greater than 10 ppm in liquid in some crude batches. Measurements of H₂S in vapor space can be orders of magnitude higher than in liquid and difficult to measure due to factors in handling, weather, etc. OSHA provides guidelines on appropriate safety precautions and equipment if crude is handled openly, spilled, or released to the atmosphere. Offerors are encouraged to review the [Strategic Petroleum Reserve Crude Oil Assays](#) for more detailed oil stream composition and specifics so that conditions (such as the presence of H₂S) are expected and communicated downstream.

Note: Each SPR stream will be a blended average using several caverns. As a result, actual representative samples are not available prior to deliveries. Please refer to Crude Oil Assays which provides a weighted average composite profile of the stream.

8. Standard Sales Provision B.22, *Procedures for Evaluation of Offers*, Paragraphs (a) and (b)(8), is amended as follows:

Award on each DLI will be made to the responsible offerors that submit the highest priced offers responsive to the SSPs and the NS, in addition to operational considerations, and that have provided the required payment and performance guarantee as required by Provision C.21

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

9. Standard Sales Provision B. 27, *Contract Documents*, is amended as follows:

The third sentence is deleted in its entirety. The fourth sentence shall read: “The NS and the Provisions of the SSPs will be made applicable through incorporation by reference in the Notice of Acceptance (NA)”. The last sentence is deleted in its entirety.

10. Standard Sales Provision C.2, *Compliance with the “Jones Act” and the U.S. Export Control Laws*, is amended to delete all references to U.S. Export Control Laws. (See 3. above.)

11. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is supplemented with the following information:

- (a) Crude Oil Scheduling:
Fluor Federal Petroleum Operations Company
New Orleans, Louisiana

All email correspondence: FFPOCOL@spr.doe.gov
Please send all operational questions to FFPOCOL@spr.doe.gov.

Bradley Bauer, (Cell) (b) (6)
Chuck Costanza, (504) 734-4733 (O)
(b) (6) (Cell) (Primary)
Ned Schennegeirell (504) 734-4604 (Office)
(b) (6) (Cell) (Primary)

- (b) Pipeline and Terminal contacts:

- (i) **Sun Marine Terminal, Nederland, TX**

Mike Birkett, Director - Operations (409) 721-4404
Joshua McQueen-Sr. Manager (409) 721-4819

Gina Whitfield, Director, Business Development, (713) 989-6260
Bill Wheeler, Manager, Nederland Scheduling (409) 721-4813
Control Room (409) 721-4845
Marine Scheduler (409) 721-4812
Pipeline Scheduler (409) 721-4823
Shift Supervisor (409) 720-7972

(ii) Shell Pipeline Company (Shell tie-in @ LCMS and Big Hill)

John McMahon, Oil Movement Scheduler
O(832) 337-8555

(b) (6)

Coley Adams, Oil Movement Scheduler
O(832) 762-2785

(b) (6)

(iii) Enterprise Products

Scheduling

Shauna Johnson, Director, Onshore Crude Scheduling &
Distribution (713) 381-6314

Randy Mayhall – Manager, Daily Scheduling (713) 381-4629

Justin Shobe – Supervisor, Daily Scheduling (713) 381-4557

Daniel Escamilla, Seaway Daily Scheduler (713) 381-4310

Patrick Batts, Seaway Daily Scheduler (713) 381-6865

Damon Lopez, Texas City Scheduler (713) 381-6715

Steven Owens, Supervisor, Monthly Distribution (713) 381-4250

Chamesha Randall, Coordinator, Distribution (713) 381-5861

Field Management

John Hazley, Superintendent, Operations, Freeport/Texas City (979)
237-6756

Chris Yorgensen, Pipeline Supervisor, Jones Creek (979) 230-7308,
Texas City (409) 949-3706

Chase Nelson, Pipeline Supervisor, Texas City (409) 949 3706

(iv) Exxon Mobil Pipeline (Bryan Mound cargoes)

Christopher Cox, Field Supervisor (281) 381-7663

Josef Molnar, Monthly Scheduler O(832) 625-2255

C(b) (6)

Michael Frey, Relief Monthly Scheduler

O(832)624-2917 C(b) (6)

Ryan Wilborn, Daily Scheduler O(832) 624-0042

c(b) (6)
Joseph Holmberg , Area Supervisor O(832) 625-4994
c(b) (6)
Monthly Scheduler (832) 624-0040

(v) **Exxon Mobil Pipeline (Bayou Choctaw cargoes)**

Randy Henry, Scheduler / Crude Analyst
O (832-625-3338) M (346-254-0150)

(vi) **Phillips 66 (Beaumont Terminal) Nederland, TX**

Mike Mott, Team Lead, Oil Movements O(409) 724-3337

(b) (6)

Mark Maxwell, Operations Coordinator O(409) 724-3288

(b) (6)

Johnny Gaw, Crude Pipeline Scheduler O(409) 724-3232

(b) (6)

Peggy Smith, Crude Ship Scheduler

O(409) 724-3232 (b) (6)

Randy Hudson, Products Scheduler

O(409) 724-3215 (b) (6)

(c) All email correspondence between the SPR and ASOs must include the sales contract number, if available, or the offer number in the subject.

(d) The SPR will provide a Nomination-Confirmation Form to successful bidders (see Attachment F for sample form). The ASO shall complete the yellow highlighted areas and return the form in the time frame defined in the SSPs.

12. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is amended as follows:

Paragraph (a) fourth sentence, change “highest offered price” to “highest Price Adjustment Factor (PAF)” and then by award volume size.

Paragraphs (c) and (d) are deleted in their entirety and replaced with the following:

(c) RESERVED

(d) Notwithstanding paragraph (a) of this provision, in no event will schedules be confirmed prior to award of contracts.

13. Standard Sales Provision C.8, *Vessel Loading Procedures*, is amended as follows:

Paragraph (d) shall read “At least 7 days in advance of the beginning of the scheduled window, the purchaser shall furnish the SPR/PMO with vessel nominations. Failure to do so will result in the SPR not being liable for a related

demurrage claim(s), as well as any associated terminalling costs inclusive of the tank capacity penalty charges imposed by Nederland Terminal for vessel(s) not nominated in accordance with this section due to missing this 7 day notice period. Any such charges will be borne by the customer. Vessel nominations shall specify the following:"

14. Standard Sales Provision C.9, *Vessel Laytime and Demurrage* paragraphs (a) and (c) are replaced in their entirety with the following language:
 - (a) The laytime allowed DOE for handling of the purchaser's vessel shall be 36 running hours. For vessels with cargo quantities in excess of 500,000 barrels, laytime shall be 36 running hours plus 1 hour for each 15,000 barrels of cargo to be loaded in excess of 500,000 barrels. Vessel laytime shall commence when the vessel is moored alongside (all fast) the loading berth. 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 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, delay caused by the loading terminal facility, decisions made by vessel owners or operators or by port authorities affecting loading operations, discharge of ballast or slops, customs and immigration clearance, weather, labor disputes, force majeure and the like shall not count as used laytime. In addition, movement in roads shall not count as used laytime.
 - (c) For all hours or any part thereof of vessel laytime that elapse in excess of the allowed vessel laytime for loading provided for in this provision, demurrage shall be paid by DOE, for U.S.-flag vessels, at the lesser of the demurrage rate in the tanker voyage or charter party agreement, or a U.S.-flag freight rate assessment obtained by the DOE for a hypothetical tanker with a deadweight in long tons equal to the weight in long tons of the petroleum loaded for such hypothetical tanker and voyage. For foreign flag vessels, demurrage shall be as determined in this provision, 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 rate. For all foreign flag vessel loadings 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 day of the preceding month. The demurrage rate for barges will be the lesser of the hourly rate contained in the charter of a chartered barge, or a rate determined by DOE as a fair rate under prevailing conditions. If demurrage is incurred because of breakdown of machinery or equipment of

DOE, 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 DOE, however, shall in no event exceed the actual demurrage expense incurred by the purchaser as the result of the delay.

Note: In the event there is a “demurrage claim,” Government payments to oil purchaser(s) will be in accordance with VIPERS instructions. (See Table of Contents for Link)

15. Standard Sales Provision C.12, *Pipeline and Delivery Procedures*, paragraph (d) is deleted in its entirety and replaced with the following:

“(d) The date of delivery, which will be recorded on the CODR (see Provision C.19), is the date delivery is completed at the custody transfer point, as identified in the NS.”

16. Standard Sales Provision C.13, *Title and Risk of Loss*, is supplemented as follows:

Seaway Texas City (Pipeline) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bryan Mound site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Texas City” is the Exxon Mobil 40” pipeline to Texas City, TX. Offerors are responsible for all transportation costs beyond the delivery point.

SPR Site to purchaser’s tank at SUN – Title and risk of loss pass to the purchaser at the connection point between the DOE/Sun terminal.

Note: The delivery point for “DLI-A Pipeline @ Sun” is the connection point between the DOE/Sun terminal. Offerors bidding on this DLI must have their own tankage available at SUN available for receipts. For deliveries to customer tankage, DOE meters and sampler at Sun terminal shall be the primary custody transfer measurement. In the event of failure at either primary meter location, secondary quality and quantity measurement shall be the applicable customer receipt/delivery tank gauge. If automatic samples are available at primary custody transfer location, primary quality will remain at that location. In the event neither of those are available, customer and the DOE will mutually agree on the method to be utilized.

SPR Site to purchaser’s tank at P66 Beaumont Terminal – Title and risk of loss pass to the purchaser at the purchaser’s receiving tank flange at P66 Beaumont Terminal.

Note: The delivery point for “DLI-H Pipeline @ P66 Beaumont Terminal” is the receiving tank flange at P66 Beaumont Terminal. Offerors bidding on this DLI must have tankage prearranged at P66 Beaumont Terminal available for receipts. Offerors will be invoiced an additional \$0.13 per barrel throughput for all crude oil that passes through the P66 Beaumont Terminal Connection Point.

Lake Charles Meter Station (LCMS) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE LCMS meter station.

17. Standard Sales Provision C.16, *Price Adjustments for Quality Differentials*, is deleted in its entirety and replaced with the following:
- (a) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the API gravity of the SPR crude oil delivered differs by more than plus or minus five-tenths of one degree API ($\pm 0.5^\circ$ API) from the API gravity of the SPR crude oil stream contracted for as published in the NS.
 - (b) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the Sulfur mass percent of the SPR crude oil delivered differs by more than plus or minus one-tenth of one percent of total Sulfur (± 0.10 mass, %) from the total Sulfur of the SPR crude oil stream contracted for as published in the NS.
 - (c) Price adjustments for the SPR crude oil are expected to be similar to commercial crude oil quality price adjustment methodologies for equivalent quality crude oil, taking into account the amount by which the actual values exceed the allowable variations set forth in paragraphs (a) and (b) above.
 - (d) Price adjustments for SPR crude oil streams offered for sale will be calculated using the GravCap tables at Attachment C.

Note: For calculation purposes the following will apply:

- 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.
- 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.

18. Standard Sales Provision C.19, *Delivery Documentation, Appendix A to Part 625 – Standard Sales Provisions, Exhibit E*, is amended as follows:

The Strategic Petroleum Reserve Crude Oil Delivery Report Number (SPRCODR) is changed to SPRPMO F-416.1-3.

Digital signature(s) shall be utilized when possible for completion of SPRCODR.

19. Standard Sales Provision C.20, *Contract Amounts* is replaced in its entirety with the following:

The contract quantities and dollar value stated in the Notice of Acceptance (NA) are estimates. The per barrel unit price is subject to adjustment due to variation in the API gravity and sulfur content from the published characteristics, changes in delivery mode, and price index values, if applicable. In addition, due to conditions of vessel loading and shipping or pipeline transmission, the quantity actually delivered may vary by +/- 10 percent for each shipment. However, a purchaser is not required to procure additional transportation capacity if sufficient capacity to take delivery of at least 95 percent of the contract quantity has been engaged. The 95 percent threshold will be calculated based on the volume of net cargo receipts versus awarded quantity under each separate contract.

20. Standard Sales Provision C.21, *Payment and Performance Letter of Credit*, is amended as follows:

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

Paragraph (a) is supplemented as follows:

“The expiration date of the LOC will be provided in the ASO letter.”

Paragraph (b) is amended as follows:

The second sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

21. Standard Sales Provision C.22, *Billing and Payment*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“(a) The Government will invoice the purchaser at the conclusion of each delivery. The invoice will be based upon the nearest whole barrel volume (i.e. rounded to the nearest barrel).”

“(d) In the event that the bank refuses to honor the draft against the letter of credit, the purchaser shall be responsible for paying the principal and any interest, administrative costs and penalties due (see Provision C.24) from the due date.”

22. Standard Sales Provision C.23, *Method of Payments*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“(a) All amounts payable by the purchaser shall be paid by deposit to the account of the U.S. Treasury by wire transfer of funds using the Fedwire Funds Service. The information to be included in each wire transfer will be provided in the NS. All wire deposit electronic funds transfer costs will be borne by the purchaser.”

“(d) Notwithstanding any other contract provision, DOE may, via a draft message, request a wire transfer of funds against the standby letter of credit at any time for payment of monies due under the contract and remaining unpaid in violation of the terms of the contract. These would include but not be limited to interest, administrative costs, penalties, liquidated damages, demurrage, amounts owing for any services provided under the contract, and the difference between the contract price and price received on the resale of undelivered petroleum as defined in Provision C.25.”

In addition, Government payments to oil purchaser(s) will be in accordance with VIPERS instructions.

23. Standard Sales Provision C.24, *Interest*, is deleted in its entirety and replaced with the following:

“C.24 Interest, Administrative Costs and Penalties

(a) Amounts due and payable by the purchaser or its bank that are not paid in accordance with the provisions governing such payments shall bear interest, which will be indexed with the Current Value of Funds rate, from the day the invoice is mailed or transmitted to the purchaser until the date payment is received by the Government.

(b) Administrative Costs will be charged monthly to cover the expense of collecting delinquent debt. The current rate is \$7.25/month.

- (c) A penalty will be assessed at the rate of 6% per year. The penalty charge accrues from the day the invoice is mailed or transmitted to the purchaser, and is assessed on any portion of the debt that is outstanding for more than 90 days, including any interest and administrative costs.”
24. Standard Sales Provision C.32, *Disputes*, is amended as follows:
- Paragraph (c) “\$50,000” is changed to “\$100,000”, and the following language is added to the certification “; and that I am duly authorized to certify the claim on behalf of the purchaser.”
25. Standard Sales Provision Exhibit B, *SPR Delivery Point Data*, is supplemented as follows:
- Regarding the Government information reflected in 10 CFR Part 625 as amended, Standard Sales Provisions Exhibit B that were obtained from the terminals; it is the responsibility of the Offerors to confirm these specifications prior to nominations to ensure most current information.
26. Standard Sales Provisions Exhibit C, *SAMPLE -- OFFER GUARANTEE STANDBY LETTER OF CREDIT*, is replaced by Attachment D of this NS. Instructions for Offer Letter of Credit are included in Attachment D of this NS.
27. Standard Sales Provision Exhibit D, *SAMPLE -- PAYMENT AND PERFORMANCE LETTER OF CREDIT*, is replaced by Attachment E of this NS. Instructions for Payment and Performance Letter of Credit are included in Attachment E of this NS.
28. By submission of an offer, the Offeror certifies that the Offeror, and any entity owned or controlled by the Offeror, does not engage in any activity prohibited under applicable U.S. export control and sanctions laws and regulations.
29. INTENTIONALLY OMITTED
30. Contract Price Adjustment
- (a) The unit price for crude oil under the contract shall be the Delivery Reference Price (DRP) adjusted by the Price Adjustment Factor (PAF) as provided in this provision, subject to any additional adjustments provided for elsewhere in the contract.
- (b) The terms used in this provision are defined as follows:

Base Reference Price (BRP)

- (1) The BRP for all SPR crude oil streams offered for sale is the average (to the \$0.0001) of the Daily Index Prices as computed by the Government from prices for the most recent five days on which trading activity occurred, ending two trading days before the date of the Notice of Sale.
- (2) For this Notice of Sale, the BRP is **\$89.9120** for all sweet SPR crude oil streams.
- (3) For this Notice of Sale, the BRP is **\$83.8560** for all sour SPR crude oil streams.

Daily Index Price (DIP)

The DIP applicable to **sweet** SPR crude oil streams offered for sale is the “WTI Houston Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. The DIP applicable to **sour** SPR crude oil streams offered for sale is the “Mars Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. Reference pricing streams associated with offered crude oil are shown below.

SPR Streams	Reference Crude Oil Stream
Big Hill Sweet	WTI Houston
West Hackberry Sweet	WTI Houston
Bryan Mound Sour	Mars

Delivery Reference Price (DRP) - The DRP is the average (to the \$0.0001) of the Daily Index Prices for the five trading days surrounding the delivery "price date" as stated in Block 7, "PRICE DATE", on the Strategic Petroleum Reserve Crude Oil Delivery Report: SPRPMO F-416.1-3.

- (1) For pipeline deliveries, the “price date” shall be the date the shipment completed at the custody transfer point, in accordance with SSP C.12, as amended by the NS.

- (2) For vessel deliveries, the "price date" shall be the date vessel loading completed in accordance with SSP C.19.
- (3) The "five trading days surrounding the price date" means the following five days: The midday, day three, is the price date as determined above (unless such day is a day on which trading activity did not occur, in which case the midday shall be the succeeding day on which trading activity did occur), the two days preceding the midday of the five day period on which trading activity occurred and the two days succeeding the midday on which trading activity occurred.

Price Adjustment Factor (PAF) - The PAF is the purchaser's offered price minus the Base Reference Price (BRP). The PAF may be either positive or negative.

GENERIC EXAMPLES:

Delivery Reference Price + Price Adjustment Factor = Unit Price per Barrel (subject to any additional adjustments provided for elsewhere in the contract):

Example 1:

Assume:

Offered Price	\$93.2534	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$2.2519	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$2.2519	
Unit Price/bbl	\$97.7574	

Example 2:

Assume:

Offered Price	\$90.7564	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$(0.2451)	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$(0.2451)	
Unit Price/bbl	\$95.2604	

ATTACHMENT A
 CRUDE OIL QUANTITIES OFFERED FOR SALE
 U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are finalized, Offerors who are awarded barrels at Bryan Mound (if offered) destined for Freeport Docks will submit nomination windows and vessel confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

The crude oil streams, delivery mode and periods, daily maximum delivery capability, and quantities of crude oil offered in this sale, under emergency conditions, are as follows:

- MLI = Master Line Item/Crude Oil Stream
- DLI = Delivery Line Item/Maximum Quantity per Delivery Mode and Period
- MIN Qty. = Minimum Contract Quantity Per DLI
- MB = Thousands of Barrels
- MBD Avg = SPR's daily maximum delivery limit capability for each delivery line item utilizing SPR design criteria (under emergency conditions).

Crude Oil Stream <u>MLI</u>	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Bryan Mound Sour 002		12/1-12/31	3,000			
	DLI-B Vessel @ Freeport	12/1-12/31		480	250	250
	DLI-H Pipeline @ Texas City	12/1-12/31		880	2,750	350

Crude Oil Stream <u>MLI</u>	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
West Hackberry Sweet 004		12/1-12/31	6,000			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	12/1-12/31		775	4,000	350
	DLI-B Vessel @ Sun (SPR Tank)	12/1-12/31		1085	500	250
	DLI-H Pipeline @ Lake Charles Meter Station	12/1-12/31		520	1,500	350

Crude Oil Stream <u>MLI</u>	DLI - Mode <u>of Delivery</u>	Delivery <u>Period</u>	MLI Qty <u>(MB)</u>	MBD <u>Avg</u>	DLI Qty <u>(MB)</u>	MIN Qty <u>(MB)</u>
Big Hill Sweet 009		12/1- 12/31	6,000			
	DLI-A Pipeline @ Sun (Non- SPR Tank)	12/1- 12/31		775	4,500	350
	DLI-B Vessel @ Sun (SPR Tank)	12/1- 12/31		1085	500	250
	DLI-H Pipeline @P66 Beaumont Terminal	12/1- 12/31		480	1,000	350

ATTACHMENT - B

**INSTRUCTIONS FOR FEDWIRE FUNDS TRANSFERS TO THE
DEPARTMENT OF ENERGY**

Please provide the following instructions to your Financial Institution for Fedwire funds transfers to the Department of Energy at the U.S. Treasury:

Item Number	Fedwire Field Tag	Length	Fedwire Field Name	Required Information
1	{1510}	4	Type/Subtype	1000
2	{2000}	12	Amount	<i>Enter payment amount</i>
3	{3100}	9	Sending ABA number	<i>Sender ABA-number</i>
4	{3320}	16	Sender Reference	<i>Filled by sender</i>
5	{3400}	9	Receiver ABA number *	021030004
6	{3400}	18	Receiver Short Name	TREAS NYC
7	{3600}	3	Business Function Code	CTR (or CTP)
8	{4200}	34	Beneficiary Identifier (account number)	89000001
9	{4200}	35	Beneficiary Name	DEPARTMENT OF ENERGY
10	{5000}	35	Originator Name	<i>Enter the (company) name of the originator of the payment</i>
11	{6000}	35	Originator to Beneficiary Information – Line 1	<i>Enter Contract Number</i>
11	{6000}	35	Line 2	<i>Enter Cargo Number</i>
11	{6000}	35	Line 3	<i>Enter Invoice Number</i>
11	{6000}	35	Line 4	

*** The financial institution address for Treasury’s routing number is:**

**Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045**

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN GRAVITY OF CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL
10.0	1.250	16.0	2.150	22.0	3.050	28.0	3.950	34.0	4.850	40.0	5.100	46.0	4.950	52.0	4.050
10.1	1.265	16.1	2.165	22.1	3.065	28.1	3.965	34.1	4.865	40.1	5.100	46.1	4.935	52.1	4.035
10.2	1.280	16.2	2.180	22.2	3.080	28.2	3.980	34.2	4.880	40.2	5.100	46.2	4.920	52.2	4.020
10.3	1.295	16.3	2.195	22.3	3.095	28.3	3.995	34.3	4.895	40.3	5.100	46.3	4.905	52.3	4.005
10.4	1.310	16.4	2.210	22.4	3.110	28.4	4.010	34.4	4.910	40.4	5.100	46.4	4.890	52.4	3.990
10.5	1.325	16.5	2.225	22.5	3.125	28.5	4.025	34.5	4.925	40.5	5.100	46.5	4.875	52.5	3.975
10.6	1.340	16.6	2.240	22.6	3.140	28.6	4.040	34.6	4.940	40.6	5.100	46.6	4.860	52.6	3.960
10.7	1.355	16.7	2.255	22.7	3.155	28.7	4.055	34.7	4.955	40.7	5.100	46.7	4.845	52.7	3.945
10.8	1.370	16.8	2.270	22.8	3.170	28.8	4.070	34.8	4.970	40.8	5.100	46.8	4.830	52.8	3.930
10.9	1.385	16.9	2.285	22.9	3.185	28.9	4.085	34.9	4.985	40.9	5.100	46.9	4.815	52.9	3.915
11.0	1.400	17.0	2.300	23.0	3.200	29.0	4.100	35.0	5.000	41.0	5.100	47.0	4.800	53.0	3.900
11.1	1.415	17.1	2.315	23.1	3.215	29.1	4.115	35.1	5.000	41.1	5.100	47.1	4.785	53.1	3.885
11.2	1.430	17.2	2.330	23.2	3.230	29.2	4.130	35.2	5.000	41.2	5.100	47.2	4.770	53.2	3.870
11.3	1.445	17.3	2.345	23.3	3.245	29.3	4.145	35.3	5.000	41.3	5.100	47.3	4.755	53.3	3.855
11.4	1.460	17.4	2.360	23.4	3.260	29.4	4.160	35.4	5.000	41.4	5.100	47.4	4.740	53.4	3.840
11.5	1.475	17.5	2.375	23.5	3.275	29.5	4.175	35.5	5.000	41.5	5.100	47.5	4.725	53.5	3.825
11.6	1.490	17.6	2.390	23.6	3.290	29.6	4.190	35.6	5.000	41.6	5.100	47.6	4.710	53.6	3.810
11.7	1.505	17.7	2.405	23.7	3.305	29.7	4.205	35.7	5.000	41.7	5.100	47.7	4.695	53.7	3.795
11.8	1.520	17.8	2.420	23.8	3.320	29.8	4.220	35.8	5.000	41.8	5.100	47.8	4.680	53.8	3.780
11.9	1.535	17.9	2.435	23.9	3.335	29.9	4.235	35.9	5.000	41.9	5.100	47.9	4.665	53.9	3.765
12.0	1.550	18.0	2.450	24.0	3.350	30.0	4.250	36.0	5.020	42.0	5.100	48.0	4.650	54.0	3.750
12.1	1.565	18.1	2.465	24.1	3.365	30.1	4.265	36.1	5.020	42.1	5.100	48.1	4.635	54.1	3.735
12.2	1.580	18.2	2.480	24.2	3.380	30.2	4.280	36.2	5.020	42.2	5.100	48.2	4.620	54.2	3.720
12.3	1.595	18.3	2.495	24.3	3.395	30.3	4.295	36.3	5.020	42.3	5.100	48.3	4.605	54.3	3.705
12.4	1.610	18.4	2.510	24.4	3.410	30.4	4.310	36.4	5.020	42.4	5.100	48.4	4.590	54.4	3.690
12.5	1.625	18.5	2.525	24.5	3.425	30.5	4.325	36.5	5.020	42.5	5.100	48.5	4.575	54.5	3.675
12.6	1.640	18.6	2.540	24.6	3.440	30.6	4.340	36.6	5.020	42.6	5.100	48.6	4.560	54.6	3.660
12.7	1.655	18.7	2.555	24.7	3.455	30.7	4.355	36.7	5.020	42.7	5.100	48.7	4.545	54.7	3.645
12.8	1.670	18.8	2.570	24.8	3.470	30.8	4.370	36.8	5.020	42.8	5.100	48.8	4.530	54.8	3.630
12.9	1.685	18.9	2.585	24.9	3.485	30.9	4.385	36.9	5.020	42.9	5.100	48.9	4.515	54.9	3.615
13.0	1.700	19.0	2.600	25.0	3.500	31.0	4.400	37.0	5.040	43.0	5.100	49.0	4.500	55.0	3.600
13.1	1.715	19.1	2.615	25.1	3.515	31.1	4.415	37.1	5.040	43.1	5.100	49.1	4.485		
13.2	1.730	19.2	2.630	25.2	3.530	31.2	4.430	37.2	5.040	43.2	5.100	49.2	4.470		
13.3	1.745	19.3	2.645	25.3	3.545	31.3	4.445	37.3	5.040	43.3	5.100	49.3	4.455		
13.4	1.760	19.4	2.660	25.4	3.560	31.4	4.460	37.4	5.040	43.4	5.100	49.4	4.440		
13.5	1.775	19.5	2.675	25.5	3.575	31.5	4.475	37.5	5.040	43.5	5.100	49.5	4.425		
13.6	1.790	19.6	2.690	25.6	3.590	31.6	4.490	37.6	5.040	43.6	5.100	49.6	4.410		
13.7	1.805	19.7	2.705	25.7	3.605	31.7	4.505	37.7	5.040	43.7	5.100	49.7	4.395		
13.8	1.820	19.8	2.720	25.8	3.620	31.8	4.520	37.8	5.040	43.8	5.100	49.8	4.380		
13.9	1.835	19.9	2.735	25.9	3.635	31.9	4.535	37.9	5.040	43.9	5.100	49.9	4.365		
14.0	1.850	20.0	2.750	26.0	3.650	32.0	4.550	38.0	5.060	44.0	5.100	50.0	4.350		
14.1	1.865	20.1	2.765	26.1	3.665	32.1	4.565	38.1	5.060	44.1	5.100	50.1	4.335		
14.2	1.880	20.2	2.780	26.2	3.680	32.2	4.580	38.2	5.060	44.2	5.100	50.2	4.320		
14.3	1.895	20.3	2.795	26.3	3.695	32.3	4.595	38.3	5.060	44.3	5.100	50.3	4.305		
14.4	1.910	20.4	2.810	26.4	3.710	32.4	4.610	38.4	5.060	44.4	5.100	50.4	4.290		
14.5	1.925	20.5	2.825	26.5	3.725	32.5	4.625	38.5	5.060	44.5	5.100	50.5	4.275		
14.6	1.940	20.6	2.840	26.6	3.740	32.6	4.640	38.6	5.060	44.6	5.100	50.6	4.260		
14.7	1.955	20.7	2.855	26.7	3.755	32.7	4.655	38.7	5.060	44.7	5.100	50.7	4.245		
14.8	1.970	20.8	2.870	26.8	3.770	32.8	4.670	38.8	5.060	44.8	5.100	50.8	4.230		
14.9	1.985	20.9	2.885	26.9	3.785	32.9	4.685	38.9	5.060	44.9	5.100	50.9	4.215		
15.0	2.000	21.0	2.900	27.0	3.800	33.0	4.700	39.0	5.080	45.0	5.100	51.0	4.200		
15.1	2.015	21.1	2.915	27.1	3.815	33.1	4.715	39.1	5.080	45.1	5.085	51.1	4.185		
15.2	2.030	21.2	2.930	27.2	3.830	33.2	4.730	39.2	5.080	45.2	5.070	51.2	4.170		
15.3	2.045	21.3	2.945	27.3	3.845	33.3	4.745	39.3	5.080	45.3	5.055	51.3	4.155		
15.4	2.060	21.4	2.960	27.4	3.860	33.4	4.760	39.4	5.080	45.4	5.040	51.4	4.140		
15.5	2.075	21.5	2.975	27.5	3.875	33.5	4.775	39.5	5.080	45.5	5.025	51.5	4.125		
15.6	2.090	21.6	2.990	27.6	3.890	33.6	4.790	39.6	5.080	45.6	5.010	51.6	4.110		
15.7	2.105	21.7	3.005	27.7	3.905	33.7	4.805	39.7	5.080	45.7	4.995	51.7	4.095		
15.8	2.120	21.8	3.020	27.8	3.920	33.8	4.820	39.8	5.080	45.8	4.980	51.8	4.080		
15.9	2.135	21.9	3.035	27.9	3.935	33.9	4.835	39.9	5.080	45.9	4.965	51.9	4.065		

For API GRAVITY values above 55.0° API the differential continues to decline 0.015/bbl. per 0.1° API GRAVITY.

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN SULFUR CONTENT FOR CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL
0.00	1.000	0.60	1.600	1.20	2.200	1.80	2.800	2.40	3.400	3.00	4.000	3.60	4.600
0.01	1.010	0.61	1.610	1.21	2.210	1.81	2.810	2.41	3.410	3.01	4.010	3.61	4.610
0.02	1.020	0.62	1.620	1.22	2.220	1.82	2.820	2.42	3.420	3.02	4.020	3.62	4.620
0.03	1.030	0.63	1.630	1.23	2.230	1.83	2.830	2.43	3.430	3.03	4.030	3.63	4.630
0.04	1.040	0.64	1.640	1.24	2.240	1.84	2.840	2.44	3.440	3.04	4.040	3.64	4.640
0.05	1.050	0.65	1.650	1.25	2.250	1.85	2.850	2.45	3.450	3.05	4.050	3.65	4.650
0.06	1.060	0.66	1.660	1.26	2.260	1.86	2.860	2.46	3.460	3.06	4.060	3.66	4.660
0.07	1.070	0.67	1.670	1.27	2.270	1.87	2.870	2.47	3.470	3.07	4.070	3.67	4.670
0.08	1.080	0.68	1.680	1.28	2.280	1.88	2.880	2.48	3.480	3.08	4.080	3.68	4.680
0.09	1.090	0.69	1.690	1.29	2.290	1.89	2.890	2.49	3.490	3.09	4.090	3.69	4.690
0.10	1.100	0.70	1.700	1.30	2.300	1.90	2.900	2.50	3.500	3.10	4.100	3.70	4.700
0.11	1.110	0.71	1.710	1.31	2.310	1.91	2.910	2.51	3.510	3.11	4.110	3.71	4.710
0.12	1.120	0.72	1.720	1.32	2.320	1.92	2.920	2.52	3.520	3.12	4.120	3.72	4.720
0.13	1.130	0.73	1.730	1.33	2.330	1.93	2.930	2.53	3.530	3.13	4.130	3.73	4.730
0.14	1.140	0.74	1.740	1.34	2.340	1.94	2.940	2.54	3.540	3.14	4.140	3.74	4.740
0.15	1.150	0.75	1.750	1.35	2.350	1.95	2.950	2.55	3.550	3.15	4.150	3.75	4.750
0.16	1.160	0.76	1.760	1.36	2.360	1.96	2.960	2.56	3.560	3.16	4.160	3.76	4.760
0.17	1.170	0.77	1.770	1.37	2.370	1.97	2.970	2.57	3.570	3.17	4.170	3.77	4.770
0.18	1.180	0.78	1.780	1.38	2.380	1.98	2.980	2.58	3.580	3.18	4.180	3.78	4.780
0.19	1.190	0.79	1.790	1.39	2.390	1.99	2.990	2.59	3.590	3.19	4.190	3.79	4.790
0.20	1.200	0.80	1.800	1.40	2.400	2.00	3.000	2.60	3.600	3.20	4.200	3.80	4.800
0.21	1.210	0.81	1.810	1.41	2.410	2.01	3.010	2.61	3.610	3.21	4.210	3.81	4.810
0.22	1.220	0.82	1.820	1.42	2.420	2.02	3.020	2.62	3.620	3.22	4.220	3.82	4.820
0.23	1.230	0.83	1.830	1.43	2.430	2.03	3.030	2.63	3.630	3.23	4.230	3.83	4.830
0.24	1.240	0.84	1.840	1.44	2.440	2.04	3.040	2.64	3.640	3.24	4.240	3.84	4.840
0.25	1.250	0.85	1.850	1.45	2.450	2.05	3.050	2.65	3.650	3.25	4.250	3.85	4.850
0.26	1.260	0.86	1.860	1.46	2.460	2.06	3.060	2.66	3.660	3.26	4.260	3.86	4.860
0.27	1.270	0.87	1.870	1.47	2.470	2.07	3.070	2.67	3.670	3.27	4.270	3.87	4.870
0.28	1.280	0.88	1.880	1.48	2.480	2.08	3.080	2.68	3.680	3.28	4.280	3.88	4.880
0.29	1.290	0.89	1.890	1.49	2.490	2.09	3.090	2.69	3.690	3.29	4.290	3.89	4.890
0.30	1.300	0.90	1.900	1.50	2.500	2.10	3.100	2.70	3.700	3.30	4.300	3.90	4.900
0.31	1.310	0.91	1.910	1.51	2.510	2.11	3.110	2.71	3.710	3.31	4.310	3.91	4.910
0.32	1.320	0.92	1.920	1.52	2.520	2.12	3.120	2.72	3.720	3.32	4.320	3.92	4.920
0.33	1.330	0.93	1.930	1.53	2.530	2.13	3.130	2.73	3.730	3.33	4.330	3.93	4.930
0.34	1.340	0.94	1.940	1.54	2.540	2.14	3.140	2.74	3.740	3.34	4.340	3.94	4.940
0.35	1.350	0.95	1.950	1.55	2.550	2.15	3.150	2.75	3.750	3.35	4.350	3.95	4.950
0.36	1.360	0.96	1.960	1.56	2.560	2.16	3.160	2.76	3.760	3.36	4.360	3.96	4.960
0.37	1.370	0.97	1.970	1.57	2.570	2.17	3.170	2.77	3.770	3.37	4.370	3.97	4.970
0.38	1.380	0.98	1.980	1.58	2.580	2.18	3.180	2.78	3.780	3.38	4.380	3.98	4.980
0.39	1.390	0.99	1.990	1.59	2.590	2.19	3.190	2.79	3.790	3.39	4.390	3.99	4.990
0.40	1.400	1.00	2.000	1.60	2.600	2.20	3.200	2.80	3.800	3.40	4.400	4.00	5.000
0.41	1.410	1.01	2.010	1.61	2.610	2.21	3.210	2.81	3.810	3.41	4.410		
0.42	1.420	1.02	2.020	1.62	2.620	2.22	3.220	2.82	3.820	3.42	4.420		
0.43	1.430	1.03	2.030	1.63	2.630	2.23	3.230	2.83	3.830	3.43	4.430		
0.44	1.440	1.04	2.040	1.64	2.640	2.24	3.240	2.84	3.840	3.44	4.440		
0.45	1.450	1.05	2.050	1.65	2.650	2.25	3.250	2.85	3.850	3.45	4.450		
0.46	1.460	1.06	2.060	1.66	2.660	2.26	3.260	2.86	3.860	3.46	4.460		
0.47	1.470	1.07	2.070	1.67	2.670	2.27	3.270	2.87	3.870	3.47	4.470		
0.48	1.480	1.08	2.080	1.68	2.680	2.28	3.280	2.88	3.880	3.48	4.480		
0.49	1.490	1.09	2.090	1.69	2.690	2.29	3.290	2.89	3.890	3.49	4.490		
0.50	1.500	1.10	2.100	1.70	2.700	2.30	3.300	2.90	3.900	3.50	4.500		
0.51	1.510	1.11	2.110	1.71	2.710	2.31	3.310	2.91	3.910	3.51	4.510		
0.52	1.520	1.12	2.120	1.72	2.720	2.32	3.320	2.92	3.920	3.52	4.520		
0.53	1.530	1.13	2.130	1.73	2.730	2.33	3.330	2.93	3.930	3.53	4.530		
0.54	1.540	1.14	2.140	1.74	2.740	2.34	3.340	2.94	3.940	3.54	4.540		
0.55	1.550	1.15	2.150	1.75	2.750	2.35	3.350	2.95	3.950	3.55	4.550		
0.56	1.560	1.16	2.160	1.76	2.760	2.36	3.360	2.96	3.960	3.56	4.560		
0.57	1.570	1.17	2.170	1.77	2.770	2.37	3.370	2.97	3.970	3.57	4.570		
0.58	1.580	1.18	2.180	1.78	2.780	2.38	3.380	2.98	3.980	3.58	4.580		
0.59	1.590	1.19	2.190	1.79	2.790	2.39	3.390	2.99	3.990	3.59	4.590		

For Sulfur Values
above 4.00% the
differential continues
to increase 0.01/BBL
per 0.01 Percent
Sulfur

Attachment D

SAMPLE - OFFER GUARANTEE STANDBY LETTER OF CREDIT

**BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123

Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____)

CONTRACTOR: _____

NOTICE OF SALE NO: _____

OFFER NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: **December 26, 2022**

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy's Notice of Sale, including any amendments thereto, for the sale of Strategic Petroleum Reserve petroleum. This Letter of Credit expires at least 60 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

“THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF (CONTRACTOR) TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR THE PURCHASE OF SPR PETROLEUM FROM THE STRATEGIC PETROLEUM RESERVE, IN ACCORDANCE WITH THE U.S. GOVERNMENT'S NOTICE OF SALE NO. _____, INCLUDING ANY AMENDMENTS THERETO.”

Attachment D

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced Notice of Sale.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

Attachment D

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statement. **The drawing statement is in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

Attachment D

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have a letter of cancellation returned to you via e-mail only for cancellation of your Offer Letter of Credit, please provide information below:

Send a signed authorization to cancel the Offer LOC to the following point of contact via e-mail address: _____

Contact Phone Number: _____

**SAMPLE - PAYMENT AND PERFORMANCE LETTER OF CREDIT
BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S.\$ _____ (_____)

CONTRACTOR: _____

CONTRACT NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: _____

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer's above contract with the U.S. Department of Energy for the sale of Strategic Petroleum Reserve petroleum.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and one or both of the following statements:

a. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE THE GOVERNMENT HAS DELIVERED SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO, AND _____ (CONTRACTOR) HAS NOT PAID UNDER THE TERMS OF THAT CONTRACT."**

b. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE _____ (CONTRACTOR) HAS FAILED TO TAKE DELIVERY OF SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO."**

Attachment E

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced contract.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

INSTRUCTIONS FOR PAYMENT AND PERFORMANCE GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statements. **The drawing statements are in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

STRATEGIC PETROLEUM RESERVE

NOMINATION - CONFIRMATION

SPR Operations Fluor Federal Petroleum Operations New Orleans, Louisiana FFPOCOL@SPR.DOE.GOV	<u>Scheduler</u> Chuck Costanza (504) 734-4733 <u>Quantity and Quality</u> Ned Scheppegegrell (504) 722-6146
------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------

****The following Information Must Be Provided by the Contractor****

Submission Date: [Click here to enter a date.](#) Submission Type: Original Nomination

Contract No.: Enter Contract Number
 Contractor: Enter Contractor Name
 Address: Enter Address
 City, State, Zip

Contractor Contact Information

Primary Contact: Primary Contact Name	Alternate: Alternate Contact Name
Office: Office Phone	Office: Office Phone
Cell: Cell Phone	Cell: Cell Phone
Email: Email Address	Email: Email Address

CODR/DD250 Contractor Signatory Designee*: Signatory Designee Name

*Designee can be contractor office personnel, 3rd party inspection company†, or chosen loss control representative†.

Office: Office Phone
 Cell: Cell Phone
 Email: Email Address

Note: If multiple designees are to be used, please input "See Attached" and provide list to FFPOCOL@spr.doe.gov with nomination.

†Third Party Inspection Company Information

Company: 3rd Party Inspection Company

Contact: 3rd Party Contact Name

Contact Ned Scheppegegrell for any questions on SPR 3rd party inspection and testing.

Nomination Information and Delivery Window (additional lines on following page)

Delivery Window	Pipeline/Vessel	Volume (MB)	SPR Site	Destination
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Total Volume:		Total Volume		

The Following information to be provided by SPR Operations Personnel

Terminal Information

Terminal: TBD
 Contact:
 Contact:
 Contact:

Custody Transfer Point

TBD
Quality Point
 TBD
Quantity Point
 TBD

From: [Gele, Kelly](#) on behalf of [Gele, Kelly <Kelly.Gele@SPR.DOE.GOV>](#)
To: [MacIntyre, Douglas \(HQ\)](#); [McGarry, Thomas \(HQ\)](#); [Perry, Robert](#); [Turner, Shenee \(HQ\)](#); [Oosterling, Paul](#); [Gele, Lionel](#); [Habibaz, Roy](#); [Roark, Christopher](#); [Williams, Rhonda \(HQ\)](#)
Cc: [Roark, Mary](#); [O'Shaughnessy, Kelly](#); [Wormhoudt, Sheldra](#); [Coleman, Jennifer](#); [Webre, Richard](#); [Harrell, Yolanda](#)
Subject: FY22 Emergency Drawdown NOS
Date: Wednesday, March 2, 2022 4:15:16 PM
Attachments: [FY22 Emergency Drawdown NOS.pdf](#)

Everyone,

The NOS has posted and can be found at <https://www.spr.doe.gov/does/OilSale.htm>

I also attached a copy for everyone.

Thanks,

Kelly M. Gele'

**Director, Acquisition and Sales
Strategic Petroleum Reserve
Department of Energy
New Orleans, LA 70123
(504)734-4343 (work)
(b) (6) (cell)**



Department of Energy
Strategic Petroleum Reserve Project Management Office
900 Commerce East
New Orleans, Louisiana 70123

NOTICE OF SALE
DE-NS96-22PO20000

Pursuant to the authority and direction of the President of the United States, the Strategic Petroleum Reserve (SPR) is conducting an emergency sale of SPR crude oil as provided for by the Department of Energy Organization Act (42 U.S.C 7101 et seq.) and Section 161(d) of the Energy Policy and Conservation Act (42 U.S.C. 6241). The Department of Energy invites you to submit offers for the purchase of crude oil from the SPR. Contracts resulting from this sale shall be subject to contract price adjustment as set forth in the Supplements and Amendments to the Standard Sales Provisions (SSP). This Notice of Sale contains the terms and conditions of the sale and specific instructions for preparation and submittal of offers.

As stated in this Notice of Sale, you are required to submit your offer using the Crude Oil Sales Offer Program. **Manual offers will NOT be accepted.**

Offers are due by 10:00 a.m. Central Time, Tuesday March 8, 2022.

Please read this solicitation carefully. Questions regarding this Notice of Sale must be submitted via email by noon, Central Time, Monday March 7, 2022, to allow a reply to reach all prospective Offerors prior to submission of their offers. Any questions received after this date/time may not be answered prior to the date/time offers are due. Questions/Responses will be posted daily, by 5:00 p.m. Central Time at: <https://www.spr.doe.gov/doeec/oilsale.htm>. Questions must be addressed to:

<u>Contact</u>	<u>Telephone</u>	<u>E-Mail</u>
Mary C. Roark (Contracting Officer)	(504) 734-4195	mary.roark@spr.doe.gov

A handwritten signature in black ink, appearing to read "Kelly M. Gelé".

Date: March 2, 2022

Kelly M. Gelé
Director, Acquisition and
Sales Division

NOTICE OF SALE
DE-NS96-22PO20000

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Crude Oil Safety Data Sheet	Attached via hyperlink
SPR Crude Oil Assay Manual	Attached via hyperlink
Standard Sales Provisions (SSPs)	Attached via hyperlink

NOTICE OF SALE
DE-NS96-22PO20000

INSTRUCTIONS

GENERAL REQUIREMENTS

1. Offer must be submitted via the Crude Oil Sales Offer Program (COSOP) by the date/time specified in the Notice of Sale. **Manual offers will NOT be accepted.**
2. Offerors are required to submit an Offer Guarantee (See SSP B.12). Any entity that currently stores oil in the SPR under a Lease and Storage Agreement is exempt from the Offer Guarantee and Payment and Performance Letter of Credit requirements in this NOS.

Failure to submit the above documents or to comply with material requirements of the Notice of Sale may be cause for rejection of the offer.

SALE-SPECIFIC REQUIREMENTS

The following sales requirements are established for this sale:

1. The sale will be by price competition and shall be conducted pursuant to Title 10 Code of Federal Regulations Part 625 [Appendix A](#), except as may be supplemented or amended by this Notice of Sale. While the location of the [Appendix A](#): Standard Sales Provisions has changed, the provision itself has not changed since 2005.
2. The intent of this sale is to award up to 30.0 million barrels. The delivery period for this sale shall be from April 1, 2022 to May 31, 2022 from Big Hill, West Hackberry, Bryan Mound, and Bayou Choctaw. Requests for early deliveries in accordance with SSP C.5(c) will be accommodated to the maximum extent possible, terms to be negotiated. Bayou Choctaw crude oil stream cargoes between April 1, 2022 and May 31, 2022 will require H₂S scavenger. The SPR will use SULFA-CHECK EC9085A, and the SDS can be provided upon request.
3. The crude oil streams, delivery modes and periods, and the quantities offered in this sale, as well as minimum contract quantities, are shown in [Attachment A](#).

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes. Also, be advised that the SPR currently performing oil movements at the West Hackberry and Big

Hill sites in the months of performance. Any awards under this solicitation will need to take this into consideration.

4. Offers MUST be received by 10:00 a.m. Central Time, Tuesday March 8, 2022; any offers received after 10:00 a.m. Central Time will be determined to be late and will be rejected, except as provided in SSP B.11, “Late Offers, Modifications of Offers, and Withdrawal of Offers.”
5. **Due to COVID-19, an electronic copy of the fully executed Offer Guarantee shall be emailed or efaxed. The e-fax number is (504) 818-5195 or e-mailed to mary.roark@spr.doe.gov AND MUST be received not later than the time/date for receipt of offers. An original hardcopy of the Offer Guarantee is not required for this Notice of Sale.**
6. Pursuant to SSP B.7, *State of Hawaii Access to SPR Crude Oil*, by submission of a binding offer, the State of Hawaii, for this sale, is entitled to purchase up to three percent of the offering barrels of SPR petroleum. Pursuant to section 161(j)(4) of the Energy Policy and Conservation Act, 42 U.S.C. 624(j)(4), the quantity to be sold to the State of Hawaii may be adjusted upward or downward to match the full tanker load of approximately 900,000 barrels, or such lesser tanker capacity as may be designated by the State of Hawaii.
7. Pursuant to SSP B.9, Submission of Offers and Modifications of Previously Submitted Offers, paragraph (e), DOE will inform simultaneously all Offerors and other interested parties of the successful and unsuccessful Offerors and their offer data by means of a public “offer posting”. This offer posting will occur approximately one week after receipt of offers. This information will be provided by a posting on the Internet at the following address:
<https://www.spr.doe.gov/doesec/oilsale.htm>.

NOTICE OF SALE
DE-NS96-22PO20000

SUPPLEMENTS AND AMENDMENTS
TO THE STANDARD SALES PROVISIONS

For this sale only, the Standard Sales Provisions (SSPs) are supplemented or amended as follows:

1. Offerors are advised that the requirements of the “Jones Act” must be met for the marine delivery of crude oil purchased in this sale which is destined for U.S. ports. SSP B.4, *Requirements for Vessels-Caution to Offerors* and SSP C.7, *Application Procedures for “Jones Act” and Construction Differential Subsidy Waivers* are supplemented as follows:

The Secretary of the Department of Homeland Security has not issued a general (‘blanket’) waiver of the ‘Jones Act’ for the marine delivery of crude oil purchased in this sale. Consequently, it is necessary for an Apparently Successful Offeror (ASO) to follow the procedures of SSP C.7. Standard Sales Provision C.7 (a) is modified to provide the following address for submission of a Jones Act waiver request.

U. S. Customs and Border Protection
Office of International Trade/Regulations and Rulings
Chief, Cargo Security
Carriers and Restricted Merchandise Branch
U.S. Department of Homeland Security
Telephone No. (202) 860-7502
JonesActWaiverRequest@cbp.dhs.gov

For more information visit: <https://www.cbp.gov/trade/jones-act-waiver-request>

2. Standard Sales Provision B.5, *“Superfund” Tax on SPR Petroleum-Caution to Offerors*, is supplemented as follows:

The “Superfund” taxes are currently not imposed; however, purchasers are liable for Oil Spill Liability Trust Fund (OSLTF) taxes of \$0.09/barrel for deliveries for calendar year 2022 if applicable, for all SPR crude oil streams and must comply with current OSLTF requirements if enacted by Congress. Additionally, purchasers are liable for: Coastal Protection fees, Waterway Navigation fees, state and local environmental fees, including the federal Harbor Maintenance Trust Fund fees, if applicable. In regards to OSLTF, per the authoritative source:

https://www.uscg.mil/Mariners/National-Pollution-Funds-Center/About_NPFC/osltf/:

*“The Principal Fund of the OSLTF has several recurring and nonrecurring sources of revenue...**Barrel Tax.** The largest source of revenue has been a per-barrel excise tax, collected from the oil industry on petroleum produced in or imported to the United States. The original 5-cent-per-barrel tax expired at the end of 1994 because of the sunset provision in the law. The 2005 Energy Policy Act again reinstated the tax (effective April 2006). The Energy Improvement and Extension Act of 2008 extended the per-barrel excise tax through December 2017 and increased the per-barrel excise tax from 5 cents to 8 cents from 2009-2016 to 9 cents in March 2017.” Subsequently, section 40416 of the Bipartisan Budget Act of 2018 temporarily reinstates the Oil Spill Liability Tax that expired on December 31, 2017 for the period beginning on March 1, 2018 through December 31, 2018. On December 20, 2019, H.R. 1865-701 was signed and amended Section 4611(f)(2) by striking December 21, 2018 and inserting “December 31, 2021”*

3. Standard Sales Provision B.6, Export Limitations and Licensing – Caution to Offerors, is removed in its entirety. Offerors are advised to review section 101 of Division O of the Consolidated Appropriations Act, 2016 (Public Law 114-113) concerning the export of crude oil, and are required to comply with all U.S. export laws.
4. Standard Sales Provision B.12, *Offer Guarantee*, is amended as follows:

Exhibit C “Offer Standby Letter of Credit” is deleted and replaced with Attachment D of the NS. All references to Exhibit C shall mean Attachment D.

Paragraph (d) is amended as follows:

The fourth sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

Paragraph (g) is supplemented as follows:

For this sale the actual expiration date of the letters of credit furnished as offer guarantees will be May 9, 2022.

Paragraph (h) is amended as follows:

“Offer guarantee letters of credit cancellation letters will be returned via e-mail only, if requested, in accordance with Attachment D - REQUEST FOR OFFER GUARANTEE RETURNS, to an unsuccessful Offeror 5 business days after expiration of the Offeror's acceptance period, and, except as provided in (i) of this provision, to a successful Offeror upon receipt of a satisfactory payment and performance letter of credit.”

5. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, is supplemented with the following information:

Minimum delivery lot sizes are 350,000 barrels for pipelines, 250,000 barrels for vessels. Offerors are reminded, however, of their responsibility to comply with (1) any minimum tender provision of any pipelines by which they take delivery from an SPR terminal, and (2) the vessel usage and load rate restrictions specified in SSP C.8(c), *Vessel loading procedures*.

(Note: “vessel” is synonymous with “tank ship”), and (3) that Offerors are required to make arrangements with all parties downstream from the DOE site meters.

6. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, paragraph (a) has been amended as follows:

Delivery Points (from Beaumont, Texas): change from “Unocal Terminal” to “Phillips 66 Beaumont Terminal”.

7. Standard Sales Provision B.18, *Notice of Sale Line Item Schedule – Petroleum Quantity, Quality, and Delivery Method*, paragraph (h) is supplemented with the following information:

The quality characteristics of the crude oil streams offered for sale are those cited in the [Strategic Petroleum Reserve Crude Oil Assays](#).

This crude oil quality data is a weighted average composition of the specific caverns that comprise the streams offered for sale. Although a specific crude oil benchmark is referenced; SPR inventory contains a blend of domestic and global crude including Isthmus, Urals, Alaskan North Slope, Arabian Light, Saharan, and Dubai with segregation by Sweet and Sour storage caverns. The SPR has observed H₂S concentration (which is found naturally in crude oil) greater than 10 ppm in liquid in some crude batches. Measurements of H₂S in vapor space can be orders of magnitude higher than in liquid and difficult to measure due to factors in handling, weather, etc. OSHA provides guidelines on appropriate safety precautions and equipment if crude is handled openly, spilled, or released to the

atmosphere. Offerors are encouraged to review the [Strategic Petroleum Reserve Crude Oil Assays](#) for more detailed oil stream composition and specifics so that conditions (such as the presence of H₂S) are expected and communicated downstream.

Note: Each SPR stream will be a blended average using several caverns. As a result, actual representative samples are not available prior to deliveries. Please refer to Crude Oil Assays which provides a weighted average composite profile of the stream.

8. Standard Sales Provision B.22, *Procedures for Evaluation of Offers*, Paragraphs (a) and (b)(8), is amended as follows:

Award on each DLI will be made to the responsible offerors that submit the highest priced offers responsive to the SSPs and the NS, in addition to operational considerations, and that have provided the required payment and performance guarantee as required by Provision C.21

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

9. Standard Sales Provision B. 27, *Contract Documents*, is amended as follows:

The third sentence is deleted in its entirety. The fourth sentence shall read: “The NS and the Provisions of the SSPs will be made applicable through incorporation by reference in the Notice of Acceptance (NA)”. The last sentence is deleted in its entirety.

10. Standard Sales Provision C.2, *Compliance with the “Jones Act” and the U.S. Export Control Laws*, is amended to delete all references to U.S. Export Control Laws. (See 3. above.)

11. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is supplemented with the following information:

- (a) Crude Oil Scheduling:
Fluor Federal Petroleum Operations Company
New Orleans, Louisiana

All email correspondence: FFPOCOL@spr.doc.gov

Chuck Costanza, (504) 734-4733 (O)

(b) (6) (Cell) (Primary)
Bradley Bauer, (Cell) (b) (6)
Ned Schennegrell (504) 734-4604 (Office)
(b) (6) (Cell) (Primary)

(b) Pipeline and Terminal contacts:

(i) Sun Marine Terminal, Nederland, TX

Mike Birkett, Director - Operations (409) 721-4404
Joshua McQueen-Sr. Manager (409) 721-4819
Gina Whitfield, Director, Business Development, (713) 989-6260
Bill Wheeler, Manager, Nederland Scheduling (409) 721-4813
Control Room (409) 721-4845
Marine Scheduler (409) 721-4812
Pipeline Scheduler (409) 721-4823
Shift Supervisor (409) 720-7972

(ii) Shell Pipeline Company (Shell tie-in @ LCMS and Big Hill)

John McMahon, Oil Movement Scheduler
O(832) 337-8555
C(281) 216-2618
Coley Adams, Oil Movement Scheduler
O(832) 762-2785
C(409) 267-5585

(iii) Enterprise Products

Scheduling

Shauna Johnson, Director, Onshore Crude Scheduling &
Distribution (713) 381-6314
Randy Mayhall – Manager, Daily Scheduling (713) 381-4629
Justin Shobe – Supervisor, Daily Scheduling (713) 381-4557
Daniel Escamilla, Seaway Daily Scheduler (713) 381-4310
Patrick Batts, Seaway Daily Scheduler (713) 381-6865
Damon Lopez, Texas City Scheduler (713) 381-6715
Steven Owens, Supervisor, Monthly Distribution (713) 381-4250
Chamesha Randall, Coordinator, Distribution (713) 381-5861

Field Management

John Hazley, Superintendent, Operations, Freeport/Texas City (979)
237-6756

Chris Yorgensen, Pipeline Supervisor, Jones Creek (979) 230-7308,
Texas City (409) 949-3706
Chase Nelson, Pipeline Supervisor, Texas City (409) 949 3706

(iv) Exxon Mobil Pipeline (Bryan Mound cargoes)

Christopher Cox, Field Supervisor (281) 381-7663
Josef Molnar, Monthly Scheduler O(832) 625-2255
C(b) (6)
Michael Frey, Relief Monthly Scheduler
O(832)624-2917 (b) (6)
Ryan Wilborn, Daily Scheduler O(832) 624-0042
C(b) (6)
Joseph Holmberg , Area Supervisor O(832) 625-4994
C(b) (6)
Monthly Scheduler (832) 624-0040

(v) Exxon Mobil Pipeline (Bayou Choctaw cargoes)

Randy Henry, Scheduler / Crude Analyst
O (832-625-3338) M (346-254-0150)

(vi) Phillips 66 (Beaumont Terminal) Nederland, TX

Mike Mott, Team Lead, Oil Movements O(409) 724-3337
C(b) (6)
Mark Maxwell, Operations Coordinator O(409) 724-3288
C((b) (6)
Johnny Gaw, Crude Pipeline Scheduler O(409) 724-3232
(b) (6)
Peggy Smith, Crude Ship Scheduler
O(409) 724-3232 (b) (6)
Randy Hudson, Products Scheduler
O(409) 724-3215 (b) (6)

- (c) All email correspondence between the SPR and ASOs must include the sales contract number, if available, or the offer number in the subject.
- (d) The SPR will provide a Nomination-Confirmation Form to successful bidders (see Attachment F for sample form). The ASO shall complete the yellow highlighted areas and return the form in the time frame defined in the SSPs.

12. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is amended as follows:

Paragraph (a) fourth sentence, change “highest offered price” to “highest Price Adjustment Factor (PAF)” and then by award volume size.

Paragraphs (c) and (d) are deleted in their entirety and replaced with the following:
(c) RESERVED

(d) Notwithstanding paragraph (a) of this provision, in no event will schedules be confirmed prior to award of contracts.

13. Standard Sales Provision C.8, *Vessel Loading Procedures*, is amended as follows:

Paragraph (d) shall read “At least 7 days in advance of the beginning of the scheduled window, the purchaser shall furnish the SPR/PMO with vessel nominations. Failure to do so will result in the SPR not being liable for a related demurrage claim(s), as well as any associated terminalling costs inclusive of the tank capacity penalty charges imposed by Nederland Terminal for vessel(s) not nominated in accordance with this section due to missing this 7 day notice period. Any such charges will be borne by the customer. Vessel nominations shall specify the following:”

14. Standard Sales Provision C.9, *Vessel Laytime and Demurrage* paragraphs (a) and (c) are replaced in their entirety with the following language:

(a) The laytime allowed DOE for handling of the purchaser's vessel shall be 36 running hours. For vessels with cargo quantities in excess of 500,000 barrels, laytime shall be 36 running hours plus 1 hour for each 15,000 barrels of cargo to be loaded in excess of 500,000 barrels. Vessel laytime shall commence when the vessel is moored alongside (all fast) the loading berth. 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 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, delay caused by the loading terminal facility, decisions made by vessel owners or operators or by port authorities affecting loading operations, discharge of ballast or slops, customs and immigration clearance, weather, labor disputes, force majeure and the like shall not count as used laytime. In addition, movement in roads shall not count as used laytime.

(c) For all hours or any part thereof of vessel laytime that elapse in excess of the allowed vessel laytime for loading provided for in this provision, demurrage shall be paid by DOE, for U.S.-flag vessels, at the lesser of the

demurrage rate in the tanker voyage or charter party agreement, or a U.S.-flag freight rate assessment obtained by the DOE for a hypothetical tanker with a deadweight in long tons equal to the weight in long tons of the petroleum loaded for such hypothetical tanker and voyage. For foreign flag vessels, demurrage shall be as determined in this provision, 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 rate. For all foreign flag vessel loadings 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 day of the preceding month. The demurrage rate for barges will be the lesser of the hourly rate contained in the charter of a chartered barge, or a rate determined by DOE as a fair rate under prevailing conditions. If demurrage is incurred because of breakdown of machinery or equipment of DOE, 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 DOE, however, shall in no event exceed the actual demurrage expense incurred by the purchaser as the result of the delay.

Note: In the event there is a “demurrage claim,” Government payments to oil purchaser(s) will be in accordance with VIPERS instructions. (See Table of Contents for Link)

15. Standard Sales Provision C.12, *Pipeline and Delivery Procedures*, paragraph (d) is deleted in its entirety and replaced with the following:

“(d) The date of delivery, which will be recorded on the CODR (see Provision C.19), is the date delivery is completed at the custody transfer point, as identified in the NS.”

16. Standard Sales Provision C.13, *Title and Risk of Loss*, is supplemented as follows:

St. James Pipeline – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bayou Choctaw site meter station.

Note: The delivery point for DLI “DLI-A Pipeline @ St. James Pipeline” is into the Redstick pipeline to the St. James Terminal facility. Offerors are responsible for all transportation costs beyond the delivery point.

Seaway Texas City (Pipeline) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bryan Mound site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Texas City” is the Exxon Mobil 40” pipeline to Texas City, TX. Offerors are responsible for all transportation costs beyond the delivery point.

SPR Site to purchaser’s tank at SUN – Title and risk of loss pass to the purchaser at the connection point between the DOE/Sun terminal.

Note: The delivery point for “DLI-A Pipeline @ Sun” is the connection point between the DOE/Sun terminal. Offerors bidding on this DLI must have their own tankage available at SUN available for receipts. For deliveries to customer tankage, DOE meters and sampler at Sun terminal shall be the primary custody transfer measurement. In the event of failure at either primary meter location, secondary quality and quantity measurement shall be the applicable customer receipt/delivery tank gauge. If automatic samples are available at primary custody transfer location, primary quality will remain at that location. In the event neither of those are available, customer and the DOE will mutually agree on the method to be utilized.

SPR Site to purchaser’s tank at P66 Beaumont Terminal – Title and risk of loss pass to the purchaser at the purchaser’s receiving tank flange at P66 Beaumont Terminal.

Note: The delivery point for “DLI-H Pipeline @ P66 Beaumont Terminal” is the receiving tank flange at P66 Beaumont Terminal. Offerors bidding on this DLI must have tankage prearranged at P66 Beaumont Terminal available for receipts. Offerors will be invoiced an additional \$0.13 per barrel throughput for all crude oil that passes through the P66 Beaumont Terminal Connection Point.

Lake Charles Meter Station (LCMS) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE LCMS meter station.

17. Standard Sales Provision C.16, *Price Adjustments for Quality Differentials*, is deleted in its entirety and replaced with the following:
 - (a) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the API gravity of the SPR crude oil delivered differs by more than plus or minus five-tenths of one degree API (+/-0.5° API) from the API gravity of the SPR crude oil stream contracted for as published in the NS.

- (b) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the Sulfur mass percent of the SPR crude oil delivered differs by more than plus or minus one-tenth of one percent of total Sulfur (+/-0.10 mass, %) from the total Sulfur of the SPR crude oil stream contracted for as published in the NS.
- (c) Price adjustments for the SPR crude oil are expected to be similar to commercial crude oil quality price adjustment methodologies for equivalent quality crude oil, taking into account the amount by which the actual values exceed the allowable variations set forth in paragraphs (a) and (b) above.
- (d) Price adjustments for SPR crude oil streams offered for sale will be calculated using the GravCap tables at Attachment C.

Note: For calculation purposes the following will apply:

- 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.
- 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.

18. Standard Sales Provision C.19, *Delivery Documentation, Appendix A to Part 625 – Standard Sales Provisions, Exhibit E*, is amended as follows:

The Strategic Petroleum Reserve Crude Oil Delivery Report Number (SPRCODR) is changed to SPRPMO F-416.1-3.

Digital signature(s) shall be utilized when possible for completion of SPRCODR.

19. Standard Sales Provision C.20, Contract Amounts is replaced in its entirety with the following:

The contract quantities and dollar value stated in the Notice of Acceptance (NA) are estimates. The per barrel unit price is subject to adjustment due to variation in the API gravity and sulfur content from the published characteristics, changes in delivery mode, and price index values, if applicable. In addition, due to conditions of vessel loading and shipping or pipeline transmission, the quantity actually delivered may vary by +/- 10 percent for each shipment. However, a purchaser is not required to procure additional transportation capacity if sufficient capacity to take delivery of at least 95 percent of the contract quantity has been engaged. The

95 percent threshold will be calculated based on the volume of net cargo receipts versus awarded quantity under each separate contract.

20. Standard Sales Provision C.21, *Payment and Performance Letter of Credit*, is amended as follows:

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

Paragraph (a) is supplemented as follows:

“The expiration date of the LOC will be provided in the ASO letter.”

Paragraph (b) is amended as follows:

The second sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

21. Standard Sales Provision C.22, *Billing and Payment*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“ (a) The Government will invoice the purchaser at the conclusion of each delivery. The invoice will be based upon the nearest whole barrel volume (i.e. rounded to the nearest barrel).”

“ (d) In the event that the bank refuses to honor the draft against the letter of credit, the purchaser shall be responsible for paying the principal and any interest, administrative costs and penalties due (see Provision C.24) from the due date.”

22. Standard Sales Provision C.23, *Method of Payments*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“(a) All amounts payable by the purchaser shall be paid by deposit to the account of the U.S. Treasury by wire transfer of funds using the Fedwire Funds Service. The information to be included in each wire transfer will be provided in the NS. All wire deposit electronic funds transfer costs will be borne by the purchaser.”

“(d) Notwithstanding any other contract provision, DOE may, via a draft message, request a wire transfer of funds against the standby letter of credit at any time

for payment of monies due under the contract and remaining unpaid in violation of the terms of the contract. These would include but not be limited to interest, administrative costs, penalties, liquidated damages, demurrage, amounts owing for any services provided under the contract, and the difference between the contract price and price received on the resale of undelivered petroleum as defined in Provision C.25.”

In addition, Government payments to oil purchaser(s) will be in accordance with VIPERS instructions.

23. Standard Sales Provision C.24, *Interest*, is deleted in its entirety and replaced with the following:

“C.24 Interest, Administrative Costs and Penalties

- (a) Amounts due and payable by the purchaser or its bank that are not paid in accordance with the provisions governing such payments shall bear interest, which will be indexed with the Current Value of Funds rate, from the day the invoice is mailed or transmitted to the purchaser until the date payment is received by the Government.
- (b) Administrative Costs will be charged monthly to cover the expense of collecting delinquent debt. The current rate is \$7.25/month.
- (c) A penalty will be assessed at the rate of 6% per year. The penalty charge accrues from the day the invoice is mailed or transmitted to the purchaser, and is assessed on any portion of the debt that is outstanding for more than 90 days, including any interest and administrative costs.”

24. Standard Sales Provision C.32, *Disputes*, is amended as follows:

Paragraph (c) “\$50,000” is changed to “\$100,000”, and the following language is added to the certification “; and that I am duly authorized to certify the claim on behalf of the purchaser.”

25. Standard Sales Provision Exhibit B, *SPR Delivery Point Data*, is supplemented as follows:

Regarding the Government information reflected in 10 CFR Part 625 as amended, Standard Sales Provisions Exhibit B that were obtained from the terminals; it is the responsibility of the Offerors to confirm these specifications prior to nominations to ensure most current information.

26. Standard Sales Provisions Exhibit C, *SAMPLE -- OFFER GUARANTEE STANDBY LETTER OF CREDIT*, is replaced by Attachment D of this NS. Instructions for Offer Letter of Credit are included in Attachment D of this NS.
27. Standard Sales Provision Exhibit D, *SAMPLE -- PAYMENT AND PERFORMANCE LETTER OF CREDIT*, is replaced by Attachment E of this NS. Instructions for Payment and Performance Letter of Credit are included in Attachment E of this NS.
28. By submission of an offer, the Offeror certifies that the Offeror, and any entity owned or controlled by the Offeror, does not engage in any activity prohibited under applicable U.S. export control and sanctions laws and regulations.
29. INTENTIONALLY OMITTED
30. Contract Price Adjustment

- (a) The unit price for crude oil under the contract shall be the Delivery Reference Price (DRP) adjusted by the Price Adjustment Factor (PAF) as provided in this provision, subject to any additional adjustments provided for elsewhere in the contract.
- (b) The terms used in this provision are defined as follows:

Base Reference Price (BRP)

- (1) The BRP for all SPR crude oil streams offered for sale is the average (to the \$0.0001) of the Daily Index Prices as computed by the Government from prices for the most recent five days on which trading activity occurred, ending two trading days before the date of the Notice of Sale.
- (2) For this Notice of Sale, the BRP is **\$92.5980** for all sour SPR crude oil streams.
- (3) For this Notice of Sale, the BRP is **\$95.1520** for the sweet SPR crude oil stream.

Daily Index Price (DIP)

The DIP applicable to **sour** SPR crude oil streams offered for sale is the “Mars Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the

date by Argus Americas Crude. The DIP applicable to **sweet** SPR crude oil streams offered for sale is the “WTI Houston Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. Reference pricing streams associated with offered crude oil are shown below.

Sour Streams	Reference Crude Oil Stream
Big Hill Sour	Mars
West Hackberry Sour	Mars
Bryan Mound Sour	Mars
Bayou Choctaw Sweet	WTI Houston

Delivery Reference Price (DRP) - The DRP is the average (to the \$0.0001) of the Daily Index Prices for the five trading days surrounding the delivery "price date" as stated in Block 7, "PRICE DATE", on the Strategic Petroleum Reserve Crude Oil Delivery Report: SPRPMO F-416.1-3.

- (1) For pipeline deliveries, the “price date” shall be the date the shipment completed at the custody transfer point, in accordance with SSP C.12, as amended by the NS.
- (2) For vessel deliveries, the "price date" shall be the date vessel loading completed in accordance with SSP C.19.
- (3) The "five trading days surrounding the price date" means the following five days: The midday, day three, is the price date as determined above (unless such day is a day on which trading activity did not occur, in which case the midday shall be the succeeding day on which trading activity did occur), the two days preceding the midday of the five day period on which trading activity occurred and the two days succeeding the midday on which trading activity occurred.

Price Adjustment Factor (PAF) - The PAF is the purchaser's offered price minus the Base Reference Price (BRP). The PAF may be either positive or negative.

GENERIC EXAMPLES:

Delivery Reference Price + Price Adjustment Factor = Unit Price per Barrel
(subject to any additional adjustments provided for elsewhere in the contract):

Example 1:

Assume:

Offered Price	\$93.2534	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$2.2519	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$2.2519	
Unit Price/bbl	\$97.7574	

Example 2:

Assume:

Offered Price	\$90.7564	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$(0.2451)	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$(0.2451)	
Unit Price/bbl	\$95.2604	

ATTACHMENT A
 CRUDE OIL QUANTITIES OFFERED FOR SALE
 U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE

The crude oil streams, delivery mode and periods, daily maximum delivery capability, and quantities of crude oil offered in this sale, under emergency conditions, are as follows:

- MLI = Master Line Item/Crude Oil Stream
- DLI = Delivery Line Item/Maximum Quantity per Delivery Mode and Period
- MIN Qty. = Minimum Contract Quantity Per DLI
- MB = Thousands of Barrels
- MBD Avg = SPR's estimated daily maximum delivery limit capability for each delivery line item (under emergency conditions).

Crude Oil Stream <u>MLI</u>	DLI - Mode of <u>Delivery</u>	Delivery <u>Period</u>	MLI Qty <u>(MB)</u>	MBD <u>Avg</u>	DLI Qty <u>(MB)</u>	MIN Qty <u>(MB)</u>
Bryan Mound Sour 002		4/1-5/31	8,000			
	DLI-B Vessel @ Freeport	4/1-5/31		480	4,000	350
	DLI-H Pipeline @ Texas City	4/1-5/31		880	4,000	250

Crude Oil Stream <u>MLI</u>	DLI - Mode of <u>Delivery</u>	Delivery <u>Period</u>	MLI Qty <u>(MB)</u>	MBD <u>Avg</u>	DLI Qty <u>(MB)</u>	MIN Qty <u>(MB)</u>
Big Hill Sour 010		4/1-5/31	2,000			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	4/1-5/31		775	2,000	350
	DLI-B Vessel @ Sun (SPR Tank)	4/1-5/31		1085	2,000	250
	DLI-H Pipeline @P66 Beaumont Terminal	4/1-5/31		480	2,000	350

Crude Oil Stream <u>MLI</u>	DLI - Mode of <u>Delivery</u>	Delivery <u>Period</u>	MLI Qty <u>(MB)</u>	MBD <u>Avg</u>	DLI Qty <u>(MB)</u>	MIN Qty <u>(MB)</u>
West Hackberry Sour 005		4/1-5/31	10,000			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	4/1-5/31		775	10,000	350
	DLI-B Vessel @ Sun (SPR Tank)	4/1-5/31		1085	2,100	250
	DLI-H Pipeline @Lake Charles Meter Station	4/1-5/31		520	4,800	350

Crude Oil Stream <u>MLI</u>	DLI - Mode of <u>Delivery</u>	Delivery <u>Period</u>	MLI Qty <u>(MB)</u>	MBD <u>Avg</u>	DLI Qty <u>(MB)</u>	MIN Qty <u>(MB)</u>
Bayou Choctaw Sweet 007		4/1-5/31	10,000			
	DLI-A Pipeline St. James Pipeline	4/1-5/31		300	10,000	350
	DLI-H Pipeline Baton Rouge (Bourre)	4/1-5/31		300	1,500	350

ATTACHMENT - B

**INSTRUCTIONS FOR FEDWIRE FUNDS TRANSFERS TO THE
DEPARTMENT OF ENERGY**

Please provide the following instructions to your Financial Institution for Fedwire funds transfers to the Department of Energy at the U.S. Treasury:

Item Number	Fedwire Field Tag	Length	Fedwire Field Name	Required Information
1	{1510}	4	Type/Subtype	1000
2	{2000}	12	Amount	<i>Enter payment amount</i>
3	{3100}	9	Sending ABA number	<i>Sender ABA-number</i>
4	{3320}	16	Sender Reference	<i>Filled by sender</i>
5	{3400}	9	Receiver ABA number *	021030004
6	{3400}	18	Receiver Short Name	TREAS NYC
7	{3600}	3	Business Function Code	CTR (or CTP)
8	{4200}	34	Beneficiary Identifier (account number)	89000001
9	{4200}	35	Beneficiary Name	DEPARTMENT OF ENERGY
10	{5000}	35	Originator Name	<i>Enter the (company) name of the originator of the payment</i>
11	{6000}	35	Originator to Beneficiary Information – Line 1	<i>Enter Contract Number</i>
11	{6000}	35	Line 2	<i>Enter Cargo Number</i>
11	{6000}	35	Line 3	<i>Enter Invoice Number</i>
11	{6000}	35	Line 4	

*** The financial institution address for Treasury's routing number is:**

**Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045**

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN GRAVITY OF CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL
10.0	1.250	16.0	2.150	22.0	3.050	28.0	3.950	34.0	4.850	40.0	5.100	46.0	4.950	52.0	4.050
10.1	1.265	16.1	2.165	22.1	3.065	28.1	3.965	34.1	4.865	40.1	5.100	46.1	4.935	52.1	4.035
10.2	1.280	16.2	2.180	22.2	3.080	28.2	3.980	34.2	4.880	40.2	5.100	46.2	4.920	52.2	4.020
10.3	1.295	16.3	2.195	22.3	3.095	28.3	3.995	34.3	4.895	40.3	5.100	46.3	4.905	52.3	4.005
10.4	1.310	16.4	2.210	22.4	3.110	28.4	4.010	34.4	4.910	40.4	5.100	46.4	4.890	52.4	3.990
10.5	1.325	16.5	2.225	22.5	3.125	28.5	4.025	34.5	4.925	40.5	5.100	46.5	4.875	52.5	3.975
10.6	1.340	16.6	2.240	22.6	3.140	28.6	4.040	34.6	4.940	40.6	5.100	46.6	4.860	52.6	3.960
10.7	1.355	16.7	2.255	22.7	3.155	28.7	4.055	34.7	4.955	40.7	5.100	46.7	4.845	52.7	3.945
10.8	1.370	16.8	2.270	22.8	3.170	28.8	4.070	34.8	4.970	40.8	5.100	46.8	4.830	52.8	3.930
10.9	1.385	16.9	2.285	22.9	3.185	28.9	4.085	34.9	4.985	40.9	5.100	46.9	4.815	52.9	3.915
11.0	1.400	17.0	2.300	23.0	3.200	29.0	4.100	35.0	5.000	41.0	5.100	47.0	4.800	53.0	3.900
11.1	1.415	17.1	2.315	23.1	3.215	29.1	4.115	35.1	5.000	41.1	5.100	47.1	4.785	53.1	3.885
11.2	1.430	17.2	2.330	23.2	3.230	29.2	4.130	35.2	5.000	41.2	5.100	47.2	4.770	53.2	3.870
11.3	1.445	17.3	2.345	23.3	3.245	29.3	4.145	35.3	5.000	41.3	5.100	47.3	4.755	53.3	3.855
11.4	1.460	17.4	2.360	23.4	3.260	29.4	4.160	35.4	5.000	41.4	5.100	47.4	4.740	53.4	3.840
11.5	1.475	17.5	2.375	23.5	3.275	29.5	4.175	35.5	5.000	41.5	5.100	47.5	4.725	53.5	3.825
11.6	1.490	17.6	2.390	23.6	3.290	29.6	4.190	35.6	5.000	41.6	5.100	47.6	4.710	53.6	3.810
11.7	1.505	17.7	2.405	23.7	3.305	29.7	4.205	35.7	5.000	41.7	5.100	47.7	4.695	53.7	3.795
11.8	1.520	17.8	2.420	23.8	3.320	29.8	4.220	35.8	5.000	41.8	5.100	47.8	4.680	53.8	3.780
11.9	1.535	17.9	2.435	23.9	3.335	29.9	4.235	35.9	5.000	41.9	5.100	47.9	4.665	53.9	3.765
12.0	1.550	18.0	2.450	24.0	3.350	30.0	4.250	36.0	5.020	42.0	5.100	48.0	4.650	54.0	3.750
12.1	1.565	18.1	2.465	24.1	3.365	30.1	4.265	36.1	5.020	42.1	5.100	48.1	4.635	54.1	3.735
12.2	1.580	18.2	2.480	24.2	3.380	30.2	4.280	36.2	5.020	42.2	5.100	48.2	4.620	54.2	3.720
12.3	1.595	18.3	2.495	24.3	3.395	30.3	4.295	36.3	5.020	42.3	5.100	48.3	4.605	54.3	3.705
12.4	1.610	18.4	2.510	24.4	3.410	30.4	4.310	36.4	5.020	42.4	5.100	48.4	4.590	54.4	3.690
12.5	1.625	18.5	2.525	24.5	3.425	30.5	4.325	36.5	5.020	42.5	5.100	48.5	4.575	54.5	3.675
12.6	1.640	18.6	2.540	24.6	3.440	30.6	4.340	36.6	5.020	42.6	5.100	48.6	4.560	54.6	3.660
12.7	1.655	18.7	2.555	24.7	3.455	30.7	4.355	36.7	5.020	42.7	5.100	48.7	4.545	54.7	3.645
12.8	1.670	18.8	2.570	24.8	3.470	30.8	4.370	36.8	5.020	42.8	5.100	48.8	4.530	54.8	3.630
12.9	1.685	18.9	2.585	24.9	3.485	30.9	4.385	36.9	5.020	42.9	5.100	48.9	4.515	54.9	3.615
13.0	1.700	19.0	2.600	25.0	3.500	31.0	4.400	37.0	5.040	43.0	5.100	49.0	4.500	55.0	3.600
13.1	1.715	19.1	2.615	25.1	3.515	31.1	4.415	37.1	5.040	43.1	5.100	49.1	4.485		
13.2	1.730	19.2	2.630	25.2	3.530	31.2	4.430	37.2	5.040	43.2	5.100	49.2	4.470		
13.3	1.745	19.3	2.645	25.3	3.545	31.3	4.445	37.3	5.040	43.3	5.100	49.3	4.455		
13.4	1.760	19.4	2.660	25.4	3.560	31.4	4.460	37.4	5.040	43.4	5.100	49.4	4.440		
13.5	1.775	19.5	2.675	25.5	3.575	31.5	4.475	37.5	5.040	43.5	5.100	49.5	4.425		
13.6	1.790	19.6	2.690	25.6	3.590	31.6	4.490	37.6	5.040	43.6	5.100	49.6	4.410		
13.7	1.805	19.7	2.705	25.7	3.605	31.7	4.505	37.7	5.040	43.7	5.100	49.7	4.395		
13.8	1.820	19.8	2.720	25.8	3.620	31.8	4.520	37.8	5.040	43.8	5.100	49.8	4.380		
13.9	1.835	19.9	2.735	25.9	3.635	31.9	4.535	37.9	5.040	43.9	5.100	49.9	4.365		
14.0	1.850	20.0	2.750	26.0	3.650	32.0	4.550	38.0	5.060	44.0	5.100	50.0	4.350		
14.1	1.865	20.1	2.765	26.1	3.665	32.1	4.565	38.1	5.060	44.1	5.100	50.1	4.335		
14.2	1.880	20.2	2.780	26.2	3.680	32.2	4.580	38.2	5.060	44.2	5.100	50.2	4.320		
14.3	1.895	20.3	2.795	26.3	3.695	32.3	4.595	38.3	5.060	44.3	5.100	50.3	4.305		
14.4	1.910	20.4	2.810	26.4	3.710	32.4	4.610	38.4	5.060	44.4	5.100	50.4	4.290		
14.5	1.925	20.5	2.825	26.5	3.725	32.5	4.625	38.5	5.060	44.5	5.100	50.5	4.275		
14.6	1.940	20.6	2.840	26.6	3.740	32.6	4.640	38.6	5.060	44.6	5.100	50.6	4.260		
14.7	1.955	20.7	2.855	26.7	3.755	32.7	4.655	38.7	5.060	44.7	5.100	50.7	4.245		
14.8	1.970	20.8	2.870	26.8	3.770	32.8	4.670	38.8	5.060	44.8	5.100	50.8	4.230		
14.9	1.985	20.9	2.885	26.9	3.785	32.9	4.685	38.9	5.060	44.9	5.100	50.9	4.215		
15.0	2.000	21.0	2.900	27.0	3.800	33.0	4.700	39.0	5.080	45.0	5.100	51.0	4.200		
15.1	2.015	21.1	2.915	27.1	3.815	33.1	4.715	39.1	5.080	45.1	5.085	51.1	4.185		
15.2	2.030	21.2	2.930	27.2	3.830	33.2	4.730	39.2	5.080	45.2	5.070	51.2	4.170		
15.3	2.045	21.3	2.945	27.3	3.845	33.3	4.745	39.3	5.080	45.3	5.055	51.3	4.155		
15.4	2.060	21.4	2.960	27.4	3.860	33.4	4.760	39.4	5.080	45.4	5.040	51.4	4.140		
15.5	2.075	21.5	2.975	27.5	3.875	33.5	4.775	39.5	5.080	45.5	5.025	51.5	4.125		
15.6	2.090	21.6	2.990	27.6	3.890	33.6	4.790	39.6	5.080	45.6	5.010	51.6	4.110		
15.7	2.105	21.7	3.005	27.7	3.905	33.7	4.805	39.7	5.080	45.7	4.995	51.7	4.095		
15.8	2.120	21.8	3.020	27.8	3.920	33.8	4.820	39.8	5.080	45.8	4.980	51.8	4.080		
15.9	2.135	21.9	3.035	27.9	3.935	33.9	4.835	39.9	5.080	45.9	4.965	51.9	4.065		

For API GRAVITY values above 55.0° API the differential continues to decline 0.015/bbl. per 0.1° API GRAVITY.

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN SULFUR CONTENT FOR CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL
0.00	1.000	0.60	1.600	1.20	2.200	1.80	2.800	2.40	3.400	3.00	4.000	3.60	4.600
0.01	1.010	0.61	1.610	1.21	2.210	1.81	2.810	2.41	3.410	3.01	4.010	3.61	4.610
0.02	1.020	0.62	1.620	1.22	2.220	1.82	2.820	2.42	3.420	3.02	4.020	3.62	4.620
0.03	1.030	0.63	1.630	1.23	2.230	1.83	2.830	2.43	3.430	3.03	4.030	3.63	4.630
0.04	1.040	0.64	1.640	1.24	2.240	1.84	2.840	2.44	3.440	3.04	4.040	3.64	4.640
0.05	1.050	0.65	1.650	1.25	2.250	1.85	2.850	2.45	3.450	3.05	4.050	3.65	4.650
0.06	1.060	0.66	1.660	1.26	2.260	1.86	2.860	2.46	3.460	3.06	4.060	3.66	4.660
0.07	1.070	0.67	1.670	1.27	2.270	1.87	2.870	2.47	3.470	3.07	4.070	3.67	4.670
0.08	1.080	0.68	1.680	1.28	2.280	1.88	2.880	2.48	3.480	3.08	4.080	3.68	4.680
0.09	1.090	0.69	1.690	1.29	2.290	1.89	2.890	2.49	3.490	3.09	4.090	3.69	4.690
0.10	1.100	0.70	1.700	1.30	2.300	1.90	2.900	2.50	3.500	3.10	4.100	3.70	4.700
0.11	1.110	0.71	1.710	1.31	2.310	1.91	2.910	2.51	3.510	3.11	4.110	3.71	4.710
0.12	1.120	0.72	1.720	1.32	2.320	1.92	2.920	2.52	3.520	3.12	4.120	3.72	4.720
0.13	1.130	0.73	1.730	1.33	2.330	1.93	2.930	2.53	3.530	3.13	4.130	3.73	4.730
0.14	1.140	0.74	1.740	1.34	2.340	1.94	2.940	2.54	3.540	3.14	4.140	3.74	4.740
0.15	1.150	0.75	1.750	1.35	2.350	1.95	2.950	2.55	3.550	3.15	4.150	3.75	4.750
0.16	1.160	0.76	1.760	1.36	2.360	1.96	2.960	2.56	3.560	3.16	4.160	3.76	4.760
0.17	1.170	0.77	1.770	1.37	2.370	1.97	2.970	2.57	3.570	3.17	4.170	3.77	4.770
0.18	1.180	0.78	1.780	1.38	2.380	1.98	2.980	2.58	3.580	3.18	4.180	3.78	4.780
0.19	1.190	0.79	1.790	1.39	2.390	1.99	2.990	2.59	3.590	3.19	4.190	3.79	4.790
0.20	1.200	0.80	1.800	1.40	2.400	2.00	3.000	2.60	3.600	3.20	4.200	3.80	4.800
0.21	1.210	0.81	1.810	1.41	2.410	2.01	3.010	2.61	3.610	3.21	4.210	3.81	4.810
0.22	1.220	0.82	1.820	1.42	2.420	2.02	3.020	2.62	3.620	3.22	4.220	3.82	4.820
0.23	1.230	0.83	1.830	1.43	2.430	2.03	3.030	2.63	3.630	3.23	4.230	3.83	4.830
0.24	1.240	0.84	1.840	1.44	2.440	2.04	3.040	2.64	3.640	3.24	4.240	3.84	4.840
0.25	1.250	0.85	1.850	1.45	2.450	2.05	3.050	2.65	3.650	3.25	4.250	3.85	4.850
0.26	1.260	0.86	1.860	1.46	2.460	2.06	3.060	2.66	3.660	3.26	4.260	3.86	4.860
0.27	1.270	0.87	1.870	1.47	2.470	2.07	3.070	2.67	3.670	3.27	4.270	3.87	4.870
0.28	1.280	0.88	1.880	1.48	2.480	2.08	3.080	2.68	3.680	3.28	4.280	3.88	4.880
0.29	1.290	0.89	1.890	1.49	2.490	2.09	3.090	2.69	3.690	3.29	4.290	3.89	4.890
0.30	1.300	0.90	1.900	1.50	2.500	2.10	3.100	2.70	3.700	3.30	4.300	3.90	4.900
0.31	1.310	0.91	1.910	1.51	2.510	2.11	3.110	2.71	3.710	3.31	4.310	3.91	4.910
0.32	1.320	0.92	1.920	1.52	2.520	2.12	3.120	2.72	3.720	3.32	4.320	3.92	4.920
0.33	1.330	0.93	1.930	1.53	2.530	2.13	3.130	2.73	3.730	3.33	4.330	3.93	4.930
0.34	1.340	0.94	1.940	1.54	2.540	2.14	3.140	2.74	3.740	3.34	4.340	3.94	4.940
0.35	1.350	0.95	1.950	1.55	2.550	2.15	3.150	2.75	3.750	3.35	4.350	3.95	4.950
0.36	1.360	0.96	1.960	1.56	2.560	2.16	3.160	2.76	3.760	3.36	4.360	3.96	4.960
0.37	1.370	0.97	1.970	1.57	2.570	2.17	3.170	2.77	3.770	3.37	4.370	3.97	4.970
0.38	1.380	0.98	1.980	1.58	2.580	2.18	3.180	2.78	3.780	3.38	4.380	3.98	4.980
0.39	1.390	0.99	1.990	1.59	2.590	2.19	3.190	2.79	3.790	3.39	4.390	3.99	4.990
0.40	1.400	1.00	2.000	1.60	2.600	2.20	3.200	2.80	3.800	3.40	4.400	4.00	5.000
0.41	1.410	1.01	2.010	1.61	2.610	2.21	3.210	2.81	3.810	3.41	4.410		
0.42	1.420	1.02	2.020	1.62	2.620	2.22	3.220	2.82	3.820	3.42	4.420		
0.43	1.430	1.03	2.030	1.63	2.630	2.23	3.230	2.83	3.830	3.43	4.430		
0.44	1.440	1.04	2.040	1.64	2.640	2.24	3.240	2.84	3.840	3.44	4.440		
0.45	1.450	1.05	2.050	1.65	2.650	2.25	3.250	2.85	3.850	3.45	4.450		
0.46	1.460	1.06	2.060	1.66	2.660	2.26	3.260	2.86	3.860	3.46	4.460		
0.47	1.470	1.07	2.070	1.67	2.670	2.27	3.270	2.87	3.870	3.47	4.470		
0.48	1.480	1.08	2.080	1.68	2.680	2.28	3.280	2.88	3.880	3.48	4.480		
0.49	1.490	1.09	2.090	1.69	2.690	2.29	3.290	2.89	3.890	3.49	4.490		
0.50	1.500	1.10	2.100	1.70	2.700	2.30	3.300	2.90	3.900	3.50	4.500		
0.51	1.510	1.11	2.110	1.71	2.710	2.31	3.310	2.91	3.910	3.51	4.510		
0.52	1.520	1.12	2.120	1.72	2.720	2.32	3.320	2.92	3.920	3.52	4.520		
0.53	1.530	1.13	2.130	1.73	2.730	2.33	3.330	2.93	3.930	3.53	4.530		
0.54	1.540	1.14	2.140	1.74	2.740	2.34	3.340	2.94	3.940	3.54	4.540		
0.55	1.550	1.15	2.150	1.75	2.750	2.35	3.350	2.95	3.950	3.55	4.550		
0.56	1.560	1.16	2.160	1.76	2.760	2.36	3.360	2.96	3.960	3.56	4.560		
0.57	1.570	1.17	2.170	1.77	2.770	2.37	3.370	2.97	3.970	3.57	4.570		
0.58	1.580	1.18	2.180	1.78	2.780	2.38	3.380	2.98	3.980	3.58	4.580		
0.59	1.590	1.19	2.190	1.79	2.790	2.39	3.390	2.99	3.990	3.59	4.590		

For Sulfur Values
above 4.00% the
differential continues
to increase 0.01/BBL
per 0.01 Percent
Sulfur

Attachment D

SAMPLE - OFFER GUARANTEE STANDBY LETTER OF CREDIT

**BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123

Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____)

CONTRACTOR: _____

NOTICE OF SALE NO: _____

OFFER NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: **May 9, 2022**

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy's Notice of Sale, including any amendments thereto, for the sale of Strategic Petroleum Reserve petroleum. This Letter of Credit expires at least 60 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

“THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF (CONTRACTOR) TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR THE PURCHASE OF SPR PETROLEUM FROM THE STRATEGIC PETROLEUM RESERVE, IN ACCORDANCE WITH THE U.S. GOVERNMENT'S NOTICE OF SALE NO. _____, INCLUDING ANY AMENDMENTS THERETO.”

Attachment D

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced Notice of Sale.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

Attachment D

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statement. **The drawing statement is in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

Attachment D

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have a letter of cancellation returned to you via e-mail only for cancellation of your Offer Letter of Credit, please provide information below:

Send a signed authorization to cancel the Offer LOC to the following point of contact via e-mail address: _____

Contact Phone Number: _____

**SAMPLE - PAYMENT AND PERFORMANCE LETTER OF CREDIT
BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S.\$ _____ (_____)

CONTRACTOR: _____

CONTRACT NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: _____

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer's above contract with the U.S. Department of Energy for the sale of Strategic Petroleum Reserve petroleum.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and one or both of the following statements:

a. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE THE GOVERNMENT HAS DELIVERED SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO, AND _____ (CONTRACTOR) HAS NOT PAID UNDER THE TERMS OF THAT CONTRACT."**

b. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE _____ (CONTRACTOR) HAS FAILED TO TAKE DELIVERY OF SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO."**

Attachment E

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced contract.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

INSTRUCTIONS FOR PAYMENT AND PERFORMANCE GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statements. **The drawing statements are in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

STRATEGIC PETROLEUM RESERVE

NOMINATION - CONFIRMATION

SPR Operations Fluor Federal Petroleum Operations New Orleans, Louisiana FFPOCOL@SPR.DOE.GOV	<u>Scheduler</u> Chuck Costanza (504) 734-4733 <u>Quantity and Quality</u> Ned Scheppegrell (504) 722-6146
------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------

****The following information must be provided by the Contractor****

Submission Date: [Click here to enter a date.](#) Submission Type: Original Nomination

Contract No.: Enter Contract Number
 Contractor: Enter Contractor Name
 Address: Enter Address
 City, State, Zip

Contractor Contact Information

Primary Contact: Primary Contact Name	Alternate: Alternate Contact Name
Office: Office Phone	Office: Office Phone
Cell: Cell Phone	Cell: Cell Phone
Email: Email Address	Email: Email Address

CODR/DD250 Contractor Signatory Designee*: Signatory Designee Name

*Designee can be contractor office personnel, 3rd party inspection company†, or chosen loss control representative†.

Office: Office Phone
 Cell: Cell Phone
 Email: Email Address

Note: If multiple designees are to be used, please input "See Attached" and provide list to FFPOCOL@spr.doe.gov with nomination.

†Third Party Inspection Company Information

Company: 3rd Party Inspection Company

Contact: 3rd Party Contact Name

Contact Ned Scheppegrell for any questions on SPR 3rd party inspection and testing.

Nomination Information and Delivery Window (additional lines on following page)

Delivery Window	Pipeline/Vessel	Volume (MB)	SPR Site	Destination
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Total Volume:		Total Volume		

The Following information to be provided by SPR Operations Personnel

Terminal Information

Terminal: TBD
 Contact:
 Contact:
 Contact:

Custody Transfer Point

TBD
Quality Point
 TBD
Quantity Point
 TBD

From: [Gele, Kelly](#) on behalf of [Gele, Kelly <Kelly.Gele@SPR.DOE.GOV>](#)
To: [MacIntyre, Douglas \(HQ\)](#); [Oosterling, Paul S](#); [McGarry, Thomas \(HQ\)](#); [Gele, Lionel](#); [Turner, Shenee \(HQ\)](#); [Perry, Robert](#); [Treadway, Demetrius](#); [Williams, Rhonda \(HQ\)](#)
Cc: [Habbaz, Roy](#); [Roark, Christopher](#); [Roark, Mary](#); [Wormhoudt, Sheldra](#); [Coleman, Jennifer](#); [Webre, Richard](#); [Harrell, Yolanda](#); [O'Shaughnessy, Kelly](#)
Subject: FY22 Emergency Drawdown No. 3C NOS
Date: Monday, September 19, 2022 2:11:32 PM
Attachments: [FY22 Emergency Drawdown No. 3C NOS.pdf](#)

All,

The Notice of Sale has been issued. It has been posted online and can be found at <https://www.spr.doe.gov/does/OilSale.htm>.

I also have attached a copy for everyone.

Thanks,

Kelly M. Gele'

**Director, Office of Acquisition and Sales
Strategic Petroleum Reserve
Department of Energy
New Orleans, LA 70123
(504)734-4343 (work)
(b) (6) (cell)**



Department of Energy
Strategic Petroleum Reserve Project Management Office
900 Commerce East
New Orleans, Louisiana 70123

NOTICE OF SALE
DE-NS96-22PO70000

Pursuant to the authority and direction of the President of the United States, the Strategic Petroleum Reserve (SPR) is conducting an emergency sale of SPR crude oil as provided for by the Department of Energy Organization Act (42 U.S.C 7101 et seq.) and Section 161(d) of the Energy Policy and Conservation Act (42 U.S.C. 6241). The Department of Energy invites you to submit offers for the purchase of crude oil from the SPR. Contracts resulting from this sale shall be subject to contract price adjustment as set forth in the Supplements and Amendments to the Standard Sales Provisions (SSP). This Notice of Sale contains the terms and conditions of the sale and specific instructions for preparation and submittal of offers.

As stated in this Notice of Sale, you are required to submit your offer using the Crude Oil Sales Offer Program. **Manual offers will NOT be accepted.**

Offers are due by 10:00 a.m. Central Time, Tuesday September 27, 2022.

Please read this solicitation carefully. Questions regarding this Notice of Sale must be submitted via email by noon, Central Time, Monday September 26, 2022, to allow a reply to reach all prospective Offerors prior to submission of their offers. Any questions received after this date/time may not be answered prior to the date/time offers are due. Questions/Responses will be posted daily, by 5:00 p.m. Central Time at: <https://www.spr.doe.gov/doeec/oilsale.htm>. Questions must be addressed to:

<u>Contact</u>	<u>Telephone</u>	<u>E-Mail</u>
Mary C. Roark (Contracting Officer)	(504) 734-4195	mary.roark@spr.doe.gov

A handwritten signature in black ink, appearing to read "Kelly M. Gelé".

Date: September 19, 2022

Kelly M. Gelé
Director, Office of Acquisition and Sales

NOTICE OF SALE
DE-NS96-22PO70000

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Crude Oil Safety Data Sheet	Attached via hyperlink
SPR Crude Oil Assay Manual	Attached via hyperlink
Standard Sales Provisions (SSPs)	Attached via hyperlink

NOTICE OF SALE
DE-NS96-22PO70000

INSTRUCTIONS

GENERAL REQUIREMENTS

1. Offer must be submitted via the Crude Oil Sales Offer Program (COSOP) by the date/time specified in the Notice of Sale. **Manual offers will NOT be accepted.**
2. Offerors are required to submit an Offer Guarantee (See SSP B.12). Any entity that currently stores oil in the SPR under a Lease and Storage Agreement is exempt from the Offer Guarantee and Payment and Performance Letter of Credit requirements in this NOS.

Failure to submit the above documents or to comply with material requirements of the Notice of Sale may be cause for rejection of the offer.

SALE-SPECIFIC REQUIREMENTS

The following sales requirements are established for this sale:

1. The sale will be by price competition and shall be conducted pursuant to Title 10 Code of Federal Regulations Part 625 [Appendix A](#), except as may be supplemented or amended by this Notice of Sale. While the location of the [Appendix A](#): Standard Sales Provisions has changed, the provision itself has not changed since 2005.
2. The intent of this sale is to award up to 10.0 million sweet barrels. The delivery period for this sale shall be from November 1, 2022 to November 30, 2022 from Big Hill and from November 1, 2022 to November 20, 2022 from West Hackberry. Requests for early deliveries in accordance with SSP C.5(c) will be accommodated to the maximum extent possible, terms to be negotiated.
3. The crude oil streams, delivery modes and periods, and the quantities offered in this sale, as well as minimum contract quantities, are shown in [Attachment A](#).

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are finalized, Offerors who are awarded barrels at Bryan Mound (if offered) destined for Freeport Docks will submit nomination windows and vessel

confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

SPR cargo nomination ranking will be in accordance with Standard Sales Provision C.5., Delivery and Transportation Scheduling.

4. Offers MUST be received by 10:00 a.m. Central Time, Tuesday September 27, 2022; any offers received after 10:00 a.m. Central Time will be determined to be late and will be rejected, except as provided in SSP B.11, “Late Offers, Modifications of Offers, and Withdrawal of Offers.”
5. **An electronic copy of the fully executed Offer Guarantee shall be emailed or e-faxed. The e-fax number is (504) 818-5195 or e-mailed to mary.roark@spr.doe.gov AND MUST be received not later than the time/date for receipt of offers. An original hardcopy of the Offer Guarantee is not required for this Notice of Sale.**
6. Pursuant to SSP B.7, *State of Hawaii Access to SPR Crude Oil*, by submission of a binding offer, the State of Hawaii, for this sale, is entitled to purchase up to three percent of the offering barrels of SPR petroleum. Pursuant to section 161(j)(4) of the Energy Policy and Conservation Act, 42 U.S.C. 624(j)(4), the quantity to be sold to the State of Hawaii may be adjusted upward or downward to match the full tanker load of approximately 300,000 barrels, or such lesser tanker capacity as may be designated by the State of Hawaii.
7. Pursuant to SSP B.9, Submission of Offers and Modifications of Previously Submitted Offers, paragraph (e), DOE will inform simultaneously all Offerors and other interested parties of the successful and unsuccessful Offerors and their offer data by means of a public “offer posting”. This offer posting will occur approximately one week after receipt of offers. This information will be provided by a posting on the Internet at the following address:
<https://www.spr.doe.gov/doesec/oilsale.htm>.

NOTICE OF SALE
DE-NS96-22PO70000

SUPPLEMENTS AND AMENDMENTS
TO THE STANDARD SALES PROVISIONS

For this sale only, the Standard Sales Provisions (SSPs) are supplemented or amended as follows:

1. Offerors are advised that the requirements of the “Jones Act” must be met for the marine delivery of crude oil purchased in this sale which is destined for U.S. ports. SSP B.4, *Requirements for Vessels-Caution to Offerors* and SSP C.7, *Application Procedures for “Jones Act” and Construction Differential Subsidy Waivers* are supplemented as follows:

The Secretary of the Department of Homeland Security has not issued a general (‘blanket’) waiver of the ‘Jones Act’ for the marine delivery of crude oil purchased in this sale. Consequently, it is necessary for an Apparently Successful Offeror (ASO) to follow the procedures of SSP C.7. Standard Sales Provision C.7 (a) is modified to provide the following address for submission of a Jones Act waiver request.

U. S. Customs and Border Protection
Office of International Trade/Regulations and Rulings
Chief, Cargo Security
Carriers and Restricted Merchandise Branch
U.S. Department of Homeland Security
Telephone No. (202) 860-7502
JonesActWaiverRequest@cbp.dhs.gov

For more information visit: <https://www.cbp.gov/trade/jones-act-waiver-request>

2. Standard Sales Provision B.5, *“Superfund” Tax on SPR Petroleum-Caution to Offerors*, is supplemented as follows:

The “Superfund” taxes are currently not imposed; however, purchasers are liable for Oil Spill Liability Trust Fund (OSLTF) taxes of \$0.09/barrel for deliveries for calendar year 2022 if applicable, for all SPR crude oil streams and must comply with current OSLTF requirements if enacted by Congress. Additionally, purchasers are liable for: Coastal Protection fees, Waterway Navigation fees, state and local environmental fees, including the federal Harbor Maintenance Trust Fund fees, if applicable. In regards to OSLTF, per the authoritative source:

https://www.uscg.mil/Mariners/National-Pollution-Funds-Center/About_NPFC/osltf/:

*“The Principal Fund of the OSLTF has several recurring and nonrecurring sources of revenue...**Barrel Tax.** The largest source of revenue has been a per-barrel excise tax, collected from the oil industry on petroleum produced in or imported to the United States. The original 5-cent-per-barrel tax expired at the end of 1994 because of the sunset provision in the law. The 2005 Energy Policy Act again reinstated the tax (effective April 2006). The Energy Improvement and Extension Act of 2008 extended the per-barrel excise tax through December 2017 and increased the per-barrel excise tax from 5 cents to 8 cents from 2009-2016 to 9 cents in March 2017.” Subsequently, section 40416 of the Bipartisan Budget Act of 2018 temporarily reinstates the Oil Spill Liability Tax that expired on December 31, 2017 for the period beginning on March 1, 2018 through December 31, 2018. On December 20, 2019, H.R. 1865-701 was signed and amended Section 4611(f)(2) by striking December 21, 2018 and inserting “December 31, 2021”*

3. Standard Sales Provision B.6, Export Limitations and Licensing – Caution to Offerors, is removed in its entirety. Offerors are advised to review section 101 of Division O of the Consolidated Appropriations Act, 2016 (Public Law 114-113) concerning the export of crude oil, and are required to comply with all U.S. export laws.
4. Standard Sales Provision B.12, *Offer Guarantee*, is amended as follows:

Exhibit C “Offer Standby Letter of Credit” is deleted and replaced with Attachment D of the NS. All references to Exhibit C shall mean Attachment D.

Paragraph (d) is amended as follows:

The fourth sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

Paragraph (g) is supplemented as follows:

For this sale the actual expiration date of the letters of credit furnished as offer guarantees will be November 28, 2022.

Paragraph (h) is amended as follows:

“Offer guarantee letters of credit cancellation letters will be returned via e-mail only, if requested, in accordance with Attachment D - REQUEST FOR OFFER GUARANTEE RETURNS, to an unsuccessful Offeror 5 business days after expiration of the Offeror's acceptance period, and, except as provided in (i) of this provision, to a successful Offeror upon receipt of a satisfactory payment and performance letter of credit.”

5. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, is supplemented with the following information:

Minimum delivery lot sizes are 350,000 barrels for pipelines, and 250,000 barrels for vessels. Offerors are reminded, however, of their responsibility to comply with (1) any minimum tender provision of any pipelines by which they take delivery from an SPR terminal, and (2) the vessel usage and load rate restrictions specified in SSP C.8(c), *Vessel loading procedures*.

(Note: “vessel” is synonymous with “tank ship”), and (3) that Offerors are required to make arrangements with all parties downstream from the DOE site meters.

6. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, paragraph (a) has been amended as follows:

Delivery Points (from Beaumont, Texas): change from “Unocal Terminal” to “Phillips 66 Beaumont Terminal”.

7. Standard Sales Provision B.18, *Notice of Sale Line Item Schedule – Petroleum Quantity, Quality, and Delivery Method*, paragraph (h) is supplemented with the following information:

The quality characteristics of the crude oil streams offered for sale are those cited in the [Strategic Petroleum Reserve Crude Oil Assays](#).

This crude oil quality data is a weighted average composition of the specific caverns that comprise the streams offered for sale. Although a specific crude oil benchmark is referenced; SPR inventory contains a blend of domestic and global crude including Isthmus, Urals, Alaskan North Slope, Arabian Light, Saharan, and Dubai with segregation by Sweet and Sour storage caverns. The SPR has observed H₂S concentration (which is found naturally in crude oil) greater than 10 ppm in liquid in some crude batches. Measurements of H₂S in vapor space can be orders of magnitude higher than in liquid and difficult to measure due to factors in handling, weather, etc. OSHA provides guidelines on appropriate safety precautions and equipment if crude is handled openly, spilled, or released to the

atmosphere. Offerors are encouraged to review the [Strategic Petroleum Reserve Crude Oil Assays](#) for more detailed oil stream composition and specifics so that conditions (such as the presence of H₂S) are expected and communicated downstream.

Note: Each SPR stream will be a blended average using several caverns. As a result, actual representative samples are not available prior to deliveries. Please refer to Crude Oil Assays which provides a weighted average composite profile of the stream.

8. Standard Sales Provision B.22, *Procedures for Evaluation of Offers*, Paragraphs (a) and (b)(8), is amended as follows:

Award on each DLI will be made to the responsible offerors that submit the highest priced offers responsive to the SSPs and the NS, in addition to operational considerations, and that have provided the required payment and performance guarantee as required by Provision C.21

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

9. Standard Sales Provision B. 27, *Contract Documents*, is amended as follows:

The third sentence is deleted in its entirety. The fourth sentence shall read: “The NS and the Provisions of the SSPs will be made applicable through incorporation by reference in the Notice of Acceptance (NA)”. The last sentence is deleted in its entirety.

10. Standard Sales Provision C.2, *Compliance with the “Jones Act” and the U.S. Export Control Laws*, is amended to delete all references to U.S. Export Control Laws. (See 3. above.)

11. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is supplemented with the following information:

- (a) Crude Oil Scheduling:
Fluor Federal Petroleum Operations Company
New Orleans, Louisiana

All email correspondence: FFPOCOL@spr.doe.gov
Please send all operational questions to FFPOCOL@spr.doe.gov.

Bradley Bauer, (Cell) (b) (6)
Chuck Costanza, (504) 734-4733 (O)
(b) (6) (Cell) (Primary)
Ned Schenneberg (504) 734-4604 (Office)
(b) (6) (Cell) (Primary)

(b) Pipeline and Terminal contacts:

(i) Sun Marine Terminal, Nederland, TX

Mike Birkett, Director - Operations (409) 721-4404
Joshua McQueen-Sr. Manager (409) 721-4819
Gina Whitfield, Director, Business Development, (713) 989-6260
Bill Wheeler, Manager, Nederland Scheduling (409) 721-4813
Control Room (409) 721-4845
Marine Scheduler (409) 721-4812
Pipeline Scheduler (409) 721-4823
Shift Supervisor (409) 720-7972

(ii) Shell Pipeline Company (Shell tie-in @ LCMS and Big Hill)

John McMahon, Oil Movement Scheduler
O(832) 337-8555
C(281) 216-2618
Coley Adams, Oil Movement Scheduler
O(832) 762-2785
C(409) 267-5585

(iii) Enterprise Products

Scheduling

Shauna Johnson, Director, Onshore Crude Scheduling &
Distribution (713) 381-6314
Randy Mayhall – Manager, Daily Scheduling (713) 381-4629
Justin Shobe – Supervisor, Daily Scheduling (713) 381-4557
Daniel Escamilla, Seaway Daily Scheduler (713) 381-4310
Patrick Batts, Seaway Daily Scheduler (713) 381-6865
Damon Lopez, Texas City Scheduler (713) 381-6715
Steven Owens, Supervisor, Monthly Distribution (713) 381-4250
Chamesha Randall, Coordinator, Distribution (713) 381-5861

Field Management

John Hazley, Superintendent, Operations, Freeport/Texas City (979) 237-6756
Chris Yorgensen, Pipeline Supervisor, Jones Creek (979) 230-7308,
Texas City (409) 949-3706
Chase Nelson, Pipeline Supervisor, Texas City (409) 949 3706

(iv) Exxon Mobil Pipeline (Bryan Mound cargoes)

Christopher Cox, Field Supervisor (281) 381-7663
Josef Molnar, Monthly Scheduler O(832) 625-2255
C(b) (6)
Michael Frey, Relief Monthly Scheduler
O(832)624-2917 C((b) (6)
Ryan Wilborn, Daily Scheduler O(832) 624-0042
C(b) (6)
Joseph Holmberg , Area Supervisor O(832) 625-4994
C(b) (6)
Monthly Scheduler (832) 624-0040

(v) Exxon Mobil Pipeline (Bayou Choctaw cargoes)

Randy Henry, Scheduler / Crude Analyst
O (832-625-3338) M (346-254-0150)

(vi) Phillips 66 (Beaumont Terminal) Nederland, TX

Mike Mott, Team Lead, Oil Movements O(409) 724-3337
(b) (6)
Mark Maxwell, Operations Coordinator O(409) 724-3288
(b) (6)
Johnny Gaw, Crude Pipeline Scheduler O(409) 724-3232
(b) (6)
Peggy Smith, Crude Ship Scheduler
O(409) 724-3232 (b) (6)
Randy Hudson, Products Scheduler
O(409) 724-3215 (b) (6)

- (c) All email correspondence between the SPR and ASOs must include the sales contract number, if available, or the offer number in the subject.
- (d) The SPR will provide a Nomination-Confirmation Form to successful bidders (see Attachment F for sample form). The ASO shall complete the yellow highlighted areas and return the form in the time frame defined in the SSPs.

12. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is amended as follows:

Paragraph (a) fourth sentence, change “highest offered price” to “highest Price Adjustment Factor (PAF)” and then by award volume size.

Paragraphs (c) and (d) are deleted in their entirety and replaced with the following:
(c) RESERVED

(d) Notwithstanding paragraph (a) of this provision, in no event will schedules be confirmed prior to award of contracts.

13. Standard Sales Provision C.8, *Vessel Loading Procedures*, is amended as follows:

Paragraph (d) shall read “At least 7 days in advance of the beginning of the scheduled window, the purchaser shall furnish the SPR/PMO with vessel nominations. Failure to do so will result in the SPR not being liable for a related demurrage claim(s), as well as any associated terminalling costs inclusive of the tank capacity penalty charges imposed by Nederland Terminal for vessel(s) not nominated in accordance with this section due to missing this 7 day notice period. Any such charges will be borne by the customer. Vessel nominations shall specify the following:”

14. Standard Sales Provision C.9, *Vessel Laytime and Demurrage* paragraphs (a) and (c) are replaced in their entirety with the following language:

(a) The laytime allowed DOE for handling of the purchaser's vessel shall be 36 running hours. For vessels with cargo quantities in excess of 500,000 barrels, laytime shall be 36 running hours plus 1 hour for each 15,000 barrels of cargo to be loaded in excess of 500,000 barrels. Vessel laytime shall commence when the vessel is moored alongside (all fast) the loading berth. 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 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, delay caused by the loading terminal facility, decisions made by vessel owners or operators or by port authorities affecting loading operations, discharge of ballast or slops, customs and immigration clearance, weather, labor disputes, force majeure and the like shall not count as used laytime. In addition, movement in roads shall not count as used laytime.

(c) For all hours or any part thereof of vessel laytime that elapse in excess of the allowed vessel laytime for loading provided for in this provision, demurrage shall be paid by DOE, for U.S.-flag vessels, at the lesser of the

demurrage rate in the tanker voyage or charter party agreement, or a U.S.-flag freight rate assessment obtained by the DOE for a hypothetical tanker with a deadweight in long tons equal to the weight in long tons of the petroleum loaded for such hypothetical tanker and voyage. For foreign flag vessels, demurrage shall be as determined in this provision, 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 rate. For all foreign flag vessel loadings 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 day of the preceding month. The demurrage rate for barges will be the lesser of the hourly rate contained in the charter of a chartered barge, or a rate determined by DOE as a fair rate under prevailing conditions. If demurrage is incurred because of breakdown of machinery or equipment of DOE, 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 DOE, however, shall in no event exceed the actual demurrage expense incurred by the purchaser as the result of the delay.

Note: In the event there is a “demurrage claim,” Government payments to oil purchaser(s) will be in accordance with VIPERS instructions. (See Table of Contents for Link)

15. Standard Sales Provision C.12, *Pipeline and Delivery Procedures*, paragraph (d) is deleted in its entirety and replaced with the following:

“(d) The date of delivery, which will be recorded on the CODR (see Provision C.19), is the date delivery is completed at the custody transfer point, as identified in the NS.”

16. Standard Sales Provision C.13, *Title and Risk of Loss*, is supplemented as follows:

Seaway Texas City (Pipeline) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bryan Mound site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Texas City” is the Exxon Mobil 40” pipeline to Texas City, TX. Offerors are responsible for all transportation costs beyond the delivery point.

SPR Site to purchaser’s tank at SUN – Title and risk of loss pass to the purchaser at the connection point between the DOE/Sun terminal.

Note: The delivery point for “DLI-A Pipeline @ Sun” is the connection point between the DOE/Sun terminal. Offerors bidding on this DLI must have their own tankage available at SUN available for receipts. For deliveries to customer tankage, DOE meters and sampler at Sun terminal shall be the primary custody transfer measurement. In the event of failure at either primary meter location, secondary quality and quantity measurement shall be the applicable customer receipt/delivery tank gauge. If automatic samples are available at primary custody transfer location, primary quality will remain at that location. In the event neither of those are available, customer and the DOE will mutually agree on the method to be utilized.

SPR Site to purchaser’s tank at P66 Beaumont Terminal – Title and risk of loss pass to the purchaser at the purchaser’s receiving tank flange at P66 Beaumont Terminal.

Note: The delivery point for “DLI-H Pipeline @ P66 Beaumont Terminal” is the receiving tank flange at P66 Beaumont Terminal. Offerors bidding on this DLI must have tankage prearranged at P66 Beaumont Terminal available for receipts. Offerors will be invoiced an additional \$0.13 per barrel throughput for all crude oil that passes through the P66 Beaumont Terminal Connection Point.

Lake Charles Meter Station (LCMS) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE LCMS meter station.

17. Standard Sales Provision C.16, *Price Adjustments for Quality Differentials*, is deleted in its entirety and replaced with the following:
- (a) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the API gravity of the SPR crude oil delivered differs by more than plus or minus five-tenths of one degree API ($\pm 0.5^\circ$ API) from the API gravity of the SPR crude oil stream contracted for as published in the NS.
 - (b) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the Sulfur mass percent of the SPR crude oil delivered differs by more than plus or minus one-tenth of one percent of total Sulfur (± 0.10 mass, %) from the total Sulfur of the SPR crude oil stream contracted for as published in the NS.
 - (c) Price adjustments for the SPR crude oil are expected to be similar to commercial crude oil quality price adjustment methodologies for equivalent

quality crude oil, taking into account the amount by which the actual values exceed the allowable variations set forth in paragraphs (a) and (b) above.

- (d) Price adjustments for SPR crude oil streams offered for sale will be calculated using the GravCap tables at Attachment C.

Note: For calculation purposes the following will apply:

- 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.
- 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.

18. Standard Sales Provision C.19, *Delivery Documentation, Appendix A to Part 625 – Standard Sales Provisions, Exhibit E*, is amended as follows:

The Strategic Petroleum Reserve Crude Oil Delivery Report Number (SPRCODR) is changed to SPRPMO F-416.1-3.

Digital signature(s) shall be utilized when possible for completion of SPRCODR.

19. Standard Sales Provision C.20, Contract Amounts is replaced in its entirety with the following:

The contract quantities and dollar value stated in the Notice of Acceptance (NA) are estimates. The per barrel unit price is subject to adjustment due to variation in the API gravity and sulfur content from the published characteristics, changes in delivery mode, and price index values, if applicable. In addition, due to conditions of vessel loading and shipping or pipeline transmission, the quantity actually delivered may vary by +/- 10 percent for each shipment. However, a purchaser is not required to procure additional transportation capacity if sufficient capacity to take delivery of at least 95 percent of the contract quantity has been engaged. The 95 percent threshold will be calculated based on the volume of net cargo receipts versus awarded quantity under each separate contract.

20. Standard Sales Provision C.21, *Payment and Performance Letter of Credit*, is amended as follows:

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

Paragraph (a) is supplemented as follows:

“The expiration date of the LOC will be provided in the ASO letter.”

Paragraph (b) is amended as follows:

The second sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

21. Standard Sales Provision C.22, *Billing and Payment*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“ (a) The Government will invoice the purchaser at the conclusion of each delivery. The invoice will be based upon the nearest whole barrel volume (i.e. rounded to the nearest barrel).”

“ (d) In the event that the bank refuses to honor the draft against the letter of credit, the purchaser shall be responsible for paying the principal and any interest, administrative costs and penalties due (see Provision C.24) from the due date.”

22. Standard Sales Provision C.23, *Method of Payments*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“(a) All amounts payable by the purchaser shall be paid by deposit to the account of the U.S. Treasury by wire transfer of funds using the Fedwire Funds Service. The information to be included in each wire transfer will be provided in the NS. All wire deposit electronic funds transfer costs will be borne by the purchaser.”

“(d) Notwithstanding any other contract provision, DOE may, via a draft message, request a wire transfer of funds against the standby letter of credit at any time for payment of monies due under the contract and remaining unpaid in violation of the terms of the contract. These would include but not be limited to interest, administrative costs, penalties, liquidated damages, demurrage, amounts owing for any services provided under the contract, and the difference between the contract price and price received on the resale of undelivered petroleum as defined in Provision C.25.”

In addition, Government payments to oil purchaser(s) will be in accordance with VIPERS instructions.

23. Standard Sales Provision C.24, *Interest*, is deleted in its entirety and replaced with the following:

“C.24 Interest, Administrative Costs and Penalties

- (a) Amounts due and payable by the purchaser or its bank that are not paid in accordance with the provisions governing such payments shall bear interest, which will be indexed with the Current Value of Funds rate, from the day the invoice is mailed or transmitted to the purchaser until the date payment is received by the Government.
 - (b) Administrative Costs will be charged monthly to cover the expense of collecting delinquent debt. The current rate is \$7.25/month.
 - (c) A penalty will be assessed at the rate of 6% per year. The penalty charge accrues from the day the invoice is mailed or transmitted to the purchaser, and is assessed on any portion of the debt that is outstanding for more than 90 days, including any interest and administrative costs.”
24. Standard Sales Provision C.32, *Disputes*, is amended as follows:
- Paragraph (c) “\$50,000” is changed to “\$100,000”, and the following language is added to the certification “; and that I am duly authorized to certify the claim on behalf of the purchaser.”
25. Standard Sales Provision Exhibit B, *SPR Delivery Point Data*, is supplemented as follows:
- Regarding the Government information reflected in 10 CFR Part 625 as amended, Standard Sales Provisions Exhibit B that were obtained from the terminals; it is the responsibility of the Offerors to confirm these specifications prior to nominations to ensure most current information.
26. Standard Sales Provisions Exhibit C, *SAMPLE -- OFFER GUARANTEE STANDBY LETTER OF CREDIT*, is replaced by Attachment D of this NS. Instructions for Offer Letter of Credit are included in Attachment D of this NS.
27. Standard Sales Provision Exhibit D, *SAMPLE -- PAYMENT AND PERFORMANCE LETTER OF CREDIT*, is replaced by Attachment E of this NS. Instructions for Payment and Performance Letter of Credit are included in Attachment E of this NS.

28. By submission of an offer, the Offeror certifies that the Offeror, and any entity owned or controlled by the Offeror, does not engage in any activity prohibited under applicable U.S. export control and sanctions laws and regulations.

29. INTENTIONALLY OMITTED

30. Contract Price Adjustment

(a) The unit price for crude oil under the contract shall be the Delivery Reference Price (DRP) adjusted by the Price Adjustment Factor (PAF) as provided in this provision, subject to any additional adjustments provided for elsewhere in the contract.

(b) The terms used in this provision are defined as follows:

Base Reference Price (BRP)

(1) The BRP for all SPR crude oil streams offered for sale is the average (to the \$0.0001) of the Daily Index Prices as computed by the Government from prices for the most recent five days on which trading activity occurred, ending two trading days before the date of the Notice of Sale.

(2) For this Notice of Sale, the BRP is **\$89.4540** for all sweet SPR crude oil streams.

Daily Index Price (DIP)

The DIP applicable to **sweet** SPR crude oil streams offered for sale is the “WTI Houston Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. Reference pricing streams associated with offered crude oil are shown below.

Sweet Streams	Reference Crude Oil Stream
Big Hill Sweet	WTI Houston
West Hackberry Sweet	WTI Houston

Delivery Reference Price (DRP) - The DRP is the average (to the \$0.0001) of the Daily Index Prices for the five trading days surrounding the delivery "price date" as stated in Block 7, "PRICE DATE", on the Strategic Petroleum Reserve Crude Oil Delivery Report: SPRPMO F-416.1-3.

- (1) For pipeline deliveries, the "price date" shall be the date the shipment completed at the custody transfer point, in accordance with SSP C.12, as amended by the NS.
- (2) For vessel deliveries, the "price date" shall be the date vessel loading completed in accordance with SSP C.19.
- (3) The "five trading days surrounding the price date" means the following five days: The midday, day three, is the price date as determined above (unless such day is a day on which trading activity did not occur, in which case the midday shall be the succeeding day on which trading activity did occur), the two days preceding the midday of the five day period on which trading activity occurred and the two days succeeding the midday on which trading activity occurred.

Price Adjustment Factor (PAF) - The PAF is the purchaser's offered price minus the Base Reference Price (BRP). The PAF may be either positive or negative.

GENERIC EXAMPLES:

Delivery Reference Price + Price Adjustment Factor = Unit Price per Barrel
(subject to any additional adjustments provided for elsewhere in the contract):

Example 1:

Assume:

Offered Price	\$93.2534	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$2.2519	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$2.2519	
Unit Price/bbl	\$97.7574	

Example 2:

Assume:

Offered Price	\$90.7564	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$(0.2451)	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$(0.2451)	
Unit Price/bbl	\$95.2604	

ATTACHMENT A
 CRUDE OIL QUANTITIES OFFERED FOR SALE
 U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are finalized, Offerors who are awarded barrels at Bryan Mound (if offered) destined for Freeport Docks will submit nomination windows and vessel confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

The crude oil streams, delivery mode and periods, daily maximum delivery capability, and quantities of crude oil offered in this sale, under emergency conditions, are as follows:

- MLI = Master Line Item/Crude Oil Stream
- DLI = Delivery Line Item/Maximum Quantity per Delivery Mode and Period
- MIN Qty. = Minimum Contract Quantity Per DLI
- MB = Thousands of Barrels
- MBD Avg = SPR's daily maximum delivery limit capability for each delivery line item utilizing SPR design criteria (under emergency conditions).

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
West Hackberry Sweet 004		11/1 – 11/20	5,000			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	11/1 – 11/20		775	3,500	350
	DLI-B Vessel @ Sun (SPR Tank)	11/1 – 11/20		1085	500	250
	DLI-H Pipeline @Lake Charles Meter Station	11/1 – 11/20		520	1,000	350

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Big Hill Sweet 009		11/1 – 11/30	5,000			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	11/1 – 11/30		775	4,000	350
	DLI-B Vessel @ Sun (SPR Tank)	11/1 – 11/30		1085	500	250

	DLI-H Pipeline @P66 Beaumont Terminal	11/1 – 11/30		480	500	350
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ATTACHMENT - B

**INSTRUCTIONS FOR FEDWIRE FUNDS TRANSFERS TO THE
DEPARTMENT OF ENERGY**

Please provide the following instructions to your Financial Institution for Fedwire funds transfers to the Department of Energy at the U.S. Treasury:

Item Number	Fedwire Field Tag	Length	Fedwire Field Name	Required Information
1	{1510}	4	Type/Subtype	1000
2	{2000}	12	Amount	<i>Enter payment amount</i>
3	{3100}	9	Sending ABA number	<i>Sender ABA-number</i>
4	{3320}	16	Sender Reference	<i>Filled by sender</i>
5	{3400}	9	Receiver ABA number *	021030004
6	{3400}	18	Receiver Short Name	TREAS NYC
7	{3600}	3	Business Function Code	CTR (or CTP)
8	{4200}	34	Beneficiary Identifier (account number)	89000001
9	{4200}	35	Beneficiary Name	DEPARTMENT OF ENERGY
10	{5000}	35	Originator Name	<i>Enter the (company) name of the originator of the payment</i>
11	{6000}	35	Originator to Beneficiary Information – Line 1	<i>Enter Contract Number</i>
11	{6000}	35	Line 2	<i>Enter Cargo Number</i>
11	{6000}	35	Line 3	<i>Enter Invoice Number</i>
11	{6000}	35	Line 4	

*** The financial institution address for Treasury’s routing number is:**

**Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045**

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN SULFUR CONTENT FOR CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL
0.00	1.000	0.60	1.600	1.20	2.200	1.80	2.800	2.40	3.400	3.00	4.000	3.60	4.600
0.01	1.010	0.61	1.610	1.21	2.210	1.81	2.810	2.41	3.410	3.01	4.010	3.61	4.610
0.02	1.020	0.62	1.620	1.22	2.220	1.82	2.820	2.42	3.420	3.02	4.020	3.62	4.620
0.03	1.030	0.63	1.630	1.23	2.230	1.83	2.830	2.43	3.430	3.03	4.030	3.63	4.630
0.04	1.040	0.64	1.640	1.24	2.240	1.84	2.840	2.44	3.440	3.04	4.040	3.64	4.640
0.05	1.050	0.65	1.650	1.25	2.250	1.85	2.850	2.45	3.450	3.05	4.050	3.65	4.650
0.06	1.060	0.66	1.660	1.26	2.260	1.86	2.860	2.46	3.460	3.06	4.060	3.66	4.660
0.07	1.070	0.67	1.670	1.27	2.270	1.87	2.870	2.47	3.470	3.07	4.070	3.67	4.670
0.08	1.080	0.68	1.680	1.28	2.280	1.88	2.880	2.48	3.480	3.08	4.080	3.68	4.680
0.09	1.090	0.69	1.690	1.29	2.290	1.89	2.890	2.49	3.490	3.09	4.090	3.69	4.690
0.10	1.100	0.70	1.700	1.30	2.300	1.90	2.900	2.50	3.500	3.10	4.100	3.70	4.700
0.11	1.110	0.71	1.710	1.31	2.310	1.91	2.910	2.51	3.510	3.11	4.110	3.71	4.710
0.12	1.120	0.72	1.720	1.32	2.320	1.92	2.920	2.52	3.520	3.12	4.120	3.72	4.720
0.13	1.130	0.73	1.730	1.33	2.330	1.93	2.930	2.53	3.530	3.13	4.130	3.73	4.730
0.14	1.140	0.74	1.740	1.34	2.340	1.94	2.940	2.54	3.540	3.14	4.140	3.74	4.740
0.15	1.150	0.75	1.750	1.35	2.350	1.95	2.950	2.55	3.550	3.15	4.150	3.75	4.750
0.16	1.160	0.76	1.760	1.36	2.360	1.96	2.960	2.56	3.560	3.16	4.160	3.76	4.760
0.17	1.170	0.77	1.770	1.37	2.370	1.97	2.970	2.57	3.570	3.17	4.170	3.77	4.770
0.18	1.180	0.78	1.780	1.38	2.380	1.98	2.980	2.58	3.580	3.18	4.180	3.78	4.780
0.19	1.190	0.79	1.790	1.39	2.390	1.99	2.990	2.59	3.590	3.19	4.190	3.79	4.790
0.20	1.200	0.80	1.800	1.40	2.400	2.00	3.000	2.60	3.600	3.20	4.200	3.80	4.800
0.21	1.210	0.81	1.810	1.41	2.410	2.01	3.010	2.61	3.610	3.21	4.210	3.81	4.810
0.22	1.220	0.82	1.820	1.42	2.420	2.02	3.020	2.62	3.620	3.22	4.220	3.82	4.820
0.23	1.230	0.83	1.830	1.43	2.430	2.03	3.030	2.63	3.630	3.23	4.230	3.83	4.830
0.24	1.240	0.84	1.840	1.44	2.440	2.04	3.040	2.64	3.640	3.24	4.240	3.84	4.840
0.25	1.250	0.85	1.850	1.45	2.450	2.05	3.050	2.65	3.650	3.25	4.250	3.85	4.850
0.26	1.260	0.86	1.860	1.46	2.460	2.06	3.060	2.66	3.660	3.26	4.260	3.86	4.860
0.27	1.270	0.87	1.870	1.47	2.470	2.07	3.070	2.67	3.670	3.27	4.270	3.87	4.870
0.28	1.280	0.88	1.880	1.48	2.480	2.08	3.080	2.68	3.680	3.28	4.280	3.88	4.880
0.29	1.290	0.89	1.890	1.49	2.490	2.09	3.090	2.69	3.690	3.29	4.290	3.89	4.890
0.30	1.300	0.90	1.900	1.50	2.500	2.10	3.100	2.70	3.700	3.30	4.300	3.90	4.900
0.31	1.310	0.91	1.910	1.51	2.510	2.11	3.110	2.71	3.710	3.31	4.310	3.91	4.910
0.32	1.320	0.92	1.920	1.52	2.520	2.12	3.120	2.72	3.720	3.32	4.320	3.92	4.920
0.33	1.330	0.93	1.930	1.53	2.530	2.13	3.130	2.73	3.730	3.33	4.330	3.93	4.930
0.34	1.340	0.94	1.940	1.54	2.540	2.14	3.140	2.74	3.740	3.34	4.340	3.94	4.940
0.35	1.350	0.95	1.950	1.55	2.550	2.15	3.150	2.75	3.750	3.35	4.350	3.95	4.950
0.36	1.360	0.96	1.960	1.56	2.560	2.16	3.160	2.76	3.760	3.36	4.360	3.96	4.960
0.37	1.370	0.97	1.970	1.57	2.570	2.17	3.170	2.77	3.770	3.37	4.370	3.97	4.970
0.38	1.380	0.98	1.980	1.58	2.580	2.18	3.180	2.78	3.780	3.38	4.380	3.98	4.980
0.39	1.390	0.99	1.990	1.59	2.590	2.19	3.190	2.79	3.790	3.39	4.390	3.99	4.990
0.40	1.400	1.00	2.000	1.60	2.600	2.20	3.200	2.80	3.800	3.40	4.400	4.00	5.000
0.41	1.410	1.01	2.010	1.61	2.610	2.21	3.210	2.81	3.810	3.41	4.410		
0.42	1.420	1.02	2.020	1.62	2.620	2.22	3.220	2.82	3.820	3.42	4.420		
0.43	1.430	1.03	2.030	1.63	2.630	2.23	3.230	2.83	3.830	3.43	4.430		
0.44	1.440	1.04	2.040	1.64	2.640	2.24	3.240	2.84	3.840	3.44	4.440		
0.45	1.450	1.05	2.050	1.65	2.650	2.25	3.250	2.85	3.850	3.45	4.450		
0.46	1.460	1.06	2.060	1.66	2.660	2.26	3.260	2.86	3.860	3.46	4.460		
0.47	1.470	1.07	2.070	1.67	2.670	2.27	3.270	2.87	3.870	3.47	4.470		
0.48	1.480	1.08	2.080	1.68	2.680	2.28	3.280	2.88	3.880	3.48	4.480		
0.49	1.490	1.09	2.090	1.69	2.690	2.29	3.290	2.89	3.890	3.49	4.490		
0.50	1.500	1.10	2.100	1.70	2.700	2.30	3.300	2.90	3.900	3.50	4.500		
0.51	1.510	1.11	2.110	1.71	2.710	2.31	3.310	2.91	3.910	3.51	4.510		
0.52	1.520	1.12	2.120	1.72	2.720	2.32	3.320	2.92	3.920	3.52	4.520		
0.53	1.530	1.13	2.130	1.73	2.730	2.33	3.330	2.93	3.930	3.53	4.530		
0.54	1.540	1.14	2.140	1.74	2.740	2.34	3.340	2.94	3.940	3.54	4.540		
0.55	1.550	1.15	2.150	1.75	2.750	2.35	3.350	2.95	3.950	3.55	4.550		
0.56	1.560	1.16	2.160	1.76	2.760	2.36	3.360	2.96	3.960	3.56	4.560		
0.57	1.570	1.17	2.170	1.77	2.770	2.37	3.370	2.97	3.970	3.57	4.570		
0.58	1.580	1.18	2.180	1.78	2.780	2.38	3.380	2.98	3.980	3.58	4.580		
0.59	1.590	1.19	2.190	1.79	2.790	2.39	3.390	2.99	3.990	3.59	4.590		

For Sulfur Values
above 4.00% the
differential continues
to increase 0.01/BBL
per 0.01 Percent
Sulfur

Attachment D

SAMPLE - OFFER GUARANTEE STANDBY LETTER OF CREDIT

**BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123

Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____)
CONTRACTOR: _____
NOTICE OF SALE NO: _____
OFFER NO: _____
LETTER OF CREDIT NO: _____
EXPIRATION DATE: **November 28, 2022**
AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy's Notice of Sale, including any amendments thereto, for the sale of Strategic Petroleum Reserve petroleum. This Letter of Credit expires at least 60 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

“THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF (CONTRACTOR) TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR THE PURCHASE OF SPR PETROLEUM FROM THE STRATEGIC PETROLEUM RESERVE, IN ACCORDANCE WITH THE U.S. GOVERNMENT'S NOTICE OF SALE NO. _____, INCLUDING ANY AMENDMENTS THERETO.”

Attachment D

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced Notice of Sale.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

Attachment D

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statement. **The drawing statement is in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

Attachment D

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have a letter of cancellation returned to you via e-mail only for cancellation of your Offer Letter of Credit, please provide information below:

Send a signed authorization to cancel the Offer LOC to the following point of contact via e-mail address: _____

Contact Phone Number: _____

**SAMPLE - PAYMENT AND PERFORMANCE LETTER OF CREDIT
BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S.\$ _____ (_____)

CONTRACTOR: _____

CONTRACT NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: _____

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer's above contract with the U.S. Department of Energy for the sale of Strategic Petroleum Reserve petroleum.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and one or both of the following statements:

a. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE THE GOVERNMENT HAS DELIVERED SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO, AND _____ (CONTRACTOR) HAS NOT PAID UNDER THE TERMS OF THAT CONTRACT."**

b. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE _____ (CONTRACTOR) HAS FAILED TO TAKE DELIVERY OF SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO."**

Attachment E

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced contract.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

INSTRUCTIONS FOR PAYMENT AND PERFORMANCE GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statements. **The drawing statements are in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

STRATEGIC PETROLEUM RESERVE

NOMINATION - CONFIRMATION

SPR Operations Fluor Federal Petroleum Operations New Orleans, Louisiana FFPOCOL@SPR.DOE.GOV	<u>Scheduler</u> Chuck Costanza (504) 734-4733 <u>Quantity and Quality</u> Ned Scheppegrell (504) 722-6146
------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------

****The following information must be provided by the Contractor****

Submission Date: [Click here to enter a date.](#) Submission Type: Original Nomination

Contract No.: Enter Contract Number
 Contractor: Enter Contractor Name
 Address: Enter Address
 City, State, Zip

Contractor Contact Information

Primary Contact: Primary Contact Name	Alternate: Alternate Contact Name
Office: Office Phone	Office: Office Phone
Cell: Cell Phone	Cell: Cell Phone
Email: Email Address	Email: Email Address

CODR/DD250 Contractor Signatory Designee*: Signatory Designee Name
 *Designee can be contractor office personnel, 3rd party inspection company†, or chosen loss control representative†.

Office: Office Phone
 Cell: Cell Phone
 Email: Email Address

Note: If multiple designees are to be used, please input "See Attached" and provide list to FFPOCOL@spr.doe.gov with nomination.

†Third Party Inspection Company Information

Company: 3rd Party Inspection Company
 Contact: 3rd Party Contact Name
 Contact Ned Scheppegrell for any questions on SPR 3rd party inspection and testing.

Nomination Information and Delivery Window (additional lines on following page)

Delivery Window	Pipeline/Vessel	Volume (MB)	SPR Site	Destination
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Total Volume:		Total Volume		

The Following information to be provided by SPR Operations Personnel

<u>Terminal Information</u> Terminal: TBD Contact: Contact: Contact:	<u>Custody Transfer Point</u> TBD <u>Quality Point</u> TBD <u>Quantity Point</u> TBD
----------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------

From: [Gele, Kelly](#) on behalf of [Gele, Kelly <Kelly.Gele@SPR.DOE.GOV>](#)
To: [MacIntyre, Douglas \(HQ\)](#); [McGarry, Thomas \(HQ\)](#); [Gele, Lionel](#); [Perry, Robert](#); [Turner, Shenee \(HQ\)](#); [Oosterling, Paul S](#); [Treadway, Demetrius](#); [Williams, Rhonda \(HQ\)](#)
Cc: [Roark, Mary](#); [Roark, Christopher](#); [O'Shaughnessy, Kelly](#); [Wormhoudt, Sheldra](#); [Webre, Richard](#); [Coleman, Jennifer](#); [Harrell, Yolanda](#)
Subject: FY22 Emergency Drawdown No. 3B NOS
Date: Tuesday, July 26, 2022 10:02:36 AM
Attachments: [FY22 Emergency Drawdown No. 3B NOS.pdf](#)

Good Morning Everyone:

Subject NOS has been issued. It has been posted online and can be found at <https://www.spr.doe.gov/doesec/OilSale.htm>.

Also attached is a copy for everyone.

Thanks,

Kelly M. Gele'

**Director, Office of Acquisition and Sales
Strategic Petroleum Reserve
Department of Energy
New Orleans, LA 70123
(504)734-4343 (work)
(b) (6) (cell)**



Department of Energy
Strategic Petroleum Reserve Project Management Office
900 Commerce East
New Orleans, Louisiana 70123

NOTICE OF SALE
DE-NS96-22PO60000

Pursuant to the authority and direction of the President of the United States, the Strategic Petroleum Reserve (SPR) is conducting an emergency sale of SPR crude oil as provided for by the Department of Energy Organization Act (42 U.S.C 7101 et seq.) and Section 161(d) of the Energy Policy and Conservation Act (42 U.S.C. 6241). The Department of Energy invites you to submit offers for the purchase of crude oil from the SPR. Contracts resulting from this sale shall be subject to contract price adjustment as set forth in the Supplements and Amendments to the Standard Sales Provisions (SSP). This Notice of Sale contains the terms and conditions of the sale and specific instructions for preparation and submittal of offers.

As stated in this Notice of Sale, you are required to submit your offer using the Crude Oil Sales Offer Program. **Manual offers will NOT be accepted.**

Offers are due by 10:00 a.m. Central Time, Tuesday August 2, 2022.

Please read this solicitation carefully. Questions regarding this Notice of Sale must be submitted via email by noon, Central Time, Monday August 1, 2022, to allow a reply to reach all prospective Offerors prior to submission of their offers. Any questions received after this date/time may not be answered prior to the date/time offers are due. Questions/Responses will be posted daily, by 5:00 p.m. Central Time at: <https://www.spr.doe.gov/doeec/oilsale.htm>. Questions must be addressed to:

<u>Contact</u>	<u>Telephone</u>	<u>E-Mail</u>
Mary C. Roark (Contracting Officer)	(504) 734-4195	mary.roark@spr.doe.gov

A handwritten signature in black ink, appearing to read "Kelly M. Gelé".

Date: July 26, 2022

Kelly M. Gelé
Director, Office of Acquisition and Sales

NOTICE OF SALE
DE-NS96-22PO60000

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SPR Crude Oil Assay Manual	Attached via hyperlink
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NOTICE OF SALE
DE-NS96-22PO60000

INSTRUCTIONS

GENERAL REQUIREMENTS

1. Offer must be submitted via the Crude Oil Sales Offer Program (COSOP) by the date/time specified in the Notice of Sale. **Manual offers will NOT be accepted.**
2. Offerors are required to submit an Offer Guarantee (See SSP B.12). Any entity that currently stores oil in the SPR under a Lease and Storage Agreement is exempt from the Offer Guarantee and Payment and Performance Letter of Credit requirements in this NOS.

Failure to submit the above documents or to comply with material requirements of the Notice of Sale may be cause for rejection of the offer.

SALE-SPECIFIC REQUIREMENTS

The following sales requirements are established for this sale:

1. The sale will be by price competition and shall be conducted pursuant to Title 10 Code of Federal Regulations Part 625 [Appendix A](#), except as may be supplemented or amended by this Notice of Sale. While the location of the [Appendix A](#): Standard Sales Provisions has changed, the provision itself has not changed since 2005.
2. The intent of this sale is to award up to 17.2 million sweet barrels and 2.8 million sour barrels for a total of 20.0 million barrels. The delivery period of sweet for this sale shall be from September 16, 2022 to October 21, 2022 from Big Hill and West Hackberry. The delivery period of sour for this sale shall be from September 16, 2022 to October 21, 2022 at Bryan Mound. Requests for early deliveries in accordance with SSP C.5(c) will be accommodated to the maximum extent possible, terms to be negotiated. Deliveries from DE-NS96-22PO50000, or Drawdown 3A, will have priority on any scheduling conflicts between September 16 and September 30, 2022.
3. The crude oil streams, delivery modes and periods, and the quantities offered in this sale, as well as minimum contract quantities, are shown in [Attachment A](#).

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to

accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are finalized, Offerors who are awarded barrels at Bryan Mound destined for Freeport Docks will submit nomination windows and vessel confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

SPR cargo nomination ranking will be in accordance with Standard Sales Provision C.5., Delivery and Transportation Scheduling.

4. Offers MUST be received by 10:00 a.m. Central Time, Tuesday August 2, 2022; any offers received after 10:00 a.m. Central Time will be determined to be late and will be rejected, except as provided in SSP B.11, “Late Offers, Modifications of Offers, and Withdrawal of Offers.”
5. **An electronic copy of the fully executed Offer Guarantee shall be emailed or e-faxed. The e-fax number is (504) 818-5195 or e-mailed to mary.roark@spr.doe.gov AND MUST be received not later than the time/date for receipt of offers. An original hardcopy of the Offer Guarantee is not required for this Notice of Sale.**
6. Pursuant to SSP B.7, *State of Hawaii Access to SPR Crude Oil*, by submission of a binding offer, the State of Hawaii, for this sale, is entitled to purchase up to three percent of the offering barrels of SPR petroleum. Pursuant to section 161(j)(4) of the Energy Policy and Conservation Act, 42 U.S.C. 624(j)(4), the quantity to be sold to the State of Hawaii may be adjusted upward or downward to match the full tanker load of approximately 600,000 barrels, or such lesser tanker capacity as may be designated by the State of Hawaii.
7. Pursuant to SSP B.9, Submission of Offers and Modifications of Previously Submitted Offers, paragraph (e), DOE will inform simultaneously all Offerors and other interested parties of the successful and unsuccessful Offerors and their offer data by means of a public “offer posting”. This offer posting will occur approximately one week after receipt of offers. This information will be provided by a posting on the Internet at the following address:
<https://www.spr.doe.gov/doesec/oilsale.htm>.

NOTICE OF SALE
DE-NS96-22PO60000

SUPPLEMENTS AND AMENDMENTS
TO THE STANDARD SALES PROVISIONS

For this sale only, the Standard Sales Provisions (SSPs) are supplemented or amended as follows:

1. Offerors are advised that the requirements of the “Jones Act” must be met for the marine delivery of crude oil purchased in this sale which is destined for U.S. ports. SSP B.4, *Requirements for Vessels-Caution to Offerors* and SSP C.7, *Application Procedures for “Jones Act” and Construction Differential Subsidy Waivers* are supplemented as follows:

The Secretary of the Department of Homeland Security has not issued a general (‘blanket’) waiver of the ‘Jones Act’ for the marine delivery of crude oil purchased in this sale. Consequently, it is necessary for an Apparently Successful Offeror (ASO) to follow the procedures of SSP C.7. Standard Sales Provision C.7 (a) is modified to provide the following address for submission of a Jones Act waiver request.

U. S. Customs and Border Protection
Office of International Trade/Regulations and Rulings
Chief, Cargo Security
Carriers and Restricted Merchandise Branch
U.S. Department of Homeland Security
Telephone No. (202) 860-7502
JonesActWaiverRequest@cbp.dhs.gov

For more information visit: <https://www.cbp.gov/trade/jones-act-waiver-request>

2. Standard Sales Provision B.5, *“Superfund” Tax on SPR Petroleum-Caution to Offerors*, is supplemented as follows:

The “Superfund” taxes are currently not imposed; however, purchasers are liable for Oil Spill Liability Trust Fund (OSLTF) taxes of \$0.09/barrel for deliveries for calendar year 2022 if applicable, for all SPR crude oil streams and must comply with current OSLTF requirements if enacted by Congress. Additionally, purchasers are liable for: Coastal Protection fees, Waterway Navigation fees, state and local environmental fees, including the federal Harbor Maintenance Trust Fund fees, if applicable. In regards to OSLTF, per the authoritative source:

https://www.uscg.mil/Mariners/National-Pollution-Funds-Center/About_NPFC/osltf/:

*“The Principal Fund of the OSLTF has several recurring and nonrecurring sources of revenue...**Barrel Tax.** The largest source of revenue has been a per-barrel excise tax, collected from the oil industry on petroleum produced in or imported to the United States. The original 5-cent-per-barrel tax expired at the end of 1994 because of the sunset provision in the law. The 2005 Energy Policy Act again reinstated the tax (effective April 2006). The Energy Improvement and Extension Act of 2008 extended the per-barrel excise tax through December 2017 and increased the per-barrel excise tax from 5 cents to 8 cents from 2009-2016 to 9 cents in March 2017.” Subsequently, section 40416 of the Bipartisan Budget Act of 2018 temporarily reinstates the Oil Spill Liability Tax that expired on December 31, 2017 for the period beginning on March 1, 2018 through December 31, 2018. On December 20, 2019, H.R. 1865-701 was signed and amended Section 4611(f)(2) by striking December 21, 2018 and inserting “December 31, 2021”*

3. Standard Sales Provision B.6, Export Limitations and Licensing – Caution to Offerors, is removed in its entirety. Offerors are advised to review section 101 of Division O of the Consolidated Appropriations Act, 2016 (Public Law 114-113) concerning the export of crude oil, and are required to comply with all U.S. export laws.
4. Standard Sales Provision B.12, *Offer Guarantee*, is amended as follows:

Exhibit C “Offer Standby Letter of Credit” is deleted and replaced with Attachment D of the NS. All references to Exhibit C shall mean Attachment D.

Paragraph (d) is amended as follows:

The fourth sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

Paragraph (g) is supplemented as follows:

For this sale the actual expiration date of the letters of credit furnished as offer guarantees will be October 3, 2022.

Paragraph (h) is amended as follows:

“Offer guarantee letters of credit cancellation letters will be returned via e-mail only, if requested, in accordance with Attachment D - REQUEST FOR OFFER GUARANTEE RETURNS, to an unsuccessful Offeror 5 business days after expiration of the Offeror's acceptance period, and, except as provided in (i) of this provision, to a successful Offeror upon receipt of a satisfactory payment and performance letter of credit.”

5. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, is supplemented with the following information:

Minimum delivery lot sizes are 350,000 barrels for pipelines, and 250,000 barrels for vessels. Offerors are reminded, however, of their responsibility to comply with (1) any minimum tender provision of any pipelines by which they take delivery from an SPR terminal, and (2) the vessel usage and load rate restrictions specified in SSP C.8(c), *Vessel loading procedures*.

(Note: “vessel” is synonymous with “tank ship”), and (3) that Offerors are required to make arrangements with all parties downstream from the DOE site meters.

6. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, paragraph (a) has been amended as follows:

Delivery Points (from Beaumont, Texas): change from “Unocal Terminal” to “Phillips 66 Beaumont Terminal”.

7. Standard Sales Provision B.18, *Notice of Sale Line Item Schedule – Petroleum Quantity, Quality, and Delivery Method*, paragraph (h) is supplemented with the following information:

The quality characteristics of the crude oil streams offered for sale are those cited in the [Strategic Petroleum Reserve Crude Oil Assays](#).

This crude oil quality data is a weighted average composition of the specific caverns that comprise the streams offered for sale. Although a specific crude oil benchmark is referenced; SPR inventory contains a blend of domestic and global crude including Isthmus, Urals, Alaskan North Slope, Arabian Light, Saharan, and Dubai with segregation by Sweet and Sour storage caverns. The SPR has observed H₂S concentration (which is found naturally in crude oil) greater than 10 ppm in liquid in some crude batches. Measurements of H₂S in vapor space can be orders of magnitude higher than in liquid and difficult to measure due to factors in handling, weather, etc. OSHA provides guidelines on appropriate safety precautions and equipment if crude is handled openly, spilled, or released to the

atmosphere. Offerors are encouraged to review the [Strategic Petroleum Reserve Crude Oil Assays](#) for more detailed oil stream composition and specifics so that conditions (such as the presence of H₂S) are expected and communicated downstream.

Note: Each SPR stream will be a blended average using several caverns. As a result, actual representative samples are not available prior to deliveries. Please refer to Crude Oil Assays which provides a weighted average composite profile of the stream.

8. Standard Sales Provision B.22, *Procedures for Evaluation of Offers*, Paragraphs (a) and (b)(8), is amended as follows:

Award on each DLI will be made to the responsible offerors that submit the highest priced offers responsive to the SSPs and the NS, in addition to operational considerations, and that have provided the required payment and performance guarantee as required by Provision C.21

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

9. Standard Sales Provision B. 27, *Contract Documents*, is amended as follows:

The third sentence is deleted in its entirety. The fourth sentence shall read: “The NS and the Provisions of the SSPs will be made applicable through incorporation by reference in the Notice of Acceptance (NA)”. The last sentence is deleted in its entirety.

10. Standard Sales Provision C.2, *Compliance with the “Jones Act” and the U.S. Export Control Laws*, is amended to delete all references to U.S. Export Control Laws. (See 3. above.)

11. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is supplemented with the following information:

- (a) Crude Oil Scheduling:
Fluor Federal Petroleum Operations Company
New Orleans, Louisiana

All email correspondence: FFPOCOL@spr.doe.gov
Please send all operational questions to FFPOCOL@spr.doe.gov.

Bradley Bauer, (Cell) (b) (6)
Chuck Costanza, (504) 734-4733 (O)
(b) (6) (Cell) (Primary)
Ned Schennoegrell (504) 734-4604 (Office)
(b) (6) (Cell) (Primary)

(b) Pipeline and Terminal contacts:

(i) **Sun Marine Terminal, Nederland, TX**

Mike Birkett, Director - Operations (409) 721-4404
Joshua McQueen-Sr. Manager (409) 721-4819
Gina Whitfield, Director, Business Development, (713) 989-6260
Bill Wheeler, Manager, Nederland Scheduling (409) 721-4813
Control Room (409) 721-4845
Marine Scheduler (409) 721-4812
Pipeline Scheduler (409) 721-4823
Shift Supervisor (409) 720-7972

(ii) **Shell Pipeline Company (Shell tie-in @ LCMS and Big Hill)**

John McMahon, Oil Movement Scheduler
O(832) 337-8555
(b) (6)
Coley Adams, Oil Movement Scheduler
O(832) 762-2785
(b) (6)

(iii) **Enterprise Products**

Scheduling

Shauna Johnson, Director, Onshore Crude Scheduling &
Distribution (713) 381-6314
Randy Mayhall – Manager, Daily Scheduling (713) 381-4629
Justin Shobe – Supervisor, Daily Scheduling (713) 381-4557
Daniel Escamilla, Seaway Daily Scheduler (713) 381-4310
Patrick Batts, Seaway Daily Scheduler (713) 381-6865
Damon Lopez, Texas City Scheduler (713) 381-6715
Steven Owens, Supervisor, Monthly Distribution (713) 381-4250
Chamesha Randall, Coordinator, Distribution (713) 381-5861

Field Management

John Hazley, Superintendent, Operations, Freeport/Texas City (979) 237-6756
Chris Yorgensen, Pipeline Supervisor, Jones Creek (979) 230-7308,
Texas City (409) 949-3706
Chase Nelson, Pipeline Supervisor, Texas City (409) 949 3706

(iv) Exxon Mobil Pipeline (Bryan Mound cargoes)

Christopher Cox, Field Supervisor (281) 381-7663
Josef Molnar, Monthly Scheduler O(832) 625-2255
C(713)201-2540
Michael Frey, Relief Monthly Scheduler
O(832)624-2917 C(346) 802-8611
Ryan Wilborn, Daily Scheduler O(832) 624-0042
C(713)817-0879
Joseph Holmberg , Area Supervisor O(832) 625-4994
C(281)387-1608
Monthly Scheduler (832) 624-0040

(v) Exxon Mobil Pipeline (Bayou Choctaw cargoes)

Randy Henry, Scheduler / Crude Analyst
O (832-625-3338) M (346-254-0150)

(vi) Phillips 66 (Beaumont Terminal) Nederland, TX

Mike Mott, Team Lead, Oil Movements O(409) 724-3337
C(281) 660-2247
Mark Maxwell, Operations Coordinator O(409) 724-3288
C(409) 724-3209
Johnny Gaw, Crude Pipeline Scheduler O(409) 724-3232
C(832) 358-5831
Peggy Smith, Crude Ship Scheduler
O(409) 724-3232 C(281) 235-2936
Randy Hudson, Products Scheduler
O(409) 724-3215 C(409) 519-0059

- (c) All email correspondence between the SPR and ASOs must include the sales contract number, if available, or the offer number in the subject.
- (d) The SPR will provide a Nomination-Confirmation Form to successful bidders (see Attachment F for sample form). The ASO shall complete the yellow highlighted areas and return the form in the time frame defined in the SSPs.

12. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is amended as follows:

Paragraph (a) fourth sentence, change “highest offered price” to “highest Price Adjustment Factor (PAF)” and then by award volume size.

Paragraphs (c) and (d) are deleted in their entirety and replaced with the following:
(c) RESERVED

(d) Notwithstanding paragraph (a) of this provision, in no event will schedules be confirmed prior to award of contracts.

13. Standard Sales Provision C.8, *Vessel Loading Procedures*, is amended as follows:

Paragraph (d) shall read “At least 7 days in advance of the beginning of the scheduled window, the purchaser shall furnish the SPR/PMO with vessel nominations. Failure to do so will result in the SPR not being liable for a related demurrage claim(s), as well as any associated terminalling costs inclusive of the tank capacity penalty charges imposed by Nederland Terminal for vessel(s) not nominated in accordance with this section due to missing this 7 day notice period. Any such charges will be borne by the customer. Vessel nominations shall specify the following:”

14. Standard Sales Provision C.9, *Vessel Laytime and Demurrage* paragraphs (a) and (c) are replaced in their entirety with the following language:

(a) The laytime allowed DOE for handling of the purchaser's vessel shall be 36 running hours. For vessels with cargo quantities in excess of 500,000 barrels, laytime shall be 36 running hours plus 1 hour for each 15,000 barrels of cargo to be loaded in excess of 500,000 barrels. Vessel laytime shall commence when the vessel is moored alongside (all fast) the loading berth. 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 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, delay caused by the loading terminal facility, decisions made by vessel owners or operators or by port authorities affecting loading operations, discharge of ballast or slops, customs and immigration clearance, weather, labor disputes, force majeure and the like shall not count as used laytime. In addition, movement in roads shall not count as used laytime.

(c) For all hours or any part thereof of vessel laytime that elapse in excess of the allowed vessel laytime for loading provided for in this provision, demurrage shall be paid by DOE, for U.S.-flag vessels, at the lesser of the

demurrage rate in the tanker voyage or charter party agreement, or a U.S.-flag freight rate assessment obtained by the DOE for a hypothetical tanker with a deadweight in long tons equal to the weight in long tons of the petroleum loaded for such hypothetical tanker and voyage. For foreign flag vessels, demurrage shall be as determined in this provision, 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 rate. For all foreign flag vessel loadings 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 day of the preceding month. The demurrage rate for barges will be the lesser of the hourly rate contained in the charter of a chartered barge, or a rate determined by DOE as a fair rate under prevailing conditions. If demurrage is incurred because of breakdown of machinery or equipment of DOE, 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 DOE, however, shall in no event exceed the actual demurrage expense incurred by the purchaser as the result of the delay.

Note: In the event there is a “demurrage claim,” Government payments to oil purchaser(s) will be in accordance with VIPERS instructions. (See Table of Contents for Link)

15. Standard Sales Provision C.12, *Pipeline and Delivery Procedures*, paragraph (d) is deleted in its entirety and replaced with the following:

“(d) The date of delivery, which will be recorded on the CODR (see Provision C.19), is the date delivery is completed at the custody transfer point, as identified in the NS.”
16. Standard Sales Provision C.13, *Title and Risk of Loss*, is supplemented as follows:

Seaway Texas City (Pipeline) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bryan Mound site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Texas City” is the Exxon Mobil 40” pipeline to Texas City, TX. Offerors are responsible for all transportation costs beyond the delivery point.

SPR Site to purchaser's tank at SUN – Title and risk of loss pass to the purchaser at the connection point between the DOE/Sun terminal.

Note: The delivery point for “DLI-A Pipeline @ Sun” is the connection point between the DOE/Sun terminal. Offerors bidding on this DLI must have their own tankage available at SUN available for receipts. For deliveries to customer tankage, DOE meters and sampler at Sun terminal shall be the primary custody transfer measurement. In the event of failure at either primary meter location, secondary quality and quantity measurement shall be the applicable customer receipt/delivery tank gauge. If automatic samples are available at primary custody transfer location, primary quality will remain at that location. In the event neither of those are available, customer and the DOE will mutually agree on the method to be utilized.

SPR Site to purchaser's tank at P66 Beaumont Terminal – Title and risk of loss pass to the purchaser at the purchaser's receiving tank flange at P66 Beaumont Terminal.

Note: The delivery point for “DLI-H Pipeline @ P66 Beaumont Terminal” is the receiving tank flange at P66 Beaumont Terminal. Offerors bidding on this DLI must have tankage prearranged at P66 Beaumont Terminal available for receipts. Offerors will be invoiced an additional \$0.13 per barrel throughput for all crude oil that passes through the P66 Beaumont Terminal Connection Point.

Lake Charles Meter Station (LCMS) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE LCMS meter station.

17. Standard Sales Provision C.16, *Price Adjustments for Quality Differentials*, is deleted in its entirety and replaced with the following:

- (a) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the API gravity of the SPR crude oil delivered differs by more than plus or minus five-tenths of one degree API ($\pm 0.5^\circ$ API) from the API gravity of the SPR crude oil stream contracted for as published in the NS.
- (b) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the Sulfur mass percent of the SPR crude oil delivered differs by more than plus or minus one-tenth of one percent of total Sulfur (± 0.10 mass, %) from the total Sulfur of the SPR crude oil stream contracted for as published in the NS.

- (c) Price adjustments for the SPR crude oil are expected to be similar to commercial crude oil quality price adjustment methodologies for equivalent quality crude oil, taking into account the amount by which the actual values exceed the allowable variations set forth in paragraphs (a) and (b) above.
- (d) Price adjustments for SPR crude oil streams offered for sale will be calculated using the GravCap tables at Attachment C.

Note: For calculation purposes the following will apply:

- 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.
- 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.

18. Standard Sales Provision C.19, *Delivery Documentation, Appendix A to Part 625 – Standard Sales Provisions, Exhibit E*, is amended as follows:

The Strategic Petroleum Reserve Crude Oil Delivery Report Number (SPRCODR) is changed to SPRPMO F-416.1-3.

Digital signature(s) shall be utilized when possible for completion of SPRCODR.

19. Standard Sales Provision C.20, *Contract Amounts* is replaced in its entirety with the following:

The contract quantities and dollar value stated in the Notice of Acceptance (NA) are estimates. The per barrel unit price is subject to adjustment due to variation in the API gravity and sulfur content from the published characteristics, changes in delivery mode, and price index values, if applicable. In addition, due to conditions of vessel loading and shipping or pipeline transmission, the quantity actually delivered may vary by +/- 10 percent for each shipment. However, a purchaser is not required to procure additional transportation capacity if sufficient capacity to take delivery of at least 95 percent of the contract quantity has been engaged. The 95 percent threshold will be calculated based on the volume of net cargo receipts versus awarded quantity under each separate contract.

20. Standard Sales Provision C.21, *Payment and Performance Letter of Credit*, is amended as follows:

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

Paragraph (a) is supplemented as follows:

“The expiration date of the LOC will be provided in the ASO letter.”

Paragraph (b) is amended as follows:

The second sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

21. Standard Sales Provision C.22, *Billing and Payment*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“ (a) The Government will invoice the purchaser at the conclusion of each delivery. The invoice will be based upon the nearest whole barrel volume (i.e. rounded to the nearest barrel).”

“ (d) In the event that the bank refuses to honor the draft against the letter of credit, the purchaser shall be responsible for paying the principal and any interest, administrative costs and penalties due (see Provision C.24) from the due date.”

22. Standard Sales Provision C.23, *Method of Payments*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“(a) All amounts payable by the purchaser shall be paid by deposit to the account of the U.S. Treasury by wire transfer of funds using the Fedwire Funds Service. The information to be included in each wire transfer will be provided in the NS. All wire deposit electronic funds transfer costs will be borne by the purchaser.”

“(d) Notwithstanding any other contract provision, DOE may, via a draft message, request a wire transfer of funds against the standby letter of credit at any time for payment of monies due under the contract and remaining unpaid in violation of the terms of the contract. These would include but not be limited to interest, administrative costs, penalties, liquidated damages, demurrage, amounts owing for any services provided under the contract, and the difference between the contract price and price received on the resale of undelivered petroleum as defined in Provision C.25.”

In addition, Government payments to oil purchaser(s) will be in accordance with VIPERS instructions.

23. Standard Sales Provision C.24, *Interest*, is deleted in its entirety and replaced with the following:

“C.24 Interest, Administrative Costs and Penalties

- (a) Amounts due and payable by the purchaser or its bank that are not paid in accordance with the provisions governing such payments shall bear interest, which will be indexed with the Current Value of Funds rate, from the day the invoice is mailed or transmitted to the purchaser until the date payment is received by the Government.
- (b) Administrative Costs will be charged monthly to cover the expense of collecting delinquent debt. The current rate is \$7.25/month.
- (c) A penalty will be assessed at the rate of 6% per year. The penalty charge accrues from the day the invoice is mailed or transmitted to the purchaser, and is assessed on any portion of the debt that is outstanding for more than 90 days, including any interest and administrative costs.”

24. Standard Sales Provision C.32, *Disputes*, is amended as follows:

Paragraph (c) “\$50,000” is changed to “\$100,000”, and the following language is added to the certification “; and that I am duly authorized to certify the claim on behalf of the purchaser.”

25. Standard Sales Provision Exhibit B, *SPR Delivery Point Data*, is supplemented as follows:

Regarding the Government information reflected in 10 CFR Part 625 as amended, Standard Sales Provisions Exhibit B that were obtained from the terminals; it is the responsibility of the Offerors to confirm these specifications prior to nominations to ensure most current information.

26. Standard Sales Provisions Exhibit C, *SAMPLE -- OFFER GUARANTEE STANDBY LETTER OF CREDIT*, is replaced by Attachment D of this NS. Instructions for Offer Letter of Credit are included in Attachment D of this NS.

27. Standard Sales Provision Exhibit D, *SAMPLE -- PAYMENT AND PERFORMANCE LETTER OF CREDIT*, is replaced by Attachment E of this NS.

Instructions for Payment and Performance Letter of Credit are included in Attachment E of this NS.

28. By submission of an offer, the Offeror certifies that the Offeror, and any entity owned or controlled by the Offeror, does not engage in any activity prohibited under applicable U.S. export control and sanctions laws and regulations.

29. INTENTIONALLY OMITTED

30. Contract Price Adjustment

(a) The unit price for crude oil under the contract shall be the Delivery Reference Price (DRP) adjusted by the Price Adjustment Factor (PAF) as provided in this provision, subject to any additional adjustments provided for elsewhere in the contract.

(b) The terms used in this provision are defined as follows:

Base Reference Price (BRP)

(1) The BRP for all SPR crude oil streams offered for sale is the average (to the \$0.0001) of the Daily Index Prices as computed by the Government from prices for the most recent five days on which trading activity occurred, ending two trading days before the date of the Notice of Sale.

(2) For this Notice of Sale, the BRP is **\$97.6060** for all sour SPR crude oil streams.

(3) For this Notice of Sale, the BRP is **\$103.6780** for all sweet SPR crude oil streams.

Daily Index Price (DIP)

The DIP applicable to **sour** SPR crude oil streams offered for sale is the “Mars Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. The DIP applicable to **sweet** SPR crude oil streams offered for sale is the “WTI Houston Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude.

Reference pricing streams associated with offered crude oil are shown below.

Sour Streams	Reference Crude Oil Stream
Big Hill Sweet	WTI Houston
West Hackberry Sweet	WTI Houston
Bryan Mound Sour	Mars

Delivery Reference Price (DRP) - The DRP is the average (to the \$0.0001) of the Daily Index Prices for the five trading days surrounding the delivery "price date" as stated in Block 7, "PRICE DATE", on the Strategic Petroleum Reserve Crude Oil Delivery Report: SPRPMO F-416.1-3.

- (1) For pipeline deliveries, the "price date" shall be the date the shipment completed at the custody transfer point, in accordance with SSP C.12, as amended by the NS.
- (2) For vessel deliveries, the "price date" shall be the date vessel loading completed in accordance with SSP C.19.
- (3) The "five trading days surrounding the price date" means the following five days: The midday, day three, is the price date as determined above (unless such day is a day on which trading activity did not occur, in which case the midday shall be the succeeding day on which trading activity did occur), the two days preceding the midday of the five day period on which trading activity occurred and the two days succeeding the midday on which trading activity occurred.

Price Adjustment Factor (PAF) - The PAF is the purchaser's offered price minus the Base Reference Price (BRP). The PAF may be either positive or negative.

GENERIC EXAMPLES:

Delivery Reference Price + Price Adjustment Factor = Unit Price per Barrel (subject to any additional adjustments provided for elsewhere in the contract):

Example 1:

Assume:

Offered Price	\$103.2534	
BRP	\$101.0015	(5 day average specified in the NS)
PAF	\$2.2519	
DRP	\$105.5055	(5 day average surrounding price data)
Add: PAF	\$2.2519	
Unit Price/bbl	\$107.7574	

Example 2:

Assume:

Offered Price	\$100.7564	
BRP	\$101.0015	(5 day average specified in the NS)
PAF	\$(0.2451)	
DRP	\$105.5055	(5 day average surrounding price data)
Add: PAF	\$(0.2451)	
Unit Price/bbl	\$105.2604	

ATTACHMENT A
 CRUDE OIL QUANTITIES OFFERED FOR SALE
 U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are finalized, Offerors who are awarded barrels at Bryan Mound destined for Freeport Docks will submit nomination windows and vessel confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

The crude oil streams, delivery mode and periods, daily maximum delivery capability, and quantities of crude oil offered in this sale, under emergency conditions, are as follows:

- MLI = Master Line Item/Crude Oil Stream
- DLI = Delivery Line Item/Maximum Quantity per Delivery Mode and Period
- MIN Qty. = Minimum Contract Quantity Per DLI
- MB = Thousands of Barrels
- MBD Avg = SPR's daily maximum delivery limit capability for each delivery line item utilizing SPR design criteria (under emergency conditions).

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Bryan Mound Sour 002		9/16-10/21	2,800			
	DLI-B Vessel @ Freeport	9/16-10/21		480	250	250
	DLI-H Pipeline @ Texas City	9/16-10/21		880	2,550	350

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
West Hackberry Sweet 004		9/16-10/21	9,600			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	9/16-10/21		775	7,700	350
	DLI-B Vessel @ Sun (SPR Tank)	9/16-10/21		1085	600	250
	DLI-H Pipeline @ Lake Charles Meter Station	9/16-10/21		520	1,300	350

Crude Oil Stream <u>MLI</u>	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Big Hill Sweet 009		9/16-10/21	7,600			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	9/16-10/21		775	6,650	350
	DLI-B Vessel @ Sun (SPR Tank)	9/16-10/21		1085	600	250
	DLI-H Pipeline @P66 Beaumont Terminal	9/16-10/21		480	350	350

ATTACHMENT - B

**INSTRUCTIONS FOR FEDWIRE FUNDS TRANSFERS TO THE
DEPARTMENT OF ENERGY**

Please provide the following instructions to your Financial Institution for Fedwire funds transfers to the Department of Energy at the U.S. Treasury:

Item Number	Fedwire Field Tag	Length	Fedwire Field Name	Required Information
1	{1510}	4	Type/Subtype	1000
2	{2000}	12	Amount	<i>Enter payment amount</i>
3	{3100}	9	Sending ABA number	<i>Sender ABA-number</i>
4	{3320}	16	Sender Reference	<i>Filled by sender</i>
5	{3400}	9	Receiver ABA number *	021030004
6	{3400}	18	Receiver Short Name	TREAS NYC
7	{3600}	3	Business Function Code	CTR (or CTP)
8	{4200}	34	Beneficiary Identifier (account number)	89000001
9	{4200}	35	Beneficiary Name	DEPARTMENT OF ENERGY
10	{5000}	35	Originator Name	<i>Enter the (company) name of the originator of the payment</i>
11	{6000}	35	Originator to Beneficiary Information – Line 1	<i>Enter Contract Number</i>
11	{6000}	35	Line 2	<i>Enter Cargo Number</i>
11	{6000}	35	Line 3	<i>Enter Invoice Number</i>
11	{6000}	35	Line 4	

*** The financial institution address for Treasury’s routing number is:**

**Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045**

Attachment C GRAV CAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN GRAVITY OF CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL
10.0	1.250	16.0	2.150	22.0	3.050	28.0	3.950	34.0	4.850	40.0	5.100	46.0	4.950	52.0	4.050
10.1	1.265	16.1	2.165	22.1	3.065	28.1	3.965	34.1	4.865	40.1	5.100	46.1	4.935	52.1	4.035
10.2	1.280	16.2	2.180	22.2	3.080	28.2	3.980	34.2	4.880	40.2	5.100	46.2	4.920	52.2	4.020
10.3	1.295	16.3	2.195	22.3	3.095	28.3	3.995	34.3	4.895	40.3	5.100	46.3	4.905	52.3	4.005
10.4	1.310	16.4	2.210	22.4	3.110	28.4	4.010	34.4	4.910	40.4	5.100	46.4	4.890	52.4	3.990
10.5	1.325	16.5	2.225	22.5	3.125	28.5	4.025	34.5	4.925	40.5	5.100	46.5	4.875	52.5	3.975
10.6	1.340	16.6	2.240	22.6	3.140	28.6	4.040	34.6	4.940	40.6	5.100	46.6	4.860	52.6	3.960
10.7	1.355	16.7	2.255	22.7	3.155	28.7	4.055	34.7	4.955	40.7	5.100	46.7	4.845	52.7	3.945
10.8	1.370	16.8	2.270	22.8	3.170	28.8	4.070	34.8	4.970	40.8	5.100	46.8	4.830	52.8	3.930
10.9	1.385	16.9	2.285	22.9	3.185	28.9	4.085	34.9	4.985	40.9	5.100	46.9	4.815	52.9	3.915
11.0	1.400	17.0	2.300	23.0	3.200	29.0	4.100	35.0	5.000	41.0	5.100	47.0	4.800	53.0	3.900
11.1	1.415	17.1	2.315	23.1	3.215	29.1	4.115	35.1	5.000	41.1	5.100	47.1	4.785	53.1	3.885
11.2	1.430	17.2	2.330	23.2	3.230	29.2	4.130	35.2	5.000	41.2	5.100	47.2	4.770	53.2	3.870
11.3	1.445	17.3	2.345	23.3	3.245	29.3	4.145	35.3	5.000	41.3	5.100	47.3	4.755	53.3	3.855
11.4	1.460	17.4	2.360	23.4	3.260	29.4	4.160	35.4	5.000	41.4	5.100	47.4	4.740	53.4	3.840
11.5	1.475	17.5	2.375	23.5	3.275	29.5	4.175	35.5	5.000	41.5	5.100	47.5	4.725	53.5	3.825
11.6	1.490	17.6	2.390	23.6	3.290	29.6	4.190	35.6	5.000	41.6	5.100	47.6	4.710	53.6	3.810
11.7	1.505	17.7	2.405	23.7	3.305	29.7	4.205	35.7	5.000	41.7	5.100	47.7	4.695	53.7	3.795
11.8	1.520	17.8	2.420	23.8	3.320	29.8	4.220	35.8	5.000	41.8	5.100	47.8	4.680	53.8	3.780
11.9	1.535	17.9	2.435	23.9	3.335	29.9	4.235	35.9	5.000	41.9	5.100	47.9	4.665	53.9	3.765
12.0	1.550	18.0	2.450	24.0	3.350	30.0	4.250	36.0	5.020	42.0	5.100	48.0	4.650	54.0	3.750
12.1	1.565	18.1	2.465	24.1	3.365	30.1	4.265	36.1	5.020	42.1	5.100	48.1	4.635	54.1	3.735
12.2	1.580	18.2	2.480	24.2	3.380	30.2	4.280	36.2	5.020	42.2	5.100	48.2	4.620	54.2	3.720
12.3	1.595	18.3	2.495	24.3	3.395	30.3	4.295	36.3	5.020	42.3	5.100	48.3	4.605	54.3	3.705
12.4	1.610	18.4	2.510	24.4	3.410	30.4	4.310	36.4	5.020	42.4	5.100	48.4	4.590	54.4	3.690
12.5	1.625	18.5	2.525	24.5	3.425	30.5	4.325	36.5	5.020	42.5	5.100	48.5	4.575	54.5	3.675
12.6	1.640	18.6	2.540	24.6	3.440	30.6	4.340	36.6	5.020	42.6	5.100	48.6	4.560	54.6	3.660
12.7	1.655	18.7	2.555	24.7	3.455	30.7	4.355	36.7	5.020	42.7	5.100	48.7	4.545	54.7	3.645
12.8	1.670	18.8	2.570	24.8	3.470	30.8	4.370	36.8	5.020	42.8	5.100	48.8	4.530	54.8	3.630
12.9	1.685	18.9	2.585	24.9	3.485	30.9	4.385	36.9	5.020	42.9	5.100	48.9	4.515	54.9	3.615
13.0	1.700	19.0	2.600	25.0	3.500	31.0	4.400	37.0	5.040	43.0	5.100	49.0	4.500	55.0	3.600
13.1	1.715	19.1	2.615	25.1	3.515	31.1	4.415	37.1	5.040	43.1	5.100	49.1	4.485		
13.2	1.730	19.2	2.630	25.2	3.530	31.2	4.430	37.2	5.040	43.2	5.100	49.2	4.470		
13.3	1.745	19.3	2.645	25.3	3.545	31.3	4.445	37.3	5.040	43.3	5.100	49.3	4.455		
13.4	1.760	19.4	2.660	25.4	3.560	31.4	4.460	37.4	5.040	43.4	5.100	49.4	4.440		
13.5	1.775	19.5	2.675	25.5	3.575	31.5	4.475	37.5	5.040	43.5	5.100	49.5	4.425		
13.6	1.790	19.6	2.690	25.6	3.590	31.6	4.490	37.6	5.040	43.6	5.100	49.6	4.410		
13.7	1.805	19.7	2.705	25.7	3.605	31.7	4.505	37.7	5.040	43.7	5.100	49.7	4.395		
13.8	1.820	19.8	2.720	25.8	3.620	31.8	4.520	37.8	5.040	43.8	5.100	49.8	4.380		
13.9	1.835	19.9	2.735	25.9	3.635	31.9	4.535	37.9	5.040	43.9	5.100	49.9	4.365		
14.0	1.850	20.0	2.750	26.0	3.650	32.0	4.550	38.0	5.060	44.0	5.100	50.0	4.350		
14.1	1.865	20.1	2.765	26.1	3.665	32.1	4.565	38.1	5.060	44.1	5.100	50.1	4.335		
14.2	1.880	20.2	2.780	26.2	3.680	32.2	4.580	38.2	5.060	44.2	5.100	50.2	4.320		
14.3	1.895	20.3	2.795	26.3	3.695	32.3	4.595	38.3	5.060	44.3	5.100	50.3	4.305		
14.4	1.910	20.4	2.810	26.4	3.710	32.4	4.610	38.4	5.060	44.4	5.100	50.4	4.290		
14.5	1.925	20.5	2.825	26.5	3.725	32.5	4.625	38.5	5.060	44.5	5.100	50.5	4.275		
14.6	1.940	20.6	2.840	26.6	3.740	32.6	4.640	38.6	5.060	44.6	5.100	50.6	4.260		
14.7	1.955	20.7	2.855	26.7	3.755	32.7	4.655	38.7	5.060	44.7	5.100	50.7	4.245		
14.8	1.970	20.8	2.870	26.8	3.770	32.8	4.670	38.8	5.060	44.8	5.100	50.8	4.230		
14.9	1.985	20.9	2.885	26.9	3.785	32.9	4.685	38.9	5.060	44.9	5.100	50.9	4.215		
15.0	2.000	21.0	2.900	27.0	3.800	33.0	4.700	39.0	5.080	45.0	5.100	51.0	4.200		
15.1	2.015	21.1	2.915	27.1	3.815	33.1	4.715	39.1	5.080	45.1	5.085	51.1	4.185		
15.2	2.030	21.2	2.930	27.2	3.830	33.2	4.730	39.2	5.080	45.2	5.070	51.2	4.170		
15.3	2.045	21.3	2.945	27.3	3.845	33.3	4.745	39.3	5.080	45.3	5.055	51.3	4.155		
15.4	2.060	21.4	2.960	27.4	3.860	33.4	4.760	39.4	5.080	45.4	5.040	51.4	4.140		
15.5	2.075	21.5	2.975	27.5	3.875	33.5	4.775	39.5	5.080	45.5	5.025	51.5	4.125		
15.6	2.090	21.6	2.990	27.6	3.890	33.6	4.790	39.6	5.080	45.6	5.010	51.6	4.110		
15.7	2.105	21.7	3.005	27.7	3.905	33.7	4.805	39.7	5.080	45.7	4.995	51.7	4.095		
15.8	2.120	21.8	3.020	27.8	3.920	33.8	4.820	39.8	5.080	45.8	4.980	51.8	4.080		
15.9	2.135	21.9	3.035	27.9	3.935	33.9	4.835	39.9	5.080	45.9	4.965	51.9	4.065		

For API GRAVITY values above 55.0° API the differential continues to decline 0.015/ bbl. per 0.1° API GRAVITY.

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN SULFUR CONTENT FOR CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL
0.00	1.000	0.60	1.600	1.20	2.200	1.80	2.800	2.40	3.400	3.00	4.000	3.60	4.600
0.01	1.010	0.61	1.610	1.21	2.210	1.81	2.810	2.41	3.410	3.01	4.010	3.61	4.610
0.02	1.020	0.62	1.620	1.22	2.220	1.82	2.820	2.42	3.420	3.02	4.020	3.62	4.620
0.03	1.030	0.63	1.630	1.23	2.230	1.83	2.830	2.43	3.430	3.03	4.030	3.63	4.630
0.04	1.040	0.64	1.640	1.24	2.240	1.84	2.840	2.44	3.440	3.04	4.040	3.64	4.640
0.05	1.050	0.65	1.650	1.25	2.250	1.85	2.850	2.45	3.450	3.05	4.050	3.65	4.650
0.06	1.060	0.66	1.660	1.26	2.260	1.86	2.860	2.46	3.460	3.06	4.060	3.66	4.660
0.07	1.070	0.67	1.670	1.27	2.270	1.87	2.870	2.47	3.470	3.07	4.070	3.67	4.670
0.08	1.080	0.68	1.680	1.28	2.280	1.88	2.880	2.48	3.480	3.08	4.080	3.68	4.680
0.09	1.090	0.69	1.690	1.29	2.290	1.89	2.890	2.49	3.490	3.09	4.090	3.69	4.690
0.10	1.100	0.70	1.700	1.30	2.300	1.90	2.900	2.50	3.500	3.10	4.100	3.70	4.700
0.11	1.110	0.71	1.710	1.31	2.310	1.91	2.910	2.51	3.510	3.11	4.110	3.71	4.710
0.12	1.120	0.72	1.720	1.32	2.320	1.92	2.920	2.52	3.520	3.12	4.120	3.72	4.720
0.13	1.130	0.73	1.730	1.33	2.330	1.93	2.930	2.53	3.530	3.13	4.130	3.73	4.730
0.14	1.140	0.74	1.740	1.34	2.340	1.94	2.940	2.54	3.540	3.14	4.140	3.74	4.740
0.15	1.150	0.75	1.750	1.35	2.350	1.95	2.950	2.55	3.550	3.15	4.150	3.75	4.750
0.16	1.160	0.76	1.760	1.36	2.360	1.96	2.960	2.56	3.560	3.16	4.160	3.76	4.760
0.17	1.170	0.77	1.770	1.37	2.370	1.97	2.970	2.57	3.570	3.17	4.170	3.77	4.770
0.18	1.180	0.78	1.780	1.38	2.380	1.98	2.980	2.58	3.580	3.18	4.180	3.78	4.780
0.19	1.190	0.79	1.790	1.39	2.390	1.99	2.990	2.59	3.590	3.19	4.190	3.79	4.790
0.20	1.200	0.80	1.800	1.40	2.400	2.00	3.000	2.60	3.600	3.20	4.200	3.80	4.800
0.21	1.210	0.81	1.810	1.41	2.410	2.01	3.010	2.61	3.610	3.21	4.210	3.81	4.810
0.22	1.220	0.82	1.820	1.42	2.420	2.02	3.020	2.62	3.620	3.22	4.220	3.82	4.820
0.23	1.230	0.83	1.830	1.43	2.430	2.03	3.030	2.63	3.630	3.23	4.230	3.83	4.830
0.24	1.240	0.84	1.840	1.44	2.440	2.04	3.040	2.64	3.640	3.24	4.240	3.84	4.840
0.25	1.250	0.85	1.850	1.45	2.450	2.05	3.050	2.65	3.650	3.25	4.250	3.85	4.850
0.26	1.260	0.86	1.860	1.46	2.460	2.06	3.060	2.66	3.660	3.26	4.260	3.86	4.860
0.27	1.270	0.87	1.870	1.47	2.470	2.07	3.070	2.67	3.670	3.27	4.270	3.87	4.870
0.28	1.280	0.88	1.880	1.48	2.480	2.08	3.080	2.68	3.680	3.28	4.280	3.88	4.880
0.29	1.290	0.89	1.890	1.49	2.490	2.09	3.090	2.69	3.690	3.29	4.290	3.89	4.890
0.30	1.300	0.90	1.900	1.50	2.500	2.10	3.100	2.70	3.700	3.30	4.300	3.90	4.900
0.31	1.310	0.91	1.910	1.51	2.510	2.11	3.110	2.71	3.710	3.31	4.310	3.91	4.910
0.32	1.320	0.92	1.920	1.52	2.520	2.12	3.120	2.72	3.720	3.32	4.320	3.92	4.920
0.33	1.330	0.93	1.930	1.53	2.530	2.13	3.130	2.73	3.730	3.33	4.330	3.93	4.930
0.34	1.340	0.94	1.940	1.54	2.540	2.14	3.140	2.74	3.740	3.34	4.340	3.94	4.940
0.35	1.350	0.95	1.950	1.55	2.550	2.15	3.150	2.75	3.750	3.35	4.350	3.95	4.950
0.36	1.360	0.96	1.960	1.56	2.560	2.16	3.160	2.76	3.760	3.36	4.360	3.96	4.960
0.37	1.370	0.97	1.970	1.57	2.570	2.17	3.170	2.77	3.770	3.37	4.370	3.97	4.970
0.38	1.380	0.98	1.980	1.58	2.580	2.18	3.180	2.78	3.780	3.38	4.380	3.98	4.980
0.39	1.390	0.99	1.990	1.59	2.590	2.19	3.190	2.79	3.790	3.39	4.390	3.99	4.990
0.40	1.400	1.00	2.000	1.60	2.600	2.20	3.200	2.80	3.800	3.40	4.400	4.00	5.000
0.41	1.410	1.01	2.010	1.61	2.610	2.21	3.210	2.81	3.810	3.41	4.410		
0.42	1.420	1.02	2.020	1.62	2.620	2.22	3.220	2.82	3.820	3.42	4.420		
0.43	1.430	1.03	2.030	1.63	2.630	2.23	3.230	2.83	3.830	3.43	4.430		
0.44	1.440	1.04	2.040	1.64	2.640	2.24	3.240	2.84	3.840	3.44	4.440		
0.45	1.450	1.05	2.050	1.65	2.650	2.25	3.250	2.85	3.850	3.45	4.450		
0.46	1.460	1.06	2.060	1.66	2.660	2.26	3.260	2.86	3.860	3.46	4.460		
0.47	1.470	1.07	2.070	1.67	2.670	2.27	3.270	2.87	3.870	3.47	4.470		
0.48	1.480	1.08	2.080	1.68	2.680	2.28	3.280	2.88	3.880	3.48	4.480		
0.49	1.490	1.09	2.090	1.69	2.690	2.29	3.290	2.89	3.890	3.49	4.490		
0.50	1.500	1.10	2.100	1.70	2.700	2.30	3.300	2.90	3.900	3.50	4.500		
0.51	1.510	1.11	2.110	1.71	2.710	2.31	3.310	2.91	3.910	3.51	4.510		
0.52	1.520	1.12	2.120	1.72	2.720	2.32	3.320	2.92	3.920	3.52	4.520		
0.53	1.530	1.13	2.130	1.73	2.730	2.33	3.330	2.93	3.930	3.53	4.530		
0.54	1.540	1.14	2.140	1.74	2.740	2.34	3.340	2.94	3.940	3.54	4.540		
0.55	1.550	1.15	2.150	1.75	2.750	2.35	3.350	2.95	3.950	3.55	4.550		
0.56	1.560	1.16	2.160	1.76	2.760	2.36	3.360	2.96	3.960	3.56	4.560		
0.57	1.570	1.17	2.170	1.77	2.770	2.37	3.370	2.97	3.970	3.57	4.570		
0.58	1.580	1.18	2.180	1.78	2.780	2.38	3.380	2.98	3.980	3.58	4.580		
0.59	1.590	1.19	2.190	1.79	2.790	2.39	3.390	2.99	3.990	3.59	4.590		

For Sulfur Values
above 4.00% the
differential continues
to increase 0.01/BBL
per 0.01 Percent
Sulfur

Attachment D

SAMPLE - OFFER GUARANTEE STANDBY LETTER OF CREDIT

**BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123

Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____)
CONTRACTOR: _____
NOTICE OF SALE NO: _____
OFFER NO: _____
LETTER OF CREDIT NO: _____
EXPIRATION DATE: **October 3, 2022**
AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy's Notice of Sale, including any amendments thereto, for the sale of Strategic Petroleum Reserve petroleum. This Letter of Credit expires at least 60 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

“THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF (CONTRACTOR) TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR THE PURCHASE OF SPR PETROLEUM FROM THE STRATEGIC PETROLEUM RESERVE, IN ACCORDANCE WITH THE U.S. GOVERNMENT'S NOTICE OF SALE NO. _____, INCLUDING ANY AMENDMENTS THERETO.”

Attachment D

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced Notice of Sale.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

Attachment D

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statement. **The drawing statement is in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

Attachment D

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have a letter of cancellation returned to you via e-mail only for cancellation of your Offer Letter of Credit, please provide information below:

Send a signed authorization to cancel the Offer LOC to the following point of contact via e-mail address: _____

Contact Phone Number: _____

**SAMPLE - PAYMENT AND PERFORMANCE LETTER OF CREDIT
BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S.\$ _____ (_____)

CONTRACTOR: _____

CONTRACT NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: _____

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer's above contract with the U.S. Department of Energy for the sale of Strategic Petroleum Reserve petroleum.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and one or both of the following statements:

a. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE THE GOVERNMENT HAS DELIVERED SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO, AND _____ (CONTRACTOR) HAS NOT PAID UNDER THE TERMS OF THAT CONTRACT."**

b. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE _____ (CONTRACTOR) HAS FAILED TO TAKE DELIVERY OF SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO."**

Attachment E

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced contract.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

INSTRUCTIONS FOR PAYMENT AND PERFORMANCE GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statements. **The drawing statements are in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

STRATEGIC PETROLEUM RESERVE

NOMINATION - CONFIRMATION

SPR Operations Fluor Federal Petroleum Operations New Orleans, Louisiana FFPOCOL@SPR.DOE.GOV	<u>Scheduler</u> Chuck Costanza (504) 734-4733 <u>Quantity and Quality</u> Ned Scheppegegrell (504) 722-6146
------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------

****The following information must be provided by the Contractor****

Submission Date: [Click here to enter a date.](#) Submission Type: Original Nomination

Contract No.: Enter Contract Number
 Contractor: Enter Contractor Name
 Address: Enter Address
 City, State, Zip

Contractor Contact Information

Primary Contact: Primary Contact Name	Alternate: Alternate Contact Name
Office: Office Phone	Office: Office Phone
Cell: Cell Phone	Cell: Cell Phone
Email: Email Address	Email: Email Address

CODR/DD250 Contractor Signatory Designee*: Signatory Designee Name

*Designee can be contractor office personnel, 3rd party inspection company†, or chosen loss control representative†.

Office: Office Phone
 Cell: Cell Phone
 Email: Email Address

Note: If multiple designees are to be used, please input "See Attached" and provide list to FFPOCOL@spr.doe.gov with nomination.

†Third Party Inspection Company Information

Company: 3rd Party Inspection Company

Contact: 3rd Party Contact Name

Contact Ned Scheppegegrell for any questions on SPR 3rd party inspection and testing.

Nomination Information and Delivery Window (additional lines on following page)

Delivery Window	Pipeline/Vessel	Volume (MB)	SPR Site	Destination
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Total Volume:		Total Volume		

The Following information to be provided by SPR Operations Personnel

Terminal Information

Terminal: TBD
 Contact:
 Contact:
 Contact:

Custody Transfer Point

TBD
Quality Point
 TBD
Quantity Point
 TBD

From: [Gele, Kelly](#) on behalf of [Gele, Kelly <Kelly.Gele@SPR.DOE.GOV>](#)
To: [MacIntyre, Douglas \(HQ\)](#); [McGarry, Thomas \(HQ\)](#); [Oosterling, Paul](#); [Perry, Robert](#); [Turner, Shenee \(HQ\)](#); [Gele, Lionel](#); [Treadway, Demetrius](#); [Williams, Rhonda \(HQ\)](#)
Cc: [Roark, Mary](#); [Habbaz, Roy](#); [Roark, Christopher](#); [O'Shaughnessy, Kelly](#); [Wormhoudt, Sheldra](#); [Coleman, Jennifer](#); [Webre, Richard](#); [Harrell, Yolanda](#)
Subject: FY22 Emergency Drawdown No. 3A NOS
Date: Tuesday, June 14, 2022 1:18:53 PM
Attachments: [FY22 Emergency Drawdown No. 3A NOS.pdf](#)

Everyone,

Subject NOS has issued. It has been posted online and can be found at <https://www.spr.doe.gov/doeec/OilSale.htm>.

I've also attached a copy for everyone.

Note that the Offeror Abstract, ASO Report, and SAR for FY22 Emergency Drawdown No. **2B** have been posted and may be found on our archive webpage at: <https://www.spr.doe.gov/doeec/OilSaleArchivalReports/OilSaleArchive.htm>

Thanks,

Kelly M. Gele'

**Director, Office of Acquisition and Sales
Strategic Petroleum Reserve
Department of Energy
New Orleans, LA 70123
(504)734-4343 (work)
(b) (6) (cell)**



Department of Energy
Strategic Petroleum Reserve Project Management Office
900 Commerce East
New Orleans, Louisiana 70123

NOTICE OF SALE
DE-NS96-22PO50000

Pursuant to the authority and direction of the President of the United States, the Strategic Petroleum Reserve (SPR) is conducting an emergency sale of SPR crude oil as provided for by the Department of Energy Organization Act (42 U.S.C 7101 et seq.) and Section 161(d) of the Energy Policy and Conservation Act (42 U.S.C. 6241). The Department of Energy invites you to submit offers for the purchase of crude oil from the SPR. Contracts resulting from this sale shall be subject to contract price adjustment as set forth in the Supplements and Amendments to the Standard Sales Provisions (SSP). This Notice of Sale contains the terms and conditions of the sale and specific instructions for preparation and submittal of offers.

As stated in this Notice of Sale, you are required to submit your offer using the Crude Oil Sales Offer Program. **Manual offers will NOT be accepted.**

Offers are due by 10:00 a.m. Central Time, Tuesday June 28, 2022.

Please read this solicitation carefully. Questions regarding this Notice of Sale must be submitted via email by noon, Central Time, Monday June 27, 2022, to allow a reply to reach all prospective Offerors prior to submission of their offers. Any questions received after this date/time may not be answered prior to the date/time offers are due. Questions/Responses will be posted daily, by 5:00 p.m. Central Time at: <https://www.spr.doe.gov/doeec/oilsale.htm>. Questions must be addressed to:

<u>Contact</u>	<u>Telephone</u>	<u>E-Mail</u>
Mary C. Roark (Contracting Officer)	(504) 734-4195	mary.roark@spr.doe.gov

A handwritten signature in black ink, appearing to read "Kelly M. Gelé".

Date: June 14, 2022

Kelly M. Gelé
Director, Office of Acquisition and Sales

NOTICE OF SALE
DE-NS96-22PO50000

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Strategic Petroleum Reserve Crude Oil Assays	Attached via hyperlink
Crude Oil Safety Data Sheet	Attached via hyperlink
SPR Crude Oil Assay Manual	Attached via hyperlink
Standard Sales Provisions (SSPs)	Attached via hyperlink

NOTICE OF SALE
DE-NS96-22PO50000

INSTRUCTIONS

GENERAL REQUIREMENTS

1. Offer must be submitted via the Crude Oil Sales Offer Program (COSOP) by the date/time specified in the Notice of Sale. **Manual offers will NOT be accepted.**
2. Offerors are required to submit an Offer Guarantee (See SSP B.12). Any entity that currently stores oil in the SPR under a Lease and Storage Agreement is exempt from the Offer Guarantee and Payment and Performance Letter of Credit requirements in this NOS.

Failure to submit the above documents or to comply with material requirements of the Notice of Sale may be cause for rejection of the offer.

SALE-SPECIFIC REQUIREMENTS

The following sales requirements are established for this sale:

1. The sale will be by price competition and shall be conducted pursuant to Title 10 Code of Federal Regulations Part 625 [Appendix A](#), except as may be supplemented or amended by this Notice of Sale. While the location of the [Appendix A](#): Standard Sales Provisions has changed, the provision itself has not changed since 2005.
2. The intent of this sale is to award up to 29.5 million barrels sweet barrels and 15.5 million sour barrels for a total of 45 million barrels. The delivery period for sweet this sale shall be from August 16, 2022 to September 30, 2022 from Big Hill and West Hackberry. The delivery period of sour for this sale shall be from August 16, 2022 to September 30, 2022 at Bayou Choctaw, and Bryan Mound. Requests for early deliveries in accordance with SSP C.5(c) will be accommodated to the maximum extent possible, terms to be negotiated. Bayou Choctaw crude oil stream cargoes between August 16, 2022 to September 30, 2022, will require H₂S scavenger. See table below for anticipated ppmv concentration of scavenger (liquid) in crude oil by site:

Site and stream	Scavenger ppmv
Bayou Choctaw sour	630

The SPR will use SULFA-CHECK EC9085A, SDS is available on the [SPR crude oil assay page](#). For this competitive sale, the SPR will not pass on the H₂S scavenger cost to oil purchasers.

Offerors are advised that crude oil delivered from the Big Hill site may be subject to applicable Foreign Trade Zone (FTZ) duty. The SPR will not pass on the deferred import duty to oil purchasers. For release of Non-Privileged Foreign (NPF) oil from the Big Hill site (Foreign Trade Zone, Subzone 116D), purchasers shall furnish support documentation and comply with all applicable U.S. Customs and Border Protection (CBP) regulations.

3. The crude oil streams, delivery modes and periods, and the quantities offered in this sale, as well as minimum contract quantities, are shown in [Attachment A](#).

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are finalized, Offerors who are awarded barrels at Bryan Mound destined for Freeport Docks will submit nomination windows and vessel confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

SPR cargo nomination ranking will be in accordance with Standard Sales Provision C.5., Delivery and Transportation Scheduling.

4. Offers MUST be received by 10:00 a.m. Central Time, Tuesday June 28, 2022; any offers received after 10:00 a.m. Central Time will be determined to be late and will be rejected, except as provided in SSP B.11, “Late Offers, Modifications of Offers, and Withdrawal of Offers.”
5. **An electronic copy of the fully executed Offer Guarantee shall be emailed or efaxed. The e-fax number is (504) 818-5195 or e-mailed to mary.roark@spr.doe.gov AND MUST be received not later than the time/date for receipt of offers. An original hardcopy of the Offer Guarantee is not required for this Notice of Sale.**
6. Pursuant to SSP B.7, *State of Hawaii Access to SPR Crude Oil*, by submission of a binding offer, the State of Hawaii, for this sale, is entitled to purchase up to three

percent of the offering barrels of SPR petroleum. Pursuant to section 161(j)(4) of the Energy Policy and Conservation Act, 42 U.S.C. 624(j)(4), the quantity to be sold to the State of Hawaii may be adjusted upward or downward to match the full tanker load of approximately 1,350,000 barrels, or such lesser tanker capacity as may be designated by the State of Hawaii.

7. Pursuant to SSP B.9, Submission of Offers and Modifications of Previously Submitted Offers, paragraph (e), DOE will inform simultaneously all Offerors and other interested parties of the successful and unsuccessful Offerors and their offer data by means of a public “offer posting”. This offer posting will occur approximately one week after receipt of offers. This information will be provided by a posting on the Internet at the following address:
<https://www.spr.doe.gov/doecc/oilsale.htm>.

NOTICE OF SALE
DE-NS96-22PO50000

SUPPLEMENTS AND AMENDMENTS
TO THE STANDARD SALES PROVISIONS

For this sale only, the Standard Sales Provisions (SSPs) are supplemented or amended as follows:

1. Offerors are advised that the requirements of the “Jones Act” must be met for the marine delivery of crude oil purchased in this sale which is destined for U.S. ports. SSP B.4, *Requirements for Vessels-Caution to Offerors* and SSP C.7, *Application Procedures for “Jones Act” and Construction Differential Subsidy Waivers* are supplemented as follows:

The Secretary of the Department of Homeland Security has not issued a general (‘blanket’) waiver of the ‘Jones Act’ for the marine delivery of crude oil purchased in this sale. Consequently, it is necessary for an Apparently Successful Offeror (ASO) to follow the procedures of SSP C.7. Standard Sales Provision C.7 (a) is modified to provide the following address for submission of a Jones Act waiver request.

U. S. Customs and Border Protection
Office of International Trade/Regulations and Rulings
Chief, Cargo Security
Carriers and Restricted Merchandise Branch
U.S. Department of Homeland Security
Telephone No. (202) 860-7502
JonesActWaiverRequest@cbp.dhs.gov

For more information visit: <https://www.cbp.gov/trade/jones-act-waiver-request>

2. Standard Sales Provision B.5, *“Superfund” Tax on SPR Petroleum-Caution to Offerors*, is supplemented as follows:

The “Superfund” taxes are currently not imposed; however, purchasers are liable for Oil Spill Liability Trust Fund (OSLTF) taxes of \$0.09/barrel for deliveries for calendar year 2022 if applicable, for all SPR crude oil streams and must comply with current OSLTF requirements if enacted by Congress. Additionally, purchasers are liable for: Coastal Protection fees, Waterway Navigation fees, state and local environmental fees, including the federal Harbor Maintenance Trust Fund fees, if applicable. In regards to OSLTF, per the authoritative source:

https://www.uscg.mil/Mariners/National-Pollution-Funds-Center/About_NPFC/osltf/:

*“The Principal Fund of the OSLTF has several recurring and nonrecurring sources of revenue...**Barrel Tax.** The largest source of revenue has been a per-barrel excise tax, collected from the oil industry on petroleum produced in or imported to the United States. The original 5-cent-per-barrel tax expired at the end of 1994 because of the sunset provision in the law. The 2005 Energy Policy Act again reinstated the tax (effective April 2006). The Energy Improvement and Extension Act of 2008 extended the per-barrel excise tax through December 2017 and increased the per-barrel excise tax from 5 cents to 8 cents from 2009-2016 to 9 cents in March 2017.” Subsequently, section 40416 of the Bipartisan Budget Act of 2018 temporarily reinstates the Oil Spill Liability Tax that expired on December 31, 2017 for the period beginning on March 1, 2018 through December 31, 2018. On December 20, 2019, H.R. 1865-701 was signed and amended Section 4611(f)(2) by striking December 21, 2018 and inserting “December 31, 2021”*

3. Standard Sales Provision B.6, Export Limitations and Licensing – Caution to Offerors, is removed in its entirety. Offerors are advised to review section 101 of Division O of the Consolidated Appropriations Act, 2016 (Public Law 114-113) concerning the export of crude oil, and are required to comply with all U.S. export laws.
4. Standard Sales Provision B.12, *Offer Guarantee*, is amended as follows:

Exhibit C “Offer Standby Letter of Credit” is deleted and replaced with Attachment D of the NS. All references to Exhibit C shall mean Attachment D.

Paragraph (d) is amended as follows:

The fourth sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

Paragraph (g) is supplemented as follows:

For this sale the actual expiration date of the letters of credit furnished as offer guarantees will be August 29, 2022.

Paragraph (h) is amended as follows:

“Offer guarantee letters of credit cancellation letters will be returned via e-mail only, if requested, in accordance with Attachment D - REQUEST FOR OFFER GUARANTEE RETURNS, to an unsuccessful Offeror 5 business days after expiration of the Offeror's acceptance period, and, except as provided in (i) of this provision, to a successful Offeror upon receipt of a satisfactory payment and performance letter of credit.”

5. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, is supplemented with the following information:

Minimum delivery lot sizes are 350,000 barrels for pipelines (with the exception of deliveries from Bayou Choctaw into the Baton Rouge “Bourre” pipeline, which shall have a minimum quantity of 225,000 barrels), and 250,000 barrels for vessels. Offerors are reminded, however, of their responsibility to comply with (1) any minimum tender provision of any pipelines by which they take delivery from an SPR terminal, and (2) the vessel usage and load rate restrictions specified in SSP C.8(c), *Vessel loading procedures*.

(Note: “vessel” is synonymous with “tank ship”), and (3) that Offerors are required to make arrangements with all parties downstream from the DOE site meters.

6. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, paragraph (a) has been amended as follows:

Delivery Points (from Beaumont, Texas): change from “Unocal Terminal” to “Phillips 66 Beaumont Terminal”.

7. Standard Sales Provision B.18, *Notice of Sale Line Item Schedule – Petroleum Quantity, Quality, and Delivery Method*, paragraph (h) is supplemented with the following information:

The quality characteristics of the crude oil streams offered for sale are those cited in the [Strategic Petroleum Reserve Crude Oil Assays](#).

This crude oil quality data is a weighted average composition of the specific caverns that comprise the streams offered for sale. Although a specific crude oil benchmark is referenced; SPR inventory contains a blend of domestic and global crude including Isthmus, Urals, Alaskan North Slope, Arabian Light, Saharan, and Dubai with segregation by Sweet and Sour storage caverns. The SPR has observed H₂S concentration (which is found naturally in crude oil) greater than 10 ppm in liquid in some crude batches. Measurements of H₂S in vapor space can be orders of magnitude higher than in liquid and difficult to measure due to factors in

handling, weather, etc. OSHA provides guidelines on appropriate safety precautions and equipment if crude is handled openly, spilled, or released to the atmosphere. Offerors are encouraged to review the [Strategic Petroleum Reserve Crude Oil Assays](#) for more detailed oil stream composition and specifics so that conditions (such as the presence of H₂S) are expected and communicated downstream. It is expected that Bayou Choctaw crude oil stream cargoes between August 16, 2022 to September 30, 2022 will have H₂S scavenger injected.

Note: Each SPR stream will be a blended average using several caverns. As a result, actual representative samples are not available prior to deliveries. Please refer to Crude Oil Assays which provides a weighted average composite profile of the stream.

8. Standard Sales Provision B.22, *Procedures for Evaluation of Offers*, Paragraphs (a) and (b)(8), is amended as follows:

Award on each DLI will be made to the responsible offerors that submit the highest priced offers responsive to the SSPs and the NS, in addition to operational considerations, and that have provided the required payment and performance guarantee as required by Provision C.21

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

9. Standard Sales Provision B. 27, *Contract Documents*, is amended as follows:

The third sentence is deleted in its entirety. The fourth sentence shall read: “The NS and the Provisions of the SSPs will be made applicable through incorporation by reference in the Notice of Acceptance (NA)”. The last sentence is deleted in its entirety.

10. Standard Sales Provision C.2, *Compliance with the “Jones Act” and the U.S. Export Control Laws*, is amended to delete all references to U.S. Export Control Laws. (See 3. above.)

11. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is supplemented with the following information:

- (a) Crude Oil Scheduling:
Fluor Federal Petroleum Operations Company
New Orleans, Louisiana

All email correspondence: FFPOCOL@spr.doe.gov
Please send all operational questions to FFPOCOL@spr.doe.gov.

Bradley Bauer, (Cell) (b) (6)
Chuck Costanza, (504) 734-4733 (O)
(b) (6) (Cell) (Primary)
Ned Schennebrell (504) 734-4604 (Office)
(b) (6) (Cell) (Primary)

(b) Pipeline and Terminal contacts:

(i) Sun Marine Terminal, Nederland, TX

Mike Birkett, Director - Operations (409) 721-4404
Joshua McQueen-Sr. Manager (409) 721-4819
Gina Whitfield, Director, Business Development, (713) 989-6260
Bill Wheeler, Manager, Nederland Scheduling (409) 721-4813
Control Room (409) 721-4845
Marine Scheduler (409) 721-4812
Pipeline Scheduler (409) 721-4823
Shift Supervisor (409) 720-7972

(ii) Shell Pipeline Company (Shell tie-in @ LCMS and Big Hill)

John McMahon, Oil Movement Scheduler
O(832) 337-8555
(b) (6)
Coley Adams, Oil Movement Scheduler
O(832) 762-278
(b) (6)

(iii) Enterprise Products

Scheduling

Shauna Johnson, Director, Onshore Crude Scheduling &
Distribution (713) 381-6314
Randy Mayhall – Manager, Daily Scheduling (713) 381-4629
Justin Shobe – Supervisor, Daily Scheduling (713) 381-4557
Daniel Escamilla, Seaway Daily Scheduler (713) 381-4310
Patrick Batts, Seaway Daily Scheduler (713) 381-6865
Damon Lopez, Texas City Scheduler (713) 381-6715
Steven Owens, Supervisor, Monthly Distribution (713) 381-4250
Chamesha Randall, Coordinator, Distribution (713) 381-5861

Field Management

John Hazley, Superintendent, Operations, Freeport/Texas City (979) 237-6756

Chris Yorgensen, Pipeline Supervisor, Jones Creek (979) 230-7308, Texas City (409) 949-3706

Chase Nelson, Pipeline Supervisor, Texas City (409) 949 3706

(iv) Exxon Mobil Pipeline (Bryan Mound cargoes)

Christopher Cox, Field Supervisor (281) 381-7663

Josef Molnar, Monthly Scheduler O(832) 625-2255

C(b) (6)

Michael Frey, Relief Monthly Scheduler

O(832)624-2917 (b) (6)

Ryan Wilborn, Daily Scheduler O(832) 624-0042

C(b) (6)

Joseph Holmberg , Area Supervisor O(832) 625-4994

C(b) (6)

Monthly Scheduler (832) 624-0040

(v) Exxon Mobil Pipeline (Bayou Choctaw cargoes)

Randy Henry, Scheduler / Crude Analyst

O (832-625-3338) M (346-254-0150)

(vi) Phillips 66 (Beaumont Terminal) Nederland, TX

Mike Mott, Team Lead, Oil Movements O(409) 724-3337

(b) (6)

Mark Maxwell, Operations Coordinator O(409) 724-3288

(b) (6)

Johnny Gaw, Crude Pipeline Scheduler O(409) 724-3232

(b) (6)

Peggy Smith, Crude Ship Scheduler

O(409) 724-3232 (b) (6)

Randy Hudson, Products Scheduler

O(409) 724-3215 (b) (6)

- (c) All email correspondence between the SPR and ASOs must include the sales contract number, if available, or the offer number in the subject.
- (d) The SPR will provide a Nomination-Confirmation Form to successful bidders (see Attachment F for sample form). The ASO shall complete the yellow highlighted areas and return the form in the time frame defined in the SSPs.

12. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is amended as follows:

Paragraph (a) fourth sentence, change “highest offered price” to “highest Price Adjustment Factor (PAF)” and then by award volume size.

Paragraphs (c) and (d) are deleted in their entirety and replaced with the following:
(c) RESERVED

(d) Notwithstanding paragraph (a) of this provision, in no event will schedules be confirmed prior to award of contracts.

13. Standard Sales Provision C.8, *Vessel Loading Procedures*, is amended as follows:

Paragraph (d) shall read “At least 7 days in advance of the beginning of the scheduled window, the purchaser shall furnish the SPR/PMO with vessel nominations. Failure to do so will result in the SPR not being liable for a related demurrage claim(s), as well as any associated terminalling costs inclusive of the tank capacity penalty charges imposed by Nederland Terminal for vessel(s) not nominated in accordance with this section due to missing this 7 day notice period. Any such charges will be borne by the customer. Vessel nominations shall specify the following:”

14. Standard Sales Provision C.9, *Vessel Laytime and Demurrage* paragraphs (a) and (c) are replaced in their entirety with the following language:

- (a) The laytime allowed DOE for handling of the purchaser's vessel shall be 36 running hours. For vessels with cargo quantities in excess of 500,000 barrels, laytime shall be 36 running hours plus 1 hour for each 15,000 barrels of cargo to be loaded in excess of 500,000 barrels. Vessel laytime shall commence when the vessel is moored alongside (all fast) the loading berth. 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 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, delay caused by the loading terminal facility, decisions made by vessel owners or operators or by port authorities affecting loading operations, discharge of ballast or slops, customs and immigration clearance, weather, labor disputes, force majeure and the like shall not count as used laytime. In addition, movement in roads shall not count as used laytime.
- (c) For all hours or any part thereof of vessel laytime that elapse in excess of the allowed vessel laytime for loading provided for in this provision,

demurrage shall be paid by DOE, for U.S.-flag vessels, at the lesser of the demurrage rate in the tanker voyage or charter party agreement, or a U.S.-flag freight rate assessment obtained by the DOE for a hypothetical tanker with a deadweight in long tons equal to the weight in long tons of the petroleum loaded for such hypothetical tanker and voyage. For foreign flag vessels, demurrage shall be as determined in this provision, 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 rate. For all foreign flag vessel loadings 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 day of the preceding month. The demurrage rate for barges will be the lesser of the hourly rate contained in the charter of a chartered barge, or a rate determined by DOE as a fair rate under prevailing conditions. If demurrage is incurred because of breakdown of machinery or equipment of DOE, 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 DOE, however, shall in no event exceed the actual demurrage expense incurred by the purchaser as the result of the delay.

Note: In the event there is a “demurrage claim,” Government payments to oil purchaser(s) will be in accordance with VIPERS instructions. (See Table of Contents for Link)

15. Standard Sales Provision C.12, *Pipeline and Delivery Procedures*, paragraph (d) is deleted in its entirety and replaced with the following:

“(d) The date of delivery, which will be recorded on the CODR (see Provision C.19), is the date delivery is completed at the custody transfer point, as identified in the NS.”

16. Standard Sales Provision C.13, *Title and Risk of Loss*, is supplemented as follows:

St. James Pipeline – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bayou Choctaw site meter station.

Note: The delivery point for DLI “DLI-A Pipeline @ St. James Pipeline” is into the Redstick pipeline to the St. James Terminal facility. Offerors are responsible for all transportation costs beyond the delivery point.

Baton Rouge (Bourre) Pipeline – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bayou Choctaw site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Baton Rouge (Bourre) Pipeline” is into the Bourre pipeline to the Placid Refinery. Offerors are responsible for all transportation costs beyond the delivery point.

Seaway Texas City (Pipeline) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bryan Mound site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Texas City” is the Exxon Mobil 40” pipeline to Texas City, TX. Offerors are responsible for all transportation costs beyond the delivery point.

SPR Site to purchaser’s tank at SUN – Title and risk of loss pass to the purchaser at the connection point between the DOE/Sun terminal.

Note: The delivery point for “DLI-A Pipeline @ Sun” is the connection point between the DOE/Sun terminal. Offerors bidding on this DLI must have their own tankage available at SUN available for receipts. For deliveries to customer tankage, DOE meters and sampler at Sun terminal shall be the primary custody transfer measurement. In the event of failure at either primary meter location, secondary quality and quantity measurement shall be the applicable customer receipt/delivery tank gauge. If automatic samples are available at primary custody transfer location, primary quality will remain at that location. In the event neither of those are available, customer and the DOE will mutually agree on the method to be utilized.

SPR Site to purchaser’s tank at P66 Beaumont Terminal – Title and risk of loss pass to the purchaser at the purchaser’s receiving tank flange at P66 Beaumont Terminal.

Note: The delivery point for “DLI-H Pipeline @ P66 Beaumont Terminal” is the receiving tank flange at P66 Beaumont Terminal. Offerors bidding on this DLI must have tankage prearranged at P66 Beaumont Terminal available for receipts. Offerors will be invoiced an additional \$0.13 per barrel throughput for all crude oil that passes through the P66 Beaumont Terminal Connection Point.

Lake Charles Meter Station (LCMS) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE LCMS meter station.

17. Standard Sales Provision C.16, *Price Adjustments for Quality Differentials*, is deleted in its entirety and replaced with the following:
- (a) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the API gravity of the SPR crude oil delivered differs by more than plus or minus five-tenths of one degree API ($\pm 0.5^\circ$ API) from the API gravity of the SPR crude oil stream contracted for as published in the NS.
 - (b) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the Sulfur mass percent of the SPR crude oil delivered differs by more than plus or minus one-tenth of one percent of total Sulfur (± 0.10 mass, %) from the total Sulfur of the SPR crude oil stream contracted for as published in the NS.
 - (c) Price adjustments for the SPR crude oil are expected to be similar to commercial crude oil quality price adjustment methodologies for equivalent quality crude oil, taking into account the amount by which the actual values exceed the allowable variations set forth in paragraphs (a) and (b) above.
 - (d) Price adjustments for SPR crude oil streams offered for sale will be calculated using the GravCap tables at Attachment C.

Note: For calculation purposes the following will apply:

- 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.
- 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.

18. Standard Sales Provision C.19, *Delivery Documentation, Appendix A to Part 625 – Standard Sales Provisions, Exhibit E*, is amended as follows:

The Strategic Petroleum Reserve Crude Oil Delivery Report Number (SPRCODR) is changed to SPRPMO F-416.1-3.

Digital signature(s) shall be utilized when possible for completion of SPRCODR.

19. Standard Sales Provision C.20, *Contract Amounts* is replaced in its entirety with the following:

The contract quantities and dollar value stated in the Notice of Acceptance (NA) are estimates. The per barrel unit price is subject to adjustment due to variation in the API gravity and sulfur content from the published characteristics, changes in delivery mode, and price index values, if applicable. In addition, due to conditions of vessel loading and shipping or pipeline transmission, the quantity actually delivered may vary by +/- 10 percent for each shipment. However, a purchaser is not required to procure additional transportation capacity if sufficient capacity to take delivery of at least 95 percent of the contract quantity has been engaged. The 95 percent threshold will be calculated based on the volume of net cargo receipts versus awarded quantity under each separate contract.

20. Standard Sales Provision C.21, *Payment and Performance Letter of Credit*, is amended as follows:

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

Paragraph (a) is supplemented as follows:

“The expiration date of the LOC will be provided in the ASO letter.”

Paragraph (b) is amended as follows:

The second sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

21. Standard Sales Provision C.22, *Billing and Payment*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“ (a) The Government will invoice the purchaser at the conclusion of each delivery. The invoice will be based upon the nearest whole barrel volume (i.e. rounded to the nearest barrel).”

“ (d) In the event that the bank refuses to honor the draft against the letter of credit, the purchaser shall be responsible for paying the principal and any interest, administrative costs and penalties due (see Provision C.24) from the due date.”

22. Standard Sales Provision C.23, *Method of Payments*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“(a) All amounts payable by the purchaser shall be paid by deposit to the account of the U.S. Treasury by wire transfer of funds using the Fedwire Funds Service. The information to be included in each wire transfer will be provided in the NS. All wire deposit electronic funds transfer costs will be borne by the purchaser.”

“(d) Notwithstanding any other contract provision, DOE may, via a draft message, request a wire transfer of funds against the standby letter of credit at any time for payment of monies due under the contract and remaining unpaid in violation of the terms of the contract. These would include but not be limited to interest, administrative costs, penalties, liquidated damages, demurrage, amounts owing for any services provided under the contract, and the difference between the contract price and price received on the resale of undelivered petroleum as defined in Provision C.25.”

In addition, Government payments to oil purchaser(s) will be in accordance with VIPERS instructions.

23. Standard Sales Provision C.24, *Interest*, is deleted in its entirety and replaced with the following:

“C.24 Interest, Administrative Costs and Penalties

- (a) Amounts due and payable by the purchaser or its bank that are not paid in accordance with the provisions governing such payments shall bear interest, which will be indexed with the Current Value of Funds rate, from the day the invoice is mailed or transmitted to the purchaser until the date payment is received by the Government.
- (b) Administrative Costs will be charged monthly to cover the expense of collecting delinquent debt. The current rate is \$7.25/month.
- (c) A penalty will be assessed at the rate of 6% per year. The penalty charge accrues from the day the invoice is mailed or transmitted to the purchaser, and is assessed on any portion of the debt that is outstanding for more than 90 days, including any interest and administrative costs.”

24. Standard Sales Provision C.32, *Disputes*, is amended as follows:

Paragraph (c) “\$50,000” is changed to “\$100,000”, and the following language is added to the certification “; and that I am duly authorized to certify the claim on behalf of the purchaser.”

25. Standard Sales Provision Exhibit B, *SPR Delivery Point Data*, is supplemented as follows:

Regarding the Government information reflected in 10 CFR Part 625 as amended, Standard Sales Provisions Exhibit B that were obtained from the terminals; it is the responsibility of the Offerors to confirm these specifications prior to nominations to ensure most current information.

26. Standard Sales Provisions Exhibit C, *SAMPLE -- OFFER GUARANTEE STANDBY LETTER OF CREDIT*, is replaced by Attachment D of this NS. Instructions for Offer Letter of Credit are included in Attachment D of this NS.
27. Standard Sales Provision Exhibit D, *SAMPLE -- PAYMENT AND PERFORMANCE LETTER OF CREDIT*, is replaced by Attachment E of this NS. Instructions for Payment and Performance Letter of Credit are included in Attachment E of this NS.
28. By submission of an offer, the Offeror certifies that the Offeror, and any entity owned or controlled by the Offeror, does not engage in any activity prohibited under applicable U.S. export control and sanctions laws and regulations.
29. INTENTIONALLY OMITTED
30. Contract Price Adjustment
- (a) The unit price for crude oil under the contract shall be the Delivery Reference Price (DRP) adjusted by the Price Adjustment Factor (PAF) as provided in this provision, subject to any additional adjustments provided for elsewhere in the contract.
- (b) The terms used in this provision are defined as follows:
- Base Reference Price (BRP)
- (1) The BRP for all SPR crude oil streams offered for sale is the average (to the \$0.0001) of the Daily Index Prices as computed by the Government from prices for the most recent five days on which trading activity occurred, ending two trading days before the date of the Notice of Sale.
- (2) For this Notice of Sale, the BRP is **\$114.2080** for all sour SPR crude oil streams.

- (3) For this Notice of Sale, the BRP is **\$121.4240** for all sweet SPR crude oil streams.

Daily Index Price (DIP)

The DIP applicable to **sour** SPR crude oil streams offered for sale is the “Mars Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. The DIP applicable to **sweet** SPR crude oil streams offered for sale is the “WTI Houston Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. Reference pricing streams associated with offered crude oil are shown below.

Sour Streams	Reference Crude Oil Stream
Big Hill Sweet	WTI Houston
West Hackberry Sweet	WTI Houston
Bryan Mound Sour	Mars
Bayou Choctaw Sour	Mars

Delivery Reference Price (DRP) - The DRP is the average (to the \$0.0001) of the Daily Index Prices for the five trading days surrounding the delivery "price date" as stated in Block 7, "PRICE DATE", on the Strategic Petroleum Reserve Crude Oil Delivery Report: SPRPMO F-416.1-3.

- (1) For pipeline deliveries, the “price date” shall be the date the shipment completed at the custody transfer point, in accordance with SSP C.12, as amended by the NS.
- (2) For vessel deliveries, the "price date" shall be the date vessel loading completed in accordance with SSP C.19.
- (3) The "five trading days surrounding the price date" means the following five days: The midday, day three, is the price date as determined above (unless such day is a day on which trading activity did not occur, in which case the midday shall be the succeeding day on which trading activity did occur), the two days preceding the midday of the five day period on which trading activity occurred and

the two days succeeding the midday on which trading activity occurred.

Price Adjustment Factor (PAF) - The PAF is the purchaser's offered price minus the Base Reference Price (BRP). The PAF may be either positive or negative.

GENERIC EXAMPLES:

Delivery Reference Price + Price Adjustment Factor = Unit Price per Barrel (subject to any additional adjustments provided for elsewhere in the contract):

Example 1:

Assume:

Offered Price	\$103.2534	
BRP	\$101.0015	(5 day average specified in the NS)
PAF	\$2.2519	
DRP	\$105.5055	(5 day average surrounding price data)
Add: PAF	\$2.2519	
Unit Price/bbl	\$107.7574	

Example 2:

Assume:

Offered Price	\$100.7564	
BRP	\$101.0015	(5 day average specified in the NS)
PAF	\$(0.2451)	
DRP	\$105.5055	(5 day average surrounding price data)
Add: PAF	\$(0.2451)	
Unit Price/bbl	\$105.2604	

ATTACHMENT A
 CRUDE OIL QUANTITIES OFFERED FOR SALE
 U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are finalized, Offerors who are awarded barrels at Bryan Mound destined for Freeport Docks will submit nomination windows and vessel confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

The crude oil streams, delivery mode and periods, daily maximum delivery capability, and quantities of crude oil offered in this sale, under emergency conditions, are as follows:

- MLI = Master Line Item/Crude Oil Stream
- DLI = Delivery Line Item/Maximum Quantity per Delivery Mode and Period
- MIN Qty. = Minimum Contract Quantity Per DLI
- MB = Thousands of Barrels
- MBD Avg = SPR's daily maximum delivery limit capability for each delivery line item utilizing SPR design criteria (under emergency conditions).

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Bryan Mound Sour 002		8/16-9/30	8,250			
	DLI-B Vessel @ Freeport	8/16-9/30		480	750	250
	DLI-H Pipeline @ Texas City	8/16-9/30		880	7,500	350

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
West Hackberry Sweet 004		8/16-9/30	15,500			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	8/16-9/30		775	10,375	350
	DLI-B Vessel @ Sun (SPR Tank)	8/16-9/30		1085	1,125	250

	DLI-H Pipeline @Lake Charles Meter Station	8/16-9/30		520	4,000	350
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Crude Oil Stream <u>MLI</u>	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Bayou Choctaw Sour 008		8/16-9/30	7,250			
	DLI-A Pipeline St. James Pipeline	8/16-9/30		300	5,775	350
	DLI-B Vessel Saint James Dock	8/16-9/30		200	800	250
	DLI-H Pipeline Baton Rouge (Bourre)	8/16-9/30		200	675	225

Crude Oil Stream <u>MLI</u>	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Big Hill Sweet 009		8/16-9/30	14,000			
	DLI-A Pipeline @ Sun (Non- SPR Tank)	8/16-9/30		775	11,750	350
	DLI-B Vessel @ Sun (SPR Tank)	8/16-9/30		1085	1,125	250
	DLI-H Pipeline @P66 Beaumont Terminal	8/16-9/30		480	1,125	350

ATTACHMENT - B

**INSTRUCTIONS FOR FEDWIRE FUNDS TRANSFERS TO THE
DEPARTMENT OF ENERGY**

Please provide the following instructions to your Financial Institution for Fedwire funds transfers to the Department of Energy at the U.S. Treasury:

Item Number	Fedwire Field Tag	Length	Fedwire Field Name	Required Information
1	{1510}	4	Type/Subtype	1000
2	{2000}	12	Amount	<i>Enter payment amount</i>
3	{3100}	9	Sending ABA number	<i>Sender ABA-number</i>
4	{3320}	16	Sender Reference	<i>Filled by sender</i>
5	{3400}	9	Receiver ABA number *	021030004
6	{3400}	18	Receiver Short Name	TREAS NYC
7	{3600}	3	Business Function Code	CTR (or CTP)
8	{4200}	34	Beneficiary Identifier (account number)	89000001
9	{4200}	35	Beneficiary Name	DEPARTMENT OF ENERGY
10	{5000}	35	Originator Name	<i>Enter the (company) name of the originator of the payment</i>
11	{6000}	35	Originator to Beneficiary Information – Line 1	<i>Enter Contract Number</i>
11	{6000}	35	Line 2	<i>Enter Cargo Number</i>
11	{6000}	35	Line 3	<i>Enter Invoice Number</i>
11	{6000}	35	Line 4	

*** The financial institution address for Treasury’s routing number is:**

**Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045**

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN GRAVITY OF CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL
10.0	1.250	16.0	2.150	22.0	3.050	28.0	3.950	34.0	4.850	40.0	5.100	46.0	4.950	52.0	4.050
10.1	1.265	16.1	2.165	22.1	3.065	28.1	3.965	34.1	4.865	40.1	5.100	46.1	4.935	52.1	4.035
10.2	1.280	16.2	2.180	22.2	3.080	28.2	3.980	34.2	4.880	40.2	5.100	46.2	4.920	52.2	4.020
10.3	1.295	16.3	2.195	22.3	3.095	28.3	3.995	34.3	4.895	40.3	5.100	46.3	4.905	52.3	4.005
10.4	1.310	16.4	2.210	22.4	3.110	28.4	4.010	34.4	4.910	40.4	5.100	46.4	4.890	52.4	3.990
10.5	1.325	16.5	2.225	22.5	3.125	28.5	4.025	34.5	4.925	40.5	5.100	46.5	4.875	52.5	3.975
10.6	1.340	16.6	2.240	22.6	3.140	28.6	4.040	34.6	4.940	40.6	5.100	46.6	4.860	52.6	3.960
10.7	1.355	16.7	2.255	22.7	3.155	28.7	4.055	34.7	4.955	40.7	5.100	46.7	4.845	52.7	3.945
10.8	1.370	16.8	2.270	22.8	3.170	28.8	4.070	34.8	4.970	40.8	5.100	46.8	4.830	52.8	3.930
10.9	1.385	16.9	2.285	22.9	3.185	28.9	4.085	34.9	4.985	40.9	5.100	46.9	4.815	52.9	3.915
11.0	1.400	17.0	2.300	23.0	3.200	29.0	4.100	35.0	5.000	41.0	5.100	47.0	4.800	53.0	3.900
11.1	1.415	17.1	2.315	23.1	3.215	29.1	4.115	35.1	5.000	41.1	5.100	47.1	4.785	53.1	3.885
11.2	1.430	17.2	2.330	23.2	3.230	29.2	4.130	35.2	5.000	41.2	5.100	47.2	4.770	53.2	3.870
11.3	1.445	17.3	2.345	23.3	3.245	29.3	4.145	35.3	5.000	41.3	5.100	47.3	4.755	53.3	3.855
11.4	1.460	17.4	2.360	23.4	3.260	29.4	4.160	35.4	5.000	41.4	5.100	47.4	4.740	53.4	3.840
11.5	1.475	17.5	2.375	23.5	3.275	29.5	4.175	35.5	5.000	41.5	5.100	47.5	4.725	53.5	3.825
11.6	1.490	17.6	2.390	23.6	3.290	29.6	4.190	35.6	5.000	41.6	5.100	47.6	4.710	53.6	3.810
11.7	1.505	17.7	2.405	23.7	3.305	29.7	4.205	35.7	5.000	41.7	5.100	47.7	4.695	53.7	3.795
11.8	1.520	17.8	2.420	23.8	3.320	29.8	4.220	35.8	5.000	41.8	5.100	47.8	4.680	53.8	3.780
11.9	1.535	17.9	2.435	23.9	3.335	29.9	4.235	35.9	5.000	41.9	5.100	47.9	4.665	53.9	3.765
12.0	1.550	18.0	2.450	24.0	3.350	30.0	4.250	36.0	5.020	42.0	5.100	48.0	4.650	54.0	3.750
12.1	1.565	18.1	2.465	24.1	3.365	30.1	4.265	36.1	5.020	42.1	5.100	48.1	4.635	54.1	3.735
12.2	1.580	18.2	2.480	24.2	3.380	30.2	4.280	36.2	5.020	42.2	5.100	48.2	4.620	54.2	3.720
12.3	1.595	18.3	2.495	24.3	3.395	30.3	4.295	36.3	5.020	42.3	5.100	48.3	4.605	54.3	3.705
12.4	1.610	18.4	2.510	24.4	3.410	30.4	4.310	36.4	5.020	42.4	5.100	48.4	4.590	54.4	3.690
12.5	1.625	18.5	2.525	24.5	3.425	30.5	4.325	36.5	5.020	42.5	5.100	48.5	4.575	54.5	3.675
12.6	1.640	18.6	2.540	24.6	3.440	30.6	4.340	36.6	5.020	42.6	5.100	48.6	4.560	54.6	3.660
12.7	1.655	18.7	2.555	24.7	3.455	30.7	4.355	36.7	5.020	42.7	5.100	48.7	4.545	54.7	3.645
12.8	1.670	18.8	2.570	24.8	3.470	30.8	4.370	36.8	5.020	42.8	5.100	48.8	4.530	54.8	3.630
12.9	1.685	18.9	2.585	24.9	3.485	30.9	4.385	36.9	5.020	42.9	5.100	48.9	4.515	54.9	3.615
13.0	1.700	19.0	2.600	25.0	3.500	31.0	4.400	37.0	5.040	43.0	5.100	49.0	4.500	55.0	3.600
13.1	1.715	19.1	2.615	25.1	3.515	31.1	4.415	37.1	5.040	43.1	5.100	49.1	4.485		
13.2	1.730	19.2	2.630	25.2	3.530	31.2	4.430	37.2	5.040	43.2	5.100	49.2	4.470		
13.3	1.745	19.3	2.645	25.3	3.545	31.3	4.445	37.3	5.040	43.3	5.100	49.3	4.455		
13.4	1.760	19.4	2.660	25.4	3.560	31.4	4.460	37.4	5.040	43.4	5.100	49.4	4.440		
13.5	1.775	19.5	2.675	25.5	3.575	31.5	4.475	37.5	5.040	43.5	5.100	49.5	4.425		
13.6	1.790	19.6	2.690	25.6	3.590	31.6	4.490	37.6	5.040	43.6	5.100	49.6	4.410		
13.7	1.805	19.7	2.705	25.7	3.605	31.7	4.505	37.7	5.040	43.7	5.100	49.7	4.395		
13.8	1.820	19.8	2.720	25.8	3.620	31.8	4.520	37.8	5.040	43.8	5.100	49.8	4.380		
13.9	1.835	19.9	2.735	25.9	3.635	31.9	4.535	37.9	5.040	43.9	5.100	49.9	4.365		
14.0	1.850	20.0	2.750	26.0	3.650	32.0	4.550	38.0	5.060	44.0	5.100	50.0	4.350		
14.1	1.865	20.1	2.765	26.1	3.665	32.1	4.565	38.1	5.060	44.1	5.100	50.1	4.335		
14.2	1.880	20.2	2.780	26.2	3.680	32.2	4.580	38.2	5.060	44.2	5.100	50.2	4.320		
14.3	1.895	20.3	2.795	26.3	3.695	32.3	4.595	38.3	5.060	44.3	5.100	50.3	4.305		
14.4	1.910	20.4	2.810	26.4	3.710	32.4	4.610	38.4	5.060	44.4	5.100	50.4	4.290		
14.5	1.925	20.5	2.825	26.5	3.725	32.5	4.625	38.5	5.060	44.5	5.100	50.5	4.275		
14.6	1.940	20.6	2.840	26.6	3.740	32.6	4.640	38.6	5.060	44.6	5.100	50.6	4.260		
14.7	1.955	20.7	2.855	26.7	3.755	32.7	4.655	38.7	5.060	44.7	5.100	50.7	4.245		
14.8	1.970	20.8	2.870	26.8	3.770	32.8	4.670	38.8	5.060	44.8	5.100	50.8	4.230		
14.9	1.985	20.9	2.885	26.9	3.785	32.9	4.685	38.9	5.060	44.9	5.100	50.9	4.215		
15.0	2.000	21.0	2.900	27.0	3.800	33.0	4.700	39.0	5.080	45.0	5.100	51.0	4.200		
15.1	2.015	21.1	2.915	27.1	3.815	33.1	4.715	39.1	5.080	45.1	5.085	51.1	4.185		
15.2	2.030	21.2	2.930	27.2	3.830	33.2	4.730	39.2	5.080	45.2	5.070	51.2	4.170		
15.3	2.045	21.3	2.945	27.3	3.845	33.3	4.745	39.3	5.080	45.3	5.055	51.3	4.155		
15.4	2.060	21.4	2.960	27.4	3.860	33.4	4.760	39.4	5.080	45.4	5.040	51.4	4.140		
15.5	2.075	21.5	2.975	27.5	3.875	33.5	4.775	39.5	5.080	45.5	5.025	51.5	4.125		
15.6	2.090	21.6	2.990	27.6	3.890	33.6	4.790	39.6	5.080	45.6	5.010	51.6	4.110		
15.7	2.105	21.7	3.005	27.7	3.905	33.7	4.805	39.7	5.080	45.7	4.995	51.7	4.095		
15.8	2.120	21.8	3.020	27.8	3.920	33.8	4.820	39.8	5.080	45.8	4.980	51.8	4.080		
15.9	2.135	21.9	3.035	27.9	3.935	33.9	4.835	39.9	5.080	45.9	4.965	51.9	4.065		

For API GRAVITY values above 55.0° API the differential continues to decline 0.015/bbl. per 0.1° API GRAVITY.

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN SULFUR CONTENT FOR CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL
0.00	1.000	0.60	1.600	1.20	2.200	1.80	2.800	2.40	3.400	3.00	4.000	3.60	4.600
0.01	1.010	0.61	1.610	1.21	2.210	1.81	2.810	2.41	3.410	3.01	4.010	3.61	4.610
0.02	1.020	0.62	1.620	1.22	2.220	1.82	2.820	2.42	3.420	3.02	4.020	3.62	4.620
0.03	1.030	0.63	1.630	1.23	2.230	1.83	2.830	2.43	3.430	3.03	4.030	3.63	4.630
0.04	1.040	0.64	1.640	1.24	2.240	1.84	2.840	2.44	3.440	3.04	4.040	3.64	4.640
0.05	1.050	0.65	1.650	1.25	2.250	1.85	2.850	2.45	3.450	3.05	4.050	3.65	4.650
0.06	1.060	0.66	1.660	1.26	2.260	1.86	2.860	2.46	3.460	3.06	4.060	3.66	4.660
0.07	1.070	0.67	1.670	1.27	2.270	1.87	2.870	2.47	3.470	3.07	4.070	3.67	4.670
0.08	1.080	0.68	1.680	1.28	2.280	1.88	2.880	2.48	3.480	3.08	4.080	3.68	4.680
0.09	1.090	0.69	1.690	1.29	2.290	1.89	2.890	2.49	3.490	3.09	4.090	3.69	4.690
0.10	1.100	0.70	1.700	1.30	2.300	1.90	2.900	2.50	3.500	3.10	4.100	3.70	4.700
0.11	1.110	0.71	1.710	1.31	2.310	1.91	2.910	2.51	3.510	3.11	4.110	3.71	4.710
0.12	1.120	0.72	1.720	1.32	2.320	1.92	2.920	2.52	3.520	3.12	4.120	3.72	4.720
0.13	1.130	0.73	1.730	1.33	2.330	1.93	2.930	2.53	3.530	3.13	4.130	3.73	4.730
0.14	1.140	0.74	1.740	1.34	2.340	1.94	2.940	2.54	3.540	3.14	4.140	3.74	4.740
0.15	1.150	0.75	1.750	1.35	2.350	1.95	2.950	2.55	3.550	3.15	4.150	3.75	4.750
0.16	1.160	0.76	1.760	1.36	2.360	1.96	2.960	2.56	3.560	3.16	4.160	3.76	4.760
0.17	1.170	0.77	1.770	1.37	2.370	1.97	2.970	2.57	3.570	3.17	4.170	3.77	4.770
0.18	1.180	0.78	1.780	1.38	2.380	1.98	2.980	2.58	3.580	3.18	4.180	3.78	4.780
0.19	1.190	0.79	1.790	1.39	2.390	1.99	2.990	2.59	3.590	3.19	4.190	3.79	4.790
0.20	1.200	0.80	1.800	1.40	2.400	2.00	3.000	2.60	3.600	3.20	4.200	3.80	4.800
0.21	1.210	0.81	1.810	1.41	2.410	2.01	3.010	2.61	3.610	3.21	4.210	3.81	4.810
0.22	1.220	0.82	1.820	1.42	2.420	2.02	3.020	2.62	3.620	3.22	4.220	3.82	4.820
0.23	1.230	0.83	1.830	1.43	2.430	2.03	3.030	2.63	3.630	3.23	4.230	3.83	4.830
0.24	1.240	0.84	1.840	1.44	2.440	2.04	3.040	2.64	3.640	3.24	4.240	3.84	4.840
0.25	1.250	0.85	1.850	1.45	2.450	2.05	3.050	2.65	3.650	3.25	4.250	3.85	4.850
0.26	1.260	0.86	1.860	1.46	2.460	2.06	3.060	2.66	3.660	3.26	4.260	3.86	4.860
0.27	1.270	0.87	1.870	1.47	2.470	2.07	3.070	2.67	3.670	3.27	4.270	3.87	4.870
0.28	1.280	0.88	1.880	1.48	2.480	2.08	3.080	2.68	3.680	3.28	4.280	3.88	4.880
0.29	1.290	0.89	1.890	1.49	2.490	2.09	3.090	2.69	3.690	3.29	4.290	3.89	4.890
0.30	1.300	0.90	1.900	1.50	2.500	2.10	3.100	2.70	3.700	3.30	4.300	3.90	4.900
0.31	1.310	0.91	1.910	1.51	2.510	2.11	3.110	2.71	3.710	3.31	4.310	3.91	4.910
0.32	1.320	0.92	1.920	1.52	2.520	2.12	3.120	2.72	3.720	3.32	4.320	3.92	4.920
0.33	1.330	0.93	1.930	1.53	2.530	2.13	3.130	2.73	3.730	3.33	4.330	3.93	4.930
0.34	1.340	0.94	1.940	1.54	2.540	2.14	3.140	2.74	3.740	3.34	4.340	3.94	4.940
0.35	1.350	0.95	1.950	1.55	2.550	2.15	3.150	2.75	3.750	3.35	4.350	3.95	4.950
0.36	1.360	0.96	1.960	1.56	2.560	2.16	3.160	2.76	3.760	3.36	4.360	3.96	4.960
0.37	1.370	0.97	1.970	1.57	2.570	2.17	3.170	2.77	3.770	3.37	4.370	3.97	4.970
0.38	1.380	0.98	1.980	1.58	2.580	2.18	3.180	2.78	3.780	3.38	4.380	3.98	4.980
0.39	1.390	0.99	1.990	1.59	2.590	2.19	3.190	2.79	3.790	3.39	4.390	3.99	4.990
0.40	1.400	1.00	2.000	1.60	2.600	2.20	3.200	2.80	3.800	3.40	4.400	4.00	5.000
0.41	1.410	1.01	2.010	1.61	2.610	2.21	3.210	2.81	3.810	3.41	4.410		
0.42	1.420	1.02	2.020	1.62	2.620	2.22	3.220	2.82	3.820	3.42	4.420		
0.43	1.430	1.03	2.030	1.63	2.630	2.23	3.230	2.83	3.830	3.43	4.430		
0.44	1.440	1.04	2.040	1.64	2.640	2.24	3.240	2.84	3.840	3.44	4.440		
0.45	1.450	1.05	2.050	1.65	2.650	2.25	3.250	2.85	3.850	3.45	4.450		
0.46	1.460	1.06	2.060	1.66	2.660	2.26	3.260	2.86	3.860	3.46	4.460		
0.47	1.470	1.07	2.070	1.67	2.670	2.27	3.270	2.87	3.870	3.47	4.470		
0.48	1.480	1.08	2.080	1.68	2.680	2.28	3.280	2.88	3.880	3.48	4.480		
0.49	1.490	1.09	2.090	1.69	2.690	2.29	3.290	2.89	3.890	3.49	4.490		
0.50	1.500	1.10	2.100	1.70	2.700	2.30	3.300	2.90	3.900	3.50	4.500		
0.51	1.510	1.11	2.110	1.71	2.710	2.31	3.310	2.91	3.910	3.51	4.510		
0.52	1.520	1.12	2.120	1.72	2.720	2.32	3.320	2.92	3.920	3.52	4.520		
0.53	1.530	1.13	2.130	1.73	2.730	2.33	3.330	2.93	3.930	3.53	4.530		
0.54	1.540	1.14	2.140	1.74	2.740	2.34	3.340	2.94	3.940	3.54	4.540		
0.55	1.550	1.15	2.150	1.75	2.750	2.35	3.350	2.95	3.950	3.55	4.550		
0.56	1.560	1.16	2.160	1.76	2.760	2.36	3.360	2.96	3.960	3.56	4.560		
0.57	1.570	1.17	2.170	1.77	2.770	2.37	3.370	2.97	3.970	3.57	4.570		
0.58	1.580	1.18	2.180	1.78	2.780	2.38	3.380	2.98	3.980	3.58	4.580		
0.59	1.590	1.19	2.190	1.79	2.790	2.39	3.390	2.99	3.990	3.59	4.590		

For Sulfur Values
above 4.00% the
differential continues
to increase 0.01/BBL
per 0.01 Percent
Sulfur

Attachment D

SAMPLE - OFFER GUARANTEE STANDBY LETTER OF CREDIT

**BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123

Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____)

CONTRACTOR: _____

NOTICE OF SALE NO: _____

OFFER NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: **August 29, 2022**

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy's Notice of Sale, including any amendments thereto, for the sale of Strategic Petroleum Reserve petroleum. This Letter of Credit expires at least 60 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

“THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF (CONTRACTOR) TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR THE PURCHASE OF SPR PETROLEUM FROM THE STRATEGIC PETROLEUM RESERVE, IN ACCORDANCE WITH THE U.S. GOVERNMENT'S NOTICE OF SALE NO. _____, INCLUDING ANY AMENDMENTS THERETO.”

Attachment D

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced Notice of Sale.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

Attachment D

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statement. **The drawing statement is in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

Attachment D

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have a letter of cancellation returned to you via e-mail only for cancellation of your Offer Letter of Credit, please provide information below:

Send a signed authorization to cancel the Offer LOC to the following point of contact via e-mail address: _____

Contact Phone Number: _____

**SAMPLE - PAYMENT AND PERFORMANCE LETTER OF CREDIT
BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S.\$ _____ (_____)

CONTRACTOR: _____

CONTRACT NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: _____

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer's above contract with the U.S. Department of Energy for the sale of Strategic Petroleum Reserve petroleum.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and one or both of the following statements:

a. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE THE GOVERNMENT HAS DELIVERED SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO, AND _____ (CONTRACTOR) HAS NOT PAID UNDER THE TERMS OF THAT CONTRACT."**

b. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE _____ (CONTRACTOR) HAS FAILED TO TAKE DELIVERY OF SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO."**

Attachment E

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced contract.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

INSTRUCTIONS FOR PAYMENT AND PERFORMANCE GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statements. **The drawing statements are in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

STRATEGIC PETROLEUM RESERVE

NOMINATION - CONFIRMATION

SPR Operations Fluor Federal Petroleum Operations New Orleans, Louisiana FFPOCOL@SPR.DOE.GOV	<u>Scheduler</u> Chuck Costanza (504) 734-4733 <u>Quantity and Quality</u> Ned Scheppegrell (504) 722-6146
------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------

****The following information must be provided by the Contractor****

Submission Date: [Click here to enter a date.](#) Submission Type: Original Nomination

Contract No.: Enter Contract Number
 Contractor: Enter Contractor Name
 Address: Enter Address
 City, State, Zip

Contractor Contact Information

Primary Contact: Primary Contact Name	Alternate: Alternate Contact Name
Office: Office Phone	Office: Office Phone
Cell: Cell Phone	Cell: Cell Phone
Email: Email Address	Email: Email Address

CODR/DD250 Contractor Signatory Designee*: Signatory Designee Name

*Designee can be contractor office personnel, 3rd party inspection company†, or chosen loss control representative†.

Office: Office Phone
 Cell: Cell Phone
 Email: Email Address

Note: If multiple designees are to be used, please input "See Attached" and provide list to FFPOCOL@spr.doe.gov with nomination.

†Third Party Inspection Company Information

Company: 3rd Party Inspection Company

Contact: 3rd Party Contact Name

Contact Ned Scheppegrell for any questions on SPR 3rd party inspection and testing.

Nomination Information and Delivery Window (additional lines on following page)

Delivery Window	Pipeline/Vessel	Volume (MB)	SPR Site	Destination
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Total Volume:		Total Volume		

The Following information to be provided by SPR Operations Personnel

Terminal Information

Terminal: TBD
 Contact:
 Contact:
 Contact:

Custody Transfer Point

TBD
Quality Point
 TBD
Quantity Point
 TBD

From: [Gele, Kelly](#) on behalf of [Gele, Kelly <Kelly.Gele@SPR.DOE.GOV>](#)
To: [MacIntyre, Douglas \(HQ\)](#); [McGarry, Thomas \(HQ\)](#); [Oosterling, Paul](#); [Gele, Lionel](#); [Perry, Robert](#); [Turner, Shenee \(HQ\)](#); [Treadway, Demetrius](#); [Williams, Rhonda \(HQ\)](#)
Cc: [Habbaz, Roy](#); [Roark, Christopher](#); [Wormhoudt, Sheldra](#); [Coleman, Jennifer](#); [Webre, Richard](#); [Harrell, Yolanda](#); [O'Shaughnessy, Kelly](#)
Subject: FY22 Emergency Drawdown No. 2B NOS
Date: Tuesday, May 24, 2022 9:15:44 AM
Attachments: [FY22 Emergency Drawdown No. 2B NOS.pdf](#)

Good morning All-

The NOS has been posted and can be found at: <https://www.spr.doe.gov/doesec/OilSale.htm>

I've also attached a copy for everyone.

Thanks,

Kelly M. Gele'

**Director, Office of Acquisition and Sales
Strategic Petroleum Reserve
Department of Energy
New Orleans, LA 70123
(504)734-4343 (work)
(b) (6) (cell)**



Department of Energy
Strategic Petroleum Reserve Project Management Office
900 Commerce East
New Orleans, Louisiana 70123

NOTICE OF SALE
DE-NS96-22PO40000

Pursuant to the authority and direction of the President of the United States, the Strategic Petroleum Reserve (SPR) is conducting an emergency sale of SPR crude oil as provided for by the Department of Energy Organization Act (42 U.S.C 7101 et seq.) and Section 161(d) of the Energy Policy and Conservation Act (42 U.S.C. 6241). The Department of Energy invites you to submit offers for the purchase of crude oil from the SPR. Contracts resulting from this sale shall be subject to contract price adjustment as set forth in the Supplements and Amendments to the Standard Sales Provisions (SSP). This Notice of Sale contains the terms and conditions of the sale and specific instructions for preparation and submittal of offers.

As stated in this Notice of Sale, you are required to submit your offer using the Crude Oil Sales Offer Program. **Manual offers will NOT be accepted.**

Offers are due by 10:00 a.m. Central Time, Wednesday June 1, 2022.

Please read this solicitation carefully. Questions regarding this Notice of Sale must be submitted via email by noon, Central Time, Tuesday May 31, 2022, to allow a reply to reach all prospective Offerors prior to submission of their offers. Any questions received after this date/time may not be answered prior to the date/time offers are due. Questions/Responses will be posted daily, by 5:00 p.m. Central Time at: <https://www.spr.doe.gov/doeec/oilsale.htm>. Questions must be addressed to:

<u>Contact</u>	<u>Telephone</u>	<u>E-Mail</u>
Mary C. Roark (Contracting Officer)	(504) 734-4195	mary.roark@spr.doe.gov

A handwritten signature in black ink, appearing to read "Kelly M. Gelé".

Date: May 24, 2022

Kelly M. Gelé
Director, Office of Acquisition and Sales

NOTICE OF SALE
DE-NS96-22PO40000

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Nomination-Confirmation Form	Attachment F
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Crude Oil Safety Data Sheet	Attached via hyperlink
SPR Crude Oil Assay Manual	Attached via hyperlink
Standard Sales Provisions (SSPs)	Attached via hyperlink

NOTICE OF SALE
DE-NS96-22PO40000

INSTRUCTIONS

GENERAL REQUIREMENTS

1. Offer must be submitted via the Crude Oil Sales Offer Program (COSOP) by the date/time specified in the Notice of Sale. **Manual offers will NOT be accepted.**
2. Offerors are required to submit an Offer Guarantee (See SSP B.12). Any entity that currently stores oil in the SPR under a Lease and Storage Agreement is exempt from the Offer Guarantee and Payment and Performance Letter of Credit requirements in this NOS.

Failure to submit the above documents or to comply with material requirements of the Notice of Sale may be cause for rejection of the offer.

SALE-SPECIFIC REQUIREMENTS

The following sales requirements are established for this sale:

1. The sale will be by price competition and shall be conducted pursuant to Title 10 Code of Federal Regulations Part 625 [Appendix A](#), except as may be supplemented or amended by this Notice of Sale. While the location of the [Appendix A](#): Standard Sales Provisions has changed, the provision itself has not changed since 2005.
2. The intent of this sale is to award up to 39 million barrels sour barrels and 1.1 million sweet barrels for a total of 40.1 million barrels. The delivery period for sweet this sale shall be from June 21, 2022 to June 30, 2022 from Bayou Choctaw. The delivery period of sour for this sale shall be from July 1, 2022 to August 15, 2022 at Bayou Choctaw, Big Hill, and Bryan Mound. Sour deliveries from West Hackberry will be from July 1, 2022 through August 7, 2022. Requests for early deliveries in accordance with SSP C.5(c) will be accommodated to the maximum extent possible, terms to be negotiated. Bayou Choctaw and Bryan Mound crude oil stream cargoes between June 21, 2022 to August 15, 2022, respectively, will require H₂S scavenger. See table below for anticipated ppmv concentration of scavenger (liquid) in crude oil by site:

Site and stream	Scavenger ppmv
Bayou Choctaw sweet	10
Bayou Choctaw sour	630
Bryan Mound sour	1,417

The SPR will use SULFA-CHECK EC9085A, and the SDS can be provided upon request. For this competitive sale, the SPR will not pass on the H₂S scavenger cost to oil purchasers.

Offerors are advised that crude oil delivered from the Big Hill site may be subject to applicable Foreign Trade Zone (FTZ) duty. The SPR will not pass on the deferred import duty to oil purchasers. For release of Non-Privileged Foreign (NPF) oil from the Big Hill site (Foreign Trade Zone, Subzone 116D), purchasers shall furnish support documentation and comply with all applicable U.S. Customs and Border Protection (CBP) regulations.

3. The crude oil streams, delivery modes and periods, and the quantities offered in this sale, as well as minimum contract quantities, are shown in [Attachment A](#).

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are finalized, Offerors who are awarded barrels at Bryan Mound destined for Freeport Docks will submit nomination windows and vessel confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

4. Offers MUST be received by 10:00 a.m. Central Time, Wednesday June 1, 2022; any offers received after 10:00 a.m. Central Time will be determined to be late and will be rejected, except as provided in SSP B.11, “Late Offers, Modifications of Offers, and Withdrawal of Offers.”
5. **An electronic copy of the fully executed Offer Guarantee shall be emailed or efaxed. The e-fax number is (504) 818-5195 or e-mailed to mary.roark@spr.doe.gov AND MUST be received not later than the time/date for receipt of offers. An original hardcopy of the Offer Guarantee is not required for this Notice of Sale.**
6. Pursuant to SSP B.7, *State of Hawaii Access to SPR Crude Oil*, by submission of a binding offer, the State of Hawaii, for this sale, is entitled to purchase up to three

percent of the offering barrels of SPR petroleum. Pursuant to section 161(j)(4) of the Energy Policy and Conservation Act, 42 U.S.C. 624(j)(4), the quantity to be sold to the State of Hawaii may be adjusted upward or downward to match the full tanker load of approximately 1,200,000 barrels, or such lesser tanker capacity as may be designated by the State of Hawaii.

7. Pursuant to SSP B.9, Submission of Offers and Modifications of Previously Submitted Offers, paragraph (e), DOE will inform simultaneously all Offerors and other interested parties of the successful and unsuccessful Offerors and their offer data by means of a public “offer posting”. This offer posting will occur approximately one week after receipt of offers. This information will be provided by a posting on the Internet at the following address:
<https://www.spr.doe.gov/doecc/oilsale.htm>.

NOTICE OF SALE
DE-NS96-22PO40000

SUPPLEMENTS AND AMENDMENTS
TO THE STANDARD SALES PROVISIONS

For this sale only, the Standard Sales Provisions (SSPs) are supplemented or amended as follows:

1. Offerors are advised that the requirements of the “Jones Act” must be met for the marine delivery of crude oil purchased in this sale which is destined for U.S. ports. SSP B.4, *Requirements for Vessels-Caution to Offerors* and SSP C.7, *Application Procedures for “Jones Act” and Construction Differential Subsidy Waivers* are supplemented as follows:

The Secretary of the Department of Homeland Security has not issued a general (‘blanket’) waiver of the ‘Jones Act’ for the marine delivery of crude oil purchased in this sale. Consequently, it is necessary for an Apparently Successful Offeror (ASO) to follow the procedures of SSP C.7. Standard Sales Provision C.7 (a) is modified to provide the following address for submission of a Jones Act waiver request.

U. S. Customs and Border Protection
Office of International Trade/Regulations and Rulings
Chief, Cargo Security
Carriers and Restricted Merchandise Branch
U.S. Department of Homeland Security
Telephone No. (202) 860-7502
JonesActWaiverRequest@cbp.dhs.gov

For more information visit: <https://www.cbp.gov/trade/jones-act-waiver-request>

2. Standard Sales Provision B.5, *“Superfund” Tax on SPR Petroleum-Caution to Offerors*, is supplemented as follows:

The “Superfund” taxes are currently not imposed; however, purchasers are liable for Oil Spill Liability Trust Fund (OSLTF) taxes of \$0.09/barrel for deliveries for calendar year 2022 if applicable, for all SPR crude oil streams and must comply with current OSLTF requirements if enacted by Congress. Additionally, purchasers are liable for: Coastal Protection fees, Waterway Navigation fees, state and local environmental fees, including the federal Harbor Maintenance Trust Fund fees, if applicable. In regards to OSLTF, per the authoritative source:

https://www.uscg.mil/Mariners/National-Pollution-Funds-Center/About_NPFC/osltf/:

*“The Principal Fund of the OSLTF has several recurring and nonrecurring sources of revenue...**Barrel Tax.** The largest source of revenue has been a per-barrel excise tax, collected from the oil industry on petroleum produced in or imported to the United States. The original 5-cent-per-barrel tax expired at the end of 1994 because of the sunset provision in the law. The 2005 Energy Policy Act again reinstated the tax (effective April 2006). The Energy Improvement and Extension Act of 2008 extended the per-barrel excise tax through December 2017 and increased the per-barrel excise tax from 5 cents to 8 cents from 2009-2016 to 9 cents in March 2017.” Subsequently, section 40416 of the Bipartisan Budget Act of 2018 temporarily reinstates the Oil Spill Liability Tax that expired on December 31, 2017 for the period beginning on March 1, 2018 through December 31, 2018. On December 20, 2019, H.R. 1865-701 was signed and amended Section 4611(f)(2) by striking December 21, 2018 and inserting “December 31, 2021”*

3. Standard Sales Provision B.6, Export Limitations and Licensing – Caution to Offerors, is removed in its entirety. Offerors are advised to review section 101 of Division O of the Consolidated Appropriations Act, 2016 (Public Law 114-113) concerning the export of crude oil, and are required to comply with all U.S. export laws.
4. Standard Sales Provision B.12, *Offer Guarantee*, is amended as follows:

Exhibit C “Offer Standby Letter of Credit” is deleted and replaced with Attachment D of the NS. All references to Exhibit C shall mean Attachment D.

Paragraph (d) is amended as follows:

The fourth sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

Paragraph (g) is supplemented as follows:

For this sale the actual expiration date of the letters of credit furnished as offer guarantees will be August 1, 2022.

Paragraph (h) is amended as follows:

“Offer guarantee letters of credit cancellation letters will be returned via e-mail only, if requested, in accordance with Attachment D - REQUEST FOR OFFER GUARANTEE RETURNS, to an unsuccessful Offeror 5 business days after expiration of the Offeror's acceptance period, and, except as provided in (i) of this provision, to a successful Offeror upon receipt of a satisfactory payment and performance letter of credit.”

5. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, is supplemented with the following information:

Minimum delivery lot sizes are 350,000 barrels for pipelines (with the exception of deliveries from Bayou Choctaw into the Baton Rouge “Bourre” pipeline, which shall have a minimum quantity of 225,000 barrels), and 250,000 barrels for vessels. Offerors are reminded, however, of their responsibility to comply with (1) any minimum tender provision of any pipelines by which they take delivery from an SPR terminal, and (2) the vessel usage and load rate restrictions specified in SSP C.8(c), *Vessel loading procedures*.

(Note: “vessel” is synonymous with “tank ship”), and (3) that Offerors are required to make arrangements with all parties downstream from the DOE site meters.

6. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, paragraph (a) has been amended as follows:

Delivery Points (from Beaumont, Texas): change from “Unocal Terminal” to “Phillips 66 Beaumont Terminal”.

7. Standard Sales Provision B.18, *Notice of Sale Line Item Schedule – Petroleum Quantity, Quality, and Delivery Method*, paragraph (h) is supplemented with the following information:

The quality characteristics of the crude oil streams offered for sale are those cited in the [Strategic Petroleum Reserve Crude Oil Assays](#).

This crude oil quality data is a weighted average composition of the specific caverns that comprise the streams offered for sale. Although a specific crude oil benchmark is referenced; SPR inventory contains a blend of domestic and global crude including Isthmus, Urals, Alaskan North Slope, Arabian Light, Saharan, and Dubai with segregation by Sweet and Sour storage caverns. The SPR has observed H₂S concentration (which is found naturally in crude oil) greater than 10 ppm in liquid in some crude batches. Measurements of H₂S in vapor space can be orders of magnitude higher than in liquid and difficult to measure due to factors in

handling, weather, etc. OSHA provides guidelines on appropriate safety precautions and equipment if crude is handled openly, spilled, or released to the atmosphere. Offerors are encouraged to review the [Strategic Petroleum Reserve Crude Oil Assays](#) for more detailed oil stream composition and specifics so that conditions (such as the presence of H₂S) are expected and communicated downstream. It is expected that Bayou Choctaw and Bryan Mound crude oil stream cargoes between June 21, 2022 to August 15, 2022, respectively, will have H₂S scavenger injected.

Note: Each SPR stream will be a blended average using several caverns. As a result, actual representative samples are not available prior to deliveries. Please refer to Crude Oil Assays which provides a weighted average composite profile of the stream.

8. Standard Sales Provision B.22, *Procedures for Evaluation of Offers*, Paragraphs (a) and (b)(8), is amended as follows:

Award on each DLI will be made to the responsible offerors that submit the highest priced offers responsive to the SSPs and the NS, in addition to operational considerations, and that have provided the required payment and performance guarantee as required by Provision C.21

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

9. Standard Sales Provision B. 27, *Contract Documents*, is amended as follows:

The third sentence is deleted in its entirety. The fourth sentence shall read: “The NS and the Provisions of the SSPs will be made applicable through incorporation by reference in the Notice of Acceptance (NA)”. The last sentence is deleted in its entirety.

10. Standard Sales Provision C.2, *Compliance with the “Jones Act” and the U.S. Export Control Laws*, is amended to delete all references to U.S. Export Control Laws. (See 3. above.)

11. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is supplemented with the following information:

- (a) Crude Oil Scheduling:
Fluor Federal Petroleum Operations Company
New Orleans, Louisiana

All email correspondence: FFPOCOL@spr.doe.gov
Please send all operational questions to FFPOCOL@spr.doe.gov.

Bradley Bauer, (Cell) (b) (6)
Chuck Costanza, (504) 734-4733 (O)
(b) (6) (Cell) (Primary)
Ned Schennegrell (504) 734-4604 (Office)
(b) (6) Cell) (Primary)

(b) Pipeline and Terminal contacts:

(i) Sun Marine Terminal, Nederland, TX

Mike Birkett, Director - Operations (409) 721-4404
Joshua McQueen-Sr. Manager (409) 721-4819
Gina Whitfield, Director, Business Development, (713) 989-6260
Bill Wheeler, Manager, Nederland Scheduling (409) 721-4813
Control Room (409) 721-4845
Marine Scheduler (409) 721-4812
Pipeline Scheduler (409) 721-4823
Shift Supervisor (409) 720-7972

(ii) Shell Pipeline Company (Shell tie-in @ LCMS and Big Hill)

John McMahon, Oil Movement Scheduler
O(832) 337-8555
(b) (6)
Coley Adams, Oil Movement Scheduler
O(832) 762-2785
(b) (6)

(iii) Enterprise Products

Scheduling

Shauna Johnson, Director, Onshore Crude Scheduling &
Distribution (713) 381-6314
Randy Mayhall – Manager, Daily Scheduling (713) 381-4629
Justin Shobe – Supervisor, Daily Scheduling (713) 381-4557
Daniel Escamilla, Seaway Daily Scheduler (713) 381-4310
Patrick Batts, Seaway Daily Scheduler (713) 381-6865
Damon Lopez, Texas City Scheduler (713) 381-6715
Steven Owens, Supervisor, Monthly Distribution (713) 381-4250

Chamesha Randall, Coordinator, Distribution (713) 381-5861

Field Management

John Hazley, Superintendent, Operations, Freeport/Texas City (979) 237-6756

Chris Yorgensen, Pipeline Supervisor, Jones Creek (979) 230-7308,
Texas City (409) 949-3706

Chase Nelson, Pipeline Supervisor, Texas City (409) 949 3706

(iv) Exxon Mobil Pipeline (Bryan Mound cargoes)

Christopher Cox, Field Supervisor (281) 381-7663

Josef Molnar, Monthly Scheduler O(832) 625-2255

C(b) (6)

Michael Frey, Relief Monthly Scheduler

O(832)624-2917 (b) (6)

Ryan Wilborn, Daily Scheduler O(832) 624-0042

C(b) (6)

Joseph Holmberg , Area Supervisor O(832) 625-4994

C(b) (6)

Monthly Scheduler (832) 624-0040

(v) Exxon Mobil Pipeline (Bayou Choctaw cargoes)

Randy Henry, Scheduler / Crude Analyst

O (832-625-3338) M (346-254-0150)

(vi) Phillips 66 (Beaumont Terminal) Nederland, TX

Mike Mott, Team Lead, Oil Movements O(409) 724-3337

(b) (6)

Mark Maxwell, Operations Coordinator O(409) 724-3288

(b) (6)

Johnny Gaw, Crude Pipeline Scheduler O(409) 724-3232

(b) (6)

Peggy Smith, Crude Ship Scheduler

O(409) 724-3232 (b) (6)

Randy Hudson, Products Scheduler

O(409) 724-3215 (b) (6)

- (c) All email correspondence between the SPR and ASOs must include the sales contract number, if available, or the offer number in the subject.

- (d) The SPR will provide a Nomination-Confirmation Form to successful bidders (see Attachment F for sample form). The ASO shall complete the yellow highlighted areas and return the form in the time frame defined in the SSPs.
12. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is amended as follows:
- Paragraph (a) fourth sentence, change “highest offered price” to “highest Price Adjustment Factor (PAF)” and then by award volume size.
- Paragraphs (c) and (d) are deleted in their entirety and replaced with the following:
(c) RESERVED
- (d) Notwithstanding paragraph (a) of this provision, in no event will schedules be confirmed prior to award of contracts.
13. Standard Sales Provision C.8, *Vessel Loading Procedures*, is amended as follows:
- Paragraph (d) shall read “At least 7 days in advance of the beginning of the scheduled window, the purchaser shall furnish the SPR/PMO with vessel nominations. Failure to do so will result in the SPR not being liable for a related demurrage claim(s), as well as any associated terminalling costs inclusive of the tank capacity penalty charges imposed by Nederland Terminal for vessel(s) not nominated in accordance with this section due to missing this 7 day notice period. Any such charges will be borne by the customer. Vessel nominations shall specify the following:”
14. Standard Sales Provision C.9, *Vessel Laytime and Demurrage* paragraphs (a) and (c) are replaced in their entirety with the following language:
- (a) The laytime allowed DOE for handling of the purchaser's vessel shall be 36 running hours. For vessels with cargo quantities in excess of 500,000 barrels, laytime shall be 36 running hours plus 1 hour for each 15,000 barrels of cargo to be loaded in excess of 500,000 barrels. Vessel laytime shall commence when the vessel is moored alongside (all fast) the loading berth. 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 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, delay caused by the loading terminal facility, decisions made by vessel owners or operators or by port authorities affecting loading operations, discharge of ballast or slops, customs and immigration clearance, weather, labor disputes, force majeure and the like shall not count as used laytime. In addition, movement in roads shall not count as used laytime.

- (c) For all hours or any part thereof of vessel laytime that elapse in excess of the allowed vessel laytime for loading provided for in this provision, demurrage shall be paid by DOE, for U.S.-flag vessels, at the lesser of the demurrage rate in the tanker voyage or charter party agreement, or a U.S.-flag freight rate assessment obtained by the DOE for a hypothetical tanker with a deadweight in long tons equal to the weight in long tons of the petroleum loaded for such hypothetical tanker and voyage. For foreign flag vessels, demurrage shall be as determined in this provision, 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 rate. For all foreign flag vessel loadings 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 day of the preceding month. The demurrage rate for barges will be the lesser of the hourly rate contained in the charter of a chartered barge, or a rate determined by DOE as a fair rate under prevailing conditions. If demurrage is incurred because of breakdown of machinery or equipment of DOE, 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 DOE, however, shall in no event exceed the actual demurrage expense incurred by the purchaser as the result of the delay.

Note: In the event there is a “demurrage claim,” Government payments to oil purchaser(s) will be in accordance with VIPERS instructions. (See Table of Contents for Link)

15. Standard Sales Provision C.12, *Pipeline and Delivery Procedures*, paragraph (d) is deleted in its entirety and replaced with the following:

“(d) The date of delivery, which will be recorded on the CODR (see Provision C.19), is the date delivery is completed at the custody transfer point, as identified in the NS.”

16. Standard Sales Provision C.13, *Title and Risk of Loss*, is supplemented as follows:

St. James Pipeline – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bayou Choctaw site meter station.

Note: The delivery point for DLI “DLI-A Pipeline @ St. James Pipeline” is into the Redstick pipeline to the St. James Terminal facility. Offerors are responsible for all transportation costs beyond the delivery point.

Baton Rouge (Bourre) Pipeline – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bayou Choctaw site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Baton Rouge (Bourre) Pipeline” is into the Bourre pipeline to the Placid Refinery. Offerors are responsible for all transportation costs beyond the delivery point.

Seaway Texas City (Pipeline) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bryan Mound site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Texas City” is the Exxon Mobil 40” pipeline to Texas City, TX. Offerors are responsible for all transportation costs beyond the delivery point.

SPR Site to purchaser’s tank at SUN – Title and risk of loss pass to the purchaser at the connection point between the DOE/Sun terminal.

Note: The delivery point for “DLI-A Pipeline @ Sun” is the connection point between the DOE/Sun terminal. Offerors bidding on this DLI must have their own tankage available at SUN available for receipts. For deliveries to customer tankage, DOE meters and sampler at Sun terminal shall be the primary custody transfer measurement. In the event of failure at either primary meter location, secondary quality and quantity measurement shall be the applicable customer receipt/delivery tank gauge. If automatic samples are available at primary custody transfer location, primary quality will remain at that location. In the event neither of those are available, customer and the DOE will mutually agree on the method to be utilized.

SPR Site to purchaser’s tank at P66 Beaumont Terminal – Title and risk of loss pass to the purchaser at the purchaser’s receiving tank flange at P66 Beaumont Terminal.

Note: The delivery point for “DLI-H Pipeline @ P66 Beaumont Terminal” is the receiving tank flange at P66 Beaumont Terminal. Offerors bidding on this DLI must have tankage prearranged at P66 Beaumont Terminal available for receipts. Offerors will be invoiced an additional \$0.13 per barrel throughput for all crude oil that passes through the P66 Beaumont Terminal Connection Point.

Lake Charles Meter Station (LCMS) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE LCMS meter station.

17. Standard Sales Provision C.16, *Price Adjustments for Quality Differentials*, is deleted in its entirety and replaced with the following:
- (a) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the API gravity of the SPR crude oil delivered differs by more than plus or minus five-tenths of one degree API ($\pm 0.5^\circ$ API) from the API gravity of the SPR crude oil stream contracted for as published in the NS.
 - (b) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the Sulfur mass percent of the SPR crude oil delivered differs by more than plus or minus one-tenth of one percent of total Sulfur (± 0.10 mass, %) from the total Sulfur of the SPR crude oil stream contracted for as published in the NS.
 - (c) Price adjustments for the SPR crude oil are expected to be similar to commercial crude oil quality price adjustment methodologies for equivalent quality crude oil, taking into account the amount by which the actual values exceed the allowable variations set forth in paragraphs (a) and (b) above.
 - (d) Price adjustments for SPR crude oil streams offered for sale will be calculated using the GravCap tables at Attachment C.

Note: For calculation purposes the following will apply:

- 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.
- 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.

18. Standard Sales Provision C.19, *Delivery Documentation, Appendix A to Part 625 – Standard Sales Provisions, Exhibit E*, is amended as follows:

The Strategic Petroleum Reserve Crude Oil Delivery Report Number (SPRCODR) is changed to SPRPMO F-416.1-3.

Digital signature(s) shall be utilized when possible for completion of SPRCODR.

19. Standard Sales Provision C.20, *Contract Amounts* is replaced in its entirety with the following:

The contract quantities and dollar value stated in the Notice of Acceptance (NA) are estimates. The per barrel unit price is subject to adjustment due to variation in the API gravity and sulfur content from the published characteristics, changes in delivery mode, and price index values, if applicable. In addition, due to conditions of vessel loading and shipping or pipeline transmission, the quantity actually delivered may vary by +/- 10 percent for each shipment. However, a purchaser is not required to procure additional transportation capacity if sufficient capacity to take delivery of at least 95 percent of the contract quantity has been engaged. The 95 percent threshold will be calculated based on the volume of net cargo receipts versus awarded quantity under each separate contract.

20. Standard Sales Provision C.21, *Payment and Performance Letter of Credit*, is amended as follows:

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

Paragraph (a) is supplemented as follows:

“The expiration date of the LOC will be provided in the ASO letter.”

Paragraph (b) is amended as follows:

The second sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

21. Standard Sales Provision C.22, *Billing and Payment*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“ (a) The Government will invoice the purchaser at the conclusion of each delivery. The invoice will be based upon the nearest whole barrel volume (i.e. rounded to the nearest barrel).”

“ (d) In the event that the bank refuses to honor the draft against the letter of credit, the purchaser shall be responsible for paying the principal and any interest, administrative costs and penalties due (see Provision C.24) from the due date.”

22. Standard Sales Provision C.23, *Method of Payments*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“(a) All amounts payable by the purchaser shall be paid by deposit to the account of the U.S. Treasury by wire transfer of funds using the Fedwire Funds Service. The information to be included in each wire transfer will be provided in the NS. All wire deposit electronic funds transfer costs will be borne by the purchaser.”

“(d) Notwithstanding any other contract provision, DOE may, via a draft message, request a wire transfer of funds against the standby letter of credit at any time for payment of monies due under the contract and remaining unpaid in violation of the terms of the contract. These would include but not be limited to interest, administrative costs, penalties, liquidated damages, demurrage, amounts owing for any services provided under the contract, and the difference between the contract price and price received on the resale of undelivered petroleum as defined in Provision C.25.”

In addition, Government payments to oil purchaser(s) will be in accordance with VIPERS instructions.

23. Standard Sales Provision C.24, *Interest*, is deleted in its entirety and replaced with the following:

“C.24 Interest, Administrative Costs and Penalties

- (a) Amounts due and payable by the purchaser or its bank that are not paid in accordance with the provisions governing such payments shall bear interest, which will be indexed with the Current Value of Funds rate, from the day the invoice is mailed or transmitted to the purchaser until the date payment is received by the Government.
- (b) Administrative Costs will be charged monthly to cover the expense of collecting delinquent debt. The current rate is \$7.25/month.
- (c) A penalty will be assessed at the rate of 6% per year. The penalty charge accrues from the day the invoice is mailed or transmitted to the purchaser, and is assessed on any portion of the debt that is outstanding for more than 90 days, including any interest and administrative costs.”

24. Standard Sales Provision C.32, *Disputes*, is amended as follows:

Paragraph (c) “\$50,000” is changed to “\$100,000”, and the following language is added to the certification “; and that I am duly authorized to certify the claim on behalf of the purchaser.”

25. Standard Sales Provision Exhibit B, *SPR Delivery Point Data*, is supplemented as follows:

Regarding the Government information reflected in 10 CFR Part 625 as amended, Standard Sales Provisions Exhibit B that were obtained from the terminals; it is the responsibility of the Offerors to confirm these specifications prior to nominations to ensure most current information.

26. Standard Sales Provisions Exhibit C, *SAMPLE -- OFFER GUARANTEE STANDBY LETTER OF CREDIT*, is replaced by Attachment D of this NS. Instructions for Offer Letter of Credit are included in Attachment D of this NS.
27. Standard Sales Provision Exhibit D, *SAMPLE -- PAYMENT AND PERFORMANCE LETTER OF CREDIT*, is replaced by Attachment E of this NS. Instructions for Payment and Performance Letter of Credit are included in Attachment E of this NS.
28. By submission of an offer, the Offeror certifies that the Offeror, and any entity owned or controlled by the Offeror, does not engage in any activity prohibited under applicable U.S. export control and sanctions laws and regulations.
29. INTENTIONALLY OMITTED
30. Contract Price Adjustment
- (a) The unit price for crude oil under the contract shall be the Delivery Reference Price (DRP) adjusted by the Price Adjustment Factor (PAF) as provided in this provision, subject to any additional adjustments provided for elsewhere in the contract.
- (b) The terms used in this provision are defined as follows:
- Base Reference Price (BRP)
- (1) The BRP for all SPR crude oil streams offered for sale is the average (to the \$0.0001) of the Daily Index Prices as computed by the Government from prices for the most recent five days on which trading activity occurred, ending two trading days before the date of the Notice of Sale.
- (2) For this Notice of Sale, the BRP is **\$108.8080** for all sour SPR crude oil streams.

- (3) For this Notice of Sale, the BRP is **\$113.3900** for all sweet SPR crude oil streams.

Daily Index Price (DIP)

The DIP applicable to **sour** SPR crude oil streams offered for sale is the “Mars Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. The DIP applicable to **sweet** SPR crude oil streams offered for sale is the “WTI Houston Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. Reference pricing streams associated with offered crude oil are shown below.

Sour Streams	Reference Crude Oil Stream
Big Hill Sour	Mars
West Hackberry Sour	Mars
Bryan Mound Sour	Mars
Bayou Choctaw Sour	Mars
Bayou Choctaw Sweet	WTI Houston

Delivery Reference Price (DRP) - The DRP is the average (to the \$0.0001) of the Daily Index Prices for the five trading days surrounding the delivery "price date" as stated in Block 7, "PRICE DATE", on the Strategic Petroleum Reserve Crude Oil Delivery Report: SPRPMO F-416.1-3.

- (1) For pipeline deliveries, the “price date” shall be the date the shipment completed at the custody transfer point, in accordance with SSP C.12, as amended by the NS.
- (2) For vessel deliveries, the "price date" shall be the date vessel loading completed in accordance with SSP C.19.
- (3) The "five trading days surrounding the price date" means the following five days: The midday, day three, is the price date as determined above (unless such day is a day on which trading activity did not occur, in which case the midday shall be the succeeding day on which trading activity did occur), the two days preceding the

midday of the five day period on which trading activity occurred and the two days succeeding the midday on which trading activity occurred.

Price Adjustment Factor (PAF) - The PAF is the purchaser's offered price minus the Base Reference Price (BRP). The PAF may be either positive or negative.

GENERIC EXAMPLES:

Delivery Reference Price + Price Adjustment Factor = Unit Price per Barrel (subject to any additional adjustments provided for elsewhere in the contract):

Example 1:

Assume:

Offered Price	\$93.2534	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$2.2519	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$2.2519	
Unit Price/bbl	\$97.7574	

Example 2:

Assume:

Offered Price	\$90.7564	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$(0.2451)	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$(0.2451)	
Unit Price/bbl	\$95.2604	

ATTACHMENT A
 CRUDE OIL QUANTITIES OFFERED FOR SALE
 U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. After awards are finalized, Offerors who are awarded barrels at Bryan Mound destined for Freeport Docks will submit nomination windows and vessel confirmations to Fluor Federal Petroleum Operations (FFPO). Contact information for FFPO can be found in Supplements and Amendments to the Standard Sales Provisions, Section 11 of this solicitation. SPR does not guarantee availability of any pipeline or laycan DLI in this Notice of Sale.

The crude oil streams, delivery mode and periods, daily maximum delivery capability, and quantities of crude oil offered in this sale, under emergency conditions, are as follows:

- MLI = Master Line Item/Crude Oil Stream
- DLI = Delivery Line Item/Maximum Quantity per Delivery Mode and Period
- MIN Qty. = Minimum Contract Quantity Per DLI
- MB = Thousands of Barrels
- MBD Avg = SPR's daily maximum delivery limit capability for each delivery line item utilizing SPR design criteria (under emergency conditions).

Crude Oil Stream <u>MLI</u>	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Bryan Mound Sour 002		7/1-8/15	8,000			
	DLI-B Vessel @ Freeport	7/1-8/15		480	500	250
	DLI-H Pipeline @ Texas City	7/1-8/15		880	7,500	350

Crude Oil Stream <u>MLI</u>	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Big Hill Sour 010		7/1-8/15	12,500			
	DLI-A Pipeline @ Sun (Non- SPR Tank)	7/1-8/15		775	9,250	350
	DLI-B Vessel @ Sun (SPR Tank)	7/1-8/15		1085	2,250	250

	DLI-H Pipeline @P66 Beaumont Terminal	7/1-8/15		480	1,000	350
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Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
West Hackberry Sour 005		7/1-8/7	12,500			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	7/1-8/7		775	9,000	350
	DLI-B Vessel @ Sun (SPR Tank)	7/1-8/7		1085	1,500	250
	DLI-H Pipeline @Lake Charles Meter Station	7/1-8/7		520	2,000	350

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Bayou Choctaw Sweet 007		6/21- 6/30	1,100			
	DLI-A Pipeline St. James Pipeline	6/21- 6/30		300	1,100	350
	DLI-H Pipeline Baton Rouge (Bourre)	6/21- 6/30		200	225	225

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Bayou Choctaw Sour 008		7/1-8/15	6,000			
	DLI-A Pipeline St. James Pipeline	7/1-8/15		300	4,300	350
	DLI-B Vessel Saint James Dock	7/1-8/15		200	800	250
	DLI-H Pipeline Baton Rouge (Bourre)	7/1-8/15		200	900	225

ATTACHMENT - B

**INSTRUCTIONS FOR FEDWIRE FUNDS TRANSFERS TO THE
DEPARTMENT OF ENERGY**

Please provide the following instructions to your Financial Institution for Fedwire funds transfers to the Department of Energy at the U.S. Treasury:

Item Number	Fedwire Field Tag	Length	Fedwire Field Name	Required Information
1	{1510}	4	Type/Subtype	1000
2	{2000}	12	Amount	<i>Enter payment amount</i>
3	{3100}	9	Sending ABA number	<i>Sender ABA-number</i>
4	{3320}	16	Sender Reference	<i>Filled by sender</i>
5	{3400}	9	Receiver ABA number *	021030004
6	{3400}	18	Receiver Short Name	TREAS NYC
7	{3600}	3	Business Function Code	CTR (or CTP)
8	{4200}	34	Beneficiary Identifier (account number)	89000001
9	{4200}	35	Beneficiary Name	DEPARTMENT OF ENERGY
10	{5000}	35	Originator Name	<i>Enter the (company) name of the originator of the payment</i>
11	{6000}	35	Originator to Beneficiary Information – Line 1	<i>Enter Contract Number</i>
11	{6000}	35	Line 2	<i>Enter Cargo Number</i>
11	{6000}	35	Line 3	<i>Enter Invoice Number</i>
11	{6000}	35	Line 4	

*** The financial institution address for Treasury's routing number is:**

**Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045**

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN GRAVITY OF CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL
10.0	1.250	16.0	2.150	22.0	3.050	28.0	3.950	34.0	4.850	40.0	5.100	46.0	4.950	52.0	4.050
10.1	1.265	16.1	2.165	22.1	3.065	28.1	3.965	34.1	4.865	40.1	5.100	46.1	4.935	52.1	4.035
10.2	1.280	16.2	2.180	22.2	3.080	28.2	3.980	34.2	4.880	40.2	5.100	46.2	4.920	52.2	4.020
10.3	1.295	16.3	2.195	22.3	3.095	28.3	3.995	34.3	4.895	40.3	5.100	46.3	4.905	52.3	4.005
10.4	1.310	16.4	2.210	22.4	3.110	28.4	4.010	34.4	4.910	40.4	5.100	46.4	4.890	52.4	3.990
10.5	1.325	16.5	2.225	22.5	3.125	28.5	4.025	34.5	4.925	40.5	5.100	46.5	4.875	52.5	3.975
10.6	1.340	16.6	2.240	22.6	3.140	28.6	4.040	34.6	4.940	40.6	5.100	46.6	4.860	52.6	3.960
10.7	1.355	16.7	2.255	22.7	3.155	28.7	4.055	34.7	4.955	40.7	5.100	46.7	4.845	52.7	3.945
10.8	1.370	16.8	2.270	22.8	3.170	28.8	4.070	34.8	4.970	40.8	5.100	46.8	4.830	52.8	3.930
10.9	1.385	16.9	2.285	22.9	3.185	28.9	4.085	34.9	4.985	40.9	5.100	46.9	4.815	52.9	3.915
11.0	1.400	17.0	2.300	23.0	3.200	29.0	4.100	35.0	5.000	41.0	5.100	47.0	4.800	53.0	3.900
11.1	1.415	17.1	2.315	23.1	3.215	29.1	4.115	35.1	5.000	41.1	5.100	47.1	4.785	53.1	3.885
11.2	1.430	17.2	2.330	23.2	3.230	29.2	4.130	35.2	5.000	41.2	5.100	47.2	4.770	53.2	3.870
11.3	1.445	17.3	2.345	23.3	3.245	29.3	4.145	35.3	5.000	41.3	5.100	47.3	4.755	53.3	3.855
11.4	1.460	17.4	2.360	23.4	3.260	29.4	4.160	35.4	5.000	41.4	5.100	47.4	4.740	53.4	3.840
11.5	1.475	17.5	2.375	23.5	3.275	29.5	4.175	35.5	5.000	41.5	5.100	47.5	4.725	53.5	3.825
11.6	1.490	17.6	2.390	23.6	3.290	29.6	4.190	35.6	5.000	41.6	5.100	47.6	4.710	53.6	3.810
11.7	1.505	17.7	2.405	23.7	3.305	29.7	4.205	35.7	5.000	41.7	5.100	47.7	4.695	53.7	3.795
11.8	1.520	17.8	2.420	23.8	3.320	29.8	4.220	35.8	5.000	41.8	5.100	47.8	4.680	53.8	3.780
11.9	1.535	17.9	2.435	23.9	3.335	29.9	4.235	35.9	5.000	41.9	5.100	47.9	4.665	53.9	3.765
12.0	1.550	18.0	2.450	24.0	3.350	30.0	4.250	36.0	5.020	42.0	5.100	48.0	4.650	54.0	3.750
12.1	1.565	18.1	2.465	24.1	3.365	30.1	4.265	36.1	5.020	42.1	5.100	48.1	4.635	54.1	3.735
12.2	1.580	18.2	2.480	24.2	3.380	30.2	4.280	36.2	5.020	42.2	5.100	48.2	4.620	54.2	3.720
12.3	1.595	18.3	2.495	24.3	3.395	30.3	4.295	36.3	5.020	42.3	5.100	48.3	4.605	54.3	3.705
12.4	1.610	18.4	2.510	24.4	3.410	30.4	4.310	36.4	5.020	42.4	5.100	48.4	4.590	54.4	3.690
12.5	1.625	18.5	2.525	24.5	3.425	30.5	4.325	36.5	5.020	42.5	5.100	48.5	4.575	54.5	3.675
12.6	1.640	18.6	2.540	24.6	3.440	30.6	4.340	36.6	5.020	42.6	5.100	48.6	4.560	54.6	3.660
12.7	1.655	18.7	2.555	24.7	3.455	30.7	4.355	36.7	5.020	42.7	5.100	48.7	4.545	54.7	3.645
12.8	1.670	18.8	2.570	24.8	3.470	30.8	4.370	36.8	5.020	42.8	5.100	48.8	4.530	54.8	3.630
12.9	1.685	18.9	2.585	24.9	3.485	30.9	4.385	36.9	5.020	42.9	5.100	48.9	4.515	54.9	3.615
13.0	1.700	19.0	2.600	25.0	3.500	31.0	4.400	37.0	5.040	43.0	5.100	49.0	4.500	55.0	3.600
13.1	1.715	19.1	2.615	25.1	3.515	31.1	4.415	37.1	5.040	43.1	5.100	49.1	4.485		
13.2	1.730	19.2	2.630	25.2	3.530	31.2	4.430	37.2	5.040	43.2	5.100	49.2	4.470		
13.3	1.745	19.3	2.645	25.3	3.545	31.3	4.445	37.3	5.040	43.3	5.100	49.3	4.455		
13.4	1.760	19.4	2.660	25.4	3.560	31.4	4.460	37.4	5.040	43.4	5.100	49.4	4.440		
13.5	1.775	19.5	2.675	25.5	3.575	31.5	4.475	37.5	5.040	43.5	5.100	49.5	4.425		
13.6	1.790	19.6	2.690	25.6	3.590	31.6	4.490	37.6	5.040	43.6	5.100	49.6	4.410		
13.7	1.805	19.7	2.705	25.7	3.605	31.7	4.505	37.7	5.040	43.7	5.100	49.7	4.395		
13.8	1.820	19.8	2.720	25.8	3.620	31.8	4.520	37.8	5.040	43.8	5.100	49.8	4.380		
13.9	1.835	19.9	2.735	25.9	3.635	31.9	4.535	37.9	5.040	43.9	5.100	49.9	4.365		
14.0	1.850	20.0	2.750	26.0	3.650	32.0	4.550	38.0	5.060	44.0	5.100	50.0	4.350		
14.1	1.865	20.1	2.765	26.1	3.665	32.1	4.565	38.1	5.060	44.1	5.100	50.1	4.335		
14.2	1.880	20.2	2.780	26.2	3.680	32.2	4.580	38.2	5.060	44.2	5.100	50.2	4.320		
14.3	1.895	20.3	2.795	26.3	3.695	32.3	4.595	38.3	5.060	44.3	5.100	50.3	4.305		
14.4	1.910	20.4	2.810	26.4	3.710	32.4	4.610	38.4	5.060	44.4	5.100	50.4	4.290		
14.5	1.925	20.5	2.825	26.5	3.725	32.5	4.625	38.5	5.060	44.5	5.100	50.5	4.275		
14.6	1.940	20.6	2.840	26.6	3.740	32.6	4.640	38.6	5.060	44.6	5.100	50.6	4.260		
14.7	1.955	20.7	2.855	26.7	3.755	32.7	4.655	38.7	5.060	44.7	5.100	50.7	4.245		
14.8	1.970	20.8	2.870	26.8	3.770	32.8	4.670	38.8	5.060	44.8	5.100	50.8	4.230		
14.9	1.985	20.9	2.885	26.9	3.785	32.9	4.685	38.9	5.060	44.9	5.100	50.9	4.215		
15.0	2.000	21.0	2.900	27.0	3.800	33.0	4.700	39.0	5.080	45.0	5.100	51.0	4.200		
15.1	2.015	21.1	2.915	27.1	3.815	33.1	4.715	39.1	5.080	45.1	5.085	51.1	4.185		
15.2	2.030	21.2	2.930	27.2	3.830	33.2	4.730	39.2	5.080	45.2	5.070	51.2	4.170		
15.3	2.045	21.3	2.945	27.3	3.845	33.3	4.745	39.3	5.080	45.3	5.055	51.3	4.155		
15.4	2.060	21.4	2.960	27.4	3.860	33.4	4.760	39.4	5.080	45.4	5.040	51.4	4.140		
15.5	2.075	21.5	2.975	27.5	3.875	33.5	4.775	39.5	5.080	45.5	5.025	51.5	4.125		
15.6	2.090	21.6	2.990	27.6	3.890	33.6	4.790	39.6	5.080	45.6	5.010	51.6	4.110		
15.7	2.105	21.7	3.005	27.7	3.905	33.7	4.805	39.7	5.080	45.7	4.995	51.7	4.095		
15.8	2.120	21.8	3.020	27.8	3.920	33.8	4.820	39.8	5.080	45.8	4.980	51.8	4.080		
15.9	2.135	21.9	3.035	27.9	3.935	33.9	4.835	39.9	5.080	45.9	4.965	51.9	4.065		

For API GRAVITY values above 55.0° API the differential continues to decline 0.015/ bbl. per 0.1° API GRAVITY.

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN SULFUR CONTENT FOR CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL
0.00	1.000	0.60	1.600	1.20	2.200	1.80	2.800	2.40	3.400	3.00	4.000	3.60	4.600
0.01	1.010	0.61	1.610	1.21	2.210	1.81	2.810	2.41	3.410	3.01	4.010	3.61	4.610
0.02	1.020	0.62	1.620	1.22	2.220	1.82	2.820	2.42	3.420	3.02	4.020	3.62	4.620
0.03	1.030	0.63	1.630	1.23	2.230	1.83	2.830	2.43	3.430	3.03	4.030	3.63	4.630
0.04	1.040	0.64	1.640	1.24	2.240	1.84	2.840	2.44	3.440	3.04	4.040	3.64	4.640
0.05	1.050	0.65	1.650	1.25	2.250	1.85	2.850	2.45	3.450	3.05	4.050	3.65	4.650
0.06	1.060	0.66	1.660	1.26	2.260	1.86	2.860	2.46	3.460	3.06	4.060	3.66	4.660
0.07	1.070	0.67	1.670	1.27	2.270	1.87	2.870	2.47	3.470	3.07	4.070	3.67	4.670
0.08	1.080	0.68	1.680	1.28	2.280	1.88	2.880	2.48	3.480	3.08	4.080	3.68	4.680
0.09	1.090	0.69	1.690	1.29	2.290	1.89	2.890	2.49	3.490	3.09	4.090	3.69	4.690
0.10	1.100	0.70	1.700	1.30	2.300	1.90	2.900	2.50	3.500	3.10	4.100	3.70	4.700
0.11	1.110	0.71	1.710	1.31	2.310	1.91	2.910	2.51	3.510	3.11	4.110	3.71	4.710
0.12	1.120	0.72	1.720	1.32	2.320	1.92	2.920	2.52	3.520	3.12	4.120	3.72	4.720
0.13	1.130	0.73	1.730	1.33	2.330	1.93	2.930	2.53	3.530	3.13	4.130	3.73	4.730
0.14	1.140	0.74	1.740	1.34	2.340	1.94	2.940	2.54	3.540	3.14	4.140	3.74	4.740
0.15	1.150	0.75	1.750	1.35	2.350	1.95	2.950	2.55	3.550	3.15	4.150	3.75	4.750
0.16	1.160	0.76	1.760	1.36	2.360	1.96	2.960	2.56	3.560	3.16	4.160	3.76	4.760
0.17	1.170	0.77	1.770	1.37	2.370	1.97	2.970	2.57	3.570	3.17	4.170	3.77	4.770
0.18	1.180	0.78	1.780	1.38	2.380	1.98	2.980	2.58	3.580	3.18	4.180	3.78	4.780
0.19	1.190	0.79	1.790	1.39	2.390	1.99	2.990	2.59	3.590	3.19	4.190	3.79	4.790
0.20	1.200	0.80	1.800	1.40	2.400	2.00	3.000	2.60	3.600	3.20	4.200	3.80	4.800
0.21	1.210	0.81	1.810	1.41	2.410	2.01	3.010	2.61	3.610	3.21	4.210	3.81	4.810
0.22	1.220	0.82	1.820	1.42	2.420	2.02	3.020	2.62	3.620	3.22	4.220	3.82	4.820
0.23	1.230	0.83	1.830	1.43	2.430	2.03	3.030	2.63	3.630	3.23	4.230	3.83	4.830
0.24	1.240	0.84	1.840	1.44	2.440	2.04	3.040	2.64	3.640	3.24	4.240	3.84	4.840
0.25	1.250	0.85	1.850	1.45	2.450	2.05	3.050	2.65	3.650	3.25	4.250	3.85	4.850
0.26	1.260	0.86	1.860	1.46	2.460	2.06	3.060	2.66	3.660	3.26	4.260	3.86	4.860
0.27	1.270	0.87	1.870	1.47	2.470	2.07	3.070	2.67	3.670	3.27	4.270	3.87	4.870
0.28	1.280	0.88	1.880	1.48	2.480	2.08	3.080	2.68	3.680	3.28	4.280	3.88	4.880
0.29	1.290	0.89	1.890	1.49	2.490	2.09	3.090	2.69	3.690	3.29	4.290	3.89	4.890
0.30	1.300	0.90	1.900	1.50	2.500	2.10	3.100	2.70	3.700	3.30	4.300	3.90	4.900
0.31	1.310	0.91	1.910	1.51	2.510	2.11	3.110	2.71	3.710	3.31	4.310	3.91	4.910
0.32	1.320	0.92	1.920	1.52	2.520	2.12	3.120	2.72	3.720	3.32	4.320	3.92	4.920
0.33	1.330	0.93	1.930	1.53	2.530	2.13	3.130	2.73	3.730	3.33	4.330	3.93	4.930
0.34	1.340	0.94	1.940	1.54	2.540	2.14	3.140	2.74	3.740	3.34	4.340	3.94	4.940
0.35	1.350	0.95	1.950	1.55	2.550	2.15	3.150	2.75	3.750	3.35	4.350	3.95	4.950
0.36	1.360	0.96	1.960	1.56	2.560	2.16	3.160	2.76	3.760	3.36	4.360	3.96	4.960
0.37	1.370	0.97	1.970	1.57	2.570	2.17	3.170	2.77	3.770	3.37	4.370	3.97	4.970
0.38	1.380	0.98	1.980	1.58	2.580	2.18	3.180	2.78	3.780	3.38	4.380	3.98	4.980
0.39	1.390	0.99	1.990	1.59	2.590	2.19	3.190	2.79	3.790	3.39	4.390	3.99	4.990
0.40	1.400	1.00	2.000	1.60	2.600	2.20	3.200	2.80	3.800	3.40	4.400	4.00	5.000
0.41	1.410	1.01	2.010	1.61	2.610	2.21	3.210	2.81	3.810	3.41	4.410		
0.42	1.420	1.02	2.020	1.62	2.620	2.22	3.220	2.82	3.820	3.42	4.420		
0.43	1.430	1.03	2.030	1.63	2.630	2.23	3.230	2.83	3.830	3.43	4.430		
0.44	1.440	1.04	2.040	1.64	2.640	2.24	3.240	2.84	3.840	3.44	4.440		
0.45	1.450	1.05	2.050	1.65	2.650	2.25	3.250	2.85	3.850	3.45	4.450		
0.46	1.460	1.06	2.060	1.66	2.660	2.26	3.260	2.86	3.860	3.46	4.460		
0.47	1.470	1.07	2.070	1.67	2.670	2.27	3.270	2.87	3.870	3.47	4.470		
0.48	1.480	1.08	2.080	1.68	2.680	2.28	3.280	2.88	3.880	3.48	4.480		
0.49	1.490	1.09	2.090	1.69	2.690	2.29	3.290	2.89	3.890	3.49	4.490		
0.50	1.500	1.10	2.100	1.70	2.700	2.30	3.300	2.90	3.900	3.50	4.500		
0.51	1.510	1.11	2.110	1.71	2.710	2.31	3.310	2.91	3.910	3.51	4.510		
0.52	1.520	1.12	2.120	1.72	2.720	2.32	3.320	2.92	3.920	3.52	4.520		
0.53	1.530	1.13	2.130	1.73	2.730	2.33	3.330	2.93	3.930	3.53	4.530		
0.54	1.540	1.14	2.140	1.74	2.740	2.34	3.340	2.94	3.940	3.54	4.540		
0.55	1.550	1.15	2.150	1.75	2.750	2.35	3.350	2.95	3.950	3.55	4.550		
0.56	1.560	1.16	2.160	1.76	2.760	2.36	3.360	2.96	3.960	3.56	4.560		
0.57	1.570	1.17	2.170	1.77	2.770	2.37	3.370	2.97	3.970	3.57	4.570		
0.58	1.580	1.18	2.180	1.78	2.780	2.38	3.380	2.98	3.980	3.58	4.580		
0.59	1.590	1.19	2.190	1.79	2.790	2.39	3.390	2.99	3.990	3.59	4.590		

For Sulfur Values
above 4.00% the
differential continues
to increase 0.01/BBL
per 0.01 Percent
Sulfur

Attachment D

SAMPLE - OFFER GUARANTEE STANDBY LETTER OF CREDIT

**BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123

Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____)
CONTRACTOR: _____
NOTICE OF SALE NO: _____
OFFER NO: _____
LETTER OF CREDIT NO: _____
EXPIRATION DATE: **August 1, 2022**
AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy’s favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy’s Notice of Sale, including any amendments thereto, for the sale of Strategic Petroleum Reserve petroleum. This Letter of Credit expires at least 60 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

“THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF (CONTRACTOR) TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR THE PURCHASE OF SPR PETROLEUM FROM THE STRATEGIC PETROLEUM RESERVE, IN ACCORDANCE WITH THE U.S. GOVERNMENT’S NOTICE OF SALE NO. _____, INCLUDING ANY AMENDMENTS THERETO.”

Attachment D

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced Notice of Sale.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

Attachment D

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statement. **The drawing statement is in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

Attachment D

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have a letter of cancellation returned to you via e-mail only for cancellation of your Offer Letter of Credit, please provide information below:

Send a signed authorization to cancel the Offer LOC to the following point of contact via e-mail address: _____

Contact Phone Number: _____

**SAMPLE - PAYMENT AND PERFORMANCE LETTER OF CREDIT
BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S.\$ _____ (_____)

CONTRACTOR: _____

CONTRACT NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: _____

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer's above contract with the U.S. Department of Energy for the sale of Strategic Petroleum Reserve petroleum.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and one or both of the following statements:

a. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE THE GOVERNMENT HAS DELIVERED SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO, AND _____ (CONTRACTOR) HAS NOT PAID UNDER THE TERMS OF THAT CONTRACT."**

b. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE _____ (CONTRACTOR) HAS FAILED TO TAKE DELIVERY OF SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO."**

Attachment E

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced contract.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

INSTRUCTIONS FOR PAYMENT AND PERFORMANCE GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statements. **The drawing statements are in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

STRATEGIC PETROLEUM RESERVE

NOMINATION - CONFIRMATION

SPR Operations Fluor Federal Petroleum Operations New Orleans, Louisiana FFPOCOL@SPR.DOE.GOV	<u>Scheduler</u> Chuck Costanza (504) 734-4733 <u>Quantity and Quality</u> Ned Scheppegrell (504) 722-6146
------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------

****The following Information Must Be Provided by the Contractor****

Submission Date: [Click here to enter a date.](#) Submission Type: Original Nomination

Contract No.: Enter Contract Number
 Contractor: Enter Contractor Name
 Address: Enter Address
 City, State, Zip

Contractor Contact Information

Primary Contact: Primary Contact Name	Alternate: Alternate Contact Name
Office: Office Phone	Office: Office Phone
Cell: Cell Phone	Cell: Cell Phone
Email: Email Address	Email: Email Address

CODR/DD250 Contractor Signatory Designee*: Signatory Designee Name
 *Designee can be contractor office personnel, 3rd party inspection company†, or chosen loss control representative†.

Office: Office Phone
 Cell: Cell Phone
 Email: Email Address

Note: If multiple designees are to be used, please input "See Attached" and provide list to FFPOCOL@spr.doe.gov with nomination.

†Third Party Inspection Company Information

Company: 3rd Party Inspection Company
 Contact: 3rd Party Contact Name
 Contact Ned Scheppegrell for any questions on SPR 3rd party inspection and testing.

Nomination Information and Delivery Window (additional lines on following page)

Delivery Window	Pipeline/Vessel	Volume (MB)	SPR Site	Destination
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Total Volume:		Total Volume		

The Following information to be provided by SPR Operations Personnel

Terminal Information Terminal: TBD Contact: Contact: Contact:	Custody Transfer Point TBD Quality Point TBD Quantity Point TBD
----------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------

From: [Gele, Kelly](#) on behalf of [Gele, Kelly <Kelly.Gele@SPR.DOE.GOV>](#)
To: [MacIntyre, Douglas \(HQ\)](#); [McGarry, Thomas \(HQ\)](#); [Oosterling, Paul](#); [Gele, Lionel](#); [Perry, Robert](#); [Turner, Shenee \(HQ\)](#); [Treadway, Demetrius](#); [Williams, Rhonda \(HQ\)](#)
Cc: [Roark, Christopher](#); [Habbaz, Roy](#); [Roark, Mary](#); [O'Shaughnessy, Kelly](#); [Wormhoudt, Sheldra](#); [Coleman, Jennifer](#); [Webre, Richard](#)
Subject: FY22 Emergency Drawdown No. 2 NOS
Date: Friday, April 1, 2022 1:07:35 PM
Attachments: [FY22 Emergency Drawdown No. 2 NOS.pdf](#)

Everyone,

The Notice of Sale has been posted and can be found at <https://www.spr.doe.gov/doeec/OilSale.htm>

I have also attached a copy for everyone.

Thanks,

Kelly M. Gele'

**Director, Office of Acquisition and Sales
Strategic Petroleum Reserve
Department of Energy
New Orleans, LA 70123
(504)734-4343 (work)
(b) (6) (cell)**



Department of Energy
Strategic Petroleum Reserve Project Management Office
900 Commerce East
New Orleans, Louisiana 70123

NOTICE OF SALE
DE-NS96-22PO30000

Pursuant to the authority and direction of the President of the United States, the Strategic Petroleum Reserve (SPR) is conducting an emergency sale of SPR crude oil as provided for by the Department of Energy Organization Act (42 U.S.C 7101 et seq.) and Section 161(d) of the Energy Policy and Conservation Act (42 U.S.C. 6241). The Department of Energy invites you to submit offers for the purchase of crude oil from the SPR. Contracts resulting from this sale shall be subject to contract price adjustment as set forth in the Supplements and Amendments to the Standard Sales Provisions (SSP). This Notice of Sale contains the terms and conditions of the sale and specific instructions for preparation and submittal of offers.

As stated in this Notice of Sale, you are required to submit your offer using the Crude Oil Sales Offer Program. **Manual offers will NOT be accepted.**

Offers are due by 10:00 a.m. Central Time, Tuesday April 12, 2022.

Please read this solicitation carefully. Questions regarding this Notice of Sale must be submitted via email by noon, Central Time, Monday April 11, 2022, to allow a reply to reach all prospective Offerors prior to submission of their offers. Any questions received after this date/time may not be answered prior to the date/time offers are due. Questions/Responses will be posted daily, by 5:00 p.m. Central Time at: <https://www.spr.doe.gov/doeec/oilsale.htm>. Questions must be addressed to:

<u>Contact</u>	<u>Telephone</u>	<u>E-Mail</u>
Mary C. Roark (Contracting Officer)	(504) 734-4195	mary.roark@spr.doe.gov

A handwritten signature in black ink, appearing to read "Kelly M. Gelé".

Date: April 1, 2022

Kelly M. Gelé
Director, Acquisition and
Sales Division

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DE-NS96-22PO30000

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INSTRUCTIONS

GENERAL REQUIREMENTS

1. Offer must be submitted via the Crude Oil Sales Offer Program (COSOP) by the date/time specified in the Notice of Sale. **Manual offers will NOT be accepted.**
2. Offerors are required to submit an Offer Guarantee (See SSP B.12). Any entity that currently stores oil in the SPR under a Lease and Storage Agreement is exempt from the Offer Guarantee and Payment and Performance Letter of Credit requirements in this NOS.

Failure to submit the above documents or to comply with material requirements of the Notice of Sale may be cause for rejection of the offer.

SALE-SPECIFIC REQUIREMENTS

The following sales requirements are established for this sale:

1. The sale will be by price competition and shall be conducted pursuant to Title 10 Code of Federal Regulations Part 625 [Appendix A](#), except as may be supplemented or amended by this Notice of Sale. While the location of the [Appendix A](#): Standard Sales Provisions has changed, the provision itself has not changed since 2005.
2. The intent of this sale is to award up to 26.5 million barrels sour barrels and 3.5 million sweet barrels for a total of 30.0 million barrels. The delivery period for sour this sale shall be from May 15, 2022 to June 30, 2022 from Big Hill, West Hackberry, and Bryan Mound. The delivery period of sweet for this sale shall be from May 15, 2022 to June 20, 2022 at Bayou Choctaw. Requests for early deliveries in accordance with SSP C.5(c) will be accommodated to the maximum extent possible, terms to be negotiated. Bayou Choctaw and Bryan Mound crude oil stream cargoes between May 15, 2022 to June 30, 2022 will require H₂S scavenger. The SPR will use SULFA-CHECK EC9085A, and the SDS can be provided upon request. The SPR will not pass on the H₂S scavenger cost to oil purchasers.

All deliveries under solicitation DE-NS96-22PO20000 will have priority in the month of May 2022. Click [here](#) to view press release on DE-NS96-22PO20000.

Offerors are advised that crude oil delivered from the Big Hill site may be subject to applicable Foreign Trade Zone (FTZ) duty. The SPR will not pass on the deferred import duty to oil purchasers. For release of Non-Privileged Foreign (NPF) oil from the Big Hill site (Foreign Trade Zone, Subzone 116D), purchasers shall furnish support documentation and comply with all applicable U.S. Customs and Border Protection (CBP) regulations.

3. The crude oil streams, delivery modes and periods, and the quantities offered in this sale, as well as minimum contract quantities, are shown in [Attachment A](#).

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. Also, be advised that the SPR currently performing oil movements at the West Hackberry, Big Hill, Bryan Mound, and Bayou Choctaw sites in the months of performance. Any award notification under this solicitation will need to take this into consideration.

4. Offers MUST be received by 10:00 a.m. Central Time, Tuesday April 12, 2022; any offers received after 10:00 a.m. Central Time will be determined to be late and will be rejected, except as provided in SSP B.11, “Late Offers, Modifications of Offers, and Withdrawal of Offers.”
5. **An electronic copy of the fully executed Offer Guarantee shall be emailed or e-faxed. The e-fax number is (504) 818-5195 or e-mailed to mary.roark@spr.doe.gov AND MUST be received not later than the time/date for receipt of offers. An original hardcopy of the Offer Guarantee is not required for this Notice of Sale.**
6. Pursuant to SSP B.7, *State of Hawaii Access to SPR Crude Oil*, by submission of a binding offer, the State of Hawaii, for this sale, is entitled to purchase up to three percent of the offering barrels of SPR petroleum. Pursuant to section 161(j)(4) of the Energy Policy and Conservation Act, 42 U.S.C. 624(j)(4), the quantity to be sold to the State of Hawaii may be adjusted upward or downward to match the full tanker load of approximately 900,000 barrels, or such lesser tanker capacity as may be designated by the State of Hawaii.
7. Pursuant to SSP B.9, Submission of Offers and Modifications of Previously Submitted Offers, paragraph (e), DOE will inform simultaneously all Offerors and other interested parties of the successful and unsuccessful Offerors and their offer data by means of a public “offer posting”. This offer posting will occur approximately one week after receipt of offers. This information will be provided by a posting on the Internet at the following address:
<https://www.spr.doe.gov/doesec/oilsale.htm>.

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SUPPLEMENTS AND AMENDMENTS
TO THE STANDARD SALES PROVISIONS

For this sale only, the Standard Sales Provisions (SSPs) are supplemented or amended as follows:

1. Offerors are advised that the requirements of the “Jones Act” must be met for the marine delivery of crude oil purchased in this sale which is destined for U.S. ports. SSP B.4, *Requirements for Vessels-Caution to Offerors* and SSP C.7, *Application Procedures for “Jones Act” and Construction Differential Subsidy Waivers* are supplemented as follows:

The Secretary of the Department of Homeland Security has not issued a general (‘blanket’) waiver of the ‘Jones Act’ for the marine delivery of crude oil purchased in this sale. Consequently, it is necessary for an Apparently Successful Offeror (ASO) to follow the procedures of SSP C.7. Standard Sales Provision C.7 (a) is modified to provide the following address for submission of a Jones Act waiver request.

U. S. Customs and Border Protection
Office of International Trade/Regulations and Rulings
Chief, Cargo Security
Carriers and Restricted Merchandise Branch
U.S. Department of Homeland Security
Telephone No. (202) 860-7502
JonesActWaiverRequest@cbp.dhs.gov

For more information visit: <https://www.cbp.gov/trade/jones-act-waiver-request>

2. Standard Sales Provision B.5, *“Superfund” Tax on SPR Petroleum-Caution to Offerors*, is supplemented as follows:

The “Superfund” taxes are currently not imposed; however, purchasers are liable for Oil Spill Liability Trust Fund (OSLTF) taxes of \$0.09/barrel for deliveries for calendar year 2022 if applicable, for all SPR crude oil streams and must comply with current OSLTF requirements if enacted by Congress. Additionally, purchasers are liable for: Coastal Protection fees, Waterway Navigation fees, state and local environmental fees, including the federal Harbor Maintenance Trust Fund fees, if applicable. In regards to OSLTF, per the authoritative source:

https://www.uscg.mil/Mariners/National-Pollution-Funds-Center/About_NPFC/osltf/:

*“The Principal Fund of the OSLTF has several recurring and nonrecurring sources of revenue...**Barrel Tax.** The largest source of revenue has been a per-barrel excise tax, collected from the oil industry on petroleum produced in or imported to the United States. The original 5-cent-per-barrel tax expired at the end of 1994 because of the sunset provision in the law. The 2005 Energy Policy Act again reinstated the tax (effective April 2006). The Energy Improvement and Extension Act of 2008 extended the per-barrel excise tax through December 2017 and increased the per-barrel excise tax from 5 cents to 8 cents from 2009-2016 to 9 cents in March 2017.” Subsequently, section 40416 of the Bipartisan Budget Act of 2018 temporarily reinstates the Oil Spill Liability Tax that expired on December 31, 2017 for the period beginning on March 1, 2018 through December 31, 2018. On December 20, 2019, H.R. 1865-701 was signed and amended Section 4611(f)(2) by striking December 21, 2018 and inserting “December 31, 2021”*

3. Standard Sales Provision B.6, Export Limitations and Licensing – Caution to Offerors, is removed in its entirety. Offerors are advised to review section 101 of Division O of the Consolidated Appropriations Act, 2016 (Public Law 114-113) concerning the export of crude oil, and are required to comply with all U.S. export laws.
4. Standard Sales Provision B.12, *Offer Guarantee*, is amended as follows:

Exhibit C “Offer Standby Letter of Credit” is deleted and replaced with Attachment D of the NS. All references to Exhibit C shall mean Attachment D.

Paragraph (d) is amended as follows:

The fourth sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

Paragraph (g) is supplemented as follows:

For this sale the actual expiration date of the letters of credit furnished as offer guarantees will be June 13, 2022.

Paragraph (h) is amended as follows:

“Offer guarantee letters of credit cancellation letters will be returned via e-mail only, if requested, in accordance with Attachment D - REQUEST FOR OFFER GUARANTEE RETURNS, to an unsuccessful Offeror 5 business days after expiration of the Offeror's acceptance period, and, except as provided in (i) of this provision, to a successful Offeror upon receipt of a satisfactory payment and performance letter of credit.”

5. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, is supplemented with the following information:

Minimum delivery lot sizes are 350,000 barrels for pipelines (with the exception of deliveries from Bayou Choctaw into the Baton Rouge “Bourre” pipeline, which shall have a minimum quantity of 225,000 barrels), and 250,000 barrels for vessels. Offerors are reminded, however, of their responsibility to comply with (1) any minimum tender provision of any pipelines by which they take delivery from an SPR terminal, and (2) the vessel usage and load rate restrictions specified in SSP C.8(c), *Vessel loading procedures*.

(Note: “vessel” is synonymous with “tank ship”), and (3) that Offerors are required to make arrangements with all parties downstream from the DOE site meters.

6. Standard Sales Provision B.17, *SPR Crude Oil Streams and Delivery Points*, paragraph (a) has been amended as follows:

Delivery Points (from Beaumont, Texas): change from “Unocal Terminal” to “Phillips 66 Beaumont Terminal”.

7. Standard Sales Provision B.18, *Notice of Sale Line Item Schedule – Petroleum Quantity, Quality, and Delivery Method*, paragraph (h) is supplemented with the following information:

The quality characteristics of the crude oil streams offered for sale are those cited in the [Strategic Petroleum Reserve Crude Oil Assays](#).

This crude oil quality data is a weighted average composition of the specific caverns that comprise the streams offered for sale. Although a specific crude oil benchmark is referenced; SPR inventory contains a blend of domestic and global crude including Isthmus, Urals, Alaskan North Slope, Arabian Light, Saharan, and Dubai with segregation by Sweet and Sour storage caverns. The SPR has observed H₂S concentration (which is found naturally in crude oil) greater than 10 ppm in liquid in some crude batches. Measurements of H₂S in vapor space can be orders of magnitude higher than in liquid and difficult to measure due to factors in

handling, weather, etc. OSHA provides guidelines on appropriate safety precautions and equipment if crude is handled openly, spilled, or released to the atmosphere. Offerors are encouraged to review the [Strategic Petroleum Reserve Crude Oil Assays](#) for more detailed oil stream composition and specifics so that conditions (such as the presence of H₂S) are expected and communicated downstream. It is expected that Bayou Choctaw and Bryan Mound crude oil stream cargoes between May 15, 2022 to June 30, 2022 will have H₂S scavenger injected.

Note: Each SPR stream will be a blended average using several caverns. As a result, actual representative samples are not available prior to deliveries. Please refer to Crude Oil Assays which provides a weighted average composite profile of the stream.

8. Standard Sales Provision B.22, *Procedures for Evaluation of Offers*, Paragraphs (a) and (b)(8), is amended as follows:

Award on each DLI will be made to the responsible offerors that submit the highest priced offers responsive to the SSPs and the NS, in addition to operational considerations, and that have provided the required payment and performance guarantee as required by Provision C.21

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

9. Standard Sales Provision B. 27, *Contract Documents*, is amended as follows:

The third sentence is deleted in its entirety. The fourth sentence shall read: “The NS and the Provisions of the SSPs will be made applicable through incorporation by reference in the Notice of Acceptance (NA)”. The last sentence is deleted in its entirety.

10. Standard Sales Provision C.2, *Compliance with the “Jones Act” and the U.S. Export Control Laws*, is amended to delete all references to U.S. Export Control Laws. (See 3. above.)

11. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is supplemented with the following information:

- (a) Crude Oil Scheduling:
Fluor Federal Petroleum Operations Company
New Orleans, Louisiana

All email correspondence: FFPOCOL@spr.doe.gov
Please send all operational questions to FFPOCOL@spr.doe.gov.

Bradley Bauer, (Cell) (b) (6)
Chuck Costanza, (504) 734-4733 (O)
(b) (6) (Cell) (Primary)
Ned Schennegrell (504) 734-4604 (Office)
(b) (6) (Cell) (Primary)

(b) Pipeline and Terminal contacts:

(i) Sun Marine Terminal, Nederland, TX

Mike Birkett, Director - Operations (409) 721-4404
Joshua McQueen-Sr. Manager (409) 721-4819
Gina Whitfield, Director, Business Development, (713) 989-6260
Bill Wheeler, Manager, Nederland Scheduling (409) 721-4813
Control Room (409) 721-4845
Marine Scheduler (409) 721-4812
Pipeline Scheduler (409) 721-4823
Shift Supervisor (409) 720-7972

(ii) Shell Pipeline Company (Shell tie-in @ LCMS and Big Hill)

John McMahon, Oil Movement Scheduler
O(832) 337-8555
(b) (6)
Coley Adams, Oil Movement Scheduler
O(832) 762-2785
(b) (6)

(iii) Enterprise Products

Scheduling

Shauna Johnson, Director, Onshore Crude Scheduling &
Distribution (713) 381-6314
Randy Mayhall – Manager, Daily Scheduling (713) 381-4629
Justin Shobe – Supervisor, Daily Scheduling (713) 381-4557
Daniel Escamilla, Seaway Daily Scheduler (713) 381-4310
Patrick Batts, Seaway Daily Scheduler (713) 381-6865
Damon Lopez, Texas City Scheduler (713) 381-6715
Steven Owens, Supervisor, Monthly Distribution (713) 381-4250

Chamesha Randall, Coordinator, Distribution (713) 381-5861

Field Management

John Hazley, Superintendent, Operations, Freeport/Texas City (979) 237-6756

Chris Yorgensen, Pipeline Supervisor, Jones Creek (979) 230-7308,
Texas City (409) 949-3706

Chase Nelson, Pipeline Supervisor, Texas City (409) 949 3706

(iv) Exxon Mobil Pipeline (Bryan Mound cargoes)

Christopher Cox, Field Supervisor (281) 381-7663

Josef Molnar, Monthly Scheduler O(832) 625-2255

C(b) (6)

Michael Frey, Relief Monthly Scheduler

O(832)624-2917 (b) (6)

Ryan Wilborn, Daily Scheduler O(832) 624-0042

C(b) (6)

Joseph Holmberg , Area Supervisor O(832) 625-4994

C(b) (6)

Monthly Scheduler (832) 624-0040

(v) Exxon Mobil Pipeline (Bayou Choctaw cargoes)

Randy Henry, Scheduler / Crude Analyst

O (832-625-3338) M (346-254-0150)

(vi) Phillips 66 (Beaumont Terminal) Nederland, TX

Mike Mott, Team Lead, Oil Movements O(409) 724-3337

(b) (6)

Mark Maxwell, Operations Coordinator O(409) 724-3288

(b) (6)

Johnny Gaw, Crude Pipeline Scheduler O(409) 724-3232

(b) (6)

Peggy Smith, Crude Ship Scheduler

O(409) 724-3232 (b) (6)

Randy Hudson, Products Scheduler

O(409) 724-3215 (b) (6)

- (c) All email correspondence between the SPR and ASOs must include the sales contract number, if available, or the offer number in the subject.

- (d) The SPR will provide a Nomination-Confirmation Form to successful bidders (see Attachment F for sample form). The ASO shall complete the yellow highlighted areas and return the form in the time frame defined in the SSPs.
12. Standard Sales Provision C.5, *Delivery and Transportation Scheduling*, is amended as follows:
- Paragraph (a) fourth sentence, change “highest offered price” to “highest Price Adjustment Factor (PAF)” and then by award volume size.
- Paragraphs (c) and (d) are deleted in their entirety and replaced with the following:
(c) RESERVED
- (d) Notwithstanding paragraph (a) of this provision, in no event will schedules be confirmed prior to award of contracts.
13. Standard Sales Provision C.8, *Vessel Loading Procedures*, is amended as follows:
- Paragraph (d) shall read “At least 7 days in advance of the beginning of the scheduled window, the purchaser shall furnish the SPR/PMO with vessel nominations. Failure to do so will result in the SPR not being liable for a related demurrage claim(s), as well as any associated terminalling costs inclusive of the tank capacity penalty charges imposed by Nederland Terminal for vessel(s) not nominated in accordance with this section due to missing this 7 day notice period. Any such charges will be borne by the customer. Vessel nominations shall specify the following:”
14. Standard Sales Provision C.9, *Vessel Laytime and Demurrage* paragraphs (a) and (c) are replaced in their entirety with the following language:
- (a) The laytime allowed DOE for handling of the purchaser's vessel shall be 36 running hours. For vessels with cargo quantities in excess of 500,000 barrels, laytime shall be 36 running hours plus 1 hour for each 15,000 barrels of cargo to be loaded in excess of 500,000 barrels. Vessel laytime shall commence when the vessel is moored alongside (all fast) the loading berth. 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 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, delay caused by the loading terminal facility, decisions made by vessel owners or operators or by port authorities affecting loading operations, discharge of ballast or slops, customs and immigration clearance, weather, labor disputes, force majeure and the like shall not count as used laytime. In addition, movement in roads shall not count as used laytime.

- (c) For all hours or any part thereof of vessel laytime that elapse in excess of the allowed vessel laytime for loading provided for in this provision, demurrage shall be paid by DOE, for U.S.-flag vessels, at the lesser of the demurrage rate in the tanker voyage or charter party agreement, or a U.S.-flag freight rate assessment obtained by the DOE for a hypothetical tanker with a deadweight in long tons equal to the weight in long tons of the petroleum loaded for such hypothetical tanker and voyage. For foreign flag vessels, demurrage shall be as determined in this provision, 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 rate. For all foreign flag vessel loadings 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 day of the preceding month. The demurrage rate for barges will be the lesser of the hourly rate contained in the charter of a chartered barge, or a rate determined by DOE as a fair rate under prevailing conditions. If demurrage is incurred because of breakdown of machinery or equipment of DOE, 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 DOE, however, shall in no event exceed the actual demurrage expense incurred by the purchaser as the result of the delay.

Note: In the event there is a “demurrage claim,” Government payments to oil purchaser(s) will be in accordance with VIPERS instructions. (See Table of Contents for Link)

15. Standard Sales Provision C.12, *Pipeline and Delivery Procedures*, paragraph (d) is deleted in its entirety and replaced with the following:

“(d) The date of delivery, which will be recorded on the CODR (see Provision C.19), is the date delivery is completed at the custody transfer point, as identified in the NS.”

16. Standard Sales Provision C.13, *Title and Risk of Loss*, is supplemented as follows:

St. James Pipeline – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bayou Choctaw site meter station.

Note: The delivery point for DLI “DLI-A Pipeline @ St. James Pipeline” is into the Redstick pipeline to the St. James Terminal facility. Offerors are responsible for all transportation costs beyond the delivery point.

Baton Rouge (Bourre) Pipeline – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bayou Choctaw site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Baton Rouge (Bourre) Pipeline” is into the Bourre pipeline to the Placid Refinery. Offerors are responsible for all transportation costs beyond the delivery point.

Seaway Texas City (Pipeline) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE Bryan Mound site meter station.

Note: The delivery point for DLI “DLI-H Pipeline @ Texas City” is the Exxon Mobil 40” pipeline to Texas City, TX. Offerors are responsible for all transportation costs beyond the delivery point.

SPR Site to purchaser’s tank at SUN – Title and risk of loss pass to the purchaser at the connection point between the DOE/Sun terminal.

Note: The delivery point for “DLI-A Pipeline @ Sun” is the connection point between the DOE/Sun terminal. Offerors bidding on this DLI must have their own tankage available at SUN available for receipts. For deliveries to customer tankage, DOE meters and sampler at Sun terminal shall be the primary custody transfer measurement. In the event of failure at either primary meter location, secondary quality and quantity measurement shall be the applicable customer receipt/delivery tank gauge. If automatic samples are available at primary custody transfer location, primary quality will remain at that location. In the event neither of those are available, customer and the DOE will mutually agree on the method to be utilized.

SPR Site to purchaser’s tank at P66 Beaumont Terminal – Title and risk of loss pass to the purchaser at the purchaser’s receiving tank flange at P66 Beaumont Terminal.

Note: The delivery point for “DLI-H Pipeline @ P66 Beaumont Terminal” is the receiving tank flange at P66 Beaumont Terminal. Offerors bidding on this DLI must have tankage prearranged at P66 Beaumont Terminal available for receipts. Offerors will be invoiced an additional \$0.13 per barrel throughput for all crude oil that passes through the P66 Beaumont Terminal Connection Point.

Lake Charles Meter Station (LCMS) – Title and risk of loss pass to the purchaser when the petroleum passes through the DOE LCMS meter station.

17. Standard Sales Provision C.16, *Price Adjustments for Quality Differentials*, is deleted in its entirety and replaced with the following:
- (a) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the API gravity of the SPR crude oil delivered differs by more than plus or minus five-tenths of one degree API (+/-0.5° API) from the API gravity of the SPR crude oil stream contracted for as published in the NS.
 - (b) Unless otherwise specified by the NS, quality price adjustments will be applied to the amount of variation by which the Sulfur mass percent of the SPR crude oil delivered differs by more than plus or minus one-tenth of one percent of total Sulfur (+/-0.10 mass, %) from the total Sulfur of the SPR crude oil stream contracted for as published in the NS.
 - (c) Price adjustments for the SPR crude oil are expected to be similar to commercial crude oil quality price adjustment methodologies for equivalent quality crude oil, taking into account the amount by which the actual values exceed the allowable variations set forth in paragraphs (a) and (b) above.
 - (d) Price adjustments for SPR crude oil streams offered for sale will be calculated using the GravCap tables at Attachment C.

Note: For calculation purposes the following will apply:

- 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.
- 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.

18. Standard Sales Provision C.19, *Delivery Documentation, Appendix A to Part 625 – Standard Sales Provisions, Exhibit E*, is amended as follows:

The Strategic Petroleum Reserve Crude Oil Delivery Report Number (SPRCODR) is changed to SPRPMO F-416.1-3.

Digital signature(s) shall be utilized when possible for completion of SPRCODR.

19. Standard Sales Provision C.20, *Contract Amounts* is replaced in its entirety with the following:

The contract quantities and dollar value stated in the Notice of Acceptance (NA) are estimates. The per barrel unit price is subject to adjustment due to variation in the API gravity and sulfur content from the published characteristics, changes in delivery mode, and price index values, if applicable. In addition, due to conditions of vessel loading and shipping or pipeline transmission, the quantity actually delivered may vary by +/- 10 percent for each shipment. However, a purchaser is not required to procure additional transportation capacity if sufficient capacity to take delivery of at least 95 percent of the contract quantity has been engaged. The 95 percent threshold will be calculated based on the volume of net cargo receipts versus awarded quantity under each separate contract.

20. Standard Sales Provision C.21, *Payment and Performance Letter of Credit*, is amended as follows:

Exhibit D “Payment and Performance Letter of Credit” is deleted and replaced with Attachment E of the NS. All references to Exhibit D shall mean Attachment E.

Paragraph (a) is supplemented as follows:

“The expiration date of the LOC will be provided in the ASO letter.”

Paragraph (b) is amended as follows:

The second sentence shall read “The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only”.

21. Standard Sales Provision C.22, *Billing and Payment*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“ (a) The Government will invoice the purchaser at the conclusion of each delivery. The invoice will be based upon the nearest whole barrel volume (i.e. rounded to the nearest barrel).”

“ (d) In the event that the bank refuses to honor the draft against the letter of credit, the purchaser shall be responsible for paying the principal and any interest, administrative costs and penalties due (see Provision C.24) from the due date.”

22. Standard Sales Provision C.23, *Method of Payments*, paragraphs (a) and (d) are deleted in their entirety and replaced with the following:

“(a) All amounts payable by the purchaser shall be paid by deposit to the account of the U.S. Treasury by wire transfer of funds using the Fedwire Funds Service. The information to be included in each wire transfer will be provided in the NS. All wire deposit electronic funds transfer costs will be borne by the purchaser.”

“(d) Notwithstanding any other contract provision, DOE may, via a draft message, request a wire transfer of funds against the standby letter of credit at any time for payment of monies due under the contract and remaining unpaid in violation of the terms of the contract. These would include but not be limited to interest, administrative costs, penalties, liquidated damages, demurrage, amounts owing for any services provided under the contract, and the difference between the contract price and price received on the resale of undelivered petroleum as defined in Provision C.25.”

In addition, Government payments to oil purchaser(s) will be in accordance with VIPERS instructions.

23. Standard Sales Provision C.24, *Interest*, is deleted in its entirety and replaced with the following:

“C.24 Interest, Administrative Costs and Penalties

- (a) Amounts due and payable by the purchaser or its bank that are not paid in accordance with the provisions governing such payments shall bear interest, which will be indexed with the Current Value of Funds rate, from the day the invoice is mailed or transmitted to the purchaser until the date payment is received by the Government.
- (b) Administrative Costs will be charged monthly to cover the expense of collecting delinquent debt. The current rate is \$7.25/month.
- (c) A penalty will be assessed at the rate of 6% per year. The penalty charge accrues from the day the invoice is mailed or transmitted to the purchaser, and is assessed on any portion of the debt that is outstanding for more than 90 days, including any interest and administrative costs.”

24. Standard Sales Provision C.32, *Disputes*, is amended as follows:

Paragraph (c) “\$50,000” is changed to “\$100,000”, and the following language is added to the certification “; and that I am duly authorized to certify the claim on behalf of the purchaser.”

25. Standard Sales Provision Exhibit B, *SPR Delivery Point Data*, is supplemented as follows:

Regarding the Government information reflected in 10 CFR Part 625 as amended, Standard Sales Provisions Exhibit B that were obtained from the terminals; it is the responsibility of the Offerors to confirm these specifications prior to nominations to ensure most current information.

26. Standard Sales Provisions Exhibit C, *SAMPLE -- OFFER GUARANTEE STANDBY LETTER OF CREDIT*, is replaced by Attachment D of this NS. Instructions for Offer Letter of Credit are included in Attachment D of this NS.
27. Standard Sales Provision Exhibit D, *SAMPLE -- PAYMENT AND PERFORMANCE LETTER OF CREDIT*, is replaced by Attachment E of this NS. Instructions for Payment and Performance Letter of Credit are included in Attachment E of this NS.
28. By submission of an offer, the Offeror certifies that the Offeror, and any entity owned or controlled by the Offeror, does not engage in any activity prohibited under applicable U.S. export control and sanctions laws and regulations.
29. INTENTIONALLY OMITTED
30. Contract Price Adjustment

- (a) The unit price for crude oil under the contract shall be the Delivery Reference Price (DRP) adjusted by the Price Adjustment Factor (PAF) as provided in this provision, subject to any additional adjustments provided for elsewhere in the contract.
- (b) The terms used in this provision are defined as follows:

Base Reference Price (BRP)

- (1) The BRP for all SPR crude oil streams offered for sale is the average (to the \$0.0001) of the Daily Index Prices as computed by the Government from prices for the most recent five days on which trading activity occurred, ending two trading days before the date of the Notice of Sale.
- (2) For this Notice of Sale, the BRP is **\$106.2840** for all sour SPR crude oil streams.

- (3) For this Notice of Sale, the BRP is **\$111.0000** for all sweet SPR crude oil streams.

Daily Index Price (DIP)

The DIP applicable to **sour** SPR crude oil streams offered for sale is the “Mars Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. The DIP applicable to **sweet** SPR crude oil streams offered for sale is the “WTI Houston Weighted Average Month 1, Houston Close” (to the \$0.001) for all trading day transactions assessed for the near month as published for the date by Argus Americas Crude. Reference pricing streams associated with offered crude oil are shown below.

Sour Streams	Reference Crude Oil Stream
Big Hill Sour	Mars
West Hackberry Sour	Mars
Bryan Mound Sour	Mars
Bayou Choctaw Sour	Mars
Bayou Choctaw Sweet	WTI Houston

Delivery Reference Price (DRP) - The DRP is the average (to the \$0.0001) of the Daily Index Prices for the five trading days surrounding the delivery "price date" as stated in Block 7, "PRICE DATE", on the Strategic Petroleum Reserve Crude Oil Delivery Report: SPRPMO F-416.1-3.

- (1) For pipeline deliveries, the “price date” shall be the date the shipment completed at the custody transfer point, in accordance with SSP C.12, as amended by the NS.
- (2) For vessel deliveries, the "price date" shall be the date vessel loading completed in accordance with SSP C.19.
- (3) The "five trading days surrounding the price date" means the following five days: The midday, day three, is the price date as determined above (unless such day is a day on which trading activity did not occur, in which case the midday shall be the succeeding day

on which trading activity did occur), the two days preceding the midday of the five day period on which trading activity occurred and the two days succeeding the midday on which trading activity occurred.

Price Adjustment Factor (PAF) - The PAF is the purchaser's offered price minus the Base Reference Price (BRP). The PAF may be either positive or negative.

GENERIC EXAMPLES:

Delivery Reference Price + Price Adjustment Factor = Unit Price per Barrel
(subject to any additional adjustments provided for elsewhere in the contract):

Example 1:

Assume:

Offered Price	\$93.2534	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$2.2519	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$2.2519	
Unit Price/bbl	\$97.7574	

Example 2:

Assume:

Offered Price	\$90.7564	
BRP	\$91.0015	(5 day average specified in the NS)
PAF	\$(0.2451)	
DRP	\$95.5055	(5 day average surrounding price data)
Add: PAF	\$(0.2451)	
Unit Price/bbl	\$95.2604	

ATTACHMENT A
 CRUDE OIL QUANTITIES OFFERED FOR SALE
 U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE

Note: It is the responsibility of the Offerors to ensure that terminal and pipeline availability is sufficient at the Delivery Line Item (DLI) location to accommodate delivery of all awarded crude oil volumes – this is inclusive of tank capacity, dock capacity, and dates of performance. Also, be advised that the SPR is currently performing oil movements at the West Hackberry, Big Hill, Bryan Mound, and Bayou Choctaw sites in the months of performance. Any award notifications under this solicitation will need to take this into consideration.

The crude oil streams, delivery mode and periods, daily maximum delivery capability, and quantities of crude oil offered in this sale, under emergency conditions, are as follows:

- MLI = Master Line Item/Crude Oil Stream
- DLI = Delivery Line Item/Maximum Quantity per Delivery Mode and Period
- MIN Qty. = Minimum Contract Quantity Per DLI
- MB = Thousands of Barrels
- MBD Avg = SPR's daily maximum delivery limit capability for each delivery line item utilizing SPR design criteria (under emergency conditions).

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Bryan Mound Sour 002		5/15-6/30	8,000			
	DLI-B Vessel @ Freeport	5/15-6/30		480	5,500	250
	DLI-H Pipeline @ Texas City	5/15-6/30		880	2,500	350

Crude Oil Stream MLI	DLI - Mode of Delivery	Delivery Period	MLI Qty (MB)	MBD Avg	DLI Qty (MB)	MIN Qty (MB)
Big Hill Sour 010		5/15-6/30	9,000			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	5/15-6/30		775	9,000	350
	DLI-B Vessel @ Sun (SPR Tank)	5/15-6/30		1085	2,700	250
	DLI-H Pipeline @P66 Beaumont Terminal	5/15-6/30		480	1,000	350

Crude Oil Stream <u>MLI</u>	DLI - Mode of <u>Delivery</u>	Delivery <u>Period</u>	MLI Qty <u>(MB)</u>	MBD <u>Avg</u>	DLI Qty <u>(MB)</u>	MIN Qty <u>(MB)</u>
West Hackberry Sour 005		5/15-6/30	9,500			
	DLI-A Pipeline @ Sun (Non-SPR Tank)	5/15-6/30		775	9,500	350
	DLI-B Vessel @ Sun (SPR Tank)	5/15-6/30		1085	2,600	250
	DLI-H Pipeline @Lake Charles Meter Station	5/15-6/30		520	2,900	350

Crude Oil Stream <u>MLI</u>	DLI - Mode of <u>Delivery</u>	Delivery <u>Period</u>	MLI Qty <u>(MB)</u>	MBD <u>Avg</u>	DLI Qty <u>(MB)</u>	MIN Qty <u>(MB)</u>
Bayou Choctaw Sweet 007		5/15-6/20	3,500			
	DLI-A Pipeline St. James Pipeline	5/15-6/20		300	3,500	350
	DLI-B Vessel Saint James Dock	5/15-6/20		200	1,000	250
	DLI-H Pipeline Baton Rouge (Bourre)	5/15-6/20		200	675	225

ATTACHMENT - B

**INSTRUCTIONS FOR FEDWIRE FUNDS TRANSFERS TO THE
DEPARTMENT OF ENERGY**

Please provide the following instructions to your Financial Institution for Fedwire funds transfers to the Department of Energy at the U.S. Treasury:

Item Number	Fedwire Field Tag	Length	Fedwire Field Name	Required Information
1	{1510}	4	Type/Subtype	1000
2	{2000}	12	Amount	<i>Enter payment amount</i>
3	{3100}	9	Sending ABA number	<i>Sender ABA-number</i>
4	{3320}	16	Sender Reference	<i>Filled by sender</i>
5	{3400}	9	Receiver ABA number *	021030004
6	{3400}	18	Receiver Short Name	TREAS NYC
7	{3600}	3	Business Function Code	CTR (or CTP)
8	{4200}	34	Beneficiary Identifier (account number)	89000001
9	{4200}	35	Beneficiary Name	DEPARTMENT OF ENERGY
10	{5000}	35	Originator Name	<i>Enter the (company) name of the originator of the payment</i>
11	{6000}	35	Originator to Beneficiary Information – Line 1	<i>Enter Contract Number</i>
11	{6000}	35	Line 2	<i>Enter Cargo Number</i>
11	{6000}	35	Line 3	<i>Enter Invoice Number</i>
11	{6000}	35	Line 4	

*** The financial institution address for Treasury's routing number is:**

**Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045**

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN GRAVITY OF CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL	API GRAVITY	DIFF. PER BBL
10.0	1.250	16.0	2.150	22.0	3.050	28.0	3.950	34.0	4.850	40.0	5.100	46.0	4.950	52.0	4.050
10.1	1.265	16.1	2.165	22.1	3.065	28.1	3.965	34.1	4.865	40.1	5.100	46.1	4.935	52.1	4.035
10.2	1.280	16.2	2.180	22.2	3.080	28.2	3.980	34.2	4.880	40.2	5.100	46.2	4.920	52.2	4.020
10.3	1.295	16.3	2.195	22.3	3.095	28.3	3.995	34.3	4.895	40.3	5.100	46.3	4.905	52.3	4.005
10.4	1.310	16.4	2.210	22.4	3.110	28.4	4.010	34.4	4.910	40.4	5.100	46.4	4.890	52.4	3.990
10.5	1.325	16.5	2.225	22.5	3.125	28.5	4.025	34.5	4.925	40.5	5.100	46.5	4.875	52.5	3.975
10.6	1.340	16.6	2.240	22.6	3.140	28.6	4.040	34.6	4.940	40.6	5.100	46.6	4.860	52.6	3.960
10.7	1.355	16.7	2.255	22.7	3.155	28.7	4.055	34.7	4.955	40.7	5.100	46.7	4.845	52.7	3.945
10.8	1.370	16.8	2.270	22.8	3.170	28.8	4.070	34.8	4.970	40.8	5.100	46.8	4.830	52.8	3.930
10.9	1.385	16.9	2.285	22.9	3.185	28.9	4.085	34.9	4.985	40.9	5.100	46.9	4.815	52.9	3.915
11.0	1.400	17.0	2.300	23.0	3.200	29.0	4.100	35.0	5.000	41.0	5.100	47.0	4.800	53.0	3.900
11.1	1.415	17.1	2.315	23.1	3.215	29.1	4.115	35.1	5.000	41.1	5.100	47.1	4.785	53.1	3.885
11.2	1.430	17.2	2.330	23.2	3.230	29.2	4.130	35.2	5.000	41.2	5.100	47.2	4.770	53.2	3.870
11.3	1.445	17.3	2.345	23.3	3.245	29.3	4.145	35.3	5.000	41.3	5.100	47.3	4.755	53.3	3.855
11.4	1.460	17.4	2.360	23.4	3.260	29.4	4.160	35.4	5.000	41.4	5.100	47.4	4.740	53.4	3.840
11.5	1.475	17.5	2.375	23.5	3.275	29.5	4.175	35.5	5.000	41.5	5.100	47.5	4.725	53.5	3.825
11.6	1.490	17.6	2.390	23.6	3.290	29.6	4.190	35.6	5.000	41.6	5.100	47.6	4.710	53.6	3.810
11.7	1.505	17.7	2.405	23.7	3.305	29.7	4.205	35.7	5.000	41.7	5.100	47.7	4.695	53.7	3.795
11.8	1.520	17.8	2.420	23.8	3.320	29.8	4.220	35.8	5.000	41.8	5.100	47.8	4.680	53.8	3.780
11.9	1.535	17.9	2.435	23.9	3.335	29.9	4.235	35.9	5.000	41.9	5.100	47.9	4.665	53.9	3.765
12.0	1.550	18.0	2.450	24.0	3.350	30.0	4.250	36.0	5.020	42.0	5.100	48.0	4.650	54.0	3.750
12.1	1.565	18.1	2.465	24.1	3.365	30.1	4.265	36.1	5.020	42.1	5.100	48.1	4.635	54.1	3.735
12.2	1.580	18.2	2.480	24.2	3.380	30.2	4.280	36.2	5.020	42.2	5.100	48.2	4.620	54.2	3.720
12.3	1.595	18.3	2.495	24.3	3.395	30.3	4.295	36.3	5.020	42.3	5.100	48.3	4.605	54.3	3.705
12.4	1.610	18.4	2.510	24.4	3.410	30.4	4.310	36.4	5.020	42.4	5.100	48.4	4.590	54.4	3.690
12.5	1.625	18.5	2.525	24.5	3.425	30.5	4.325	36.5	5.020	42.5	5.100	48.5	4.575	54.5	3.675
12.6	1.640	18.6	2.540	24.6	3.440	30.6	4.340	36.6	5.020	42.6	5.100	48.6	4.560	54.6	3.660
12.7	1.655	18.7	2.555	24.7	3.455	30.7	4.355	36.7	5.020	42.7	5.100	48.7	4.545	54.7	3.645
12.8	1.670	18.8	2.570	24.8	3.470	30.8	4.370	36.8	5.020	42.8	5.100	48.8	4.530	54.8	3.630
12.9	1.685	18.9	2.585	24.9	3.485	30.9	4.385	36.9	5.020	42.9	5.100	48.9	4.515	54.9	3.615
13.0	1.700	19.0	2.600	25.0	3.500	31.0	4.400	37.0	5.040	43.0	5.100	49.0	4.500	55.0	3.600
13.1	1.715	19.1	2.615	25.1	3.515	31.1	4.415	37.1	5.040	43.1	5.100	49.1	4.485		
13.2	1.730	19.2	2.630	25.2	3.530	31.2	4.430	37.2	5.040	43.2	5.100	49.2	4.470		
13.3	1.745	19.3	2.645	25.3	3.545	31.3	4.445	37.3	5.040	43.3	5.100	49.3	4.455		
13.4	1.760	19.4	2.660	25.4	3.560	31.4	4.460	37.4	5.040	43.4	5.100	49.4	4.440		
13.5	1.775	19.5	2.675	25.5	3.575	31.5	4.475	37.5	5.040	43.5	5.100	49.5	4.425		
13.6	1.790	19.6	2.690	25.6	3.590	31.6	4.490	37.6	5.040	43.6	5.100	49.6	4.410		
13.7	1.805	19.7	2.705	25.7	3.605	31.7	4.505	37.7	5.040	43.7	5.100	49.7	4.395		
13.8	1.820	19.8	2.720	25.8	3.620	31.8	4.520	37.8	5.040	43.8	5.100	49.8	4.380		
13.9	1.835	19.9	2.735	25.9	3.635	31.9	4.535	37.9	5.040	43.9	5.100	49.9	4.365		
14.0	1.850	20.0	2.750	26.0	3.650	32.0	4.550	38.0	5.060	44.0	5.100	50.0	4.350		
14.1	1.865	20.1	2.765	26.1	3.665	32.1	4.565	38.1	5.060	44.1	5.100	50.1	4.335		
14.2	1.880	20.2	2.780	26.2	3.680	32.2	4.580	38.2	5.060	44.2	5.100	50.2	4.320		
14.3	1.895	20.3	2.795	26.3	3.695	32.3	4.595	38.3	5.060	44.3	5.100	50.3	4.305		
14.4	1.910	20.4	2.810	26.4	3.710	32.4	4.610	38.4	5.060	44.4	5.100	50.4	4.290		
14.5	1.925	20.5	2.825	26.5	3.725	32.5	4.625	38.5	5.060	44.5	5.100	50.5	4.275		
14.6	1.940	20.6	2.840	26.6	3.740	32.6	4.640	38.6	5.060	44.6	5.100	50.6	4.260		
14.7	1.955	20.7	2.855	26.7	3.755	32.7	4.655	38.7	5.060	44.7	5.100	50.7	4.245		
14.8	1.970	20.8	2.870	26.8	3.770	32.8	4.670	38.8	5.060	44.8	5.100	50.8	4.230		
14.9	1.985	20.9	2.885	26.9	3.785	32.9	4.685	38.9	5.060	44.9	5.100	50.9	4.215		
15.0	2.000	21.0	2.900	27.0	3.800	33.0	4.700	39.0	5.080	45.0	5.100	51.0	4.200		
15.1	2.015	21.1	2.915	27.1	3.815	33.1	4.715	39.1	5.080	45.1	5.085	51.1	4.185		
15.2	2.030	21.2	2.930	27.2	3.830	33.2	4.730	39.2	5.080	45.2	5.070	51.2	4.170		
15.3	2.045	21.3	2.945	27.3	3.845	33.3	4.745	39.3	5.080	45.3	5.055	51.3	4.155		
15.4	2.060	21.4	2.960	27.4	3.860	33.4	4.760	39.4	5.080	45.4	5.040	51.4	4.140		
15.5	2.075	21.5	2.975	27.5	3.875	33.5	4.775	39.5	5.080	45.5	5.025	51.5	4.125		
15.6	2.090	21.6	2.990	27.6	3.890	33.6	4.790	39.6	5.080	45.6	5.010	51.6	4.110		
15.7	2.105	21.7	3.005	27.7	3.905	33.7	4.805	39.7	5.080	45.7	4.995	51.7	4.095		
15.8	2.120	21.8	3.020	27.8	3.920	33.8	4.820	39.8	5.080	45.8	4.980	51.8	4.080		
15.9	2.135	21.9	3.035	27.9	3.935	33.9	4.835	39.9	5.080	45.9	4.965	51.9	4.065		

For API GRAVITY values above 55.0° API the differential continues to decline 0.015/bbl. per 0.1° API GRAVITY.

Attachment C GRAVCAP TABLES

GRAVCAP, INC.
ADJUSTMENT AUTHORIZATION

TABLES OF DIFFERENTIALS FOR USE IN DETERMINING ADJUSTMENTS FOR
DIFFERENCE IN SULFUR CONTENT FOR CRUDE PETROLEUM

WHITE CAP SYSTEM - BONITO PIPE LINE COMPANY - SHIP SHOAL SYSTEM - CAPLINE SYSTEM

PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL	PERCENT SULFUR	DIFF. PER BBL
0.00	1.000	0.60	1.600	1.20	2.200	1.80	2.800	2.40	3.400	3.00	4.000	3.60	4.600
0.01	1.010	0.61	1.610	1.21	2.210	1.81	2.810	2.41	3.410	3.01	4.010	3.61	4.610
0.02	1.020	0.62	1.620	1.22	2.220	1.82	2.820	2.42	3.420	3.02	4.020	3.62	4.620
0.03	1.030	0.63	1.630	1.23	2.230	1.83	2.830	2.43	3.430	3.03	4.030	3.63	4.630
0.04	1.040	0.64	1.640	1.24	2.240	1.84	2.840	2.44	3.440	3.04	4.040	3.64	4.640
0.05	1.050	0.65	1.650	1.25	2.250	1.85	2.850	2.45	3.450	3.05	4.050	3.65	4.650
0.06	1.060	0.66	1.660	1.26	2.260	1.86	2.860	2.46	3.460	3.06	4.060	3.66	4.660
0.07	1.070	0.67	1.670	1.27	2.270	1.87	2.870	2.47	3.470	3.07	4.070	3.67	4.670
0.08	1.080	0.68	1.680	1.28	2.280	1.88	2.880	2.48	3.480	3.08	4.080	3.68	4.680
0.09	1.090	0.69	1.690	1.29	2.290	1.89	2.890	2.49	3.490	3.09	4.090	3.69	4.690
0.10	1.100	0.70	1.700	1.30	2.300	1.90	2.900	2.50	3.500	3.10	4.100	3.70	4.700
0.11	1.110	0.71	1.710	1.31	2.310	1.91	2.910	2.51	3.510	3.11	4.110	3.71	4.710
0.12	1.120	0.72	1.720	1.32	2.320	1.92	2.920	2.52	3.520	3.12	4.120	3.72	4.720
0.13	1.130	0.73	1.730	1.33	2.330	1.93	2.930	2.53	3.530	3.13	4.130	3.73	4.730
0.14	1.140	0.74	1.740	1.34	2.340	1.94	2.940	2.54	3.540	3.14	4.140	3.74	4.740
0.15	1.150	0.75	1.750	1.35	2.350	1.95	2.950	2.55	3.550	3.15	4.150	3.75	4.750
0.16	1.160	0.76	1.760	1.36	2.360	1.96	2.960	2.56	3.560	3.16	4.160	3.76	4.760
0.17	1.170	0.77	1.770	1.37	2.370	1.97	2.970	2.57	3.570	3.17	4.170	3.77	4.770
0.18	1.180	0.78	1.780	1.38	2.380	1.98	2.980	2.58	3.580	3.18	4.180	3.78	4.780
0.19	1.190	0.79	1.790	1.39	2.390	1.99	2.990	2.59	3.590	3.19	4.190	3.79	4.790
0.20	1.200	0.80	1.800	1.40	2.400	2.00	3.000	2.60	3.600	3.20	4.200	3.80	4.800
0.21	1.210	0.81	1.810	1.41	2.410	2.01	3.010	2.61	3.610	3.21	4.210	3.81	4.810
0.22	1.220	0.82	1.820	1.42	2.420	2.02	3.020	2.62	3.620	3.22	4.220	3.82	4.820
0.23	1.230	0.83	1.830	1.43	2.430	2.03	3.030	2.63	3.630	3.23	4.230	3.83	4.830
0.24	1.240	0.84	1.840	1.44	2.440	2.04	3.040	2.64	3.640	3.24	4.240	3.84	4.840
0.25	1.250	0.85	1.850	1.45	2.450	2.05	3.050	2.65	3.650	3.25	4.250	3.85	4.850
0.26	1.260	0.86	1.860	1.46	2.460	2.06	3.060	2.66	3.660	3.26	4.260	3.86	4.860
0.27	1.270	0.87	1.870	1.47	2.470	2.07	3.070	2.67	3.670	3.27	4.270	3.87	4.870
0.28	1.280	0.88	1.880	1.48	2.480	2.08	3.080	2.68	3.680	3.28	4.280	3.88	4.880
0.29	1.290	0.89	1.890	1.49	2.490	2.09	3.090	2.69	3.690	3.29	4.290	3.89	4.890
0.30	1.300	0.90	1.900	1.50	2.500	2.10	3.100	2.70	3.700	3.30	4.300	3.90	4.900
0.31	1.310	0.91	1.910	1.51	2.510	2.11	3.110	2.71	3.710	3.31	4.310	3.91	4.910
0.32	1.320	0.92	1.920	1.52	2.520	2.12	3.120	2.72	3.720	3.32	4.320	3.92	4.920
0.33	1.330	0.93	1.930	1.53	2.530	2.13	3.130	2.73	3.730	3.33	4.330	3.93	4.930
0.34	1.340	0.94	1.940	1.54	2.540	2.14	3.140	2.74	3.740	3.34	4.340	3.94	4.940
0.35	1.350	0.95	1.950	1.55	2.550	2.15	3.150	2.75	3.750	3.35	4.350	3.95	4.950
0.36	1.360	0.96	1.960	1.56	2.560	2.16	3.160	2.76	3.760	3.36	4.360	3.96	4.960
0.37	1.370	0.97	1.970	1.57	2.570	2.17	3.170	2.77	3.770	3.37	4.370	3.97	4.970
0.38	1.380	0.98	1.980	1.58	2.580	2.18	3.180	2.78	3.780	3.38	4.380	3.98	4.980
0.39	1.390	0.99	1.990	1.59	2.590	2.19	3.190	2.79	3.790	3.39	4.390	3.99	4.990
0.40	1.400	1.00	2.000	1.60	2.600	2.20	3.200	2.80	3.800	3.40	4.400	4.00	5.000
0.41	1.410	1.01	2.010	1.61	2.610	2.21	3.210	2.81	3.810	3.41	4.410		
0.42	1.420	1.02	2.020	1.62	2.620	2.22	3.220	2.82	3.820	3.42	4.420		
0.43	1.430	1.03	2.030	1.63	2.630	2.23	3.230	2.83	3.830	3.43	4.430		
0.44	1.440	1.04	2.040	1.64	2.640	2.24	3.240	2.84	3.840	3.44	4.440		
0.45	1.450	1.05	2.050	1.65	2.650	2.25	3.250	2.85	3.850	3.45	4.450		
0.46	1.460	1.06	2.060	1.66	2.660	2.26	3.260	2.86	3.860	3.46	4.460		
0.47	1.470	1.07	2.070	1.67	2.670	2.27	3.270	2.87	3.870	3.47	4.470		
0.48	1.480	1.08	2.080	1.68	2.680	2.28	3.280	2.88	3.880	3.48	4.480		
0.49	1.490	1.09	2.090	1.69	2.690	2.29	3.290	2.89	3.890	3.49	4.490		
0.50	1.500	1.10	2.100	1.70	2.700	2.30	3.300	2.90	3.900	3.50	4.500		
0.51	1.510	1.11	2.110	1.71	2.710	2.31	3.310	2.91	3.910	3.51	4.510		
0.52	1.520	1.12	2.120	1.72	2.720	2.32	3.320	2.92	3.920	3.52	4.520		
0.53	1.530	1.13	2.130	1.73	2.730	2.33	3.330	2.93	3.930	3.53	4.530		
0.54	1.540	1.14	2.140	1.74	2.740	2.34	3.340	2.94	3.940	3.54	4.540		
0.55	1.550	1.15	2.150	1.75	2.750	2.35	3.350	2.95	3.950	3.55	4.550		
0.56	1.560	1.16	2.160	1.76	2.760	2.36	3.360	2.96	3.960	3.56	4.560		
0.57	1.570	1.17	2.170	1.77	2.770	2.37	3.370	2.97	3.970	3.57	4.570		
0.58	1.580	1.18	2.180	1.78	2.780	2.38	3.380	2.98	3.980	3.58	4.580		
0.59	1.590	1.19	2.190	1.79	2.790	2.39	3.390	2.99	3.990	3.59	4.590		

For Sulfur Values
above 4.00% the
differential continues
to increase 0.01/BBL
per 0.01 Percent
Sulfur

Attachment D

SAMPLE - OFFER GUARANTEE STANDBY LETTER OF CREDIT

**BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123

Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____)
CONTRACTOR: _____
NOTICE OF SALE NO: _____
OFFER NO: _____
LETTER OF CREDIT NO: _____
EXPIRATION DATE: **June 13, 2022**
AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy's Notice of Sale, including any amendments thereto, for the sale of Strategic Petroleum Reserve petroleum. This Letter of Credit expires at least 60 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

“THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF (CONTRACTOR) TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR THE PURCHASE OF SPR PETROLEUM FROM THE STRATEGIC PETROLEUM RESERVE, IN ACCORDANCE WITH THE U.S. GOVERNMENT'S NOTICE OF SALE NO. _____, INCLUDING ANY AMENDMENTS THERETO.”

Attachment D

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced Notice of Sale.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

Attachment D

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statement. **The drawing statement is in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

Attachment D

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have a letter of cancellation returned to you via e-mail only for cancellation of your Offer Letter of Credit, please provide information below:

Send a signed authorization to cancel the Offer LOC to the following point of contact via e-mail address: _____

Contact Phone Number: _____

**SAMPLE - PAYMENT AND PERFORMANCE LETTER OF CREDIT
BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT**

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: (Mary Roark)

AMOUNT OF LETTER OF CREDIT: U.S.\$ _____ (_____)

CONTRACTOR: _____

CONTRACT NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: _____

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

To whom it may concern:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer's above contract with the U.S. Department of Energy for the sale of Strategic Petroleum Reserve petroleum.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and one or both of the following statements:

a. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE THE GOVERNMENT HAS DELIVERED SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO, AND _____ (CONTRACTOR) HAS NOT PAID UNDER THE TERMS OF THAT CONTRACT."**

b. **"THIS DRAWING OF U.S. \$ _____ (_____) AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED _____, IS DUE THE U.S. GOVERNMENT BECAUSE _____ (CONTRACTOR) HAS FAILED TO TAKE DELIVERY OF SPR PETROLEUM UNDER THE TERMS OF CONTRACT NUMBER _____, INCLUDING ANY AMENDMENTS THERETO."**

Attachment E

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the above referenced contract.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

INSTRUCTIONS FOR PAYMENT AND PERFORMANCE GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks EXCEPT those in the drawing statements. **The drawing statements are in bold print.**
4. The information to be included and format to be used for a wire transfer are noted in Attachment B of this Notice of Sale.
5. Type name and title under authorized signature and provide documentation of authorized signature.

STRATEGIC PETROLEUM RESERVE

NOMINATION - CONFIRMATION

SPR Operations Fluor Federal Petroleum Operations New Orleans, Louisiana FFPOCOL@SPR.DOE.GOV	<u>Scheduler</u> Chuck Costanza (504) 734-4733 <u>Quantity and Quality</u> Ned Scheppegrell (504) 722-6146
------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------

****The following information must be provided by the Contractor****

Submission Date: [Click here to enter a date.](#) Submission Type: Original Nomination

Contract No.: Enter Contract Number
 Contractor: Enter Contractor Name
 Address: Enter Address
 City, State, Zip

Contractor Contact Information

Primary Contact: Primary Contact Name	Alternate: Alternate Contact Name
Office: Office Phone	Office: Office Phone
Cell: Cell Phone	Cell: Cell Phone
Email: Email Address	Email: Email Address

CODR/DD250 Contractor Signatory Designee*: Signatory Designee Name

*Designee can be contractor office personnel, 3rd party inspection company†, or chosen loss control representative†.

Office: Office Phone
 Cell: Cell Phone
 Email: Email Address

Note: If multiple designees are to be used, please input "See Attached" and provide list to FFPOCOL@spr.doe.gov with nomination.

†Third Party Inspection Company Information

Company: 3rd Party Inspection Company

Contact: 3rd Party Contact Name

Contact Ned Scheppegrell for any questions on SPR 3rd party inspection and testing.

Nomination Information and Delivery Window (additional lines on following page)

Delivery Window	Pipeline/Vessel	Volume (MB)	SPR Site	Destination
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Dates	Choose an item.	Volume	Site	
Total Volume:		Total Volume		

The Following information to be provided by SPR Operations Personnel

Terminal Information

Terminal: TBD
 Contact:
 Contact:
 Contact:

Custody Transfer Point

TBD
Quality Point
 TBD
Quantity Point
 TBD

From: [Gele, Kelly](#) on behalf of [Gele, Kelly <Kelly.Gele@SPR.DOE.GOV>](#)
To: [McKean, Michael](#)
Cc: [Oosterling, Paul](#)
Subject: 201411 NEHHOR_SalesProvisions.pdf
Date: Monday, May 16, 2022 1:19:55 PM
Attachments: [201411 NEHHOR_SalesProvisions.pdf](#)

Mike,

Attached is the NEHHOR Sales Provisions.

Thanks,

Kelly M. Gele'

**Director, Office of Acquisition and Sales
Strategic Petroleum Reserve
Department of Energy
New Orleans, LA 70123
(504)734-4343 (work)
(b) (6) (cell)**



**U.S. DEPARTMENT OF
ENERGY**

NORTHEAST HOME HEATING OIL RESERVE

PETROLEUM DISTILLATE SALES PROVISIONS (PDSP's)

Updated NOVEMBER 2014

**Office of Petroleum Reserves
United States Department of Energy
Washington, D.C. 20585**

NORTHEAST HOME HEATING OIL RESERVE SALES PROVISIONS

Background

The Energy Act of 2000 (Public Law 106-469), enacted on November 9, 2000, amended the Energy Policy and Conservation Act (Public Law 94-163) and authorized the Secretary of Energy “to establish, maintain, and operate in the Northeast a Northeast Home Heating Oil Reserve,” containing no more than two million barrels of petroleum distillate. In the event the President should make a finding of a “severe energy supply interruption,” as defined by the Act, the Department of Energy (DOE) would sell and distribute some or all of the heating oil contained in the Reserve. The Petroleum Distillate Sales Provisions (PDSPs) set forth below will apply to any sales from this Reserve.

Northeast Home Heating Oil Reserve Sale Implementation Plan

The PDSPs implement the Northeast Home Heating Oil Reserve Sale Implementation Plan, which was developed in consultation with public and industry. In October 2000, the Department of Energy issued a draft Sale Implementation Plan for public comment on the DOE Office of Fossil Energy web site. The comment period closed in November 2000. DOE carefully reviewed the comments received and made appropriate changes to the draft plan. Subsequent review during the following winters has resulted in further refinement. The most recent version of the plan has been reposted on the Office of Fossil Energy web site for the Northeast Home Heating Oil Reserve.

Summary of the Sales Process

Upon a Presidential decision to draw down the Northeast Home Heating Oil Reserve, the Department of Energy (DOE) would issue a Notice of Sale, announcing the offering of petroleum distillate to the U.S. Northeast market. The Notice of Sale would contain the specifications, volume, and location of the distillate for sale, delivery period, and procedures for submitting bids, as well as measures for assuring performance and financial responsibility.

DOE would specify in the Notice of Sale, which of the terms and conditions in the PDSPs would or would not apply to a particular sale. In addition, in the Notice of Sale, DOE could revise the terms and conditions, or add new ones applicable to that sale. No contract would be awarded to a bidder who had not unconditionally agreed to all provisions stipulated by the Notice of Sale.

Because of the probable short lead-time and as provided in the PDSPs, DOE has established an on-line registry where prospective purchasers may register to receive all Notices of Sale.

The next step in the sales process is the submission of bids by prospective purchasers. Bidders must unconditionally accept all terms and conditions in the Notice of Sale, submit a bid guarantee, and bid at least the minimum price specified in the Notice of Sale. Upon submission, the bids are ranked and purchasers are selected based on the highest bid prices, subject to specified quantitative limitations for affiliates.

All purchasers are required to prepay the entire amount of their contract prior to commencement of deliveries. Deliveries then commence to the purchasers, consistent with their arrangements for commercial transportation.

Updated November, 2013

PETROLEUM DISTILLATE SALES PROVISIONS INDEX

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- A.2 Definitions
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- A.6 Publicizing the Notice of Sale

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- B.2 Penalty for false statements in bids to buy DOE Reserve product
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- B.4 Purchaser eligibility
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- A – Sample Northeast Home Heating Oil Reserve Sales Bid Page
- B – Specifications for Ultra Low Sulfur Diesel Fuel

SECTION A - GENERAL PRE-SALE INFORMATION

A.1 List of abbreviations

- (a) DOE: U.S. Department of Energy
- (b) NA: Notice of Acceptance
- (c) NS: Notice of Sale
- (d) PDSPs: Petroleum Distillate Sales Provisions
- (e) SRL: Sales Registration List

A.2 Definitions (MAR 02)

- (a) *Affiliate*. The term "affiliate" means associated business concerns or individuals if, directly or indirectly, (1) either one controls or can control the other, or (2) a third party controls or can control both.
- (b) *Bid*. The term "bid" means a response to a solicitation and, if accepted, would bind the bidder to perform the resultant contract. A bid is a single price/quantity combination for a specific line item. A bidder may submit multiple bids.
- (c) *Business Day*. The term "business day" means any day except Saturday, Sunday or a U.S. Government holiday.
- (d) *Contract*. The term "contract" means the contract under which DOE sells petroleum distillate. It is composed of the NS, the NA, the successful bid(s), and the PDSPs incorporated by reference.
- (e) *Contracting Officer*. The term "Contracting Officer" means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings, including entering into sales contracts on behalf of the government. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.
- (f) *Electronic signature or signature* means a method of signing an electronic message that--
 - (1) Identifies and authenticates a particular person as the source of the electronic message; and
 - (2) Indicates such person's approval of the information contained in the electronic message.
- (g) *Government*. The term "Government", unless otherwise indicated in the text, means the United States Government.

- (h) *Line Item*. The term "line item" means a quantity of Reserve product at a specific location made available by the Government for purchase during a particular sale, e.g., 1,000,000 barrels at Terminal A, or 500,000 barrels at Terminal B.
- (i) *Notice of Acceptance (NA)*. The term "Notice of Acceptance" means the electronic notice that is sent by DOE to accept the purchaser's bid to create a contract.
- (j) *Notice of Sale (NS)*. The term "Notice of Sale" means the document announcing the sale of Reserve product, the amount, specifications and location of the Reserve product being sold, the delivery period and the procedures for submitting bids. The NS will specify what contractual provisions and financial and performance responsibility measures are applicable to that particular sale of Reserve product and provide other pertinent information.
- (k) *Petroleum Distillate Sales Provisions (PDSPs)*. The term "Petroleum Distillate Sales Provisions" means this set of terms and conditions of sale applicable to price competitive sales of Reserve product.
- (l) *Product*. The term "product" means petroleum distillate stored by DOE in the Northeast Home Heating Oil Reserve. Petroleum distillate includes heating oil and diesel fuel.
- (m) *Purchaser*. The term "purchaser" means any person or entity that enters into a contract with DOE to purchase Reserve product.
- (n) *Reserve*. The term "Reserve" means the Northeast Home Heating Oil Reserve.
- (o) *Vessel*. The term "vessel" means a tanker, an integrated tug-barge (ITB) system, a self-propelled barge, or other barge.

A.3 Petroleum Distillate Sales Provisions (PDSPs)

These PDSPs contain pre-sale information, sales solicitation provisions, and sales contract clauses setting forth terms and conditions of sale, including purchaser financial and performance responsibility measures, or descriptions thereof, which may be applicable to price competitive sales of Reserve product. The NS will specify which of these provisions will apply to a particular sale of such product, and it may specify any revisions therein and any additional provisions which will be applicable to that sale.

A.4 Periodic revisions of the Petroleum Distillate Sales Provisions (OCT 14)

DOE will review the PDSPs periodically and republish them on the Fossil Energy web site for the Northeast Home Heating Oil Reserve.

A.5 On-line Registration (OCT 14)

DOE will maintain a list of those potential bidders who wish to receive notification of an NS whenever one is issued. In order to assure that prospective bidders will receive notification of a NS in a timely fashion, all potential bidders are encouraged to complete an on-line registration process for the Sales Registration List (SRL) through the Department of Energy Fossil Energy web site for the Northeast Home Heating Oil Reserve as soon as possible.

A.6 Publicizing the Notice of Sale (OCT 14)

- (a) Notification of the posting of a NS will be sent by electronic notice (e-mail) to names on the SRL referenced in Provision A.5.
- (b) In addition, the NS will also be posted on the Fossil Energy web page for the Northeast Home Heating Oil Reserve for public viewing.
- (c) A DOE press release, which will include the salient features of the NS, will be made available to all news agencies.

SECTION B - SALES SOLICITATION PROVISIONS

B.1 Requirements for a valid bid (NOV 13)

- (a) Bidders are advised that the submission of a bid in an electronic format is required. Submission of electronic bids via DOE's specified on-line system will constitute a legal, binding bid. The use of the combination of Username and password to login and submit bids constitutes an electronic signature. By submission of a bid, the bidder certifies that he:
 - (1) Is customarily engaged in the sale and distribution of petroleum distillate (see Provision B.4); and
 - (2) Agrees without exception to all provisions of the PDSPs that the NS makes applicable to a particular sale, as well as to all provisions in the NS. The Government will not award a contract to a bidder who has failed to so agree;
- (b) A valid bid to purchase Reserve product must meet the following conditions:
 - (1) The bid must be submitted via DOE's on-line system as designated in the Notice of Sale.
 - (2) The bid guarantee (see Provision B.9) must be received no later than the time specified in the NS for receipt of bid guarantees; and
 - (3) The bid must be received during the times set in the NS for receipt of bids.
- (c) At the discretion of the Contracting Officer, bids may be received by alternative means if circumstances preclude use of the specified on-line system.
- (d) Parties on the SRL will be notified by e-mail of any amendments to the NS. Amendments which explicitly require acknowledgment must be so acknowledged by return e-mail no later than the end time set for receipt of bids.

B.2 Penalty for false statements in bids to buy Reserve product (NOV 13)

- (a) Making false statements in a bid to buy Reserve product may expose a bidder to a penalty under the False Statements Act, 18 U.S.C. Section 1001, which provides:

Whoever, in any matter within the jurisdiction of any executive, legislative, or judicial branch of the government of the United States knowingly and willfully – (1) falsifies, conceals or covers up by any trick, scheme, or device a material fact, – (2)

makes any false, fictitious or fraudulent statements or representations, – (3) makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or, if the offense involves international or domestic terrorism (as defined in Section 2331) imprisoned not more than 8 years, or both.

- (b) Under 18 U.S.C. 3571, the maximum fine to which an individual or organization may be sentenced for violations of 18 U.S.C. (including Section 1001) is set at \$250,000 and \$500,000 respectively, unless there is a greater amount specified in the statute setting out the offense, or the violation is subject to special factors set out in Section 3571. The United States Sentencing Guidelines also apply to violations of Section 1001, and offenders may be subject to a range of fines under the guidelines up to and including the maximum amounts permitted by law.

B.3 Certification of independent price determination

- (a) The bidder certifies that:
 - (1) The prices in this bid have been determined independently, without, for the purposes of restricting competition, any consultation, communication, or agreement with any other bidder or competitor relating to: (i) those prices; (ii) the intention to submit a bid; or (iii) the methods or factors used to calculate the prices bid.
 - (2) The prices in this bid have not been and will not be knowingly disclosed by the bidder, directly or indirectly, to any other bidder or to any competitor before the time set for receipt of bids, unless otherwise required by law; and
 - (3) No attempt has been made or will be made by the bidder to induce any other concern to submit or not to submit a bid for the purpose of restricting competition.
- (b) Each submission of a bid is considered to be a certification by the bidder that the bidder:
 - (1) Is the person within the bidder’s organization responsible for determining the prices being bid, and that the bidder has not participated, and will not participate, in any action contrary to (a)(1) through (a)(3) of this Provision; or

- (2) (i) Has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (a)(1) through (a)(3) of this provision; (ii) as their agent does hereby so certify; and (iii) as their agent has not participated, and will not participate, in any action contrary to (a)(1) through (a)(3) of this Provision.
- (c) A bid will not be considered for award where (a)(1), (a)(3), or (b) of this Provision has been deleted or modified. If the bidder deletes or modifies (a)(2) of this provision, the bidder must furnish with the bid a signed statement setting forth in detail the circumstances of the disclosure.

B.4 Purchaser eligibility

DOE will only sell Reserve product to bidders customarily engaged in the sale and distribution of petroleum distillate. By submission of a bid, the bidder certifies that he meets this requirement. The Contracting Officer retains the right to verify the eligibility of a bidder.

B.5 Requirements for vessels - caution to bidders (NOV 13)

- (a) The Department of Homeland Security's regulations concerning Vessels Carrying Oil, Noxious Liquid Substances, Garbage, Municipal or Commercial Waste, and Ballast Water (33 CFR Part 151) and Reception Facilities For Oil, Noxious Liquid Substances, and Garbage (33 CFR Part 158) implement the requirements of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the 1978 Protocol relating thereto (MARPOL 73/78). These regulations 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 reception capabilities. Purchasers are responsible for determining specific terminal ballast, sludge and oily waste reception capabilities, and to make arrangements for and be responsible for all costs associated with appropriate disposal of such ballast or waste.
- (b) By submission of a bid, the bidder certifies that he will comply with all ballast and oily waste disposal requirements.

B.6 Issuance of the Notice of Sale

To initiate a sale of product from the Reserve, DOE will issue a NS containing all the pertinent information necessary for the bidder to prepare a bid. Bidders are expected to examine the complete NS document, and to become familiar with the PDSPs cited therein. Failure to do so will be at the bidder's risk.

B.7 Submission of bids and modification of previously submitted bids (OCT 05)

- (a) Bids must be submitted via the DOE's designated on-line bid system and received during the times specified in the NS for receipt of bids. However, in accordance with Provision B.1(c) above, at the discretion of the Contracting Officer, bids may be received by alternative means if circumstances preclude use of the specified on-line system.
- (b) Modification of a previously submitted bid may be accomplished by submission of new price/quantity combination(s) that will supersede the previously submitted entries. The Government will only consider for evaluation the bidder's last price/quantity combination(s) received prior to the receipt deadline.
- (c) The Contracting Officer may elect to extend the deadline for receipt of the bids beyond the time specified in the NS if, during the bid period, in his/her judgment the pattern of bid activity indicates that such extension would improve competition. The length and number of extensions is at the Contracting Officer's discretion.
- (d) The Contracting Officer may suspend a bidder's participation in bid activity if the bidder's behavior is intended to restrict competition in an unfair manner, i.e. a bid price is unusually high. A bidder may be reinstated if the situation is resolved to the Contracting Officer's satisfaction.

B.8 Late bids and withdrawal of bids (FEB 12)

- (a) Bids not received during the times set for receipt of bids will not be considered for evaluation. The date/time stamp affixed by the Government's electronic system will be the sole determinant of timely receipt.
- (b) A bidder may withdraw a bid by changing the bid quantity to zero and clicking the Submit button any time prior to the end time set for receipt of bids.

B.9 Bid guarantee (NOV 10)

- (a) Each bidder must submit a bid guarantee of \$250,000.
- (b) Each bid guarantee must be received as specified in the NS no later than the time and date set for receipt of the guarantee. A bidder's failure to submit a timely, acceptable guarantee will result in rejection of its bid.
- (c) Each bidder must submit his bid guarantee by electronic funds transfer to the account of the U.S. Treasury in accordance with Provision C.7. All attendant costs are to be borne by the bidder.
- (d) The bidder will provide the information for return of his bid guarantee by electronic transfer on the Bid Guarantee Return Form found as an attachment to the Notice of Sale.
- (e) Bid guarantees will be forfeited if the bidder withdraws its bid earlier than the expiration of the bidder's acceptance period (see Provision B.23).
- (f) The bidder will be liable for any amount lost by DOE due to the difference between the bid price and the resale price, and for any additional resale costs incurred by DOE in the event that the bidder, having received an award, fails to furnish the required contract payment within 48 hours or before the first delivery, whichever comes first. The bid guarantee will be used toward offsetting such price difference or additional resale costs. Use of the bid guarantee for such recovery will not preclude recovery by DOE of damages in excess of the amount of the bid guarantee caused by such failure of the bidder.
- (g) Bid guarantees will be returned to an unsuccessful bidder within 5 business days after the date set for receipt of bids, and to a bidder who has withdrawn all its bids prior to the time set for receipt of bids within 2 business days after the date set for receipt of bids. Return will be made by electronic transfer in accordance with instructions provided by the Notice of Sale.
- (h) A successful bidder may apply the bid guarantee toward the resultant contract prepayment.

B.10 Explanation requests from bidders (OCT 14)

Bidders may request explanations regarding meaning or interpretation of the NS from the individual at the telephone number indicated in the NS. On complex and/or significant questions, DOE reserves the right to have the bidder put the question in writing; explanation or instructions resulting from these questions will be posted on the Fossil Energy web page for the Northeast Home Heating Oil Reserve prior to the time set for receipt of bids.

B.11 Currency for bids

Prices will be stated and paid in U.S. dollars.

B.12 Language of bids and contracts

All bids in response to the NS and all modifications of bids will be in English. All correspondence between bidders or purchasers and DOE will be in English.

B.13 Proprietary data

Bid quantities and prices are not considered proprietary information. If any other information submitted in connection with a sale is considered proprietary, that information should be so marked, and an explanation provided as to the reason such data should be considered proprietary. Any final decision as to whether the material so marked is proprietary will be made by DOE. Freedom of Information Act regulations governing the release of proprietary data will apply.

B.14 Reserve product specifications (NOV 13)

All Reserve product will meet the specifications listed in Exhibit B. DOE intends that product sold under a Reserve sale will be sold only as either Number 2 heating oil or Ultra Low Sulfur Diesel. Therefore, at time of sale, any diesel that will be sold as heating oil will be dyed per Environmental Protection Agency and the Internal Revenue Service specifications.

B.15 Reserve locations and delivery points

The Reserve is located in commercial storage terminals within the Northeast. Each terminal has established one or more facilities as delivery points for the Reserve product. The geographical locations of these terminal delivery points will be identified and described in the NS.

**B.16 Notice of Sale line item schedule –
Reserve product quantity and delivery location (JAN 01)**

- (a) The NS will provide individual line items for each terminal delivery point offering Reserve product for sale.
- (b) The NS will state the total quantity to be offered on each line item. The Contracting Officer may reduce the line item quantity available for award by any amount and reject otherwise acceptable bids, if he determines, in his sole discretion after consideration of the bids received for all line items, that award of those quantities is not consistent with applicable law or not otherwise in the best interest of the Government because the prices bid for them are not reasonable, or that, in light of market conditions after bids are received, a lesser quantity than that offered should be sold.
- (c) The NS will specify a minimum quantity for each line item. To be responsive, a bid on a line item must be at least that minimum quantity.
- (d) No bidder, including affiliates, if any, will be awarded more than 40 percent of the total quantity offered within a specific geographical region as defined in the NS.

B.17 Line item information to be provided in the bid (NOV 14)

- (a) A bidder may submit a bid for any or all the line items offered by the NS.
- (b) All bid quantities must be in multiples of 50,000 barrels.
- (c) For each line item bid, the bidder will state the quantity of barrels desired and the corresponding unit price per gallon, expressed as a premium to the CME Group New York Mercantile Exchange (NYMEX) near month closing price for ULSD on the day of the bidding. A bidder may submit up to three quantity and price combinations for a single line item, e.g., for Terminal A, 100,000 barrels at a premium of \$0.0015/gal, 50,000 barrels at \$0.0014/gal, and 50,000 barrels at \$0.0013/gal.
- (d) Price premiums may be stated in hundredths of a cent (\$0.0001) per gallon. DOE will drop from the bid and not consider any numbers of less than one one-hundredth of a cent. \$0.0000 is not considered to be a premium.
- (e) The bidder must choose whether to accept only its stated bid quantity, or, in the alternative, to accept any quantity between the bidder's stated bid quantity and the minimum contract quantity for the line item. The bidder may so indicate by entry of the "N" and "Y," respectively, in the "MINQ" column on the Sales Bid Form. However, DOE will award less than the bidder's bid quantity only if the quantity

available to be awarded is less than his bid. If the bidder fails to indicate its choice, the bid would be evaluated as though the bidder has indicated "Y", that is, willingness to accept as low as the minimum contract quantity.

B.18 Mistake in bid (NOV 13)

- (a) After the deadline for receipt of bids, the Contracting Officer will examine all bids for mistakes. In cases where the Contracting Officer has reason to believe a mistake may have been made, he will request from the bidder a verification of the bid, calling attention to the suspected mistake. The Contracting Officer may telephone the bidder and confirm the request by e-mail. The Contracting Officer may set a limit of as little as 30 minutes for telephone or e-mail response. If no response is received, the Contracting Officer may determine that no error exists and proceed with bid evaluation.
- (b) The Contracting Officer will make administrative determinations described in (1) and (2) of this provision if a bidder alleges a mistake after the end time set for receipt of bids and before award.
 - (1) The Contracting Officer may refuse to permit the bidder to withdraw a bid, but permit correction of the bid if clear and convincing evidence establishes both the existence of a mistake and the bid actually intended. However, if such correction would result in displacing one or more higher acceptable bids, the Contracting Officer will not so determine unless the existence of the mistake and the bid actually intended are ascertainable substantially from the NS and bid itself.
 - (2) The Contracting Officer may determine that a bidder will be permitted to withdraw a bid in whole, or in part if only part of the bid is affected, without penalty under the bid guarantee, where the bidder requests permission to do so and clear and convincing evidence establishes the existence of a mistake, and not the bid actually intended.
- (c) In all cases where the bidder is allowed to make verbal corrections to the original bid, confirmation of these corrections must be received in writing within the time set by the Contracting Officer or the original bid will stand as submitted.

B.19 Evaluation of bids

- (a) The Contracting Officer will be the determining official as to whether a bid is responsive to the PDSPs and the NS. DOE reserves the right to reject any or all bids and to waive minor informalities or irregularities in bids received.
- (b) The Contracting Officer will reject bids where: (i) a bidder is on the Federal

Government's list of debarred, ineligible and suspended bidders; or (ii) evidence, with respect to a bidder, comes to the attention of the Contracting Officer of conduct or activity that represents a violation of law or regulation (including an Executive Order); or (iii) evidence is brought to the attention of the Contracting Officer of past activity or conduct of a bidder that shows a lack of integrity (including actions inimical to the welfare of the United States) or willingness to perform, so as to substantially diminish the Contracting Officer's confidence in the bidder's performance under the proposed contract.

B.20 Procedures for evaluation of bids (OCT 02)

- (a) Awards on each line item will be made to the responsible bidders that submit the highest priced bids responsive to the applicable laws, PDSPs and the NS.
- (b) Selection of the successful bids involves the following steps:
 - (1) Any bids priced at or as a discount to the NYMEX closing price, as described in Provision B.17 above, will be rejected as nonresponsive.
 - (2) All bids on each line item will be arrayed from highest price to lowest price.
 - (3) The highest priced bids will be reviewed for responsiveness to the NS.
 - (4) For each line item offered by DOE, the highest priced bids will sequentially be selected for potential award until the Government's offered quantity is depleted, or there are no more acceptable bids. In the event selection of a bidder's entire bid quantity would result in the total amount awarded to that bidder exceeding 40% of the quantity offered by DOE for the geographical location, then only that amount up to the 40% level would be accepted, unless the bidder has indicated that it will accept no less than its bid quantity (see Provision B.17). The 40% award geographical location quantity limitation applies to a bidder and affiliates, if any. In that case, evaluation would then proceed to the next highest priced bid of a different bidder. In the event that acceptance of a bid would result in the sale of more Reserve product on a line item than DOE has offered, DOE will not award the full amount of the bid, but rather the remaining line item quantity. In the event that the quantity remaining is less than the bidder is willing to accept, the Contracting Officer will proceed to the next highest priced bid.
 - (5) In the event of tied bids and an insufficient remaining quantity available on the line item to fully award all tied bids, the Contracting Officer will apply an objective methodology for allocating the remaining quantity.

When making this allocation, the Contracting Officer in his sole discretion may do one or more of the following:

- (i) make an additional quantity available; or
 - (ii) not award all or part of the remaining quantity of product.
- (6) The Contracting Officer may reduce the line item quantity available for award by any amount and reject otherwise acceptable bids if in his sole discretion he determines, after consideration of the bids received on all of the line items, that award of those quantities is not consistent with applicable law or not otherwise in the best interest of the Government; or if the Government determines, in light of market conditions after bids are received, to sell less than the overall quantity of Reserve product offered for sale.

B.21 Requests for additional information

DOE reserves the right to require the submission of additional information from the bidder, including financial statements, plans for use of DOE Reserve product, plans for complying with the Jones Act, if applicable, and any other information relevant to the performance of the contract. The Contracting Officer will set a deadline for receipt of this information.

B.22 Resolicitation procedures for unsold Reserve product (OCT 02)

- (a) In the event that Reserve product offered on a line item remains unsold after evaluation of all bids, the Contracting Officer may issue an amendment to the NS, resoliciting bids from all interested parties. DOE reserves the right to alter the line items and/or offer different line items in the resolicitation.
- (b) In the event that for any reason Reserve product that has been awarded becomes available to DOE for resale, the following procedures will apply:
 - (1) If bids remain valid in accordance with Provision B.23, the Reserve product may go to the next highest ranked bid.
 - (2) If bids have expired in accordance with Provision B.23, the Contracting Officer may offer the Reserve product oil to the highest eligible bidder for that line item. The pertinent bidder may accept or reject that Reserve product at the price it originally bid. If that bidder rejects the product, it may be offered to the next highest eligible bidder. This process may continue until the entire remaining Reserve product has been awarded.

- (3) If the Reserve product is not then resold, the Contracting Officer may proceed to amend the NS to resolicit bids for that product or add the product to the next sales cycle.

B.23 Bidder's certification of acceptance period

- (a) By submission of a bid, the bidder certifies that its bid will remain valid for 3 business days after the date set for the receipt of bids.
- (b) By mutual agreement of DOE and the bidder, the bidder's acceptance period may be extended for a longer period.

B.24 Notification of Award (MAR 02)

The following information concerning its bid(s) will be provided to the awardee by DOE:

- (1) Identification of line item(s) awarded;
- (2) Total quantity awarded on each line item;
- (3) The NYMEX near month closing price on the award date and NYMEX price premium(s) in U.S. dollars per gallon for each line item;
- (4) Extended total bid price for each line item;
- (5) Total contract prepayment amount;
- (6) Contract number;
- (7) Terminal scheduling points of contact; and
- (8) Any other data necessary.

B.25 Contract documents

If a bidder is successful, DOE will make award using an NA e-mailed by the Contracting Officer. The NA will identify the items, quantities, and prices that DOE is accepting. Attached to the NA will be the NS and the successful bid. Provisions of the PDSPs will be made applicable through incorporation by reference in the NS.

SECTION C - SALES CONTRACT PROVISIONS

C.1 Delivery of purchased product (NOV 13)

- (a) DOE will assure the availability of contracted quantities of purchased product at the distribution terminal facility specified in the NS for each line item, and terminal capability to deliver all purchased product within the contractual delivery period. Each terminal will have the capability to deliver Reserve product by, at a minimum, marine and truck loading systems.
- (b) The purchaser, at its expense, will make all necessary arrangements to accept delivery of and transport the purchased product from the facilities listed in the NS. The purchaser will 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, and the current Northeast Home Heating Oil Reserve Distribution Plan as referenced in the NS.
- (c) The purchaser agrees to assume responsibility for, and to pay for, or to indemnify and hold DOE harmless for any costs associated with terminal, port, vessel, pipeline, and truck services necessary to receive and transport the purchased product, including but not limited to demurrage charges assessed by the terminal, ballast and oily waste reception services, mooring and line-handling services, and port charges incurred in the delivery of product to the purchaser. The purchaser also agrees to assume responsibility for, and to pay for or to indemnify and hold DOE harmless for any liability, including consequential or other damages, incurred or occasioned by the purchaser, its agent, subcontractor at any tier, assignee or any subsequent purchaser, in connection with movement of Reserve product purchased under this contract.
- (d) Should the DOE sell the ULSD un-dyed across a Storage Contractors truck rack, all required federal excise taxes under IRS Publication 510 will be the responsibility of the Storage Contractor. Payment of excise taxes must be coordinated between the Storage Contractor and the Purchaser. Federal excise tax paid should be reflected on the Bill of Lading; DOE assumes no responsibility for the collection or payment of excise taxes.

C.2 Reserved (NOV 13)

C.3 Reserved (NOV 13)

C.4 Environmental compliance (NOV 13)

- (a) Purchasers must ensure that vessels used to transport purchased product comply with all applicable statutes and implementing regulations, including the Ports and Waterways Safety Act of 1972; the Port and Tanker Safety Act of 1972 as amended by the Port and Tanker Safety Act of 1978 (implemented under 33 CFR Parts 160 –169, Subchapter P, Ports and Waterways Safety); the Act to Prevent Pollution from Ships of 1980 (which implements Annexes I, II, and V of the International Convention for the Prevention of Pollution from Ships, 193, as modified by the Protocol of 1978 (MARPOL 73/78) under 33 CFR 151, Subpart A), and the Oil Pollution Act of 1990.
- (b) To transport purchased product, the purchaser or purchaser's subcontractors must use only those tank vessels for which the vessel's owner, operator, or demise charterer has made a showing of financial responsibility under 33 CFR part 138, *Financial Responsibility for Water Pollution (Vessels)*.
- (c) Failure of the purchaser or purchaser's subcontractors to comply with all applicable federal, state, and local statutes and regulations in the transportation of purchased product will be considered a failure to comply with the terms of any contract containing these PDSPs, and may result in termination for default, unless, in accordance with Provision C.8, such failure was beyond the control and without the fault or negligence of the purchaser, its affiliates, or subcontractors.

C.5 Delivery and transportation scheduling

- (a) Within 24 hours of being awarded a contract by DOE, the purchaser will advise the Department and the appropriate storage terminals of the desired delivery mode(s), respective volumes, and date(s). All deliveries must be scheduled to occur within the contract delivery period. The terminal will respond to purchaser's request within 12 hours, either confirming or proposing alternative delivery dates within the contract delivery period.
- (b) Terminal scheduling points of contact will be provided in the NA.
- (c) If requested, each purchaser will provide DOE with a written notice of the intended or actual destination for each cargo scheduled, if such destination is known at that time.
- (d) The purchaser will notify DOE of any subsequent changes to the delivery schedule.

C.6 Procedures for delivery of purchased product

- (a) The purchaser's and terminal's responsibilities regarding delivery scheduling, measurement, inspection, custody transfer and costs are set forth in a Northeast Home Heating Oil Reserve Distribution Plan referenced in the NS.
- (b) The purchaser will comply with applicable port and terminal rules and procedures for vessel nomination and notifications of arrival.
- (c) Delivery documentation of the purchased product will be based on tank gauging (as certified by third party inspectors) for vessels and inter- and intra- terminal transfers, and custody meter tickets for truck and pipeline deliveries.

C.7 Payment (NOV 13)

- (a) Deliveries of purchased product will be made on a prepaid basis only. Purchaser must remit to the U.S. Treasury the entire contract dollar amount due to DOE within 48 hours of contract award, or prior to delivery, whichever occurs first.
- (b) DOE will use the provisions of the rules established by the CME Group New York Mercantile Exchange for New York Harbor No. 2 Heating Oil, which permit a loading tolerance of two percent (2%) above and below the contract volume.
 - (1) Payment adjustments for the volume variance up to the 2% limit, based on the contract amount and the actual quantity delivered, will be made between the Government and the purchaser at the contract price.
 - (2) Any delivery imbalances beyond the 2% limit will be reconciled between the storage contractor and the purchaser.
 - (i) Any underdelivery beyond the 2% limit will be the responsibility of the purchaser.
 - (ii) Any overdelivery beyond the 2% limit will be the responsibility of the storage terminal.
- (c) All amounts payable by the purchaser will be paid by deposit to the account of the U.S. Treasury by electronic funds transfer (EFT) over the Fedwire Deposit System Network. The information to be included in each EFT will be provided in the NS.
- (d) No payment due DOE hereunder will be subject to reduction or set-off for any claim of any kind against the United States arising independently of the contract.
- (e) All EFT costs will be borne by the purchaser.

- (f) Quantity reconciliation payments to the purchaser will be made through an electronic funds transfer (EFT).

C.8 Termination

- (a) Immediate termination.
 - (1) The Contracting Officer may terminate this contract in whole or in part, without liability of DOE, by written notice to the purchaser in the event that the purchaser either notifies the Contracting Officer that it will not be able to accept, or fails to accept, any delivery line item in accordance with the terms of the contract. Such notice will invite the purchaser to submit information to the Contracting Officer as to the reasons for the failure to accept the delivery line item in accordance with the terms of the contract.
 - (2) Within 10 business days after the issuance of the notice of termination, the Contracting Officer may determine that such termination was a termination for default under paragraph (b)(1)(ii) of this Provision. In the absence of information which persuades the Contracting Officer that the purchaser's failure to accept the delivery line item was excusable, the fact of such failure may be the basis for the Contracting Officer determining the purchaser to be in default, without first determining under paragraphs (b)(2) and (b)(3) whether such failure was excusable under the terms of the contract. The Contracting Officer will promptly give the purchaser written notice of such determination.
- (b) Termination for Default.
 - (1) Subject to the provisions of paragraphs (b)(2) and (b)(3), the Contracting Officer may terminate the contract in whole or in part for purchaser default, without liability of DOE, by written notice to the purchaser, in the event that:
 - (i) The Government does not receive payment in accordance with any payment provision of the contract;
 - (ii) The purchaser fails to accept delivery of purchased product in accordance with the terms of the contract; or
 - (iii) The purchaser fails to comply with any other term or condition of the contract within 5 business days after the purchaser is deemed to have received written notice of such failure from the Contracting Officer.

- (2) Except with respect to defaults of subcontractors, the purchaser will not be determined to be in default or be charged with any liability to DOE under circumstances which prevent the purchaser's acceptance of delivery hereunder due to causes beyond the control and without the fault or negligence of the purchaser as determined by the Contracting Officer. Such causes will include but are not limited to:
 - (i) acts of God or the public enemy;
 - (ii) acts of the Government acting in its sovereign or contractual capacity;
 - (iii) fires, floods, earthquakes, explosions, unusually severe weather, or other catastrophes; or
 - (iv) strikes.
- (3) If the failure to perform is caused by the default of a subcontractor, the purchaser will not be determined to be in default for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the purchaser to meet the delivery schedule, if:
 - (i) such default arises out of causes beyond the control of the purchaser and its subcontractor, and without the fault or negligence of either of them; or
 - (ii) such default arises out of causes within the control of a transportation subcontractor, not an affiliate of the purchaser, hired to transport the purchaser's product by vessel or pipeline, and such causes are beyond the purchaser's control, without the fault or negligence of the purchaser, and notwithstanding the best efforts of the purchaser to avoid default.
- (4) In the event that the contract is terminated in whole or in part for default, the purchaser will be liable to DOE for the difference between the contract price on the contract termination date and any lesser price the Contracting Officer obtained upon resale of the product;
- (5) In the event that the Government exercises its right of termination for default, and it is later determined that the purchaser's failure to perform was excused in accordance with paragraphs (2) and (3), the rights and obligations of the parties will be the same as if such termination was a termination for convenience without liability of the Government under paragraph (c).

- (c) Termination for convenience.
 - (1) In addition to any other right or remedy provided for in the contract, the Government may terminate this contract at any time in whole or in part whenever the Contracting Officer determines that such termination is in the best interest of the Government. Such termination will be without liability of the Government if such termination arises out of causes specified in (a)(1) or (b)(1) of this provision, acts of the Government in its sovereign capacity, or causes beyond the control and without the fault or negligence of the Government, its contractors (other than the purchaser of Reserve product under this contract) and agents. For any other termination for convenience, the Government will be liable for such reasonable costs incurred by the purchaser in preparing to perform the contract, but under no circumstances will the Government be liable for consequential damages or lost profits as the result of such termination.
 - (2) The purchaser will be given immediate written notice of any termination, under this paragraph (c). The termination will be effective upon its notice to purchaser. The purchaser is deemed to have received an electronic notice on the day of dispatch.
- (d) Nothing herein contained will limit the Government in the enforcement of any legal or equitable remedy that it might otherwise have, and a waiver of any particular cause for termination will not prevent termination for the same cause occurring at any other time or for any other cause.
- (e) In the event that the Government exercises its right of termination, as provided in paragraphs (a), (b), or (c)(1) of this Provision, the Contracting Officer may sell any undelivered product under such terms and conditions as the he deems appropriate.
- (f) DOE's ability to deliver product under another contract, will not excuse a purchaser that has been terminated for default from the difference between the contract price and any lesser price obtained on resale.
- (g) Any disagreement with respect to the amount due the Government for resale costs will be deemed to be a dispute and will be decided by the Contracting Officer pursuant to Provision C.11.
- (h) The term "subcontractor" or "subcontractors" includes subcontractors at any tier.

C.9 Limitation of Government liability

The Government under no circumstances will be liable thereunder to the purchaser for the conduct of the Government's contractors or subcontractors or for indirect, consequential, or special damages arising from its conduct; neither will the Government be liable thereunder to the purchaser for any damages due in whole or in part to causes beyond the control and without the fault or negligence of the Government, including but not restricted to, acts of God or public enemy, acts of the Government acting in its sovereign capacity, fires, floods, earthquakes, explosions, unusually severe weather, other catastrophes, or strikes.

C.10 Notices (FEB 12)

- (a) Any notices required to be given by one party to the contract to the other in writing will be forwarded to the addressee, prepaid, by electronic means. Parties will give each other written notice of address changes.
- (b) Notices to the purchaser will be forwarded to the purchaser's address as it appears in the bid and in the contract.
- (c) Notices to the Contracting Officer will be forwarded to the following address:

U.S. Department of Energy
Contract and Financial Assistance Policy Division MA-611
1000 Independence Ave. SW
Washington, DC 20585
(202) 287-1342

C.11 Disputes (NOV 10)

- (a) This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. Section 601 et seq.). If a dispute arises relating to the contract, the purchaser may submit a claim to the Contracting Officer, who will issue a written decision on the dispute in the manner specified in 48 CFR 1-33.211.
- (b) "Claim" means:
 - (1) A written request submitted to the Contracting Officer;
 - (2) For payment of money, adjustment of contract terms, or other relief;
 - (3) Which is in dispute or remains unresolved after a reasonable time for its review and disposition by the Government; and

- (4) For which a Contracting Officer's decision is demanded.
- (c) In the case of dispute requests or amendments to such requests for payment exceeding \$100,000, the purchaser will certify at the time of submission as a claim, as follows:

I certify that the claim is made in good faith, that the supporting data are current, accurate and complete to the best of my knowledge and belief and that the amount requested accurately reflects the contract adjustment for which the purchaser believes the Government is liable.

Purchaser's Name

Signature

Title

- (d) The Government will pay to the purchaser interest on the amount found due to the purchaser on claims submitted under this provision at the rate established by the Department of the Treasury from the date the amount is due until the Government makes payment. The Contract Disputes Act of 1978 and the Prompt Payment Act adopt the interest rate established by the Secretary of the Treasury under the Renegotiation Act as the basis for computing interest on money owed by the Government. This rate is published semi-annually in the **Federal Register**.
- (e) The purchaser will pay to DOE, interest on the amount found due to the Government and unpaid on claims submitted under this provision from the date the amount is due until the purchaser makes payment. Interest will be computed on a daily basis. The interest rate will be in accordance with the Current Value of Funds rate as established by the Department of the Treasury in accordance with the Debt Collection Improvement Act of 1997 and published periodically in Bulletins to the Treasury Fiscal Requirements Manual and in the **Federal Register**.
- (f) The decision of the Contracting Officer will be final and conclusive and will not be subject to review by any forum, tribunal, or Government agency unless an appeal or action is commenced within the times specified by the Contract Disputes Act of 1978.
- (g) The purchaser will comply with any decision of the Contracting Officer and at the direction of the Contracting Officer will proceed diligently with performance of this contract pending final resolution of any request for relief, claim, appeal, or action related to this contract.

C.12 Assignment

The purchaser will not make or attempt to make any assignment of a contract that incorporates these PDSPs or any interest therein contrary to the provisions of Federal law, including the Anti-Assignment Act (41 U.S.C. 15), which provides:

No contract or order, or any interest therein, will be transferred by the party to whom such contract or order is given to any other party, and any such transfer will cause the annulment of the contract or order transferred, so far as the United States are concerned. All rights of action, however, for any breach of such contract by the contracting parties, are reserved to the United States.

C.13 Order of precedence

In the event of an inconsistency between the terms of the various parts of this contract, the inconsistency will be resolved by giving precedence in the following order:

- (1) The NA and written modifications thereto;
- (2) The NS;
- (3) Those provisions of the PDSPs made applicable to the contract by the NS;
- (4) The instructions to the on-line bid system; and
- (5) The successful bid.

C.14 Gratuities

- (a) The Government, by written notice to the purchaser, may terminate the right of the purchaser to proceed under this contract 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 by or given by the purchaser, or any agent or representative of the purchaser, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending, or making of any determinations with respect to the performing of such contract; provided, that the existence of the facts upon which the Secretary of Energy or his duly authorized representative makes such findings will be in issue and may be reviewed in any competent court.
- (b) In the event that this contract is terminated as provided in paragraph (a) hereof, the Government will be entitled (1) to pursue the same remedies against the

purchaser as it could pursue in the event of a breach of the contract by purchaser, 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 Secretary of Energy or his duly authorized representative) which will not be less than three nor more than 10 times the cost incurred by the purchaser in providing any such gratuities to any such officer or employee.

- (c) The rights and remedies of the Government provided in this clause will not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

Exhibit A Sample Northeast Home Heating Oil Reserve Sales Bid Page (NOV 13)

Home Heating Oil Auction Page		Home Logon Register Sale Terms Prod'n Help Log Off									
Demo 2013/2014		725815 minute(s) left in auction									
Demo New England <input type="button" value="Submit"/> <input type="button" value="Refresh"/>		41 seconds before automatic refresh									
Demo New England 1000mb Offered, 100mb Awarded											
Premium ⁶ \$00.0000/gal				Volume ^{5,7} (mb)		Accept ⁸ Less		Award (mb)		Currently Successful Prices - All Bidders mb @ \$00.0000	
Demo Buckeye Groton Terminal - 500mb Offered, 50mb Awarded											
0.0002	50	▼	Yes	▼	50						
	00	▼	Yes	▼							
	00	▼	Yes	▼							
Demo Global Revere Terminal - 500mb Offered, 50mb Awarded											
0.0001	50	▼	Yes	▼	50						
	00	▼	Yes	▼							
	00	▼	Yes	▼							

Exhibit B
Specifications for Ultra Low Sulfur Diesel Fuel (NOV 13)

Product Property	ASTM Test Method	Test Results		Note
		Minimum	Maximum	
Gravity, °API	D287, D1298, D4052	30		
Flash Point, °F	D93	130		
Distillation, °F: Physical 50% 90% End Point Or Simulated Distillation, °F: 50% recovered 90% recovered End Point	D86 D2887	540 572	Report 640 690 Report 673 790	
Color, ASTM	D1500, D6045		2.5	
Color Visual			Undyed	1
Viscosity, cSt @ 40°C (104°F)	D 445	1.9	4.1	
Pour Point	D97, D5949 D5950, D5985			2
Cloud Point or LTFT/CFPP	D2500, D5771 D5772, D5773 D4539, D6371			2
Corrosion, 3 hours @ 50°C (122°F)	D130		1	
Total Sulfur, ppmwt	D129, D1266, D1552, D2622, D4294, D5453		15	
Carbon Residue: Ramsbottom on 10% bottoms	D524		0.35	
Sediment & Water, vol. %	D2709, or equivalent		0.05	
Thermal Stability, Y/Green W Unit Or 90 minutes @ 150°C Pad rating or Oxidation stability, mg/100ml	D6468 DuPont Test Method D2274	73% 65%	7 2.5	3
Haze Rating @ 25°C (77°F)	D4176 Procedure 2		2	

Nace Corrosion	TM0172	B+ (Origin)		
Cetane Number	D613, D6890, D7170,	40		4
Electrical Conductiity, pS/m @21°C (70°F)	D2624		250	
Aromatics (vol. %)	D1319		31.7	
Or Aromatics by Cetane Index	D976	40		
Ash, mass %	D482		0.01	

Additive Requirements:

All additives must be approved by the pipeline carrier in advance of delivery.

1. Corrosion inhibitors
The following corrosion inhibitors may be used Dupont AFA-1, Innospec DMA-4, Nalco 5400-A, DCI-30N, Tolad 3032, Nalco EC-5407A, Infernum R511. Other corrosion inhibitors can be used as well and must be approved by the pipeline carrier in advance of delivery.
2. Static Dissipator Additives (Conductivity Improvers)
Product shipments may, but are not required to contain static dissipater additive (SDA), The only approved SDA is Innospec Stadis® 450 at a maximum concentration of 0.75 mg/l, and the origin maximum conductivity allowed is 250 pS/m at 21°C (70°F) by ASTM D 2624.
3. Cloud and Pour Point Depressant Additives
Product may only contain ethylene vinyl acetate copolymer based cloud and pour point depressant additives. Use of these additives is expected to be short term at reasonable treat levels.
4. Cetane Improver Additives
Product may only contain 2-ethyl hexyl nitrate or T-butyl peroxide based cetane improver additives. Use of these additives is expected to be short term at reasonable treat levels.
5. Prohibited Additives
Prohibited additives include, but are not limited to, the following:
 - Lubricity Additives
 - Port Fuel Injector (PFI) Additives
 - Biodiesel
 - Intake Valce Detergent Additives
 - Additives Containing Phosphorus
 - Marker Solvent Yellow 124

Notes:

1. ASTM color measurement taken before addition of dye. Under United States regulations, if Distillate Grades No. 1 and No. 2 are sold as heating oil they are required by 40 CFR Part 80 to contain a sufficient amount of the dye Solvent Red 164 so its presence is visually apparent. At or beyond terminal storage tanks, they are required by 26 CFR Part 48 to contain the dye Solvent Red 164 at a concentration spectrally equivalent to 3.9 lbs per thousand barrels of the solid dye standard Solvent Red 26.

2. This schedule denotes the fluidity of the product at the time and place of origin.

Pour Point - August through March.	Maximum: -18°C (0°F)
Pour Point - April through July	Maximum: -12°C (+10°F)
Cloud Point - August through March	Maximum: - 9°C (+15°F)
Cloud Point – April through July	Maximum: - 7°C (+20°F)

3. The Octel-Starreon F21 (ASTM D 6468) 150°C Accelerated Fuel Oil Stability Test, Analytical Method No. F-21-61, March 2000 edition may be used. Pad rating is not to exceed 7.

4. Where Cetane number by test method D 613 is not available, test method D 4737B can be used as an approximation.