

CRUDE OIL LOGISTICS COMMITTEE

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PURPOSE AND OBJECTIVE

The Crude Oil Logistics Committee (the "Committee") is an organization created as a decision making body for the effective and efficient management of western Canadian crude oil and segregated condensate logistical systems.

The Committee is to operate as an open industry forum for discussion of supply, forecasting, and crude oil and condensate movement issues.

The Committee is responsible for:

1. Monitoring receipt and disposition statistics for the purpose of identifying problems, recommending solutions, and assisting in cooperative industry solutions.
2. Reviewing the concerns of all members and attempting to incorporate identified needs into the Committee's crude oil and condensate revised forecasting procedures, to the benefit of the industry in general.
3. Ensuring the Committee's crude oil and condensate revised forecasting procedures are implemented effectively by the industry.
4. Notifying the industry of the Committee's crude oil and condensate revised forecasting procedures updates.
5. Maintaining statistical data packages as required.
6. Contracting and closely supervising the activities of the contractor(s) providing Administrative Manager services to the Committee (the "Contractor") or other specific services within the approved budget.
7. Overseeing the preparation of annual operating budgets for the Committee's activities and after discussion approving the budgets for forwarding to the committee providing oversight to the budgets of industry's technical services committees, the Industry Technical Committee (the "ITC").
8. Liaising with the ITC and other industry bodies in areas of common interest.
9. Developing an annual COLC Calendar.
10. Providing any necessary training to the industry.

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MEMBERSHIP

To be a member of the Committee a company or other organization shall be the operator of one or more crude oil and/or segregated condensate delivery battery that submits Forms 'A' (or equivalent) forecasts to one or more downstream transportation facility operators, or of one or more gas plants that submits Forms 'A' (or equivalent) forecasts for segregated condensate to one or more downstream transportation facility operators, the operator of one or more heavy oil or synthetic oil production projects that submits Forms 'A' (or equivalent) forecasts to one or more downstream transportation facility operators or the operator of one or more crude oil upgrading projects that submits Forms 'A' (or equivalent) forecasts to one or more downstream transportation facility operators, the shipper of record of one or more crude oil and/or segregated condensate types on at least one western Canadian gathering or feeder pipeline or trunk line; the operator of at least one western Canadian gathering or gathering and feeder pipeline or trunk line or terminal or custom treater/ / cleaning plant; a Producer Association representing the interests of producers; or a government regulatory agency with jurisdiction over the movement of crude oil and/or segregated condensate.

For the purpose of this document, all subsidiary and affiliate companies in the Committee shall be considered as one company. Each member representative from the producer associations is deemed to represent his/her association, not his/her individual company.

Member requirements

When a company or other organization becomes a member of the Committee, the company or other organization representative(s) shall recognize that some time and effort shall be involved.

It is expected that each company or other organization representative shall:

1. Use his/her own varied personal knowledge of the industry to assist in making decisions fair to all. Every attempt shall be made to refrain from letting specific biases unique to his/her own company or other organization dictate policy or procedure to all Committee members.
2. Participate in as many meetings as is practicable. If, for some reason, a representative is unable to attend, he/she shall, on a best-efforts basis, send a suitable substitute to the meetings.
3. Accept responsibility for any special assignments (such as Sub-committees and / or Working Group meetings, presentations, obtaining facilities for meetings, etc.)

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as deemed necessary by the Executive Chair.

4. Review suggested changes to the crude oil logistical systems and present findings at Working Group or General Membership meetings.
5. Submit any proposed change to the crude oil logistical system in writing to the Committee Executive Chair.

The financial requirements for the operation of the Committee, involving the hiring of the Administrative Manager and the formal communication process to all Committee members, shall be acquired from industry.

All expenses other than those relating to the Administrative Manager and the formal communication process shall be absorbed by the individual member companies or other organizations.

STRUCTURE

Executive

The Committee shall be directed by an Executive consisting of four elected representatives: Executive Chair, Education / Awareness Sub-committee Chair, Operations Sub-committee Chair, and Past Chair, all with voting rights at Executive meetings and member meetings. The Executive will include an ex-officio voting member representative from CAPP. The Executive will include an ex-officio, non-voting member, the Administrative Manager.

Sub-committees

The Sub-committees are industry representatives that provide input and recommendations to the Executive with respect to their committee. The Terms of Reference for each Sub-committee must be reviewed and approved annually by the Executive.

Education / Awareness Sub-committee

Provide input and recommendations related to the design, implementation and sustainability of the training modules and certification program.

Operations Sub-committee

Provide input and recommendations related to the review, design,

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implementation and sustainability of the COLC guidelines and related business processes along with other crude oil transportation logistics issues/ opportunities.

General Membership

The general membership consists of industry representatives that are involved in the logistics of crude oil and segregated condensates in western Canada.

Attachment 'A' provides an organizational chart of the Committee structure.

Working Groups

The Executive shall ensure relevant sectors of the industry are sufficiently represented in each Working Group in order to fairly represent the Committee at Working Group meetings, as required.

Any member of the Committee may become involved in a Sub-committee and / or Working Group.

To join the Committee, a company or other organization representative shall apply to the Administrative Manager via the COLC.com website.

Each member of the Committee shall be invited to vote on proposed changes and Business Decisions made to industry's crude oil and segregated condensate Revised Forecasting Procedures, Business Decisions and proposed changes to the Committee Charter of Operations. A company and its affiliates can have only one vote. The Committee shall elect, in the 4th quarter of the calendar year, the new Executive to serve for the next calendar year.

Term of Executive

The term of office for the Executive Chair, Education / Awareness Sub-committee Chair, Operations Sub-committee Chair and Past Chair shall be one year. The Executive Chair shall be asked to continue on as Past Chair for one year after his/her term of office as Executive Chair has expired. The term of the Executive will begin January 1 and end December 31.

The Administrative Manager shall be a Contractor hired by the Committee to provide required services. The term of the Contractor agreement shall be for one year, more or less, at the discretion of the Executive.

If one of the Executive is no longer able to actively function as such, he/she shall inform

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the Executive promptly. The vacating Executive shall not select his/her own replacement. One or both non-vacating Executive shall assume the duties of the resigning Executive until the next General Membership meeting at which a new Executive member shall be elected to fill the vacancy, at the discretion of the Executive.

Selection of Executive

The newly elected Executive will decide which roles they will fulfil.

Any Executive shall be eligible for re-election as an Executive. It is the intention that at least two of the current Executive shall remain on for a subsequent term. Best efforts shall be made to fill the Executive positions to represent the three largest industry sectors: Producers, Shippers, and pipelines.

There shall be a Selection Working Group for the purpose of recommending to the Executive the hiring of a Contractor to fill the Administrative Manager's position. The Selection Working Group shall consist of the Executive Chair and at least four other members from the General Membership.

ROLES AND RESPONSIBILITIES

Executive Chair Responsibilities:

1. Preside over all meetings of the Executive.
2. Exercise a general supervision over the affairs of the Committee.
3. Ensure the following of guidelines and the carrying out of all resolutions and proceedings of the Committee.
4. Participate in covering a resigned Executive's duties until a new Executive member can be elected.
5. Notify the Executive of meetings as required.
6. Be responsible for the budgetary functions of the Committee along with other members of the Executive.
7. Provide detailed direction to the Contractor acting as the Committee's Administrative Manager.
8. Represent the Committee Executive on one or more Sub-committees and / or

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Working Groups, as required.

9. Maintain the Executive Chair's Binder that gives a detailed account of the year's activities. The Binder includes the current contract for the Administrative Manager, detailed budget information, meeting minutes/notes, current Charter of Operations and any other pertinent information.
10. Provide incoming Executive Chair with last year's Binder and Administrative Manager with all previous years' binders for retention.
11. Exercise general supervision of the record retention system.

Education / Awareness Sub-committee Chair Responsibilities:

1. In the absence of the Executive Chair, assume and perform all duties of the Executive Chair.
2. Have such other powers and duties as prescribed by the Executive Chair and/or the General Membership.
3. Participate in covering a resigned Executive's duties until a new Executive member can be elected.
4. Assist in the budgetary functions of the Committee along with other members of the Executive.
5. Represent the Committee Executive on one or more Sub-committee and/ or Working Groups, as required.
6. Responsible for chairing the Education / Awareness Sub-committee and reporting to the Executive.
7. Review Terms of Reference for the Education / Awareness Sub-committee on an annual basis and be responsible for the budgetary function of the Education / Awareness Committee.

Operations Sub-committee Chair Responsibilities:

1. In the absence of the Education / Awareness Sub-committee Chair, assume and perform all duties of the Education / Awareness Sub-committee Chair.
2. Have such other powers and duties as prescribed by the Executive Chair and/or the General Membership.

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3. Participate in covering a resigned Executive's duties until a new Executive member can be elected.
4. Assist in the budgetary functions of the Committee along with other members of the Executive.
5. Represent the Committee Executive on one or more Sub-committee and/ or Working Groups, as required.
6. Responsible for chairing the Operations Sub-committee and reporting to the Executive.
7. Review Terms of Reference for the Operations Sub-committee on an annual basis and be responsible for the budgetary function of the Operations Sub-committee.

Past Chair Responsibilities:

1. In the absence of the Operations Sub-committee Chair, assume and perform all duties of the Operations Sub-committee Chair.
2. Have such other powers and duties as prescribed by the Executive Chair and/or the General Membership.
3. Participate in covering a resigned Executive's duties until a new Executive member can be elected.
4. Assist in the budgetary functions of the Committee along with other members of the Executive.
5. Represent the Committee Executive on one or more Sub-committees and / or Working Groups, as required.

Administrative Manager:

1. Gather, analyse and report data for light, medium, heavy and synthetic oil and condensate from each gathering and feeder pipeline in western Canada.
2. Gather, analyse and report disposition data for light, medium, heavy and synthetic oil and condensate from each gathering and feeder pipeline in western Canada.
3. Collect information related to pipeline capability and throughput levels.

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4. Gather, analyse and report forecast and actual delivery data by crude category (light, medium, heavy, synthetic and condensate) and input destination/distribution (Alberta and other western Canadian Refineries, Enbridge, Express, Trans Mountain, Rangeland, Milk River and Keystone).
5. Gather, analyse and report each facility operator's explanation of the variance between the initial nomination and actual shipments in periods of apportionment where material variances occur.
6. Pending approval, collect information related to rail capabilities and throughput levels.
7. Prepare a report to the Committee Executive and to the General Membership, as directed, a tabulation of the receipt and disposition data by pipeline and by crude category, a tabulation of the updated gathering and feeder pipeline notices of shipment, the forecast versus actual comparisons, and provide commentary on the statistical data.
8. Maintain appropriate communication with regulatory agencies.
9. Prepare and publish the annual calendar.
10. Publish any necessary updates to the COLC documentation.
11. Record and distribute notes on all material discussions at Committee meetings.
12. Notify Committee members of meetings as per the annual calendar.
13. Preside over all meetings of the General Membership.
14. Maintain current Committee membership lists.
15. Work as a facilitator with the gathering and feeder pipelines, trunk lines, shippers and producers to ensure the logistical procedures are being followed consistently by all parties.

CAPP Executive Representative

The Representative will provide bidirectional communication between the Committee Executive and CAPP membership. The CAPP Executive Representative is a voting member of the Executive.

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VOTING PROCEDURES

Each Committee member shall have the right and the responsibility to cast a ballot on any issue brought forward by the Executive for General Membership decision. Each ballot, except for Executive Election Ballots, shall have the option to support or to reject a proposed item, and a third option, to abstain. Executive Election Ballots shall list all candidates and require a vote for one to three of the candidates.

General Voting

1. A Committee member may submit an Absentee Vote prior to the vote for items presented at meetings of the Committee.
2. A company and its affiliates will have only one vote.
3. The Producer Association representative (CAPP) has a vote that is exclusive from the other company votes.
4. Non-voting membership are Government Agencies, such as the Alberta Energy Regulator ("AER"), Saskatchewan Ministry of Economy ("SME"), and the National Energy Board ("NEB").

Membership Voting

5. Unless otherwise stated a simple majority vote of Committee member companies, present or represented by Absentee Vote, is required to approve Committee Business Decisions of the General Membership.

Charter and Procedures Voting

6. A majority vote of 75% of the Committee member companies, present or represented by Absentee Vote at a General Membership meeting, is required to approve changes to the industry's revised forecasting Procedures or the Crude Oil Logistics Committee Charter of Operations.

Sub-committee Voting

- 7a. Unless otherwise stated a simple majority vote of Sub-Committee members, present or represented by Absentee Vote is required to approve Sub-Committee Business Decisions.
- 7b. All Sub-Committee final voted upon Business Decisions will be brought forward

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as recommendations to the Executive. These recommendations will be brought forward to the General Membership for final vote and or outcomes as is in accordance with these voting procedures.

Executive Voting

- 8a. Unless otherwise stated a simple majority vote of the Executive is required to approve Executive Business Decisions.
- 8b. At minimum all Executive votes will include an odd number of Executive members with the Executive numbering being greater than one (1).

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Appendices

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Appendix A

Glossary of Terms

<i>APMC</i>	Alberta Petroleum Marketing Commission is the crude oil marketing arm of the Alberta Department of Energy.
<i>AER</i>	Alberta Energy Regulator. An agency of the Alberta Department of Energy that regulates both aspects of production and pipeline transportation of crude oil and condensate.
<i>Absentee Vote</i>	A vote cast by a Committee Member who is unable to attend a General Membership meeting and/or request to vote on a Business Decision. This must be delivered in writing to the Executive Chair and/or Administrative Manager, by the Committee member, at or before any Working Group or General Membership meeting.
<i>Business Decision</i>	Relates to all decisions except for those decisions regarding the Charter of Operations and Forecasting Procedures..
<i>CAPP</i>	Canadian Association of Petroleum Producers is an industry association representing oil and gas producers and integrated energy companies.
<i>Cleaning Plant</i>	Third party operated plant that removes water and other contaminants from crude oil. Called <i>Custom Treater</i> in Alberta.
<i>Committee</i>	Crude Oil Logistics Committee. Formed by industry for the purpose of establishing generally accepted guidelines in managing the logistics for crude oil and condensate from battery gate to trunk line or local market.
<i>Contractor</i>	An incorporated individual or a company hired to provide specified Committee Administrative management services.
<i>Custom Treater</i>	Third party operated plant that removes water and other contaminants from crude oil. Called <i>Cleaning Plant</i> in all jurisdictions except Alberta.
<i>Delivery Battery</i>	Location from which clean marketable quality crude oil or segregated condensate is delivered to a pipeline or clean oil

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truck terminal for furtherance to market.

<i>Disposition</i>	Delivery from a transportation facility of clean marketable quality crude oil or segregated condensate.
<i>EPAC</i>	Explorers and Producers Association of Canada is an industry association representing oil and gas producers and integrated energy companies.
<i>Feeder Pipeline</i>	Pipeline that delivers crude oil and/or condensate to a local market, to a <i>Pipeline Terminal</i> connected to <i>Trunk Line</i> or to a <i>Trunk Line</i> .
<i>Form 'A'</i>	A document reflecting the forecast of clean marketable quality crude oil or segregated condensate, prepared by the <i>Delivery Battery</i> operator and combined and moved forward by each downstream facility operator. Reports the volume that the operator expects to deliver to a downstream facility in a specified month along with projected <i>Shipper</i> ownership splits.
<i>Gas Plant</i>	A facility at which marketable quality segregated condensate is extracted from natural gas liquids and is delivered to a pipeline or a truck terminal connected to a pipeline for furtherance to market.
<i>Gathering Pipeline</i>	Pipeline that delivers crude oil and/or condensate to a <i>Feeder Pipeline</i> .
<i>ITC</i>	Industry Technical Committee is the industry body that has the final approval on all budgetary submissions from the COLC.
<i>NEB</i>	National Energy Board is a federal agency that regulates international and interprovincial pipelines and related facilities.
<i>Pipeline Terminal</i>	Facility for storing and transferring crude oil and/or condensate between pipelines.
<i>Producer</i>	Company owning facilities for recovery of crude oil and or condensate.
<i>Producer Associations</i>	Associations such as <i>CAPP</i> and <i>EPAC</i> .
<i>Receipt</i>	Volume delivered into a transportation facility of clean marketable quality crude oil or segregated condensate.

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<i>Regulatory Agencies</i>	Government segments responsible for creating and enforcing approved operating criteria for the production and/or transportation of energy resources.
<i>SME</i>	Saskatchewan Ministry of Economy is the regulator for energy resources production and transportation in Saskatchewan.
<i>Shipper</i>	A company that owns clean marketable crude oil and/or segregated condensate as it enters and/or leaves a pipeline.
<i>Sub-committee</i>	A standing committee of representatives from the general membership and Executive that are assigned tasks based on their definition. As noted in Committee Structure.
<i>Term of Reference</i>	Describes the objective, structure, principles, roles & responsibilities, meeting schedule, and milestones of the project(s) in either the Education Sub-committee or Operations Sub-committee.
<i>Truck Terminal</i>	Facility for storing and transferring crude oil and/or condensate between trucks and pipelines.
<i>Trunk Line</i>	Pipeline that transports crude oil and/or condensate from feeder pipelines, pipeline terminals and/or refineries to downstream markets.
<i>Working Group</i>	Committees that are developed for a specific term and task.

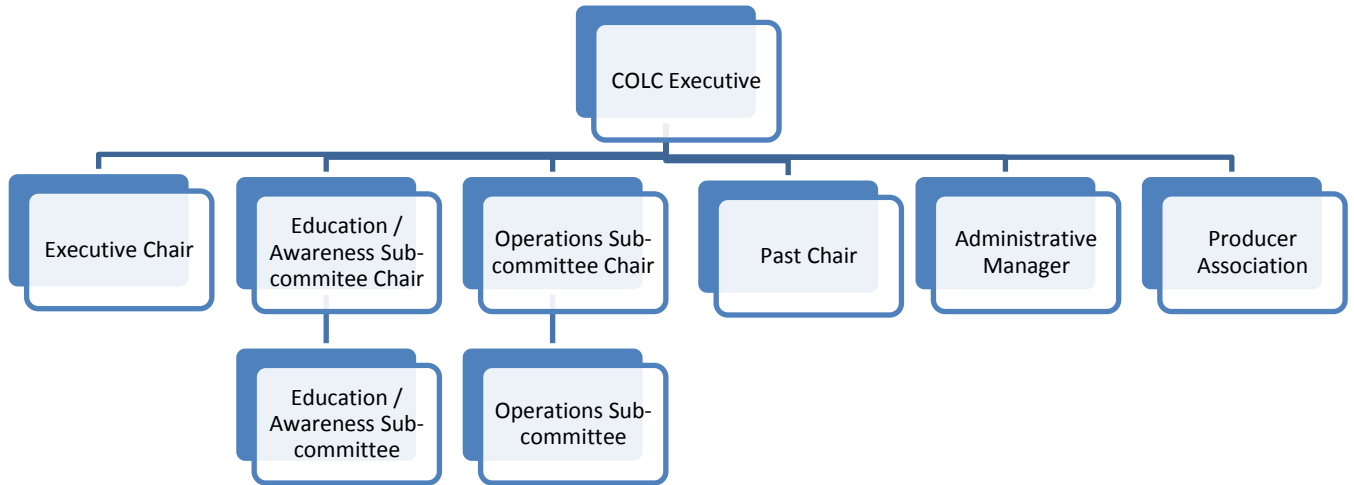
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Appendix B

COMMITTEE STRUCTURE

EXECUTIVE



GENERAL MEMBERSHIP

<p>Delivery Battery Operators; Segregated Condensate Gas Plant Operators; Heavy and Synthetic Production Project Operators; Upgrader Operators; Shippers</p>	<p>Pipelines, Truck and Pipeline Terminal Operators</p>	<p>Producer Associations CAPP and EPAC</p>	<p>Regulators / Government AER, SME and NEB (non-voting) APMC (voting)</p>
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