

**DENBURY GREEN PIPELINE – TEXAS, LLC**

**LOCAL TARIFF**

**CONTAINING RATES AND RULES GOVERNING**

**THE TRANSPORTATION OF**

**CARBON DIOXIDE**

**BY**

**Filed on:**  
Mar 20 2024  
Gas Services Department  
Railroad Commission of Texas

**Denbury Green Pipeline – Texas, LLC**

| <b>From:</b>   | <b>To:</b>   | <b>Uncommitted Shipper Rate in Dollars per Metric Ton</b> |
|--|--|---|
| [N] Any Origination Point on the Pipeline within Texas | [N] Any Destination Point on the Pipeline within Texas | [N] \$12.72   |

The Uncommitted Shipper Transportation Rate set forth above shall remain in effect until changed by Carrier. Shippers shall be notified of any such change by a supplemental transportation rate sheet which shall specify a new rate and the effective date thereof. Such supplemental transportation rate sheet shall be attached to and become a part of the contract between Carrier and Shippers.

The rate named in this transportation rate sheet is for the transportation of Carbon Dioxide by pipeline, subject to the rules and regulations published herein.

**EFFECTIVE DATE: April 1, 2024**

P-5 ID: 215337; T-4 Number: T07737

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## Denbury Green Pipeline – Texas, LLC General Rules and Regulations

1. **DEFINITIONS:** As used in these rules and regulations, the following terms have the following meanings:

“**Carbon Dioxide**” and “**CO<sub>2</sub>**” each mean a substance primarily composed of molecules containing one atom of carbon and two atoms of oxygen. “Carbon Dioxide” and “CO<sub>2</sub>” include natural-sourced and anthropogenic-sourced streams.

“**Carrier**” means Denbury Green Pipeline – Texas, LLC.

“**MT**” means metric tons.

“**Nomination**” means an offer by a Shipper to the Carrier of a stated quantity of CO<sub>2</sub> for transportation in the Pipeline from a specified origination point or origination points to a specified destination point or destination points in accordance with the terms of this tariff.

“**Pipeline**” means the 24” diameter mainline pipeline for the transportation of Carbon Dioxide with a point of origin at the Louisiana/Texas state line in the Sabine River in Orange County, Texas and a terminus point at the West Hastings Field in Brazoria County, Texas.

“**Shipper**” means any party nominating and thereafter actually delivering CO<sub>2</sub>, including anthropogenic CO<sub>2</sub>, for transportation by Carrier in accordance with the terms of this tariff.

2. **SPECIFICATIONS:** Carrier may refuse to accept for transportation gas not meeting the specification for CO<sub>2</sub> which follow (collectively, the “**Quality Specification**”):

- (a) Carbon Dioxide. No less than 97% by volume.
- (b) Hydrogen Sulfide. Less than 10 ppm by volume.
- (c) Total Sulfur. Less than 20 ppm by volume.
- (d) Methane (C1). Less than 3% by volume.
- (e) Ethane plus (C2+). Less than 0.50% by volume.
- (f) Oxygen. Less than 10 ppm by volume.
- (g) Glycol. Less than 0.3 gallons per MMCF and at no time shall glycol be present in a liquid state at temperature and pressure conditions of the pipeline.
- (h) Carbon Monoxide. Less than 1,000 ppm by volume.
- (i) NO<sub>x</sub>. Less than 10 ppm by volume.
- (j) SO<sub>x</sub>. Less than 10 ppm by volume.
- (k) Amines. Less than 10 ppm by volume.
- (l) Hydrogen. Less than 1.0% by volume.
- (m) Ammonia. Less than 10 ppm by volume.
- (n) Combined Nitrogen and Argon. Less than 0.5% by volume.

- (o) Liquids. CO<sub>2</sub> shall be free of liquids at delivery conditions and shall not produce condensed liquids in the pipeline at pipeline pressure and temperature.
- (p) Compressor Lube Oil Carry Over. Not more than 50 ppm by weight and shall not cause fouling of pipeline, pipeline equipment downstream systems or reservoirs.
- (q) Water Vapor. Less than 210 ppm by volume.
- (r) Temperature. Maximum of 100 degrees Fahrenheit. Minimum of 50 degrees Fahrenheit.
- (s) Delivery Pressure. Carbon Dioxide shall be delivered at a pressure sufficient to enter the Pipeline at its then-current operating pressure, but not to exceed the MOP (2,220 Psig as of the Effective Date).
- (t) Impurities Deleterious to Pipeline, Equipment, Downstream Systems or Reservoirs. In addition to compositional limits listed above, Carbon Dioxide shall not contain impurities deleterious to Carrier's, its affiliates' or any other person's pipeline, equipment, downstream systems, or reservoirs. Impurities not listed here should be brought to the attention of Carrier for further evaluation.

Potential for Future Revisions to Quality Specification. Carrier may amend or otherwise modify the Quality Specification set forth on this Section 2 in order to comply with any changes in applicable law or regulations following the Effective Date or if Carrier determines that validated research data confirms that the specifications do not sufficiently mitigate the risks of transporting Carbon Dioxide. Carrier shall amend this tariff as soon as practicable after making such determination.

Notwithstanding the foregoing, Shipper shall not offer for shipment any CO<sub>2</sub> that does not meet the Quality Specification without Carrier's prior approval.

3. **MINIMUM NOMINATION:** A Shipper desiring to tender CO<sub>2</sub> for transportation on the Pipeline in a given calendar month shall submit a Nomination to Carrier in writing prior to the start of such month on forms which will be supplied by Carrier upon request and pursuant to Section 13 below. Such Nomination shall be for a quantity of CO<sub>2</sub> of not less than 33,333 metric tons per month.
4. **TSA SHIPPER FIRM COMMITMENTS:** Preferential firm commitment volume pricing may be available subject to the execution of a mutually agreeable Transportation Services Agreement with the Carrier.
5. **RECEIPT, DELIVERY, QUALITY, AND LEGALITY OF SHIPMENTS OFFERED:** CO<sub>2</sub> offered for transportation will be received into the Pipeline only on the condition that:
  - a. CO<sub>2</sub> offered for shipment conforms to the Quality Specification;
  - b. Shipper has provided for transportation in Carrier's Pipeline a quantity of not less than the minimum Nomination described in Paragraph 3, above, in one continuous movement;
  - c. Shipper has provided facilities at the origination point for delivering CO<sub>2</sub> to Carrier at pressures, temperatures, and flow rates satisfactory to Carrier;
  - d. Shipper or the party receiving shipments has made necessary arrangements for accepting delivery of shipments of CO<sub>2</sub> promptly on arrival at the destination point(s), at rates and pressures satisfactory to Carrier; and
  - e. Shipper and the party receiving shipments (if different from Shipper) has complied with all applicable laws, rules, regulations made by any governmental authorities regulating shipments of CO<sub>2</sub>.
6. **IDENTITY OF SHIPMENTS:** All CO<sub>2</sub> transported through the Pipeline will be commingled by Carrier and shall be subject to such changes in quality and other characteristics as may result from such commingling. No Shipper shall be entitled to receive the identical CO<sub>2</sub> tendered or delivered by Shipper to Carrier. Delivery by Carrier to Shipper or its consignee shall be out of the common stock of Carrier's CO<sub>2</sub> stream.

7. **APPLICATION OF RATES:** CO<sub>2</sub> accepted for transportation shall be charged the rates in effect on the date of receipt by Carrier, irrespective of the rates in effect on the date of Nomination.
8. **LIABILITY OF CARRIER:** Carrier shall not be liable for any loss of CO<sub>2</sub>, damage thereto or delay in delivery of CO<sub>2</sub>, caused by fire, explosion, storm, flood, epidemics, act of God, riots, strikes, insurrection, rebellion, war, act of the public enemy, quarantine, the authority of law, or from any other cause not due to the gross negligence of Carrier. In case of loss of any CO<sub>2</sub> from any such causes, after it has been received for transportation at the origination point and before the same has been delivered to the party receiving shipments at the destination point, Shipper shall bear any loss in such proportion as the amount of its shipment, already delivered to Carrier, relative to all of the CO<sub>2</sub> then in the custody of Carrier, for shipment via the lines or other facilities in which the loss or damage occurs, and the Shipper shall be entitled to have delivered only such portion of his shipment as may remain after deduction of his due portion of such loss. In addition, Carrier shall not be responsible for any special, indirect, consequential or punitive damages in connection with a loss of CO<sub>2</sub> in the Pipeline.
7. **CO<sub>2</sub> INVOLVED IN TITLE DISPUTE:** Carrier may, in its sole discretion, reject any CO<sub>2</sub>, when tendered for transportation by Shipper, which may be involved in litigation, the title of which may be in dispute, or which may be encumbered by a lien or charge of any kind (except for liens for borrowed money or arising under applicable law), and Carrier may require of Shipper either (i) satisfactory evidence of Shipper's good and marketable and unencumbered title (other than any lien created under any obligation of Shipper for borrowed money or any applicable law), or (ii) a satisfactory indemnity bond to protect Carrier.
8. **PAYMENT OF TRANSPORTATION CHARGES:** The Shipper shall pay, as provided below, all applicable transportation and other charges accruing on CO<sub>2</sub> delivered to and accepted by Carrier for shipment on the Pipeline.

All payments are due within 10 days of receipt of the invoice, unless the Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory, in which case the payment due date shall be that specified in a written notice to the Shipper.

If any charge remains unpaid after the due date specified in Carrier's invoice, then such amount due shall bear interest from the day after the due date until paid, calculated at an annual rate equivalent to the lesser of (1) 125% of the prime rate of interest, as of the date of Carrier's invoice, charged by the Citibank N.A. of New York, New York, for ninety (90) day loans made to substantial and responsible commercial borrowers, or (2) the maximum rate allowed by law. In addition Shipper shall pay all documented costs incurred by Carrier to collect any unpaid amounts.

In the event Shipper fails to pay any such charges when due, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide transportation services pursuant to this tariff until such time as payment is received by Carrier and Shipper meets the requirements of the following paragraph. In addition, in the event Shipper fails to pay any such charges when due, Carrier shall have the right to setoff such amounts owed and future amounts owed against those amounts Carrier owes Shipper.

If Shipper fails to pay an invoice by the due date, in addition to any other remedies under this tariff or under applicable law, Carrier shall have the right, either directly or through an agent, to sell at a private sale any and all CO<sub>2</sub> of such Shipper in its custody at fair market value at the time of sale. The proceeds of any sale shall be applied to any arrears owed by Shipper to Carrier in the following order: (A) To the reasonable expenses of holding, preparing for sale, selling, and to the extent allowed by law, reasonable attorney's fees and legal expenses incurred by Carrier; and (B) To the satisfaction of the Shipper's indebtedness including interest herein provided from the date payment is due. The remaining balance of the proceeds of the sale after fulfillment of (A) and (B) in the immediately preceding sentence, if any, shall be paid to Shipper or, if there is a dispute or claim as to entitlement, held for whoever may be lawfully entitled thereto.

9. **CREDITWORTHINESS; LIEN ON CO<sub>2</sub>:** In the event Carrier determines in a manner not unreasonably discriminatory that the financial condition of Shipper or Shipper's guarantor (if any) is or has become impaired or unsatisfactory or Carrier determines in a manner not unreasonably discriminatory it is necessary to obtain security from Shipper, Carrier, upon notice to Shipper, may require any of the following prior to Carrier's acceptance of Shipper's CO<sub>2</sub>: (1) prepayment of all charges, (2) a letter of credit at

Shipper's expense in favor of Carrier in an amount sufficient to ensure payment of all such charges and, in a form, and from an institution acceptable to Carrier, or (3) a guaranty in an amount sufficient to ensure payment of all such charges and in a form and from a guarantor acceptable to Carrier. In the event Shipper fails to comply with any such requirement on or before the date supplied in Carrier's notice to Shipper, Carrier shall not be obligated to provide Shipper access to Carrier's facilities or provide transportation services pursuant to this tariff until such time that the requirement is fully met.

Carrier shall have a lien on all CO<sub>2</sub> delivered to Carrier to secure the payment of any and all transportation and other charges that are owed Carrier. Such lien shall survive delivery of CO<sub>2</sub> to Shipper or other party receiving such CO<sub>2</sub> at the destination point. Such lien shall extend to all CO<sub>2</sub> in Carrier's possession beginning with Shipper's first receipt of transportation services from Carrier. The lien provided herein shall be in addition to any lien or security interest provided by statute or applicable law. Carrier may withhold delivery to Shipper of any of Shipper's CO<sub>2</sub> in its possession and exercise any other rights and remedies granted under this tariff or existing under applicable law until all such charges have been paid as provided above.

10. **MEASUREMENT AND TESTING:** Carrier shall install and maintain all quality testing equipment to ensure quality integrity of the Carbon Dioxide stream. Quantities will be measured by Carrier at time of receipt and delivery. Carrier may, but shall not be required to, sample and/or test any shipment. Carrier reserves the right to reject any shipment if, in the Carrier's sole opinion, that shipment fails to conform to the Quality Specification. Shipper will bear any and all losses in CO<sub>2</sub> mass due to transportation from the origination point to the destination point, with the exception of losses due to Carrier's gross negligence, and such losses will be prorated among all Shippers on a monthly basis, taking into effect any prior month's losses.
11. **EVIDENCE OF RECEIPTS AND DELIVERIES:** CO<sub>2</sub> received from or delivered to Shipper or any consignee shall, in each instance, be documented by Carrier based upon the measurement methods described above. Unless waived or disputed, such documents shall be conclusive evidence of the CO<sub>2</sub> received or the CO<sub>2</sub> delivered, as the case may be.
12. **LINE FILL INVENTORY:** Either prior to or after the acceptance of CO<sub>2</sub> for transportation through the Pipeline, Carrier may, upon reasonable notice, require each Shipper to provide a pro rata part of the volume of CO<sub>2</sub> necessary for pipeline fill and reasonable additional minimum quantities required for the efficient operation of the Pipeline. CO<sub>2</sub> provided by a Shipper for this purpose may be withdrawn after reasonable written notice of Shipper's intention to discontinue shipment in the system pursuant to this tariff. Carrier may require advance payment of final transportation charges and settlement of any unpaid accounts receivable before final delivery will be made.
13. **NOMINATIONS REQUIRED:** On or before the twenty-fifth day of the calendar month preceding the calendar month during which the transportation under the Nomination is to begin, Shipper shall furnish to Carrier in writing a Nomination identifying the origination point(s) at which the CO<sub>2</sub> will be delivered into the Pipeline and the destination point(s) at which the CO<sub>2</sub> will be delivered off of the Pipeline. If space is available for current shipment, Carrier will provide notice that Shipper may nominate in writing CO<sub>2</sub> for transportation after the twenty-fifth day of the month during which the transportation under the Nomination is to begin. Shipper shall not make any Nominations in excess of its ability to receive the nominated volume at a destination Point upon delivery of same by Carrier to Shipper.
14. **APPORTIONMENT:** When, pursuant to Nominations under this tariff, there shall be offered to Carrier for shipment in a month more CO<sub>2</sub> than can be transported by Carrier in such month, the transportation shall be apportioned equitably among all Shippers under this tariff in such quantities and at such times to the limit of the Pipeline nameplate capacity so as to avoid discrimination among Shippers under this tariff. Carrier will not recognize for apportionment purposes any Nomination by a Shipper which exceeds Carrier's pipeline capacity. When such apportionment becomes necessary, it shall be performed in accordance with Carrier's "Proration Procedure, "CO<sub>2</sub> Pipeline Systems", any supplements thereto and reissues thereof, all of which are available from Carrier upon request.
15. **NOTICE OF CLAIMS:** Notice of claims for loss, damage, or delay in connection with shipments must be made in writing to Carrier within ninety-one (91) days after such shall have accrued, or in case of failure to make delivery, within ninety-one (91) days after delivery should have been made to Shipper or Shipper's consignee.

16. **FORECASTS:** Shipper shall furnish to Carrier by October 15 of each year its forecast of the quantities of CO<sub>2</sub> it expects to ship during each month of the next succeeding calendar year.

Explanation of Reference Marks:

[N] New Change