

integrity



connectivity



reliability

CRIMSON PIPELINE



Crimson Pipeline—

An Integral and Reliable Operator in California's Oil Pipeline Network

Established in 2005, Crimson Pipeline (Crimson) is a privately-held company focused on acquiring, upgrading and operating existing crude oil pipelines.

Crimson safely operates approximately 700 miles of pipeline, traversing 39 cities and four counties in Southern California. These pipelines move crude oil that is the foundation for many products crucial to everyday life, including fuel for cars and heating oil for homes.

The leadership at Crimson has years of experience in the crude oil shipping field and their extensive expertise creates a solid foundation for a successful business.

Also critical to the company's success, Crimson operates with the highest standards and principles—the company culture emphasizes the importance of operating with **integrity**, providing **connectivity** and ensuring **reliability**.

providing jobs

Through its local and corporate offices, **the company generates an estimated 200 direct and indirect jobs**, including engineers, construction personnel, regulatory and safety specialists, inspectors, consultants and others.

local presence

Crimson Maintains Offices in:

- ▶ Long Beach, CA
- ▶ Santa Paula, CA
- ▶ Bakersfield, CA
(Site of the State-of-the-Art 24-Hour Pipeline Control Center)
- ▶ Houma, LA
- ▶ Denver, CO
(Corporate Headquarters)



the network

The California Crimson pipeline network, which traverses approximately **700 miles**, is comprised of **19 pipeline systems** connected to nearly every local crude oil production site and six Los Angeles area refineries. Active operations are located in Ventura, Los Angeles, Orange and Kern counties.



Crimson is Focused on One Thing— **Shipping Crude Oil Safely and Effectively**

As a midstream carrier, Crimson is focused on moving crude oil from production fields to Southern California refineries; this specialization allows the company to ensure it provides its customers the best service and conduct its operations safely and efficiently.

Over the years, the company has acquired numerous assets and has successfully integrated them into its network, building a more reliable, strategic network.

Through this network, Crimson touches a vast majority of the local, domestically produced oil and keeps it moving through the system, lessening the need for imports. The company is responsible for safely transporting approximately 100,000 barrels of crude oil per day in California.

the oil pipeline industry

The most widely used means of transporting crude oil:

- ▶ Pipelines carry more crude and refined oil products than any other mode of transportation—almost 70% of domestic shipments are moved via pipelines.

The most feasible means of transporting crude oil:

- ▶ Replacing just one pipeline that moves 150,000 barrels of oil per day would require 750 tanker truck loads per day, a load delivered every two minutes around the clock.

Oil Pipelines Help Provide Energy Resources to Support Our Daily Lives

Crude oil, also referred to as petroleum, is a vital resource.

When refined and processed, crude oil provides the energy resources for many of the products we use on a daily basis in our modern society. Most of us think of fuel for our cars when we think of oil, but it also serves as the basis for many other products essential to our lives, like plastics and heating oil for our homes.

Each day, the United States uses billions of gallons of crude oil. While many forms of transportation are used to move crude oil to marketplaces, pipelines remain the safest, most efficient and economical way to move this natural resource.

This is especially important because often times crude oil is produced in areas far away from major marketplaces where population and manufacturing centers are located. Pipelines permit the movement of large quantities of crude oil and product to these areas with little or no disruption to communities.

A Safe & Reliable Operations System

One of the factors that make Crimson successful, including its excellent safety record, is its use of innovation. The leadership at Crimson has taken advantage of the technology and automation available to create and continually upgrade a state-of-the-art operations system. Crimson's system ensures it can respond to market demands or incidents quickly and decisively.

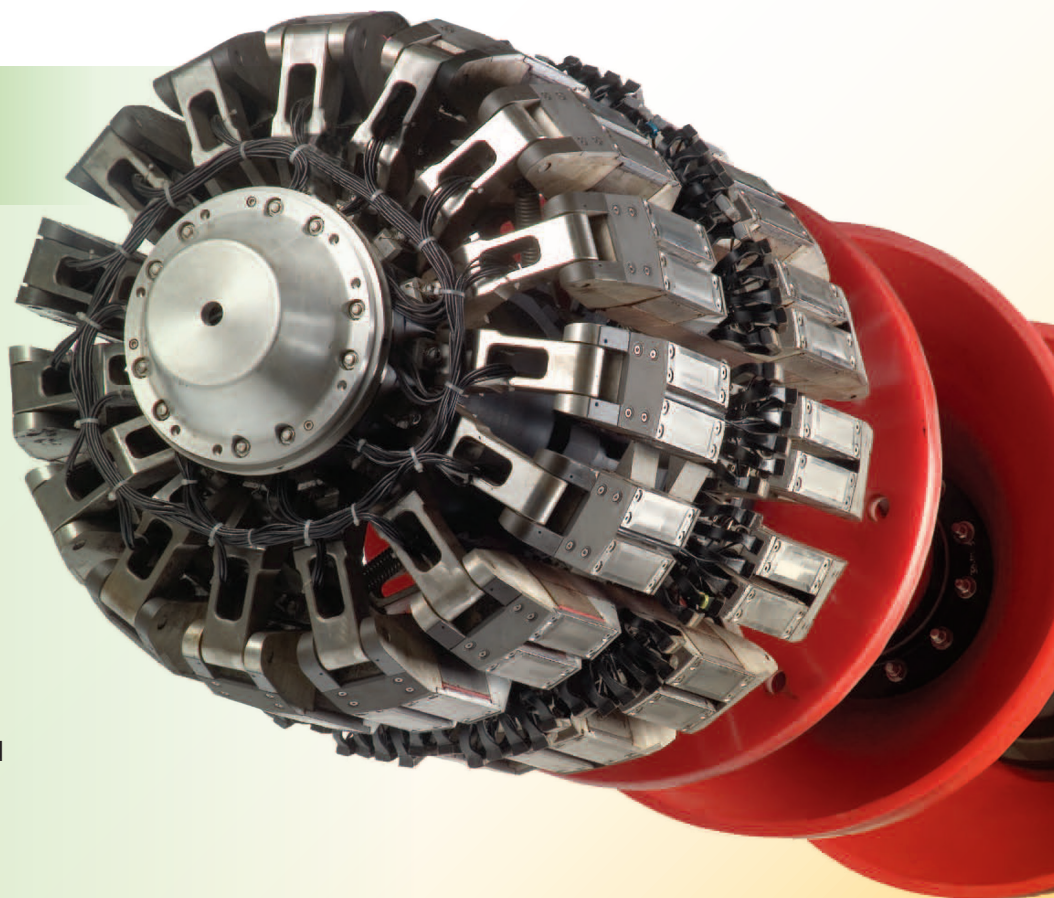
While Crimson takes every preventative measure to avoid incidents, Crimson's operations system allows team members to remotely monitor and control all of the company's pumps, tanks and pipeline systems, and respond to any unusual occurrence. In addition, the pipeline surveillance conducted by the company includes two forms of leak detection.

The top-of-the-line technology allows Crimson real-time control and the ability to immediately shut down any line where an irregularity has been detected.

Overall, Crimson's operations system facilitates a proactive, flexible and nimble approach to doing business, allowing the company to be responsive to events, its customers, the market and the industry.

"smart pigs" are smart technology

- ▶ Smart pigs are electronic robots used to internally inspect the integrity of the pipelines.
- ▶ They are inserted into the pipeline and are pushed along by the flowing product, surveying the pipelines and collecting data on any potential dents, cracks or other issues.
- ▶ Smart pigs are crucial for inspection of underground pipelines, which are not visible and may not be easily accessed.





Preventing Damage to Pipelines

Excavation, planting, demolition and other forms of digging are major causes of pipeline damage. In recent years, more than a third of significant incidents involving oil pipelines have been caused by third party damage.

That is why Crimson works year-round to raise public awareness about the 811 or Dig Alert service to prevent such incidents. **The 811 program urges the public and third party contractors to use the free service to locate pipelines before digging in order to prevent inadvertent pipe damage, as well as injury or property damage.**

Pipelines are located everywhere, including under streets or sidewalks, or in the front or back yards of private residences, sometimes just inches below the surface. An underground utility line is damaged every eight minutes because someone decided to dig without first calling 811. That is why it is crucial pipelines are marked before a project that involves any type of digging begins.

Top Priorities for Crimson Safety & Regulatory Compliance

Safety and regulatory compliance are the driving forces behind Crimson's operations and day-to-day business. As such, the company consistently meets or exceeds all local, state and federal regulations.

The oil industry is one of California's and the United States' most heavily-regulated industries. In California, Crimson's operations are overseen by the:

- ▶ **California Public Utilities Commission**
- ▶ **California State Fire Marshall**
- ▶ **California Department of Fish and Wildlife**
- ▶ **U.S. Department of Transportation—Pipeline and Hazardous Materials Safety Administration**

While pipelines are the safest way to transport crude oil, Crimson is committed to continually working with all regulators to improve operations and keep pipelines safe.







The safety of the public and employees, the environment, and property is the company's number one priority. The leadership and all employees at Crimson are committed to not only carrying out their safety policies and programs, but also to making safety a part of their culture, ensuring the safest possible operations of the company's pipelines.



811/dig alert details:

- ▶ Dig Alert can be reached from anywhere in the country by dialing 811 between 6 a.m. and 7 p.m., Monday through Friday (excluding holidays).
- ▶ An operator will collect all of the necessary information and coordinate with utility companies to mark the locations of underground pipelines at a dig site.
- ▶ Businesses and homeowners should call Dig Alert at least two business days prior to digging.
- ▶ **The service is free.**
- ▶ For more information, visit www.call811.com



Crimson Pipeline— An Important Member of the Business Community & Oil Industry

Since beginning operations, Crimson has acquired numerous existing pipelines and built a well-connected, reliable network for its customers and ultimately the consumer, while also creating jobs across Southern California.

Crimson has built a company that is shifting the market by creating interconnections that result in better service and

prices. And, Crimson continues to grow and expand both locally and beyond. In 2012, Crimson expanded its operation to the Gulf of Mexico with the acquisition of 500 miles of offshore pipelines.

Looking ahead, Crimson has a strategic vision to expand the marketplace in Southern California by creating new

interconnections and creating an even more effective network, giving customers new options, and ultimately providing better service to consumers.

However, even as Crimson grows and as the landscape of the oil industry changes, Crimson will remain focused on its core business—the safe and effective shipment of crude oil.



our top priority is to protect...

Dear Neighbor,

As we conduct our business and continue to grow, Crimson is committed to the safe operation of our pipelines.

Our top priority is to protect the communities, the environment, and, most importantly, the people that live near our pipelines.

Please contact our company if you ever have any questions or concerns.

Thank you.

Sincerely,

All of us at Crimson Pipeline



- ▶ **Emergency Number: 1-866-351-7473**
- ▶ **www.crimsonpl.com**



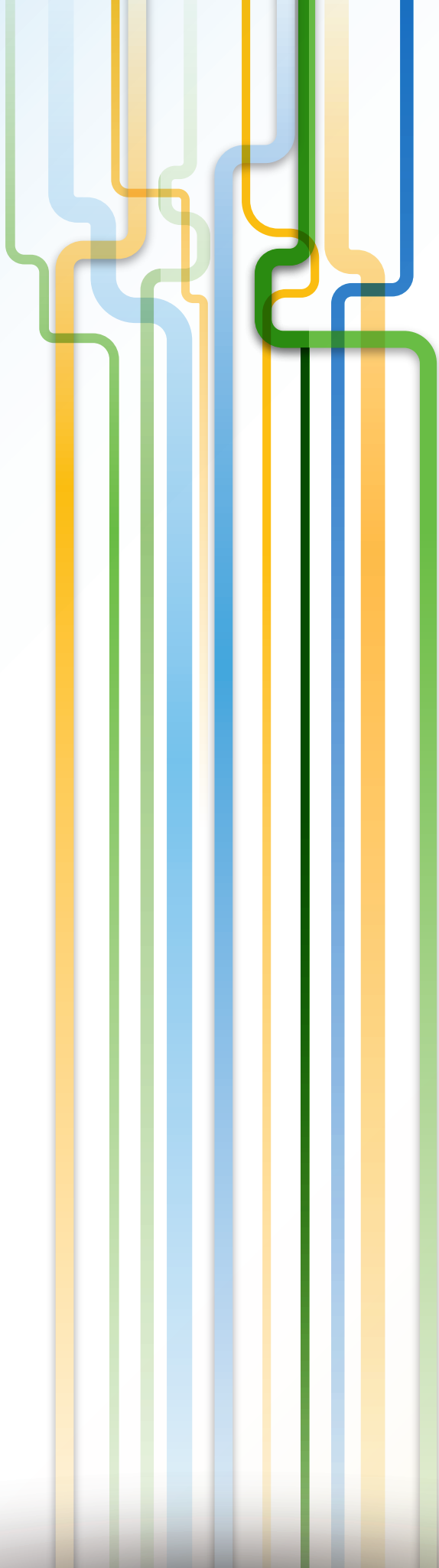
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INTEGRITY

CONNECTIVITY

RELIABILITY



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