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October 9, 2000

NEW TRUCK INSPECTION PROCESS

ALL BRANDED JOBBERS AND COMMERCIAL CARRIERS IN SALES EAST

Attached for your information and execution is a new Truck Loading Agreement which incorporates a few changes to the way we do business at our Chevron proprietary Terminals and Loading Racks. Most of those changes are contained in Exhibit A of the Agreement and include such things as eliminating certain models of overfill protection, requiring brake interlocks on all loading and vapor adapters, specific guidelines for allowing compartment capacity availability for emergency shutdowns, third party verification of all safety equipment, and spot checks for compliance.

Spot surveys and reviews over the past two years have shown us that a large majority of the trucks loading at our facilities have one or more safety issues, including many of our own trucks. We will be increasing inspections on our vehicles, and we believe that the best way to ensure the safety of all concerned is to have all other trucks inspected once a year by an outside shop or certified mechanic, probably in conjunction with your annual vapor tightness test. We are also requiring these same inspections of all commercial carriers that load at our facilities.

The Company and our customers have all worked hard to reduce the number of overfills, wet probes, and spills at our racks. The LPS culture that we have developed has also helped greatly, but it also indicates that smaller events can lead to larger ones very quickly. Any spill of product can lead to a major catastrophe for both you and us, and should therefore be avoided.

As shown in Exhibit A, some of the older style overfill devices do not have a high degree of reliability anymore. We have worked with EBW and they are willing to upgrade their units at a minimal cost. The spot checks will be on an infrequent basis and will usually be announced in advance so as not to disrupt your normal operation. Most checks will take 15-20 minutes.

The balance of the checks are designed to ensure the safety of your people as well as ours. Things such as internal bonding cables, splash deflectors, and removal of loose conductive objects all contribute to the elimination of potential static hazards from fuel handling. The brake interlocks avoid drivers pulling away while still connected to the rack, which has happened several times in the past year. The overfill probes in each compartment need to be set at the proper depth to allow time for an emergency shutdown should the probe be hit during loading.

So as you can see, all these systems are designed to work in concert with one another to keep everyone as safe as possible during loading. We appreciate your understanding and cooperation, and ask that you execute the enclosed documents and return to us in the enclosed envelope by 11/15/00. Please contact your local Terminal Manager if you have any questions.

Sincerely,

Peter Kump

Doug Gleason