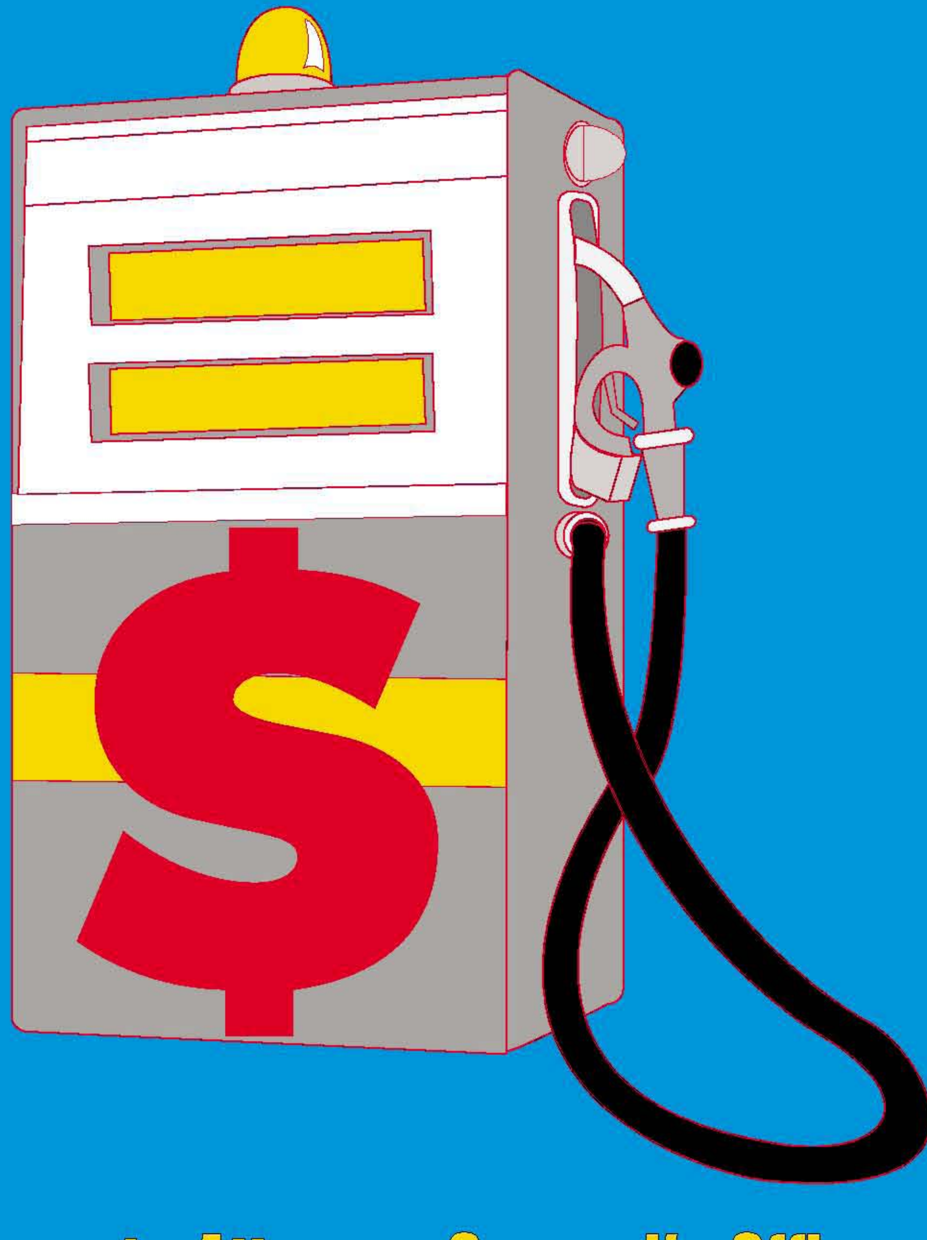
Minnesota's Gasoline Market



Minnesota Attorney General's Office

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EXECUTIVE SUMMARY

Prompted by complaints about opportunistic pricing following the terrorist attacks of September 11, 2001, the Attorney General's Office investigated whether illegal pricing activity had occurred in the gasoline market. The Office also examined market forces affecting gasoline prices, with a particular emphasis on the price spikes that occurred in Minnesota during the past two summers.

Following the terrorist attacks, retail stations posted dramatic price increases ranging up to $5.00 per gallon. While the public outcry regarding these increases was primarily directed at retailers, it appears that the retailers were responding to actions of certain gasoline suppliers.

Apart from September 11th-related activity, the investigation concluded that common industry explanations for high gasoline prices, such as refinery cleanings, pipeline and refinery outages and environmental regulations, do not adequately account for recent price fluctuations experienced in Minnesota. Rather, increasing concentration at the supplier level and integration throughout the distribution system have resulted in conditions that are susceptible to supplier manipulation of gasoline prices, particularly during times of shortage.

Minnesota's gasoline market is dominated by a handful of suppliers. Four refineries - Flint, Marathon Ashland, Murphy Oil and Tesoro - supply approximately 90 percent of the gasoline consumed in Minnesota. The gasoline market in this State can be characterized as concentrated at the supplier level.

The gasoline market in Minnesota and elsewhere is also becoming increasingly "vertically integrated," meaning that a single entity controls pieces at some or all levels of the distribution chain. Marathon Ashland, for example, owns one of two Minnesota refineries, is the largest jobber in the state, and owns and operates a considerable number of retails stations throughout the State. Vertical integration throughout the distribution chain becomes more problematic because of concentration at the supplier level, since markets controlled by a few vertically-integrated firms tend to have higher prices than markets with a larger independent presence at the marketing levels. Given concentration levels in Minnesota at the supplier level, vertical integration raises serious concerns.

Other areas of concern identified in the report include possible refiner manipulation of supply. As gasoline inventories fall, the market becomes increasingly susceptible to manipulation by suppliers. While it is uncertain whether refiners have actually manipulated supply in Minnesota to increase prices, some suppliers and refiners have engaged in questionable practices elsewhere which are consistent with manipulation. Another concern is the sharing of pricing information through the Oil Price Information Service, which enables suppliers to charge uniform prices. Of additional concern are supplier pricing practices known as zone pricing and redlining. Zone pricing occurs when an oil company bases its wholesale price on the geographic market where the gas will be sold, rather that on the cost of producing the gasoline. Redlining, a restriction imposed on the distribution of gasoline by suppliers, has also been criticized as resulting in higher prices than would otherwise exist.

The report identifies a number of options which should be considered to address the above concerns. Some of these options have been adopted or proposed in other states. These options include creating a State gasoline reserve; prohibiting the deliberate withholding of gasoline supply; restricting or eliminating vertical integration; giving incentives to encourage gasoline conservation; requiring expanded data reporting and data collection; and stopping further mergers and acquisitions in the oil industry.

GLOSSARY

Allocation: Refiner practice of distributing gasoline among its customers, including during times of reported shortage.

Branded Gasoline: Retail fuel sold under a brand name (e.g., Amoco, Conoco, Phillips).

Class of Trade: Various methods by which gasoline is sold to wholesale and retail customers. There are two main classes of trade in the gasoline industry: rack and dealer tank wagon. The rack class of trade generally refers to jobbers purchasing gasoline from major oil companies at a terminal location. Dealer tank wagon generally refers to the price of gasoline delivered to a gasoline retailer, and includes transportation costs.

Crude Oil: Unrefined petroleum used to make a variety of products including gasoline.

Crude Pipeline: A pipeline used to transport crude oil for refining into gasoline or other products.

DTW (Dealer Tank Wagon): Price of gasoline delivered to a retail outlet (includes transportation costs).

Exchange Agreement: Agreement between two petroleum refiners in which refined petroleum products are made available to one refiner in exchange for that refiner making available a like volume of refined petroleum products to the other refiner at some other location. Exchange agreements are often used to compensate for a refiner's lack of facilities in a particular geographic area.

Jobber: A company or a unit within an integrated company that distributes gasoline for resale, usually to a gasoline retail station. Many jobbers own and operate their own retail stations. Some jobbers buy the gas while others simply ship it.

OPIS (Oil Price Information Service): Oil price reporting service. OPIS tracks daily wholesale and retail gasoline prices.

Product Pipeline: Pipelines used to transport refined gasoline from refineries to terminals or other locations.

Rack Price: Price jobbers pay for gasoline purchased at the terminal. "Rack" refers to the web of terminal pipes and hoses which deliver refined gasoline into trucks at the terminal.

Redlining: Refiner practice of restricting jobbers from supplying retail locations within certain areas. This practice prevents jobbers from competing with refiners in areas they want to directly serve.

Refiner: Company that produces various products from crude oil, including gasoline, home heating oil, diesel fuel, and kerosene.

Reformulated Gasoline (RFG): Gasoline designed to reduce air toxins and volatile organic compound emissions (VOCs) by decreasing the amount of toxic compounds such as benzene, lowering the evaporation rate, and increasing the amount of oxygenate blended with the fuel. The Clean Air Act Amendments of 1990 required reformulated gasoline (RFG) to be used in nine major metropolitan areas of the United States with the worst ozone air pollution. In addition, the U.S. Environmental Protection Agency (EPA) expanded the RFG Program at the request of many state governors to allow areas with a history of ozone problems to voluntarily become part of the program. The RFG Program is federally implemented year-round in these areas as an emission reduction program to control ozone and air toxic emissions. The RFG Program began January 1, 1995. In the Midwest, Milwaukee and Chicago participate in the federal RFG program. Minnesota, although not participating in the RFG program, uses oxygenated gasoline statewide.

Spot Price: Petroleum price on the commodity market. Rack price is reportedly based on the spot price.

Supplier: Company that supplies various petroleum products, including gasoline, home heating oil, diesel fuel, and kerosene, to jobbers and retailers. Oftentimes the supplier is a refiner, although the supplier may also obtain finished petroleum products from another refiner via an exchange agreement.

Terminal: Storage facility for refined gasoline, typically supplied via pipeline. Jobbers purchase gasoline from a terminal at the rack price.

Unbranded Gasoline: Gasoline sold without a brand name.

Zone Pricing: Refiner practice of setting wholesale gasoline prices based on the geographic retail market in which the gas will be sold, rather than on the cost of producing the product. Oil companies say this enables them to better respond to competition. Critics of the practice say it is used as a tool to drive independent stations out of business.

PART I: SEPTEMBER 11, 2001: AN OLIGOPOLISTIC MARKET STRUCTURE REACTS TO ECONOMIC UNCERTAINTY

The actions of participants in Minnesota's gasoline market on September 11, 2001 dramatically illustrate the consequences of an oligopolistic economic structure. On the day of the terrorist attack, several retail stations began posting dramatic price increases, reported to range up to $5.00 per gallon.[1] While the public outcry was primarily directed at the retail level, it is apparent that the sources of the pricing activity were communications by suppliers at the bottleneck of the supply chain.

It appears that immediately after the attack, the vast majority of Minnesota suppliers sent private advisories to jobbers and retail stations that their wholesale prices would skyrocket or that their supply of gasoline would evaporate.[2] Having no other readily available source of gasoline, retail stations immediately began raising the posted price of gasoline. These sudden price increases caused other retailers to raise their prices and consumers to start hoarding gasoline. As long lines formed at gasoline stations charging what appeared to be opportunistic prices, the public reacted with outrage at the gasoline industry. In response, the suppliers issued statements that there was no shortage of fuel.[3]

For example, at 11:00 a.m. on September 11, 2001, Murphy Oil USA, Inc. ("Murphy Oil") raised its wholesale prices by 12¢ per gallon.[4] Yet, on September 12, 2001, a Murphy Oil manager stated that "there's no sound reason to suspect the nation's stock of fuel will be affected by [September 11th] events."[5]

Similarly, Marathon Ashland Petroleum, LLC ("Marathon Ashland") immediately announced a seven cent price increase for its branded jobbers and a 12¢ per gallon increase for unbranded gasoline.[6] Marathon Ashland further told retailers in confidential memos that it would restrict the supply of gas available to unbranded jobbers,[7] although it later decided not to do so. After public criticism

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[1] Exhibit 1, Rochester Post-Bulletin, *Rumors Prompt Hikes in Gas Prices*, September 15, 2001.
[2] *See, e.g.* Exhibits 2, 3, 4, 7, 9, 12 and 13.
[3] *See, e.g.* Exhibits 5, 8 and 10.
[4] Exhibit 9. Murphy later rescinded the increase (Exhibit 11).
[5] Exhibit 10, Duluth News-Tribune, *Terrorists Struck Economic Blow*, September 13, 2001, p. 05A.
[6] Exhibit 2.
[7] Exhibit 3.

during the ensuing panic, Marathon Ashland issued a statement berating retailers for raising prices, stating:

> Charging extraordinary high prices during such a national crisis disparages the name and reputation of our company and our brand ....[8]

Another example is Ultramar Diamond Shamrock Corp. ("Ultramar"), which sells gasoline under the "Total" brand, among others. On September 11, Ultramar immediately suspended all sales of unbranded gasoline and increased its wholesale price to branded customers by 10¢ per gallon.[9] The next day Ultramar issued a memo to its retailers stating:

> We have been contacted by state attorney generals [sic] and government officials who are concerned about the sudden increase in retail gasoline prices, most of which they consider unwarranted and unjust. Such price increases at a time of national disaster may be in violation of state laws .... This is a time to consider the best interests of our community and our country first .... [10]

Supplier activity on or about September 11, 2001 included the following actions which contributed to the panic:

Supplier	September 11th Activity
Flint Hills Resources, L.P. (f/k/a Koch Petroleum Group, L.P.)	Supplied only contracted customers and exchange partners and raised its prices seven cents per gallon. It was required by Wisconsin law[11] to wait until September 12 to raise its Wisconsin terminal prices, which it did by 15¢ per gallon. On September 12, Flint Hills Resources, L.P. ("Flint") lifted the

[8] Exhibit 5.
[9] Exhibit 7.
[10] Exhibit 8.
[11] *See* Wis. Stat. § 100.18, which prohibits wholesalers or retailers from changing a posted price until it has remained in effect for 24 hours.

restrictions on supplying only contracted customers and exchange partners. On September 19, Flint rescinded the price changes made during the period September 11 to September 14. *See* Exhibits 12, 13, 14, and 15.

Murphy Oil USA, Inc.

Raised wholesale prices 12¢ per gallon at 11:00 a.m. on September 11. Later it rescinded the price hike. *See* Exhibits 9 and 11.

Phillips Petroleum Company

Announced a price increase on September 11 for branded customers effective September 12 at midnight, then rescinded this price increase before it became effective. *See* Exhibit 16.

Marathon Ashland Petroleum, LLC

Announced a seven cent increase for its branded jobbers and 12¢ per gallon for all unbranded gasoline and distillates, excluding terminals in Wisconsin. Marathon then retracted its price increase. On September 12, Marathon stated it would restrict supply to unbranded jobbers (but later decided not to do so), increased amounts available to branded jobbers, and completely suspended unbranded sales from the Green Bay, Wisconsin terminal from September 12 to September 16. Marathon then sent a memo berating retailers for raising prices, stating, "*Charging extraordinarily high prices during such a national crisis disparages the name and reputation of our company and our brand....*" Exhibit 5 (emphasis added). *See also* Exhibits 2, 3, 4 and 6.

Ultramar Diamond Shamrock Corp.	Suspended all unbranded sales (through at least September 24) and increased its wholesale price to its branded and contract customers by 10¢ per gallon. Issued memo to its retailers on September 12 stating, "*We have been contacted by state attorney generals [sic] and government officials who are concerned about the sudden increase in retail gas prices, most of which they consider unwarranted and unjust. Such price increases at a time of national disaster may be in violation of state laws.*" Exhibit 8 (emphasis added). The Attorney General's Office did not receive any information indicating that Ultramar rescinded its price increase. *See* Exhibits 7 and 8.
Cenex Harvest States/Country Energy, LLC	Raised unbranded prices approximately 25¢ per gallon and branded prices 10¢ per gallon on September 11. Rescinded the price increases the next day. *See* Exhibits 17 and 18.
Citgo Petroleum Corporation	Restricted the daily allocation of jobbers. This restriction was implemented despite Citgo's assurances in its September 12, 2001 memorandum to jobbers and retailers that, "[*Our] refineries are running well and we are doing everything within our power to ensure adequate supplies of product to our marketers....*" Exhibit 20 (emphasis added). *See also* Exhibit 19.

Exxon Mobil Corporation	Increased prices of only distillate products (diesel and home heating oil) by five cents per gallon on September 11 and notified jobbers that it would be strictly enforcing maximum volume restrictions (110% of contract volume). *See* Exhibits 21 and 22.
BP Amoco Corporation	Implemented some controls on the amounts jobbers could purchase. Did not raise prices for branded wholesale jobbers or dealers. Unclear whether it raised prices for any unbranded purchasers. *See* Exhibits 23 and 24.
Equilon Enterprises, Inc.	Implemented restrictions on amounts jobbers could purchase with a monetary penalty if restrictions were not followed. Raised prices for unbranded purchases, but later rescinded the raises. *See* Exhibits 25, 26 and 27.
Williams Pipeline Company, LLC	Imposed restrictions on at least one customer, limiting the amount of gasoline that could be purchased. *See* Exhibit 28.

On September 11 and 12, 2001, the Attorney General's Office received a flood of complaints about retail gas stations profiting from the panic surrounding the terrorist attack by raising their prices for gasoline. In some cases, prices were raised as high as $5.00 per gallon.[12] The morning of September 12, 2001, Representative Greg Davids and the Attorney General held a news conference to condemn the profiteering and to caution the public about participating in such a panic. Representative Davids subsequently held hearings before the House Commerce Committee to obtain information about the structure of the gasoline market in Minnesota and to determine if the market structure contributed to the panic of September 11, 2001.

[12] Exhibit 1, Rochester Post-Bulletin, *Rumors Prompt Hikes in Gas Prices*, September 15, 2001.

At no time during the hearing did the industry acknowledge the issuance of the above "short supply/price increase" memos by the suppliers. At no time did the industry acknowledge that such memos contributed to the panic. Indeed, a fair summation of the testimony is that retail stations were hung out to dry as being opportunistic "price gougers."

The hearing also showed that, in some cases, regulatory agencies did not have the data necessary to answer relevant questions and that, in other cases, agencies may have had the data but failed to analyze it.

PART II: INVESTIGATION OVERVIEW

Based on the flood of complaints received by the Attorney General's Office, the Office initiated an investigation as to whether unlawful activity was taking place within the gasoline distribution system. The Office also examined the market forces that affect gasoline prices.

The investigation included the issuance of civil investigative demands at the retailer, jobber, refinery and supplier levels. In addition, the Office received and compiled data from the Minnesota Department of Revenue, the U.S. Department of Energy and the Oil Price Information Service. The Office also interviewed dozens of market participants at various levels of the distribution system. Approximately 100,000 documents were reviewed by the Attorney General's Office during the course of the investigation.

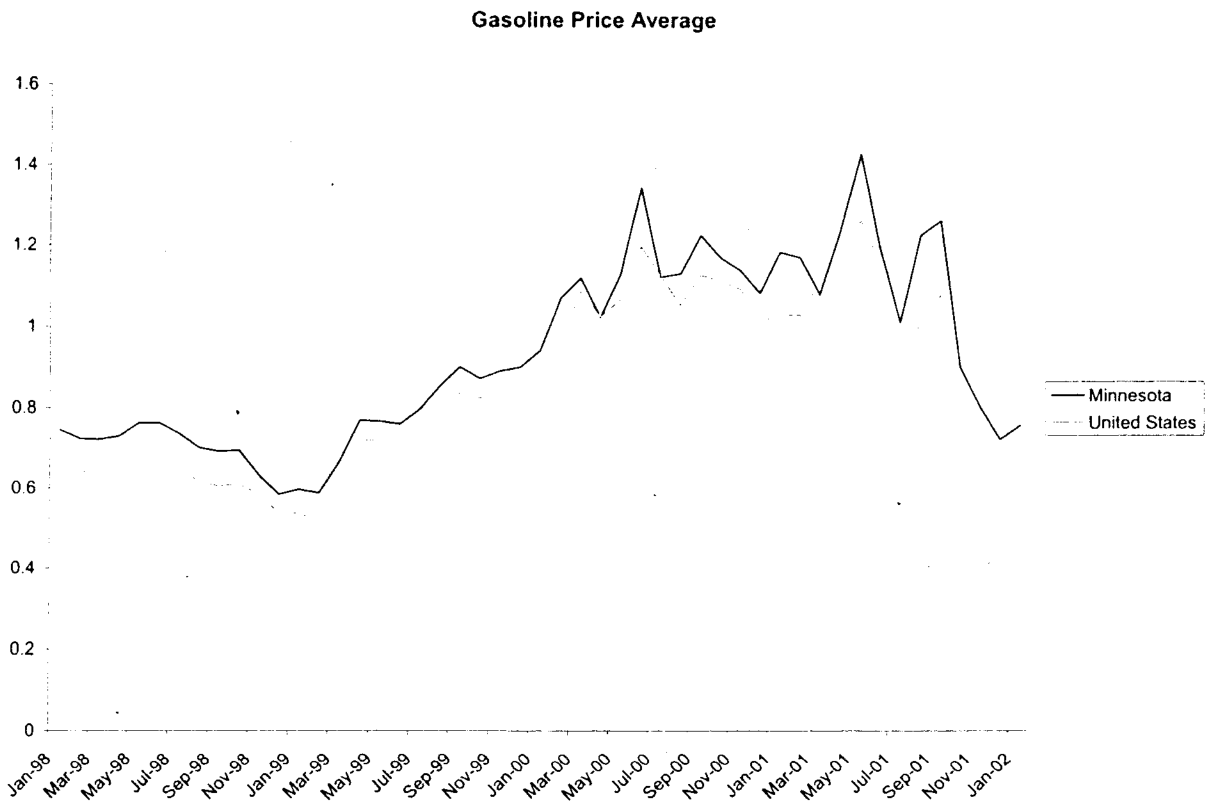
This report, a product of that investigation, provides initial findings of the Office about the structure and functioning of the Minnesota gasoline market. The findings in this report suggest that recent explanations given by the industry for high gas prices, such as spring refinery cleanings, pipeline and refinery malfunctions, and environmental regulations, do not adequately account for the recent fluctuations of gasoline prices, including major price spikes during the past two summers. Rather, other factors appear to contribute to fluctuating prices, including increasing concentration at the supplier level, possible manipulation of supply by refiners and vertical integration of the distribution system from the supplier to the retail level.

PART III: THE MINNESOTA GASOLINE MARKET

3.1 Minnesota Gasoline Prices

As Figure 1 illustrates, Minnesota retail gasoline prices, after adjusting for taxes, are generally higher than the average for the United States as a whole. During the past two summers, prices in Minnesota (as in other locations in the Midwest) have risen considerably higher than elsewhere in the country.

Figure 1: Average Monthly Gasoline Prices, Minnesota & United States[13]



[13] Prices in dollars/gallon. Prices reflect sales to end users though retail outlets, excluding taxes. Source: U.S. Department of Energy, Energy Information Administration, available at http://www.eia.doe.gov/emeu/states/oilprices/oilprices_mn.html.

3.2 Market Structure: General Discussion

To understand gasoline prices in Minnesota, it is necessary to understand the structure of the gasoline market. Minnesota's gasoline supply puzzle contains several major pieces: crude oil suppliers, refiner suppliers, exchange suppliers, pipelines, terminals, jobbers, and retailers. The production and distribution system is generally divided into two categories: (1) "above the rack," which refers to the various steps in the manufacturing and distribution process before the gasoline is sold to jobbers, and (2) "below the rack," which generally refers to the marketing of gasoline by jobbers.

3.2.1 *Above the Rack*

The above the rack system includes:

Crude oil suppliers, which are generally large vertically-integrated firms (or sometimes joint ventures between several large firms) engaged in the exploration for and extraction from the ground of crude oil, which is the raw material from which gasoline is manufactured.

Refiners, which produce various products from crude oil, including gasoline, home heating oil, diesel fuel, and kerosene. Refiners generally supply retailers through two basic channels, also known as classes of trade: (1) directly, through their own company-owned operations; or (2) through independent jobbers. Many refiners do both. Marathon Ashland, for example, directly supplies the majority of its Super America operations, while using jobbers to supply others.

Pipelines, which are the connective tissue of the industry. Refiners rely on the pipelines to transport refined products to the terminals where they can be accessed. Some pipelines, such as the BP Amoco and Tesoro pipelines in Minnesota, are propriety. Others, like the Williams pipeline, are so-called **common carriers**, meaning the pipeline delivers gasoline from a number of different suppliers.

Terminals, which are storage facilities for refined gasoline, typically supplied via pipeline. Most terminals in this State are owned and operated either by a local refiner or by a pipeline operator such as Williams.

Exchange suppliers, which are suppliers that obtain gasoline from local refiners (exchange partners) to supply local retail stations carrying their brand name and that in turn supply gasoline to the exchange partner in other locations where the partner does not have a refinery.

3.2.2 *Below the Rack*

The below the rack system includes:

Jobbers, which are companies or units within an integrated company that distribute gasoline for resale, usually to gasoline retail stations, although sometimes they will supply gasoline to "subjobbers," which in turn distribute the gasoline to retail stations and other end users. Many jobbers have relationships with several different suppliers, although they generally have a primary supplier. A jobber might own some or all of the retail stations it supplies. Erickson Petroleum Corporation ("Erickson"), Minnesota's second largest jobber, for example, owns and supplies Holiday retail stations throughout the State.

Retail stations are the outlets where gasoline is sold to consumers. Retail stations can be branded, meaning they sell gasoline under the trade name of a particular supplier, or unbranded. Whether branded or unbranded, retail stations have a variety of different relationships with jobbers and suppliers. Some branded retailers, such as Amoco stations for example, are directly owned and operated by the refiner while other stations flying the Amoco flag are owned and operated by jobbers or individual retailers.

The varying configurations in which these pieces connect affect the Minnesota gasoline market in different ways. The industry has become increasingly "vertically" integrated, meaning that multiple pieces of the supply puzzle, from refinery operations to retail outlets, are owned or controlled by the same entity. Vertical integration becomes increasingly significant as the supply level (including not only refiners located in or nearby the State, but also other firms that supply gasoline in the State via pipelines or through exchange agreements) has become more and more concentrated following a wave of mergers and acquisitions throughout the industry.

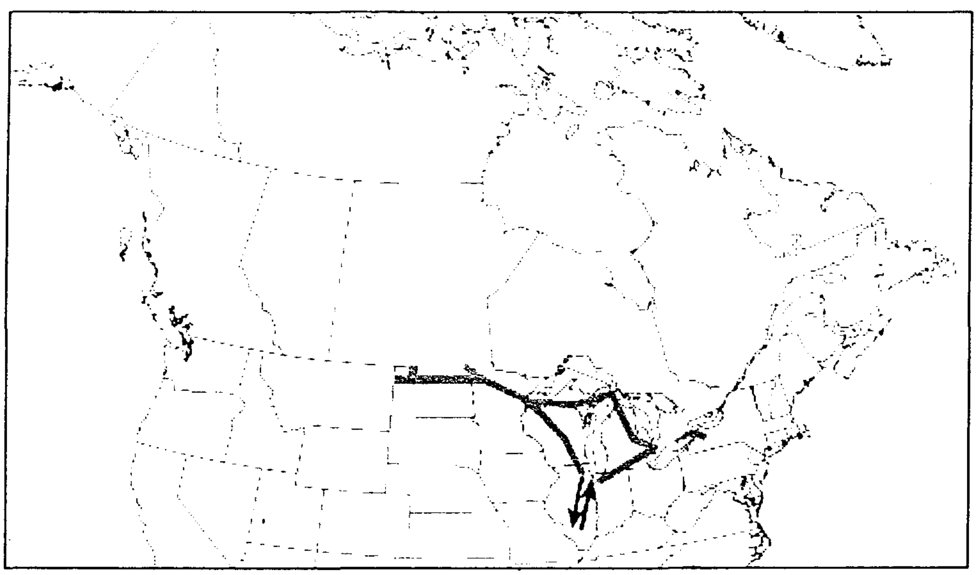
PART IV: SUPPLIERS: ABOVE THE RACK

4.1 Crude Oil Suppliers

Gasoline is one of several products that is derived from unrefined crude oil. Crude oil can be transported by a number of means, including pipelines and ships, from the oil fields to the refineries where it is turned into gasoline and other products.

The Lakehead Pipeline System, which is owned by Texas-based Enbridge Energy Partners, is the largest supplier of crude oil to refineries located in Minnesota, providing roughly 80 percent of the crude oil that is refined in the Minneapolis/St. Paul area.[14] The pipeline originates in the oil fields of Canada, winds through the northern half of Minnesota, and then branches off to supply Wisconsin, Michigan, Illinois, Ohio, and Buffalo, New York. *See* Figure 2, Lakehead Pipeline System.

Figure 2: Lakehead Pipeline System[15]

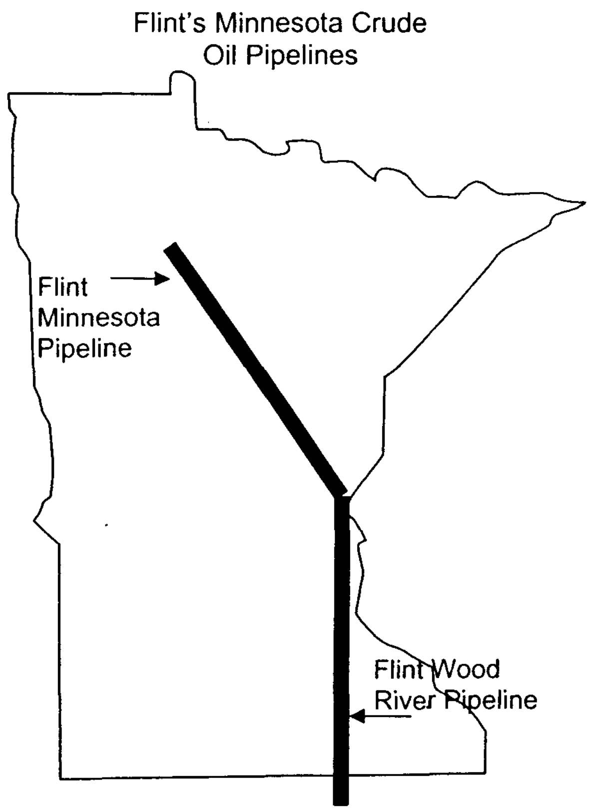


Flint, which operates Minnesota's largest refinery, also transports crude oil into the state via its Minnesota and Wood River pipelines. Flint's Minnesota pipeline connects to the Lakehead pipeline near Clearwater in northern Minnesota

[14] Source: Enbridge Energy, at http://www.enbridgepartners.com/about/index/html.
[15] *Id.*

and traverses central Minnesota until it reaches the Twin Cities area refineries. *See* Figure 3. It provides crude oil to both Flint's Pine Bend refinery and to Marathon Ashland's St. Paul Park refinery. The Wood River pipeline originates in Wood River, Illinois, and runs 572 miles through Missouri, Iowa, and into Minnesota, where it travels through Dakota, Rice, Steele, and Freeborn Counties in southeastern Minnesota until it finally reaches Flint's Pine Bend refinery. The Wood River pipeline connects with systems transporting crude oil from the southern United States and also feeds the Pine Bend and St. Paul Park refineries.

Figure 3: Flint Pipelines



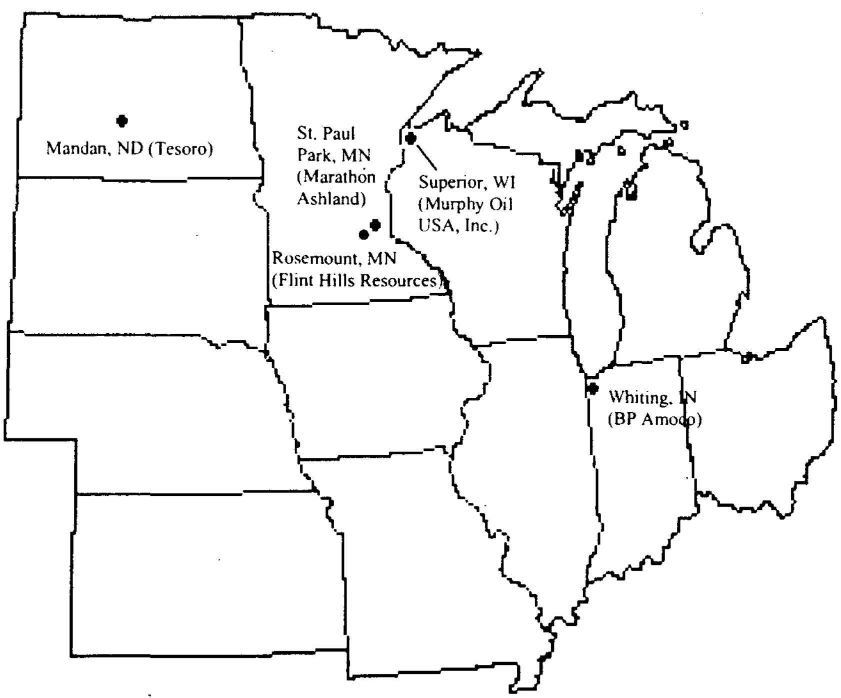
4.2 Refiners

Crude oil is manufactured into gasoline and other petroleum products at refineries. Concentration at the refiner level in Minnesota is considerable. Just four refineries in and around the State supply upwards of 90 percent of the approximately seven million gallons of gasoline consumed by Minnesotans on a daily basis.[16] A couple of these refiners also have a very significant presence at other levels of the distribution chain, all the way down to the retail level.

4.2.1 *Minnesota Refineries*

Minnesota has two refineries located within its borders: Flint's Pine Bend facility in Rosemount and Marathon Ashland's St. Paul Park refinery. *See* Figure 4.

Figure 4: Minnesota and Satellite Refineries



The Pine Bend refinery is owned by Flint, a wholly-owned subsidiary of Wichita, Kansas-based Koch Industries, Inc.[17] Flint's Pine Bend refinery is the twelfth largest refinery in the United States and can refine up to 265,000 barrels of crude oil per day, producing gasoline, jet fuel, diesel fuel, and asphalt.[18] The Pine

[16] The supply percentages of individual refiners as discussed herein were determined by using 2000 production and distribution data provided by the refiners and comparing that to 1999 consumption data published by the Energy Information Agency. While there is a difference in the years in which production data and consumption data were generated, that difference should have no material effect on the conclusions of this Report.
[17] Flint also owns a refinery in Corpus Christi, Texas.
[18] *See* Exhibit 29, United States Energy Information Administration 2001 Refinery Capacity Chart.

Bend facility supplies as much as 50 percent of the gasoline consumed in Minnesota.[19] Roughly 60 percent of Pine Bend's production (or 30 percent of the total gasoline consumed in the State) is delivered to other suppliers under exchange agreements.[20] *See* Section 4.5.

The St. Paul Park facility is owned by Marathon Ashland[21] and is part of a seven refinery network that also includes facilities located in Louisiana, Kentucky, Illinois, Michigan, Ohio and Texas. The St. Paul Park refinery is the smallest of Marathon Ashland's refineries, with the capacity to refine 70,000 barrels of crude oil per day.[22] Nevertheless, the refinery appears to supply approximately 15-20 percent of the gasoline consumed in Minnesota.[23] *See* Figure 5 *infra.*

Marathon Ashland has a considerable presence throughout the distribution chain in Minnesota. The company is the largest jobber in the State. *See* Table 6: Minnesota's 10 Largest Jobbers. Furthermore, a subsidiary of Marathon Ashland owns and operates 184 Super America stations in the State.[24] These company-owned stations account for roughly three-fourths of all gasoline distributed in Minnesota by Marathon Ashland.[25]

4.2.2 *Satellite Refineries*

At least three refineries in nearby states also supply Minnesota with gasoline on a regular basis: Murphy Oil's facility in Superior, Wisconsin, Tesoro's Mandan, North Dakota refinery, and BP Amoco's Whiting, Indiana plant. *See* Figure 4.

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[19] Calculated using figures contained in Responses of Flint Hills Resources to the Second Demand for Answers and Request for Documents, January 14, 2002 (hereinafter, "Flint's CID Response") and 1999 consumption data obtained from the Energy Information Agency of the U.S. Department of Energy.

[20] Calculated using figures contained in Flint's CID Response.

[21] Marathon Ashland Petroleum, LLC was created in 1998 with the merger of Marathon Oil and Ashland, Inc.

[22] *See* Exhibit 29.

[23] Calculated using figures contained in Response to Gasoline Price Investigation Civil Investigative Demand, April 18, 2002 Issued to Marathon Ashland Petroleum, LLC, May 17, 2002 (hereinafter, "Marathon Ashland CID Response") and 1999 consumption data obtained from the Energy Information Agency of the U.S. Department of Energy.

[24] Marathon Ashland CID Response. An additional 37 Super America stations are franchised operations.

[25] Calculated using figures contained in Marathon Ashland CID Response.

Murphy Oil, a subsidiary of Arkansas-based Murphy Oil Corporation, operates a refinery across the state-line from Duluth in Superior, Wisconsin. This is a relatively small refinery, with the capacity to refine 33,000 barrels of crude oil per day.[26] More than 80 percent of the gasoline produced at the facility is delivered to Minnesota.[27] It appears to produce around 5-10 percent of the gasoline consumed in this state.[28] *See* Figure 5 *infra*. Murphy Oil uses the Superior refinery in part to supply the company's Upper Midwest operations. Those operations include company-owned Murphy Oil retail stations, which distribute roughly five percent of the output from the Superior refinery that is sold in Minnesota.[29]

Tesoro Petroleum Corp. ("Tesoro"), a San Antonio company, presently owns a nearby refinery located in Mandan, North Dakota (near Bismarck). Tesoro acquired the Mandan facility from BP Amoco in September 2001. The Mandan facility has the capacity to refine 58,000 barrels of crude oil per day[30] and it supplies roughly 10-15 percent of the gasoline consumed in Minnesota.[31] *See* Figure 5 *infra*. Gasoline is shipped to Minnesota by means of a pipeline from Mandan to Roseville, Minnesota that Tesoro acquired along with the refinery. While Tesoro is an important supplier to Minnesota, its retail operations are concentrated in the western United States. The Mandan refinery, though, continues to be an important supplier to BP Amoco's retail operations in Minnesota.

In addition to gasoline obtained from Tesoro's Mandan refinery, BP Amoco also supplies its Minnesota outlets directly from its Whiting, Indiana refinery by means of a proprietary product pipeline that extends from Whiting to the Twin

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[26] *See* Exhibit 29.
[27] Calculated using figures contained in Responses of Murphy Oil USA, Inc. to the Second Demand for Answers to Interrogatories and Request for Documents, May 15, 2002 (hereinafter, "Murphy Oil CID Response").
[28] Calculated using figures contained in Murphy Oil CID Response and 1999 consumption data obtained from the Energy Information Agency of the U.S. Department of Energy.
[29] Calculated using figures contained in Murphy Oil CID Response.
[30] *See* Exhibit 29.
[31] Calculated using figures contained in Response to Gasoline Price Investigation CID Served upon BP Amoco Corporation: Second Demand for Answers to Interrogatories and Request for Documents, May 24, 2002 (hereinafter "BP Amoco CID Response") and 1999 consumption data obtained from the Energy Information Agency of the U.S. Department of Energy.

Cities. Whiting supplies less than five percent of the Minnesota market.[32] *See* Figure 5 *infra*. Nevertheless, BP Amoco maintains a considerable presence in Minnesota at the retail level with nearly 90 company-owned Amoco retail stations and over 400 Amoco-branded independent retailers.[33] And because of its position at the retail level, the company is also the third-largest jobber in Minnesota. *See* Table 6: Minnesota's 10 Largest Jobbers.

Figure 5: Approximate Refinery Market Shares

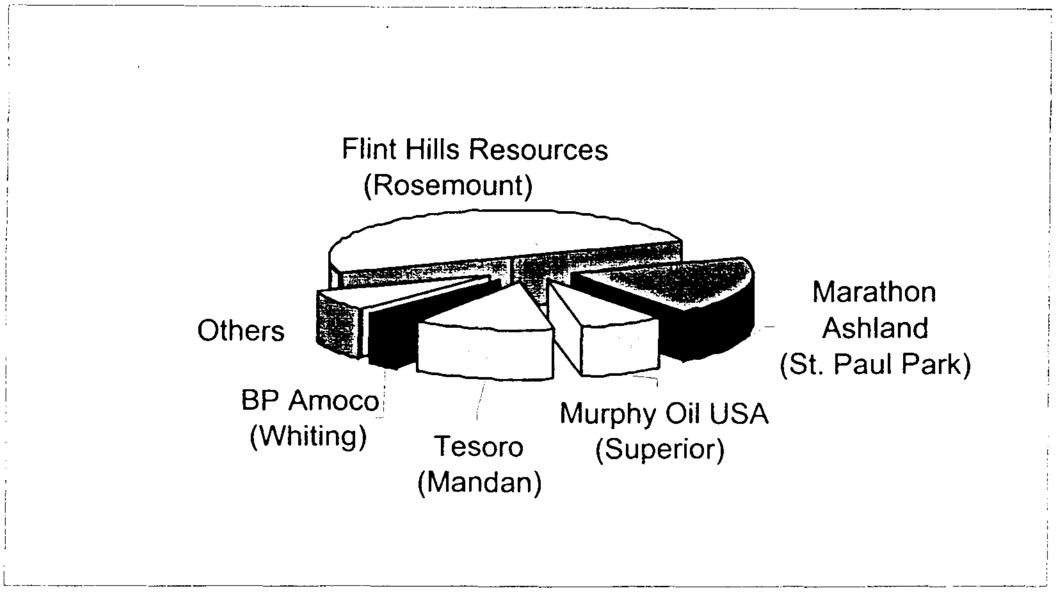

Table 1: Refineries' Downstream Integration

Refiner	Refinery Location	Refiner-Owned Terminals	Refiner-Owned Retail Outlets
Flint	Rosemount, MN	St. Paul (Pine Bend)	None
Marathon Ashland	St. Paul Park, MN	St. Paul Park	184 Super America
Murphy Oil	Superior, WI	Esko	3 Murphy USA
Tesoro	Mandan, ND	Moorhead Twin Cities (Roseville) Sauk Centre	None
BP Amoco	Whiting, IN	Spring Valley	89 Amoco

[32] Calculated using figures contained in BP Amoco CID Response and 1999 consumption data obtained from the Energy Information Agency of the U.S. Department of Energy.
[33] BP Amoco CID Response.

4.3 Gasoline Pipelines

Minnesota has a network of pipelines used to transport gasoline throughout the State. These pipelines generally end at terminals, which are storage facilities where gasoline is sold to oil companies or jobbers. Figure 6 depicts the pipelines transporting gasoline into, out of, and within Minnesota.

Pipelines can be divided into two categories. First, there are proprietary lines, such as the BP Amoco and Tesoro pipelines mentioned in Section 4.2.2, which carry gasoline from a refinery owned by the pipeline owner. Second, there are common carrier pipelines, which transport gasoline on behalf of several suppliers other than the pipeline owners. A common carrier, in other words, does not necessarily own the gasoline being shipped through its pipeline. The presence of a common carrier pipeline allows distant refiners to ship gasoline to local markets.

The Williams Pipeline Company, LLC ("Williams") owns and operates a major segment of the State's gasoline pipeline system on a common carrier basis.[34] One of the Williams' lines enters southern Minnesota and supplies gasoline to terminals in southeastern Minnesota and the Twin Cities metropolitan areas. This pipeline also extends beyond the Twin Cities to supply the Duluth-Superior area. A second Williams' pipeline extends to southwestern Minnesota and supplies a terminal in Marshall, Minnesota. A third Williams' line supplies central and northwestern Minnesota. A fourth Williams' line ships refined gasoline out of Minnesota into Wisconsin.

At some point on its journey from the refinery to the end user, over 50 percent of all gasoline consumed in the State travels over a Williams' pipeline.[35] This figure includes gasoline produced at refineries in Minnesota and transported to remote terminals in the State or in nearby states.

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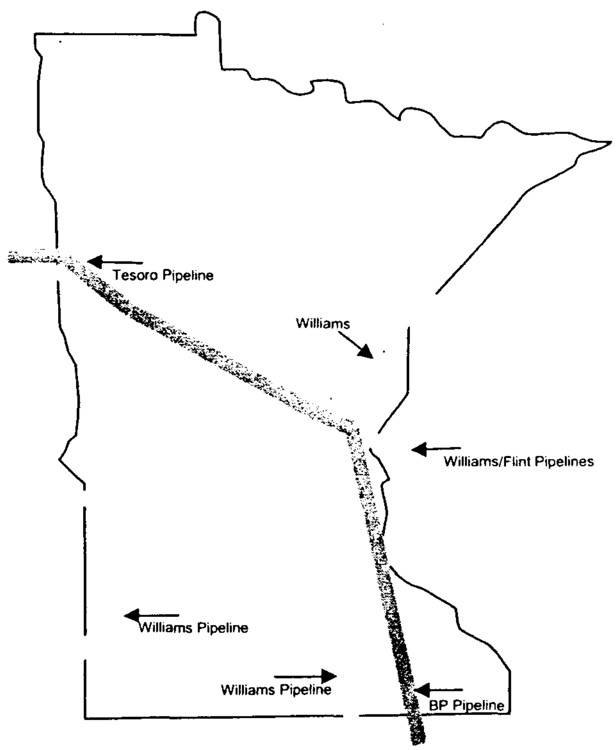
[34] Unlike crude oil pipelines, gasoline pipelines are generally not named and are referred to by the owner's name (e.g., Williams' pipeline).

[35] Calculated using figures contained in Williams Pipeline Company, LLC's Answers to Interrogatories and Response to Demand for Production of Documents by State of Minnesota, May 10, 2002 (hereinafter, "Williams CID Response").

Table 2: Minnesota's Common Carrier Pipeline

Pipeline	Terminals Supplied	Terminals Owned by Williams	Volume Delivered (2001)[36]
Williams	Alexandria Eyota Mankato Marshall Minneapolis Esko (Duluth) St. Paul Park Wrenshall	Alexandria Eyota Mankato Marshall Minneapolis	1,382,946,726 gals.

Figure 6: Minnesota Gasoline Pipelines



[36] Williams' CID Response.

4.4 Terminals

Terminals are gasoline storage facilities supplied by pipelines or directly by refineries. Table 3 lists the terminals in the State where gasoline is stored and sold.

Marathon Ashland and Flint, the two refiners with a physical presence in Minnesota (*see* Section 4.2.1), both have terminals at their refinery locations. More gasoline was delivered at Marathon Ashland's St. Paul Park refinery (495,181,170 gallons) in 2001 than anywhere else in Minnesota.[37] Flint's Pine Bend terminal accounted for 359,088,636 gallons in 2001,[38] making it the third largest terminal in the State (measured by gallons of gasoline delivered).

Suppliers that do not have refineries in the State are able to sell gasoline at the wholesale level in Minnesota either from terminals owned by the supplier itself or from terminals owned by another company (such as Williams) at which the supplier has obtained a "position." BP Amoco, Tesoro and Murphy Oil, companies with nearby refineries (*see* Section 4.2.2), all own terminals in Minnesota. *See* Table 3. Conoco, another out-of-state refiner, owns a terminal near Duluth which it supplies with gasoline from the Williams pipeline system. In addition, Erickson, a large Minnesota jobber and owner/operator of Holiday retail stores throughout Minnesota (*see* Section 5.1.1), has a terminal in Newport. Finally, Williams owns several terminals in Minnesota that are supplied from its pipeline system (*see* Section 4.3). The Williams terminal in Minneapolis supplied 398,921,937 gallons of gasoline in 2001,[39] making it the second largest terminal in the State in terms of gallons delivered.

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[37] Source: Minnesota Department of Revenue, Petroleum Division.
[38] *Id.*
[39] *Id.*

Figure 7: Minnesota Terminals

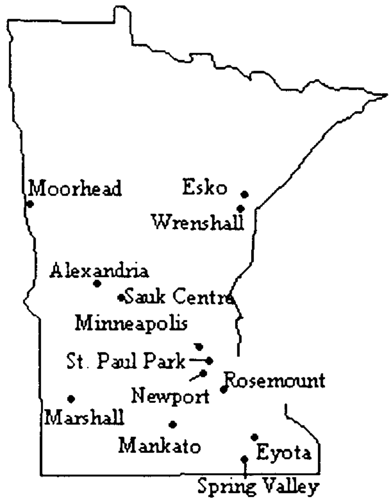

Table 3: Minnesota Gasoline Terminals - Location and Ownership

Terminal	Owner	Pipeline Used	Capacity (bbls)[40]	Deliveries (2001)[41]
Alexandria	Williams	Williams	645,978	172,990,397
Esko (Duluth)	Murphy Oil	Williams	226,000	53,424,449
Eyota	Williams	Williams	145,959	113,276,798
Mankato	Williams	Williams	440,328	66,313,927
Marshall	Williams	Williams	207,704	33,038,680
Minneapolis	Tesoro	Tesoro	562,000	290,095,842
Moorhead	Tesoro	Tesoro	517,000	55,957,545
Newport	Erickson	Williams	391,000	115,204,300
Rosemount	Flint Resources	Williams	308,000	359,088,636
Roseville	Williams	Williams	1,971,384	398,921,937
Sauk Centre	Tesoro	Tesoro	121,000	43,751,917
Spring Valley	BP Amoco	Amoco	236,000	28,266,914
St. Paul Park	Marathon Ashland	N/A	541,410	495,181,170
Wrenshall	Conoco	Williams	266,046	98,687,536

[40] See Flint's CID Response, Marathon Ashland CID Response, Williams CID Response and BP Amoco CID Response.

[41] Source: Minnesota Department of Revenue, Petroleum Division.

4.5 Exchange Suppliers

In addition to shipping gasoline into Minnesota via the Williams pipeline, suppliers without Minnesota facilities (and even some with Minnesota facilities) can obtain gasoline to supply their in-state operations by means of exchange agreements with other suppliers that have in-state facilities (either refineries or terminals). Exchange agreements are the backbone of a barter system in which a supplier with a refinery in one area swaps gasoline with a refinery in another area where the supplier does not have a presence. For instance, exchange agreements are used by refiners with Minnesota facilities to obtain gasoline in states where they do not have a refinery or pipeline. In exchange, the Minnesota refiner will provide gasoline to supply the exchange partner's local operations.

In Minnesota, Flint's Pine Bend facility is a major supplier of gasoline to exchange partners. Nearly 60 percent of the gasoline produced at Pine Bend is disposed of through exchange agreements. *See* Section 4.2.1. That equates to roughly 30 percent of all gasoline consumed in Minnesota. Marathon Ashland also supplies exchange partners from its St. Paul Park facility, and following the sale of its Mandan refinery, BP Amoco obtains a considerable quantity of gasoline under supply agreements with Tesoro.

4.6 At the Rack

Suppliers sell gasoline "at the rack," which is the location where jobbers pick up gasoline, usually at a terminal, for distribution to retail stations and end users. Suppliers usually offer "branded" and "unbranded" gasoline for sale to jobbers. The only difference between branded and unbranded gasoline (at least at the rack before additive packages are added to some brands of gasoline) is the ability of the jobber and retailer to use the supplier's brand name in connection with the sale of the gasoline.

Each supplier serving Minnesota has a retail brand name under which it sells gasoline, with the exception of Flint. Table 4 reflects the suppliers and their respective retail brands:

Table 4: Minnesota Gasoline Brands

Supplier	Brand
Marathon Ashland	Super America; Marathon
Conoco	Conoco
Phillips	Phillips 66, 76, Circle K
Citgo	Citgo
Ultramar	Total
Murphy Oil	Spur
Equilon	Texaco
ExxonMobil	Mobil; Exxon
BP Amoco	BP, Amoco[42]
Sinclair	Sinclair
Cenex	Cenex

Because the jobber and retailer can benefit from goodwill and customer loyalty associated with a particular brand, the rack price for branded gasoline is usually more expensive than unbranded gasoline. At certain times, however, particularly when supply is short, the price of unbranded gasoline may be higher than the branded rack price. When that happens, the pricing situation is referred to as an "inversion."

4.7 Overall Supplier-Level Concentration

As noted above in Section 4.2, four refineries provide the State with more than 90 percent of the gasoline it consumes: Flint, Marathon Ashland, Murphy Oil and Tesoro. Of those four, two supply almost 70 percent of the State's gasoline.

One measure of concentration commonly employed in an antitrust analysis is called the Herfendahl Hirschmann Index ("HHI"). The HHI is calculated by squaring the market share for each competitor in a particular market and then adding those figures.[43] The Energy Information Administration ("EIA") calculates that the HHI for Minnesota in the year 2000 at the supplier level was 1340. That figure places Minnesota squarely within the category of "moderately concentrated" markets, as defined by the federal antitrust enforcement guidelines used by the

[42] Arco is also a BP Amoco brand but is only sold on the West Coast.

[43] For example, a market with four companies that each control 25 percent of the market has an HHI of 2500 (25^2 + 25^2 + 25^2 + 25^2).

Federal Trade Commission and the U.S. Department of Justice.[44] Under the four-firm concentration ratio, another gauge of market concentration, Minnesota registers as a "highly concentrated" market.[45] Table 5 provides the Energy Information Administration's measure of HHI for Minnesota at the supplier level from 1996-2000.

Table 5: Supplier Level Concentration in Minnesota[46]

Year	HHI
1994	1162
1995	1183
1996	1204
1997	1213
1998	1038
1999	1300
2000	1340

PART V: MARKETERS: BELOW THE RACK

5.1 Jobbers

5.1.1 *Jobbers: General Discussion*

Jobbers are the connective tissue between suppliers and retailers. Jobbers obtain gasoline "at the rack" from refineries or terminals throughout the State. They in turn market or distribute gasoline to retailers and end users, or sometimes to other jobbers (known as subjobbers), which then distribute the gasoline to retailers and end users.

[44] Markets with HHIs from 1000-1800 are considered to be "moderately concentrated."
[45] *Gas Prices: How Are They Really Set?,* Report by the Majority Staff of the United States Senate Permanent Subcommittee on Investigations, Released on April 30 and May 2, 2002 (the "Majority Staff Report"), pp. 103 - 104.
[46] Energy Information Administration, U.S. Department of Energy.

Minnesota has approximately 600 licensed gasoline jobbers.[47] Minnesota's fifty largest jobbers account for roughly seventy-five percent of the gasoline moved by jobbers in the state. A list of the 100 largest jobbers in Minnesota is set forth in Exhibit 30.[48]

Table 6: Minnesota's 10 Largest Jobbers[49]

Jobber	Location	Gallons Distributed
Marathon Ashland Petroleum, LLC.	Findlay, OH	327,350,321
Erickson Petroleum Corp.	Minneapolis, MN	282,168,924
Amoco Oil Company	Houston, TX	275,485,009
Hartland Fuel Products, LLC.	Rochester, MN	121,057,957
Kwik Trip, Inc.	La Crosse, WI	91,080,093
Buy Rite Fuels, LLC.	Rochester, MN	85,371,758
Croix Oil Company	Stillwater, MN	61,549,060
Caseys General Stores, Inc.	Ankeny, IA	48,865,507
Avanti Petroleum, Inc.	Eagan, MN	47,001,724
Erickson Oil Products, Inc.	Hudson, WI	42,788,790

Jobbers vary considerably in size. The three largest jobbers in Minnesota, measured by gasoline distributed in 2001, are Marathon Ashland, Erickson, and Amoco Oil Company. These three jobbers distribute nearly one-third of the gasoline consumed in Minnesota. Marathon Ashland and Amoco Oil also have a significant local presence in the retail area. Marathon Ashland supplies Minnesota's Super America operations, prominent Minnesota retailers most of which are directly owned by a subsidiary of Marathon Ashland. Amoco Oil Company, owned by refiner BP Amoco, supplies BP and Amoco retail operations throughout the State. Erickson, although not owned by a refiner, has a close supply relationship with Flint and supplies Holiday retail outlets throughout the State. Erickson also owns a terminal at the supplier level.

Independent jobbers (i.e., those jobbers not owned by a supplier) can have a variety of relationships with suppliers and retailers. Although not owned by a supplier, an independent jobber may nevertheless "fly the flag" of one or more suppliers, marketing a particular brand or brands of gasoline. As a branded

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[47] Minnesota Department of Revenue, Petroleum Division, Fiscal Year 2001. The Department refers to these persons as "licensed distributors."

[48] Exhibit 30 ranked jobbers based on the number of gallons of gasoline drawn from Minnesota terminals.

[49] Minnesota Department of Revenue, Petroleum Division, Fiscal Year 2001. Table 6 ranks jobbers based on the number of gallons of gasoline drawn from Minnesota terminals.

supplier, the jobber can sign up retailers (or at least those retailers not directly owned by a supplier, *see* Section 5.2) to sell a particular brand of gasoline. A number of jobbers own some or all of the retail stations they supply with gasoline.

5.1.2 *Jobber Agreements*

Suppliers and major jobbers generally operate in accordance with written agreements. These agreements, an example of which is attached as Exhibit 33, generally give suppliers control over the amount of gasoline jobbers may purchase. Common supply terms in contracts between suppliers and jobbers include:

- **Minimum and Maximum Contract Volumes**: Jobbers are generally required to purchase a specified minimum quantity of gasoline each contract year. Typically, the required gallons are broken down into a required monthly purchase amount. The jobber is contractually required to purchase 85 to 100 percent of this amount. Similarly, the contracts generally have a ceiling amount beyond which the jobber may not purchase. This ceiling may range from 110 to 120 percent of the monthly contract volume. Thus, the volume of gasoline available to a jobber is highly structured. If a jobber fails to meet its minimum obligations, a supplier might terminate the contract. In lieu of termination, a supplier might demand a business plan from the jobber to satisfy the supplier that obligations will be met in the future.

- **Excess Gallonage Charges**: If a jobber purchases more than the allowed contractual volume, the jobber agreements often authorize the supplier to charge a fee, generally on a per-gallon basis, on the excess gallons.

- **Allocation Provisions**: Jobber supply contracts almost always allow the supplier to "allocate" gasoline in its complete discretion for any reason it deems necessary, including to unilaterally reduce contract volumes, limit supply to its customers, and apportion product among its customers.

As for price, jobber supply agreements generally provide that the jobber will buy at the supplier's applicable rack price at the time and place of delivery. Some suppliers offer discounts. These discounts are generally per gallon reductions in price, with larger discounts for larger volume commitments.

5.1.3 *Branding Agreements*

Jobbers also sign contracts with suppliers that allow them to sell branded gasoline to branded retailers. These agreements, which may last for as long as ten years, provide for payments, discounts or other incentives from the supplier (and which are then passed on to a retailer) to encourage jobbers and retailers to sell specific brands of gasoline. The average such payment is approximately $25,000 - $30,000. In exchange for these incentives or payments, the jobber and retailer must commit to stay with that particular brand for the contract term. Jobbers or retailers wishing to switch brands during the term of the branding agreement may have to return some or all payments or incentives received from the supplier, including signage and imaging costs. Some contracts also include a liquidated damages clause for retailers or jobbers who wish to switch to another brand mid-contract. The new brand may agree to cover some or all costs for the jobber or retailer, if it is a highly desirable market participant. In other cases, though, repayment obligations under a branding agreement may effectively prohibit a jobber or dealer from switching brands until the contract term expires.

5.2 Retailers

5.2.1 *Retailers: General Discussion*

Minnesota has approximately 2,668 gasoline retail outlets.[50] These outlets can be divided into a number of different types. They can be either branded or unbranded retailers, meaning they either sell gasoline under the brand name or trademark of a supplier or sell unbranded gasoline. Each of these categories can be further subdivided based on the ownership and operation of the station. For example, some branded retail stations are directly owned and operated by the suppliers. Others are owned by the supplier but leased to a station operator. Some branded retailers are owned and operated by branded jobbers, while still others are independently owned but under contract with a branded jobber. Table 7 delineates a variety of retail station relationships found in Minnesota.

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[50] Source: Oil Price Information Service. The Minnesota Department of Commerce, Weights and Measures Division, counts 3,534 registered retail stations in the state. The higher number reflects municipal, airport, and boating outlets, as well as some extremely small outlets.

Table 7: Retail Station Types

Ownership Type	Comments
Refiner owned and operated	Stations are directly or indirectly owned by the refiner. Most Super America outlets fall into this category. Estimated to account for about 33% of Minnesota stations.
Direct Purchasers	Not owned by supplier, but purchase gasoline directly from refiner. Category includes Qwik Trip, Casey's, and Holiday. This category also includes "hypermarkets" such as Wal-Mart, Sam's Club and Rainbow Foods. Estimated to account for about 20-25% of Minnesota market.
Retailer-owned/Agreement with jobber	Retailer owns station and contracts for gasoline with jobber. Jobber, in turn, contracts with refiner. Jobber and rack price control. Estimated to account for about 30-35% of Minnesota market.
Lessee Dealers	Station owned by supplier, leased to dealer. Refiner controls price. Dying breed, estimated to account for about 5-10% of Minnesota market.
Commission Agents	Leases from refiner or jobber, but does not control price of gas. Price determined by contract with jobber or refiner.
"Unbranded" Independents	Retailer owned and operated. Retailer owns property and buys gas from wherever it can be obtained. Estimated to account for two to three percent of Minnesota market.
Ghost Stations	Unattended stations, mostly owned by co-ops. Very few.

The ownership level of retail stations affects how retail gasoline prices are established. Company owned and operated stores generally have their prices set at the supplier level. In other words, company-owned Super America stores have their prices set directly by Speedway Super America, Inc., ("Speedway Super America") which is owned by Marathon Ashland. Super America retailers that are not directly owned by the refiner, on the other hand, usually have the authority to set their own price. The degree of vertical control between refiner, jobber, and retailer, therefore, directly impacts the manner in which retail pricing is determined.

In recent years, the retail gasoline market has been undergoing considerable transformation. Margins for gasoline at the retail level have generally been low, so retailers have increasingly adopted convenience store formats to boost profits. Traditional retailers have also begun facing stiff competition from non-traditional gasoline retailers, such as so-called "hypermarkets" (e.g., Wal-Mart, Sam's Club, Rainbow Foods) which might sell gasoline at cost to increase traffic through the store. While hypermarkets do not yet account for a major share of the retail gasoline market in Minnesota, their presence is growing. In other areas of the country, particularly the mid-continental United States, hypermarkets have gained a considerable market presence.

5.2.2 *Market Presence*

Several brands have a strong presence at the retail level in Minnesota, including BP Amoco, Conoco, Super America, Cenex and Holiday, among others. In terms of retail outlets, Figure 8 illustrates the relative position of different retail brands in the State.

Measured by gallons sold, the market leader at the retail level is Marathon Ashland, which distributes gasoline through Super America and Speedway retail stations. From May, 2001 to April, 2002 Marathon Ashland distributed a monthly average of 27.4 million gallons of gasoline, which on a monthly basis is about 7.4 million gallons more than that sold through BP Amoco stations.[51]

Measured by sheer number of retail outlets, however, BP Amoco has the largest statewide presence. According to the Oil Price Information Service ("OPIS"), the BP and Amoco brands are sold at over 500 branded stations, accounting for nearly twenty percent of all retail gas stations in Minnesota. Nearly 90 of those stations are company-owned, giving BP Amoco a presence at all levels of the distribution chain in Minnesota.

Speedway and Super America, which are supplied for the most part directly by Marathon Ashland, have over 220 retail stations in Minnesota. These stations account for roughly nine percent of all retail outlets in Minnesota.[52] The vast majority of Super America retail stations (184 of 221) are owned and operated by Speedway SuperAmerica, a wholly-owned Marathon Ashland subsidiary.[53] Super America is particularly visible in the Twin Cities metro area, accounting for roughly 20 percent of retail outlets in Hennepin and Ramsey Counties.[54] Anecdotal reports suggest that other retail stations follow Super America stations' pricing moves, particularly in the metro area. Industry participants indicate that there are two reasons for the influence of Super America stations. First, they sell

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[51] Source: Minnesota Department of Revenue.
[52] Calculated using figures contained in Marathon Ashland CID Response.
[53] *Id.*
[54] *Id.*

more gasoline than any competitor. Second, the stations are directly controlled by a refiner, resulting in retail prices being set at the refiner level.[55]

Erickson, Minnesota's second largest jobber, is also a large player in Minnesota's retail market through its Holiday retail outlets. Erickson owns and operates approximately 174 Holiday stations in Minnesota,[56] which account for approximately seven percent of Minnesota's retail market. Holiday stores are located throughout Minnesota, with significant concentrations in the Twin Cities metropolitan area.

Figure 8: Minnesota Retail Stations By Brand[57]

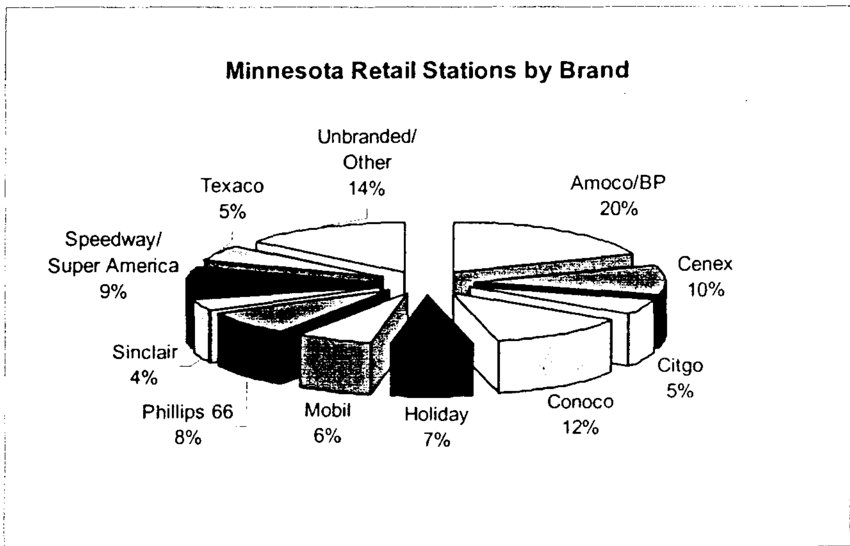

Table 8 provides a breakdown of the number and types of retail stations within selected Minnesota counties.

[55] Marathon Ashland disputes the assertion that it establishes retail prices, arguing that retail prices are set by its wholly-owned subsidiary, Speedway Super America.
[56] Source: Oil Price Information Service.
[57] Source: Oil Price Information Service.

Table 8: Gas Station Numbers and Brands For Selected Counties[58]

	BP Amoco	Caseys	Cenex	Citgo	Conoco	Holiday	Kwik Trip	MAP[59]	Mobil	Phillips 66	Sinclair	SSA[60]	Texaco	Other[61]
Anoka	20	2	1	3	12	11	0	5	11	5	5	21	15	6
Beltrami	6	0	4	3	11	3	0	1	0	3	0	0	2	4
Blue Earth	6	1	6	0	5	2	3	0	5	1	1	3	3	6
Carlton	6	0	1	0	12	2	0	0	0	5	0	0	0	5
Clay	12	2	6	4	0	2	0	0	0	3	0	1	1	2
Crow Wing	9	0	0	3	9	7	0	0	2	10	2	8	0	2
Dakota	27	0	4	7	11	13	8	3	10	7	5	26	7	14
Freeborn	9	0	6	2	3	1	2	0	3	3	0	1	4	0
Goodhue	8	0	6	2	2	0	3	0	4	1	0	2	2	4
Henne-pin	74	0	0	29	30	41	0	8	28	16	9	66	18	26
Itasca	5	0	3	0	1	3	0	0	1	6	3	1	0	12
Kandi-yohi	5	0	4	4	5	1	0	1	2	8	1	1	0	1
McLeod	7	2	5	2	5	0	0	2	3	2	2	1	2	0
Mower	6	0	4	0	4	1	1	0	0	2	3	0	5	5
Olmsted	8	1	9	5	12	1	10	0	1	0	3	7	1	0
Ottertail	9	1	6	6	5	4	0	0	0	7	1	0	3	5
Ramsey	35	0	0	10	10	13	0	10	24	7	6	38	11	6
Scott	9	0	1	0	4	3	1	3	0	5	0	6	2	3
St. Louis	19	0	1	0	17	13	0	0	13	30	0	4	0	34
Stearns	17	3	7	2	26	3	0	3	10	6	3	8	12	7
Wash-ington	14	0	0	3	6	9	0	7	3	1	1	11	4	9
Wright	9	1	3	2	9	6	0	4	4	4	2	5	3	3

PART VI: AREAS OF CONCERN

In the course of reviewing the information provided by gasoline suppliers, jobbers, and retailers and through the review of other materials pertaining to the gasoline market, several areas of concern surface:

- Vertical integration and increasing concentration in the gasoline industry;
- Possible refiner manipulation of supply;
- Refiner data sharing; and
- Zone pricing and red-lining.

[58] Source: Oil Price Information Service.
[59] Marathon Ashland Petroleum LLC.
[60] Speedway SuperAmerica (Marathon Ashland subsidiary).
[61] Includes stations selling unbranded gasoline.

6.1 Vertical Integration and Increasing Concentration in the Gasoline Industry

6.1.1 *Increasing Concentration*

The data obtained by the Attorney General's Office with respect to the gasoline market indicates that Minnesota's gasoline supply is highly concentrated. As discussed previously, over 90 percent of the gasoline supply in Minnesota is produced by only four refineries, with almost 70 percent coming from only two of those four.

The level of concentration results from a series of mergers and acquisitions over the past 20 years. These mergers and acquisitions accounted for nearly all the growth in capital expenditures by U.S. energy companies between 1999 and 2000.[62] If concentration in the oil industry continues to increase, upward pressure on gasoline prices will also increase.[63]

Because Minnesota's markets are already heavily concentrated, further consolidation in the oil industry can only create an environment increasingly susceptible to volatility and higher prices. In April 2002, this Office submitted to the Federal Trade Commission comments in opposition to the proposed merger between Phillips and Conoco. The concentration of refinery ownership in this country, combined with the concentration of Conoco/Phillips retail stores in certain geographic areas, necessitates that the nation refrain from any further consolidation.

6.1.2 *Exchange Agreements*

Exchange agreements are agreements between two refiners to provide each other with a supply of gasoline in a geographic area where the supplying refiner would not otherwise have a supply source. These arrangements, which mutually benefit both refiners, may adversely affect competition since they enable current refiners to preserve, and possibly expand, their market dominance. Some have claimed, however, that exchange agreements enhance competition because they enable a refiner to establish a presence in a market where it would otherwise not exist. As noted in Section 4.2.1, roughly 60 percent of the production of Flint's

[62] Majority Staff Report, p. 27.
[63] *See Id.*, p.16.

Pine Bend facility is delivered to other suppliers under exchange agreements. The effect of exchange agreements on the gasoline market merits further scrutiny.

6.1.3 *Vertical Integration*

As noted in Table 1, all refiners which supply gas within, into and out of Minnesota are vertically integrated in one form or another. Most notable are Marathon Ashland, which owns 184 retail outlets in Minnesota and BP Amoco, which owns 89 retail outlets in Minnesota.

Vertical integration places a number of players in the supply system under common control and ownership. Notwithstanding certain efficiencies that may result from vertical integration, markets controlled by a few vertically-integrated firms tend to have higher prices than markets in which independent jobbers and retailers have a significant presence.[64]

6.2 Possible Refiner Manipulation of Supply

6.2.1 *General Discussion*

Gasoline inventory levels in the Midwest have fallen approximately 22 percent over the past decade.[65] Low inventories have been attributed to, among other things, the lack of storage facilities and a dramatic reduction in refiners' excess capacity. Low inventories are also widely regarded as a key factor contributing to the increased volatility of gasoline prices in recent years.[66] An issue which arises from the reduction in gasoline stock is whether suppliers are intentionally withholding supply and decreasing inventory to raise prices.

The balance between the supply and demand of gasoline has become increasingly tight in recent years. As a result, disruptions in the market or other activities that adversely affect supply can result in price increases. In a

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[64] *See* Majority Staff Report, pp. 9-10.
[65] *Id.*, p. 54.
[66] *Id.*, citing the March 29, 2001 Final Report of the Federal Trade Commission, Midwest Gasoline Price Investigations; EIA, *Petroleum 1996, Issues and Trends*; EIA, Testimony Before the Committee on Energy and Commerce, May 15, 2001; Cooper, Consumer Federation of America, *Ending the Gasoline Price Spiral*; and P.K. Verleger, Jr., *World Oil Markets: Changing Structure and Greater Price Volatility Causing the Third Petro-Recession*, April 2001 Draft.

concentrated gasoline market, refiners can affect the price of gasoline by their decisions regarding supply, and the Majority Staff of the United States Permanent Subcommittee on Investigations concluded in its report, *Gas Prices: How Are They Really Set?* (the "Majority Staff Report") that, in a number of cases, refiners have actually sought to increase prices by reducing supply.[67] For example, Senate staff uncovered an e-mail authored by Mobil staff stating that "[f]looding the market and depressing margins ... would likely be a big hit and not in Mobil's interest."[68] Another document, drafted by or on behalf of Arco, (BP Amoco's affiliate which supplies gasoline on the West Coast) states that Arco needs to monitor supply and demand and "[e]xport to keep the market tight."[69]

6.2.2 *Spring and Summer of 2000*

Whether refiners actually manipulated supply in Minnesota to increase prices is unknown. What is known, however, is that some suppliers have engaged in questionable practices that are consistent with supply manipulation.

For instance, during the spring and early summer of 2000, gasoline prices in the Midwest spiked dramatically. In fact, during a three-week period, the retail price for reformulated gasoline in Chicago rose almost $.30 (from $1.85 per gallon on May 30th to $2.13 on June 20th) while the national average price for reformulated gasoline rose only about six cents.[70]

The Federal Trade Commission conducted an investigation into the high Midwest gasoline prices during the spring of 2000. On March 29, 2001, the Federal Trade Commission issued its report[71] and while it did not find any antitrust violations, it did uncover refiner practices that likely contributed to or exacerbated high prices.[72] The Federal Trade Commission noted that refiners knew prior to the spring of 2000 that the supply of reformulated gasoline ("RFG") for the upcoming spring and summer months was precarious, and that there was a risk that supply would not meet demands. Yet, the refiners did not adequately or appropriately

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[67] Majority Staff Report, p. 5.
[68] Exhibit 31.
[69] Exhibit 32. BP Amoco states that this document was drafted by a consultant and that the actions recommended were not implemented by BP Amoco.
[70] Majority Staff Report, p. 5.
[71] March 29, 2001 Final Report of the Federal Trade Commission, Midwest Gasoline Price Investigation (the "FTC Report").
[72] Majority Staff Report, pp. 145 - 146, citing the FTC Report.

analyze or prepare for the anticipated supply shortages in the Midwest. Indeed, the Federal Trade Commission found that while one company, Marathon Ashland, *did increase* its production and had excess supplies of RFG, it "limited the magnitude of its response [to the supply shortage] because it recognized that *increasing supply to the market would push down prices and thereby reduce the profitability of its overall RFG sales*."[73] The Majority Staff Report concludes that the information gathered by the Federal Trade Commission shows how supply decisions of a small number of companies -- even as few as one or two -- can significantly affect supply and prices in this market.[74]

The above incident illustrates that gasoline suppliers have the market clout to manipulate gasoline inventories on a systematic basis. The issue is whether, as the Federal Trade Commission alleges in the RFG episode described above, the suppliers consistently engage in such manipulation of the market. In contracts with jobbers, suppliers uniformly reserve the right to unilaterally restrict the amount of gasoline a jobber may purchase for *any* reason. Jobbers indicate that suppliers will frequently exercise this right during the year. For example, in August 2001, Equilon abruptly placed a Minnesota jobber on "allocation" due to undefined "circumstances beyond its control."[75] This move meant that the jobber was allowed to purchase only a specified amount of gasoline, with a charge of $.30 per gallon on any purchases over the restricted amount, regardless of the jobber's needs or demands.

The Foundation for Taxpayer and Consumer Rights issued a report in October 2000 in which it concluded that the summer 2000 price spikes occurred because suppliers intentionally drew down inventories in the Midwest.[76] The report's author, Tim Hamilton, states that refiners shifted gasoline out of the Midwest, and even exported it to other countries, to manufacture a supply shortage and subsequent price spike during the high demand summer driving season.[77]

The data supplied by market participants in Minnesota indicate that there is a concentration of pricing power at the supplier level of the delivery chain. Retail stations have no capability to moderate price fluctuations because they have no

[73] *Id.*, pp. 146 - 147, *citing* the FTC Report (emphasis added).
[74] *Id.*, p. 150.
[75] *See* Exhibit 34.
[76] Tim Hamilton, *The Causes and Effects of the Price Spike in the Midwest during 2000*, October 8, 2000, available at http://www.consumerwatchdog.org/ftcr/rp/rp00768.pdf.
[77] *Id.*

ability to maintain inventory. Jobbers not owned by a supplier have no ability to maintain an inventory because, with the exception of Erickson, they do not own terminals to store gasoline. The jobbers also have little ability to control price because the inventory is controlled by refineries and pipelines. In the end, six companies control the gasoline pipelines, two of which also control the crude oil pipelines. If these six companies decide to cut back the supply of gasoline in Minnesota by, for instance, directing it to Chicago, then prices inevitably spike. Certainly suppliers have the ability to, as well as a financial interest in, manipulating the supply of gasoline in Minnesota.

6.2.3 *September 11, 2001 Activity*

The ability of suppliers to manipulate the market became very evident on September 11, 2001, as discussed in Part I. The actions of suppliers, at a minimum, contributed to the perception of a gasoline shortage. Indeed, the September 11, 2001 episode demonstrated that a threatened price hike or supply curtailment, even if never implemented, can cause a panic. By increasing prices (even if later rescinded) or limiting supply, or both, suppliers fueled the panic of the day.

6.3 Refiner Data Sharing

One side effect of a highly concentrated market is that companies with market power can avoid vigorous price competition by making their pricing decisions based on their similarly situated competitors' pricing decisions (without explicitly consulting with competitors or agreeing on prices with them), so that all the major market participants end up charging the same prices. Such conduct is called "conscious parallelism."[78] The result of this behavior is frequently higher prices.[79] As the Majority Staff Report notes, although the antitrust laws do not prohibit conscious parallelism, this practice results in the same economic effect as explicit collusion -- uniform pricing.[80] It is well recognized that in concentrated markets with few competitors, "firms will be able to coordinate their behavior,

[78] *See* Majority Staff Report, pp. 98-99. This phenomenon is also common in the airline industry, for example.
[79] *See* Majority Staff Report, p. 99.
[80] *Id.* at 99.

either by overt collusion or implicit understanding, in order to restrict output and achieve profits above competitive levels."[81]

One practice that facilitates collusion in a concentrated market is the publication of information about pricing activity. The oil industry has a history of engaging in this type of behavior. For example, in a case that began in the late 1970s and continued until the 1990s, the Ninth Circuit held that evidence showing that various oil companies had engaged in practices of publicly posting wholesale prices and publicly announcing their decisions to withdraw dealer discounts and to raise dealer tank wagon prices supported an inference of a conspiracy to fix gas prices.[82]

Indeed, the industry is largely transparent in its competitive data as a result of the Oil Price Information Service ("OPIS"). OPIS is an industry publication which gives online information to industry participants about pricing and supply. OPIS advertises itself as "[t]he world's most comprehensive source for petroleum information, products and prices" and has clients which include "the top 200 oil companies" as well as "thousands of distributors, traders, ... and ... buyers of petroleum products."[83] OPIS provides weekly newsletters and other information to its clients and subscribers, as well as information to the general public on its website, including information relating to changes in fuel supplies. By making this information available to OPIS, the refineries make this information available to their competitors.

For instance, the Majority Staff Report notes that in the summer of 2001, there were an unusually high number of summer maintenance shutdowns and cuts in production that were publicly reported by various oil refineries. For example, during late summer of 2001, OPIS obtained and reported information about a maintenance outage at Flint's Pine Bend, Minnesota refinery which was scheduled to last for seven to ten days, along with information about several other refinery maintenance outages around the country.[84]

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[81] *FTC v. H.J. Heinz Co.* (D.C. Cir. April 27, 2001), available at http://laws.findlaw.com/dc/005362a.html at 11. *See also In Re Petroleum Products Antitrust Litigation*, 906 F.2d 432, 443 (9th Cir. 1990).
[82] *In Re Petroleum Products Antitrust Litigation*, 906 F.2d at 445-50.
[83] *http://www.opisnet.com/aboutus.asp#us.*
[84] Senate Majority Report, pp. 158 - 59.

The Majority Staff Report notes that the publication of information about upcoming refinery outages:

> … appears to conflict with the competitive interest that other refiners have stated for keeping such information confidential. Although it would appear not to be in the competitive interest of any single refiner to disclose outage information, if that refiner also knew that many other refiners would be cutting back at the same time then the competitive disadvantage would be much less … There may well be a common anticompetitive advantage to sharing such information among many refiners.[85]

6.4 Zone Pricing and Redlining

A refiner pricing strategy known as zone pricing is one area of concern in Minnesota and throughout the United States. Zone pricing involves an oil company setting wholesale prices based on the geographic retail market in which the gas will be sold, rather than on the cost of producing the gasoline. Oil companies claim they create zones to account for differences from area to area in such factors as demand for gas and competition.[86] Critics of the practice say it is used as a tool to confine price competition to the smallest area possible[87] and to drive independent stations out of business.

MPSI Systems, Inc. ("MPSI") is a widely used industry consultant on the creation of pricing zones.[88] In its promotional materials, MPSI states:

> To maximize profits, you need to establish a large number of price zones. To maintain good dealer relationships, you need objective zones that can be successfully defended against legal challenges. Finally, you need to actively manage the pricing process for these zones.[89]

MPSI has further touted the benefits of zone pricing to oil companies, stating:

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[85] Majority Staff Report, pp. 163-64 (footnote omitted).
[86] Majority Staff Report, p. 316.
[87] *Id.*, p. 13.
[88] *Id.*, p. 319.
[89] *Id.*

> You will be able to charge more in areas that can support higher prices and separate the areas of heavy competition.[90]

Redlining, another practice that has drawn criticism, is an oil company restriction on jobbers supplying branded gasoline to refiner-owned stations or independent stations in specified geographic areas. The result is that the jobber is prevented or discouraged from undercutting refiner wholesale prices to company-supplied stations. In the Western States Gasoline Pricing Investigation, a Commissioner of the Federal Trade Commission stated that he was "troubled" by redlining and zone pricing, and opined that it "could be unlawful in those circumstances where -- whether in Western States or other gasoline markets -- the practice leads to higher-than-otherwise prices."[91]

The contracts between suppliers and jobbers provided to the Attorney General's Office indicate that both zone pricing and redlining are used by certain suppliers in Minnesota. For example, many of BP Amoco's contracts with jobbers restrict them from supplying any retail location directly supplied by BP Amoco or designated by BP Amoco as a "directly supplied" location. Some of BP Amoco's jobber contracts also appear to utilize zone-pricing, indicating that the jobber's wholesale price from BP Amoco will be its price in effect in "Amoco's pricing area." Similarly, some of Murphy Oil and Equilon's jobber contracts allow the oil refiners to set their wholesale price based on "market areas" or "pricing areas." Citgo has a "competitive allowance" program that may also raise zone pricing issues. Because of the presence of these pricing practices in Minnesota, Minnesota's gasoline market may likely suffer the adverse effect of such practices.

PART VII: OPTIONS FOR CONSIDERATION

The following is a range of options that may be considered to address the concerns and problems identified above. They include options that other states have followed or proposed as a result of their own experiences with gasoline pricing problems. The options address both supply-related problems and market structure issues.

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[90] *Id.*

[91] Exhibit 35, Federal Trade Commission, May 7, 2001 Concurring Statement of Commissioner Mozelle W. Thompson, Western States Gasoline Pricing.

7.1 Options Dealing With Gasoline Supply Concerns

7.1.1 *Creation of a State Gasoline Reserve*

A California task force has recommended that the California Legislature create a state gasoline reserve supply that could be drawn upon during times of short-term supply disruptions to reduce the frequency and longevity of price spikes caused by such disruptions.[92] While California's supply problems arise in part because of a unique restriction on the type of gasoline that may be sold in California, this option may still be an effective alternative for other states such as Minnesota, which have experienced supply problems in the past.

Participants at virtually every level of the gasoline market have noted that Minnesota has a need for additional storage capacity. Indeed, the retention of inventory is a common tactic utilized by participants in other economic sectors where a critical commodity has large price fluctuation. Simply put, the inventory is accumulated during low price periods and then drawn down during periods of high prices. The inventory reserves will stabilize price fluctuation during short periods of tight supply, such as when a refinery is shut down for maintenance or when there is high demand before a holiday.

Creating a state gasoline reserve also is an attractive option due to the concern that suppliers may actually manipulate supply to drive-up prices. It should be noted, however, that a reserve program will not address the long term problems of a constricted refinery market. In addition, this program will likely be opposed by the localities where gasoline terminals are sited.

7.1.2 *Prohibitions on Deliberate Withholding of Gasoline Supply*

Connecticut has enacted a statute that prohibits the illegal creation of a fuel shortage.[93] The Connecticut law prohibits "any act, or [conspiracy] to perform any act, which act creates a shortage of fuel or a probable shortage of fuel in this state with the intent to raise fuel prices or energy prices, adversely affecting competition in this state …" Conn. Stat. 16a-18(a). Such a law might be applicable, for

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92 Report on Gasoline Pricing in California (May 2000) (hereinafter, the "California Report"), pp. 48 - 52.

93 Creating a fuel shortage is defined as "the diminution by contrivance or artificial means of the supply of fuel to the point below that needed to meet consumer demands adequately." Conn. Stat. 16a-17(2).

example, to a situation where a refinery withholds gasoline, which was alleged to have occurred in the Midwest during the summer of 2000.

7.1.3 *Conservation*

Gasoline conservation measures may also be an effective option for decreasing consumer dependence on a critical commodity.

In response to the energy crisis of the 1970s, emphasis was placed on conservation, including the manufacture of automobiles that more efficiently used fuel and those which used alternative fuels. After that crisis passed, the nation became complacent and the public's perception of the need for such programs changed. In the past 30 years, little emphasis has been placed on conservation, and bigger vehicles, including sport utility vehicles and minivans, now flood the roadways. The public continues to purchase these vehicles and little encouragement or incentives are provided to purchase more fuel-efficient vehicles.

The California Attorney General's Office has recommended that conservation again be promoted by encouraging vehicle efficiency, fuel substitution, and alternate modes of transportation.[94] Such measures could be designed to mitigate fuel demand, thus increasing supply and lessening the impact of price spikes. In addition, incentives could be developed to encourage the purchase of fuel-efficient vehicles.

7.1.4 *Miscellaneous Options*

The California Attorney General's Office also proposed the expansion of in-state refining capacity by facilitating the restarting of independent refineries and by encouraging the expansion of existing capacity.[95] Current refiners are operating at near capacity and additional capacity will inevitably be necessary absent dramatic conservation measures. An advisory committee established by the Idaho Attorney General to study gasoline pricing also recommended that certain pipeline related proposals be implemented to increase the supply of gas in Idaho.[96] Such options should also be considered in Minnesota.

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[94] *See* California Report, pp. 56-58.
[95] *See Id.*, pp. 55-56.
[96] Report of the Attorney General's Advisory Committee on Gasoline Pricing (December 15, 1999) (hereinafter, "Idaho Report") at 10-11, available at http://www2.state.id.us/ag/currentissue/gasolineprices.htm.

7.2 Options Related to Market Structure

7.2.1 *Divorcement or Divestiture Legislation*

Divorcement or divestiture laws restrict the ability of oil companies to sell gasoline at the retail level. Divorcement laws prohibit oil companies from directly operating retail gas stations by allowing branded stations to be operated only by lessee-dealers or independent dealers. A divorcement law was first enacted by Maryland in 1974; other states with some form of divorcement law include Florida, Delaware, Washington, D.C., Connecticut, Hawaii, Nevada, and Virginia. Divorcement ordinances have also been considered by local governments in California. The provisions of such retail divorcement legislation may vary; some laws require oil companies to divest their company-operated stations through either lease or sale, while others only prohibit oil companies from acquiring new stations.

Divestiture legislation goes beyond divorcement in that it prohibits refiners from having lessee-operated stations. States and cities that have required some form of retail station divestiture are reported to have experienced increased price competition. In Minnesota, refiner-owned gas stations constitute approximately one-third of the market. Thus, such legislation might result in increased price competition here as well.

7.2.2 *Open Supply of Branded Gasoline*

As described above, branded dealers may be restricted by the terms of their contracts from purchasing gas from other than one source, such as the refiner's rack, the refiner's tank wagon or a jobber supplying the refiner's brand. Legislation has been proposed in California and Michigan that would prohibit these kinds of exclusive purchasing agreements between refineries and lessee-dealers or open dealers, so that dealers would have the option of purchasing gasoline supply from any source.[97] This prohibition would provide dealers with a number of supply sources, thereby increasing competition at this level of the supply chain.

[97] California Report, pp. 61-62. Such legislation has been proposed in Minnesota in the past but has never been passed by both houses of the legislature.

7.2.3 *Expanded Data Reporting*

Legislation similar to Hawaii's Petroleum Information Reporting Act will provide a means to better track oil company activity in Minnesota on a regular basis. *See* Haw. Rev. Stat. § 486J-1 *et seq.* (2001). This Hawaii law requires oil companies to periodically file informational reports with the Hawaii Department of Business Economic Development and Tourism that include information regarding inventory levels, storage capacity, distribution, and methods of transporting gasoline. Similarly, the Michigan Attorney General's Office recently called for the creation of expanded data collection mechanisms in Michigan.[98] It also proposed a program that would improve the state's ability to monitor in real-time retail price movements, so that the state can more effectively investigate price collusion and inform the public about businesses that repeatedly engage in detrimental pricing behavior.[99]

7.2.4 *Curtailing the Merger Trend*

This Office, as well as the Michigan and the Idaho Attorneys General, have called for the cessation of mergers and acquisitions in the oil industry.[100] The FTC is currently updating a study of merger and acquisition activity in the oil industry and how the oil industry market structure has changed over the past ten years.

The Majority Staff Report concluded that if concentration in the oil industry continues to increase, higher prices can be expected.[101] Proposed mergers resulting in further concentration need to be carefully scrutinized at the federal level and the cumulative effects of such mergers must be recognized.

AG: #673433-v1

[98] *See* Consumer Alert, Michigan Attorney General's Office, available at http://www.ag.state.mi.us/cp/alerts/c_alerts/consumer_alert50.htm at 3 [hereinafter, "Michigan Consumer Alert"].
[99] *Id.*
[100] *See* Michigan Consumer Alert at 1; Idaho Report at 1.
[101] Majority Staff Report, p. 16.

EXHIBIT 1

PostBulletin Archives

online edition

Return to front

Rumors prompt hikes in gas prices

09/15/2001

Rumors prompt hikes in gas prices

Customers crowd stations after terror attacks

There have been all kinds of reactions to the terrorist attacks in New York and Washington, D.C.

Some have been benevolent and heart-warming, such as the response of blood donors across the country. Blood donors lined up by the hundreds in New York City and 50 first-time donors appeared at the Mayo Clinic Blood Donor program on Tuesday. The local program also received dozens of calls from others wanting to donate blood.

In addition, 20 churches and the Islamic Center in Rochester scheduled special prayer meetings, including an interdenominational meeting at Christ United Methodist Church. The churches sought to help people respond to the tragic attacks and offer consolation.

Less heart-warming were the reactions of some service stations in Rochester and elsewhere. Some stations in Rochester boosted prices to $1.95 or $2 a gallon as customers waited in line Tuesday night. Some stations in Minnesota and elsewhere posted prices of $4 or $5.

Many drivers flocked to service stations and waited in long lines Tuesday night in response to rumors that gas prices would go up to $5 or $6 a gallon. In most cases, those rumors were not true, but some station operators exploited the opportunity to increase their income. Most decisions of that kind apparently were made by local proprietors, because most of the major oil companies had pledged to hold the line on prices. It should be noted also that most stations held prices to their previous levels.

Minnesota Attorney General Mike Hatch said he would ask consumers to identify service stations that charged exorbitant prices and pledged to publicize his findings. That should be effective in discouraging further price-gouging.

The country is still struggling to understand and respond to the deadly attacks of Tuesday morning. The vast majority of people have responded with sympathy and patriotic fervor. Many have offered to help with blood donations and in other ways. It is unfortunate that a small minority of dealers could not resist the temptation to take advantage of the crisis.

EXHIBIT 2

MESSAGE IGNORED:

MESSAGE: 0911120253

/*\/*\/*\/*\/*\ MARATHON ASHLAND PETROLEUM LLC /*\/*\/*\/*\/*\

EFFECTIVE AT 14:01 HOURS TODAY, THURSDAY, SEPTEMER 11, 2001, MARATHON ASHLAND PETROLEUM LLC WILL INCREASE MARATHON BRANDED JOBBER PRICES +.0700 PER GALLON FOR ALL GASOLINES AND $.1200 FOR ALL DISTILLATES, AT ALL TERMINALS, EXCLUDING ALL TERMINALS IN THE STATE OF WISCONSIN. THANK YOU. *

~~MESSAGE IGNORED:~~

MESSAGE: 0911120354

/*\/*\/*\/*\/*\ MARATHON ASHLAND PETROLEUM LLC /*\/*\/*\/*\/*\

EFFECTIVE AT 14:01 HOURS TODAY, THURSDAY, SEPTEMER 11, 2001, MARATHON ASHLAND PETROLEUM LLC WILL INCREASE WHOLESALE RESELLER PRICES +.1200 PER GALLON FOR ALL PRODUCTS (GASOLINE AND DISTILLATES) AT ALL TERMINALS, EXCLUDING ALL TERMINALS IN THE STATE OF WISCONSIN. THANK YOU.

EXHIBIT 3

MESSAGE IGNORED:

MESSAGE: 0912154747

/*\/*\/*\/*\/*\ MARATHON ASHLAND PETROLEUM LLC /*\/*\/*\/*\/*\

SPECIAL NOTICE TO MARATHON ASHLAND PETROLEUM LLC WHOLESALE CUSTOMERS:
AS A MEASURE TO BEST SERVE MAP'S WHOLESALE CLASS OF TRADE DURING EXTREME CONDITIONS, MAP WILL BE ESTABLISHING A DAILY PRODUCT ALLOCATION PROGRAM FOR RACK SALES EFFECTIVE AT 0001 HOURS ON SEPTEMBER 13, 2001. YOUR MAXIMUM DAILY PRODUCT ALLOCATION WILL BE TRANSMITTED IN A SEPARATE DTN MESSAGE TO YOU BEFORE 2100 (E.D.T.) TODAY, SEPTEMBER 12. THANK YOU.

EXHIBIT 4

~~MESSAGE IGNORED:~~

MESSAGE: 0912123224

/*\/*\/*\/*\/*\ MARATHON ASHLAND PETROLEUM LLC /*\/*\/*\/*\/*\

GREEN BAY, WI -- 87/89/92 OCTANE UNLEADED
ATTN. MAPLLC WHOLESALE CUSTOMERS: EFFECTIVE TODAY, SEPTEMBER 12, AT 1400 HOURS; 87 UNLEADED, 89 MIDGRADE UNLEADED, AND 92 PREMIUM WILL NOT BE AVAILABLE AT THE GREEN BAY TERMINAL, UNTIL SUNDAY, SEPTMEBER 16 AT 0001 HOURS. THANK YOU.

EXHIBIT 5

Western District
Brand Marketing

MARATHON ASHLAND Petroleum LLC

1304 Olin Avenue
Indianapolis, IN 46222

Dear Marathon Brand Jobber:

The events of September 11, 2001, came as a shock to all of us. We realize that the events of that tragic day were unprecedented and that the public response and demand for our products was also unprecedented. We believe that the vast majority of our customers and their dealers acted responsibly in pricing their products to the public.

However, we have been contacted by several state Attorneys General, by the Federal Trade Commission, and by other Federal and State officials who are disturbed about sudden, drastic increases in retail gasoline prices at some locations. They have indicated that unwarranted and unjust increases in prices may violate certain state or local laws. If a customer or one of their dealers has broken such laws, MAP considers it to be grounds for termination of our relationship.

Charging extraordinarily high prices during such a national crisis disparages the name and reputation of our company and our brand, a name and reputation in which we all share. MAP considers such dramatically increased prices to be a diminution in the value of our brands, which is further grounds for termination of our relationship.

Marathon Ashland Petroleum LLC is totally committed to assuring that our customers have access to motor fuels at reasonable prices during this time of crisis and will work hard to make that happen.

We strongly urge you to consider the best interests of your community, our country and the brand image we share in making your pricing decisions. Remember your key values and act accordingly. We are, and shall remain, **An American Company Serving America**.

Please be sure to forward this message to your dealers.

Sincerely,

MARATHON ASHLAND PETROLEUM LLC

William J. Webb

William J. Webb
District Manager

{Jobber_Letter..DOC}

EXHIBIT 6

/*\/*\/*\/*\/*\ MARATHON ASHLAND PETROLEUM LLC /*\/*\/*\/*\/*\

ATTN: MAPLLC WHOLESALE CUSTOMERS:

PLEASE BE ADVISED THAT MAPLLC IS RESCINDING ITS EARLIER ANNOUNCED PRICE INCREASES EFFECTIVE TODAY, SEPTEMBER 11 AT 1400 HOURS (SEPTEMBER 12 AT 0001 FOR WISCONSIN). THE PRICES THAT YOU RECEIVED EFFECTIVE SEPTEMBER 11 AT 0001 HOURS REMAIN IN EFFECT UNTIL FURTHER NOTICE.

AS YOU ARE AWARE, THERE ARE REPORTS OF LARGE RETAIL PRICE INCREASES IN THE PRESS. IN THIS TIME OF NATIONAL CRISIS, WE URGE OUR CUSTOMERS TO EXERCISE RESTRAINT IN ESTABLISHING THEIR PRICES FOR MOTOR FUELS. WE HOPE OUR ACTIONS IN RESCINDING THESE INCREASES FACILITATE SUCH RESTRAINT. THANK YOU.

EXHIBIT 7

MESSAGE: 0911110549

DIAMOND PRICES Parent Company of Total Petroleum

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UUU      UUU      DDDDDDDDDDD         SSSSSSSSSSS
UUU      UUU      DDDDDDDDDDDDD     SSSSSSSSSSSSS
UUU      UUU      DDD      DDDD     SSS
UUU      UUU      DDD       DDD     SSS
UUU      UUU      DDD       DDD     SSSSSSSSSSSS
UUU      UUU      DDD       DDD       SSSSSSSSSSSS
UUU      UUU      DDD       DDD                SSS
UUUU    UUUU      DDD      DDDD                SSS
UUUUUUUUUUUUU     DDDDDDDDDDDDD     SSSSSSSSSSSSS
 UUUUUUUUUUU      DDDDDDDDDDD         SSSSSSSSSSS
```

DIAMOND SHAMROCK REFINING & MARKETING

EFFECTIVE 09/11/2001 AT 12:01 P.M. - CDT

TRANSMITTED 09/11/2001 AT APPROX. 11:01 A.M. CDT

CONTACT YOUR TERRITORY MANAGER IF YOU DID NOT RECEIVE YOUR PRICING INFORMA

CONFIDENTIAL WHOLESALE PRICING INFORMATION

DUE TO THE EVENTS OF THIS MORNING WE ARE SUSPENDING ALL UNBRANDED SALES AND MAKING A MIDDAY PRICE ADJUSTMENT. THESE ACTIONS ARE AN ATTEMPT TO MAINTAIN ADEQUATE SUPPLIES FOR OUR BRANDED AND CONTRACT CUSTOMERS. WE WILL REEVALUA AND ADJUST PRICING AS NECESSARY AS FUTURE DEVELOPMENTS WARRANT.

MESSAGE: 0911111150

TOTAL

09/11/01 10:51TOTAL PETROLEUM PRICES ARE EFFECTIVE Sep 11 2001 12:01PM

UNLESS OTHERWISE NOTIFIED

MN-MAN-WPL0167	UNLEAD	SUPER	ETHL	NO1 DF	HWY DF
BRD Change:	.1000	.1000	.0000	.1000	.1000
09/11/01 Price:	1.2300	1.3100	1.6575	1.2225	1.1525

+$.0035/GAL TO ALL RED-DYED DIESEL; +$.006/GAL TO LS#2 WITH POUR DEPRESSANT.

MN-MINN-WPL0168	UNLEAD	SUPER	ETHL	OFF RD	NO1 DF	HWY DF
BRD Change:	.1000	.1000	.0000	.1000	.1000	.1000
09/11/01 Price:	1.2150	1.2950	1.6775	1.1550	1.2350	1.1650

+$.0035/GAL TO ALL RED-DYED DIESEL: +$.006/GAL TO LS#2 WITH POUR DESPRESSANT

MN-PBND-KOC0256	UNLEAD	U PLUS	SUPER	OFF RD	NO1 DF	HWY DF	U/ETHL	U+ETHL	S/E
BRD Change:	.1000	.1000	.1000	.1000	.1000	.1000	.1000	.1000	.1
09/11/01 Price:	1.1975	1.2325	1.2775	1.1375	1.2175	1.1475	1.2675	1.3025	1.3

GASOLINE PRODUCTS ARE BLENDED WITH 10% ETHANOL

MN-WREN-CON0277	UNLEAD	SUPER	OFF RD	NO1 DF	HWY DF	U/ETHL	S/ETHL
BRD Change:	.1000	.1000	.1000	.1000	.1000	.1000	.1000
09/11/01 Price:	1.2050	1.2850	1.1425	1.2275	1.1575	1.2340	1.3340

+$.0035/GAL TO ALL RED-DYED DIESEL

MN-ALEX-WPL0154	UNLEAD	SUPER	ETHL	NO1 DF	HWY DF
BRD Change:	.1000	.1000	.0000	.1000	.1000
09/11/01 Price:	1.2375	1.3175	1.6700	1.2375	1.1675

**

IA-MIL-KPL0116	UNLEAD	SUPER	ETHL	OFF RD	NO1 DF	HWY DF
BRD Change:	.1000	.1000	.0000	.1000	.1000	.1000
09/11/01 Price:	1.1900	1.2600	1.7275	1.1275	1.2250	1.1450

AN ADDITIONAL CHARGE OF $.0035/GAL WILL BE ADDED TO ALL RED-DYED DIESEL.

MN-ROSE-KOC0255	UNLEAD	U PLUS	SUPER	OFF RD	NO1 DF	HWY DF	U/ETHL	U+ETHL	S/E
BRD Change:	.1000	.1000	.1000	.1000	.1000	.1000	.1000	.1000	.1
09/11/01 Price:	1.2000	1.2350	1.2800	1.1400	1.2200	1.1500	1.2700	1.3450	1.3

RED DYE + $.0035/GAL; ETHANOL BLENDED AT 10%

EXHIBIT 8

MESSAGE IGNORED:

MESSAGE: 0912141242

9/12/01

ATTN: DIAMOND SHAMROCK AND TOTAL BRANDED JOBBERS

IT HAS COME TO OUR ATTENTION THAT SOME OF YOU MAY HAVE INCREASED YOUR RETAIL
PRICES IN LIGHT OF YESTERDAY'S TRAGIC EVENTS. WE HAVE BEEN CONTACTED BY STATE'
ATTORNEY GENERALS AND GOVERNMENT OFFICIALS WHO ARE CONCERNED ABOUT THE SUDDEN
INCREASE IN RETAIL GASOLINE PRICES, MOST OF WHICH THEY CONSIDER UNWARRANTED AND
UNJUST. SUCH PRICE INCREASES AT A TIME OF NATIONAL DISASTER MAY BE IN VIOLATIO
F STATE LAWS. IN ADDITION, IT HAS COME TO OUR ATTENTION THAT SOME OF YOU MAY B
CHARGING PRICES DIFFERENT FROM YOUR POSTED PRICES WHICH MAY ALSO BE A VIOLATION
OF STATE LAWS. IF YOU ARE FOUND TO HAVE BROKEN SUCH LAWS, IT WILL BE CONSIDERE
A MATERIAL BREACH OF YOUR DISTRIBUTOR AGREEMENT AND WE MAY SUBSEQUENTLY
TERMINATE YOUR AGREEMENT OR OTHERWISE SEEK DAMAGES AGAINST YOU. THIS IS A TIME
TO CONDSIDER THE BEST INTERESTS OF OUR COMMUNITY AND OUR COUNTRY FIRST....PLEAS
CT RESPONSIBLY.

PLEASE BE SURE TO FORWARD THIS MESSAGE TO YOUR DEALERS.

EXHIBIT 9

MURPHY OIL

ALERT******ALERT******ALERT******ALERT******ALERT******ALERT******ALERT******

ATTENTION MURPHY OIL CUSTOMERS:

EFFECTIVE AT 11:00 CST TODAY (9-11-01) MURPHY WILL IMPLEMENT A PRICE CHANGE IN ALL LOCATIONS ON ALL PRODUCTS. PLEASE WATCH FOR FURTHER PRICE CHANGES THROUGH OUT THE DAY.

MESSAGE: 0911110048

MURPHY OIL
MURPHY OIL USA, INC.
THE FOLLOWING PRICE CHANGES ARE EFFECTIVE AT 11:00 A.M. CST 9-11-01 (TODAY)
AND WILL REMAIN IN EFFECT UNTIL OTHERWISE NOTIFIED.

SUPERIOR 3		PDF_LS	PDFLSR	PDF_HS
12B	Change:	0.1200	0.1200	0.1200
09/11/01	Price:	1.1750	1.1835	1.1750

THE ABOVE (PDF) PRICES ARE FOR SUMMER PREMIUM DIESEL FUEL.

DULUTH 3		PDF_LS	PDFLSR	PDF_HS
16B	Change:	0.1200	0.1200	0.1200
09/11/01	Price:	1.1750	1.1865	1.1780

THE ABOVE (PDF) PRICES ARE FOR SUMMER PREMIUM DIESEL FUEL.

DULUTH 1		S91 HI	P89 HI	UL87HI	S91 OX	P89 OX	UL87OX	S92 OX
16	Change:	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
09/11/01	Price:	1.2955	1.2255	1.2055	1.3460	1.2610	1.2560	1.3810

DULUTH 2		RED #1	#1FUEL	HSD #2	LSD #2	RED #2
16A	Change:	0.1200	0.1200	0.1200	0.1200	0.1200
09/11/01	Price:	1.2005	1.1980	1.1580	1.1580	1.1605

SUPERIOR 1		S91 HI	P89 HI	UL87HI	S91 OX	P89 OX	UL87OX	S92 OX
12	Change:	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
09/11/01	Price:	1.2925	1.2225	1.2025	1.3430	1.2580	1.2530	1.3780

SUPERIOR 2		RED #1	#1FUEL	HSD #2	LSD #2	RED #2	K1KERO	RED K1
12A	Change:	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
09/11/01	Price:	1.1975	1.1950	1.1550	1.1550	1.1575	1.2300	1.2325

MINNEAPOLIS		S91 HI	UL87HI	SUB GR	ETHAN
127	Change:	0.1200	0.1200	0.1200	0.0000
09/11/01	Price:	1.3275	1.2375	1.2325	1.6550

MINNEAPOLIS 2		RED #1	#1FUEL	HSD #2	LSD #2	RED #2
127A	Change:	0.1200	0.1200	0.1200	0.1200	0.1200
09/11/01	Price:	1.2365	1.2340	1.1625	1.1625	1.1650

ALEXANDRIA		S91 HI	UL87HI	SUB GR	ETHAN	RED #1	#1FUEL	HSD #2	LSD #2	RED
128	Change:	0.1200	0.1200	0.1200	0.0000	0.1200	0.1200	0.1200	0.1200	0.12
09/11/01	Price:	1.3385	1.2485	1.2435	1.6625	1.2370	1.2345	1.1865	1.1865	1.18

CHIPPEWA FALLS		S92 HI	UL87HI	P89 OX	RED #1	#1FUEL	LSD #2	RED #2
291	Change:	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
09/11/01	Price:	1.3600	1.2600	1.3470	1.2425	1.2400	1.1900	1.1925

FARGO		S91 HI	UL87HI	SUB GR	ETHAN	RED #1	#1FUEL	LSD #2	RED #2
140	Change:	0.1200	0.1200	0.1200	0.0000	0.1200	0.1200	0.1200	0.1200
09/11/01	Price:	1.3385	1.2485	1.2435	1.6425	1.2240	1.2215	1.1815	1.1840

GRAND FORKS		UL87HI	ETHAN	RED #1	#1FUEL	LSD #2	RED #2
129	Change:	0.1200	0.0000	0.1200	0.1200	0.1200	0.1200
09/11/01	Price:	1.2490	1.6475	1.2240	1.2215	1.1815	1.1840

JUNCTION CITY		S93 HI	S92 HI	UL87HI	HSD #2	LSD #2	RED #2
160	Change:	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
09/11/01	Price:	1.3450	1.3350	1.2350	1.1775	1.1775	1.1800

MANKATO		S91 HI	UL87HI	ETHAN	RED #1	#1FUEL	LSD #2	RED #2
126	Change:	0.1200	0.1200	0.0000	0.1200	0.1200	0.1200	0.1200

Duluth News-Tribune (MN)
September 13, 2001
Section: FRONT
Edition: FINAL
Page: 05A

TERRORISTS STRUCK ECONOMIC BLOW
OVERSEAS MARKETS IN TURMOIL

NORTHLANDERS RUSH TO THE PUMPS
Craig Lincoln And Peter Passi/News Tribune Staff Writers

Tuesday's terrorist attacks increased the risks that the already weak U.S. and world economies could fall into outright recession, economists said on Wednesday.

Sung Won Sohn, chief economist for Wells Fargo, said the terrorist attacks made a global recession ``highly likely."

The first signs of instability hit global financial markets Wednesday, which, along with Wall Street, had already fallen steeply in recent weeks.

Markets plunged in Asia. The Nikkei Stock average tumbled 682.65 points to 9,610.10, the lowest close since December 1983. Hong Kong's Hang Seng index fell 9.5 percent while stock indices in Singapore and South Korea fell by 8 percent.

In Europe, markets had already fallen sharply on Tuesday in the hours after the attacks. On Wednesday, the European Central Bank intervened to buy about $57 billion in money market assets. The action prevented interest rates from soaring and brought stability to European stock markets.

The Federal Reserve is expected to respond in a similar fashion should markets in the United States plunge when they reopen.

Trading in government bonds is to resume Thursday, while the New York Stock Exchange is to reopen by Monday.

NORTHLAND REACTS

Northlanders who were worried about money and national rumors of spiking gasoline prices took action where they could -- and waited where they couldn't.

Motorists drove up **gas prices** by mobbing gas stations. Investors -- impatient for financial markets closed after the attacks to open again -- calculated what might happen to their finances.

Local economists said the economy's foundation remained in place, but individual reactions to

Tuesday's attacks would decide the economy's course.

``It's not like there's going to be any oil shortages, communication networks are not down, financial networks are not down," said Tony Barrett, an economics professor at the College of St. Scholastica. ``What this will be is a psychological impact to an already shaky economy."

A blow to consumer confidence could remove the last pillar propping up the U.S. economy, economists say. But whether it would have happened anyway is open to question.

What's clear is that the possibility is there. Witness the reaction Tuesday to rumors that **gas prices** were skyrocketing.

``I've been in the business 21 years, and I've never seen anything like it," said Gordie Runquist, manager of the ICO gas station at 4532 Grand Ave., Duluth, recalling the scene Tuesday night. ``We ran out of gas twice."

Tobie's Gas Station in Hinckley raised its prices from $1.72 to $2.72 per gallon at 11 p.m. Tuesday to deal with hordes of motorists wanting to fill up -- including one customer who showed up with a 300-gallon barrel in his truck. The station needed to buy some time to make sure it would have ample supplies coming in, said Tobie's General Manager Chris Hickle.

``When you get a herd mentality going, it can have a profound effect on the whole economy," Hickle said.

Daron Van Helden, a spokesman for AAA, said there's nothing to justify price gouging. ``But if people behave in a way that creates spot shortages, that's what's going to happen."

David Podratz, manager of Murphy Oil Co.'s refinery in Superior, said there's no sound reason to suspect the nation's stock of fuel will be affected by Tuesday's events.

On Wednesday, the gas market returned to normalcy, and Tobie's price went back down to $1.72.

PATIENCE WILL PAY OFF

But stock market uncertainty still looms, and the possibility that panic will introduce unneeded chaos into a market already trading low: the Dow Jones Industrial average, down about 10 percent for the year; the NASDAQ, down about 30 percent.

Greg Connor, an investment representative with Edward D. Jones & Co.'s office on Miller Hill, said the company is warning of over-reaction.

His advice to clients: ``Don't panic and don't overreact."

Branch Manger Gary Bubalo, of the brokerage firm Miller Johnson Steichen Kinnard, gave similar advice.

``Let the emotion die down before making any long-term investment decisions," Bubalo said. ``Our concern is mainly for the people and the tragedy. That really makes what we do for a living pretty small by comparison."

University of Minnesota Duluth economics professor Richard Lichty said the impacts should pass.

In a time of economic turmoil, perhaps an economist's activities are the best indicator of how to react.

``I'm staying on top of the news, but I'm going about my day-to-day business," said Barrett, the St. Scholastica professor. ``I'm going grocery shopping. It's not because I'm stocking up, I just need to go grocery shopping."

CRAIG LINCOLN covers business, economics and demographics. He can be reached at (218) 723-5311, (800) 456-8282 ext. 311 or by e-mail at clincoln@duluthnews.com.

Knight Ridder Newspapers contributed to this report.

Illustration:PHOTO: Associated Press

Pressing his forehead, a Tokyo businessman walks past a Tokyo brokerage's electric board indicating the NIkkei's drop of 682 points Wednesday afternoon. Japan's main stock index closed down 6.6 percent Wednesday as traders shed stocks in companies with global operations in reaction to terrorist attacks in New York City and Washington. The dollar weakened sharply against the yen.

EXHIBIT 10

EXHIBIT 11

MURPHY

OIL

.ERT******ALERT******ALERT******ALERT******ALERT******ALERT******ALERT******

'TENTION ALL MURPHY OIL CUSTOMERS:

JRPHY OIL IS RESCINDING IT'S WHOLESALE PRICE INCREASE ANNOUNCED AT 11:00 CDT
EPTEMBER 11. THE PRICES YOU RECEIVED EFFECTIVE 12:01 A.M. SEPTEMBER 11
ILL REMIAN IN EFFECT UNTIL FURTHER NOTICE. MURPHY BELIEVES FISCAL DISCIPLINE
S REQUIRED IN THIS PERIOD OF CRISIS AND ASK OUR CUSTOMERS TO JOIN IN THIS
FFORT. ALL PRODUCT LOADED AFTER THE ANNOUNCED INCREASE WILL BE INVOICED AT TH
REVIOUS, LOWER PRICE.

EXHIBIT 12

KOC1 0701 INV-0036 09-11-01 START MSG
.EFFECTIVE 1:00 PM CDT, THE FOLLOWING KOCH TERMINALS
WILL SHUT ԝOWN FOR APPROXIMATELY ONE HOUR;
PINE BEND, JUNCTION CITY, WAUPUN, MADISON, MILWAUKEE, AND BETTENDORF.
AS ` `:00 PM CDT, EXCHANGE PARTNERS AND CONTRACT CUSTOMERS
WIL. . ALLOWED TO RESUME LOADING BASED ON THEIR HISTORICAL
DAILY LIFTINGS. ALL OTHER CUSTOMERS WILL BE LOCKED OUT UNTIL
FURTHER NOTICE.

KOC1 0701 INV-0036 09-11-01 END MSG

EXHIBIT 13

KOC1 0976 INV-0008 09-11-01 START MSG
ATTENTION KOCH PETROLEUM CUSTOMERS IN MN-SD-ND:

YOU MAY SEE A PRICE CHANGE REPORT DATED

SEPTEMBER 12, 2001

THE DATE INFORMATION IS NOT CORRECT AND SHOULD BE IMMEDIATELY FOLLOWED WITH THE CORRECT PRICING DATE OF TODAY, SEPTEMBER 11. 2001. THE PRICES ARE EFFECTIVE AT 2PM TODAY. THE INCREASE ON ALL GRADES OF GASOLINE AND FUEL IS $.0700.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT

KOC1 0976 INV-0008 09-11-01 END MSG

EXHIBIT 14

EFFECTIVE 12:00 AM ON SEPTEMBER 12, 2001, KOCH PETROLEUM GROUP
LIFTED ALL DAILY ALLOCATIONS AT THE FOLLOWING TERMINALS;
PINE BEND, JUNCTION CITY, WAUPUN, MADISON, MILWAUKEE, AND BETTENDORF.
PLEASE CONTACT YOUR ACCOUNT MANAGER WITH ANY QUESTIONS.
THANK YOU FOR YOUR PATIENCE DURING THESE TRYING TIMES.

EXHIBIT 15

KOC1 0701 INV-0059 09-19-01 START MSG
ATTENTION KOCH PETROLEUM MN, ND, AND SD CUSTOMERS:

AS PREVIOUSLY ANNOUNCED, KOCH WILL BE RECINDING THE PRICE CHANGES OF
TUE ', SEPTEMBER 11, 2001 12:01 AM UNTL SEPTEMBER 14, 2001, 11:59PM.
WE . ENTERED ONE PRICE THAT IS EFFECTIVE BY TERMINAL FOR THIS 4-DAY PERIOD
AS LISTED BELOW.THE FORMAT FOR PRICING IS

TERMINAL NAME, 87NL, 87 OXY, ETHANOL, NO2LS

AN 'X' REPRESENTS A NONEXISTANT GRADE.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROCESS OR ANY OTHER ISSUES, PLEASE
CONTACT MONA OR LYNETTE AT 888-999-6308, OR YOUR LOCAL SALES REPRESENTATIVE
FOR ASSISTANCE.

ALEXANDRIA 1.1035, 1.1547, 1.6600, 1.0525
MANKATO 1.1015, X, 1.6200, 1.0410
MARSHALL 1.1050, X, 1.6400, 1.0490
ROCHESTER 1.1050, 1.1590, 1.6900, 1.0385
FARGO 1.1335, 1.1767, 1.6100, 1.0650
GRAND FORKS 1.1335, X, 1.6100, 1.0650
WRENSHALL 1.0800, X, 1.7150, 1.0405
SUPERIOR 1.0800, 1.1390, 1.7150, 1.0405
PINE BEND 1.0960, 1.1499, 1.6800, 1.0325
ROSEVILLE 1.1010, 1.1544, 1.6800, 1.0375
MINNEAPOLIS 1.1085, 1.1612, 1.6800, 1.0450
WATERTOWN 1.1350, X, 1.6000, 1.0590
SIOUX FALLS 1.1215, X, 1.5700, 1.0365
ABERDEEN 1.1580, X, X, 1.0920
MITCHELL 1.1400, X, X, 1.0800

PINE BEND AVGAS 1.4475, 1.4575
RO LE POWER110 1.9500

KOC1 0701 INV-0059 09-19-01 END MSG

EXHIBIT 16

Attention Phillips Marketers
09/12/01

HILLIPS BRANDED GASOLINE PRICES IN EFFECT ON TUESDAY, SEPTEMBER 11,
ILL REMAIN IN EFFECT FOR WEDNESDAY, SEPTEMBER 12. PLEASE DISREGARD
DNESDAY'S PRICES CHANGES ON BRANDED GASOLINE.

nd of P66 Message

EXHIBIT 17

MESSAGE: 0911105245

ALERT

EFFECTIVE 11:30 AM CST, (9-11-01), COUNTRY ENERGY WILL IMPLEMENT A PRICE CHANGE AT ALL LOCATIONS FOR ALL REFINED FUELS PRODUCTS.

~~MESSAGE IGNORED:~~

MESSAGE: 0911115352

COUNTRY ENERGY LLC

COUNTRY ENERGY, LLC PRICES LAST UPDATED: 11:21 A.M. 09/11

ALL PRICES ARE EFFECTIVE: 11:30 A.M. 09/11

MPLS WPL	U	UL	UL10E	PUL	MG UL	PU10E	UBG10E	ETH	
	PRICE:	1.3600	1.3950	1.4300	1.4100	1.4580	1.3995	1.7100	
09/11/01	CHANGE:	0.2500	0.2260	0.2500	0.2500	0.2260	0.2350	0.0100	

ST.PL ASHL	U	UL	UL10E	UL BG	PUL BG	PUL	PUL93	MG UL	PU
	PRICE:	1.3500	1.3860	1.3450	1.4300	1.4200	1.4400	1.3900	1.
09/11/01	CHANGE:	0.2600	0.2350	0.2600	0.2600	0.2600	0.2600	0.2600	0.

ST.PL ASHL	U	P9110E	M9010E	MG10E	UBG10E	PBG10E	K2-U	K1-U	ET
	PRICE:	1.4220	1.4005	1.3955	1.3905	1.4505	1.4800	1.4800	1.
09/11/01	CHANGE:	0.2350	0.2440	0.2440	0.2440	0.2440	0.3200	0.3200	0.

ST.PL ASHL	U	LS#1-U	LS#1-D	HS#2-D	#2-U	#2X1-U	#2-D	#2X1-D
	PRICE:	1.4600	1.4635	1.3600	1.4000	1.4070	1.4035	1.4105
09/11/01	CHANGE:	0.3200	0.3200	0.2975	0.3200	0.3200	0.3200	0.3200

FARGO	U	UL	UL10E	UL BG	PUL	PU10E	P9110E	UBG10E	ETH
	PRICE:	1.3700	1.4010	1.3650	1.4500	1.4730	1.4330	1.4055	1.6
09/11/01	CHANGE:	0.2550	0.2315	0.2550	0.2550	0.2315	0.2315	0.2405	0.0

GR.FORKS	U	UL	UL10E	ETH	LS#1-U	LS#1-D	#2-U	#2X1-U	#2
	PRICE:	1.3700	1.4010	1.6800	1.4700	1.4735	1.4000	1.4070	1.4
09/11/01	CHANGE:	0.2550	0.2315	0.0200	0.3000	0.3000	0.3000	0.3000	0.3

ALEXANDRIA	U	UL	UL10E	UL BG	PUL	PU10E	P9110E	MBG10E
	PRICE:	1.3600	1.3940	1.3550	1.4300	1.4570	1.4220	1.4180
09/11/01	CHANGE:	0.2450	0.2255	0.2450	0.2450	0.2255	0.2255	0.2315

ALEXANDRIA	U	#2-D	#2X1-D	#2PR-U	#2PR-D	WM-U	WM-D	LSSUPU	LSS
	PRICE:	1.4035	1.4105	1.4300	1.4300	1.4600	1.4600	1.4700	1.4
09/11/01	CHANGE:	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3

ALEXANDRIA	U	UBG10E	ETH	LS#1-U	LS#1-D	HS#2-D	HS#2X1	#2-U	#2X
	PRICE:	1.3985	1.7000	1.4600	1.4635	1.3600	1.3670	1.4000	1.4
09/11/01	CHANGE:	0.2345	0.0500	0.3000	0.3000	0.2700	0.2700	0.3000	0.3

EXHIBIT 18

Summary of Events/Pricing Strategy

Monday, September 10 (day before terrorist attack)

- Throughout the weekend and on Monday, Country Energy was priced very aggressively in both the brand and unbranded markets. We believed that pricing would drop towards the end of the month and we were trying to move the gallons on the front end. Monday night our pricing was again dropped – to continue with this aggressive pricing poster.

Tuesday, September 11 (day of attack)

- Immediately after the news became public, we began receiving frequent updates from our news services including OPIS, reporting on pricing moves by oil companies around the country. Within a few hours, we had received a dozen of these.
- We held a 10 a.m. meeting to determine our strategy. At this time, we were priced very low at the racks. Cenex Transportation reported being flooded with orders to pull products. We saw lines were developing at the terminals. Liftings at the terminals were running 2-to-2.5 times normal volumes.
- The European market was increasing in price. The New York Mercantile Exchange closed due to events in New York. We received information that oil companies were coming out with a mid-day price increase of 5-to-20 cents and that some were not guaranteeing any price during the day.
- Country Energy was very low on inventory for both gas and distillate. We were concerned about running out of supply.
- We determined that the best action was to increase the prices for unbranded significantly ($ .25+) to essentially shut off unbranded sales. This supports our objective of meeting the needs of cooperative system customers first. Our unbranded customers understand this.
- We also decided to raise our branded prices approximately 10 cents, based on the market conditions, effective at 11:30 a.m. We were concerned that if we didn't raise the price, we would have some cooperatives resell the product to other gas stations and our remaining inventory would be threatened. This was only the second mid-day price change in our system's history.
- Pricing meetings at 1 p.m. and 3 p.m. confirmed that prices were rising from most companies. By 1:30 p.m., our rack sales were already 50 percent higher than average. At 4 p.m., we heard rumors that a couple of companies were freezing their prices or rescinding them.
- A 3:43 p.m. memo from DTN showed that 28 companies were raising the racks up to 20 cents. Country Energy was listed, with increases at about the midpoint of the range. We decided to keep our price change for the day and then meet in the morning to decide if we should rescind the price change.

Wednesday, September 12

- At the 9 a.m. price meeting, it was verified that many of our competitors were rescinding their price increases from the day before. We decided to do the same. Prices were dropped 10-12 cents on branded sales effective from midnight of this day. At the 1 p.m. price meeting, we also decided to rescind the prices from Tuesday at 11:30 a.m.
- Effectively, we moved our prices back to Monday levels.
- Wednesday night prices stayed about the same with small changes.

Thursday, Sept. 13

- Pricing stabilized again with very small changes. We were now comfortable to bring unbranded prices down closer to, but still above, the brand price.

EXHIBIT 19

******************************CITGO MESSAGE************************************

9-11-01   315 PM

CITGO BRANDED CUSTOMERS:

UNTIL FURTHER NOTICE, EFFECTIVE TODAY, 9/11/01, CITGO PETROLEUM IS IMPLEMENTING DAILY LIMITS ON BRANDED GASOLINE LIFTINGS.

YOUR DAILY LIMIT WILL BE 1/30TH OF YOUR SEPTEMBER BRANDED DISTRIBUTOR CONTRACT VOLUME.

ANY LIFTINGS IN EXCESS OF YOUR DAILY LIMIT WILL BE SUBJECT TO AN OVER LIFTING CHARGE OF $.20 PER GALLON.

EXHIBIT 20

-----Original Message-----
From: CITGO TODAY
Sent: Wednesday, September 12, 2001 4:58 PM
Subject: CITGO Holds Line on Wholesale Branded Gasoline Prices

CITGO Holds Line on Wholesale Branded Gasoline Prices

TULSA, Okla. --- CITGO Petroleum Corporation today stated that the Company has not increased the wholesale price of branded gasoline to its branded marketing customers since the terrorist attacks in New York City and Washington, DC.

"The news media reports that CITGO raised gasoline prices as a result of this tragedy and that CITGO is considering shutting down its refineries or any of its other operations are absolutely false," stated W. A. DeVore, CITGO Senior Vice President, Supply, Marketing & Lubricants. "CITGO's Lake Charles, La., and Corpus Christi, Texas, refineries are running well and we are doing everything within our power to ensure adequate supplies of products to our marketers," DeVore said.

"The reports that CITGO is price gouging are simply not true," DeVore said. "CITGO does not own or operate retail outlets, but markets solely through a network of independent, branded marketers. CITGO does not and cannot control the prices charged by our independent marketers or retailers. We abhor the fact that anyone would take advantage of this tragedy by charging unreasonable and unwarranted prices. We would hope that this belief is shared by everyone."

In addition, CITGO sent the following message to retailers:
CITGO is receiving price-gouging complaints at retail outlets. CITGO has not increased the wholesale gasoline price it supplies to its marketers and there is no justification for the unreasonable and unwarranted retail price increases that are being reported to us. Your image, as well as CITGO's, will suffer if you participate in this unjustified activity.

9/13/01

EXHIBIT 21

E-fax

REC'D 12:30
9/11

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Attention ExxonMobil Distributors

ces of DISTILLATE ONLY products at all ExxonMobil terminals will increase 5 cents per gallon effective at 1:00 pm on Tuesday September 11, 2001.

EXHIBIT 22

Attention ExxonMobil Distributors

Due to current events, effective 12:01 a.m. Wednesday, September 12, 2001, ExxonMobil will begin strictly enforcing the contractual maximum volume on gasoline and distillate (110% of contract volume) in the Mobil Branded Distributor Agreement, at all load racks supplying Mobil branded products in the continental United States.

This enforcement action will continue until further notice.

ExxonMobil Corporation

&

EXHIBIT 23

From: Thompson, Gerri L
Sent: Wednesday, September 12, 2001 2:55 PM
Cc: Burns, Angie D; DaleKluba; DeborahVanderwaal; EricSeuren; JamesCanter; Lee, Mary Beth; Sida, Scott J; TyroneEvans; A MauraSalsich; AllanCzanstkowski; ArlyceMarek; JohnForrest; KathleenShields; StanleyPonder; AmandaWatkins; Cook, Sherrlyn A; DawnChohon; EileenMears; GarrettSmith; Hankey, Gordon H.; M BethKleekamp; MaryMay; Mattinson, Scott C; NicholeDubose; PaulYorke; Priesmeyer, Jennifer J; SheilaMathis; Smith, Gayle L; Steve Smith; StevenGeorge; ThomasTunnicliff; A RoyMathias; BrianMcGlothen; ColleenMercil; Cook, Brent A; JamesOfferman; JeffreyGibbs; JohnJohnson; JohnWilkinson; KerriHall; LarceedaAmmons-DaValt; LeoIrby; LoriMeyer; MerryFissehazion; PatriciaBail; PatrickSaunders; WilliamThorney
Subject: National Crisis - BP Communication #4

To: All MCBU BP Amoco Jobbers and Dealers (Western Region)

RE: **National Crisis - BP Communication #4**

Dear BP Amoco Marketer:

I would like to communicate the following key issues at this time:

1. BP has made the decision ***not*** to increase branded ***wholesale jobber or dealer prices*** tonight. This is the 2nd day with no increase.

2. BP continues to urge our branded marketers to also exercise constraint in raising retail prices during this time of national crisis.

3. BP credit card processing systems are working fine today.

4. BP will grant credit to jobbers and dealers for any paper credit transactions caused by our system failure on Tuesday Sept.11. (see your RAE/JSM)

5. BP ***proprietary terminals*** continue to be open and operating normally. Jobbers should expect delays and outages at ***exchange terminals***.

6. The public panic seems to have subsided today with media reports of adequate supply and constant retail prices.

7. BP proprietary fleets in StL, KC, Denver and Twin Cities metro are working overtime to get gasoline stocks back in all dealer and CM stations.

8. BP requests that dealers and CM's in StL, KC, Denver and Twin Cities metros keep lots and fills open for safe and expedient transport deliveries.

9. Please continue to counsel your store managers and CSR's to show great patience with customers and not engage in inflammatory discussions.

10. BP suggests all marketers pay special attention to site security including suspicious packages, activities and people. Report to police if a problem is suspected.

BP people are continuing to work hard to ensure product supply to our jobbers and dealers and to solve the gaps where supply issues remain. BP is also working to ensure we maintain the trust and respect of our dealer and jobber organization and our retail customers during this difficult and unprecedented time.

Thank you for your business. I believe our Amoco and BP branded jobber and dealer organization are performing in a very responsible and admirable fashion during this time of national emergency. You may expect additional communications from BP via your regular source tomorrow. (DTN for Jobbers and e-mail for jobbers and dealers)

Sincerely,

G. H. Hankey
Regional Vice President
BP Mid-Continent Business Unit/Western Region

EXHIBIT 24

From: Thompson, Gerri L
Sent: Monday, September 17, 2001 3:07 PM
Cc: Burns, Angie D; DaleKluba; DeborahVanderwaal; EricSeuren; JamesCanter; Lee, Mary Beth; Sida, Scott J; TyroneEvans; A MauraSalsich; AllanCzanstkowski; ArlyceMarek; JohnForrest; KathleenShields; StanleyPonder; AmandaWatkins; Cook, Sherrlyn A; DawnChohon; EileenMears; GarrettSmith; Hankey, Gordon H.; M BethKleekamp; MaryMay; Mattinson, Scott C; NicholeDubose; PaulYorke; Priesmeyer, Jennifer J; SheilaMathis; Smith, Gayle L; Steve Smith; StevenGeorge; ThomasTunnicliff; A RoyMathias; BrianMcGlothen; ColleenMercil; Cook, Brent A; JamesOfferman; JeffreyGibbs; JohnJohnson; JohnWilkinson; KerriHall; LarceedaAmmons-DaValt; LeoIrby; LoriMever; MerryFissehazion; PatriciaBail; PatrickSaunders; WilliamThorney
Subject: National Crisis - BP Communication #7

To: All MCBU BP Amoco Jobber and Dealers (Western Region)

RE: National Crisis - BP Communication # 7

Dear BP Amoco Marketer:

BP would like to communicate the following key issues at this time:

1. All BP proprietary terminals are reporting normal supply

2. BP has lifting controls in place at proprietary terminals to protect supply for all jobbers/dealers. (Jobbers pulling in normal manner will likely not see this system.)

3. All market geographies reporting normal demand over weekend

4. BP recommends you closely monitor daily sales/inventories as air travel avoidance might increase motorist demand in short-term

Please continue to counsel your store managers and CSR's on providing excellent customer service. Would also suggest that site safety be a priority.

Thank you for your business.

G. H. Hankey
Mid-Continent Business Unit
Western Region
(314) 434-4059 x224
(314) 434-8320 Fax

EXHIBIT 25

TEXO 0059 MBG-0003 09-11-01 [illegible]
FROM: Cristine OGrady
Equiva Services LLC

SUBJECT: EQUILON COMMERCIAL FUELS

********************* ATTENTION ************************************

09/11/2001

EQUILON ENTERPRISES LLC - COMMERCIAL FUELS WILL BE DOING A MID DAY PRICE CHANGE TO INCREASE THE PRICE ON UNBRANDED PRODUCTS EFFECTIVE AT NOON, SEPTEMBER 11, 2001 AT VARIOUS LOCATIONS. PLEASE CHECK YOUR PRICE NOTIFICATION FOR PRICE AND LOCATION.

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EXHIBIT 26

To: Equilon Wholesalers

Due to circumstances beyond our control, Effective
11:00 AM EST, September 11, 2001, Equilon Enterprises
has implemented a daily allocation on gas and diesel fuel
at all terminals using the following guidelines.
This allocation is in place until further notice.

September 2000 x 100% / 30 days = daily

We will provide adjustment for Shell and Texaco
locations that are now supplied by you that were not
supplied by you in September 2000.

Equilon will impose a $.50 cpg penalty on liftings that
exceed the daily entitlement.

If you have any questions regarding this allocation,
please contact your Wholesale sales consultant
TEXO 0059 PRT-0006 09-11 01 END MSG

EXHIBIT 27

TEXO 0059 MSG-0015 09-17-01 START MSG
FROM: Kristine OGrady
Equiva Services LLC

SUBJECT: EQUILON COMMERCIAL FUELS

************************* ATTENTION ******************************

On September 11th - 12th, Equilon Enterprises LLC experienced abnormally high volatility in mid day price increases and decreases for unbranded rack diesel sales. Equilon is committed to exercising restraint against higher prices during this time of tragedy.

Accordingly, please be advised that Equilon Commercial Fuels mid day price changes effective Tuesday, September 11, 2001 for unbranded rack diesel shall be reverted back to the same price as the start of business Tuesday the 11th (12 Midnight) and will remain at that level until 12PM Central Time, 1PM Pacific Standard Time, and 1PM Mountain Time Wednesday, September 12. This price change affects only unbranded diesel purchased based upon the Equilon rack price for the time period in question.

If your company was invoiced at a price different from the above posting please contact your respective Account Manager or Customer Service Representative for invoice adjustments as soon as possible. It is our goal to resolve this issue as quickly and smoothly as possible. Therefore, please respond with the invoice information no later than October 15, 2001 to receive the proper correction.

Equilon regrets any inconvenience you may have experienced as a result of Tuesday and Wednesday, September 11th - 12th price change notifications.

****
TEXO 0059 MSG-0015 09-17-01 END MSG

EXHIBIT 28

Attention Phillips Marketers
09/11/01

.EAST NOTE THIS ALERT:

IE TO THIS MORNING'S EVENTS IN NEW YORK CITY & WASHINGTON,
E WILLIAMS PIPE LINE SYSTEM HAS PLACED ALL CUSTOMERS ON DAILY
LOCATIONS ON ALL PRODUCTS UNTIL FURTHER NOTICE.

d of P66 Message

EXHIBIT 29

U.S. Refineries Operable Atmospheric Crude Oil Distillation Capacity (Barrels per Calendar Day)

as of January 1, 2001

REFINER NAME	SITE	STATE	Capacity
ExxonMobil Refg & Supply Co	Baytown	TEXAS	507,800
ExxonMobil Refg & Supply Co	Baton Rouge	LOUISIANA	485,000
BP Amoco PLC	Texas City	TEXAS	437,000
BP Amoco PLC	Whiting	INDIANA	410,000
ExxonMobil Refg & Supply Co	Beaumont	TEXAS	342,500
Sun Refining & Marketing	Philadelphia	PENNSYLVANIA	330,000
Citgo Petroleum Corp.	Lake Charles	LOUISIANA	316,000
Chevron U.S.A. Inc.	Pascagoula	MISSISSIPPI	295,000
Koch Petroleum Group Inc.	Corpus Christi	TEXAS	290,500
Tosco Petro Co.	Wood River	ILLINOIS	288,300
Deer Park Refg Ltd Ptnrshp	Deer Park	TEXAS	274,900
Koch Petroleum Group Inc.	Saint Paul	MINNESOTA	265,000
Atlantic Richfield Co.	Los Angeles	CALIFORNIA	260,000
Chevron U.S.A. Inc.	El Segundo	CALIFORNIA	260,000
Premcor Refg Group Inc	Port Arthur	TEXAS	255,000
Lyondell Citgo Refining Co. Ltd.	Houston	TEXAS	250,350
Tosco Refining Co.	Linden (Bayway)	NEW JERSEY	250,000
Tosco Refining Co.	Belle Chasse (Alliance)	LOUISIANA	250,000
Motiva Enterprises LLC	Port Arthur	TEXAS	245,000
Conoco Inc.	Westlake	LOUISIANA	245,000
Marathon Ashland Petro LLC	Garyville	LOUISIANA	232,000
ExxonMobil Refg & Supply Co	Joliet	ILLINOIS	230,500
Motiva Enterprises LLC	Norco	LOUISIANA	228,000
Motiva Enterprises LLC	Convent	LOUISIANA	225,000
Chevron U.S.A. Inc.	Richmond	CALIFORNIA	225,000
Atlantic Richfield Co.	Ferndale (Cherry Point)	WASHINGTON	222,720
Marathon Ashland Petro LLC	Catlettsburg	KENTUCKY	222,000
Phillips 66 Co.	Sweeny	TEXAS	213,000
Williams Alaska Petro Inc.	North Pole	ALASKA	197,400
Marathon Ashland Petro LLC	Robinson	ILLINOIS	192,000
Conoco Inc.	Ponca City	OKLAHOMA	184,000
Chalmette Refining LLC	Chalmette	LOUISIANA	182,500
Tosco Refining Co.	Trainer	PENNSYLVANIA	180,000
Atofina Petrochemicals Inc.	Port Arthur	TEXAS	178,500
Sun Co Inc.	Marcus Hook	PENNSYLVANIA	175,000
Williams Refining LLC	Memphis	TENNESSEE	170,000
Ultramar Inc.	Martinez (Golden Eagle)	CALIFORNIA	166,000
PDV Midwest Refining LLC	Lemont (Chicago)	ILLINOIS	162,570
Motiva Enterprises LLC	Delaware City	DELAWARE	162,000
Premcor Refg Group Inc	Lima	OHIO	161,500
Equilon Enterprises LLC	Martinez	CALIFORNIA	159,250
BP Amoco PLC	Toledo	OHIO	157,000
Citgo Refining & Chemical Inc.	Corpus Christi	TEXAS	156,000
Valero Refining Co.	Paulsboro	NEW JERSEY	154,000

Valero Refining Co.	Texas City	TEXAS	152,000
Diamond Shamrock Refng & Marketing	Sunray (McKee)	TEXAS	151,000
Orion Refining Corp.	Good Hope	LOUISIANA	148,500
ExxonMobil Refg & Supply Co	Torrance	CALIFORNIA	148,500
Equilon Enterprises LLC	Anacortes	WASHINGTON	145,000
Coastal Eagle Point Oil Co.	Westville	NEW JERSEY	143,000
Sun Co Inc.	Toledo	OHIO	134,000
Tosco Refining Co.	Wilmington	CALIFORNIA	131,000
Phillips 66 Co.	Borger	TEXAS	130,000
Valero Refining Co.	Benicia	CALIFORNIA	129,500
Farmland Industries Inc.	Coffeyville	KANSAS	112,000
Tesoro Northwest Co.	Anacortes	WASHINGTON	110,400
Frontier El Dorado Refg Co.	El Dorado	KANSAS	105,000
Crown Central Petroleum Corp.	Pasadena	TEXAS	100,000
Equilon Enterprises LLC	Wilmington	CALIFORNIA	98,500
Coastal Refining & Marketing Inc.	Corpus Christi	TEXAS	98,000
Murphy Oil U.S.A. Inc.	Meraux	LOUISIANA	95,000
Tesoro Hawaii Corp.	Ewa Beach	HAWAII	93,500
Diamond Shamrock Refng & Marketing	Three Rivers	TEXAS	90,000
Chevron U.S.A. Inc.	El Paso	TEXAS	90,000
Tosco Refining Co.	Ferndale	WASHINGTON	89,000
Sun Co Inc.	Tulsa	OKLAHOMA	85,000
TPI Petroleum Inc.	Ardmore	OKLAHOMA	84,400
Premcor Refg Group Inc	Blue Island	ILLINOIS	80,515
Chevron U.S.A. Inc.	Perth Amboy	NEW JERSEY	80,000
Shell Chemical	Saraland (Mobile)	ALABAMA	80,000
Ultramar Inc.	Wilmington	CALIFORNIA	78,800
Valero Refining Co.	Krotz Springs	LOUISIANA	78,000
NCRA	McPherson	KANSAS	77,400
Marathon Ashland Petro LLC	Detroit	MICHIGAN	74,000
Tosco Refining Co.	Rodeo	CALIFORNIA	73,200
Marathon Ashland Petro LLC	Canton	OHIO	73,000
Valero Refining Co.	Houston	TEXAS	72,500
Marathon Ashland Petro LLC	Texas City	TEXAS	72,000
Tesoro Petroleum Corp.	Kenai	ALASKA	72,000
Marathon Ashland Petro LLC	Saint Paul Park	MINNESOTA	70,000
Equilon Enterprises LLC	Bakersfield	CALIFORNIA	66,000
Sinclair Oil Corp.	Tulsa	OKLAHOMA	65,695
United Refining Co.	Warren	PENNSYLVANIA	65,000
Premcor Refg Group Inc	Hartford	ILLINOIS	64,000
Sinclair Oil Corp.	Sinclair	WYOMING	62,000
BP Amoco PLC	Yorktown	VIRGINIA	59,700
Alon USA LP	Big Spring	TEXAS	58,500
BP Amoco PLC	Salt Lake City	UTAH	58,000
BP Amoco PLC	Mandan	NORTH DAKOTA	58,000
Navajo Refining Co.	Artesia	NEW MEXICO	58,000
ExxonMobil Refg & Supply Co	Billings	MONTANA	58,000
Conoco Inc.	Commerce City	COLORADO	57,500
Conoco Inc.	Billings	MONTANA	56,000

La Gloria Oil & Gas Co.	Tyler	TEXAS	55,000
Shell Chemical	Saint Rose	LOUISIANA	55,000
Lion Oil Co.	El Dorado	ARKANSAS	55,000
Chevron U.S.A. Inc.	Honolulu	HAWAII	54,000
Wynnewood Refining Co.	Wynnewood	OKLAHOMA	50,000
Placid Refining Co.	Port Allen	LOUISIANA	48,500
Paramount Petroleum Corp.	Paramount	CALIFORNIA	46,500
Pennzoil - Quaker State Corp.	Shreveport	LOUISIANA	46,200
Petro Star Inc.	Valdez	ALASKA	46,000
Cenex Harvest States Coop	Laurel	MONTANA	45,590
Chevron U.S.A. Inc.	Salt Lake City	UTAH	45,000
U.S. Oil & Refining Co.	Tacoma	WASHINGTON	41,960
Tosco Refining Co.	Arroyo Grande	CALIFORNIA	41,800
Citgo Asphalt Refining Co.	Paulsboro	NEW JERSEY	40,000
Frontier Refg Inc.	Cheyenne	WYOMING	38,670
Valero Refining Co.	Corpus Christi	TEXAS	36,000
Hunt Refining Co.	Tuscaloosa	ALABAMA	33,500
Murphy Oil U.S.A. Inc.	Superior	WISCONSIN	33,000
Citgo Asphalt Refining Co.	Savannah	GEORGIA	28,000
Neste Trifinery Petro Serve	Corpus Christi	TEXAS	27,000
Colorado Refining Co.	Commerce City	COLORADO	27,000
Petroleum Fuel & Terminal	Long Beach	CALIFORNIA	26,000
Phillips 66 Co.	Woods Cross	UTAH	25,000
Kern Oil & Refining Co.	Bakersfield	CALIFORNIA	24,700
Little America Refining Co.	Evansville (Casper)	WYOMING	24,500
San Joaquin Refining Co Inc.	Bakersfield	CALIFORNIA	24,300
Big West Oil Co.	North Salt Lake	UTAH	24,000
Ergon Refining Inc.	Vicksburg	MISSISSIPPI	23,000
Countrymark Cooperative Inc.	Mount Vernon	INDIANA	23,000
Calcasieu Refining Co.	Lake Charles	LOUISIANA	21,400
Giant Refining Co.	Gallup	NEW MEXICO	20,800
Giant Industries Inc.	Bloomfield	NEW MEXICO	16,800
Coastal Mobile Refining Co.	Chickasaw	ALABAMA	16,500
Ergon West Virginia Inc.	Newell (Congo)	WEST VIRGINIA	15,800
Petro Star Inc.	North Pole	ALASKA	15,000
Phillips 66 Co.	Prudhoe Bay	ALASKA	14,000
Phillips 66 Co.	Kuparuk (Anchorage)	ALASKA	14,000
Huntway Refining Co.	Benicia	CALIFORNIA	12,600
Wyoming Refining Co.	Newcastle	WYOMING	12,216
Inland Refining Inc.	Woods Cross	UTAH	11,000
Southland Oil Co.	Sandersville	MISSISSIPPI	11,000
American Refining Group Inc.	Bradford	PENNSYLVANIA	10,000
Greka Energy	Santa Maria	CALIFORNIA	9,500
Age Refining & Marketing	San Antonio	TEXAS	9,000
Lunday Thagard	South Gate	CALIFORNIA	8,500
Calumet Lubricants Co. LP	Princeton	LOUISIANA	8,300
Calumet Lubricants Co. LP	Cotton Valley	LOUISIANA	7,800
Montana Refining Co.	Great Falls	MONTANA	7,000
Cross Oil & Refining Co. Inc.	Smackover	ARKANSAS	6,455
Southland Oil Co.	Lumberton	MISSISSIPPI	5,800

Somerset Refinery Inc.	Somerset	KENTUCKY	5,500
Huntway Refining Co.	Wilmington	CALIFORNIA	5,500
Young Refining Corp.	Douglasville	GEORGIA	5,400
Foreland Refining Corp.	Eagle Springs	NEVADA	5,000
Tenby Inc.	Oxnard	CALIFORNIA	4,000
Silver Eagle Refining	Evanston	WYOMING	3,000
Haltermann Products	Channelview	TEXAS	1,400
U.S. Total			**16,595,371**
Hovensa LLC	Kingshill (St Croix)	VIRGIN ISLANDS	495,000
Sun Co Inc.	Yabucoa	PUERTO RICO	45,000
Caribbean Petroleum Corp.	Bayamon	PUERTO RICO	42,000

Source: Petroleum Supply Annual 2000, Volume 1, Tables 38 & 40

EXHIBIT 30

MINNESOTA'S 100 LARGEST JOBBERS[1]

Jobber	Location	Gallons Distributed
Marathon Ashland Petroleum LLC	Findlay, OH	327,350,321
Erickson Petroleum Corp	Minneapolis, MN	282,168,924
Amoco Oil Co	Houston, TX	275,485,009
Hartland Fuel Products LLC	Rochester, MN	121,057,957
Kwik Trip Inc	La Crosse, WI	91,080,093
Buy Rite Fuels LLC	Rochester, MN	85,371,758
Croix Oil Co	Stillwater, MN	61,549,060
Caseys General Stores Inc	Ankeny, IA	48,865,507
Avanti Petroleum Inc	Eagan, MN	47,001,724
Erickson Oil Products Inc	Hudson, WI	42,788,790
Yocum Oil Co Inc	St. Paul, MN	35,224,964
Western Petroleum Co	Eden Prairie, MN	33,423,211
Eggens Direct Service Inc	Milaca, MN	30,854,918
Kath Fuel Oil Service Co	St. Paul, MN	29,453,990
Dehn Oil Co Inc	Anoka, MN	29,103,870
Best Oil Co	Cloquet, MN	28,019,106
Egan Oil Co	Anoka, MN	26,128,635
Sinclair Oil Corp	Salt Lake City, UT	23,730,417
Monite Company LLC	Minneapolis, MN	23,058,217
Crown Coco Inc	Minneapolis, MN	22,474,947
Coborns Inc Little Dukes	St. Cloud, MN	21,984,863
PDQ Food Stores of Minnesota Inc	Middleton, WI	21,958,218
Budget Oil Co Inc	Owatonna, MN	21,182,358
Kelley Fuels Inc	Bloomington, MN	18,116,296
Beaudry Oil and Service Inc	Elk River, MN	18,102,547
Mielke Oil Co Inc	Little Falls, MN	17,463,940
J M Oil Co Inc	St. Cloud, MN	16,151,694
Phillips Petroleum Co	Bartlesville, OK	15,714,088
Cummings Oil Inc	Aitkin, MN	15,420,198
Orton Motor Inc	Walker, MN	14,001,801
Adium Marketing Inc	Avon, MN	13,093,519
S S G Corporation	Hudson, WI	12,915,919
Murphy Oil USA Inc	El Dorado, AR	12,686,459
Equilon Enterprises LLC	Houston, TX	11,040,330
Kisch Oil Co	Dayton, MN	10,602,147
Triangle 66 Oil Co	Baxter, MN	10,368,472
North Stop Inc	Walker, MN	9,990,057
Edwards Oil Inc	Virginia, MN	9,671,265
Greenway Coop Service Co	Rochester, MN	9,359,784

[1] Minnesota Department of Revenue, Petroleum Division, Fiscal Year 2001

Hiawatha Marketing Inc	New Brighton, MN	9,072,574
Chamberlain Oil Co Inc	Clontarf, MN	9,007,992
Farstad Oil Inc	Minot, ND	8,676,547
Koch Petroleum Group LP	Wichita, KS	8,642,172
Curtis Oil Co	Duluth, MN	8,558,508
Mille Lacs Oil Co	Cambridge, MN	8,148,318
West Range Oil Co	Grand Rapids, MN	8,102,402
C and B Warehouse Dist Inc	Virginia, MN	7,993,151
Severson Oil Co	Winona, MN	7,940,350
Taco Inc. (Town & Country Oil)	Mora, MN	7,818,553
South Minnesota Oil Co	Albert Lea, MN	7,687,487
Thelen Oil Co	Montevideo, MN	7,586,979
Penrose Oil Co	Parkers Prairie, MN	7,463,752
Dooleys Petroleum Inc	Murdock, MN	7,339,563
Cenex Harvest States Coop	St. Paul, MN	7,232,850
De Grood Oil Inc	Faribault, MN	7,101,633
C.A.P.-Trico Oil & Propane Coop	Cloquet, MN	6,973,591
Lakehead Oil Co Inc	Duluth, MN	6,969,511
Johnson Oil Co of Hallock Inc	Hallock, MN	6,791,356
Benoit Distributing Inc	Sauk Rapids, MN	6,750,847
Local Oil Distributing Inc	Anoka, MN	6,345,967
Avfuel Corp	Ann Arbor, MI	6,253,349
Pittman Oil Inc	Durand, WI	6,191,321
Mansfield Oil Co of Gainesville Inc	Gainesville, GA	5,602,445
Inter City Oil Co Inc	Duluth, MN	5,599,216
Waterford Oil Co Inc	Northfield, MN	5,238,222
S N Go Stores Inc	Fargo, ND	5,209,519
Watonwan Farm Service Co	Truman, MN	5,117,657
McCoy Wm H Petroleum Fuels Inc	St. Louis Park	5,012,220
Kresbsbach Oil Co	St. Cloud, MN	4,994,778
Farmers Union Coop Oil Assn	South St. Paul, MN	4,942,986
Olson Oil Co Inc	Fergus Falls, MN	4,842,224
Central Coop	Owatonna, MN	4,536,288
Freyberg Petroleum Sales Inc	Mankato, MN	4,470,208
Fauser Oil Co Inc	Elgin, IA	4,444,883
Thoma Oil Co Inc	Clara City, MN	4,436,324
LOC Inc (Litchfield Oil Co.)	Litchfield, MN	4,409,429
High Plains Coop	Plainview, MN	4,379,706
Rettinger & Rettinger	Long Lake, MN	4,376,043
Land O Lakes Oil Co	Kimball, MN	4,250,263
Norborn Oil Co Inc	Grand Rapids, MN	4,196,966
Schwagel Skelly Distributing Inc	Sauk Rapids, MN	4,116,439
Skluzacek Oil Co	Montgomery, MN	4,077,590
Olympic Oil Co Inc	Delano, MN	3,912,603
Davis Petroleum Inc	Grand Rapids, MN	3,886,022

Lange Oil Inc	Upsala, MN	3,795,493
Dale Petroleum Co	Fargo, ND	3,680,274
Bergstrom Oil Inc	International Falls, MN	3,616,862
Turbes Oil Co Inc	New Ulm, MN	3,471,535
Tri State Petroleum Inc	Marshall, MN	3,434,884
66 Car Wash of Willmar	Willmar, MN	3,361,394
Zarns Oil Inc	Little Falls, MN	3,286,553
Kiess Chevrolet	Cold Spring, MN	3,229,871
Southern Valley Coop	Mankato, MN	3,152,817
Conzemius Oil	Breckenridge, MN	3,105,733
Northern Star Coop Service	Deer River, MN	3,083,887
RCH Inc	Minnetonka, MN	2,970,871
Lubrication Technologies Inc	Golden Valley, MN	2,962,556
Baudoin Oil Co	Grand Meadow, MN	2,940,447
Mobil Oil	Dallas, TX	2,939,723
Hentges Oil Inc	Milbank, SD	2,914,393

AG: #678135-v1

EXHIBIT 31

EXHIBIT IV.6

HIGHLY CONFIDENTIAL

From: [redacted] CCFXGTW1
Date: 5/26/95 8:58 AM
Priority: Normal
Receipt Requested
TO: [redacted]
TO: [redacted] at [redacted]
TO: [redacted] at [redacted]
TO: [redacted] at [redacted]01
TO: [redacted] at [redacted]
TO: [redacted] at [redacted]1
Subject: CARB GASOLINE
------------------------------ Message Contents ------------------------------

To: [redacted]
cc: [redacted]

FROM: [redacted]
Subject: CARB GASOLINE
Got [redacted] of the Business Optimization Team working up a spec sheet. Will forward when that's done.

However, believe that most economic import will be alkylate. We expect that the USWC will be long conventional gasoline and that alkylate imports could work to blend those components to CARB. Have been talking to Fairfax about avails ex Beaumont and Yanbu.

Wow More Customers, Have More Fun
[redacted]
Team Mobil West Supply & Logistics
Torrance [redacted]4
*** Forwarding note from [redacted]1 95/05/23 18:51 ***

From: [redacted]1995/05/23\18:51
cc: [redacted]
cc: [redacted]
Subject: CARB GASOLINE
To: [redacted]
cc: [redacted], [redacted]1
------------------------------ Message Contents ------------------------------
[redacted]1 [redacted]

From : [redacted] Subject: CARB GASOLINE Roger,
any chance you could fax a spec sheet or whatever you have on CARB gasoline qualities...we're looking to see if Coryton could help out in any way!

Regards
[redacted]
MEL Manufacturing, Room [redacted].
[redacted]

========================REPLY========================

[redacted]

Through the various conversations, I think the message has gotten a little confusing between what we saw as a current opportunity for CHM or BMT CARB diesel, and possibly a future opportunity for CARB Gasoline components. I will elaborate for a few paragraphs and probably tell you more than you want to know.

To my mind, the discussion is really this:

Depending upon the S/D balance, it probably will NOT make sense to import finished CARB into what has historically been an isolated, near balanced/long market. As you probably know, US West Coast margins are on average more attractive than most other US regions. Flooding the market and depressing margins on the base volume we market would likely be a big hit and not in Mobil's interest.

However, since there is uncertainty about CARB supply/demand in the market, and

MOB 0237[illegible]

we will soon have unique fuels formulations, I anticipate a high probability of market upsets when there is a WC Refinery problem, etc. Coincident with market perturbations, I think it would make sense for Mobil to have plans in place to react ASAP and capture forward sales (while drawing from finished inventory) if there is sufficient reward, and I think there will be.

As opposed to importing finished CARB, I would think a strategic plan to relocate key components (namely alkylate) MAY make sense, particularly if we ca identify an economic backhaul. If the logistics of such a plan work and make sense on a low volume/infrequent basis, we could be set to react if the market dictates, both to cover our committments in case we are the ones with the Refinery/Supply problem, or quickly lock up any lucrative opportunities when th market is upset.

CARB SPECIFICATIONS

As to the CARB specifications, there is still uncertainty but I think it will work as follows:

Here in Torrance, we will have flexibility within the CARB model to vary/trade-off some of the components based upon equations in the model. Basically, the model predicts/controls VOC's, Toxics, NOx, O3, and CO. Because we will produce lower Sulphur and Benzene we should be able to have some flexibility in our benzene, MTBE and T90 and stay within the model. We are working on understanding all of that now.

However, for fuel not produced within California, it is likely the regulations will impose a more strict standard. Current thinking is that the limits for imports will be as follows:

RVP, (max, psi)	7.0
Sulphur, (max ppm)	40
Benzene, (max vol%)	1.0
Aromatics, (max vol%)	25.0
Olefins, (max vol%)	6.0
Distillation (max deg F)	
T90	300
T50 (min/max)	170/210
Oxygen, (wt%)	
min	1.8
max	2.2

Having said all of this, I am happy to hear all ideas, but really depend upon our S&L folks in Torrance to work the issues. We have discussed here a number of times and they clearly feel accountability for covering our marketing demand and being prepared for any openings the market gives up. Therefore, I am copying this note to Messrs [redacted] in Torrance as I know they are currently identifying and considering options. Also, if I have misstated any of the facts I will ask Dave to make the necessary corrections an clarify our understanding.

In order for this to make sense for both paries, one of the keys (and pehaps a show-stopper) is that there needs to be an economic backhaul arrangement to defray part of the transportation expense. That may not be feasible, but should be explored.

[redacted]

EXHIBIT 32

SPECIFICALLY, PRODUCT SUPPLY HAS A ROLE TO PLAY IN MONITORING AND MAINTAINING BALANCE IN THE WEST COAST

MONITOR SUPPLY / DEMAND	TRACK COMPETITOR ACTIVITY / BEHAVIOR	TAKE ACTION
• Track pricing trends and movements • Understand competitors market position (i.e., who is long / short in specific products) and strategies • Forecast changes in market supply and demand	• Monitor export activity • Understand trading behavior	• Export to keep the market tight • Execute appropriate spot sales if APC is long in tight market

HIGHLY CONFIDENTIAL

ARC 000011676

223

EXHIBIT 33

Jobber Number
80001538

Branded Jobber Contract

Form 26-930-GD (3-96) E

(State "Trial Franchise," if applicable)

This branded jobber contract ("Contract"), dated 12-3-98, is by and between with a principal office located

at

(State complete [redacted] address including street address, city and zip code)

and ("Jobber"),

(State exact legal name of Jobber)

a with its principal offices located at

(State type of legal entity: sole proprietorship, partnership or corporation)

(State complete address of Jobber's principal office including street address, city and zip code. A post office box is not sufficient.)

Now, Therefore, [redacted] and Jobber, intending to be legally bound, agree to the following:

1. **Term.** The term covered by this Contract shall be for a period beginning on January 1 1999 and ending on December 31 2001, unless terminated earlier by law or by the terms of this Contract or unless extended by [redacted] upon written notice, subject to Jobber's rights under Schedule A.

2. **Products and Quantities (Schedule A).** [redacted] agrees to sell and Jobber agrees to purchase and receive [redacted] currently offered and available branded petroleum products ("Products"), as determined and designated by [redacted] in its sole discretion and as more fully and specifically set forth in Schedule A, a copy of which is attached to and incorporated in this Contract. Jobber agrees to purchase these Products in the quantities set forth in Schedule A, as amended from time to time.

3. **Purchase and Sale of Products.**

   (a) **Prices.** The price per gallon which Jobber shall pay for each Product sold under this Contract shall be [redacted] Jobber Buying Price, as recorded at the applicable [redacted] regional office, business unit office or such other office as [redacted] may designate from time to time, in effect on the date of sale from the respective [redacted] terminal(s) assigned to Jobber ("Jobber's Assigned Terminal(s)"). Jobber's Assigned Terminal(s) shall be determined and designated by [redacted] in its sole discretion and set forth in Schedule A, as amended from time to time.

   (b) **Title and risk of loss.** Title and risk of loss to all Products sold to Jobber under this Contract shall pass to Jobber f.o.b. Jobber's Assigned Terminal(s).

4. **Payment Terms.**

   (a) **Credit.** Nothing in this Contract shall be construed as obligating [redacted] to extend credit to Jobber. In the event [redacted] does extend credit to Jobber, such extension of credit shall be subject to the following requirements, including but not limited to: paying for all Product purchases by electronic funds transfer ("EFT"); submitting an annual financial statement; and executing an unlimited personal guaranty. Jobber shall also provide [redacted] with a letter of credit or other form of security, upon [redacted] request. [redacted] reserves the right to change its credit terms at any time either for the class of trade generally or for Jobber individually. In no instance shall the terms of any sale discounts apply to taxes, inspection fees and the like. One or more incidents of failure by Jobber to make payment according to established credit terms, including checks or EFTs which are dishonored for nonsufficient or uncollected funds, or failure to supply financial information or documentation as required, shall entitle [redacted] to suspend deliveries, impose C.O.D. terms, and/or terminate this Contract, in addition to exercising any other rights [redacted] may have under this Contract or at law.

   (b) **Finance and service charges.** [redacted] shall, at its election, assess finance charges on all amounts not paid by Jobber on the net due date. Finance charges shall be assessed at the monthly periodic rate established by [redacted] for Jobber's class of trade and the respective Product. [redacted] shall impose a service charge for each check and/or EFT which is dishonored for nonsufficient or uncollected funds, whether or not subsequently paid by Jobber.

5. [redacted] Trademarks.

(a) **Use of Marks generally.** Jobber shall be permitted to use, and shall be permitted to allow the reseller/dealer-customers it supplies with Products purchased under this Contract ("Jobber-Dealers") to use, on a limited and non-exclusive basis, [redacted] trademarks, service marks, companion marks, trade names, brand names, trade dress symbols, logos, color schemes, design schemes, insignia, image standards and the like ("Marks") in connection with the advertising, distribution and/or resale of the Products authorized by, supplied by and/or purchased from [redacted] under this Contract.

(b) **Use of Marks governed by this Contract and related agreements.** The permission to use [redacted] shall be governed by the terms and conditions of this Contract and all related contracts, including all schedules, appendices and amendments attached to and incorporated in those agreements. In addition, [redacted] shall only be used in accordance with the guidelines, policies, procedures, requirements, specifications and standards issued by [redacted], as amended from time to time, including but not limited to [redacted] Policy for Proper Handling of [redacted]-branded Motor Fuels by [redacted] Jobbers.

(c) **Use of Marks on signage.** Jobber shall be permitted to acquire and display approved signage bearing [redacted], in connection with the advertising, distribution and/or resale of Products under this Contract, on a retail site specific basis. Under no circumstances will Jobber be allowed to relocate signage bearing [redacted] to another retail site without [redacted] consent. Jobber shall provide [redacted] with a list of all signage bearing [redacted] in Jobber's possession and/or control and the location of said signage, upon [redacted] request. In addition to the terms and conditions of this Contract, the use of [redacted] on all signage and the use of that signage generally shall be governed by a Trademark Agreement (Jobber) (form 26-950-TA), a copy of which is attached to and incorporated in this Contract.

(d) **Use of Marks in conjunction with the sale of Representative Amounts of certain Products.** At all times and at each retail site, including Jobber-Dealer sites, Jobber shall offer for sale, or cause to be offered for sale, representative amounts of each grade of [redacted]-branded gasoline, currently offered to Jobber, necessary to satisfy public demand ("Representative Amounts"). If Jobber ceases to offer or make available one or more of these gasolines in the required Representative Amounts at a retail site supplied by Jobber, Jobber shall cease using or displaying, or cause its Jobber-Dealer to cease using or displaying, [redacted] at that site.

(e) **Use of Marks in conjunction with [redacted] image programs and standards.** At each retail site, including Jobber-Dealer sites, Jobber shall comply with, and ensure that all of its Jobber-Dealers comply with, [redacted] image programs and standards, as amended from time to time. If a retail site fails to conform to [redacted] image standards, [redacted] may revoke its approval to identify the retail site as provided in paragraph 6(b) below in which case Jobber shall cease using or displaying, or cause its Jobber-Dealer to cease using or displaying, [redacted] at that site.

(f) **Use of Torch and Oval in conjunction with Jobber's name.** Jobber shall be permitted to display the [redacted] (or, if applicable, Standard) torch and oval trademark ("T&O") in conjunction with Jobber's name on equipment and materials directly related to the advertising, distribution and/or resale of Products under this Contract. The words "Products Jobber" or "Products Distributor" must, however, appear adjacent to the T&O so as to read: [T&O] Products Jobber or [T&O] Products Distributor. [redacted] shall have the right to approve such use of the T&O in advance or to revoke its approval at any time and for any reason.

(g) **Misuse of Marks with Jobber's name.** Jobber shall not use any of [redacted] as part of Jobber's corporate name or as part of Jobber's own trademarks. If Jobber has incorporated using any of [redacted], it shall be required to amend its articles of incorporation so as to delete [redacted] from its corporate name.

(h) **Misuse of Marks in connection with certain sales.** Jobber shall not use any of [redacted] in connection with the advertising, distribution and/or resale of: (1) any dilution or adulteration of a Product authorized by, supplied by and/or purchased from [redacted]; (2) any mixture or blend of Products authorized by, supplied by and/or purchased from [redacted], without [redacted] prior written consent (which consent may be revoked at any time and for any reason); (3) any Product authorized by, supplied by and/or purchased from [redacted] but sold under an incorrect or inappropriate [redacted] or sold through unapproved or disapproved packages, containers or equipment; or (4) any product not authorized by, supplied by and/or purchased from [redacted].

(i) [redacted] **right to audit.** As part of [redacted] compliance program(s), Jobber agrees and acknowledges that [redacted] shall have the right, at all times, to audit records in the possession or control of Jobber or its Jobber-Dealers and the right, at all times, to inspect and sample all Products in the possession or control of Jobber and/or its Jobber-Dealers. Jobber shall cooperate fully and completely throughout the audit and inspection processes, and ensure that its Jobber-Dealers cooperate fully and completely also.

(j) **Discontinued use of Marks upon expiration or termination of this Contract.** Upon the expiration or termination of this Contract, for any reason, Jobber shall immediately cease using or displaying, and cause its Jobber-Dealers to cease using or displaying, [redacted] and shall dispose of all signage in accordance with the Trademark Agreement. All remaining evidence of [redacted] shall be immediately obliterated by Jobber. If Jobber does not immediately cease using or displaying, and cause its Jobber-Dealers to cease using or displaying, [redacted], [redacted] shall have the irrevocable right to use any means necessary to remove, cover or obliterate the Marks, including entering upon the relevant premises or filing a legal action, with Jobber's full and complete cooperation and at Jobber's expense.

6. Site Approval.

(a) **Use of [redacted] at each retail site.** It is and shall be a condition of the right to use [redacted] that Jobber must first obtain [redacted] prior written consent for each and every retail site which Jobber intends to identify, or causes to identify, with [redacted], including Jobber-Dealer sites. This approval shall be within [redacted] sole discretion and shall be based, among other things, upon the appearance, location and mode of operation of the site. [redacted] also expressly reserves the right to determine the appropriate geographic density of all sites identified and/or to be identified with [redacted]. [redacted] right of approval shall apply to all requests to identify regardless of the site's intended location within or outside Jobber's Schedule B area of primary marketing responsibility ("Schedule B area"). In order to obtain [redacted] approval to identify a retail site outside Jobber's Schedule B area, it shall be a further requirement that Jobber has used and/or is using its best efforts to develop Jobber's Schedule B area as provided in paragraph 8(a) below.

(b) **Site approval revoked.** [redacted] shall have the right, in its sole discretion, to revoke its approval to identify any retail site if the site fails to conform to the terms or conditions of this Contract or [redacted] policies or to any relevant law or regulation. If [redacted] revokes its approval, Jobber shall immediately cease using or displaying, or cause to cease using or displaying, [redacted] at that location.

(c) **Jobber's right to supply disapproved or revoked sites.** Nothing in this Contract shall prevent Jobber from supplying a disapproved retail site or a retail site at which [redacted] approval has been revoked provided that Jobber does not permit [redacted] to be displayed at that location.

(d) **[redacted] right to have signage removed.** [redacted] shall have the right to cause any and all signage bearing [redacted] to be removed, or to cause [redacted] on said signage to be removed, covered or obliterated, from any disapproved retail site or from any retail site at which [redacted] approval has been revoked. If Jobber does not immediately cease using or displaying, or cause its Jobber-Dealer to cease using or displaying, [redacted] after [redacted] request to do so, [redacted] shall have the irrevocable right to use any means necessary to remove, cover or obliterate the Marks, including entering upon the relevant premises or filing a legal action, with Jobber's complete cooperation and at Jobber's expense.

(e) **Jobber to provide list of all approved sites.** Jobber shall provide [redacted] with a list, upon [redacted] request, which shall indicate all retail sites supplied by and/or operated by Jobber which are identified with [redacted].

7. [redacted] Directly-Supplied Reseller/Dealer Retail Sites. Jobber shall not sell Products covered by this Contract to any retail site which is directly-supplied by [redacted] or which is designated by [redacted] as a directly-supplied site.

8. Area of Primary Marketing Responsibility (Schedule B).

(a) **Jobber to use best efforts to market in the Schedule B area.** Jobber shall use its best efforts to market the Products covered by this Contract and develop its Schedule B area, as determined and designated by [redacted] in its sole discretion and as more fully and specifically set forth in Schedule B, a copy of which is attached to and incorporated in this Contract.

(b) **Schedule B area not exclusive.** Subject to [redacted] site approval and direct supply rights as provided above in paragraphs 6 and 7 respectively, nothing shall prevent Jobber from selling or soliciting the sale of the Products covered by this Contract outside its Schedule B area or confer upon Jobber exclusive marketing and/or trademark rights within such area. [redacted] shall, at all times and for any reason, maintain its sole and unlimited right to make other provisions for the marketing of its Products under any of its Marks within Jobber's Schedule B area including, but not limited to, establishing its own directly-operated retail sites, establishing its own directly-supplied reseller/dealer retail sites, and/or approving retail sites to be operated or supplied by other jobbers.

9. Additional Jobber Responsibilities.

(a) **Bulk plants.** Jobber shall operate, where necessary, one or more bulk storage plants so as to efficiently perform its supply and distribution functions under this Contract.

(b) **Transport and tank trucks.** Jobber shall operate or cause to operate, where necessary, a sufficient number of transport and/or tank trucks so as to efficiently perform its delivery functions under this Contract.

(c) **Deliveries for [redacted].** From time to time, [redacted] may request that Jobber make deliveries, from Jobber's inventories of Products purchased under this Contract, to other [redacted] customers. If Jobber elects to make any such deliveries, [redacted] shall pay Jobber a mutually agreed upon handling fee. Jobber shall invoice [redacted] for the quantities of product delivered, at [redacted] price for the respective Product applicable to Jobber and in effect on the date Jobber makes delivery, plus the handling fee.

10. **Jobber as Independent Business/Sale of Competitive Products.**

(a) **Independent business.** [redacted] and Jobber are and shall remain separate and independent businesses. None of the provisions of this Contract are intended to provide [redacted] with any management direction or control over the Jobber's business or business operations. Likewise, Jobber shall not place or allow the placement of any signage upon or near any premises owned, operated or supplied by Jobber which might indicate that [redacted] is the owner or operator of the business conducted by Jobber.

(b) **Sale of competitive products.** Nothing in this Contract shall prevent Jobber from purchasing and reselling the Products of [redacted] competitors. In the event that Jobber does purchase and resell competitive-brand Products, it shall comply with the applicable terms and conditions of this Contract and all applicable guidelines, policies, procedures, requirements, specifications and standards issued by [redacted], as amended from time to time, including [redacted] Policy and Dealer and Jobber Guidelines for Proper Handling of [redacted] Motor Fuels.

11. **Jobber-Dealers.**

(a) **Acts and omissions of Jobber-Dealers imputed to Jobber.** Jobber shall inform those Jobber-Dealers permitted to use [redacted] of the specific terms and conditions of this Contract and all related contracts, including all schedules, appendices and amendments attached to and incorporated in those agreements which pertain to the use of [redacted] and related matters. In addition, Jobber shall inform those Jobber-Dealers of the specific guidelines, policies, procedures, requirements, specifications and standards periodically issued by [redacted], as amended from time to time, which pertain to the use of [redacted] and related matters. Notwithstanding the Jobber's best efforts to ensure its Jobber-Dealers' compliance, and regardless of any contractual relationship between Jobber and its Jobber-Dealer, any act or omission by a Jobber-Dealer that, if committed or omitted by Jobber would place Jobber in violation of this Contract or related contracts, shall be imputed to Jobber and may cause [redacted], at its sole discretion, to take appropriate action against Jobber up to and including the termination of this Contract.

(b) **Actions against Jobber-Dealers.** Nothing in this Contract shall prevent or preclude [redacted] from exercising any legal or equitable rights against a Jobber-Dealer directly, separate and apart from any actions taken against Jobber.

12. **Right of First Refusal and Right to Purchase Jobber's [redacted] Branded Assets.**

(a) [redacted] **Right of First Refusal.** Jobber shall not sell, lease or otherwise transfer the assets in its possession or control, or portions thereof, which are related to this Contract and which, at any time during the franchise relationship, have been identified with or by [redacted] including but not limited to Jobber-owned retail sites; bulk plant and terminal facilities; transport and tank trucks; and all related real and personal property, contract rights, or good will ("Jobber's [redacted] Branded Assets") without first giving [redacted] a right to purchase or otherwise acquire the assets for consideration consisting solely of cash, or cash and notes, upon the same terms and conditions as set forth in a bona fide, arms' length agreement executed by and between Jobber and a third-party purchaser ("Right of First Refusal").

(b) [redacted] **Right of First Refusal/Information Jobber must provide.** Pursuant to paragraph 12(a) above, Jobber agrees to promptly submit to [redacted] complete and fully executed copies of all contract documents which comprise the proposed agreement and any additional information, facts and data required by [redacted] (1) to evaluate the bona fide nature of the agreement and, (2) should the proposed agreement include Jobber's request to assign the Contract, to evaluate the third-party purchaser's qualifications to be an [redacted] jobber. [redacted] shall thereafter have sixty (60) days within which to exercise its Right of First Refusal, by written notice to Jobber. Closing shall be held at a time and place agreeable to [redacted] and Jobber, but no later than sixty (60) days after [redacted] elects to exercise its Right of First Refusal. Jobber shall convey all real property with good and marketable title and all other property in contractual form(s) acceptable to [redacted], subject only to such liens and encumbrances which were acceptable to the third-party purchaser.

(c) **Exception to [redacted] Right of First Refusal.** Notwithstanding paragraph 12(a) above, Jobber shall be permitted to sell, lease or otherwise transfer Jobber's [redacted] Assets to: (1) a spouse, child, stepchild, parent, brother or sister ("Immediate Family Member"), if Jobber is a sole proprietorship; (2) an Immediate Family Member of a partner's immediate family, if Jobber is a partnership; or (3) an Immediate Family Member of a stockholder's immediate family, if Jobber is a corporation, without providing [redacted] with a Right of First Refusal; provided, however, that each Immediate Family Member who receives assets hereunder, is at least twenty-one (21) years of age with at least one (1) year of active management experience in Jobber's business and, provided further, that no agreement executed in accordance with this paragraph 12(c) shall operate as a mere means or device to transfer control or ownership of the assets to a non-Immediate Family Member without providing [redacted] with its Right of First Refusal.

(d) [redacted] **Right to Purchase if Jobber is a corporation or partnership.** If Jobber is a corporation, any sale, conveyance, alienation, transfer or other change of legal or beneficial interest in, or legal or beneficial title to, more than fifty percent (50%) of its voting stock, or, if Jobber is a partnership, any sale, conveyance, transfer or other change of partnership interest resulting in a change in control of the partnership, at any time during the franchise relationship, either voluntarily or involuntarily, by operation of law, by merger or by or through any other type of proceedings: (1) shall trigger [redacted] right to purchase the entirety of Jobber's [redacted] Assets for a cash price equal to the fair market value of those assets ("Right to Purchase"), as determined by the average of three independent appraisals made pursuant to paragraph 12(e) below, and (2) shall be considered a request to assign the Contract.

(e) **[redacted] Right to Purchase/[redacted] election to appraise/Information corporation or partnership must provide.** Pursuant to paragraph 12 (d) above, Jobber shall promptly provide [redacted] with written notice of a change in stock ownership or partnership control, whichever the case may be. [redacted] shall thereafter have sixty (60) days within which to exercise its Right to Purchase, by written notice to Jobber. Upon [redacted] written request, made no later than ten (10) days after the commencement of this sixty (60) day exercise period, three independent Appraisal Institute MAI - designated ("MAI") appraisers (one chosen by [redacted] within ten (10) days of the commencement of the exercise period, one chosen by Jobber within twenty (20) days of said commencement and one chosen by the other two MAI appraisers within thirty (30) days of said commencement) shall appraise the entirety of Jobber's [redacted]-Branded Assets. Each appraiser shall provide [redacted] with a written appraisal within ten (10) days of being chosen and the average of these appraisals shall be the price [redacted] shall pay, should [redacted] elect to purchase. Jobber shall cooperate fully and completely with [redacted] and provide any information, facts and data required by [redacted] and/or the appraisers to evaluate and appraise Jobber's [redacted]-Branded Assets. [redacted] and Jobber shall each pay for their own appraiser and shall each pay one-half (1/2) of the third appraiser's fee. Closing shall be in accordance with paragraph 12(b) above.

(f) **Exception to [redacted] Right to Purchase.** Notwithstanding paragraph 12(d) above, Jobber shall be permitted to: (1) effect a sale, conveyance, alienation, transfer or other change of legal or beneficial interest in, or legal or beneficial title to, more than fifty percent (50%) of its voting stock to an Immediate Family Member of a stockholder's immediate family, if Jobber is a corporation, or (2) effect a sale, conveyance, transfer or other change of partnership interest resulting in a change in control of the partnership to an Immediate Family Member of a partner's immediate family, if Jobber is a partnership, without triggering [redacted] Right to Purchase; provided, however, that each Immediate Family Member who receives stock or a partnership interest, whichever the case may be, is at least twenty-one (21) years of age with at least one (1) year of active management experience in Jobber's business and, provided further, that no transaction executed in accordance with this paragraph 12(f) shall operate as a mere means or device to transfer control or ownership of the assets to a non-Immediate Family Member without providing [redacted] with its Right to Purchase.

(g) **[redacted] right to verify Jobber's corporate or partnership interest.** From time to time, [redacted] may request and Jobber shall provide a confirmation of all shareholder interest (legal and beneficial) or partnership interest, whichever the case may be, on a form acceptable to and/or provided by [redacted] Such confirmation shall include the names of all shareholders or partners, whichever the case may be.

(h) **Status of Contract after sale of Jobber's [redacted]-Branded Assets.** In the event of any sale of Jobber's [redacted]-Branded Assets, this Contract shall continue in full force and effect unless terminated by [redacted], upon written notice, or unless assigned by Jobber, upon [redacted] written consent. [redacted] decision not to exercise its Right of First Refusal or its Right to Purchase in accordance with this paragraph 12 shall not prevent [redacted] from withholding its consent to assign this Contract to any third-party purchase. Likewise, any sale of Jobber's [redacted] Branded Assets to an Immediate Family Member in accordance with paragraph 12(c) above shall not prevent [redacted] from withholding its consent to assign this Contract to said Immediate Family Member.

(i) **[redacted] may assign its Right of First Refusal and/or its Right to Purchase.** [redacted] shall have the right to assign its Right of First Refusal and/or its Right to Purchase to a third-party purchaser of its choosing.

13. Assignment.

(a) **Jobber's prior written request and [redacted] written consent required.** Jobber acknowledges and understands that the current ownership and control of Jobber is a material element in [redacted] willingness to enter into this Contract. Jobber, therefore, agrees that it shall not assign or transfer its interest in this Contract, or any franchise relationship attendant thereto, without a prior written request and without [redacted] corresponding written consent; provided, however, that [redacted] shall not unreasonably withhold its consent, and further provided, that in giving its consent to any assignment, whether voluntarily or by operation of law, [redacted] may, at its election, condition the consent upon: (1) the agreement of the proposed assignee or transferee to enter into a trial franchise; (2) the agreement of the Jobber to simultaneously enter into a mutual cancellation of this Contract and related contracts; and (3) the satisfaction of all indebtedness owed by Jobber to [redacted].

(b) **[redacted] may withhold consent.** Refusal of the proposed assignee or transferee to enter into a trial franchise and/or the Jobber to enter into a mutual cancellation shall be adequate reason for [redacted] to withhold its consent to the assignment. In addition, nothing stated in this paragraph 13 shall limit [redacted] right to withhold its consent to any assignment proposed by Jobber or limit [redacted] right to impose other or additional conditions on its consent.

(c) **Effect of assignment without [redacted] consent.** Jobber agrees and acknowledges that any attempted or purported assignment or transfer of this Contract without [redacted] knowledge and/or [redacted] prior written consent may result in the termination of this Contract and the non-renewal of any franchise relationship.

14. Indemnity. Jobber shall, to the fullest extent permitted by law, indemnify, defend and hold [redacted], including but not limited to [redacted] parent, affiliates and all officers, directors, shareholders, employees and agents of [redacted], its parent and affiliates, harmless from and against any and all losses, suits, claims, demands, causes of action, liabilities, fines, penalties, costs or expenses (including reasonable attorney's fees and all other costs of defense) of whatever kind or nature, directly or indirectly arising in whole or in part out of: (a) any default or breach by Jobber of any obligation contained in this Contract or any other agreement with [redacted]; (b) the receipt, shipment, delivery, storage, handling, use, sale, dispensing, labeling, invoicing, advertising or promoting of the Products by Jobber; (c) the use of any [redacted] property (real or personal) by Jobber or its Jobber-Dealers; (d) any allegation of agency or other alleged legal relationship by which [redacted] is being held or might be held responsible for the acts or omissions of Jobber or its Jobber-Dealers; (e) the use of [redacted] by Jobber or its Jobber-Dealers, including the use of said Marks on signage and in the advertising or promoting of Products sold or services rendered by Jobber or its Jobber-Dealers; (f) the violation of any federal, state or local law, rule, regulation, court order or government directive by Jobber, its Jobber-Dealers or its other customers; (g) all taxes incurred and owed by Jobber or its Jobber-Dealers of whatever kind and nature; (h) or any other act or omission of Jobber, its Jobber-Dealers, or its other customers, or their agents, employees, contractors, invitees, licensees, customers or business associates, regardless if caused by the joint, concurrent, or contributory fault or negligence of [redacted] except that Jobber shall assume no liability for the sole acts, omissions, negligence or fault of [redacted]

15. Insurance.

(a) **Types of coverage required.** Jobber shall obtain and maintain, at its sole cost and expense, primary insurance coverage through an insurer and in a form acceptable to [redacted] as follows: (1) Comprehensive/commercial general liability insurance of not less than One Million Dollars ($1,000,000) combined single limit, including coverage for contractual liability, bodily injury, property damage, fire liability, premises and operations liability, products completed operations hazard liability, independent contractor's liability, garage keeper's liability, medical expense liability, liquor liability and personal and advertising injury; (2) Worker's compensation and employer's liability insurance, as required by law, but in no event less than One Million Dollars ($1,000,000) combined single limit; (3) Business automobile liability insurance, including coverage on all vehicles owned, hired or used in the performance of this Contract, of not less than One Million Dollars ($1,000,000) combined single limit.

(b) **Requirements for each type of coverage.** All insurance policies required under this Contract shall: (1) name [redacted] as an additional insured; (2) include an endorsement containing an express waiver of any right of subrogation or other recovery, by Jobber or any insurance company, against [redacted]; (3) include an endorsement stipulating that Jobber's insurance policies are primary to, not contributory with and not excess to any other policies or self-insurance; (4) provide that no policy shall be materially changed, amended or cancelled except after thirty (30) days' written notice to [redacted]; and (5) provide that Jobber shall be solely responsible for the payment of any premium or assessment, with no recourse against [redacted].

(c) **Proof of coverage required.** Each time Jobber renews the insurance coverage required under this Contract, but no less than annually, and at any time requested by [redacted] Jobber shall provide such proof of coverage as [redacted], in its sole discretion, determines is necessary for verification purposes including, but not limited to certificates of insurance or copies of the policies themselves. If Jobber fails to provide acceptable proof of insurance, as determined by [redacted], then [redacted] may, at its option and in addition to all other remedies available to it under this Contract or at law, after ten (10) days notice to Jobber, obtain coverage to protect [redacted] interests only and charge the cost of such coverage to Jobber.

(d) **Environmental coverage.** If required by any applicable law, Jobber must obtain environmental impairment coverage in the amount and of the type required by such law.

(e) **Indemnity not limited by insurance.** The existence or non-existence of any insurance as required by this Contract shall not limit the Jobber's indemnity or other obligations under this Contract.

16. Termination and Non-Renewal.

(a) [redacted] **breach.** Jobber may terminate this Contract if [redacted] fails to comply with any material provision of this Contract, upon ninety (90) days prior written notice; provided, however, that Jobber shall provide [redacted] with a reasonable opportunity to exert good faith efforts to carry out such provision.

(b) **Jobber's breach/PMPA.** [redacted] may terminate this Contract and non-renew any franchise relationship in accordance with Title I of the Petroleum Marketing Practices Act ("PMPA"), 15 U.S.C. 2801 et seq., as amended, and/or other applicable federal, state and/or local laws of the same nature and effect. [redacted] expressly reserves all of its respective rights under the PMPA and Jobber acknowledges and agrees that no omission by [redacted] of any specific reference to any specific PMPA right shall constitute a waiver of that right. In addition, Jobber agrees and acknowledges that [redacted] rights and remedies under the PMPA shall be without prejudice to all other rights and remedies available to [redacted] at law or in equity.

(c) **Procedures for termination and non-renewal by [redacted].** If Jobber fails to comply with any of the terms and conditions of this Contract and/or related contracts, including all schedules, appendices, and amendments attached to and incorporated in those agreements, or if any other ground for termination and/or non-renewal shall present itself, [redacted] shall, at its election, terminate this Contract and/or non-renew any franchise relationship upon ninety (90) days written notice (or upon less than ninety (90) days notice as may be reasonable under a particular circumstance). In the case of a market withdrawal, as defined in the PMPA, [redacted] shall terminate this Contract and/or non-renew any franchise relationship upon 180 days written notice.

(d) **Physical or mental incapacity and death.** For purposes of emphasis and elaboration, but without limitation, it is acknowledged and agreed by and between [redacted] and Jobber that the following shall constitute grounds for termination of this Contract and non-renewal of any franchise relationship, subject to the applicable provisions of any relevant state law: death or continuous, severe physical or mental disability (of at least three months duration) (1) of the owner of the business, if Jobber is a sole proprietorship; or (2) of one of the partners, if Jobber is a partnership; or (3) of the beneficial owner(s) of more than fifty percent (50%) of Jobber's voting stock if Jobber is a corporation unless the death or other incapacity of said beneficial owner(s) results in the contemporaneous transfer of more than fifty percent (50%) of said voting stock to an Immediate Family Member at least twenty-one (21) years of age with at least one (1) year of active management experience in the Jobber's business.

(e) **Failure to purchase Product quantities.** For purposes of emphasis and elaboration but without limitation, it is acknowledged and agreed by and between [redacted] and Jobber that the following shall constitute grounds for termination of this Contract and non-renewal of any franchise relationship: failure of Jobber to purchase the applicable stated quantity of any Product during any 12-month period, or portion thereof, as set forth in Schedule A.

(f) **[redacted] equitable remedies.** Jobber agrees that money damages may not be a sufficient remedy for its breach of this Contract and that, therefore, in addition to all remedies available at law, [redacted] shall be entitled to specific performance, injunctive relief, declaratory judgment and/or other equitable remedies, as appropriate. Jobber agrees to waive any requirement for the posting of any bond in connection with [redacted] effort to seek an equitable remedy.

17. Deliveries.

(a) **[redacted] right to limit monthly delivery quantities.** Unless otherwise specified in the schedules, appendices or amendments to this Contract, deliveries of each Product hereunder shall be in relatively equal monthly quantities, subject to weekly or daily prorating. [redacted] shall not be obligated to deliver to Jobber in any given month more than an amount equal to one-twelfth (1/12) of the respective 12-month quantity for each such Product as set forth on Schedule A. Should Jobber at any time or for any month order in quantities less than such prorated amount, [redacted] shall not be obligated to deliver the deficiency at any time. Should Jobber at any time or for any month require more than said prorated amount, [redacted] shall have the right, at its option, to supply such excess requirement, but if [redacted] supplies same it shall not be obligated to do so again in the future.

(b) **[redacted] right to specify minimum delivery quantities.** [redacted] shall have the right to specify minimum delivery quantities and either refuse to make deliveries in quantities less than such minimums or, at [redacted] option, charge extra for making such deliveries.

(c) **Changes in and at Jobber's Assigned Terminal(s).** [redacted] shall have the right at any time to change Jobber's Assigned Terminal(s) and/or to limit the quantity of Product that [redacted] shall make available to Jobber at any of said terminals. [redacted] shall have the right to determine and designate the percentage of Jobber's Schedule A quantities that [redacted] will make available to Jobber at Jobber's Assigned Terminal(s).

18. **Determination of Quantities.** The quantities of Products sold hereunder shall be determined on the basis of the temperature thereof at 60°F in accordance with "Table No. 6B of API Standard 2540, Manual of Petroleum Measurement Standards, Chapter 11.1–Volume Correction Factors–Volume II" (or any API/ASTM reissue or replacement thereof in effect at the time of measurement), or at [redacted] option, on the basis of gross volume, as established by [redacted] for Jobber's class of trade in the applicable geographic area, or as otherwise required by law.

19. **Demurrage.** Jobber shall pay any and all demurrage accruing on any barges, tank cars, transport and/or tank trucks or other means of transportation at the prevailing rates therefor, at the time of the particular delay. Jobber shall also pay to [redacted] a tank car and/or truck transport rental at [redacted] then prevailing rates for each chargeable demurrage day.

20. Rejection of Products and Notice of Breach.

(a) **Rejection must occur within 48 hours of receipt.** Jobber shall have 48 hours after receipt of the Products sold under the Contract to inspect and either accept or reject said Products. If Jobber retains the Products in its possession for a period in excess of 48 hours after receipt without rejecting said Products, this shall be regarded as an irrevocable acceptance by Jobber.

(b) **Required procedures if Products rejected.** If Products are rejected, notice must be given to [redacted] so that it is received no later than five (5) business days after delivery of the Products to Jobber, fully specifying all claimed shortages, defects and/or nonconformities. The failure to specify any shortage, defect and/or nonconformity shall constitute a waiver of that shortage, defect or nonconformity.

(c) **Required procedures if breach discovered after acceptance.** In the event that the Products are accepted pursuant to the terms of this paragraph 20, Jobber agrees to notify [redacted] in writing of any subsequently discovered breach of warranty which\ could not have reasonably been discovered by careful inspection at the time of delivery. Such notice shall be given within seven (7) days after discovery of the breach and must specify the facts constituting the alleged breach. Failure to give such notice shall be deemed conclusive evidence that Jobber has no valid claim for breach of warranty.

21. Express Warranties, Disclaimers and Damage Limits.

(a) [redacted] **warranties.** [redacted] warrants that the Products sold to Jobber under this Contract shall meet [redacted] then current specifications for the respective Product and that said Product shall be in merchantable condition.

(b) **NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ARE MADE.**

(c) **Right to damages limited.** Under no circumstances shall [redacted] be liable for incidental, special, punitive or consequential damages whether under warranty, tort, contract, strict liability or otherwise.

22. Force Majeure and Allocation.

(a) **Force majeure.** [redacted] shall be excused from delay or nonperformance in the event of a refinery turnaround, whether partial or complete, or if it is otherwise unable to meet the demand for its Products at [redacted] normal and usual distribution points for supplying Jobber (regardless of whether or not [redacted] may have diverted certain supplies from such distribution points in order to alleviate shortages at other distribution points), or in the event of failure or delay in delivery due to exhaustion, reduction or unavailability of Product, or stock or component necessary in the manufacture or production of such Product. Either party shall be excused from delay or nonperformance in the event of any condition whatsoever beyond said party's reasonable control, including without limitation: unavailability, failure, or delay of transportation; Acts of God; labor difficulties; explosions; storms; breakdown of machinery or equipment; fire; riots; war conditions in this or any other country; and compliance with any law or governmental order, regulation, recommendation, request or allocation program (whether voluntary or involuntary) affecting directly or indirectly said party's ability to perform hereunder.

(b) **Allocation.** In the event of any of the contingencies or conditions referred to in paragraph 22(a) above, [redacted] shall have the right to curtail deliveries or allocate its supply of Product for sale among its customers in any manner which in its sole discretion is fair and reasonable in the circumstances, and shall not be obligated to obtain or purchase other supplies of Product or to in any way make up any Product not delivered. Jobber shall not hold [redacted] responsible in any manner for any losses or damages which Jobber may claim as a result of any such curtailment or allocation by [redacted].

23. Discontinuance of Product or services. [redacted], at its sole option, at any time may: (a) discontinue the production or sale of any Product covered hereby; (b) change the specifications of any such Product; (c) replace any such Product with another Product; (d) change or withdraw the trademark applicable to any such Product; (e) change or withdraw services offered in connection with any such Product, including but not limited to, credit card privileges; and/or (f) withdraw from marketing any such Product in the geographic area encompassing Jobber's Schedule B area and/or in which Jobber's bulk plants or any of Jobber's Assigned Terminal(s) are located. [redacted] shall not be liable to Jobber by reason of any such discontinuance, replacement, change or withdrawal.

24. Compliance with Laws.

(a) **Compliance with laws generally.** Jobber shall comply fully, and require its Jobber-Dealers and other customers to comply fully, with any and all applicable laws and regulations of any and all governmental authorities regarding the receipt, shipment, delivery, storage, handling, use, sale, dispensing, labeling, invoicing, advertising and/or promoting of the Products purchased under this Contract. Without limiting the foregoing, Jobber shall comply fully, and require its Jobber-Dealers and other customers to comply fully, with any and all applicable laws and regulations, promulgated by any and all governmental occupational, health and safety agencies and/or environmental protection agencies.

(b) **Compliance with Clean Air Act regulations.** Jobber shall comply with all of the obligations imposed by the following federal Clean Air Act regulations and any corresponding state counterparts, as amended: (1) 40 C.F.R. Part 80, Subpart D, regarding reformulated gasoline; (2) 40 C.F.R. Part 80, Subpart C, regarding oxygenated gasoline (3) 40 C.F.R. Part 80, Subpart B (specifically 40 C.F.R. sections 80.27 and 80.28), regarding gasoline volatility; (4) 40 C.F.R. Part 80, Subpart B (specifically 40 C.F.R. sections 80.29 and 80.30), regarding sulphur content in diesel fuel; and (5) 40 C. F.R. Part 80, Subpart G, regarding deposit control additives in gasoline.

(c) [redacted] right to monitor compliance. As part of [redacted] compliance programs, Jobber acknowledges and agrees that [redacted] shall have the right to enter upon any premises in or upon which any records necessary to demonstrate Jobber's compliance with the contractual obligations required in paragraph 24(b) above are kept. Jobber also grants to [redacted] the right to obtain and/or copy any records, inspect any monitoring equipment or method and sample any Products covered by this Contract.

25. **Taxes.** Jobber shall pay, or shall reimburse [redacted] for [redacted] payment of, any tax, inspection or environmental fee, duty, tariff or other like charge (including penalty and interest, if any) imposed, levied, or assessed by federal, state, local, Native American, or foreign authority upon the Products covered by this Contract, or upon the import, manufacture, storage, sale, use, transportation, delivery, or export of the Products covered by this Contract, or upon the privilege of doing any of these activities, whether imposed on or measured by the volume, price, or proceeds of sale of the Products covered by this Contract.

26. **Notices.** All notices given under this Contract shall be deemed properly served if delivered in writing personally or sent by certified mail (return receipt requested) to [redacted] or Jobber at the addresses indicated in the introduction to this Contract. The date of notice shall be the date deposited in the U.S. mail or, if delivered personally, the date of delivery. Any change of address of a party shall be communicated to the other party by written notice in accordance with the terms of this paragraph 26.

27. **Entire Agreement.** This Contract cancels and supersedes all prior written and unwritten agreements, schedules, appendices, amendments and understandings between the parties pertaining to the matters covered in this Contract and contains the entire agreement between the parties. No representations or statements, other than those expressly set forth in this Contract were relied upon by the parties in entering into this Contract. No modification or waiver of, addition to, or deletion from the terms of this Contract shall be effective unless reduced to writing and signed by Jobber and a representative of [redacted] authorized to execute this Contract.

28. **Severability.** In the event one or more paragraphs of this Contract, or portions of any paragraph, are declared or adjudged invalid or void by a court of competent jurisdiction, the remaining paragraphs of this Contract, or remaining portions of any paragraph, shall remain in full force and affect. [redacted] may, in the alternative and at its sole discretion, cancel this Contract with due notice to Jobber.

29. **No Waiver.** No course of dealing and no failure to act on any incident of breach under this Contract shall be construed against [redacted] as a waiver of its right to act in the future. The waiver of any breach of any term or condition in this Contract shall not be construed as a waiver of any subsequent breach of the same or other term or condition. Any failure by [redacted] to enforce its rights or to seek remedies under this Contract shall not prejudice its rights or available remedies for any subsequent breach by Jobber.

30. **Paragraph Titles.** The titles and subtitles of paragraphs in this Contract are for reference and identification purposes only. They are not intended to modify, restrict or expand upon the content of the paragraphs themselves.

31. **Execution.** This Contract shall not be binding upon [redacted] unless and until it is signed by [redacted] authorized representative and a fully executed copy is returned to Jobber.

In Witness Whereof, the parties hereto have executed this Contract on the date stated.

Jobber: ______________________

By: ______________________

Title: ______________________

By: ______________________

Title: ______________________

SCHEDULE A TO BRANDED JOBBER CONTRACT
PRODUCT, QUANTITIES AND
JOBBER'S ASSIGNED TERMINAL(S)

This schedule A ("Schedule A") dated the twenty-eighth day of October, 1998 is made part of and shall be attached to the branded jobber contract ("Contract") dated the first day of January, 1999 by and between and ("Jobber") pursuant to the applicable paragraphs of said Contract.

NOW, THEREFORE, [redacted] and Jobber, intending to be legally bound, agree to the following:

1. THIS SCHEDULE A SUPERSEDES ALL PRIOR SCHEDULES. This Schedule A shall cancel and supersede any and all prior Schedule A schedules.

2. PRODUCTS AND QUANTITIES.

   (a) CONTRACTS LONGER THAN ONE (1) YEAR. The branded petroleum products ("Products") and the quantities of those Products covered by the Contract shall be as set forth below for twelve (12) month periods beginning on the first day of the Contract term and each anniversary thereof. These Products and quantities shall be subject to changes at the end of each twelve (12) month period, at [redacted] option, with the submission to Jobber of an amended Schedule A. Within twenty (20) days after receiving an amended Schedule A, Jobber shall have the right to cancel the Contract upon thirty (30) days written notice. If Jobber does not cancel within this twenty (20) day period, it is expressly agreed and understood the Jobber shall abide by the terms and conditions of the amended Schedule A.

   (b) CONTRACTS OF ONE (1) YEAR OR LESS. In the case of a Contract with a term of one (1) year or less, the Products and the quantities of those Products covered by the Contract shall be as set forth below for the twelve (12) month period beginning on the first day of the Contract term and ending on the last day of said term.

3. JOBBER'S ASSIGNED TERMINAL(S). The [redacted] terminals assigned to Jobber ("Jobber's Assigned Terminal(s)") shall be as set forth below. [redacted] shall have the right at any time or times to change Jobber's Assigned Terminal(s) and/or to limit the quantity of any Product that [redacted] shall make available to Jobber at Jobber's Assigned Terminal(s) including, but not limited to, the right to limit Jobber's supply of any Product to the monthly quantities set forth below and the right to further limit Jobber's supply of any Product by prorating said monthly quantities on a weekly or daily basis.

4. SUBMISSION OF SCHEDULE A DOES NOT GUARANTEE RENEWAL. No language in this Schedule A or any amendment shall be considered a commitment by either party that the franchise relationship will be renewed upon the expiration of the current Contract.

Total Gasoline:		12,893.5 MGals
Total Distillate:		1,745.9 MGals

Terminal:	07367-057	
LS NO2 DISTILLATE	May-1999	2.5 MGals
		=======
	Total	2.5 MGals

Terminal:	00207-058	
PREMIER DIESEL FUEL	Apr-1999	7.6 MGals
	May-1999	7.7 MGals

	Jun-1999	7.5 MGals
	Jul-1999	7.8 MGals
	Sep-1999	7.5 MGals
	Oct-1999	8.6 MGals
		=======
	Total	46.6 MGals

Terminal: S 00406-058

REGULAR GASOLINE	Jan-1999	156.2 MGals
	Feb-1999	141.0 MGals
	Mar-1999	156.8 MGals
	Apr-1999	178.2 MGals
	May-1999	223.5 MGals
	Jun-1999	202.1 MGals
	Jul-1999	222.6 MGals
	Aug-1999	205.0 MGals
	Sep-1999	171.8 MGals
	Oct-1999	192.5 MGals
		=======
	Total	1,849.6 MGals
REGULAR OXYGENATED	Jan-1999	704.3 MGals
	Feb-1999	686.9 MGals
	Mar-1999	586.1 MGals
	Apr-1999	678.2 MGals
	May-1999	829.3 MGals
	Jun-1999	860.9 MGals
	Jul-1999	996.1 MGals
	Aug-1999	979.3 MGals
	Sep-1999	836.4 MGals
	Oct-1999	848.0 MGals
		=======
	Total	8,005.4 MGals
MID-GRADE GASOLINE	Jan-1999	17.5 MGals
	Feb-1999	14.0 MGals
	Mar-1999	11.7 MGals
	Apr-1999	18.1 MGals
	May-1999	20.2 MGals
	Jun-1999	17.6 MGals
	Jul-1999	26.3 MGals
	Aug-1999	22.5 MGals
	Sep-1999	18.6 MGals
	Oct-1999	22.6 MGals
		=======
	Total	189.3 MGals
MID-GRADE OXYGENATED	Jan-1999	79.8 MGals
	Feb-1999	78.7 MGals
	Mar-1999	69.5 MGals
	Apr-1999	67.1 MGals
	May-1999	124.5 MGals
	Jun-1999	107.5 MGals
	Jul-1999	134.1 MGals
	Aug-1999	117.7 MGals
	Sep-1999	126.2 MGals
	Oct-1999	109.2 MGals
		=======
	Total	1,014.3 MGals
PREMIUM GASOLINE	Jan-1999	58.8 MGals
	Feb-1999	52.0 MGals
	Mar-1999	43.1 MGals
	Apr-1999	59.2 MGals
	May-1999	122.3 MGals
	Jun-1999	80.2 MGals
	Jul-1999	104.5 MGals
	Aug-1999	88.9 MGals

	Sep-1999	104.4	MGals
	Oct-1999	96.9	MGals
		=======	
	Total	810.3	MGals
PREMIUM OXYGENATED	Jan-1999	44.3	MGals
	Feb-1999	38.6	MGals
	Mar-1999	39.6	MGals
	Apr-1999	41.0	MGals
	May-1999	69.8	MGals
	Jun-1999	58.3	MGals
	Jul-1999	65.4	MGals
	Aug-1999	67.5	MGals
	Sep-1999	63.3	MGals
	Oct-1999	61.8	MGals
		=======	
	Total	549.7	MGals
HS NO1 DISTILLATE	Jan-1999	2.5	MGals
	Feb-1999	4.6	MGals
	Mar-1999	1.0	MGals
	Oct-1999	2.3	MGals
		=======	
	Total	10.4	MGals
HS NO2 DISTILLATE	Jan-1999	43.7	MGals
	Feb-1999	48.8	MGals
	Mar-1999	31.9	MGals
	Apr-1999	25.6	MGals
	May-1999	16.0	MGals
	Jun-1999	38.9	MGals
	Jul-1999	24.7	MGals
	Aug-1999	10.9	MGals
	Sep-1999	17.5	MGals
	Oct-1999	43.2	MGals
		=======	
	Total	301.2	MGals
LS NO1 DISTILLATE	Jan-1999	45.5	MGals
	Feb-1999	27.3	MGals
	Mar-1999	14.9	MGals
	Apr-1999	8.1	MGals
	May-1999	2.0	MGals
	Jun-1999	6.0	MGals
	Jul-1999	3.0	MGals
	Aug-1999	2.3	MGals
	Sep-1999	1.3	MGals
	Oct-1999	12.2	MGals
		=======	
	Total	122.6	MGals
LS NO2 DISTILLATE	Jan-1999	68.0	MGals
	Feb-1999	59.1	MGals
	Mar-1999	94.6	MGals
	Apr-1999	77.7	MGals
	May-1999	123.9	MGals
	Jun-1999	181.5	MGals
	Jul-1999	144.5	MGals
	Aug-1999	137.8	MGals
	Sep-1999	151.3	MGals
	Oct-1999	157.3	MGals
		=======	
	Total	1,195.7	MGals

Terminal: 00208-058

REGULAR OXYGENATED	Jan-1999	23.5	MGals
	Feb-1999	30.1	MGals
	Mar-1999	31.1	MGals

	Apr-1999	32.4 MGals
	May-1999	49.1 MGals
	Jun-1999	40.3 MGals
	Jul-1999	56.7 MGals
	Aug-1999	47.5 MGals
	Sep-1999	41.4 MGals
	Oct-1999	39.7 MGals
		=======
	Total	391.9 MGals
MID-GRADE OXYGENATED	Jan-1999	3.6 MGals
	Feb-1999	3.6 MGals
	Mar-1999	3.0 MGals
	Apr-1999	6.6 MGals
	May-1999	5.5 MGals
	Jun-1999	5.5 MGals
	Jul-1999	10.5 MGals
	Aug-1999	6.5 MGals
	Sep-1999	6.5 MGals
	Oct-1999	4.6 MGals
		=======
	Total	56.0 MGals
PREMIUM GASOLINE	Jan-1999	2.6 MGals
	Feb-1999	1.0 MGals
	Mar-1999	2.6 MGals
	Apr-1999	2.0 MGals
	May-1999	2.5 MGals
	Jun-1999	2.5 MGals
	Jul-1999	3.5 MGals
	Aug-1999	3.5 MGals
	Sep-1999	3.0 MGals
	Oct-1999	2.9 MGals
		=======
	Total	26.1 MGals
PREMIUM OXYGENATED	Aug-1999	1.0 MGals
		=======
	Total	1.0 MGals
LS NO2 DISTILLATE	Feb-1999	1.5 MGals
	Mar-1999	5.5 MGals
	Apr-1999	10.1 MGals
	May-1999	5.5 MGals
	Jun-1999	11.0 MGals
	Jul-1999	5.5 MGals
	Aug-1999	9.5 MGals
	Sep-1999	7.9 MGals
	Oct-1999	10.3 MGals
		=======
	Total	66.9 MGals

Schedule B

Area of Primary Marketing Responsibility

Form 26-930-B (12-94) E

This schedule B ("Schedule B") dated 12/3/98, is made a part of and shall be attached to the branded jobber contract ("Contract") dated 12/3/98, by and between and ______ ("Jobber")
(State exact legal name of Jobber)
pursuant to paragraph 8(a) of said Contract.

Now, therefore, [redacted] and Jobber, intending to be legally bound, agree to the following:

1. **This Schedule B supersedes all prior schedules.** This Schedule B shall cancel and supersede any and all prior Schedule B schedules.

2. **Schedule B area.** Jobber's Schedule B area of primary marketing responsibility ("Schedule B area") shall be the counties, or portions thereof, listed below. In addition, a map may be attached to and made a part of this Schedule B to further state Jobber's Schedule B area.

Jobber's Schedule B Area of Primary Marketing Responsibility

County If Jobber's Schedule B area includes only a portion of a county, indicate that portion in parentheses after listing the county name.	State
ST LOUIS	MN
COOK	MN
CARLTON	MN
PINE	MN
DOUGLAS	MN
BAY FIELD	WI
ASHLAND	WI
SAWYER	WI
WASHBURN	WI
LAKE	MN

Jobber: [redacted]

By: ______

Title: ______

By: ______

Title: ______

Trademark Agreement (Jobber)

Form 26-930-TA (12-94) E

This trademark agreement ("Agreement") dated 12-3-98, is made a part of and shall be attached to the branded jobber contract ("Contract") dated 12-3-98, by and between and ______________________ ("Jobber")

(State exact legal name of Jobber)

pursuant to paragraph 5(c) of said Contract.

Now, Therefore, [redacted] and Jobber, intending to be legally bound, agree to the following:

1. **Jobber's purchase of Marked Signage.** Jobber is engaged in the advertising, distribution and/or resale of branded petroleum products ("Products") authorized by, supplied by and/or purchased from [redacted] under the above-referenced Contract. As such, Jobber has purchased or otherwise obtained and/or intends to purchase or otherwise obtain approved advertising signs and related materials bearing or consisting of [redacted] trademarks, service marks, companion marks, trade names, brand names, trade dress symbols, logos, color schemes, design schemes, insignia, image standards and the like ("Marks" or, in conjunction with approved advertising signs and related materials, "Marked Signage") which Jobber has installed or intends to install at each retail site which Jobber supplies with Products purchased under said Contract.

2. **Use of Marked Signage generally.** Jobber shall be permitted to install, and shall be permitted to allow the reseller/dealer-customers it supplies with Products purchased under said Contract ("Jobber-Dealers") to display, on a retail site specific basis, Marked Signage in connection with the advertising, distribution and/or resale of the Products authorized by, supplied by and/or purchased from [redacted] under said Contract.

3. **Use of Marked Signage governed by the Contract, this Agreement and related agreements.** The permission to install and display Marked Signage shall be governed by and subject to the terms and conditions of the Contract (including paragraph 6(a) therein), this Agreement and all related contracts, including all schedules, appendices, and amendments attached to and incorporated in those agreements. In addition, Marked Signage shall only be installed and/or displayed in accordance with the guidelines, policies, procedures, requirements, specifications and standards issued by [redacted], as amended from time to time, including [redacted] Policy for Proper Handling of [redacted]-branded Motor Fuels by [redacted] Jobbers.

4. **Jobber to provide list of Marked Signage with exact location(s).** Jobber shall provide [redacted] with a list of all Marked Signage in Jobber's possession and/or control and the exact location of the Marked Signage, upon [redacted] request. Under no circumstances will Jobber be allowed to relocate Marked Signage to another retail site without [redacted] consent.

5. **Use of Marked Signage in conjunction with the sale of Representative Amounts of certain Products.** At all times and at each retail site where Marked Signage is displayed, including Jobber-Dealer sites, Jobber shall offer for sale, or cause to be offered for sale, representative amounts of each grade of [redacted]-branded gasoline, currently offered to Jobber, necessary to satisfy public demand ("Representative Amounts"). If Jobber ceases to offer or make available one or more of these gasolines in the required Representative Amounts at a retail site supplied by Jobber, Jobber shall cease using or displaying, or cause its Jobber-Dealer to cease using or displaying, Marked Signage at that site.

6. **Use of Marked Signage in conjunction with [redacted] image programs and standards.** At each retail site, including Jobber-Dealer sites, Jobber shall comply with, and ensure that all of its Jobber-Dealers comply with, [redacted] image programs and standards, as amended from time to time. If a retail site fails to conform to [redacted] image programs and standards, [redacted] may revoke its approval to identify the retail site, as provided in paragraph 6(b) of the Contract, in which case Jobber shall cease using or displaying, or cause its Jobber-Dealer to cease using or displaying, Marked Signage at that site. Jobber agrees and acknowledges that [redacted] image programs and standards shall include those programs and standards for the maintenance, appearance and cleanliness of the retail sites at which the Marked Signage is installed and displayed.

7. **Misuse of Marked Signage in connection with certain sales.** Jobber shall not use any Marked Signage in connection with the advertising, distribution and/or resale of: any dilution or adulteration of a Product authorized by, supplied by and/or purchased from [redacted] any mixture or blend of Products authorized by, supplied by and/or purchased from [redacted] without [redacted] prior written consent (which consent may be revoked at any time and for any reason); any Product authorized by, supplied by and/or purchased from [redacted] but sold under an incorrect or inappropriate Mark or through unapproved or disapproved packages, containers or equipment; or any product not authorized by, supplied by and/or purchased from [redacted].

8. **Removal and/or discontinued use of Marked Signage.** [redacted] shall have the right to cause any and all Marked Signage to be removed, covered or obliterated, or cause the Marks on said Marked Signage to be removed, covered or obliterated, from any retail site: found to be in violation of any provision of the Contract or this Agreement; disapproved in accordance with paragraph 6(a) of the Contract; or at which approval has been revoked in accordance with paragraph 6(b) of the Contract. Likewise, upon the expiration or termination of the Contract, for any reason, Jobber shall immediately cease using or displaying, and cause its Jobber-Dealers to cease using or displaying, all Marked Signage in its possession or control.

9. [redacted] **right to remove Marked Signage.** If, within ten (10) days after [redacted] written request, Jobber fails to cease using or displaying, or fails to cause its Jobber-Dealer(s) to cease using or displaying, the Marked Signage in question, [redacted] shall have the irrevocable right to use any means necessary to remove, cover or obliterate said Marked Signage, or the Marks thereon, including entering onto the premises upon which the Marked Signage is located or filing a legal action, with Jobber's full and complete cooperation and at Jobber's expense. Jobber shall not directly or indirectly cause any Marked Signage to become fixtures or part of the real property upon which the Marked Signage may be used or displayed. No action taken by [redacted] in accordance with this paragraph 9 shall be construed as an exercise of [redacted] option to purchase any Marked Signage, as allowed under paragraph 10 below.

10. [redacted] **right to purchase Marked Signage via purchase option.** It is agreed that [redacted] shall have the option, but not the obligation, to purchase any and all Marked Signage from Jobber, on the basis of a depreciated cost determined by the period of Jobber's ownership and beginning with the date of Jobber's purchase. The date upon which the Marked Signage is placed in [redacted] possession shall also be used to compute the period of Jobber's ownership. [redacted] shall initiate its option by providing Jobber with a list of the Marked Signage it desires to purchase, along with a request for proof of purchase. Within ten (10) days of receiving [redacted] list, Jobber shall provide [redacted] with the requisite proof of purchase in a form or forms satisfactory to [redacted]. Within ten (10) days of receiving satisfactory proof of purchase, [redacted] may exercise its option to purchase the Marked Signage by providing Jobber with written notice. In the event [redacted] exercises its option under this paragraph 10, Jobber agrees to do all things necessary to place [redacted] in full ownership and possession of the Marked Signage, within thirty (30) days of [redacted] notice. [redacted] agrees to pay Jobber for the Marked Signage as follows:

During the first year of ownership	100% of Jobber's purchase price
During the second year of ownership	90% of Jobber's purchase price
During the third year of ownership	80% of Jobber's purchase price
During the fourth year of ownership	70% of Jobber's purchase price
During the fifth year of ownership	60% of Jobber's purchase price
During the sixth year of ownership	50% of Jobber's purchase price
During the seventh year of ownership	40% of Jobber's purchase price
During the eighth year of ownership	30% of Jobber's purchase price
After the eighth year of ownership	25% of Jobber's purchase price

11. **Sale of Marked Signage by Jobber requires [redacted] consent.** Jobber agrees not to sell, assign, transfer or otherwise dispose of, or permit the use or display of, any Marked Signage without the prior written consent of [redacted] in each case. In the event Jobber negotiates with any third party for the sale, lease, encumbrance or other disposition of the premises upon which any Marked Signage is located, Jobber shall, prior to the completion of such negotiations or execution of any contract, inform said third party of the terms and conditions of this Agreement and provide [redacted] with written proof of such notification.

12. **Maintenance and repair of Marked Signage.** The maintenance and repair of any and all Marked Signage shall be the responsibility of Jobber. Jobber also agrees to keep said Marked Signage in good repair and condition at all times and to maintain any and all licenses and/or permits which may be required as a condition to its installation, use or display.

13. **Notices.** All notices under this Agreement shall be given in accordance with paragraph 26 of the above-referenced Contract.

14. **This Agreement supercedes all prior agreements.** This Agreement shall cancel and supercede any and all prior trademark agreements. The term of this Agreement shall be in accordance with paragraph 1 of the above-referenced Contract.

In Witness Whereof, the parties hereto have executed this Agreement on the date stated.

Jobber: ______________________ ______________________

By: ______________________ ______________________

Title: ______________________ ______________________

By: ______________________ ______________________

Title: ______________________

Jobber #: 80001538

Dealer/Jobber Credit Card Contract (POS)

26-613-J (10-92) E

This Agreement, made the 3 day of December, 1998, by and between
hereinafter called "Company," and
whose business address is
hereinafter called "Dealer/Jobber" and shall become effective January 1 1999.

Witnesseth:

Whereas, **Dealer/Jobber** desires to deliver products to and perform services for persons holding Credit Cards and to sell the Sales Slips covering products so delivered or services so performed to **Company**; and

Whereas, **Company** is willing to purchase credit sales reflected on **Dealer/Jobber** Sales Slips on the terms and conditions hereinafter set forth:

Now, therefore, in consideration of the mutual promises herein contained, **Company** agrees to buy and **Dealer/Jobber** agrees to sell credit sales reflected on **Dealer/Jobber** Sales Slips on the following terms and conditions:

Charges not complying with the provisions of this contract shall be subject to charge-back to **Dealer/Jobber** by **Company**.

. Definitions

A. The term "credit card," "credit cards" or "cards" as used herein shall mean:

1. A credit card issued by **Company** and shall include the Torch Club credit card, MultiCard, [redacted] Carte Blanche and Amoco Transicard and any other credit card issued by **Company** and shown as acceptable on the Wall Chart provided by **Company to Dealer/Jobber**. and
2. Diners Club and Carte Blanche credit cards issued by Citicorp Diners Club, Inc., and
3. Universal Credit Cards issued by governments or governmental agencies, if the [redacted] is shown as a participating company on the credit card by either name or logo, or if the driver of the vehicle has documents indicating **Company's** approval for acceptance, and
4. Universal Credit Cards issued by corporations if the [redacted] is shown as a participating company on the credit card by either name or logo, or if the driver of the vehicle has documents indicating **Company's** approval for acceptance.
5. Any other credit card designated by **Company** time to time. Company will provide **Dealer/Jobber** with a means of identifying acceptable credit cards through special bulletins, special instructions, or additions or revisions to **Dealer/Jobber** Wall Charts.

B. The term "Sales Slip" as used herein means the document or documents supplied by **Company** and used by **Dealer/Jobber** to record and evidence sales made on Credit Cards and when completed to evidence a Credit Card sale, the information recorded thereon.

C. The term "Surcharge" as used herein means any charge imposed on a credit card holder which is not imposed on buyers who pay cash, but shall not include a discount for cash

Merchandise and Services Authorized on Credit Cards

A. If **Dealer/Jobber** is a retail dealer, he shall honor Credit Cards only at the retail outlet identified above. If **Dealer/Jobber** is a wholesale jobber, he shall honor Credit Cards only at locations dispensing **Company's** gasoline and/or diesel fuel from dispensing equipment painted in **Company's** colors and displaying **Company's** trademarks and trade names in accordance with Company approved standards, which **Company** may change at any time.

. Unless other restrictions are shown on the Credit Card or prompted electronically to the dealer, **Dealer/Jobber shall** honor Cards for the purchase, on credit, of gasolines and diesel fuels sold under **Company's** trademarks and or other products normally sold, or services normally rendered, at service stations. They shall also be honored for minor mechanical services, including related parts for passenger cars and light trucks. **Dealer/Jobber** shall not honor Credit Cards for sales of any items not usually mounted on or use in or on a motor vehicle or for services not rendered in connection with a motor vehicle except for food items normally sold in service stations or convenience stores which sell [redacted] gasoline.

Unless other restrictions are shown on the Credit Card or prompted electronically to the dealer, total service work performed including related parts charged to the Credit Card for any one customer shall be limited to a Two Hundred Fifty Dollar ($250) maximum or other amount as may be established by **Company** from time to time for each general category or work included in each job; i.e., Engine Repair, Transmission, Exhaust System, and the like.

V. Handling Credit Card Sales

A. Dealer/Jobber shall use only the Sales Slips provided and approved by **Company** to record Credit Card sales. Company shall from time to time provide **Dealer/Jobber** with directions as to the proper Sales Slips to be used by **Dealer/Jobber** through special bulletins, special instructions, or additions or revisions to **Dealer/Jobber** Wall Charts.

B. A Credit Card must be presented by the customer for each sale, and it must be properly imprinted by **Dealer/Jobber** on an imprinting machine authorized by **Company** or the Credit Card must be passed through the magnetic strip reader of the electronic sales processing equipment. A clear, readable imprint of the customer's account number must be secured on the Sales Slip. If a clear imprint cannot be obtained from the Credit Card, the complete account number must be legibly hand printed.

C. **Dealer/Jobber** shall not honor an expired Credit Card or a Credit Card that has been altered, or a Credit Card before its inception date if an inception date is shown thereon

D. All information embossed on the face of the Credit Card must be shown on the Sales Slip, except for sales recorded electronically.

E. Vehicle license number, if embossed on the face of the Credit Card must agree with the license number of the vehicle involved in the sale.

F. Sales are limited to the purchase restrictions, if any, regarding products and services outlined on the front and back of the Credit Card, prompted electronically or outlined on the **Dealer/Jobber** Wall Chart or as provided herein.

G. Each Sales Slip must be signed by the individual presenting the Credit Card. Sales on Diners Club, Carte Blanche, [redacted], MultiCard or [redacted] Credit Cards may be made only to and the Sales Slip may be signed only by the person whose name is embossed on the Credit Card. The signature on the Sales Slip must be the same as the signature on the Diners Club, [redacted] MultiCard, Torch Club or [redacted] Credit Card presented.

H. Credit card sales processed through a Card Reader In Dispenser (CRIND) or Island Terminal Unit (ITU) does not require a customer's signature. **Dealer/Jobber's** responsibilities are same for a CRIND or ITU transaction as they are for a normal sales slip with a signature except customer's signature or verification of a signature.

I. A general description of work performed or products sold or job ticket number must be shown on the Sales Slip.

J. **Dealer/Jobber** must show an explanation on the Sales Slip if products sold were delivered to more than one vehicle.

K. **Dealer/Jobber** must be satisfied that there is no suspicion of unauthorized or fraudulent use:

1. **Dealer/Jobber** shall be strictly accountable for unauthorized or fraudulent use of Credit Cards which Dealer/Jobber knows of through the exercise of ordinary care should know about. All Sales Slips representing such use or any violation of any term of this Agreement may be charged back to **Dealer/Jobber**, at **Company's** election.

2. Absolutely no cash shall be advanced to customers on Credit Cards, except that checks may be cashed under an approved program of the [redacted].

3. Expired revoked, or altered Credit Cards shall not be accepted. Any Sales Slip containing a forged signature or other; fraudulent charge knowingly accepted by **Dealer/Jobber** may be charged back to **Dealer/Jobber** by **Company**. This right of charge-back shall not derogate in any way from the criminal character of **Dealer's/ Jobber's** conduct or that of the person representing the Credit Card, and shall not relieve Dealer/Jobber or the person using the Credit Card from any criminal responsibility for this conduct.

4. Except for the sale of motor oil and/or antifreeze, all automotive products sold by **Dealer/Jobber** on Credit Cards must be delivered to, mounted on or attached to the vehicle involved in the sale and shall not exceed the capacity of the vehicle.

5. **Dealer/Jobber** shall not honor the same Credit Card for a series of purchases by different persons without securing Company's approval as set forth in Section V., K. of this Agreement; nor shall **Dealer/Jobber** honor a Credit Card for a frequent series of purchases by the card holder or anyone else under suspicious circumstances without securing **Company's** approval. Any Sales Slip generated by **Dealer/Jobber** under such circumstances without **Company's** approval are subject to charge-back.

6. **Company** maintains an analysis of fraudulent credit sales by service station. In the event that dollar volume of fraudulent credit sales through **Dealer's/Jobber's** station is excessive in **Company's** opinion, it is **Company's** intention to exercise its right to cancel this Agreement as set forth in Section VII.

L. Sales Authorization

1. Except as indicated below, all sales on Credit Cards above the amount established by **Company** from time to time, must be processed through **Company's** sales authorization system and an approval code number obtained which must be written in the space provided on the Sales Slip. **Company's** required sales authorization procedures apply regardless of the **Dealer's/Jobber's** methods of obtaining approvals. The sales authorization procedures may be changed at any time in any manner by **Company**. Obtaining sales authorization does not relieve **Dealer/Jobber** from any other responsibilities set forth herein.

2. Except in the case of sales on Diners Club Credit Cards, an approval code shall be obtained by one of the following methods, as directed by **Company** from time to time:

   a. By phoning [redacted] Authorizations at the correct phone number and in accordance with instructions provided from time to time by **Company**; or

b. By use of point of sale equipment in accordance with instructions provided from time to time by **Company.**

Authorization for sales of thirty-five dollars ($35.00) or more on Diners Club cards must be obtained by telephoning Diners Club Authorization Center as follows: Outside Colorado (Toll Free) 800-525-9040. Colorado 800-332-9340. Metropolitan Colorado 779-8235.

3. Detailed instructions as to which of the preceding procedures to follow and how to obtain approval codes under the designated procedure shall be provided by **Company. Dealer/Jobber** shall obtain proper approval in all cases where sales exceed the amount at which authorization is required.

M. **Dealer/Jobber** shall not impose a "surcharge" in connection with any Credit Card transaction.

N. **Company** may, by written notice to **Dealer/Jobber,** require **Dealer/Jobber** to note purchaser's vehicle license number, including the state and year, and/or card holder's driver's license number, on each credit sale. If **Dealer/Jobber** is required to note vehicle license number, credit sales reflecting a fictitious, nonexisting or unissued license number shall be subject to charge-back.

V. Purchasing of Accounts Receivable

A. **Company** will purchase **Dealer's/Jobber's** Sales Slips which comply with the terms and conditions of this Agreement and which are delivered to **Company** in accordance with **Company's** instructions as to form and manner of delivery within 30 days of the date of the transaction or, if delivery is by electronic means, upon completion of the sale.

B. **Company** shall pay **Dealer/Jobber** at a discount from the total face value of Sales Slips. Said discount shall be in such amount as is established by **Company** at the time of delivery of the Sales Slip by **Dealer/Jobber** to **Company.** At its option, Company may elect to pay **Dealer/Jobber** by check, credit memorandum or may credit the purchase price to any balance, of any nature, owed to the **Company** by **Dealer/Jobber.**

C. **Company**, when purchasing Sales Slips from **Dealer/Jobber** shall purchase them free of dispute.

1. Any Sales Slip shall be subject to charge-back if the customer disputes or refuses to pay because of dissatisfaction with price, workmanship or materials. Such disputes are to be resolved between the customer and the **Dealer/Jobber** as an independent businessman.

2. **Company** reserves the right to charge back to **Dealer/Jobber** any Sales Slip in connection with which the customer alleges that **Dealer/Jobber** used any unethical or deceptive practice to induce the transaction.

3. **Company** stands behind the quality of all products and merchandise that it sells, whether manufactured by **Company** or by others. It cannot, however, assume any responsibility for the quality or performance of goods Purchased by **Dealer/Jobber** from other sources.

   Therefore, if a customer refuses to pay for such goods because of dissatisfaction with quality or performance, **Company** reserves the right to charge back the full amount of the Sales Slip.

4. **Dealer/Jobber** shall retain a copy of each job ticket paid by Credit Card for a minimum of one year.

D. In the event that Sales Slips are improperly prepared, do not comply with the terms and conditions of this Agreement, or are not delivered to **Company** within the time limits provided in Section VI., A., **Company** shall not be obligated to purchase such Sales Slips. **Dealer/Jobber** acknowledges that **Company** normally accepts Sales Slips from **Dealer/Jobber** and reimburses him before **Company** can determine whether each Sales Slip conforms to the terms and conditions of this Agreement. Consequently, **Company** shall have the right to charge back to **Dealer/Jobber,** at any time, any Sales Slip which it has accepted from **Dealer/Jobber** which does not conform to the terms and conditions of this Agreement. Dealer/Jobber agrees to not attempt collection of any Sales Slip from card holders unless **Company** has charged back said Sales Slip under the terms and conditions of this Agreement.

E. Any tax applicable to a credit sale which is not added to or included in the sales price shall be paid by **Dealer/Jobber,** and **Dealer/Jobber** will account for such tax to the proper tax authority. **Company** reserves the right to charge back taxes that are improperly charged to exempt customers.

F. Purchase by **Company** of any Sales Slip which it is not obligated to purchase hereunder shall not be construed as a waiver of any of the terms or conditions of this Agreement and shall not create an obligation on the part of **Company** to purchase any noncomplying Sales Slips in the future. At its discretion, Company may attempt collection of noncomplying Sales Slips, but in the event collection efforts are unsuccessful Company reserves the right to charge back any such Sales Slips to **Dealer/Jobber.**

G. **Dealer/Jobber** must retain dealer copies of all Sales Slips for a minimum of six (6) months. In the event a Sales Slip is lost prior to charging the customer's account, **Dealer/Jobber** shall deliver a copy of the Sales Slips to Company for reconstruction. Failure to retain this information may result in reimbursement being disallowed to **Dealer/Jobber** for the lost Sales Slip.

This Agreement shall remain in effect until cancelled by either party by giving ten (10) days' notice in writing to the other party except that this Agreement shall automatically terminate if **Dealer/Jobber** shall cease, for any reason whatsoever, to be a Dealer/Jobber in [redacted] products. Paragraphs IX and X may be separately cancelled, on ten (10) days' written notice. This right is in addition to the right of charge-back provided herein.

/II. Any notice provided for herein shall be considered properly given as of the postmark date and shall be sent by certified mail, duly addressed to:

Dealer/Jobber

____

/III. **Point of Sale Equipment**

A. If **Dealer/Jobber** uses Point of Sale (POS) Equipment to access **Company's** sales authorization system or to access **Company's** sales authorization and to deliver Sales Slips to **Company**, such communications from **Dealer/Jobber** must conform to **Company's** prescribed transmission acceptance standards and procedures.

B. In connection with the use of any POS Equipment hereunder, whether supplied by **Company** under subsection IX (C.) or otherwise, **Dealer/Jobber** shall use only such software as **Company** may, from time to time designate. **Dealer/Jobber** may use POS Equipment to obtain authorization of bank charge cards if a Form 26-614 is in effect. If POS Equipment is not supplied by **Company** under subsection IX (C.), the cost of software upgrades or changes shall be borne solely by **Dealer/Jobber.**

C. **Company** may supply **Dealer/Jobber** with one Credit Card imprinter, one Credit Card Charge Recorder, and the POS Equipment described on attachment A (if any). Any such supplying of POS Equipment shall be on the following terms and conditions and the terms and conditions set out in paragraph XI.

1. **Dealer/Jobber** shall pay a monthly fee of ________________________, plus applicable sales and use taxes, for such Equipment supplied by **Company.** This monthly Equipment fee shall be invoiced monthly to **Dealer/Jobber. Company** may change this monthly fee by written notice to **Dealer/Jobber** sent not less than 30 days prior to any anniversary date. Any such fee change shall then become effective on the anniversary date.

2. **Dealer/Jobber** shall not alter the POS Equipment in any manner or in any way and shall not use the equipment to contact or use another processing agent or bank other than the one selected and/or approved by **Company.** Notwithstanding any other terms of this Agreement, and **Dealer/Jobber** alteration or change to the equipment will result in immediate termination of the **Dealer/Jobber** Credit Card Contract or revocation of this lease of the POS Equipment at **Company**'s option. Company at its option may immediately repossess the equipment.

X. **Additional Credit Plate Imprinter/Charge Recorders**

Company will supply **Dealer/Jobber** with additional credit plate imprinter machines and Credit Card Charge Recorders. **Dealer/Jobber** agrees to use such equipment at each location to which this contract pertains. It is hereby agreed that any such supplying of additional equipment shall be on the following terms and conditions and the terms and conditions set out in paragraph XI:

Dealer/Jobber shall pay the following annual fee for each additional Credit Card imprinter and each additional Credit Card Charge Recorder, plus applicable sales and use taxes, payable in advance to **Company** at its offices located at

Imprinting Equipment Fees:
Credit Card Imprinter............: ________________

Credit Card Charge Recorder: ________________

. Credit Plate, Charge Recorders, and POS Equipment, Additional Terms and Conditions.

Dealer/Jobber agrees that the following terms and conditions shall apply to any imprinting equipment and/or POS Equipment supplied by **Dealer/Jobber** by **Company.**

A. **Company**, its agents, employees, parent and affiliates, shall not be liable for any loss, damage, injuries or other casualty of whatsoever kind or by whomsoever caused, to the person or property of anyone (including **Dealer/ Jobber**) arising out of or resulting from the installation existence, use, maintenance, condition, repair, alteration or removal of POS Equipment, POS Equipment software or any item of imprinting equipment; and **Dealer/Jobber** for himself, his heirs, executors, administrators, successors and assigns, hereby agrees to indemnify and hold Company, its agents, employees, parent and affiliates, harmless from and against all claims for such loss, damage, injury, or other casualty.

B. **Company** will provide, through independent contractors or otherwise, repair and maintenance service necessary to keep the POS Equipment and/or Credit Card imprinting equipment in working order, including replacement of worn or broken parts, cleaning, oiling and adjustment when due to normal usage.

. In the event that any equipment supplied by **Company** hereunder is lost, destroyed or damaged while in the possession or control of **Dealer/Jobber**, Dealer/Jobber will pay to **Company** the following as applicable:

1. Imprinting Equipment replacement costs (defined as Company's single purchase price in effect at the time of loss or destruction).

2. For POS Equipment, reasonable market value on the date of loss or destruction of the terminal(s), and of any electronic cash register or other equipment with which said POS Equipment is connected.

3. All costs and expenses (except when caused by ordinary wear) incurred by **Company** to repair said equipment.

D. **Company** shall have the right to repossess Point of Sale Equipment or any item of imprinting equipment or substitute new Point of Sale Equipment or imprinting equipment therefore or change terminal software at any time. In the event of any such change, repossession or substitution, the applicable annual fee shall be adjusted for the time the equipment was actually used by **Dealer/Jobber.**

E. **Company** will pay any license, property or other tax or similar charge lawfully assessed against the imprinting equipment or POS Equipment.

F. **Dealer/Jobber** shall maintain and use all POS Equipment and credit plate imprinting equipment supplied by **Company,** including additional equipment, only at the location(s) referred to in Section III (A) of this Agreement. **Company** shall have the right to repossess any POS Equipment or other equipment in use at locations other than those specified.

G. Upon the termination of this Agreement by either party, **Dealer/Jobber** shall promptly return to **Company** all imprinting equipment and/or POS Equipment supplied by **Company** hereunder, including any electronic cash registers or other equipment with which said POS Equipment is connected.

.I. This Agreement cancels and supersedes all prior agreements and understandings between the parties hereto pertaining to the subject matter hereof, and there are no other agreements, written or oral, between the parties pertaining to the subject matter hereof.

:I. This Agreement shall not be modified except in writing, executed by both parties.

ı **witness whereof,** the parties have caused these presents to be executed and made effective as of the day and year first above /ritten.

ealer/Jobber

______________________ (Name) By: ______________________

y: ______________________ Title: ______________________

Jobber #: 80001538

Dealer/Jobber Debit Card Agreement

26-896-J (6-97) E

This Agreement, made and effective on this 3RD day of December, 1998, is by and between · (hereinafter called "Company") and ______ whose business address is ______, (hereinafter called "Dealer/Jobber").

WITNESSETH:

WHEREAS, Company and Dealer/Jobber wish to enable Dealer/Jobber to accept debit cards issued by member institutions of debit card networks (hereinafter referred to as "Debit Cards"), at the location(s) listed on Attachment 1 hereto, in payment for goods and services sold by Dealer/Jobber.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. **Equipment.**
   a) Dealer/Jobber shall install and, at all times herein, keep active a Verifone 201 PIN Pad or successor machine ("PIN Pad") for customer use hereunder. The PIN Pad shall be connected to and used in conjunction with the Electronic Cash Register leased or used by Dealer/Jobber under the 26-613 Dealer/Jobber Credit Card Contract (POS). Hereinafter, the PIN Pad and Electronic Cash Register shall be referred to collectively as "Equipment."

   b) Dealer/Jobber shall use the PIN Pad only in conjunction with the Electronic Cash Register pursuant to Company's policies and guidelines and shall not alter or change the Equipment or any part thereof in any manner except in accordance with Company's instructions.

   c) In the event Dealer/Jobber needs to purchase a PIN Pad, it shall do so only from a Company-approved supplier.

2. **Use of Equipment.**
   a) Dealer/Jobber shall use and operate Equipment in accordance with written instructions issued by Company from time to time.

   b) Dealer/Jobber shall have Equipment available for use at the retail premises during all times premises are open for business.

   c) Dealer/Jobber agrees that customers desirous of using a Debit Card as a means of purchasing goods and/or services sold by Dealer/Jobber shall be given access to Equipment on a non-discriminatory basis equivalent to the access given to customers paying for goods and/or services with credit/charge cards or cash.

   d) Dealer/Jobber shall refer customers alleging errors in transactions processed through Equipment to the Electronic Sales Processor (ESP) Customer Help Line ·

   e) Dealer/Jobber shall render assistance and instructions to customers on use of the Equipment. Company will provide training to Dealer/Jobber on the operation of the Equipment.

   f) Dealer/Jobber shall not impose a surcharge in connection with any Debit Card transaction.

. **Honoring Debit Cards.** Dealer/Jobber shall honor such Debit Cards as Company shall from time to time designate in riting according to the Rules and Guidelines issued by Company. Dealer/Jobber shall honor Debit Cards only at the articipating location(s) approved by Company as set out in Attachment 1, attached hereto and incorporated herein. Company hall have the right to immediately remove a location from Attachment 1 for any violation of this Agreement.

4. **Settlement.**

a) Company shall pay Dealer/Jobber the full amount of debit transactions processed through Equipment, net of transaction fees, by deposit to Dealer/Jobber's bank account via electronic funds transfer or other means, in company's sole discretion.

b) Dealer/Jobber shall be charged a transaction fee as established by company from time to time. Said transaction fee may be changed at any time by Company upon ten (10) days prior written notice.

c) All debit transactions hereunder must be processed through Equipment electronically and approved through the appropriate network.

d) All debit transactions hereunder shall be subject to chargeback to Dealer/Jobber including all "cash-back" or "cash only" transactions.

5. **Returns.** If any goods are accepted for return, or any refunds or price adjustments are allowed for goods or services sold by the Dealer/Jobber, the Dealer/Jobber shall make the refund, replacement, or adjustment to the customer who purchased such goods or services with the Debit Card in the same manner as Dealer/Jobber would to any cash paying customer.

6. **Complaints.** Dealer/Jobber shall be responsible for handling all claims or complaints asserted by any customer with regard to the goods and services sold by the Dealer/Jobber that are purchased with a Debit Card. All such claims or complaints shall ɔe settled directly by Dealer/Jobber, and Dealer/Jobber shall indemnify and hold Company its agents, employees, parent, and affiliates harmless against any loss or liability on account thereof.

7. **Term.** The term of this Agreement shall commence on the effective date and shall continue for one (1) year, provided however, that it shall automatically renew for successive periods each of one (1) year subject to the further provisions of this Paragraph 7. For the initial term of this Agreement and any renewal term, the Company may terminate this Agreement for any reason at any time upon ten (10) days prior written notice to Dealer/Jobber. After the initial one-year term, Dealer/Jobber may ɜrminate this Agreement at any time upon ten (10) days prior written notice to Company. This Agreement shall automatically ːerminate in the event that the separate Dealer Lease, Dealer Supply Agreement, or Jobber Contract between the parties shall terminate or non-renew for any reason. Nothing in this Agreement shall be construed as a commitment by either party that any Dealer Lease, Dealer Supply Agreement, or Jobber Contract, shall be renewed or extended at the expiration of its term.

8. **Service Marks and Trademarks.** Dealer/Jobber shall use any promotional materials which may be supplied to it by Company which contain the trademarks or service marks owned by a Debit Card network (hereinafter collectively called "Marks") in strict conformity with the Company's written instructions. Dealer/Jobber may utilize such Marks in Dealer/Jobber's ıwn promotional and advertising materials provided Dealer/Jobber obtains Company's prior written consent for such usage. Dealer/Jobber shall not acquire any right, title, or interest in or to the Marks, and upon termination of this Agreement, Dealer/Jobber shall discontinue all reference to and display of the Marks.

}. **Right to Inspect.** Company or its designee shall have the right, at its option, to review all activities at the participating ocation(s) and inspect all records of Dealer/Jobber in connection with the processing of Debit Card transactions, and the use of he Equipment and the Marks related thereto.

:0. **Indemnification.** Company, its agents, employees, parent, and affiliates, shall not be liable for any loss, damage, injuries, ır other casualty of whatsoever kind or by whomsoever caused, to the person or property of anyone (including Dealer/Jobber) ırising out of or resulting from Dealer/Jobber's processing of Debit Card transactions and/or the installation, existence, use, naintenance, condition, repair, alteration, or removal of the Equipment; and Dealer/Jobber on its own behalf and on behalf of s heirs, executors, administrators, successors, and assigns, hereby agrees to indemnify and hold Company, its agents, mployees, parent, and affiliates, harmless from and against all claims for such loss, damage, injury, or other casualty.

ı. **Promotion.** During the term of this Agreement, Dealer/Jobber shall display the logotype of the Company-designated Debit ard networks wherever any credit/charge card or other debit card logotype is displayed, in each case (other than [redacted] rivate label consumer and commercial credit cards and the [redacted] co-brand Visa), with the same or no lesser prominence as given to each credit card and other debit card and logotype displayed.

2. **No Agency, Joint Venture, or Partnership.** Neither Dealer/Jobber nor any Dealer/Jobber employee shall be deemed an ,ent of Company nor shall they have any authority to enter into any commitments on behalf of Company. This Agreement ˏes not create a joint venture or partnership between the parties.

3. **Compliance with Laws.** Dealer/Jobber agrees to comply with all applicable and valid laws and regulations relating to ectronic banking. Dealer/Jobber shall indemnify and hold Company, its agents, employees, parent, and affiliates harmless ɔm any and all penalties, losses, or liabilities of every nature whatsoever resulting from Dealer/Jobber's failure to comply with e provisions of this Paragraph 13.

. Notices. All notices given under this Agreement shall be deemed to be properly served if delivered in writing personally or nt by certified mail return receipt requested to Company at 200 East Randolph Drive, Chicago, Illinois 60601, Attention: Brand ɜnager, Payment Systems, Mail Code 0508, or to Dealer/Jobber at the address shown on the first page hereof. Date of service a notice served by mail shall be the date the notice is deposited in the United States mail.

15. Entire Agreement. Company and Dealer/Jobber hereby agree that this Agreement as written represents the entire agreement between the parties and that there are no other agreements, written or verbal, between the parties pertaining to the subject matter hereof. This Agreement may not be amended or supplemented orally but only by an agreement in writing which has been signed by the party against whom enforcement of any such amendment or supplement is sought.

16. Consent. In any instance where the consent or approval of either party is required under the terms of this Agreement, such consent or approval shall not be unreasonably withheld. Company and Dealer/Jobber agree to execute and deliver any instruments in writing necessary to carry out any agreement, term, condition, or assurance in this Agreement whenever occasion shall arise and request for such instruments shall be made.

17. Waivers. One or more waivers by Company or Dealer/Jobber of a breach of any covenant or condition by the other of them shall not be construed as a waiver of the subsequent breach of the same covenant or condition, and the consent or approval by Company or Dealer/Jobber to or of any act by either requiring the other's consent or approval shall not be deemed to waive or render unnecessary either party's consent to or approval of any subsequent similar act by the other party.

18. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original for all purposes.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Illinois, except where pre-empted by federal law.

20. Severability. If any provision of this Agreement shall be declared legally invalid or unenforceable, then the remaining provisions of this Agreement nevertheless shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law.

21. Delays in Performance. The performance by Company and Dealer/Jobber of any of their respective obligations or undertakings provided for in this Agreement shall be excused and no default shall be deemed to exist in the event and so long as the performance of any such obligation or undertaking is prevented, delayed, retarded, or hindered by any act of God, act of war, riot, fire, explosion, accident, flooding, embargo, sabotage, telecommunications system malfunction; shortage of or significant fluctuations in electric power; delay or failure in performance on the part of the Debit Card network; governmental law, ordinance, rule, regulation, order or action; injunction or restraining order; or any other cause beyond the reasonable control of Company or Dealer/Jobber, as the case may be.

22. Assignment. Neither party shall assign this Agreement without the prior written consent of the other.

IN WITNESS WHEREOF, the parties hereto have set their hands the date and year first above written.

Dealer/Jobber

By: ______________________________

Name: ______________________________

Title: ______________________________

By: ______________________________

Name: ______________________________

Title: ______________________________

Jobber #: 80001538

Please fill in information for **each** location that will participate (**even if only one location**)

Include this completed Attachment when submitting the **Dealer/Jobber Debit Card Agreement**

Attachment 1
Dealer/Jobber Debit Card Agreement
Participating Locations
26-896-AJ (6-97) E

Location				SVB Number
Phone Number	Area Code	–		
Address				
City	State	Zip		
Phone Number	Area Code	–		
Address				
City	State	Zip		
Phone Number	Area Code	–		
Address				
City	State	Zip		
Phone Number	Area Code	–		
Address				
City	State	Zip		
Phone Number	Area Code	–		
Address				
City	State	Zip		
Phone Number	Area Code	–		
Address				
City	State	Zip		
Phone Number	Area Code	–		
Address				
City	State	Zip		
Phone Number	Area Code	–		
Address				
City	State	Zip		

Unlimited Guaranty

26-930-UG (1-95) E

For Value Received and to induce [redacted] (herein called "Company")

____ to lend money or

(State complete Amoco address)

otherwise extend financial accommodation to or for the account of _______________

a Corporation with its principal offices located at

(State type of legal entity: sole proprietorship, partnership or corporation)

____

(State complete address of Jobber-Debtor's principal office)

(herein called "Debtor"), **The Undersigned Hereby Unconditionally Guarantee(s) Payment When Due**, whether by declaration or otherwise, of any and all indebtedness, including interest thereon, of Debtor to Company, howsoever such indebtedness may arise, whether as principal, guarantor, endorser or otherwise, now or hereafter existing, including but not limited to payments or indebtedness received by Company from Debtor which Company may subsequently be required to relinquish under applicable law because of Debtor insolvency, (all such indebtedness being herein called "Debt"), and agree(s) to pay all expenses (including attorneys' fees and legal expenses) incurred by Company to collect Debt and in enforcing this guaranty.

The Undersigned hereby waive(s) presentment, demand and protest; notice of acceptance of this guaranty; notice of the creation of Debt, of any default and of protest, dishonor, or other action taken in reliance hereon; all demands and notices of any kind in connection with this guaranty or Debt; and all diligence in collection or protection of or realization upon Debt.

Company may, from time to time, either before or after receipt of a notice of discontinuance of this guaranty, without notice to or consent of any of the Undersigned, and without in any way affecting any on the Undersigned's liability or Company's rights hereunder: alter, accelerate, extend, renew, or change the time, place, manner or terms of payment of, or grant indulgences with respect to, Debt; increase or decrease the amount of Debt or the rate of interest on Debt; obtain the primary or secondary liability of any party or parties, in addition to the Undersigned, with respect to Debt; release or compromise any liability of any of the Undersigned hereunder or any other party or parties primarily or secondarily liable on Debt; release, foreclose on or otherwise exercise Company's secured interests in any real, tangible or intangible collateral securing any obligation of Debtor to Company, whether or not covered hereby; apply to Debt in such manner as Company shall determine, any sums received by it from Debtor or from any other source to be applied to Debtor's obligations; or resort to any or all of the Undersigned for payment of any or all Debt, whether or not Company shall have resorted to any property securing Debt or shall have proceeded against any other of the Undersigned or any other party primarily or secondarily liable on Debt.

This Guaranty Shall Be Continuing Guaranty, provided that it may be discontinued as to any of the Undersigned only by his/her giving written notice by certified mail to Company at the address set out above of the discontinuance of this guaranty as to the Undersigned giving such notice, but no such notice shall be effective in any respect until it is actually received by Company and shall not affect the obligations hereunder of the Undersigned giving such notice or Company's rights or authority hereunder with respect to any Debt, including contingent unliquidated Debt, existing at the date of receipt of such notice by Company, any interest subsequently accruing thereon or any expenses incurred by Company in endeavoring to collect any of such Debt and in enforcing this guaranty against such Undersigned. This guaranty shall survive the death of any of the Undersigned, provided that upon actually receiving written notice, sent to Company by certified mail, of the death of any of the Undersigned, Company shall be deemed to have thereby received a notice of discontinuance on behalf of such deceased Undersigned. Any such notice of discontinuance by any of the Undersigned shall not affect the obligations hereunder of any other of the Undersigned.

This guaranty shall inure to the benefit of Company, its successors and assigns. If more than one party shall execute this guaranty, the term "Undersigned" shall mean all parties executing this guaranty, and all such parties shall be jointly and severally obligated hereunder.

Signed and delivered at _______________

this 3rd day of Dec, 1998.

Witness _______________ Name _______________

Witness _______________ Address _______________

Name _______________

Address _______________

Note: When executed by a corporation, the corporate seal should be affixed and there should be attached to the guaranty a certified copy of the resolution of the Board of Directors authorizing the signing office to execute and deliver the guaranty in the name and on behalf of the corporation.

This Statement of Jobber Policy describes some of the policies, principles and strategies that [redacted] will follow in its relationship with our [redacted] branded jobbers. As you know, our branded jobber contract documents set out the contractual rights and responsibilities between [redacted] and its jobbers. This policy statement does not and is not intended to interpret or amend those contractual rights and responsibilities. Rather, it is intended to provide our jobbers with an overview of who we are as a company, what we believe in and where we would like to go in the future. It is also intended to set out some of the "hows" we will use to relate to each other as we carry out the terms and conditions of our contracts.

[redacted] Products Marketing – An Integrated Retail Business Strategy
The vision of the Marketing Business Group is to be the fastest growing, most admired convenience retailer by becoming "the stop of choice for the convenience-minded motorist." To achieve this vision, we will implement the four elements of our Integrated Retail Business Strategy. Specifically, we will strive to:

- **Excite Our Customers** (know the customer–listen intently; capitalize on strengths; deliver quick and reliable service–pump, bay, store, carwash, restaurant; keep the banner of quality flying–quality products priced for value and attractive, clean facilities; innovate with products, services, promotions, advertising and merchandising; give back to the communities that support us)
- **Execute Flawlessly** (achieve flawless execution through teamwork and processes; beat competition every day at every site; invest in people, reward results; outstrip competitors to market; empower with accountability to own results; encourage reasonable risk taking)
- **Win With Dirt** (select the most convenient sites and formats; build market share of prime sites; maximize total site with best combination of businesses; leverage partner's strengths; revitalize asset portfolio constantly; choose the most effective channel)
- **Drive Relentless Cost Competitiveness** (define value through the customer's eyes; meet the customer's needs with the lowest delivered cost; find a better way–never be satisfied)

[redacted] Progress
[redacted] Progress Principles–Customer Focus, Business Process Improvement, Measurement and Assessment, Leadership, Teamwork, Empowerment and Sharing Best Practices–will be used to focus our vision and to continuously challenge and improve everything we do.

People
[redacted] respects the individual rights and dignity of all people. Our individual and collective actions create our competitive advantage. [redacted] markets through an independent jobber channel without regard to race, color, religion, gender, age, national origin, sexual orientation, disability or veteran status. [redacted] employees will respect the rights of jobbers at all times to operate as independent businessmen and women. [redacted] does not condone and will not tolerate coercion, harassment or any other form of undue pressure brought by [redacted] employees upon a jobber, particularly in the areas of product pricing and promotions.

Petroleum Products
[redacted] supplies high quality petroleum products to its jobbers. Marketwide, consumers have consistently rated [redacted] gasolines as the highest in quality. In many markets, [redacted] offers it's Crystal Clear Ultimate premium grade gasoline. [redacted] expects its representatives to call each jobber's attention to [redacted] products and the profit opportunities they represent. [redacted] representatives are employed to assist jobber efforts to sell [redacted] products, and to provide merchandising assistance, business counseling, and product knowledge. [redacted] expects its jobbers to strictly comply with their contractual obligations to maintain the quality and integrity of products supplied to them by [redacted] and to comply with all other obligations in their contracts.

Price
Jobbers have the absolute right, as independent business operators, to set any lawful price they choose on products they sell. Jobbers are free to display and promote such products in any legal manner. [redacted] respects the right of jobbers to decide a course of action, while maintaining a relationship that is open to counsel.

Marketing Strategies, Plan and Processes
[redacted] regularly develops a variety of marketing strategies, plans and processes designed to assist jobbers in their business operations. The decision to participate in any of these strategies, plans and processes is the jobber's choice. [redacted] employees will convey our suggestions and advice in these areas, but the jobber alone will decide to participate.

Conflict of Interest
In carrying out its responsibilities to jobbers, [redacted] recognizes the need to avoid every appearance of impropriety, including apparent conflicts of interest. [redacted] policy prohibits employees from accepting anything of substantial value from any [redacted] jobber or anyone acting on the jobber's behalf. What is "substantial" is relative and would include even the most nominal or insignificant items if offered with the expectation of influencing the [redacted] employee's judgment. Examples of such judgment areas include employee recommendations and approval of volume, terminal assignment, site selection, policy allowances or capital assistance programs. Benefits to employees include any gifts which exceed a nominal value, lavish entertainment, loans of money, political or charitable contributions made on behalf of the employee, etc.

Communication/Jobber Advisory Boards
The primary line of communication between [redacted] and its jobbers is [redacted] field marketing staff, followed by [redacted] regional staff.

[redacted] has also established a National Jobber Advisory Board (NJAB) and regional JABs for the purpose of sharing concerns, developing jobber-related programs, and implementing suggestions for improvement. Representative jobbers from each region serve on the NJAB and regional JABs, along with [redacted] employees from each level of company management, to work in an open forum and develop effective solutions to mutual marketing challenges.

[redacted]/Jobber Relations
If a jobber receives an indication that [redacted] policies regarding jobbers are not being strictly adhered to by company personnel, the jobber has the right to bring this fact to the attention of his/her Jobber Sales Manager. If further resolution or discussion is necessary, the jobber has the right to bring the matter to the attention of the Regional Manager. If, after a discussion with the Regional Manager, disposition of the dispute is not made to the satisfaction of the jobber, an appeal may be made to the Coordinator-Jobber Channel. Please direct any such communication to the Coordinator-Jobber Channel at

Received and reviewed: ______________________________

Jobber: ______________________________

By: ______________________________

Title: ______________________________

Revised Summary of Title I of the Petroleum Marketing Practices Act

AGENCY: Department of Energy

ACTION: Notice

SUMMARY: This notice contains a summary of Title I of the Petroleum Marketing Practices Act, as amended (the Act). The Petroleum Marketing Practices Act was originally enacted on June 19, 1978, and was amended by the Petroleum Marketing Practices Act Amendments of 1994, enacted on October 19, 1994. On August 30, 1978, the Department of Energy published in the Federal Register a summary of the provisions of Title I of the 1978 law, as required by the Act. The Department is publishing this revised summary to reflect key changes made by the 1994 amendments.

The Act is intended to protect franchised distributors and retailers of gasoline and diesel motor fuel against arbitrary or discriminatory termination or nonrenewal of franchises. This summary describes the reasons for which a franchise may be terminated or not renewed under the law, the responsibilities of franchisors, and the remedies and relief available to franchisees. The Act requires franchisors to give franchisees copies of the summary contained in this notice whenever notification of termination or non renewal of a franchise is given.

SUPPLEMENTARY INFORMATION:

Title I of the Petroleum Marketing Practices Act, as amended, 15 U.S.C. §§2801-2806, provides for the protection of franchised distributors and retailers of motor fuel by establishing minimum Federal standards governing the termination of franchises and the nonrenewal of franchise relationships by the franchisor or distributor of such fuel.

Section 104(d)(1) of the Act required the Secretary of Energy to publish in the Federal Register a simple and concise summary of the provisions of Title I, including a statement of the respective responsibilities of, and the remedies and relief available to, franchisors and franchisees under the title. The Department published this summary in the Federal Register on August 30, 1978. 43 F.R. 38743 (1978).

In 1994 the Congress enacted the Petroleum Marketing Practices Act Amendments to affirm and clarify certain key provisions of the 1978 statute. Among the key issues addressed in the 1994 amendments are: termination or nonrenewal of franchised dealers by their franchisors for purposes of conversion to "company" operation; (2) application of state law; (3) the rights and obligations of franchisors and franchisees in third-party lease situations; and (4) waiver of rights limitations. See H.R. REP. NO. 737, 103rd Cong., 2nd Sess. 2 (1994), reprinted in 1994 U.S.C.C.A.N. 2780. Congress intended to (1) make explicit that upon renewal a franchisor may not insist on changes to a franchise agreement where the purpose of such changes is to prevent renewal in order to convert a franchisee-operated service station to a company-operated service station; (2) make clear that where the franchisor has an option to continue the lease or to purchase the premises but does not wish to do so, the franchisor must offer to assign the option to the franchisee; (3) make clear that no franchisor may require, as a condition of entering or renewing a franchise agreement, that a franchisee waive any rights under the Petroleum Marketing Practices Act, any other Federal law, or any state law; and (4) reconfirm the limited scope of Federal preemption under the Act. *Id.*

The summary which follows reflects key changes to the statute resulting from the 1994 amendments. The Act requires franchisors to give copies of this summary statement to their franchisees when entering into an agreement to terminate the franchise or not to renew the franchise relationship, and when giving notification of termination or nonrenewal. This summary does not purport to interpret the Act, as amended, or to create new legal rights.

In addition to the summary of the provisions of Title I, a more detailed description of the definitions contained in the Act and of the legal remedies available to franchisees is also included in this notice, following the summary statement.

Summary of Legal Rights of Motor Fuel Franchisees

This is a summary of the franchise protection provisions of the Federal Petroleum Marketing Practices Act, as amended in 1994 (the Act), 15. U.S.C. 2801-2806. This summary must be given to you, as a person holding a franchise for the sale, consignment or distribution of gasoline or diesel motor fuel, in connection with any termination, or nonrenewal of your franchise by the franchising company (referred to in this summary as your supplier).

You should read this summary carefully, and refer to the Act if necessary, to determine whether a proposed termination or nonrenewal of your franchise is lawful, and what legal remedies are available to you if you think the proposed termination or failure to renew is not lawful. In addition, if you think your supplier has failed to comply with the Act, you may wish to consult an attorney in order to enforce your legal rights.

The franchise protection provisions of the Act apply to a variety of franchise agreements. The term "franchise" is broadly defined as a license to use a motor fuel trademark, which is owned or controlled by a refiner and it includes secondary agreements such as leases of real property and motor fuel supply agreements which have existed continuously since May 15, 1973, regardless of a subsequent withdrawal of a trademark. Thus, if you have lost the use of a trademark previously granted by your supplier but have continued to receive motor fuel supplies through a continuation of a supply agreement with your supplier, you are protected under the Act.

Any issue arising under your franchise which is not governed by this Act will be governed by the law of the State in which the principal place of business of your franchise is located.

Although a State may specify the terms and conditions under which your franchise may be transferred upon the death of the franchisee, it may not require a payment to you (the franchisee) for the goodwill of a franchise upon termination or nonrenewal.

The Act is intended to protect you, whether you are a distributor or a retailer, from arbitrary or discriminatory termination or nonrenewal of your franchise agreement. To accomplish this, the Act first lists the reasons for which termination or nonrenewal is permitted. Any notice of termination or nonrenewal must state the precise reason, as listed in the Act, for which the particular termination or nonrenewal is being made. These reasons are described below under the headings "Reasons for Termination" and "Reasons for Nonrenewal."

The Act also requires your supplier to give you a written notice of termination or intention not to renew the franchise within certain time periods. These requirements are summarized below under the heading "Notice Requirements for Termination or Nonrenewal."

The Act also provides certain special requirements with regard to trial and interim franchise agreements, which are described below under the heading "Trial and Interim Franchises."

The Act gives you certain legal rights if your supplier terminates or does not renew your franchise in a way that is not permitted by the Act. These legal rights are described below under the heading "Your Legal Rights."

The Act contains provisions pertaining to waiver of franchisee rights and applicable State law. These provisions are described under the heading "Waiver of Rights and Applicable State Law."

This summary is intended as a simple and concise description of the general nature of your rights under the Act. For a more detailed description of these rights, you should read the text of the Petroleum Marketing Practices Act, as amended in 1994 (15 U.S.C. §§2801-2806). This summary does not purport to interpret the Act, as amended, or to create new legal rights.

I. Reasons for Termination

If your franchise was entered into on or after June 19, 1978, the Act bars termination of your franchise for any reasons other than those reasons discussed below. If your franchise was entered into before June 19, 1978, there is no statutory restriction on the reasons for which it may be terminated. If a franchise entered into before June 19, 1978, is terminated, however, the Act requires the supplier to reinstate the franchise relationship unless one of the reasons listed under this heading or one the additional reasons for nonrenewal described below under the heading "Reasons for Nonrenewal" exists.

A. Non-Compliance with Franchise Agreement

Your supplier may terminate your franchise if you do not comply with a reasonable and important requirement of the franchise relationship. However, termination may not be based on a failure to comply with a provision of the franchise that is illegal or unenforceable under applicable Federal, State, or local law. In order to terminate for non-compliance with the franchise agreement, your supplier must have learned of this non-compliance recently. The Act limits the time period within which your supplier must have learned of your non-compliance to various periods, the longest of which is 120 days, before you receive notification of the termination.

B. Lack of Good Faith Efforts

Your supplier may terminate your franchise if you have not made good faith efforts to carry out the requirements of the franchise, provided you are first notified in writing that you are not meeting a requirement of the franchise and you are given an opportunity to make a good faith effort to carry out the requirement. This reason can be used by your supplier only if you fail to make good faith efforts to carry out the requirements of the franchise within the period which began not more than 180 days before you receive the notice of termination.

C. Mutual Agreement to Terminate the Franchise

A franchise can be terminated by an agreement in writing between you and your supplier if the agreement is entered into not more than 180 days before the effective date of the termination and you receive a copy of that agreement, together with this summary statement of your rights under the Act. You may cancel the agreement to terminate within 7 days after you receive a copy of the agreement, by mailing (by certified mail) a written statement to this effect to your supplier.

D. Withdrawal From the Market Area

Under certain conditions, the Act permits your supplier to terminate your franchise if your supplier is withdrawing from marketing activities in the entire geographic area in which you operate. You should read the Act for a more detailed description of the conditions under which market withdrawal terminations are permitted. See 15 U.S.C. § 2802(b)(E).

E. Other Events Permitting a Termination

If your supplier learns within the time period specified in the Act (which in no case is more than 120 days prior to the termination notice) that one of the following events has occurred, your supplier may terminate you franchise agreement:

(1) Fraud or criminal misconduct by you that relates to the operation of your marketing premises.

(2) You declare bankruptcy or a court determines that you are insolvent.

(3) You have a severe physical or mental disability lasting at least 3 months which makes you unable to provide for the continued proper operation of the marketing premises.

(4) Expiration of your supplier's underlying lease to the leased marketing premises, if: (a) your supplier gave you written notice before the beginning of the term of the franchise of the duration of the underlying lease and that the underlying lease might expire and not be renewed during the term of the franchise; (b) your franchisor offered to assign to you, during the 90-day period after notification of termination or nonrenewal was given, any option which the franchisor held to extend the underlying lease or to purchase the marketing premises (such an assignment may be conditioned on the franchisor receiving from both the landowner and the franchisee an unconditional release from liability for specified events occurring after the assignment); and (c) in a situation in which the franchisee acquires possession of the leased marketing premises effective immediately after the loss of the right of the franchisor to grant possession, the franchsor, upon written request of the franchisee, made a bona fide offer to sell or assign to the franchisee the franchiser's interest in any improvements or equipment located on the premises, or offered by the franchisee a right of first refusal of any offer from another person to purchase the franchisor's interest in the improvements and equipment.

(5) Condemnation or other taking by the government, in whole or in part, of the marketing premises pursuant to the power of eminent domain. If the termination is based on a condemnation or other taking, your supplier must give you a fair share of any compensation which he receives for any loss of business opportunity or good will.

(6) Loss of your supplier's right to grant the use of the trademark that is the subject of the franchise, unless the loss was because of bad faith actions by your supplier relating to trademark abuse, violation of Federal or State law, or other fault or negligence.

(7) Destruction (other than by your supplier) of all or a substantial part of your marketing premises. If the termination is based on the destruction of the marketing premises and if the premises are rebuilt or replaced by your supplier and operated under a franchise, your supplier must give you a right of first refusal to this new franchise.

(8) Your failure to make payments to your supplier of any sums to which your supplier is legally entitled.

(9) Your failure to operate the marketing premises for 7 consecutive days, or any shorter period of time which, taking into account facts and circumstances, amounts to an unreasonable period of time not to operate.

(10) Your intentional adulteration, mislabeling or misbranding of motor fuels or other trademark violations.

(11) Your failure to comply with Federal, State, or local laws or regulations of which you have knowledge and that relate to the operation of the marketing premises.

(12) Your conviction of any felony involving moral turpitude.

(13) Any event that affects the franchise relationship and as a result of which termination is reasonable.

II. Reasons for Nonrenewal

If your supplier gives notice that he does not intend to renew any franchise agreement, the Act requires that the reason for nonrenewal must be either one of the reasons for termination listed immediately above, or one of the reasons for nonrenewal listed below.

A. Failure to Agree on Changes or Additions To Franchise

If you and your supplier fail to agree to changes in the franchise that your supplier in good faith has determined are required, and your supplier's insistence on the changes is not for the purpose of converting the leased premises to a company operation or otherwise preventing the renewal of the franchise relationship, your supplier may decline to renew the franchise.

. Customer Complaints
I. you supplier has received numerous customer omplaints relating to the condition of your arketing premises or to the conduct of any of your mployees, and you have failed to take prompt corrective ction after having been notified of these complaints, our supplier may decline to renew the franchise.

. Unsafe or Unhealthful Operations
If you have failed repeatedly to operate your arketing premises in a clean, safe and healthful anner after repeated notices from your supplier, your upplier may decline to renew the franchise.

. Operation of Franchise is Uneconomical
Under certain conditions specified in the Act, your upplier may decline to renew your franchise if he has etermined that renewal of the franchise is likely to be neconomical. Your supplier may also decline to renew ur franchise if he has decided to convert your arketing premises to a use other than for the sale of otor fuel, to sell the premises, or to materially alter, add , or replace the premises.

. Notice Requirements for Termination or onrenewal

he following is a description of the requirements for the otice which your supplier must give you before he may rminate your franchise or decline to renew your chise relationship. These notice requirements apply all franchise terminations, including franchises entered to before June 19, 1978 and trial and interim anchises, as well as to all nonrenewals of franchise lationships.

. How Much Notice Is Required
In most cases, your supplier must give you notice of rmination or nonrenewal at least 90 days before the rmination or nonrenewal takes effect.
In circumstances where it would not be reasonable . your supplier to give you 90 days notice, he must give u notice as soon as he can do so. In addition, if the anchise involves leased marketing premises, your upplier may not establish a new franchise relationship volving the same premises until 30 days after notice as given to you or the date the termination or onrenewal takes effect, whichever is later. If the anchise agreement permits, your supplier my possess the premises and, in reasonable rcumstances, operate them through his employees or nts.
If the termination or nonrenewal is based upon a etermination to withdraw from the marketing of motor el in the area, your supplier must give you notice at ast 180 days before the termination or nonrenewal kes effect.

Manner and Contents of Notice
To be valid, the notice must be in writing and must sent by certified mail or personally delivered to you. It ust contain: (1) A statement of your supplier's intention erminate the franchise or not to renew the franchise ationship, together with his reasons for this action; (2) e date the termination or nonrenewal takes effect; and) A copy of this summary.

. Trial Franchises and Interim Franchises

e following is a description of the special requirements apply to trial and interim franchises.

Trial Franchises
A trial franchise is a franchise, entered into on or er June 19, 1978, in which the franchisee has not eviously been a party to a franchise with the franchisor d which has an initial term of 1 year or less. A trial nchise must be in writing and must make certain sclosures, including that it is a trial franchise, and that franchisor has the right not to renew the franchise tionship at the end of the initial term by giving the chisee proper notice.
The unexpired portion of a transferred franchise her than as a trial franchise, as described above) does t qualify as a trial franchise.
In exercising his right not to renew a trial franchise the end of its initial term, your supplier must comply h the notice requirements described above under the ading "Notice Requirements for Termination or nrenewal."

terim Franchises
An interim franchise is a franchise, entered into on after June 19, 1978, the duration of which, when mbined with the terms of all prior interim franchises tween the franchisor and the franchisee, does not eed three years, and which begins immediately after expiration of a prior franchise involving the same rketing premises which was not renewed, sed on a lawful determination by the franchisor to hdraw from marketing activities in the geographic area hich the franchisee operates.
An interim franchise must be in writing and must e certain disclosures, including that it is an interim franchise and that the franchisor has the right not to renew the franchise at the end of the term based upon a lawful determination to withdraw from marketing activities in the geographic area in which the franchisee operates.
In exercising his right not to renew a franchise relationship under an interim franchise at the end of its term, your supplier must comply with the notice requirements described above under the heading "Notice Requirements for Termination or Nonrenewal."

V. Your Legal Rights

Under the enforcement provisions of the Act, you have the right to sue your supplier if he fails to comply with the requirements of the Act. The courts are authorized to grant whatever equitable relief is necessary to remedy the effects of your supplier's failure to comply with the requirements of the Act, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief. Actual damages, exemplary (punitive) damages under certain circumstances, and reasonable attorney and expert witness fees are also authorized. For a more detailed description of these legal remedies you should read the text of the Act. 15 U.S.C. §§2801-2806.

VI. Waiver of Rights and Applicable State Law

Your supplier may not require, as a condition of entering into or renewing the franchise relationship, that you relinquish or waive any right that you have under this or any other Federal law or applicable State law. In addition, no provision in a franchise agreement would be valid or enforceable if the provision specifies that the franchise would be governed by the law of any State other than the one in which the principal place of business for the franchise is located.

Further Discussion of Title I - Definitions and Legal Remedies

I. Definitions

Section 101 of the Petroleum Marketing Practices Act sets forth definitions of the key terms used throughout the franchise protection provisions of the Act. The definitions from the Act which are listed below are of those terms which are most essential for purposes of the summary statement. (You should consult section 101 of the Act for additional definitions not included here.)

A. Franchise
A "franchise" is any contract between a refiner and a distributor, between a refiner and a retailer, between a distributor and another distributor, or between a distributor and a retailer, under which a refiner or distributor (as the case may be) authorizes or permits a retailer or distributor to use, in connection with the sale, consignment, or distribution of motor fuel, a trademark which is owned or controlled by such refiner or by a refiner which supplies motor fuel to the distributor which authorizes or permits such use.
The term "franchise" includes any contract under which a retailer or distributor (as the case may be) is authorized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of motor fuel under a trademark which is owned or controlled by such refiner or by a refiner which supplies motor fuel to the distributor which authorizes or permits such occupancy. The term also includes any contract pertaining to the supply of motor fuel which is to be sold, consigned or distributed under a trademark owned or controlled by a refiner, or under a contract which has existed continuously since May 15, 1973, and pursuant to which, on May 15, 1973, motor fuel was sold, consigned or distributed under a trademark owned or controlled on such date by a refiner. The unexpired portion of a transferred franchise is also included in the definition of the term.

B. Franchise Relationship
The term "franchise relationship" refers to the respective motor fuel marketing or distribution obligations and responsibilities of a franchisor and a franchisee which result from the marketing of motor fuel under a franchise.

C. Franchisee
A "franchisee" is a retailer or distributor who is authorized or permitted, under a franchise, to use a trademark in connection with the sale, consignment, or distribution of motor fuel.

D. Franchisor
A "franchisor" is a refiner or distributor who authorizes or permits, under a franchise, a retailer or distributor to use a trademark in connection with the sale, consignment, or distribution of motor fuel.

E. Marketing Premises
"Marketing premises" are the premises which, under a franchise, are to be employed by the franchisee in connection with the sale, consignment, or distribution of motor fuel.

F. Leased Marketing Premises
"Leased marketing premises" are marketing premises owned, leased or in any way controlled by a franchisor and which the franchisee is authorized or permitted, under the franchise, to employ in connection with the sale, consignment, or distribution of motor fuel.

G. Fail to Renew and Nonrenewal
The terms "fail to renew" and "nonrenewal" refer to a failure to reinstate, continue, or extend a franchise relationship (1) at the conclusion of the term, or on the expiration date, stated in the relevant franchise, (2) at any time, in the case of the relevant franchise which does not state a term of duration or an expiration date, or (3) following a termination (on or after June 19, 1978) of the relevant franchise which was entered into prior to June 19, 1978 and has not been renewed after such date.

II. Legal Remedies Available to Franchisee

The following is a more detailed description of the remedies available to the franchisee if a franchise is terminated or not renewed in a way that fails to comply with the Act.

A. Franchisee's Right to Sue
A franchisee may bring a civil action in United States District Court against a franchisor who does not comply with the requirements of the Act. The action must be brought within one year after the date of termination or nonrenewal or the date the franchisor fails to comply with the requirements of the law, whichever is later.

B. Equitable Relief
Courts are authorized to grant whatever equitable relief is necessary to remedy the effects of a violation of the law's requirements. Courts are directed to grant a preliminary injunction if the franchisee shows that there are sufficiently serious questions, going to the merits of the case, to make them a fair ground for litigation, and if, on balance, the hardship which the franchisee would suffer if the preliminary injunction is not granted will be greater than the hardship which the franchisor would suffer if such relief is granted.
Courts are not required to order continuation or renewal of the franchise relationship if the action was brought after the expiration of the period during which the franchisee was on notice concerning the franchisor's intention to terminate or not renew the franchise agreement.

C. Burden of Proof
In an action under the Act, the franchisee has the burden of proving that the franchise was terminated or not renewed. The franchisor has the burden of proving, as an affirmative defense, that the termination or nonrenewal was permitted under the Act and, if applicable, that the franchisor complied with certain other requirements relating to terminations and nonrenewals based on condemnation or destruction of the marketing premises.

D. Damages
A franchisee who prevails in an action under the Act is entitled to actual damages and reasonable attorney and expert witness fees. If the action was based upon conduct of the franchisor which was in willful disregard of the Act's requirements or the franchisee's rights under the Act, exemplary (punitive) damages may be awarded where appropriate. The court, and not the jury, will decide whether to award exemplary damages and, if so, in what amount.
On the other hand, if the court finds that the franchisee's action is frivolous, it may order the franchisee to pay reasonable attorney and expert witness fees.

E. Franchisor's Defense to Permanent Injunctive Relief
Courts may not order a continuation or renewal of a franchise relationship if the franchisor shows that the basis of the non-renewal of the franchise relationship was a determination made in good faith and in the normal course of business:
(1) To convert the leased marketing premises to a use other than the sale or distribution of motor fuel;
(2) To materially alter, add to, or replace such premises;
(3) To sell such premises;
(4) To withdraw from marketing activities in the geographic area in which such premises are located; or
(5) That the renewal of the franchise relationship is likely to be uneconomical to the franchisor despite any reasonable changes or additions to the franchise provisions which may be acceptable to the franchisee.
In making this defense, the franchisor also must show that he has complied with the notice provisions of the Act.
This defense to permanent injunctive relief, however, does not affect the franchisee's right to recover actual damages and reasonable attorney and expert witness fees if the nonrenewal is otherwise prohibited under the Act.

Issued in Washington, D.C. on June 12, 1996.

Minutes of a Joint Special Meeting of the Stockholders and Board of Directors of Corporation (Jobber)

Form 26-930-CORP (12-94) E

A Joint Special Meeting of the Stockholders and Board of Directors of

____ ("Corporation") was
(State exact legal name of Corporation)

held on _______________________, at _______________ o'clock ____ m. The following individuals, being all of the Stockholders and all of the Directors of said Corporation, were present:

____

____
(State names of all Stockholders and Directors)

The meeting was called to order by the president ("President") of the Corporation,

_______________________________, who stated that the purpose of the meeting was to consider
(State name of President)
a resolution authorizing the Corporation to enter into a Branded Jobber Contract and any and all other legal documents with

The President of the Corporation moved that the following resolution be adopted by the Corporation:

> RESOLVED, that each of the President and the Secretary of the Corporation individually be, and each hereby is, empowered to execute a Branded Jobber Contract and any other legal documents with .

There being no further discussion on the question, the aforementioned resolution was unanimously passed by the Board of Directors and Stockholders of the Corporation.

I, the undersigned, Secretary of ____,
(State name of Corporation)

a _______________ _______________ corporation, do hereby certify that the foregoing resolution was
(Insert state of incorporation)
adopted by an affirmative vote of the Stockholders and Directors of said Corporation at a Joint Special Meeting of the Stockholders and Board of Directors duly called and held on the above-stated date, at which a quorum was present.

By _______________________________
Corporate Secretary

(CORPORATE SEAL OF JOBBER)

EXHIBIT 34

7/31/01 Demand # 11

To: Equilon Wholesalers: Illinois; Indiana; Ohio; Michigan; Kentucky; Wisconsin, Minnesota; specific terminals, Warren, PA; Cape Girardeau, MO.; St.Louis, MO; Palmyra, MO.;Columbia, MO.; Jefferson City, MO.; Belle, MO.

Due to supply circumstances beyond our control, starting Wednesday, August 1, 2001 at 12:01 AM, Equilon Enterprises, LLC, is imposing a weekly volume allocation on gasoline only, at terminals in the above mentioned states. Every effort is being made to ensure a fair and reasonable allocation among Equilon's Wholesale customers. Specifically, the weekly purchase entitlement will consist of 120% of August , 2000 average weekly volume.

Weekly purchase allocation = ((August, 2000 purchases X 120% / 31) X 7)) + an amount for each Shell or Texaco branded location to be supplied by you that was not supplied by you in August, 2000.

Each Wholesaler's weekly allocation will renew every Wednesday at 12:01 AM. Equilon reserves the right to further adjust the allocation volumes as necessary.

Volumes purchased up to the specified weekly limit will be priced in accordance with the terms designated in the Wholesaler Contract. Any liftings in excess of the specified weekly limit shall be subject to an additional charge of $ .30 /gallon. Excess lifting charges will be billed in the month(s) following the month the product was purchased.

Please direct any discrepancies regarding your weekly purchase entitlements, as well as any question regarding this notice to your Equilon Wholesale Consultant or Sales Manager.

XO 0059 PRF-0002 07-31-01 END MSG

EXHIBIT 35

Concurring Statement of Commissioner Mozelle W. Thompson

Western States Gasoline Pricing

File No. 981-0187

The Western States gasoline markets are both concentrated and isolated from other refinery markets in our country. New refineries likely could not be built in the near future to increase competition in the Western States markets, and information about the markets is readily available to market participants so that they may monitor each others' activities. Consequently, gasoline prices in the Western States markets most likely suffer oligopolistic pricing, and in fact, their prices are among the highest in the country. Further, this market structure makes the Western States gasoline markets more susceptible to the employment, and vulnerable to the possible anticompetitive effects, of distributional restraints.

The Commission has closed the investigation into whether certain distribution practices employed by the Western States gasoline refiners amount to antitrust violations. I voted to close our investigation because I believe that insufficient evidence exists showing that any of the Western States refiners' distributional practices have themselves caused higher wholesale and retail prices for gasoline. Notwithstanding my vote, I remain somewhat troubled by the practice of site-specific redlining that some Western States refiners utilize as part of their distribution strategies. Such vertical restraints could be unlawful in those circumstances where - whether in the Western States or other gasoline markets - the practice leads to higher-than-otherwise wholesale prices.[(1)]

Site-specific redlining is a disconcerting pricing practice that creates *de facto* territorial restrictions on jobbers. This type of restriction can limit the ability of independent jobbers to supply wholesale gasoline to those areas that demand it most, for example, California's highest priced wholesale and retail markets. Such artificial restraints can forestall natural market forces from lowering the high prices in these local markets. Additionally, while I believe that the Commission's analysis does confirm that site-specific pricing can increase wholesale prices (despite the fact that it cannot be proved in this particular case), the investigation did not uncover compelling evidence that site-specific redlining generates any particular cognizable benefits to consumers (*i.e.*, economic efficiencies, such as encouraging, or enhancing the ability of, dealers to provide higher quality services to their customers).

The Commission has vigilantly protected the competitiveness of the nation's energy sector for years through its enforcement actions. I therefore am confident that, should the Commission find evidence in any future investigation that site-specific redlining results in anticompetitive effects without generating countervailing consumer benefits, it would challenge the practice.

Endnote:

1. Perhaps the most compelling evidentiary case would be where a refiner places an existing station's distributor under a new site-specific redlining provision in a highly concentrated market and the practice causes wholesale prices to increase market-wide (thus decreasing intrabrand competition without increasing

interbrand competition). *See, e.g., Continental T.V., Inc. v. G.T.E. Sylvania, Inc.*, 433 U.S. 36 (1977).