

NOTICE OF SALE NO. DE-NS96-18PO10000

SALE OF UP TO SEVEN (7) MILLION BARRELS OF SWEET CRUDE OIL FOR THE STRATEGIC PETROLEUM RESERVE

Questions & Answers

1. Question: Is the base reference price negotiable or is it firm fixed by DOE?

Answer: The Base Reference Price is fixed, as given in the Notice of Sale Item 27.

2. Question: Does the buyer have to purchase the entire 7 MM barrels?

Answer: Buyers may make offers on quantities less than 7 million barrels; all bids should be in accordance with Notice of Sale Attachment A “Crude Oil Quantities Offered for Sale.”

3. Question: Since the base reference is \$64.05 for all of the crude, is it fair to say that it’s the same product at the different locations?

Answer: The base reference price (BRP) applies to all crude oil offered for sale; please see SPR Crude Oil Assays (link provided in Notice of Sale Table of Contents and Item 7) for quality specifications for each stream offered.

4. Question: Notice of Sale [27.b.2] states the DIP is the “Weighted Average Month 1, Houston Close” from Argus, but referencing stream for the crude oils is LLS.

Which Argus crude oil assessment is the DIP based upon, is it “Argus LLS Weighted Average Month 1” or is it “Argus WTI Houston Weighted Average Month 1”?

Answer: Argus LLS Weighted Average Month 1 – Houston Close.

5. Question: On the vessel delivery method for either Big Hill, West Hackberry or Bryan Mound, can one bid for 1mmb at one price but if and when awarded request to split the volume to two load windows? Or is there only one load window permitted per offer for the vessel delivery method?

Answer: Each offer and subsequent contract award may be split into multiple delivery windows. The minimum delivery lot size (i.e. individual cargo volume) must meet the requirements described in the Notice of Sale “Supplements and Amendments to the Standard Sales Provisions,” Item 5.

Example – Vessel Award

Award Quantity: 1,000 MB Bryan Mound Sweet (MLI 001) to Vessel @ Freeport (DLI-B)

Minimum Delivery Lot Size: 250 MB

Maximum Delivery Windows (Cargos): 4 (1,000 MB ÷ 250 MB/Cargo = 4 Cargos)

The Contractor also has the option to load two (2) 500 MB cargos (totaling 1,000 MB), or one (1) 500 MB cargo and two (2) 250 MB cargos (totaling 1,000 MB). Each cargo, all on the same contract, will have different delivery windows. The same applies to pipeline awards, with the minimum delivery lot size being 100 MB.

6. **Question:** Can you please let me know what dates barrels will be awarded.

Answer: SSP B.25 Offeror's certification of acceptance period

(a) By submission of an offer, the offeror certifies that its priced offer will remain valid for 10 calendar days after the date set for the receipt of offers, and further that the successful line items of its offer will remain valid for an additional 30 calendar days should it receive a notification of ASO either by telephone or in writing during the initial 10-day period.

(b) By mutual agreement of DOE and the offeror, an individual offeror's acceptance period may be extended for a longer period.