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JUN 20 2024  
LA Public Service Commission

June 19, 2024

Louisiana Public Service Commission  
Records Division  
602 North Fifth Street  
12<sup>th</sup> Floor  
Baton Rouge, Louisiana 70802

Re: *Cantium, LLC v. Rosefield Fourchon Operating, LLC*, No. T-37136

Dear Records Division:

Included for filing are the following documents:

- Cantium, LLC's Reply to Rosefield Fourchon Operating, LLC's Opposition to Complaint of Cantium, LLC, Exceptions of Lack of Subject Matter Jurisdiction and No Right of Action, and Alternatively, Motion for Stay of Proceedings;
- Exhibit 1: Affidavit of Ricky Henagan;
- Exhibit 1-A: Port Fourchon Map (Exhibit 1-A to Affidavit of Ricky Henagan); and
- Exhibit 1-B: Crude Oil Purchase and Sale Agreement (Exhibit 1-B to Affidavit of Ricky Henagan).

Pursuant to Rule 3 of the Louisiana Public Service Commission's Rules of Practice and Procedure, Cantium, LLC is filing these papers by facsimile transmission and respectfully requests that you transmit a receipt of transmission to fax number, (504) 556-4108.

Respectfully submitted,

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*Attorneys for Cantium, LLC*

cc: Official Service List

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JUN 20 2024

LA Public Service Commission

LOUISIANA PUBLIC SERVICE COMMISSION

Cantium, LLC,	)	
Complainant,	)	
	)	Docket No.: T-37136
v.	)	
	)	
Rosefield Fourchon Operating, LLC,	)	
Respondent.	)	

**CANTIUM, LLC’S REPLY TO ROSEFIELD FOURCHON OPERATING, LLC’S OPPOSITION TO COMPLAINT OF CANTIUM, LLC, EXCEPTIONS OF LACK OF SUBJECT MATTER JURISDICTION AND NO RIGHT OF ACTION, AND ALTERNATIVELY, MOTION FOR STAY OF PROCEEDINGS**

Plaintiff, Cantium, LLC (“Cantium”), submits this Reply to Rosefield Fourchon Operating, LLC’s (“Rosefield”) (1) Opposition to Complaint of Cantium, LLC, (2) Exceptions of Lack of Subject Matter Jurisdiction and No Right of Action, and (3) Alternatively, Motion for Stay of Proceedings (collectively, “Rosefield’s Opposition”).

**I. INTRODUCTION**

Rosefield currently transports crude oil produced by Cantium through Rosefield’s pipelines across Rosefield’s property as well as properties owned by third parties. Most relevant here—and most simply put—Rosefield transports crude oil from one point within the State of Louisiana to another within the State of Louisiana through “pipelines,” as that term is defined under Louisiana law, and as a “common carrier,” as that term is also defined by Louisiana law, for an unaffiliated third party. Louisiana Revised Statutes § 45:251 *et seq.* unequivocally place Rosefield’s activities under the jurisdiction of the Louisiana Public Service Commission (“LPSC”).

Rosefield’s Opposition disregards the pertinent statutes defining both of these terms and the activities placed under the jurisdiction of the LPSC. Instead, Rosefield asks your Honor to apply Rosefield’s self-perceived and legally unsubstantiated definitions and to ignore the essential

role Rosefield occupies in the transportation of Cantium's crude within Louisiana. Further, as discussed more fully below, Rosefield's Opposition is not only unsupported by Louisiana law, but also controverts the plain reading of Louisiana Revised Statutes and Louisiana jurisprudence.

Rosefield, next, incorrectly argues that Cantium lacks standing by alleging that Cantium has no contractual privity with Rosefield. This argument ignores Louisiana Revised Statute § 45:255, which authorizes anyone with a "substantial interest" in a common carrier's rate to petition the LPSC for relief. Cantium is contractually obligated to pay Rosefield's exorbitant rate and, therefore, has a substantial interest.

Cantium reiterates the relief requested in its Complaint based on (1) the factual and legal grounds pleaded to successfully demand that Rosefield's activities are under the LPSC jurisdiction, (2) standing, as a substantially interested party, to make such a demand, and (3) proper timing for the LPSC to proceed without dependence on any ruling by FERC.

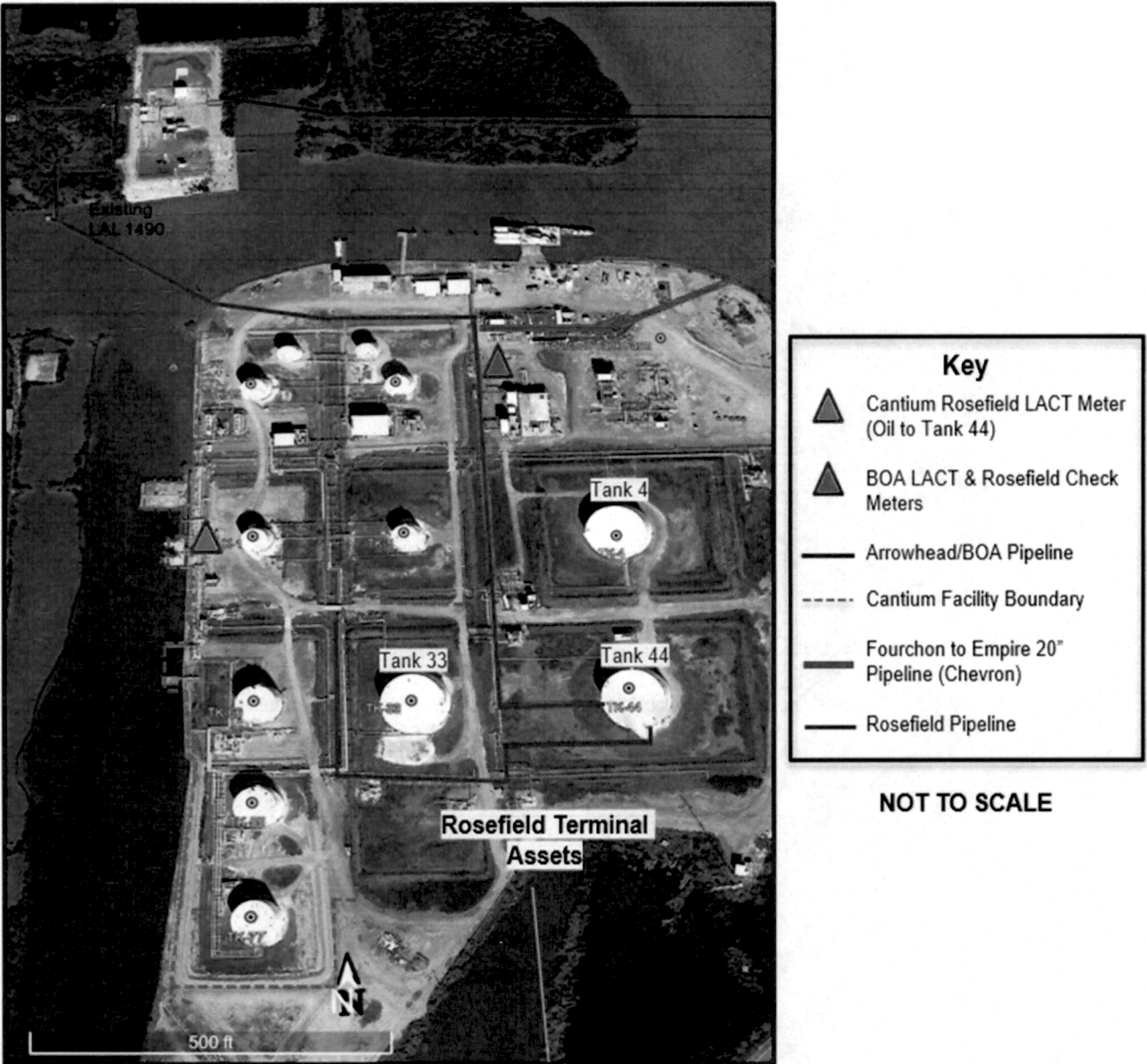
## **II. FACTUAL BACKGROUND**

Cantium produces crude oil in the Bay Marchand Field and transports its production to its facility at Port Fourchon. Cantium's production then moves through Cantium's facility and into Rosefield's adjacent facility through a pipeline owned and operated by Rosefield. Within Rosefield's facility, Rosefield transports the crude oil through a pipeline into Tank No. 44 and then back through the LAL 1490 pipeline, which traverses Rosefield, State of Louisiana, and third party properties, until connecting to the BOA Pipeline.<sup>1</sup> As stated in Rosefield's Opposition, the BOA Pipeline provides the only currently operable connection point for Cantium's crude from Rosefield's facility.<sup>2</sup>

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<sup>1</sup> See Exhibit 1 (Affidavit of Ricky Henagan) at ¶¶ 5-8.

<sup>2</sup> See Opposition at 3.



**Figure 1: Port Fourchon Map.<sup>3</sup>**

Rosefield’s facility includes Tank No. 44, which functions nearly exclusively as a conduit for—not storage of—Cantium’s crude. Rosefield’s self-styled “non-jurisdictional tariff” implicitly acknowledges this fact as Rosefield does not charge any additional amounts for storage: Rosefield

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<sup>3</sup> Exhibit 1-A (Port Fourchon Map). Rosefield owns all infrastructure associated with the purple line.

charges the same rate whether crude oil sits in Tank No. 44 for a day, a week, a month, or even a year. The currently operating infrastructure of Rosefield's facility requires Cantium's crude to move through this tank as a "pass through." At the least, Tank No. 44 provides no more value than a conventional pipeline, and, at the most, Tank No. 44 allows for collection of crude to add pressure within Rosefield's pipelines, assisting in pipeline transportation. The crude oil generally stays within the tank for less than 48 hours and only to assist the flow of crude through Rosefield's pipelines. Additionally, Cantium supplies the only scheduled crude oil transported through Rosefield's facility.<sup>4</sup> Rosefield provides no mixing or blending of crude or other service that do or could add value to Cantium's production. Simply put, ***the only service provided by Rosefield is transportation within the State of Louisiana.***

Finally, Rosefield incorrectly characterizes the relationship between Cantium and Harvest Marketing & Trading LLC ("Harvest"). Cantium sells its production to Harvest through a Crude Oil Purchase and Sale Agreement ("Harvest PSA").<sup>5</sup> Under the Harvest PSA, Harvest takes ownership of the crude oil at the meter on Cantium's property. Rosefield ***correctly*** recognizes that Harvest owns the production transported through Rosefield's pipelines; however, a material term of the Harvest PSA requires Cantium to pay the transportation costs, including Rosefield's tariff for transportation services through Rosefield's pipelines. As the sole and ultimate payor of that tariff, Cantium holds a substantial interest in Rosefield's tariff.

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<sup>4</sup> Earlier this year, Rosefield experienced an emergency and redirected its own crude into its facility. This is the first time in at least seven years—the entire duration of Cantium's Bay Marchand operations—that any crude besides Cantium's was transported through Rosefield's facility.

<sup>5</sup> See Exhibit 1-B (Harvest PSA).

Notwithstanding that Rosefield's facility at Port Fourchon, including Tank No. 44 and the LAL 1490 pipeline, is used in connection with and to facilitate the transportation and delivery of Cantium's crude oil to the BOA Pipeline, Rosefield (1) refuses to acknowledge the LPSC's jurisdiction over Rosefield's transportation operations and (2) charges excessive and unlawful rates, self-published as a "non-jurisdictional tariff."<sup>6</sup> Rosefield understands Cantium's captive position and has exploited it by charging an arbitrary and exorbitantly escalated transportation rate for Cantium to market its crude oil. Rosefield's stranglehold on Cantium's access to the intrastate market is the exact conduct the LPSC was established to prevent.<sup>7</sup>

### III. ARGUMENT

#### A. The LPSC has subject matter jurisdiction.

Rosefield is a common carrier subject to regulation by the LPSC pursuant to La. Rev. Stat. § 45:253. A common carrier "includes all persons engaged in the transportation of petroleum as public utilities and common carriers for hire; or which on proper showing may be legally held a

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<sup>6</sup> Rosefield acknowledges that a tariff is proper, but styles it with the contradictory name as "***non-jurisdictional***." The very definition of a "tariff" implies government oversight or governmental authority. *See Tariff*, BLACK'S LAW DICTIONARY (11th ed. 2019) (defining tariff as "A schedule or system of duties ***imposed by a government*** or exported goods," or "A schedule listing the rates charged for services provided by . . . a business (esp. one that must ***by law file its rates with a public agency***).")

<sup>7</sup> Additionally worth noting, the combined Cantium and Rosefield facilities operated under a FERC mandated tariff for the 39 years before Rosefield purchased its facility. *See South Timbalier Pipeline Sys.*, 29 FERC ¶ 61,345 (1984). Before Hurricane Ida in 2021, Cantium's Bay Marchand production reached both interstate and intrastate markets; however, Cantium paid the FERC tariff on ***all*** of its barrels, regardless of destination. Following damage to the Alliance Terminal due to Hurricane Ida, Cantium's Bay Marchand production began a near exclusive intrastate route, with interstate movements resuming in 2024. Cantium continued to pay the FERC tariff on ***all*** of its barrels until Rosefield purchased its facility in August 2023. Cantium submits this background to your Honor to establish that Rosefield's facility at Port Fourchon has operated under ***a tariff imposed by a government agency*** for nearly 40 years. And Rosefield's effort to evade a lawful tariff undercuts the very purpose of the LPSC and the definition of "tariff."

common carrier from the nature of the business conducted, or from the manner in which such business is carried on.” La. Rev. Stat. § 45:251(1). Additionally, “[a]ll pipe lines through which petroleum is conveyed from one point in this state to another point in the state are declared to be common carriers as defined in R.S. 45:251 . . . .” La. Rev. Stat. § 45:252. The law is clear: an entity transporting crude oil through pipelines for hire for third parties is under the jurisdiction of the LPSC. Most significantly for the instant matter, Louisiana law broadly defines “pipeline” to include *inter alia* an actual pipeline as well as “tank facilities” and other equipment used in connection with or to facilitate the transportation of crude oil through pipelines. *See* La. Rev. Stat. § 45:251(3). As illustrated in Figure 1, Rosefield moves crude oil in its liquid form through pipelines and tanks for a third party for hire. Therefore, Louisiana law places Rosefield under the jurisdiction of the LPSC.

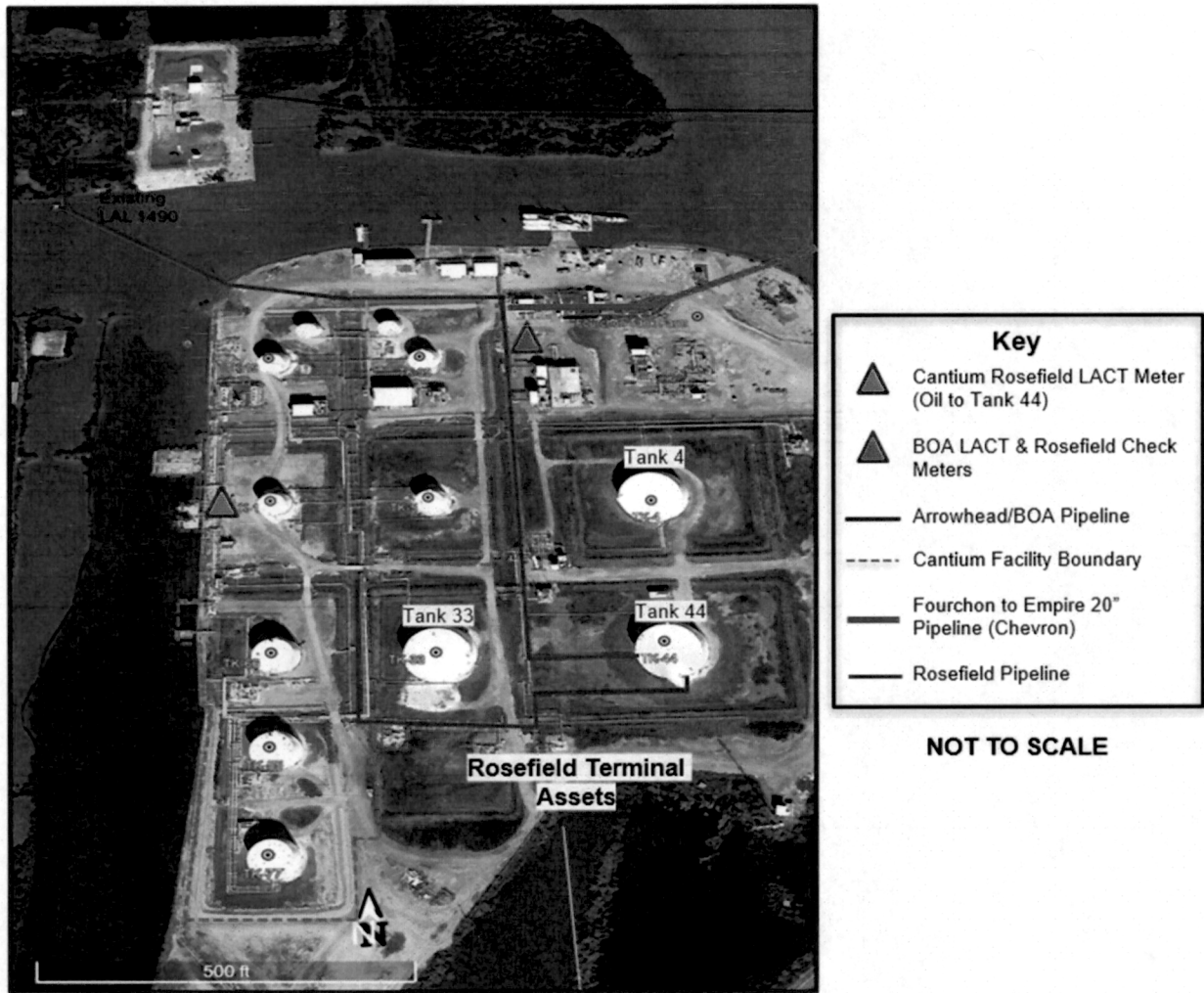
Rosefield’s Opposition misrepresents that “Rosefield does not own or operate any pipelines . . . as that term is traditionally interpreted . . . through which petroleum is conveyed from one point in Louisiana to another point in Louisiana.”<sup>8</sup> When listing “Rosefield Terminal Assets,” Rosefield’s Opposition specifically includes “three tanks, *terminal transfer lines* and metering facilities.”<sup>9</sup> Rosefield’s “*terminal transfer lines*” are simply pipelines that convey petroleum from one point in the state to another and fall under the express jurisdiction of the LPSC. Specifically, in order to get to market, all of Cantium’s production must pass through Rosefield’s pipelines, as defined by the LPSC. Rosefield then conveys the crude oil from Rosefield’s Tank No. 44 in Port Fourchon across a canal to the BOA Pump Station, owned and operated by a separate entity. The following Figure 1 depicts Rosefield’s transportation of crude oil, through Rosefield’s pipelines

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<sup>8</sup> Opposition at 6.

<sup>9</sup> Opposition at 2. (Emphasis added).

and Tank No. 44, from Cantium’s facility to the BOA Pipeline. This Figure depicts Rosefield’s pipeline transportation of crude oil across properties owned by Cantium, Rosefield, the State of Louisiana, and an additional third party. Importantly, Rosefield does not own the crude and, instead, transports the crude oil for hire for a third party.



**Figure 1: Port Fourchon Map.<sup>10</sup>**

LAL 1490 is the only operational pipeline that can transport Cantium’s crude oil out of Port Fourchon to Cantium’s intrastate market. Rosefield’s Opposition attempts to distinguish the

<sup>10</sup> Exhibit 1-A (Port Fourchon Map).

LAL 1490 pipeline as something different than a pipeline by calling it a “terminal transfer line” not covered under the statutory definition of pipeline. The statute, however, expressly includes “[a]ll *pipe lines* through which petroleum is conveyed from one point in this state to another point in the state . . . .” See La. Rev. Stat. § 45:252 (emphasis added). The statute makes no exception for “terminal transfer lines” based on the size or the gauge of the pipeline—if the pipeline is used in intrastate transportation of petroleum, it is subject to LPSC jurisdiction. As Rosefield’s LAL 1490 is used to convey petroleum from Rosefield’s facility at Port Fourchon to another point in the state—the separately owned BOA Pump Station—Rosefield serves as a common carrier subject to LPSC jurisdiction.

Further, Rosefield’s Opposition asserts that Rosefield only provides terminal tank storage services that fall outside the LPSC’s jurisdiction. This mischaracterizes the scope and nature of Rosefield’s facility and services. First, even if this was the case, terminalling through tank storage falls expressly under the jurisdiction of the LPSC, as La. Rev. Stat. § 45:251(3) defines “pipe line” to include “tank facilities.” Rosefield then attempts to distinguish its tank facilities based on where they are located, which is nothing more than a distinction without a difference. The statute provides for jurisdiction over “*tank facilities*,” without limiting LPSC jurisdiction based on the location of such facilities. See *Coleman v. Chevron Pipe Line Co.*, 94-1773 (La. App. 4 Cir. 4/24/96), 673 So. 2d 291, 297 (finding that the Empire Terminal fell within the definition of La. Rev. Stat. § 45:251(3)). Further, a Louisiana statutory interpretation tenant requires great deference to the statute’s plain language. Here, the plain language includes tank facilities. See *Rapides Par. Commc’ns Dist. v. Century Cellunet of N. La. Cellular Ltd. P’ship*, 2005-0134 (La. App. 3 Cir. 6/1/05), 903 So. 2d 1191, 1195 (internal citations omitted) (“A law must be applied as written and no further interpretation made in search of legislative intent, when the law is clear and

unambiguous and its application does not lead to absurd consequences. In interpreting a statute, a court must give the words of a law their generally prevailing meaning.”). Therefore, Rosefield’s Opposition attempts to rewrite the statute and inserts additional limiting language, in violation of foundational Louisiana law.

Second, Rosefield’s Opposition misleadingly characterizes Rosefield’s tanks as “merchant storage tanks offered for the convenience of shippers and are not operationally required to provide transportation on any pipeline either before or after . . . ,” Port Fourchon. Tank No. 44 *is operationally indispensable* for transporting Cantium’s crude oil within the State of Louisiana, as all of Cantium’s oil must pass through the tank in order to proceed to market. Further, Cantium produces around 8,000 barrels of crude oil per day from the Bay Marchand Field, and Tank No. 44 has an approximate operational capacity of 40,000 barrels. Mathematically and logistically, Cantium’s crude never rests in Tank No. 44—except for the purpose of increasing pump pressure—and is transported from the tank to the BOA Pipeline within a matter of a few days. Tank No. 44 cannot be reasonably framed as mere storage of Cantium’s crude oil. It operates similarly to a switchgear for a railroad, collecting Cantium’s crude oil in one place before redirecting the oil where it needs to go *via* Rosefield owned and operated pipelines.

Additionally, Rosefield’s Opposition alludes to nameless “other terminals” in an effort to undermine Tank No. 44’s position and purpose in transporting Cantium’s crude to an intrastate market and to justify its exclusion from the scope of the LPSC’s jurisdiction. Even assuming that “other terminals” may be outside the jurisdiction of the LPSC, the characteristics of *Rosefield’s* facility currently under review, specifically Tank No. 44 and LAL 1490, *do* fall under the LPSC’s jurisdiction. Rosefield’s facility is directly owned, controlled, operated, used and managed in

connection with and to facilitate *the transportation, distribution and delivery* of Cantium’s petroleum through the BOA Pipeline. *See* La. Rev. Stat. § 45:251.

Third, Rosefield’s own self-published “non-jurisdictional tariff” serves as undeniable evidence that Rosefield does not, and never intended to, provide mere storage services to Cantium. Rosefield’s “tariff” defines its “Terminalling Services” as “the receipt of Crude Petroleum at the Terminal for the account of a Shipper and *the transfer of such Crude Petroleum to* Shipper Tankage, common stock storage, and/or *Connecting Carrier pipelines* as directed by the Shipper.”<sup>11</sup> “Shipper Tankage” is further defined as “storage capacity that is *subject to a separate agreement* between Rosefield and Shipper.”<sup>12</sup> Rosefield does not allege that Cantium has ever executed a separate agreement for storage capacity *as required by Rosefield’s own “tariff,”* and Cantium has already established that it has no need for storage services based on its production volume. The service that Rosefield provides is “terminalling,” specifically, transferring Cantium’s crude oil from Rosefield’s facility to the BOA Pump Station through Rosefield’s pipelines. Using the synonymous word “transfer” in place of “transportation” does not usurp the LPSC’s jurisdiction over the same activity—the intrastate movement of crude oil. Rosefield’s “transferring” services as provided in its “tariff” are simply intrastate transportation services that fall under exclusive LPSC jurisdiction.<sup>13</sup>

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<sup>11</sup> Exhibit D (Rosefield Non-Jurisdictional Tariff) to Complaint at 3. (Emphasis added).

<sup>12</sup> *Id.* (Emphasis added).

<sup>13</sup> In fact, Louisiana Office of Conservation required Rosefield to register as a “transporter” in order for Rosefield to transport Cantium’s crude at Port Fourchon. *See* Form R-4, Operator’s Certificate of Compliance and Authorization to Transport Oil From Production Facility, required by the Louisiana Office of Conservation and publicly available. Rosefield’s “Transporter Code” is 70127.

Rosefield moves crude oil through intrastate pipelines and tank facilities within the state and, therefore, is subject to LPSC jurisdiction. Again, as depicted in Figure 1, (1) Cantium moves its crude oil produced from the Bay Marchand Field to its facility in Port Fourchon, (2) the crude is then transported by Rosefield to Tank No. 44, and (3) Rosefield transports the crude out of Port Fourchon, *via* the LAL 1490, across the canal to the BOA Pump Station, (4) at which time the crude is transported through the BOA Pipeline to the Alliance Terminal and (5) to market within the State of Louisiana.<sup>14</sup>

Without Rosefield's transportation services to Cantium's sole viable delivery point, Cantium would be unable to bring any of its Bay Marchand Field crude oil to market. Accordingly, Cantium requests that Rosefield not be allowed to circumvent LPSC jurisdiction.

**B. Cantium has the necessary, substantial interest to bring its Complaint.**

Cantium's substantial interest in the outcome of this matter cannot be understated. Rosefield's Opposition mistakenly argues that standing must be premised on ownership of the intrastate crude or privity of contract with Rosefield and appears to overlook that "[c]oncepts of administrative standing are not congruent with article III case or controversy standing requirements." *See Pennzoil Co. v. FERC*, 645 F.2d 360, 391 (5<sup>th</sup> Cir. 1981). "In the context of agency responsibility for implementation of statutory goals, *a requirement of privity to raise a protest is much too narrow*"; those who ultimately bear the cost of higher rates have standing. *See id.* (emphasis added). Here, Louisiana Revised Statute § 45:255 governs administrative standing to bring an LPSC complaint, which provides as follows:

The Louisiana Public Service Commission shall establish and enforce reasonable rates and regulations for gathering, transporting, loading and delivering petroleum, by any common carrier as defined in R.S. 45:251, and for the furnishing and *use of*

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<sup>14</sup> *See* Exhibit 1 (Affidavit of Ricky Henagan) at ¶¶ 5-8.

*reasonable tank facilities* necessary and incident to such *transportation* and that may be necessary, in its capacity as a common carrier only, to take care, for a reasonable time, of all petroleum transported by it, and to prescribe and enforce regulations for control of these common carriers in respect to their pipe lines and receiving, tanking, delivering, transferring and loading facilities. *It shall exercise this power upon petition by any person showing a substantial interest in the subject . . . .*

La. Rev. Stat. § 45:255 (emphasis added). The Louisiana Legislature makes it clear that any person or entity “showing a substantial interest in the subject” has the standing to file a complaint against a common carrier with the LPSC. Reading this statute as limiting standing to owners and shippers of petroleum, as suggested by Rosefield’s Opposition, ignores the express language of the statute and the most basic canons of statutory interpretation.

Pursuant to the Harvest PSA, Cantium is responsible for “all transportation costs associated with Chevron Pipeline or other facilities for delivery to Harvest BOA Pipeline, *including any [Port Fourchon] fee and costs for delivery to Harvest BOA from . . . ,*” *Port Fourchon*.<sup>15</sup> Therefore, while Harvest may directly contract with Rosefield to transport Cantium’s intrastate barrels, *Cantium* remains the entity actually affected by and ultimately responsible for Rosefield’s extreme and unlawful rate. As the responsible party with a substantial interest, Cantium establishes the requisite standing to challenge the rate of Rosefield’s “non-jurisdictional tariff.”

**C. Rosefield’s Opposition fails to justify a stay of proceedings.**

Cantium requests that your Honor deny Rosefield’s Motion to Stay Docket Pending FERC Proceedings. Again, Rosefield creates its own version of the law by offering only the following potential outcomes: “(1) FERC has jurisdiction; (2) the LPSC has jurisdiction; or (3) neither FERC nor the LPSC has jurisdiction.”<sup>16</sup> But Rosefield neglects to recognize that *both* regulatory

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<sup>15</sup> Exhibit 1-B (Harvest PSA) at 1-2. (Emphasis added).

<sup>16</sup> Opposition at 10.

authorities may maintain simultaneous and parallel jurisdiction—based on the objective market destination of the crude. *See Amoco Pipeline Co.*, 62 FERC ¶ 61,119, at 61,803 (1993) (“It is not disputed that both interstate and intrastate transportation occur over the pipeline segments in question . . . .”), reh’g denied, 67 FERC ¶ 61,378, at 62,293 (1994) (“[A]lthough both interstate and intrastate transportation occur over the pipeline segments in question, commingling of these shipments does not change the inherent jurisdictional nature of either.”); *see also Cook Inlet Pipe Line Co.*, 47 FERC ¶ 61,393, at 62,206 (1989) (evaluating interstate and intrastate rates for service); *see also Flint Hills Res. Alaska, LLC v. FERC*, 627 F.3d 881, 884 (D.C. Cir. 2010) (TAPS intrastate rates were set by the Regulatory Commission of Alaska, and interstate rates were set under the TAPS Settlement Methodology approved by FERC). Simply put, the LPSC oversees production destined for *intrastate* commerce while FERC oversees production destined for *interstate* commerce. Cantium’s production through Port Fourchon is destined for both intrastate and interstate commerce. Accordingly, LPSC jurisdiction, including an applicable tariff, should attach to the intrastate barrels.<sup>17</sup> Rosefield’s Opposition misconstrues Cantium’s position: Cantium does not recharacterize Rosefield’s facility or services through its LPSC Complaint; Cantium’s LPSC Complaint merely seeks to acknowledge that, while FERC maintains jurisdiction over interstate commerce, Rosefield’s *intrastate activities* as a common carrier fall under the express jurisdiction of the LPSC.

Moreover, concurrent LPSC and FERC proceedings fail to warrant staying the instant LPSC proceeding pending the resolution of the FERC matter. *C.f. La. Pub. Serv. Comm’n v.*

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<sup>17</sup> Cantium avers that the LPSC should adopt the FERC tariff rate for all intrastate barrels. Further, the LPSC need not stay this action until the FERC proceedings are concluded, as the LPSC can simply adopt the FERC rate already in place.

*Bellsouth Telecom., Inc.*, No. U-28356, 2005 WL 3754677, at \*9 n.8 (La. P.S.C. June 10, 2005) (the administrative law judge for the LPSC denied a motion to stay proceedings pending the resolution of a motion for summary judgment filed in federal court proceedings). First, the FERC determinations as to interstate barrels and FERC jurisdiction have no bearing on the LPSC’s determination of *intrastate* barrels and LPSC jurisdiction. Second, *even if* the LPSC decides that the FERC proceedings would be influential or otherwise informative to this LPSC proceeding, the appropriate remedy is not to stay this proceeding, but to hold *joint proceedings* with FERC pursuant to 18 C.F.R. § 385.1301. *See* 18 C.F.R. § 385.1301(a)(3) (authorizing “Joint hearings with State commissions in connection with any matter with respect to which the Commission is authorized to act.”). Rosefield fails to provide authority that even suggests that staying the LPSC proceeding pending the resolution of the now resolved FERC proceeding would be appropriate.<sup>18</sup> For these reason, Cantium requests that the LPSC deny Rosefield’s Motion to Stay.

## **I. LIST OF WITNESSES**

The following witness is prepared to be called for the hearing set for July 23, 2024:

- Ricky Henagan, Cantium, LLC, Senior Independent Marketing Consultant.

## **II. CONCLUSION**

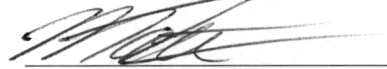
Cantium respectfully requests that the LPSC grants Cantium’s Complaint and direct Rosefield to (1) immediately file an LPSC tariff for jurisdictional terminalling and transportation in and through Port Fourchon, (2) establish just and reasonable rates and terms of service in accordance with Louisiana law and LPSC regulations, and (3) pay reparations, refunds, and

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<sup>18</sup> FERC issued an Order dismissing Cantium’s FERC Complaint on June 11, 2024. FERC held that some of Rosefield’s activities are not under its jurisdiction. This Order does nothing more than potentially expand the LPSC’s jurisdiction in this matter. Cantium has not yet determined whether to appeal FERC’s recent Order.

damages, with interest, to Cantium for amounts charged above a just and reasonable rate level and such other amounts and damages that are warranted by Rosefield's violation of law.

Respectfully submitted,



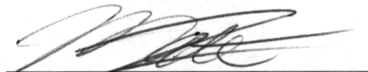
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(985) 317-5101  
Kelly.Perrier@cantium.us

*Attorneys for Cantium, LLC*

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 19<sup>th</sup> day of June, 2024, served copies of the foregoing pleading upon all other known parties of this proceeding, by U.S. or electronic mail.



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LOUISIANA PUBLIC SERVICE COMMISSION

Cantium, LLC, )  
Complainant, )  
v. ) Docket No.: T-37136  
Rosefield Fourchon Operating, LLC, )  
Respondent. )

VERIFICATION

STATE OF TEXAS  
COUNTY OF HARRIS

BEFORE ME, the undersigned Notary Public, personally came and appeared:

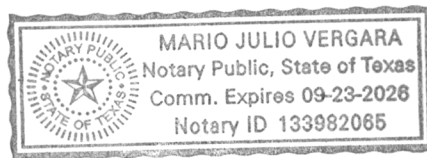
RICKY HENAGAN

Who, being first duly sworn, did depose and say that he, as the primary and senior marketing consultant for Cantium, LLC, the Complainant in this matter, has read and understands the foregoing in its entirety and that all of the facts and allegations contained in Cantium, LLC's Reply to Rosefield Fourchon Operating, LLC's Opposition to Complaint of Cantium, LLC, Exceptions of Lack of Subject Matter Jurisdiction and No Right of Action, and Alternatively, Motion for stay of Proceedings are true and correct.

  
RICKY HENAGAN

SWORN TO AND SUBSCRIBED  
BEFORE ME THIS 18 DAY OF  
JUNE 2024

  
NOTARY PUBLIC



LOUISIANA PUBLIC SERVICE COMMISSION

Cantium, LLC,	)	
Complainant,	)	
	)	Docket No.: T-37136
v.	)	
	)	
Rosefield Fourchon Operating, LLC,	)	
Respondent.	)	

**AFFIDAVIT OF RICKY HENAGAN**

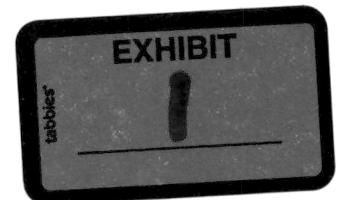
STATE OF TEXAS  
COUNTY OF HARRIS

BEFORE ME, the undersigned Notary Public, personally came and appeared:

RICKY HENAGAN


Who, after being duly sworn did depose and say:

1. I am a person over the age of majority and competent to testify to the matters set forth in this affidavit and has personal knowledge of the matters expressed herein.
2. I am an independent oil and gas marketing consultant and principal of Unite Marketing Corp. Cantium, LLC (“Cantium”) hired me in 2018 as an independent contractor to perform all levels of marketing activities that fall under a traditional vice president of marketing position, as Cantium does not have a direct employee fulfilling this role.
3. I have worked for over 30 years in small, medium, and large domestic oil and gas companies and service providers in multiple professional capacities.
4. Cantium represents over 70% of my work as an independent contractor. My role requires both knowledge of and involvement in most aspects of Cantium’s operations and procedures. I provide the following services as Cantium’s primary and senior marketing consultant:



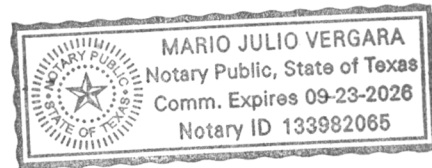
- a. Negotiate commercial terms in production handling agreements, commercial pipeline interconnection agreements, carbon-dioxide treating facilities agreements, commercial oil and gas transportation agreements, and oil, gas, and natural gas liquids sales agreements on behalf of Cantium;
  - b. Research, analyze, and propose economic considerations for prospective commercial pipeline projects and improvements and product sales projects;
  - c. Research, analyze, and propose alternative pipeline routes and markets for hydrocarbons to maximize revenue and minimize expenses;
  - d. Secure and confirm hydrocarbon pricing in Cantium contracts;
  - e. Prepare monthly hydrocarbon invoices, confirm monthly revenue accounting accruals, and provide operational pricing updates in ongoing transactions; and
  - f. Act as a liaison between Cantium's operations team and third-party oil and gas pipeline companies;
5. Beginning at the LACT meter located in Cantium's portion of the subleased property, Cantium's merchantable crude oil moves to Rosefield's Tank No. 44 in Rosefield's adjacent facility to the east through a pipeline owned and operated by Rosefield.
  6. Cantium's produced and merchantable crude oil then moves from Rosefield's Tank No. 44 through Rosefield's own pipeline, including LAL 1490, through Rosefield's facilities and across the channel into the BOA Pump Station, which is not owned or operated by Rosefield.
  7. The BOA Pump Station connects to the BOA Pipeline, which transports oil from the BOA Pump Station located in Port Fourchon, Louisiana, to the Alliance Terminal located in Belle Chasse, Louisiana.

8. Having personal knowledge of Cantium's operations and the movement of its crude oil, the attached Exhibit 1-A is an approximate depiction of the movement of Cantium's crude oil from Cantium's production facility to the BOA Pipeline as it is transported by Rosefield.
9. Cantium sells its produced and merchantable crude oil to Harvest Marketing & Trading, LLC through a Crude Oil Purchase and Sale Agreement ("Harvest PSA"), excerpted in pertinent part and attached herein as Exhibit 1-B.
10. The Harvest PSA requires Cantium to pay "all transportation costs associated with Chevron Pipeline or other facilities for delivery to Harvest BOA Pipeline, including any Fourchon Terminal fee and costs for delivery to Harvest BOA from Fourchon Terminal . . . ." See Exhibit 1-B.

  
\_\_\_\_\_  
RICKY HENAGAN

SWORN TO AND SUBSCRIBED  
BEFORE ME THIS 18 DAY OF  
JUNE, 2024






  
\_\_\_\_\_  
NOTARY PUBLIC



# Port Fourchon Map



**Key**

-  Cantium Rosefield LACT Meter (Oil to Tank 44)
-  BOA LACT & Rosefield Check Meters
-  Arrowhead/BOA Pipeline
-  Cantium Facility Boundary
-  Fourchon to Empire 20\"/>

**NOT TO SCALE**



1111 Travis Street  
Houston, Texas 77002  
Phone: (713) 209-2400

Effective Date: April 1, 2023

**CRUDE OIL PURCHASE AND SALE AGREEMENT**

This **CRUDE OIL PURCHASE AND SALE AGREEMENT** (this "Agreement") is entered into effective as of the date set forth above between **Cantium, LLC** ("Cantium") and **Harvest Marketing & Trading, LLC** ("Harvest") and sets forth the terms and conditions on which crude oil will be purchased and sold by the parties hereto. **Harvest** and **Cantium** may be referred to herein collectively as the "Parties" and each individually as a "Party." In consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the Parties hereby agree as follows:

**Contract #:** TBD

**Parcel 1**

**Buyer:** Harvest Marketing & Trading, LLC

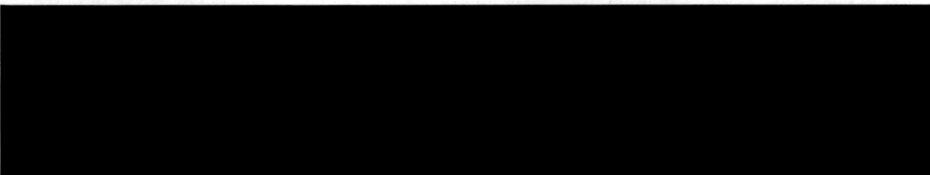
**Seller:** Cantium, LLC

**Product:** Heavy Louisiana Sweet (for Parcel 1, the "Product" or "Subject Crude Oil")

**Quantity:** Equal to 100% of the Product produced, owned, and/or controlled from the lease(s) shown as "Parcel 1" on Attachment 1 (whether one or more, collectively the "Parcel 1 Leases")

**Delivery:** Into Chevron Pipeline Fourchon Terminal located in Fourchon, LA as measured from Cantium's Bay Marchand LACT meter(s) central delivery point ("Bay Marchand CDP") for ultimate delivery to Harvest BOA Pipeline

**Price:** The price per barrel will be the sum of the following components:

(A) 

(B) 

(C) 

[REDACTED]

(D) [REDACTED]

(E) [REDACTED]

(F) all transportation costs associated with Chevron Pipeline or other facilities for delivery to Harvest BOA Pipeline, including any Fourchon Terminal fee and costs for delivery to Harvest BOA Pipeline from Fourchon Terminal *less*

(G) [REDACTED]

**Term:** April 1, 2023 through March 31, 2025, continuing on a six (6) month basis thereafter until cancelled by either Party by giving forty-five (45) days' advance written notice.

**Parcel 2**

**Buyer:** Harvest Marketing & Trading, LLC

**Seller:** Cantium, LLC

**Product:** Heavy Louisiana Sweet (for Parcel 2, the "Product" or "Subject Crude Oil")

**Quantity:** Equal to 100% of the Product produced, owned, and/or controlled from the lease(s) shown as "Parcel 2" on Attachment 1 (whether one or more, collectively the "Parcel 2 Leases" and together with the Parcel 1 Leases, collectively, the "Leases")

**Delivery:** Into Shell Delta Pipeline at Main Pass as measured from Cantium's Main Pass 41 LACT meter(s) central delivery point ("MP 41 CDP")

**Price:**

[REDACTED]



1111 Travis Street  
Houston, Texas 77002  
Phone: (713) 209-2400

The Parties acknowledge that the terms and conditions contained and referenced in this Agreement confirm the agreement between the Parties in respect of the purchase and sale of the Product as described herein and do not materially alter such agreement. This Agreement shall be deemed to be agreed upon and accepted upon execution by both Parties.

Please indicate your acceptance by signing in the space provided below and return a copy for our files to **Rachel Sansone** at [rachel.sansone@harvestmidstream.com](mailto:rachel.sansone@harvestmidstream.com) and Harvest Marketing Crude Contract Admin at [CrudeContractAdmin@harvestmidstream.com](mailto:CrudeContractAdmin@harvestmidstream.com).

**Cantium, LLC**

A handwritten signature in black ink, appearing to read "Richard Kirkland", written over a horizontal line.

Name: Richard Kirkland  
Title: Chief Executive Officer

**Harvest Marketing & Trading, LLC**

A handwritten signature in black ink, appearing to read "Joe Weaver", written over a horizontal line.

Name: Joe Weaver  
Title: Vice President, Marketing