

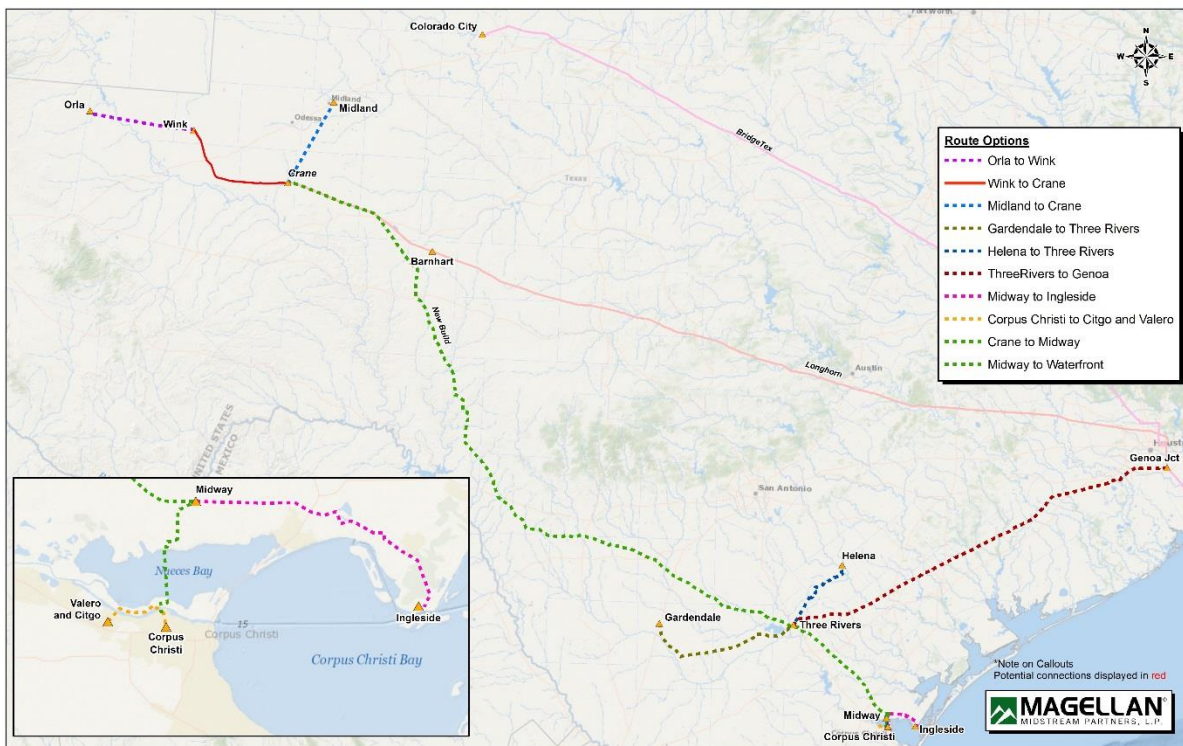
## Magellan Crude Oil Pipeline Project\* Permian and Eagle Ford Basins to Corpus Christi and Houston, Texas

### Background

Magellan Midstream Partners, L.P. (together with its affiliates, “**Magellan**”), either through an existing affiliate or a newly formed entity, which new entity may include one or more unaffiliated members (in either case, “**Carrier**”) intends to develop a new pipeline system to transport crude oil and condensate from the Permian and Eagle Ford Basins to destinations in the Corpus Christi and Houston, Texas area, with an initial planned design capacity of at least 350,000 barrels per day (“**bpd**”) with the ability to expand up to 600,000 bpd to each destination (the “**Pipeline System**”). Carrier may elect to adjust the initial design capacity of the Pipeline System based on shipper demand in the open season.

Carrier is seeking long-term revenue or revenue/acreage dedication commitments for the Pipeline System (in the form of Transportation Services Agreements or “**TSAs**”) through a binding open season (the “**Open Season**”), in exchange for which committed shippers would secure contract capacity rights at incentive tariff rates. Subject to obtaining sufficient commitments from shippers and the receipt of all necessary permits and approvals, the Pipeline System could be operational within 24 months of Carrier’s determination to proceed with the project.

### *Pipeline System*



\*12/1/2017 Version

## **Pipeline System**

Carrier would develop a new Pipeline System for transporting crude oil and condensate from the Permian and Eagle Ford Basins to the Corpus Christi and Houston Gulf Coast areas. Specifically, the Pipeline System would include the following assets, which could be newly constructed, existing or leased assets, or a combination of such, in each case, as supported by sufficient shipper interest:

1. 200,000 bpd of throughput capacity from the Orla, TX area to Wink, TX;
2. Operational tankage and an origin pump station in Wink, TX;
3. A 24" pipeline from Wink, TX to Crane, TX with planned initial throughput capacity of 350,000 bpd;
4. A 24" pipeline along with a new origin pump station from Midland, TX to Crane, TX with planned initial throughput capacity of 350,000 bpd;
5. Operational tankage and an origin pump station in Crane, TX;
6. A 24" pipeline from Crane, TX to the Three Rivers, TX area (the "**Mainline**") with a planned initial throughput capacity of 350,000 bpd;
7. A lateral extension, minimum 12" diameter pipeline from the Gardendale, TX area to an injection terminal along the Mainline with initial planned throughput capacity of 100,000 bpd;
8. A lateral extension, minimum 12" diameter pipeline from the Helena, TX area to a new Three Rivers, TX area injection terminal along the Mainline with initial planned throughput capacity of 100,000 bpd;
9. A 24" pipeline from the Three Rivers, TX area to a South Houston terminal at Genoa Junction connected to Magellan's existing Houston Distribution System, with initial planned throughput capacity of 350,000 bpd;
10. A 24" pipeline from the Three Rivers, TX area to Midway Junction with a planned initial throughput capacity of 350,000 bpd;
11. A delivery meter at Midway Junction;
12. A 24" pipeline from Midway Junction to a delivery meter at Ingleside, TX;
13. A 24" pipeline from Midway Junction to a delivery meter at Magellan's Corpus Christi waterfront terminal, with operational storage at and connectivity to, Magellan's terminal; and
14. A 16" pipeline from Magellan's Corpus Christi waterfront terminal to a delivery meter at CITGO's and Valero's refineries.

The Pipeline System is proposing direct access to the following terminals, transportation hubs, and refineries, subject in certain cases to entering into a connection agreement with third parties.

### **Origins**

1. Orla area connections
2. Wink terminal and truck offloading and area connections
3. Midland area connections
4. Crane terminal and truck offloading and area connections
5. Gardendale area connections
6. Helena area connections

### **Destinations**

1. Crane terminal and Longhorn Pipeline
2. Magellan Corpus Christi Terminal
  - a. Public oil docks #3, #4, #7, and #11\*\*
  - b. Private oil dock\*\*
3. Additional Corpus Christi destinations
  - a. Midway Jct. - Flint Hills
  - b. Ingleside - Oxy and Flint Hills terminals
4. Additional Corpus Christi destinations via additional tariff

- a. CITGO refineries
- b. Valero refineries
- 5. Houston – Magellan Genoa Junction
- 6. Existing Magellan Houston Distribution System destinations via additional tariff
  - a. Magellan East Houston Terminal
  - b. Magellan Galena Park Terminal
  - c. Magellan at Seabrook Logistics
  - d. Shell HoHo Pipeline\*\*
  - e. Valero Houston Refinery
  - f. Houston Refining
  - g. Pasadena Refining
  - h. Shell Deer Park Refinery
  - i. Houston Fuel Oil Terminal Company
  - j. Enterprise Houston Ship Channel
  - k. ExxonMobil Pipeline at Genoa Junction
    - i. ExxonMobil Baytown Refinery via Webster Junction
  - l. Enterprise Pipeline at Anahuac Junction
  - m. Marathon Galveston Bay Refinery
  - n. Valero Texas City Refinery
  - o. Marathon Texas City Refinery
  - p. Kinder Morgan Splitter (anticipated Q1 2018)
  - q. MPLX Tank Farm (anticipated Q3 2018)

\*\*Additional terminalling fees would apply.

The Pipeline System would offer shippers significant optionality by providing access to multiple origins in the Permian and Eagle Ford Basins, as well as to multiple destinations in the Corpus Christi and Houston, TX Gulf Coast areas, including access to deep water export docks, over 800,000 bpd of refining and fractionation capacity in the Corpus Christi area, and over 2,800,000 bpd of refining and fractionation capacity in the Houston Gulf Coast area by way of connection to Magellan’s existing Houston Distribution System. As part of the Pipeline Project, as determined by shipper demand, Magellan may expand its Corpus Christi and Houston distribution systems to increase the delivery capabilities to area refineries and terminals.

**Request for Open Season Information**

Please contact the individual listed below to obtain the Open Season documents, which include a Confidential Open Season Notification and pro forma TSA (available after entering into a Joint Non-Disclosure Agreement):

Magellan Midstream Partners, L.P.  
 Attn: Brant Easterling  
 Phone: 918.574.7665  
 E-mail: brant.easterling@magellanlp.com

**Submission of Commitments**

Completed and executed TSAs, together with evidence of minimum credit requirements or other alternative acceptable assurances of creditworthiness and, if the TSA is for a revenue commitment/acreage dedication, all acreage dedication support materials, must be submitted to the following address by 5:00 P.M. Central Time on February 1, 2018:

Magellan Midstream Partners, L.P.  
 P.O. Box 22186 (Mail Drop 30)  
 Tulsa, OK 74121

Attn: Brant Easterling  
Email: brant.easterling@magellanlp.com

For overnight mail, the street address is:

Magellan Midstream Partners, L.P.  
One Williams Center, Suite 3000  
Tulsa, OK 74172  
Attn: Brant Easterling  
Email: brant.easterling@magellanlp.com

**Disclaimer**

**This document along with any related Open Season materials are provided for informational purposes only. Notwithstanding anything contained herein to the contrary, this document, the pro forma TSAs and the Open Season conducted by Carrier are not intended to constitute, nor shall they be construed to constitute, an offer or any binding obligation whatsoever on Carrier to proceed with the potential Pipeline System contemplated by the Open Season until Carrier has countersigned and delivered a fully executed TSA to an interested shipper. Carrier reserves the right, in its sole discretion, to modify, terminate or extend the Open Season, in whole or in part, including without restriction any ensuing discussions among the parties, at any time, without advance notice. Carrier further reserves the right to modify or supplement any of the documents associated with the Open Season without notice.**

**Under no circumstances shall Magellan, Carrier or any of their affiliated companies or any of their respective directors, officers, partners, members, employees, agents, attorneys, advisers or representatives be responsible for any costs or expenses incurred by any recipient or for any other liability, howsoever arising, incurred by any recipient, in each case, in connection with any investigation or evaluation of the Open Season or the potential Pipeline System.**