



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

8701 South Gessner, Suite 1110  
Houston, TX 77074

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

March 5, 2013

Mr. Jason Smith  
Director, Asset Integrity  
Magellan Midstream Partners, L.P.  
One Williams Center  
Tulsa, OK 74172

**RE: Crane to Houston Crude Oil Pipeline**

Dear Mr. Smith:

This is in response to Items 1 and 3 in your letter dated February 14, 2012. This relates to the transportation of crude oil in the Longhorn System and is subject to the Longhorn Mitigation Plan (LMP). Our response to Item 2, as modified per your letter of October 1, 2012, was contained in our letter of January 25, 2013.

Item 1 concerns Mitigation Appendix - Item 13 which currently outlines a leak detection performance commitment for the hydrocarbon sensing leak detection cable that was installed and currently functional over the Edwards Aquifer Recharge Zone and the Slaughter Creek watershed in the Edwards Aquifer Contributing Zone. The current commitment does not contain a performance specification for crude oil. Magellan is proposing to add the performance commitment for detection of crude oil in 100 to 200 minutes after contact with the leak sensing cable.

PHMSA's Southwest Region has reviewed the request submitted to change the Longhorn Mitigation Commitment (LMC) Mitigation Appendix - Item 13, and finds it acceptable based on information provided by Magellan to show that a low volume leak would release less than 500 BBL before detection by the leak detection cable and Magellan's assertion that "the existing leak detection cable is the best available technology for crude oil" as demonstrated by the Spartan report contained in the February 14, 2012, letter as Attachment #3.

Item 3 concerns Section 2.1 - System Description. Magellan proposes that the following language will replace section 2.1 and 2.2 in its entirety.

The pipeline system covered under the Longhorn Mitigation Plan is made up of two distinct systems. The first system transports refined products from Odessa to El Paso, Texas. The refined product system with an initial capacity of 64,000 bpd is made up of the following segments:

- A 29 mile, 8" pipeline from Odessa, Texas to a station in Crane County (Crane Station).
- A 237 mile, 18" pipeline from Crane Station to El Paso Terminal. Pumping units could potentially be added at an existing site called Cottonwood Station to assist with expansion of capacity.
- Four, 9.4 mile, lateral pipelines connecting El Paso Terminal to El Paso Junction (also known as the El Paso Laterals).
  - i. El Paso to Kinder Morgan, 12"
  - ii. El Paso to Kinder Morgan, 8"
  - iii. El Paso to Chevron, 8"
  - iv. Kinder Morgan 8" Flush Line

The crude oil system with an initial capacity of 135,000 barrels per day is made up of the following segments:

- A 424 mile, 18" pipeline from Crane Station to Satsuma Station with the following intermediate pumping stations.
  - o Kimble County- Kimble County, TX
  - o Cedar Valley- Hays County, TX
- A 32 mile, 20" pipeline from Satsuma Station to East Houston Terminal.
- A 9 mile, 20" pipeline from East Houston Terminal to 9th street junction.
- A 1 mile inactive and purged section of 20" pipeline from 9th street junction to Galena Park Terminal.

Based upon shipper demand, Magellan may increase capacity of the crude system to 225,000 barrels per day. To reach this capacity, Magellan may, in the future, build the following pump stations:

- Texon
- Barnhart
- Cartman
- James River
- Eckert (existing scraper trap site)
- Bastrop (existing site)
- Warda (existing scraper strap site)
- Industry
- Buckhorn
- Satsuma (existing scraper trap site)

PHMSA's Southwest Region has reviewed the request submitted to change the Longhorn Section 2.1 - System Description and finds it acceptable.

Accordingly, PHMSA has no objection to the commencement of operations on the Crane to Houston crude oil pipeline subject to the proviso that the terms and conditions of the LMP remain in full force and effect.

Thank you for your cooperation in this matter. Should you have any questions, you may contact Mr. Bill Lowry of my staff at 713-272-2845.

Sincerely,



R. M. Seeley  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration

cc:  
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Amelia Samaras  
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