



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 18, 2014

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

RE: Crane to Houston Crude Oil Pipeline

Dear Mr. Chabino:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) received from Magellan Midstream Partners a request dated January 20, 2014, concerning the Longhorn Pipeline proposed system capacity increase from 225,000 barrels per day (bpd) to 292,000 bpd for the portion of the system from Crane, Texas to East Houston, Texas. The Longhorn Pipeline from Crane, Texas to Houston, Texas delivers crude oil to the East Houston Terminal and Pumping Station. From the East Houston Pumping Station crude oil is re-originated on the crude oil distribution system south to multiple refineries in Pasadena and points south as far as Texas City. The Longhorn Pipeline capacity increase would be conducted in accordance with Longhorn Mitigation Plan (LMP) Item 39.

On December 6, 2013 and January 20, 2014, Magellan submitted proposed surge mitigation measures for the Longhorn Pipeline that will prevent pipeline surge pressures from exceeding maximum operating pressure (MOP) limits at a maximum flow capacity of 292,000 bpd. The LMP does not currently describe a system capacity above 225,000 bpd except for the portion of the Longhorn Pipeline south of East Houston. Therefore, Magellan has proposed adding the following language to the System Description in Section 2.1 of the Longhorn Mitigation Plan:

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

- A 424 mile, 18-inch pipeline from Crane Station to Satsuma Station with the following intermediate pumping stations:
 - Kimble County- Kimble County, TX
 - Cedar Valley- Hays County, TX

- A 32 mile, 20-inch pipeline from Satsuma Station to East Houston Terminal.
- A 9 mile, 20-inch pipeline from East Houston Terminal to 9th Street junction.
- A 1 mile inactive and purged section of 20-inch pipeline from 9th Street junction to Galena Park Terminal.

With the addition of the following pump stations in 2013, the capacity of the crude system from Crane to East Houston Terminal is increased to 292,000 bpd:

- Texan
- Barnhart
- Gartman
- James River
- Eckert (existing scraper trap site)
- Bastrop (existing site)
- Warda (existing scraper strap site)
- Buckhorn
- Satsuma (existing scraper trap site)

Based upon shipper demand, Magellan may in the future make connection to third party facilities at the following locations:

- Texan- Reagan County, TX
- Barnhart - Crockett County, TX
- Bastrop- Bastrop County, TX
- Warda- Fayette County, TX
- Industry- Austin County, TX

In order to achieve this higher capacity and maintain the mitigation commitments in the LMP, the following required modifications have been completed by Magellan:

- Modify the booster pump, tank vents, tank piping, manifold, and meters at the Crane Origination Facility.
- Conduct surge analysis and submit any new or modified mitigation measures to PHMSA for approval in accordance with Longhorn Mitigation Commitment (LMC) Item 31.
- Complete modifications to surge overpressure protection systems at intermediate pumping stations and select valve sites.
- Install flow improver injection sites at two locations (Bastrop and Satsuma).
- Install new meters at East Houston Terminal to support increased flow rate.
- Modify trench containments systems over the Edwards Aquifer including adding four additional check valves in the Austin Area or Edwards Aquifer Contributing Zone, at Mile Post (MP) 178.52, MP 182.03, MP 187.48, 187.43 to minimize release volumes.

PHMSA has reviewed the information submitted by Magellan and PHMSA has no objection to this change to the system description submitted in accordance with LMP Commitment Item 39 subject to the provision that 100% MOP shall not be exceeded in accordance with LMC Item 9, as applicable, and that the existing terms and conditions of the LMP remain in full force and

effect. Magellan should perform a review of the applicable portions of its Longhorn Pipeline Facility Response Plan and resubmit for PHMSA approval, if substantial changes are made.

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,

A handwritten signature in cursive script, appearing to read "R. M. Seeley".

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

cc:
File (OPID 22610, Unit ID 21154)
Amelia Samaras
Lawrence White