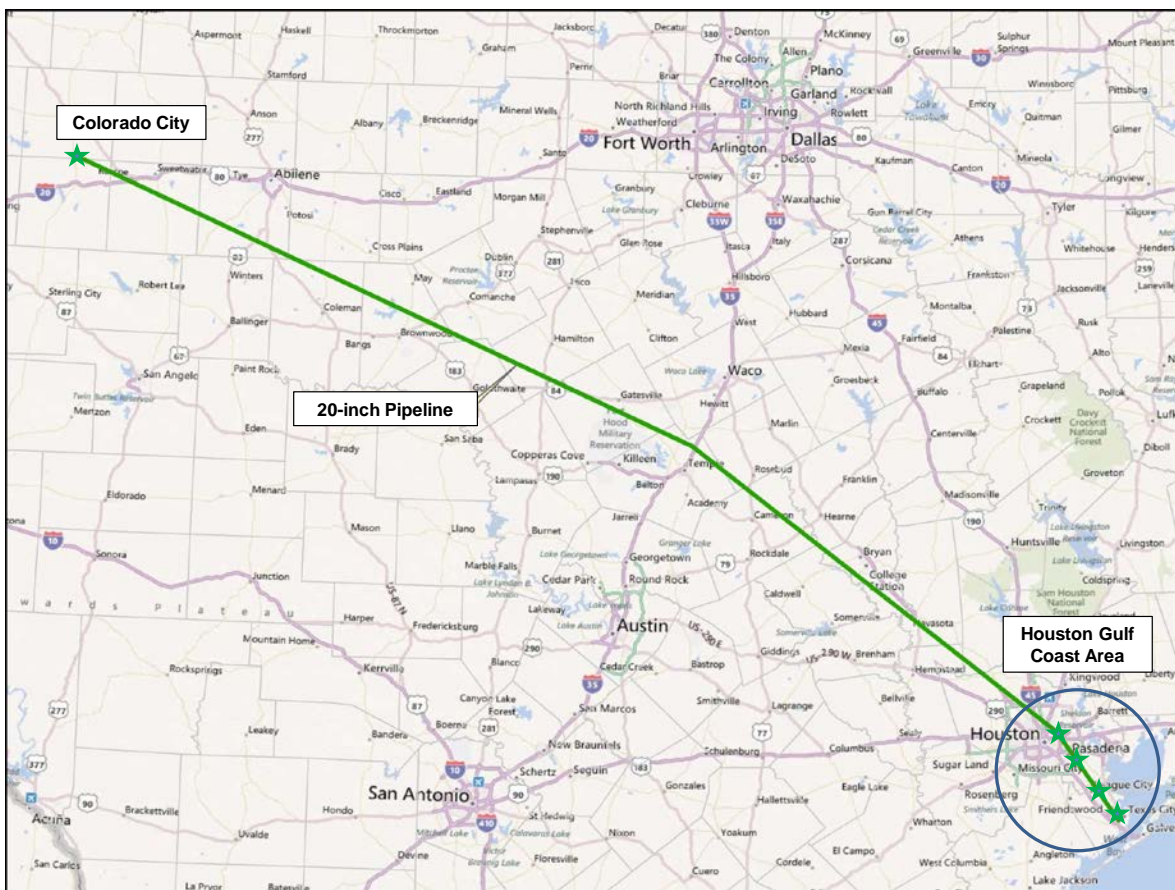


## BridgeTex Pipeline System – Supplemental Open Season Colorado City, Texas to Houston Gulf Coast Area Crude Oil Pipeline

### Background

BridgeTex Pipeline Company, LLC (“**BridgeTex**”), a company owned by affiliates of Occidental Petroleum Corporation and Magellan Midstream Partners, L.P., is constructing a new common carrier crude oil pipeline system from Colorado City, Texas to the Houston Gulf Coast area that will be capable of transporting up to 300,000 barrels per day (the “**BridgeTex Pipeline System**”). An initial binding open season for securing long-term volume commitments on the BridgeTex Pipeline System was previously held between June 11, 2012 and July 18, 2012. Based on the success of this initial open season, BridgeTex has proceeded with the construction of the BridgeTex Pipeline System. BridgeTex is now seeking additional long-term shipper volume commitments on the BridgeTex Pipeline System through a supplemental binding open season, providing shippers the opportunity to secure firm capacity commitments on unsubscribed available capacity at premium tariff rates (the “**Supplemental Open Season**”).

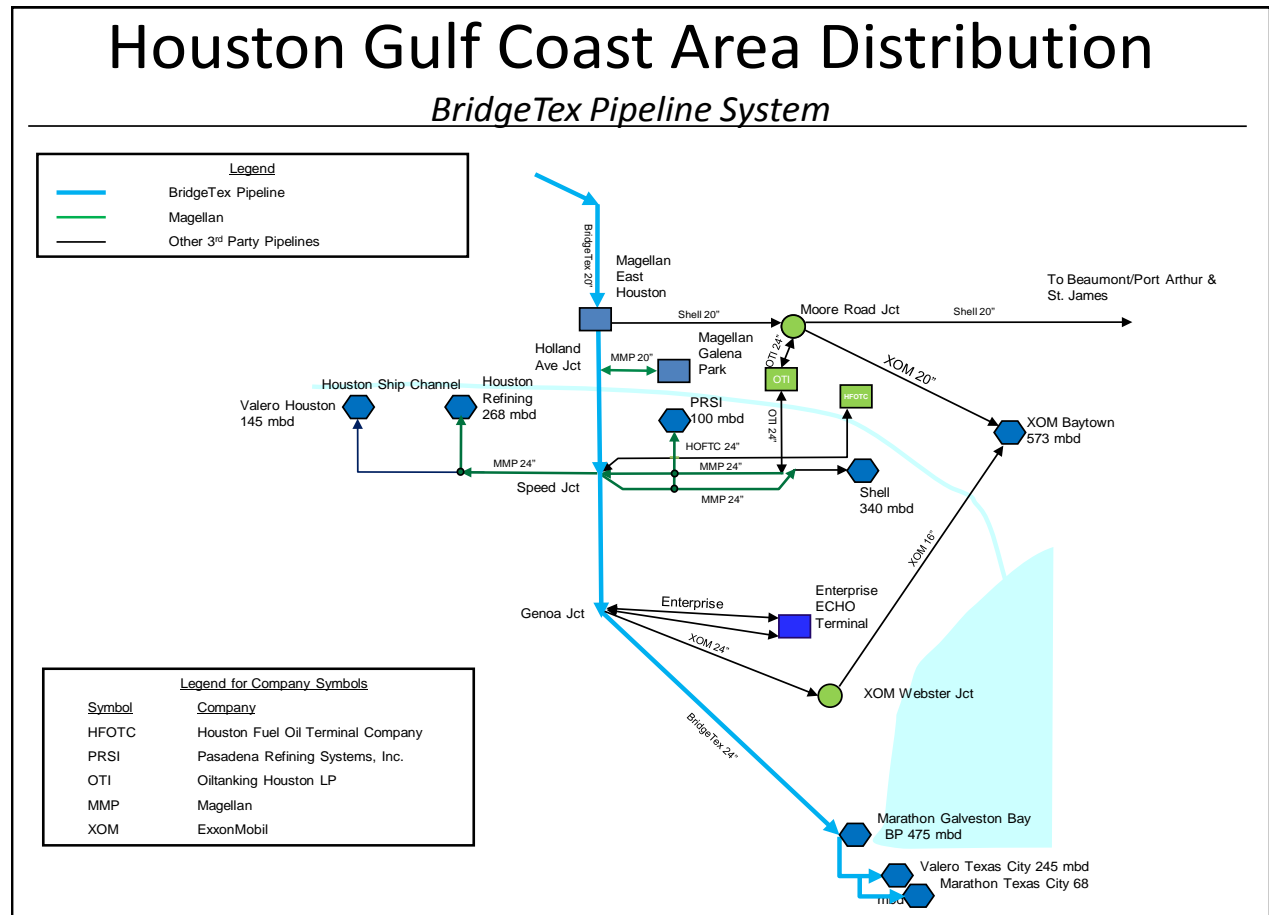
### *BridgeTex Pipeline System*



## BridgeTex Pipeline System

BridgeTex is constructing a new common carrier pipeline system for transporting crude oil from Colorado City, Texas to the Houston Gulf Coast area. Specifically, the BridgeTex Pipeline System will include an origin pump station, tankage and a terminal at Colorado City, Texas, approximately 400 miles of 20-inch pipeline, tankage at Magellan's East Houston Terminal in Houston, Texas, and approximately 45 miles of 24-inch pipeline from Magellan's East Houston Terminal to Texas City.

The BridgeTex Pipeline System will offer shippers significant optionality by providing access to over 2.2 million barrels per day of refining capacity in the Houston Gulf Coast area, as well as large transportation hubs, and third party terminals and distribution systems.



The BridgeTex Pipeline System will have **direct access** to the following terminals, transportation hubs, and refineries.

1. Magellan's East Houston Terminal
2. Magellan's Galena Park Terminal via Holland Avenue Junction (subject to sufficient shipper interest in utilizing the facility)
3. Magellan's Speed Junction
4. Magellan's Genoa Junction
5. Marathon's Galveston Bay Refinery
6. Valero's Texas City Refinery
7. Marathon's Texas City Refinery

The BridgeTex Pipeline System will also provide **indirect access** via third party facilities to the following terminals, transportation hubs and refineries.

1. Shell's Ho-Ho Pipeline\*
2. Valero's Houston Refinery\*
3. LyondellBasell's Houston Refinery\*
4. PRSI's Pasadena Refinery\*
5. Shell's Deer Park Refinery\*
6. Houston Fuel Oil Terminal Company (HFOTC)\*
7. Enterprise Crude Pipeline LLC's ECHO Terminal\*\*
8. ExxonMobil's Baytown Refinery\*\*
9. Marathon's Texas City Refinery\*\*

\* Via Magellan facilities and pipelines

\*\* Via third party facilities and pipelines

Shippers are responsible for securing transportation capacity on third party distribution systems. BridgeTex does not make any representations regarding the ability of shippers to access or secure transportation capacity on non-BridgeTex systems.

The BridgeTex Pipeline System will transport two common stream grades of crude oil: West Texas Intermediate ("WTI") and West Texas Sour ("WTS"). The general parameters of the two common stream grades are shown below:

	WTI	WTS
API Gravity, ° API	36 – 44	30 – 40
Sulfur Content, weight %	≤ 0.45	≤ 2.20
Max Reid Vapor Pressure, psi	9.5	9.5
Max Total Vapor Pressure, psi	11.0	11.0

BridgeTex will provide operational tankage to segregate and batch crude oil pipeline movements:

- At Colorado City, the BridgeTex Pipeline System will have approximately 1,000,000 barrels of breakout storage. This origin tankage would be capable of receiving from connecting parties for delivery into the BridgeTex Pipeline System. Shippers would be responsible for transportation arrangements for delivery to BridgeTex's origin station terminal in Colorado City. At this time, the following third parties have entered into connection agreements to connect to the BridgeTex Pipeline System at Colorado City, with all of such connections anticipated to be complete by the Service Commencement Date (as defined below):
  - Plains Pipeline, L.P.
  - Medallion Pipeline Company, LLC
  - Centurion Pipeline, L.P.
  - Navigator Storage and Transportation, LLC (proposed)
- At East Houston, BridgeTex will construct approximately 1,400,000 barrels of breakout storage for the segregation of crude oil in order to stage crude oil deliveries into the Houston Gulf Coast area.

## **Early Oil Service**

BridgeTex estimates that it will begin the commissioning of the BridgeTex Pipeline System in September, 2014 (the “**Commissioning Commencement Date**”). The BridgeTex Pipeline System will not be ready to commence full commercial service until the service commencement date contemplated by BridgeTex’s transportation services agreements, which is currently anticipated to occur on the earlier of (i) the first day of the calendar month following completion of all facilities deemed necessary by BridgeTex for full commercial service, and (ii) March 1, 2015 (the “**Service Commencement Date**”). Given the significant need for crude oil transportation service from the Permian Basin to the Houston Gulf Coast Area and in order to accommodate requests of shippers to provide access to available transportation infrastructure as soon as it becomes available, BridgeTex plans to begin limited commercial operations on the BridgeTex Pipeline System on the Commissioning Commencement Date. Any potential shippers that indicate an interest in participating in this Supplemental Open Season through execution of BridgeTex’s confidentiality agreement<sup>1</sup> shall be provided notice of the Commissioning Commencement Date as soon as reasonably practicable.

## **Requests for Additional Information**

Please contact the BridgeTex representative listed below if you have any questions or need any additional information regarding the Supplemental Open Season:

BridgeTex Pipeline Company, LLC  
c/o Magellan Midstream Partners, L.P.  
Attn: BridgeTex Crude Oil Business Development  
Phone: (918) 574-7022

## **Submission of Commitments**

Completed and executed transportation services agreements, together with evidence of minimum credit requirements or other alternative acceptable assurances of creditworthiness, must be submitted to the following address by 5:00 P.M. Central Time on August 14, 2014:

BridgeTex Pipeline Company, LLC  
c/o Magellan Midstream Partners, L.P.  
P.O. Box 22186 (Mail Drop 31-8)  
Tulsa, OK 74121  
Attn: BridgeTex Crude Oil Business Development

For overnight mail, the street address is:

BridgeTex Pipeline Company, LLC  
c/o Magellan Midstream Partners, L.P.  
One Williams Center, Suite 3100  
Tulsa, OK 74172  
Attn: BridgeTex Crude Oil Business Development

## **Disclaimer**

**This notification along with related Supplemental Open Season materials are provided for informational purposes only. Notwithstanding anything contained herein to the contrary,**

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<sup>1</sup> BridgeTex’s confidentiality agreement is not intended to restrict potential participants in the Supplemental Open Season from discussing the terms hereof with applicable regulatory authorities.

**this notification, the transportation services agreement and the Supplemental Open Season conducted by BridgeTex are not intended to constitute, nor shall they be construed to constitute, an offer or any binding obligation whatsoever on BridgeTex until BridgeTex has countersigned and delivered a fully executed transportation services agreement to a shipper interested in the Supplemental Open Season. BridgeTex reserves the right, in its sole discretion, to modify, terminate or extend the Supplemental Open Season, in whole or in part, without advance notice. BridgeTex further reserves the right to modify or supplement any of the documents associated with the Supplemental Open Season without notice.**

**Under no circumstances shall BridgeTex or any of its affiliated companies or any of its or their respective directors, officers, partners, members, employees, agents, attorneys, advisers and 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 Supplemental Open Season or the BridgeTex Pipeline System.**