

September 13, 2013

Mr. Michael F. Brennan  
U.S. Department of State  
Energy Resources Bureau  
Office of Energy Diplomacy  
North America/Arctic  
2201 C. Street, NW  
Washington, DC 20520

Re: Issuance of Presidential Permit to Magellan Pipeline Company, L.P.

Dear Mr. Brennan:

Magellan Pipeline Company, L.P. (“Magellan”) hereby submits this application for a new or amended Presidential Permit. Chevron Pipe Line Company (“Chevron”) was issued a permit on the 19<sup>th</sup> day of June, 1995, by the U.S. Department of State (the “Department”) authorizing it to construct, connect, operate, and maintain a pipeline crossing the international boundary line between the United States and Mexico (the “1995 Permit”). Subsequently, Chevron assigned said permit to Plains Pipeline, L.P. (“Plains”). On July 1, 2013, Plains and certain affiliates thereof, assigned their rights (“the Transaction”) to the 1995 Permit to NMPL LLC (“NMPL”), which was then merged into Magellan, as a part of the transfer of a portion of Plains’ domestic refined products business assets and property located in Texas and New Mexico.

This Transaction does not involve any new construction at or on the permitted facilities, and the operation and maintenance of the facilities will remain substantially the same. Accordingly, the Transaction has no material effect on the use of the facilities and no environmental impact. In granting Chevron the 1995 Permit, the Department already found that issuance of the permit to the applicant would serve the national interest. Because the Transaction has no effect on the facts which the Department relied on in granting the 1995 Permit, Magellan requests that the Department issue a new or amended Presidential Permit reflecting the Transaction but otherwise making no material change to the terms and conditions of the 1995 Permit.

## **I. Background**

Magellan Midstream Partners, L. P. (“MMP”) is a publicly traded partnership which primarily transports, stores and distributes refined petroleum products and crude oil. It currently has more than 1,300 employees working in 23 states. Its assets include 83 petroleum products terminals, more than 9,000 miles of refined products pipeline, 800 miles of crude oil pipeline and a 1,100-mile ammonia pipeline system.

Magellan Midstream Partners, L. P. is traded on the New York Stock Exchange under the ticker symbol MMP. Currently there are more than 110,000 unit holders.

Magellan Pipeline Company is a wholly-owned subsidiary of MMP which owns and operates the nation’s longest pipeline for the transportation of refined petroleum products. The more than 9000-mile pipeline, which crosses 14 states and extends from the Gulf Coast throughout the middle part of the United States, can access more than 40 percent of the refinery capacity in the continental U. S.

## **II. Description of the 1995 Permit and the United States Facilities it Covers**

As described in the 1995 Permit, the permitted facilities consist of an existing 2.75-mile 8.625-inch carbon steel pipeline, any land, structures, installations or equipment appurtenant thereto. Said pipeline extends from El Paso, TX to the U.S. boundary with Mexico.

## **III. The United States Facilities and Their Operation and Maintenance Will Remain Substantially the Same Now That Magellan has Acquired Plains’ Assets.**

The Department approves permit applications where it finds that issuance of a permit to the applicant would serve the national interest and made such a finding when it issued the 1995 Permit. The above-described Transaction does not alter that finding and results in no departure from the conditions imposed in the 1995 Permit. Specifically:

1. Magellan will not make any change in the location of the facilities or any material change in their operations without Department approval.

2. Magellan will operate and maintain the facilities in all material respects as described in the 1994 Application that resulted in the 1995 Permit.
3. Magellan will comply with all applicable Federal and State laws and regulations and Federal filing requirements.
4. Magellan will maintain the facilities in a condition of good repair for their safe operation.

Magellan recognizes that the Transaction does not in any way alter the obligations to comply with—or the Department’s ability to enforce—the terms and conditions of the 1995 Permit while the Department reviews the application. Magellan affirms that the operation and maintenance of the permitted facilities authorized by the 1995 Permit will remain substantially the same as before the Transaction.

Magellan does not plan to operate or maintain the United States facilities covered by the 1995 Permit in any manner not currently covered or contemplated by the 1995 Permit. Moreover, because the Transaction described in this application is simply a change in ownership, with no material changes to the facilities, no material change in the operation or maintenance of these facilities, and no new environmental impacts, Magellan respectfully submits that the national interest would be served by the continued operation of the pipeline consistent with the terms and conditions of the 1995 Permit. Therefore, Magellan requests that the Department issue a new or amended Presidential Permit reflecting ownership in Magellan, but otherwise retaining the same terms and conditions as the 1995 Permit.

If you have any questions concerning the foregoing or require additional information, please contact me at (918) 574-7872.

Respectfully submitted,

Magellan Pipeline Company, L.P.

By: Magellan Pipeline GP, LLC,

Its general partner

By: *Patrick Dunakey*

Name: Patrick Dunakey

Title: Real Estate Representative