

The 2005 Oklahoma Refinery Report: Appendix A Pipeline Operations

Prepared for the Secretary of Energy
State of Oklahoma

By the Office of the Secretary of Energy,
State of Oklahoma
and ENERADV / petroad

in cooperation with
The Institute for Energy Economics & Policy,
EPIC Consulting and C.H. Guernsey & Co.

Funding by The Oklahoma Marginal Well Commission
The Interstate Oil & Gas Compact Commission
The Office of the Secretary of Energy

April 2005

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Introduction

The transportation of crude oil and refined products throughout Oklahoma and the U.S. is almost entirely by interconnected pipeline systems. Operation of the Oklahoma systems is largely conducted by eight private companies: Valero, L.P./Kaneb Services, L.L.C.; Magellan Midstream Partners, L.P.; Explorer Pipeline; Jayhawk, L.L.C.; Plains All American Pipeline, L.P.; Enbridge, Inc.; TEPPCO Partners, L.P.; and Sunoco.

The pipeline operators are frequently operators of terminals and refineries.

Valero, L.P. / Kaneb Services, L.L.C. and Kaneb Pipe Line Partners, L.P.

This new partnership is between the largest terminal operator and second largest petroleum liquids pipeline operator in the nation. The assets of the combined partnership, which will retain the name Valero, L.P., will include approximately 9,700 miles of pipeline comprised of approximately 6,900 miles of refined product pipelines, 800 miles of crude oil pipelines and a 2,000-mile anhydrous ammonia pipeline. Valero L.P. will also own 101 terminal facilities throughout the United States, Canada, Mexico,

United Kingdom, Netherlands Antilles, Australia, and New Zealand, as well as four crude oil storage tank facilities with approximately 85 million barrels of storage capacity. Valero L.P. transports refined products from Valero Energy's refineries to established and growing markets in the Mid-Continent, Southwest and the Texas-Mexico border regions of the United States. Their pipelines, terminals and storage facilities support eight of Valero Energy's key refineries with crude oil and other feed stocks as well as provide access to domestic and foreign crude oil sources.

For more information visit www.valerolp.com.

Map of Operations



Magellan Midstream Partners, L.P.

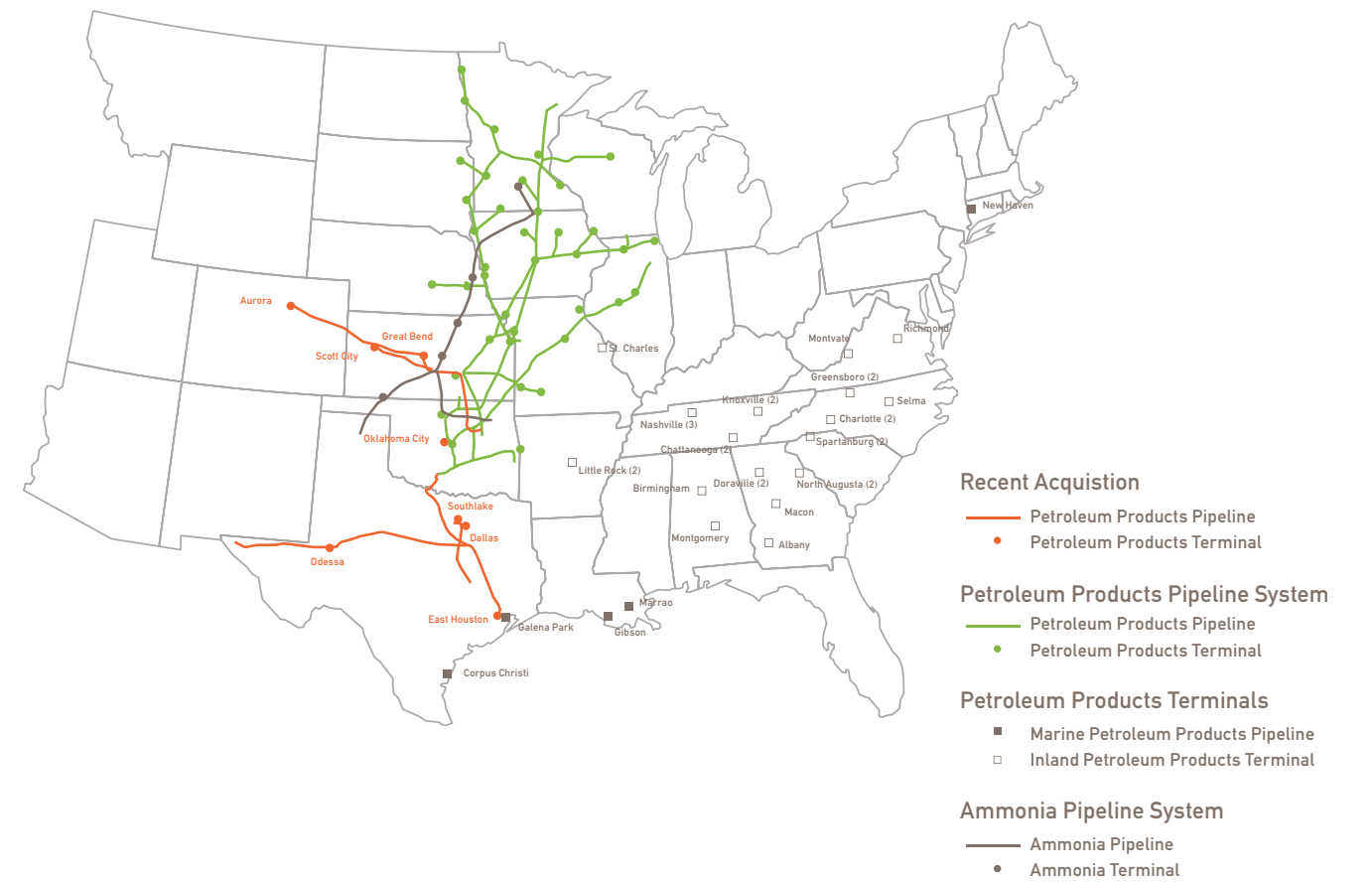
Magellan's current asset portfolio consists of an 8,500-mile refined petroleum products pipeline system, including 43 terminals, and a 1,100-mile ammonia pipeline system. Magellan's business strategy is to aggressively grow through acquisitions of assets and businesses that complement those currently owned.

Magellan Midstream Partners, L.P. acquired more than 2,000 miles of refined petroleum products pipelines from

affiliates of Shell Oil Products for approximately \$490 million plus working capital and transaction costs. The acquired assets, located in Colorado, Kansas, Oklahoma and Texas, include six active terminals and six system storage facilities that have a combined storage capacity of approximately 6.4 million barrels.

For more information visit www.magellanlp.com.

Asset Portfolio



Explorer Pipeline

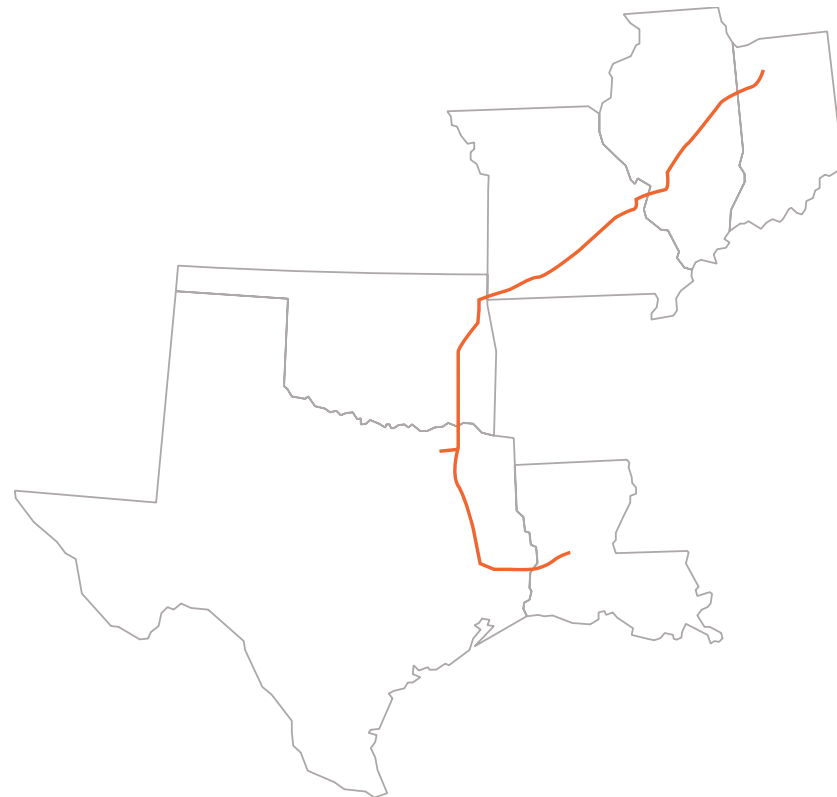
Explorer operates a 1,400-mile pipeline system that transports gasoline, diesel fuel and jet fuel from the Gulf Coast to the Midwest. Explorer is based in Tulsa, Oklahoma. Through connections with other products pipelines, Explorer serves more than 70 major population centers in 16 states. There are presently 20 pump stations located throughout the system.

Explorer's pipeline is 28 inches in diameter from Port Arthur, Texas to Tulsa and 24 inches in diameter from Tulsa

to Hammond, Indiana. Following a capacity expansion in 2003, Explorer's pipeline can transport a barrel of product from the Gulf Coast to Chicago in as few as eleven days. Explorer currently transports refined products with more than 72 different product specifications for over 60 different shippers. Explorer only provides transportation services and does not buy or sell petroleum products. Corporate stock is owned by subsidiaries of Chevron, Citgo, ConocoPhillips, Marathon, Sun, Texaco, and Shell.

For more information visit www.expl.com.

Explorer Pipeline

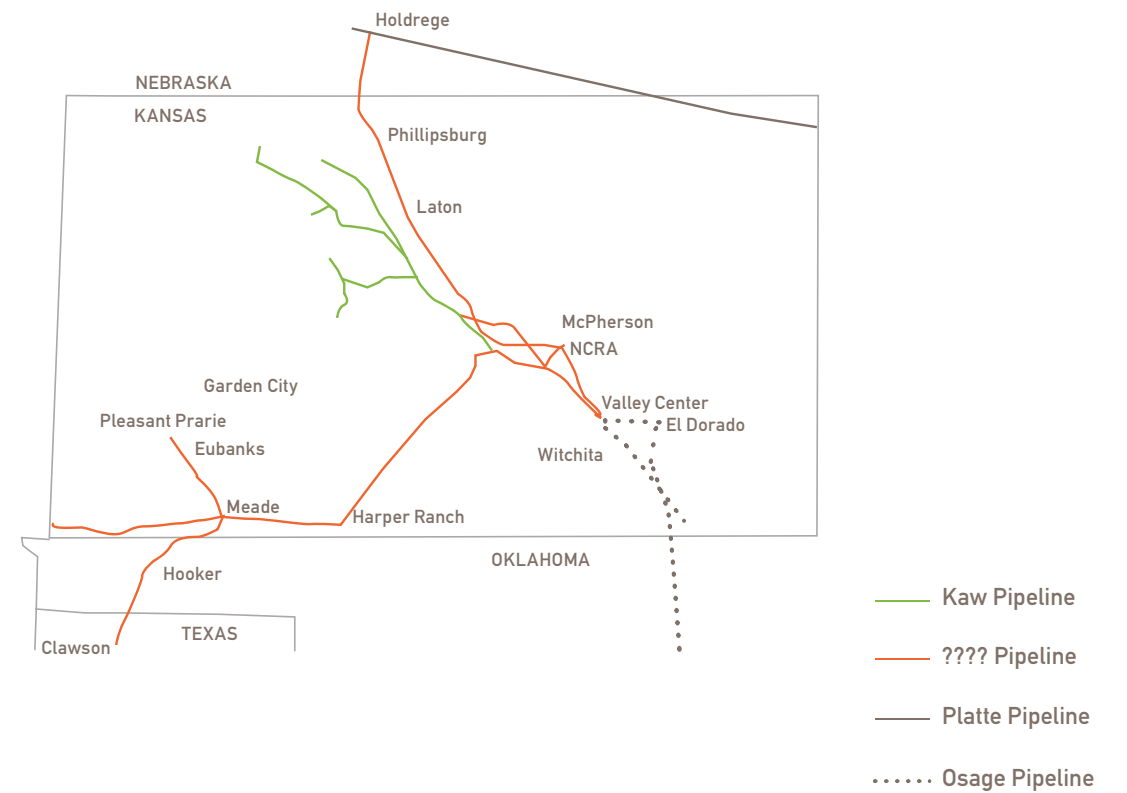


Jayhawk Pipeline, L.L.C.

Formed in 1957, Jayhawk Pipeline is 100% owned by National Cooperative Refinery Association (NCRA) in McPherson, Kansas. Jayhawk currently transports more than 110,000 barrels per day of crude oil in both intrastate and interstate commerce, and is connected to all the major crude oil pipelines in Kansas. Jayhawk operates 1,200 miles of gathering and trunk lines throughout Kansas, Nebraska, Oklahoma, and Texas.

For more information visit www.jayhawkpl.com.

Pipeline Map



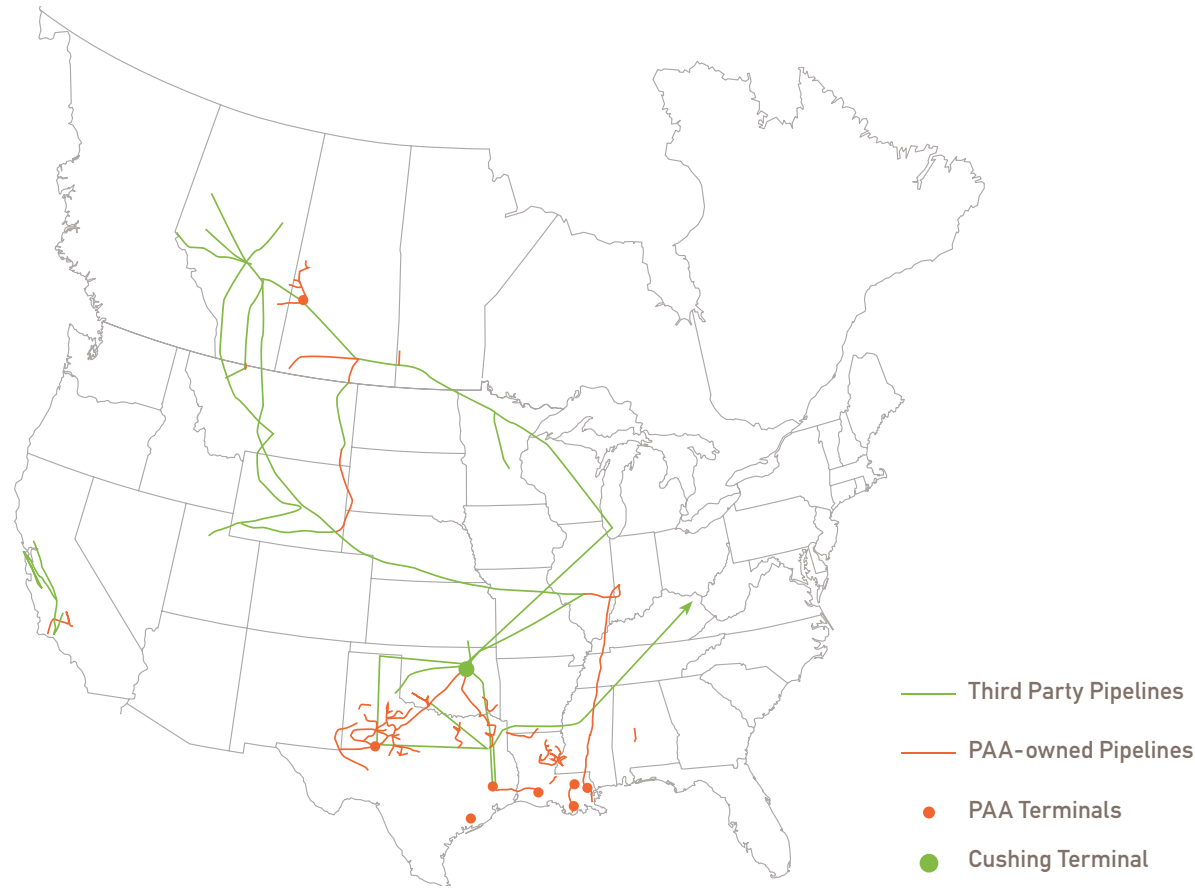
Plains All American Pipeline, L.P.

Plains All American Pipeline, L.P. (PAAP) is engaged in interstate and intrastate crude oil transportation and crude oil gathering, marketing, terminaling and storage, as well as the marketing and storage of liquefied petroleum gas and other petroleum products. PAAP is one of the largest independent midstream crude oil companies in North America, handling over 1.6 million barrels per day of physical crude oil through an extensive network of assets located in key producing basins and transportation gateways in the United States and Canada. PAAP operations are concentrated in Texas, Oklahoma, California and Louisiana and in the Canadian provinces of Alberta and Saskatchewan.

PAAP owns and operate approximately 7,000 miles of gathering and mainline crude oil pipelines located throughout the United States and Canada. Additionally, PAAP owns and operates approximately 24 million barrels of above-ground crude oil terminalling and storage facilities, including tankage associated with their pipeline systems. Their flagship facility is the 5.3 million barrel crude oil terminalling and storage facility at Cushing, Oklahoma. Cushing is one of the largest crude oil market hubs in the United States and the designated delivery point for NYMEX crude oil futures contracts.

For more information visit www.paalp.com.

Pipeline Map



Enbridge Inc.

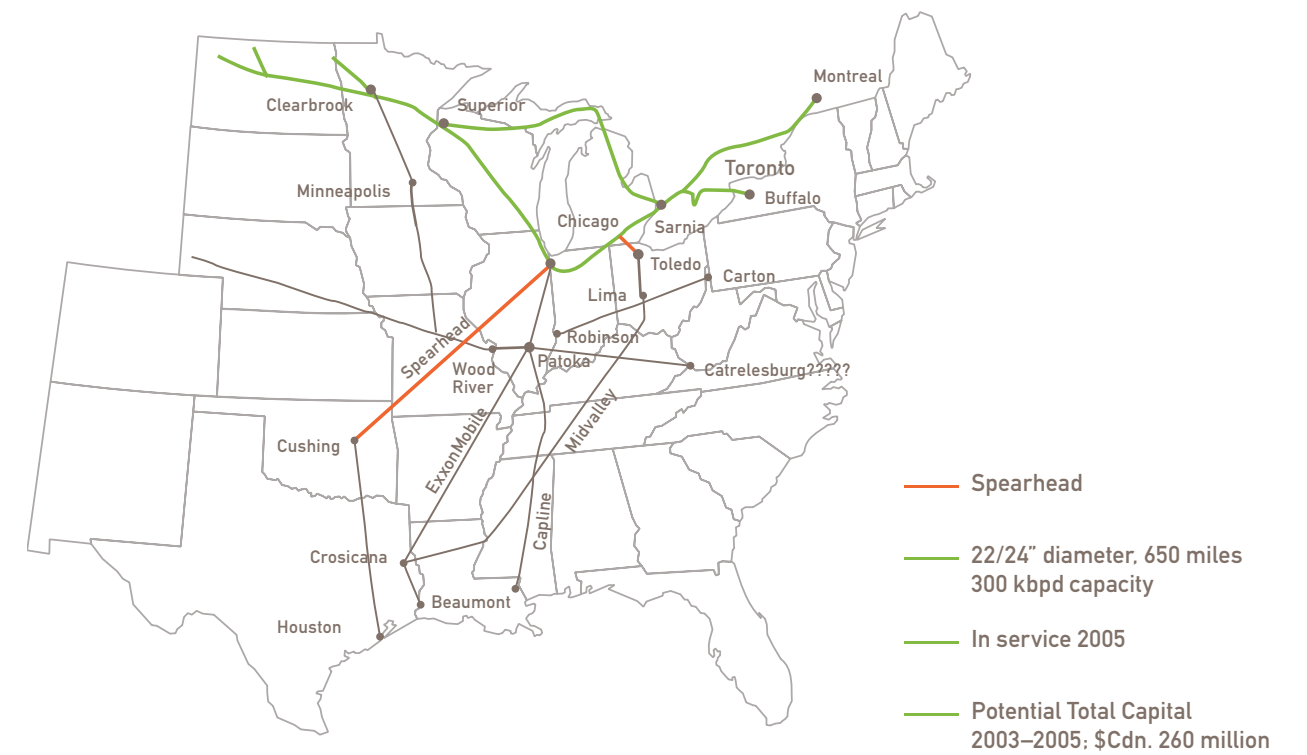
Enbridge operates the world's longest crude oil and liquids pipeline system. The company owns and operates Enbridge Pipelines Inc. and a variety of affiliated pipelines in Canada. Enbridge owns approximately 12% of Enbridge Energy Partners, L.P. that owns the Lakehead System in the U.S. These pipeline systems have operated for over 50 years and now comprise approximately 8,500 miles of pipeline, delivering more than 2 million barrels per day of crude oil and liquids.

Enbridge plans to construct a new crude oil pipeline from its existing terminal at Superior, Wisconsin, south to

the Wood River hub in southern Illinois. The new pipeline, called the Southern Access Pipeline, will become part of the Lakehead Pipeline System of Enbridge Energy Partners, L.P. The proposed 630-mile pipeline will have an initial capacity of 250,000 barrels per day, and will cost an estimated \$550-\$650 million. It will interconnect with Enbridge's recently announced Spearhead Pipeline, a joint venture with BP Pipelines, providing access to storage tank capacity on Spearhead and a path to any of the Chicago, Wood River or Cushing market hubs from the interconnection point in Illinois.

For more information visit www.enbridge.com.

New Market Access Initiatives — Spearhead Pipeline



TEPPCO Partners, L.P.

TEPPCO Partners, L.P. (TEPPCO), through its subsidiaries, does business in three industry segments: transportation of refined products, liquefied petroleum gases (LPGs), and petrochemicals; transportation and marketing of crude oil and natural gas liquids (NGLs); and gathering of natural gas.

TEPPCO’s refined products and LPGs segment, one of the largest pipeline common carriers of refined petroleum products and LPGs in the United States, conducts business and owns properties in 14 states. Operations consist of interstate transportation, storage and terminaling of petroleum products; interstate transportation of petrochemicals; short-haul shuttle transportation of LPGs; and intrastate transportation of petrochemicals, and other ancillary services.

TEPPCO, through a subsidiary, owns and operates an approximately 4,600-mile pipeline system extending from southeast Texas through the central and Midwestern United States to the northeastern United States. The pipeline system transports refined petroleum products from eastern Texas, the upper Texas Gulf Coast and southern Arkansas to the Central and Midwest regions of the United States.

The pipeline system includes 27 storage facilities with an aggregate storage capacity of 16 million barrels of refined petroleum products and 6 million barrels of LPG storage, including storage capacity leased to outside parties.

TCTM, a TEPPCO owned subsidiary, owns a 50% interest in the Seaway Crude Pipeline Company. The 500-mile pipeline is 30 inches in diameter and transports crude oil from the U.S. Gulf Coast to Cushing, Oklahoma.

TEPPCO’s Upstream Segment gathers, transports, markets and stores crude oil, and distributes lubrication oils and specialty chemicals, principally in Oklahoma, Texas, New Mexico and the Rocky Mountain region. The Upstream Segment uses its asset base to aggregate crude oil and

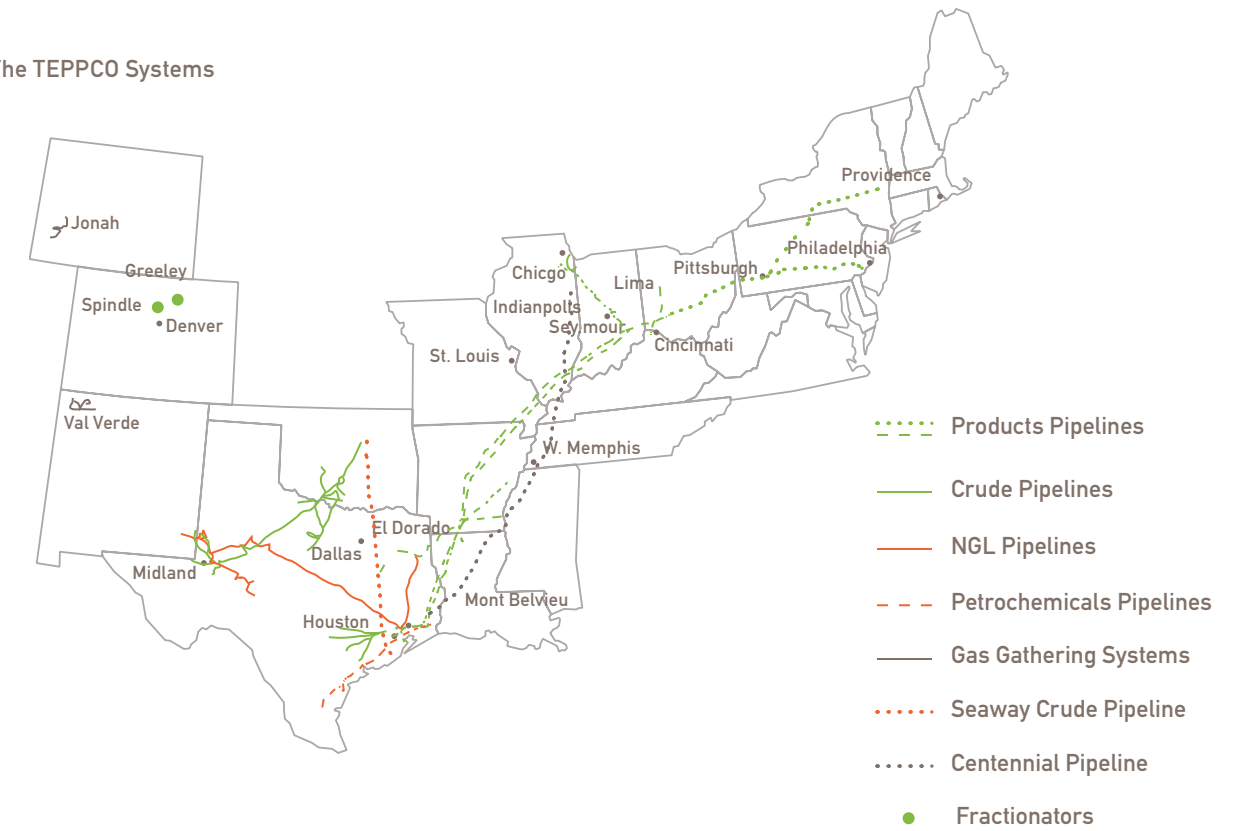
provides transportation and specialized services to its regional customers. It purchases crude oil from various producers and operators at the wellhead and makes bulk purchases of crude oil at pipeline and terminal facilities. The crude oil is then sold to refiners and other customers. The Upstream Segment transports crude oil through equity owned pipelines, its trucking operations and third party pipelines.

TEPPCO crude oil pipelines include two major systems and various smaller systems:

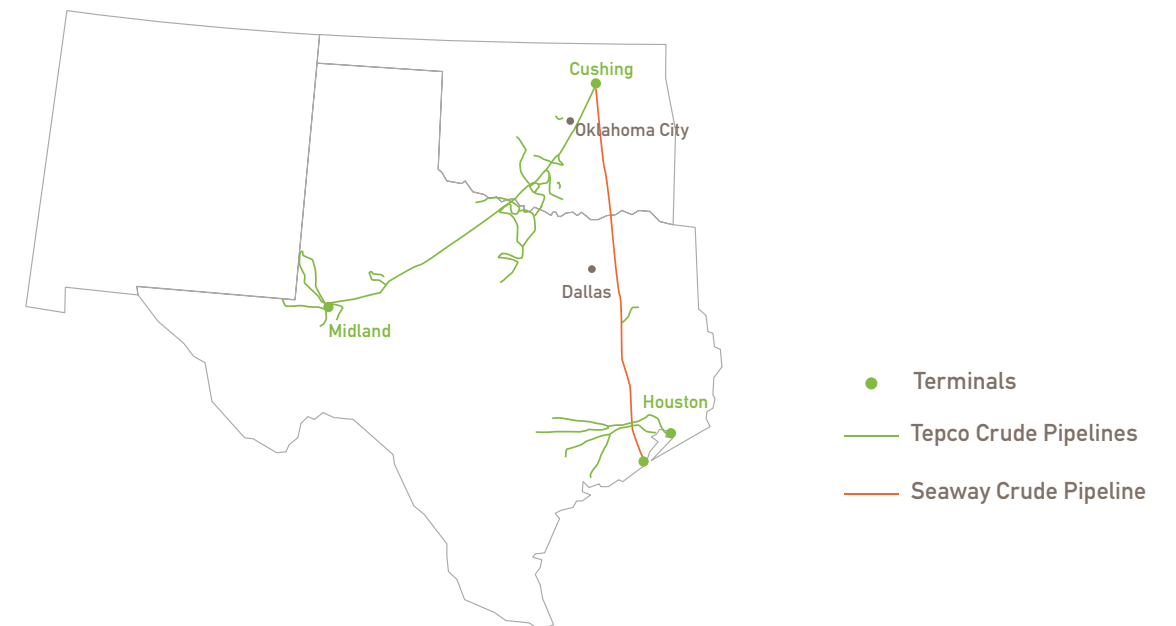
- The Red River System, located on the Texas-Oklahoma border, is the larger system, with 1,690 miles of pipeline and 1.5 million barrels of storage. The majority of this pipeline’s crude oil is delivered to Cushing, Oklahoma via connecting pipelines or to two local refineries.
- The South Texas System, located west of Houston, consists of 900 miles of pipeline and 780,000 barrels of storage. The majority of the crude oil on this system is delivered on a tariff basis to Houston area refineries.
- The West Texas Trunk System consists of 250 miles of smaller diameter receipt and delivery pipelines connecting West Texas and Southeast New Mexico to TCTM’s Midland, Texas terminal.
- TEPPCO also owns a 13% joint ownership interest in the Basin system, a 416-mile pipeline between the Permian Basin and Cushing, Oklahoma.
- Other crude oil assets, located primarily in Texas and Louisiana, consist of 310 miles of pipeline and 295,000 barrels of storage capacity.

For more information visit TEPPCO at www.teppco.com.

The TEPPCO Systems



TEPPCO's Upstream Business



Sunoco

Sunoco owns and operates approximately 1,900 miles of crude oil trunk pipelines and approximately 870 miles of crude oil gathering lines in Oklahoma, West Texas, East Texas and the Texas Gulf Coast. Sunoco also delivers crude oil for Sunoco, Inc. (R&M) and for various third parties from points in Texas and Oklahoma. Sunoco pipelines access several trading hubs, including Cushing, Oklahoma, and

other trading hubs located in Colorado City and Longview, Texas. Sunoco oil pipelines also connect with other pipelines that deliver crude oil to a number of third-party refineries.

Sunoco has a 43.8% interest in West Texas Gulf Pipeline Company, a joint venture that owns and operates a 580-mile crude oil pipeline.

For more information visit www.sunocoinc.com.

Sunoco Logistics

