QUESTIONS #17 and #18

ATTACHMENT #12

Nemaha County Release – Landowner Names and Contact Information

Richard and Jane Andrew
706 14th Street
Auburn, NE 68305
402/274-8265 (Richard cell)
402/274-5163 (home)
E/2 NW/4, Section 15, Township 4 North, Range 15 East

William Hutton
612 11th Street
Auburn, NE 68305
402/274-4721 (home)
E/2 of SW/4, Section 15, Township 4 North, Range 15 East

Robert and Deloris Hutton
72546 644 Avenue
Nemaha, NE 68414
402/274-7513 (cell)
402/824-6725 (home)
W/2 SE/4 Section 15, Township 4 North, Range 15 East

Roberta Kennedy
7243 E. Camino Vecino
Tucson, AZ 85715
520/886-0107 (home)
NE/4 Section 22, Township 4 North, Range 15 East

<u>Access across (no product discharge):</u>
Jim Oestmann
Oestmann Farms Inc.
PO Box 266
Auburn, NE 68305
W/2 NW/4 Section 15, Township 4 North, Range 15 East

ACCESS AGREEMENT

This Access Agreement ("Agreement") is made and entered into by and between Magellan Pipeline Company, L.P., a Delaware limited partnership, whose address is P.O. Box 22186, Tulsa, Oklahoma, 74121-2186, (hereinafter called "Magellan"), and Bob and Deloris Hutton, husband and wife, whose mailing address is 72546 644 Avenue, Nemaha, NE 68414 (hereinafter called "Owner").

WITNESSETH:

WHEREAS, Owner represents and warrants that Owner owns all the certain land (hereinafter "Owner's Land") described as the W/2 of the SE/4 of Section 15, Township 4 North, Range 15 East; and

WHEREAS, Magellan is currently engaged in environmental recovery and remediation efforts from a pipeline strike that occurred in the W/2 of Section 15 and the waterway present in the field near the pipeline strike leads to a creek that crosses both the E/2 of the SW/4 and the W/2 of the SE/4 of Section 15; and

WHEREAS, Magellan's recovery efforts require access to specific locations within the creek and the point of access exists on Owner's Land;

NOW, THEREFORE, in consideration of the covenants and agreements herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Magellan and Owner hereby agree to the following:

1) Magellan shall construct a gravel access road beginning at a point just east of the bridge on 723 Road, and it shall travel north along the east side of the tree line at the creek. The road shall continue north until such a point that it turns west and continues past the west property line of Owner's Land. The general location of the access road is represented on the attached **Exhibit "A"**.

2) ~~Owner and Magellan have discussed a specific location where trees may be removed during the construction of the road and Owner hereby agrees to the tree removal.~~ TC

3) Magellan's recovery efforts may necessitate the installation of power ~~lines along~~ the access road ~~location.~~ If installed, Magellan shall work ~~with Owner~~ to ensure the placement of the power ~~line has minimal impact~~ to Owner's Land as possible. Once Magellan ~~determines power~~ is no ~~longer necessary~~ to the recovery site, ~~Magellan shall~~ be responsible for having the power lines ~~removed~~ from Owner's Land. TC

4) Magellan hereby agrees to pay Owner ~~five hundred dollars ($500.00)~~ one thousand $1,000 TLC annually for the right of access as defined above. The term of this agreement shall commence immediately upon execution and shall continue until December 31, 2013 at which time the Agreement shall terminate, unless renewed by both parties. Magellan may cancel the agreement prior to the termination date by written notice to Owner.

5) Once Magellan's need for access on Owner's Land as described above is complete, Magellan and Owner shall jointly assess any related damage. If Owner desires the gravel access road to remain, Magellan shall leave the gravel access road in good condition for Owner's future use. Magellan shall repair or at Owner's request pay for any damage to Owner's Land directly resulting from the exercise of the rights herein granted.

6) Owner shall continue to have the right to enjoy and use Owner's Land at this location, except that Owner shall not interfere with or impair or permit others to interfere with or impair in any way the exercise of the rights herein granted to Magellan.

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors, assigns, personal representatives and heirs.

IN WITNESS WHEREOF, the parties have set their hands on the dates expressed below.

MAGELLAN PIPELINE COMPANY, L.P.
By: Magellan Pipeline GP, LLC, its general partner

By: Tonya Cape

Name: Tonya Cape

Title: Real Estate Rep

Authorized Signatory for Company

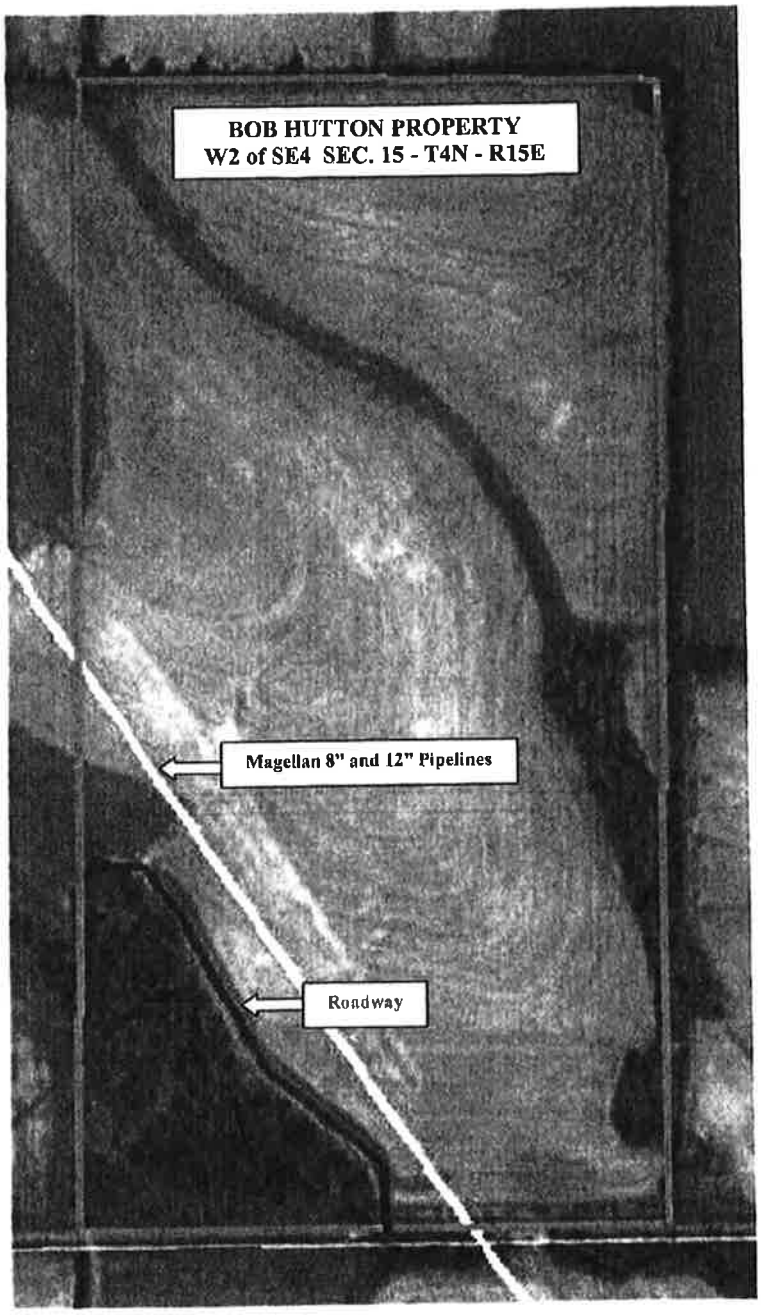
Date: 12/20, 2011

Owner: Bob Hutton
Bob Hutton

Date: 12-21-2011, 2011

Owner: Deloris Hutton
Deloris Hutton

Date: 12/21/, 2011



DISCLAIMER

THIS IS A DRAWING FOR VISUAL REFERENCE ONLY AS TO THE APPROXIMATE LOCATION OF THE PIPELINE AND OTHER ITEMS DEPICTED ON THE DRAWING. IT IS NOT TO SCALE AND IS NOT BASED ON AN ACTUAL SURVEY OF THE PIPELINE OR THE PROPERTY. IT IS NOT INTENDED THAT THIS DRAWING BE RELIED UPON FOR THE ACTUAL LOCATION OF THE PIPELINE OR SUCH OTHER ITEMS DEPICTED THEREON.

MAGELLAN
MIDSTREAM PARTNERS L.P.

ACCESS ROADWAY
BOB HUTTON PROPERTY
NEMAHA COUNTY, NE

SCALE: None	EXHIBIT "A

ACCESS AGREEMENT

For and in consideration of the sum of one thousand Dollars ($ 1,000.00), the receipt of which is hereby acknowledged, the undersigned, herein called Grantor (whether one or more), hereby grants, sells, conveys and warrants to **Magellan Pipe Line Company, L.P.**, whose mailing address is P.O. Box 22186, Tulsa, Oklahoma 74121-2186, its successors and assigns, herein called Grantee, a license and right of way to excavate, drill, survey, construct, maintain, sample, inspect, operate, protect, repair, replace, and remove recovery systems, underflow dams, a gravel access road, and monitoring wells in the County of Nemaha , State of Nebraska , to wit:

The E/2 of the SW/4 of Section 15, Township 4 North, Range 15 East

with the right of ingress and egress including the right to construct a temporary road to and from said right of way for the purposes aforesaid. Grantee may temporarily use reasonable additional workspace as needed during the exercise of the rights granted herein. The general locations of the work site, trench area, and gravel access road are shown on the attached Exhibit "A".

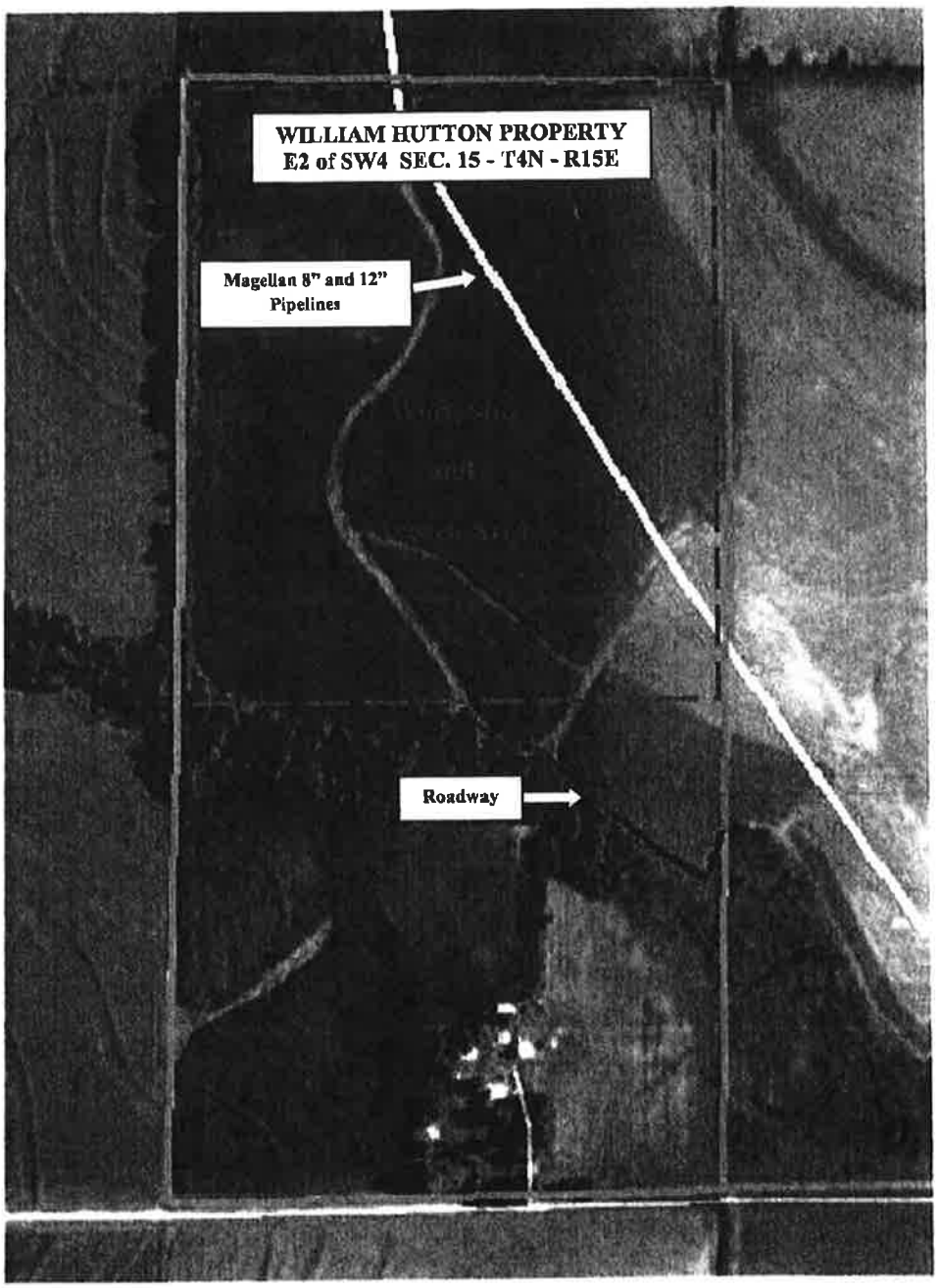
Grantee's recovery efforts may necessitate the installation of power lines along the access road location. If installed, Grantee shall work with Grantor to ensure the placement of the power line has minimal impact to Grantor's land as possible. Once Grantee determines power is no longer necessary to the recovery site, Grantee shall be responsible for having the power lines removed from Grantor's land.

Grantee shall pay or cause payment to be made for damages to crops of Grantor directly resulting from the exercise of the rights herein granted. Grantee shall repair or at Grantee's request pay for any damage to the property of Grantor directly resulting from the exercise of the rights herein granted.

Grantor shall have the right to use and enjoy the above-described premises except that Grantor shall not interfere with or impair or permit others to interfere with or impair in any way the exercise of the rights herein granted to the Grantee.

Grantee may relinquish this License Agreement at any time by providing Grantor written notice of its intent to relinquish. Following relinquishment of the License Agreement, Grantee will in a timely manner, cap, plug, or remove any installed monitoring wells in accordance with applicable regulations, remove any other structures installed during recovery efforts, and to the extent reasonably practical, restore such lands to their original condition.

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors, assigns, personal representatives and heirs. ~~Grantor releases and waives all rights, if any, as against Grantee under and by virtue of dower, curtsey and homestead exemption of said state.~~ TLC 12/20/11



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MAGELLAN MIDSTREAM PARTNERS L.P.

ACCESS ROADWAY AND WORK SITES
WILLIAM HUTTON PROPERTY
NEMAHA COUNTY, NE

SCALE: None	EXHIBIT "A

MAGELLAN®
MIDSTREAM HOLDINGS, L.P.

Magellan Pipeline Company

General Encroachment Requirements

Owen R Worstell / Henry L Henderson
963 Vernon Road - Wathena, Kansas 66090

Owen.worstell@magellanlp.com Cell 816-809-7316

Henry.L.Henderson@magellanlp.com Cell 816-837-1182

Office 785-989-3448

24-hour Emergency Operation Control

800-720-2417

811 Know what's below. Call before you dig.

DANGER

HIGH PRESSURE PIPELINE IN AREA

CALL BEFORE YOU DIG ON THIS SITE

DO NOT EXCAVATE ON THIS SITE

EXTREME DANGER TO LIFE AND ENVIROMENT

STOP: CALL THIS NUMBER

800-720-2417

National One Call: Dial 811

Magellan Midstream Partners owns and operates the nation's longest refined petroleum products pipeline system including 8,500 miles of pipeline, over 80 petroleum products terminals and an 1,100-mile ammonia pipeline system. Our primary business is the transportation, storage and distribution of refined petroleum products.

Our facilities are part of a vast national network that reliably delivers products in a safe, clean and economical manner. Products transported through our pipelines are used to generate power, fuel cars, make plastics, grow crops, heat our homes and much more.

Magellan is committed to operating our pipelines safely. We have an excellent safety record in the pipeline industry. Our pipelines and facilities are designed, tested, operated, maintained and monitored at or above regulatory standards.

Despite extensive safeguards, pipeline accidents can still occur. Statistics show that the leading cause of pipeline damage is excavation activity. Should an accident occur, Magellan employees are trained to work with emergency officials and responders to resolve the issue as safely and quickly as possible.

Identifying pipelines

Petroleum pipeline companies, like Magellan, install aboveground markers to show the approximate location of buried pipelines as well as the name and emergency phone number of the pipeline operator. Markers should not be used to determine exact locations or depth. It is important to call 811 or your area One-Call center to locate any buried pipeline. Some of the markers are designed to be viewed by aerial pipeline inspectors who survey the line on a regular basis.

Call before you dig

811
Know what's **below.**
Call before you dig.

To reduce the amount of damage caused by third parties, Magellan participates in One-Call programs which give utility owners the opportunity to mark their underground facilities in the area of digging.

Before excavating, a free phone call to 811 will start the process to get underground utility and pipelines marked for free. Within a few days, your utility companies, including Magellan, will send a trained locator to mark the locations of the pipeline and other underground utilities. If a buried pipeline is struck, the owner of that utility should be contacted immediately. Unreported damage, including the tearing of a pipeline cover or denting of the pipe, can lead to an accident days or even years later.

Potential hazards

Fire and explosions are the greatest hazards for petroleum products, and for certain gases such as butane, propane, natural gas and anhydrous ammonia. Anhydrous ammonia is also a toxic gas – although it is lighter than air, it may auto-refrigerate in an accidental release and produce a cold, dense, toxic vapor cloud or fog which may concentrate near the ground or in low-lying areas until it warms.

HAZARDOUS MATERIAL QUICK GUIDE

	Product	Leak Type	Vapors	Health Hazards	Fire Hazards
ERG Guide 128	Crude Oil	Liquid	Heavier than Air	Possible presence of H2S, a toxic gas	Extremely flammable liquid or vapor; vapors are heavier than air and may accumulate in low areas and travel considerable distance to ignition source
	Gasoline, Diesel, Jet Fuel, Heating Oil, Transmix			Irritating to Eyes and Skin; vapors at high concentration may cause central nervous system effects	
ERG Guide 115	Propane, Butane	Liquid/Gas		Respiratory tract irritant; may cause central nervous system effects	
ERG Guide 125	Anhydrous Ammonia	Liquid/Gas	Lighter than air but can act as heavy gas	Irritant and corrosive to skin, eye, respiratory tract and mucous membranes; may cause severe burns, eye and lung injuries and death	SPECIAL EMERGENCY RESPONDER PROCEDURES: Must wear protective clothing and respiratory protection; stay upwind and use water spray to knock down vapor and dilute
ERG Guide 115	Natural Gas	Gas	Lighter than Air	Extremely high concentrations may cause irritation or asphyxiation	Extremely flammable and easily ignited by heat, sparks or flames

Important Resources
- Material Safety Data Sheets (MSDS) are available by calling (800) 451-8346.
- The Emergency Response Guide (ERG) can be viewed online or purchased at http://hazmat.dot.gov.

Emergency Response Steps

1. Ensure personal safety

In the event of a pipeline emergency, responders should take standard precautions to ensure personal safety such as those outlined in the Department of Transportation's Emergency Response Guidebook.
- Do not approach the impacted area without proper Personal Protective Equipment (PPE)
- Monitor wind direction and keep unprotected personnel upwind of spill area
- Use appropriate detection equipment
- Do not drive into vapor clouds
- Do not extinguish primary fires
- Turn off all engines and electrical devices including phones and radios
- Do not attempt to operate any pipeline valves
- Do not approach liquid or vapor ammonia cloud without proper PPE

2. Notify the pipeline operator

Pipeline controllers can take immediate steps to shut down an affected pipeline. At the same time, trained Magellan representatives will respond to the scene where they will integrate into the Incident Command structure working with emergency responders, state and local agencies to minimize consequences and bring the incident to a conclusion. Magellan employees receive specialized spill response training, and will utilize professional response contractors who have the equipment and expertise to control and recover spilled material.

3. Protect the public

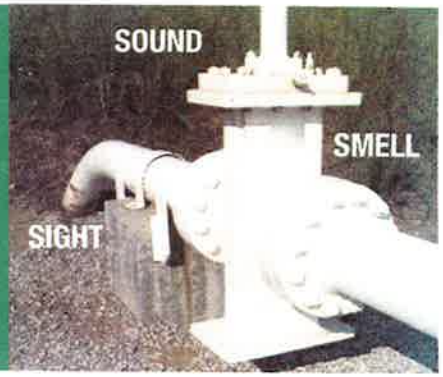
Establishing control of the incident is vital to protect lives and property. After identifying the type of released product, use the Emergency Response Guidebook to determine proper exclusion zones and evacuation areas.
- Establish a perimeter
- Stop all traffic from entering exclusion zone
- Clear roadways for emergency vehicles
- Determine methods to inform public such as radio, television, the emergency alert system, or reverse-911
- Evacuate, or shelter-in-place where the public is advised to remain in their homes with their windows and doors shut, and possibly turning off the heat or air conditioners. Additional protective steps for an ammonia release would be to stay inside a bathroom with the shower running and a wet towel at the bottom of the door.
- If evacuation is necessary, establish an evacuation center where the public can wait for news and assistance

LEAK IDENTIFICATION

Pipeline leaks can be dangerous, possibly resulting in a fire or explosion. Watch for the following signs to detect a potential leak:

- Strange, pungent or unusual odor near the pipeline
- Hissing, whistling or roaring sound
- Dense white cloud of fog
- Patch of dead or discolored vegetation along a pipeline
- Pools of liquid
- Continuous bubbling in wet, flooded areas, creeks or bayous

Suspected leaks should be reported immediately to Magellan's 24-hour Emergency Operations Control Number, 1-800-720-2417 and local emergency agencies.



Magellan's System Integrity Plan (SIP)

Magellan uses a comprehensive System Integrity Plan (SIP) which includes procedures, practices and processes to monitor our lines.

- **Risk Analysis** is performed regularly by engineers who work diligently to prevent pipeline failures in all areas of our operations. High Consequence Areas or highly populated locations, environmentally sensitive areas, or commercially navigable waterways receive additional focus. Our risk engineers analyze multiple areas including proximity, potential volume release, third party activities, corrosion control and others to determine if additional protective measures are needed.

- **Computerized Control Centers** use remote telemetry equipment to monitor the operation of our pipelines 24 hours-per-day, seven days a week. These devices assist operators in quickly shutting down equipment and dispatching emergency crews during an urgent situation.

- **Smart Pigs** are sophisticated electronic pipeline inspection tools used to detect dings, scratches or corrosion in and on our pipelines.

- **Routine inspections** are conducted at our facilities and along our pipeline routes. Air patrols are regularly conducted to visually monitor the land surrounding the pipeline.

- **Emergency Plans** are maintained at our facilities. Our employees are regularly trained in emergency response and participate in drills with local and state emergency agencies.

Before you build

Pipeline rights-of-way, or easements, are parcels of land above and around buried pipelines. To operate our pipelines safely, operators must be able to reach these parcels without interference from buildings, shrubs, trees or other encroachments. Communities should consider setbacks (the distance from the pipeline to another structure in the area), zoning ordinances or other measures to keep these areas clear. Careful land use decisions can reduce risks associated with pipelines. The Office of Pipeline Safety (www.phmsa.dot.gov) through the Pipeline and Informed Planning Alliance works with communities and pipeline companies to provide guidance for developing properties near pipelines.

Know what's **below.**
Call before you dig.

To obtain more information about our emergency response plans or asset integrity programs, please call 800-574-6671.

24-hour Emergency Operations Control
800-720-2417

P.O. Box 22186
Tulsa, OK 74121-2186
One Williams Center
Tulsa, OK 74172
Phone: 918-574-7000
Toll-Free: 800-574-6671

www.magellanlp.com

MAGELLAN PIPELINE COMPANY, L.P.

General Encroachment Requirements

A. GENERAL - These requirements define the minimum standards of practice for encroachments by a landowner (including any developer, business entity, utility company or individual working for, or on behalf of, or with permission of landowner) (herein referred to collectively as "Owner") to pipeline corridors and rights of way ("Magellan's Easement Tract") owned or operated by Magellan Pipeline Company, L.P. ("Magellan"). Upon written request by Owner to Magellan, a copy of these minimum requirements shall be provided to any developer, business entity, utility company or individual working on behalf of Owner or with the permission of Owner within Magellan's Easement Tract. Specific circumstances may require additional precautions or more stringent methods in order to protect the integrity of Magellan's pipelines and facilities. Magellan's Easement Tract for purposes of these General Encroachment Requirements shall be considered to be any area within fifty (50) feet of any Magellan pipeline or other Magellan-owned or operated facility unless a different right of way width is specified by one or more recorded right of way or easement documents (herein collectively called "Easement", whether one or more), in which case such specified width shall define Magellan's Easement Tract.

1. **Encroachment Definition.** An "encroachment" is any use of the land within Magellan's Easement Tract which could interfere with Magellan's Easement rights or which could create safety concerns for Magellan pipelines and/or facilities located on Magellan's Easement Tract. Encroachments include, but are not limited to: structures, fixtures, personal property, landscaping, foreign utilities, foreign pipelines, roadways, railroads, waterway crossings, water impoundments, walls, heavy equipment and heavy loads on Magellan's Easement Tract, and also any excavation, digging, drilling, tunneling and addition, removal or disturbance of soil or subsoil within Magellan's Easement Tract.

2. **Magellan Representative Required On-Site.** Magellan pipeline systems operate at high pressures, and for safety reasons, Magellan requires its company representatives to be on-site while Owner is excavating or performing other activities which could endanger the Magellan pipelines or other facilities on

Magellan's Easement Tract. For other activities of the Owner on the Magellan Easement Tract, the Magellan field representative shall determine whether Magellan's continuous presence or periodic monitoring of encroachment activities will be required and shall inform the Owner. A Magellan representative will be made available upon 48 hours notice (exclusive of weekends and holidays) to determine the location and approximate depth of any Magellan pipelines. No excavation shall be commenced without prior written approval from Magellan and verification by Magellan of the location and approximate depth of its pipelines.

3. **Magellan's Facilities.** Magellan's facilities include, but are not limited to, Easement, rights of way, pipelines, meter and valve sites, aboveground piping manifolds and cathodic protection systems.

4. **Land Use Change - Notification.** The landowner and tenant, if any, must notify Magellan at any and every time when the land use will be changed for land on or adjacent to Magellan's Easement Tract. Examples of such land use changes are:
   - Change from pasture to cultivation
   - Change in depth of tilling (e.g. plowing deeper or deep-breaking the land)
   - Change in that terraces will be cut or re-cut
   - Change from agricultural use to residential, commercial or industrial use.
   - Change from residential to commercial or from commercial to industrial.

5. **Governmental Regulations and Industry Guidelines.** Owner must comply with all applicable laws and regulations, as well as Magellan's policies as expressed herein. Owner is also hereby referred to the Common Ground Alliance Best Practices which can be found on the web site: www.commongroundalliance.com (See "Program Information" / "Best Practices") and which is available from Common Ground Alliance in booklet form for easy reference. Best Practices addresses the most common issues for damage prevention for an encroaching party, including, among others: Planning and Design; One-Call Center; Locating and Marking; Excavation; and Mapping.

   In the even of a conflict between laws and regulations, Magellan's policies and the Common Ground Alliance Best Practices, the following priority shall govern encroachments on Magellan's Easement Tract: 1st -- laws and regulations; 2nd -- Magellan policies; and 3rd -- Common Ground Alliance Best Practices.

B. MAGELLAN RIGHT OF WAY PRACTICES

1. **Personal Property and Fixtures To Be Kept Off of Magellan's Easement Tract.** In order to keep Magellan rights of way clear for operations, maintenance, inspection and emergency access, personal property and fixtures shall not be placed, stored or maintained on Magellan's Easement Tract. Personal property and fixtures include, but are not limited to, storage sheds, automobiles, trailers, mobile homes, above-ground swimming pools, business equipment, product inventory, scrap metal, boulders, large rocks, debris, junk and piles of materials.

2. **Encroachments Subject to Being Cleared from Magellan's Easement Tract.** Subject to the terms of its Easement (including right of way agreement[s] and other written agreements) , Magellan may keep Magellan's Easement Tract clear of items that may hinder the exercise of Magellan's rights to construct, operate, inspect, maintain, repair and access its pipelines and other facilities. Clearing of the Magellan's Easement Tract shall include, but not be limited to the following: removal of trees, brush, crops, other vegetation and non-permitted encroachments located on or overhanging all or part of any Magellan's Easement Tract. Trees or other vegetation overhanging Magellan's Easement Tract may be side-trimmed.

C. ENCROACHMENT PLANNING

1. **Plan Review Required by Magellan.** For any encroachment, Magellan must be provided project plans to review and approve, *prior to the encroachment occurring*, for purposes of damage prevention.
2. **Submission of Complete Plans.** Owner must submit complete plans to Magellan for review. Incomplete plans could delay Magellan's engineering impact study and insufficient information could result in increased costs. Plans must include:
   - A plan view of the project with the *pipeline(s) location included.*
   - An illustration in *profile* of the existing surface elevations, the proposed surface elevations and the elevation of the Magellan pipeline(s).
   - A comprehensive utility/structure/grading plan depicting the relationship to the pipeline(s).
   - A proper legal description of the project location.
   - Complete landscaping plans.
   - Complete plans for backfilling and compaction of backfill material.

3. **Plans Must Show Magellan's Easement Tract, Pipelines and Facilities.** All construction plans (prints) showing lands where all or any part of Magellan's Easement Tract, any Magellan pipeline or facility is located must contain the

following:

- Location and depth of all Magellan pipelines and facilities
- The width of Magellan's Easement Tract
- A standard warning statement *conspicuously displayed* containing the following language:

WARNING
HIGH-PRESSURE PIPELINE(S)

Excavation and/or Construction Prohibited

Without compliance with **State One-Call**, AND

Without Written Permission From

MAGELLAN PIPELINE COMPANY, L.P.

4. **Written Encroachment Agreement Required.** A written, fully executed Encroachment Agreement must be in place between Magellan and Owner before Owner commences work on any encroachment.

5. **Costs.** Unless otherwise agreed in writing, all costs to Magellan that result from any encroachment should be paid by Owner. Such costs shall include, but not be limited to: modification, replacement, lowering, and protection of pipelines, including engineering evaluation and design, field labor and real estate research and document preparation and handling,

6. **Pipeline Integrity Inspection.** Prior to the installation of any structure, parking lot, roadway or other facility which might interfere with or hinder Magellan's inspection of any pipeline or facility, Magellan will perform an integrity review of its pipeline and any other assets which may be affected by the proposed structure, parking lot, roadway or other encroaching facility in order to determine that Magellan's assets comply with integrity requirements and to allow Magellan to make any needed changes prior to construction of any encroachments.

7. **Soil On Magellan's Easement Tract -- Removing and Adding.** No soil shall be removed from or added to Magellan's Easement Tract without written authorization from Magellan. Any soil added must be clean (without contaminants, trash or debris) fill dirt and must be *limited in amount* so that the

resulting cover (vertical distance from the surface of the land to the top of Magellan's pipeline) is not greater than eight feet (8').

8. **Erosion Control Materials.** Erosion-control materials may be allowed on Magellan's Easement Tract for temporary periods of construction and restoration.

9. **Proof of Title to Property.** Magellan may require Owner to provide proof of current ownership of the land where the proposed encroachment is to be located. Such proof may be in the form of a Title Commitment, Title Policy, or a copy of a recorded Warranty Deed.

10. **Subdivision Plat.** Magellan requires a copy of the Subdivision Plat, if applicable. If the plat has been recorded, Magellan requires a copy indicating the book and the page of the recording.

11. **Location and Approximate Depth of Pipelines.** A Magellan representative is normally available with 48 hours notice (exclusive of weekends and holidays) to determine the location and approximate depth of the pipeline(s). Determining actual depths of pipelines may require pot-holing or hand-digging by, and at the expense of Owner in the presence of an authorized Magellan representative. No excavation on Magellan's Easement Tract shall take place without approval by Magellan.

12. **Vertical Separation Between Magellan Pipeline or Facility and an Encroaching Object or Structure.** Vertical separation is defined in this document as the vertical distance between the outermost part of a Magellan pipeline, facility or appurtenance (for example, the outside of the pipe [for uncased pipe] or the outside of the pipe casing [for cased pipe]) and the outermost part of the encroaching object (for example, the outside of the encroaching pipeline or the outside of its conduit).

13. **Construction Equipment Information.** Owner shall provide to Magellan information as to the type, size, and weight of construction equipment that will be used over or in the vicinity of the pipeline(s).

D. ENCROACHMENT DESIGN REQUIREMENTS & STANDARDS

1. **Risk of Loss and Damage.** Owner shall bear the risk of loss, damage and/or destruction to any structure, fence, landscaping or improvement placed within the boundaries of Magellan's Easement Tract and shall hold Magellan harmless

for damages, destruction of structures and for any consequential damages which may arise out of Magellan or its designees exercising Magellan's Easement rights or which may arise out of accessing Magellan's Easement Tract, pipelines or facilities.

2. **Buildings, Structures and Fences.**

   a. **Buildings and Structures.** No buildings, houses, barns, garages, patios, playhouses, sheds, septic systems or drain fields, swimming pools (above-ground or below-ground), reinforced concrete slabs or other similar structures will be permitted on the Magellan's Easement Tract.
   b. **Septic System not permitted.** No septic-system, including any lateral lines will be permitted on Magellan's Easement Tract.
   c. **Retaining Walls.** Retaining walls are not permitted on Magellan's Easement Tract.
   d. **Fences.** No fence shall be constructed or maintained on Magellan's Easement Tract without a written agreement.
   e. **Requirements for Fences.** If fencing on Magellan's Easement Tract is authorized by a written agreement with Magellan, the fencing must comply with the following:
      1) **Not Parallel to Pipeline.** No fence shall be allowed to be constructed parallel closer than 10 feet to any Magellan pipeline, within the boundaries of Magellan's Easement Tract.
      2) **Fence Posts Location.** No fence posts will be allowed to be within five (5) feet of any Magellan pipeline or facility.
      3) **Gates Required.** Magellan may require any fence constructed within the boundaries of Magellan's Easement Tract to have gates of such size and suitability as is necessary or convenient for Magellan to access its pipelines and/or facilities for its operations, including inspections, at each point where the fence crosses a Magellan pipeline or facility boundary. Magellan shall be allowed to put a Magellan lock on such gates, which will allow access to Magellan's Easement Tract and/or facilities through such gates.
      4) **Angle of Fence Crossing.** It is preferred that fence crossings be as close to 90 degrees as possible.

3. **Landscaping, Elevation Changes and Water.**

   a. **Landscaping Definition.** Landscaping shall include, but not be limited to, trees, shrubs, underground irrigation or sprinkler systems, sidewalks or other paths, retaining walls, terraces or other land grade changes, within

Magellan's Easement Tract.

b. **General Landscaping Requirements.** The following are the general rules for landscaping on Magellan's Easement Tract:
   1) **Written Approval.** Landscaping proposed to be done on Magellan's Easement Tract must be approved by Magellan in a **written *encroachment agreement***. Among other terms, the encroachment agreement will release Magellan from any liability for damages to the landscaping from the exercise of Magellan's Easement rights.
   2) **Trees Not Permitted.** Trees are not permitted on Magellan's Easement Tract.
   3) **Shrubs.** Shrubs exceeding 3 feet in height and/or obstructing the view of any Magellan pipeline marker posts are not permitted on Magellan's Easement Tract.
   4) **Irrigation Systems, Field Drain Lines, and Sidewalks.** Irrigation systems, field drain lines and sidewalks that are to cross a Magellan pipeline must cross such pipeline at an angle as close to 90 degrees as possible, but in no event at an angle less than 45 degrees and must comply with other applicable provisions of this document.

c. **No Water Bodies on Magellan's Easement Tract.** Retention of water, including but not limited to, Livestock ponds, lakes, retention ponds, or wetlands may not be constructed or formed on Magellan's Easement Tract.

d. **Surface Grade and Elevation Changes.** Surface grade or elevation changes must be reviewed and approved in writing by Magellan.

4. **Foreign Pipeline & Utility Crossings.** No foreign pipelines or utility lines of any type shall be allowed to be constructed parallel to any Magellan pipeline within the boundaries of Magellan's Easement Tract.

   a. **Minimum Angle for Pipeline/Utility Crossing.** Any foreign pipeline or utility that is proposed to cross a Magellan pipeline must cross the Magellan pipeline at an angle as close to 90 degrees as possible, but in no event at an angle less than 45 degrees.

   b. **Vertical Separation Requirements for Crossing.** Foreign pipeline(s), utilities (except high-voltage lines – see below) or flow lines should cross Magellan pipeline(s) with at least 24 inches of vertical separation. Special written authorization must be given in the event vertical separation is less than that specified in these General Encroachment Requirements. The preferred method for a foreign pipeline or utility to cross a Magellan pipeline is to cross ***below*** the Magellan pipeline.

   c. **Warning Tape Required.** When any foreign pipeline or utility line is

proposed to cross a Magellan pipeline, Owner must place 6" wide McMaster-Carr No. 8288T12 or equal within Magellan's Easement Tract in the following manner:

1) The tape must be placed directly over (parallel to) and at least 15 inches above the foreign line for the entire distance that it occupies Magellan's Easement Tract. Additionally, the tape must be placed directly over (parallel to) and at least 15 inches above each Magellan pipeline that is crossed for a minimum distance which is the greater of:
   (a) a minimum distance of 20 feet on each side of the Magellan pipeline, or
   (b) across the entire width of Magellan's Easement Tract
2) The placement of warning tape on each side of *Magellan* pipeline(s) will not be required for utility cables that are installed using the directional drill or jacking method.

d. **Crossings By Metal Pipelines or Conduits.** Metallic pipe crossing Magellan pipeline(s) may require Magellan to perform a cathodic protection interference survey. If interference with Magellan's cathodic protection system is detected and remediation is necessary, Owner agrees to cooperate with Magellan and to make necessary adjustments in Owner's interfering metallic pipe or other remediation to correct such interference problem insure that the Magellan cathodic protection system is operating properly.

e. **Crossing Requirements.** Electrical, fiber optic, local service communication, long distance carrier telephone, and utility cables should cross Magellan pipeline(s) with a ***minimum of 24-inches of vertical separation***. All such lines must be covered with a *Concrete Slab* for the full width of the **Easement Tract**, if requested by Magellan. If such lines have an exposed concentric neutral, a test point from the ground wire shall be installed by the power company.

f. **Crossing Requirements For Lines Going Over a Magellan Pipeline.** In the event the electrical, fiber optic, local service communication, long distance carrier telephone, and utility cable crosses ***over*** a Magellan pipeline, such line shall be ***encased in red concrete across the full width of Magellan's Easement Tract***, unless a variance is granted by Magellan, as set forth below.

g. **Written Authorization for Variance.** Owner must have written authorization from Magellan for any variance from the vertical separation requirements listed above and/or for any variance from the requirement for encasement of high-voltage electrical lines in red concrete.

h. **Utility Poles and Guy Anchors.** Utility poles and guy anchors shall not

be placed on Magellan's Easement Tract without a written agreement. With a written agreement, poles and anchors may be placed no closer than 20 feet to any Magellan pipeline. Poles shall not be allowed to run parallel to a Magellan pipeline within the Magellan Easement Tract.

i. **Directional Drilling / Boring.**

1) Prior to commencing any horizontal directional drilling, Owner shall submit plans showing procedure and material descriptions for Magellan's approval. The plans and description shall include, but not be limited to the following:
   - Profile and plan showing location of entry and exit points
   - Work space required to perform the work
   - Mud containment and disposal sites
2) Owner shall positively locate and stake the location of Magellan's existing pipelines and other underground facilities, including exposing any facilities located within 10 feet of the designed drilled path. Prior to commencing drilling operations, Owner shall modify drilling practices and down-hole assemblies to prevent damage to Magellan's existing pipelines and other facilities. Owner shall be responsible for losses and repairs occasioned by damage all Magellan pipelines and other facilities resulting from drilling or boring operations.
3) At all times, Owner shall provide and maintain instrumentation to document and accurately locate the pilot hole and the drill bit, to measure drill-string axial and torsional loads, and to measure drilling fluid discharge rate and pressure. At Magellan's request, Owner shall promptly provide Magellan with reasonable access to information and readings provided by these instruments, including copies of any written documentation.
4) Pilot Hole.
   - The pilot hole shall be drilled along the path shown in the plan and profile drawings. No pilot hole shall be made that will result in any of the encroaching utility being installed in violation of laws and regulations or of Magellan's requirements described herein. However, safety for any adjacent utilities and/or structures is of utmost importance. Therefore, the listing of separation distances or tolerances herein does not relieve Owner from responsibility for safe operations or for damage to adjacent utilities and structures.
   - If tolerances are not specified in the plan and profile drawings, the pilot hole shall have the following tolerances:
     - Elevation of +0 feet and -15 feet
     - Alignment of +/-20 feet as long as it does not come to

within 10 feet of Magellan's pipeline

- Initial penetration of ground surface at exact location shown in the plan and profile drawings
- Final penetration of the ground surface within +/-10 feet of the alignment and within +30 feet and -0 feet of the length shown in the plan and profile drawings
- Curves shall be drilled at a radius equal to or greater than that specified in the plan and profile drawings. The drilled radius will be calculated over any 3 joints (range 2 type drill pipe) segment using the following formula:

Rdrilled = (Ldrilled/Aavg) x 180/π

Where: Rdrilled =drilled radius over Ldrilled

Ldrilled = length drilled; no less than 75 feet and no greater than 100 feet

Aavg = total change in angle over Ldrilled

- At the completion of the pilot-hole drilling, Owner shall provide to Magellan a tabulation of horizontal and vertical coordinates, referenced to the drilled entry point, which accurately describe the location of the pilot hole.

5) **Drilling Fluids.**

- The composition of drilling fluids proposed for use shall comply with all applicable laws and regulations.
- Owner is responsible for obtaining, transporting and storing any water required for drilling fluids.
- Disposal of drilling fluids and drill cuttings shall be Owner's responsibility and shall be conducted in compliance with applicable laws and regulations. Drilling fluid shall *not* be disposed of by placing fluids on or under the surface of Magellan's Easement Tract.
- Owner shall employ best efforts to maintain full annular circulation of drilling fluids. Drilling fluid returns at locations other than entry and exit points shall be minimized. If annular circulation is lost, Owner shall take steps to restore circulation. If inadvertent surface returns of drilling fluids occur, they shall be immediately contained with hand-placed barriers (e.g., hay bales, sand bags, silt fences, etc.) and collected using pumps as practical. If the amount of surface return is not great enough to allow practical collection, the affected area will be diluted with fresh water and the fluid will be allowed to dry and dissipate naturally. If the amount of surface return exceeds that which can be contained with hand-placed barriers, small collection sumps (less than 5

cubic yards) may be used unless permits or other regulations prohibit the use of collection sumps. If the amount of surface return exceeds that which can be contained and collected using barriers or small sumps, or if the return of drilling fluids occurs in the body of water proper, drilling operations will be suspended until surface return volumes can be controlled.

6) **As-Built Drawing.** Owner shall provide to Magellan an as-built plan and profile drawing of the drilled crossing showing the location of the new crossing as well as the location of Magellan's pipeline.

5. **Roadway, Driveway, Railroad and Equipment Crossings.** No roadway, driveway, railroad or equipment crossings of any type shall be allowed to be constructed parallel to any Magellan pipeline within the boundaries of Magellan's Easement Tract.

   a. **Pipeline Integrity Inspection.** A pipeline integrity review shall be performed by Magellan as described in provision "*6*" under "*C. ENCROACHMENT PLANNING*" (above).
   b. **Load Bearing and Stress Limit Requirements.** Prior to any road, driveway, rail bed or equipment crossing construction, Magellan's engineer must determine whether the proposed compacted cover meets load-bearing requirements and provides adequate protection to limit stress on Magellan's pipeline or other facilities and must advise Owner of any additional requirements necessary to provide adequate protection.
   c. **No Crossing Over Pipeline Bend.** Paved surfaces or rail beds shall not be allowed to cross a pipeline bend (point of inflection).
   d. **Minimum Angle of Crossing.** Crossings should be as close to 90 degrees to Magellan pipeline(s) as possible, but not less than 30 degrees.
   e. **Pipeline Casing Issues.** Magellan prefers that cased roadway and railroad crossings no longer be installed. If the carrier pipe under roadways and railroads requires adjustment or relocation, then instead of using casing, the carrier pipe will consist of extra strength material or heavier wall thickness to accommodate the additional longitudinal stress due to external loads. If a road or railroad crossing currently uses casing and the road or railroad is being widened and no other adjustment or relocation of the carrier pipe is required, then Magellan may elect to extend the casing pipe on the existing crossing(s) to accommodate additional road surface. If casing is used, it must not end under the roadway surface or track structure, but must extend across the entire length of the roadway or railroad right of way.
   f. **Railroad Crossing Requirements.** Railroads shall be installed with a

minimum compacted cover over the carrier pipe, as measured from the base of the rail to the top of the pipe, as follows (*see Figures 1 and 3*):

Location of Pipeline	**Minimum Compacted Cover Over Top of Pipeline**
Under track structure proper (Below bottom of rail)	6.0 feet
Under all other surfaces within the right of way or from the bottom of ditches	3.0 feet

g. **Roadway and Driveway Crossings.** Roadways and driveways, shall be installed with a minimum compacted cover over the carrier pipe, as measured from the top of the roadway surface to the top of the pipe, as follows (*see Figures 2 and 4*):

Location of Pipeline	**Minimum Compacted Cover Over Top of Pipeline**
Under roadway surface proper (Below surface of pavement)	4.0 feet
Under all other surfaces within the right of way or from the bottom of ditches	3.0 feet

h. **Crossing Pipelines Transporting Highly Volatile Liquids.** For Magellan pipelines transporting highly volatile liquids, minimum cover for a crossing at a drainage ditch must be 4.0 feet.

i. **When Additional Depth Required.** Depth greater than the minimum depths stated above may be required for a pipeline due to the combined stress of internal pipeline pressure and external loading pressure. Magellan will analyze each proposed crossing based on information provided by Owner to determine any additional depth that may be required for the pipeline for safe operation.

j. **Temporary Roads and Equipment Crossings.** Any such road or crossing must meet the following requirements:
   - Must be located at a site approved by a Magellan field representative.
   - Must provide adequate protection for Magellan's pipeline and other facilities, as determined by the appropriate Magellan engineer, so that the compacted cover meets load-bearing requirements and provides

adequate protection to limit stress on the pipeline or other facilities.

- Owner shall place Six-inch wide plastic warning tape, McMaster-Carr No. 8288T12 or equal, over each pipeline for the width of the temporary road or equipment crossing, plus an additional 20 feet past each outside edge of such temporary road or equipment crossing

k. **Owner Required to Protect Magellan Pipelines.** Magellan may require Owner to put in place additional cover and/or stabilization (timbers, steel plate, crushed rock, concrete slab, etc.) at any approved equipment crossing in order to protect Magellan pipelines, taking into account possible effects of weather, pipeline depth, and type of vehicles proposed to cross the pipelines. Magellan will analyze each proposed crossing based on information provided by Owner to determine any additional depth or protection that may be required for safe pipeline operation.

l. **Heavy Equipment - Definition and Requirements.** Heavy equipment shall be defined as vehicles having a *gross weight* in excess of 80,000 pounds. Heavy equipment shall be prohibited from working directly on top of the active pipeline. For vehicles having a *gross weight* of 80,000 pounds or less, the pipeline must have a minimum of 4 feet of cover. Magellan must analyze the additional longitudinal stress due to external loads if the vehicles have a *gross weight* in excess of 80,000 pounds in order to determine required pipeline depth for safe operation.

6. **Parking Lots and Other Pavement.**

a. **Parking Lot and Pavement Requirements.** All parking lots and other pavement installed on Magellan's Easement Tract shall consist of a flexible surface such as asphalt. No reinforced concrete will be allowed.

b. **Pipeline Depth Under Parking Lot.** The depth of Magellan's pipelines under a parking lot must meet or exceed compacted cover requirements listed in the previous "Roadway, Driveway, Railroad, and Equipment Crossings" section above

7. **Waterway Crossings.**

a. **Pipeline Depth Requirements.** If Owner proposes to cross a Magellan pipeline with a waterway (river, stream, creek, irrigation canal, or drainage ditch), such crossing must result in Magellan's pipelines meeting or exceeding the minimum depth below the bottom of the waterway for compliance with then current pipeline construction standards and federal, state, and local regulations.

b. Requirements for Waterway Crossings:

1) **Minimum Angle or Crossing.** Crossings should be as close to 90 degrees to Magellan pipeline(s) as possible, but not less than 45 degrees.
2) **Vertical Separation Requirements for Waterway Crossing.** Pipelines to be crossed must have a minimum vertical separation of five (5) feet, as measured from the bottom of the waterway to the outermost part of a Magellan pipeline, facility or appurtenance
3) **Adding Weight to Pipeline for Negative Buoyancy.** Owner shall bear the cost of Magellan adding sufficient weight or mechanical devices to any Magellan pipeline crossed by a waterway in order to create negative buoyancy for such pipeline.

8. **Blasting.**

a. **Magellan Written Approval Required – Plan To Be Submitted.** Magellan must approve any proposed blasting operations that could affect its pipelines or facilities. Should blasting be necessary, a comprehensive plan must be submitted to Magellan for review and written approval.

b. **Safety Considerations – Damage Prevention Plan.** For safety and preservation of Magellan assets, all blasting shall be in accordance with federal, state, and local governing agencies and the Magellan's "Damage Prevention Plan for Blasting Near Company Facilities". A copy of said plan will be made available upon request.

E. EXCAVATION NEAR MAGELLAN PIPELINES.

1. **STATE "ONE-CALL" REQUIRED.** No excavation or activity listed in "*A. GENERAL - 1. Encroachment Definition*" above shall be performed by Owner in the vicinity of Magellan's facilities or within Magellan's Easement Tract until proper telephone notification has been made to the appropriate "One Call" system and a Magellan representative is on-site to monitor excavation activities. All of the states in which Magellan conducts pipeline operations have "One Call" laws, which require 48-72-hours notification prior to any excavation related activities. After making a One-Call, the state One-Call agency will notify Magellan to mark accurately, in a reasonable and timely manner, the location of the Magellan's pipeline facilities in the vicinity of the proposed encroachment.

2. **ONE-CALL NOTIFICATION.** *The following list is provided for convenience, but is not warranted by Magellan to be complete or accurate (telephone numbers were copied from each state's web site on 1/5/2004).* **Owner is required to acquire and call the appropriate One-Call number(s) for its**

location of activity.

Current "ONE-CALL" numbers and information can be found on each state's "ONE-CALL" website:

Arkansas - http://www.arkonecall.com/	- 800 482-8998
Colorado - www.uncc2.org/	- 800 922-1987
Illinois - www.illinois1call.com/	- 800 892-0123
Iowa - www.iowaonecall.com/	- 800 292-8989
Kansas - www.kansasonecall.com/	- 800 344-7233
Minnesota - www.gopherstateonecall.org/	- 800 252-1166
Missouri - www.mo1call.com/	- 800 344-7483
Nebraska - www.ne-diggers.com/	- 800 331-5666
North Dakota - www.ndonecall.com/	- 800 795-0555
Oklahoma - www.callokie.com/	- 800 522-6543
South Dakota -www.sdonecall.com/index.asp	- 800 781-7474
Texas - www.texasonecall.com/	- 800 245-4545
Wisconsin - www.diggershotline.com/	- 800 242-8511

Alternatively, the National One-Call number – (888) 258-0808 - may be used to register a proposed excavation and to subsequently notify underground utility operators with assets in the vicinity.

3. **Excavation Plan Approval.** Owner shall submit to Magellan for its approval plans for any proposed excavation on the Magellan Easement Tract. No excavation on Magellan's Easement Tract shall be commenced until Owner has secured Magellan's written approval of the plans. The excavation work shall be in compliance with all applicable laws and regulations. Owner is also referred to the Common Ground Alliance Best Practices (referenced in this document).

4. **Magellan Representative On-Site for Excavation.** A Magellan representative must be on-site when an excavation is occurring on Magellan's Easement Tract (*see provision "2" under "A. General" beginning on page 1*).

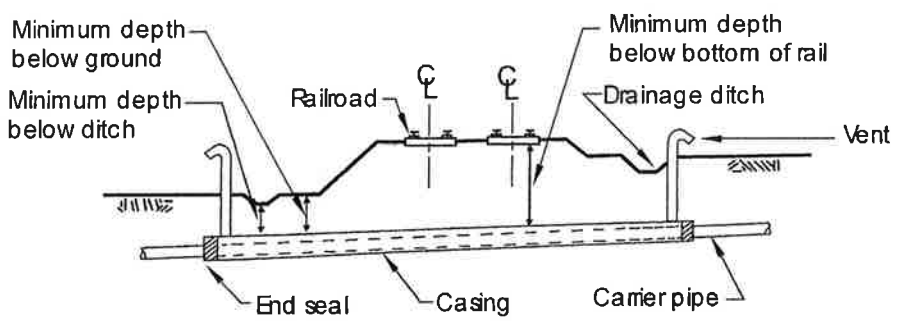
5. **Removal of Side-Cutting Teeth from Equipment.** Side-cutting teeth shall be removed from buckets of excavating equipment.

6. **Parallel Excavating Required.** When, in preparation for crossing any Magellan pipeline with any other pipeline or with electric line, communication line, roadway or any other structure or facility, Owner needs to locate a Magellan

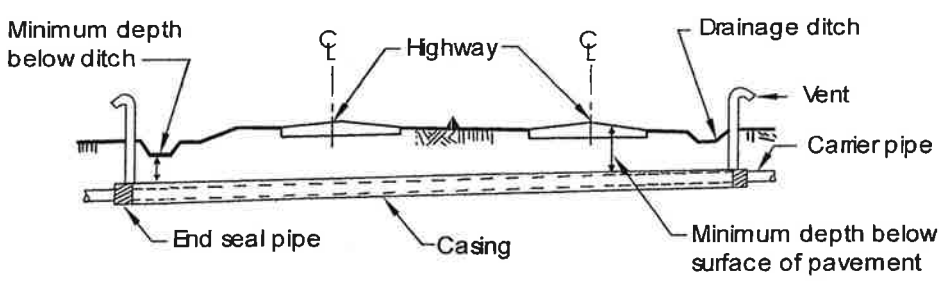
pipeline by use of mechanical means. Owner must perform such locating activity by excavating parallel to the Magellan pipeline with such mechanical means, but shall cease using the mechanical means when it reaches a point within two feet of the Magellan pipeline (*see next provision*).

7. **Exposing Pipeline by Hand.** Excavating within 2 feet of any Magellan pipeline shall be done by *hand-digging* until the pipeline is exposed and its location is accurately known. Then, Owner must position the excavation equipment so that from the point of operations the equipment will not reach within 2 feet of any Magellan pipeline.

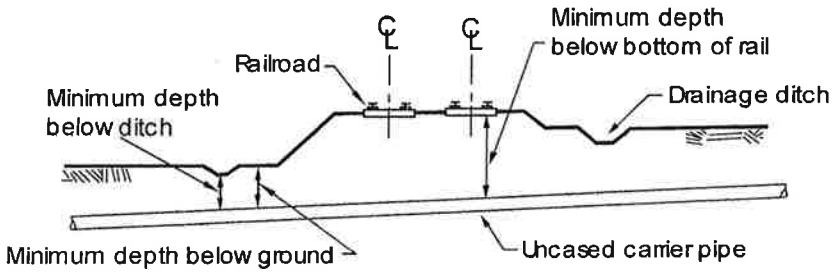
RAILROAD AND HIGHWAY CROSSINGS



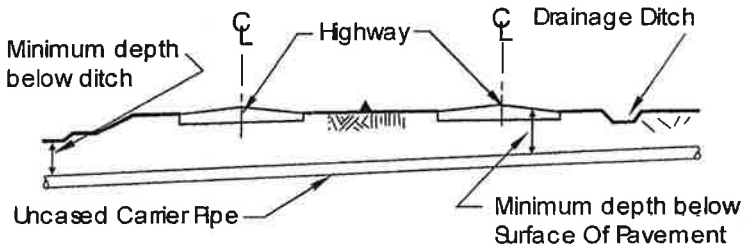
CASED RAILROAD CROSSING
FIGURE 1



CASED HIGHWAY CROSSING
FIGURE 2



UNCASED RAILROAD CROSSING
FIGURE 3



UNCASED HIGHWAY CROSSING
FIGURE 4

THANK YOU *from all of us*

for using the One-Call system.

FREE *to you!*

PRICELESS *to everyone!*

Benefits of using One-Call:

- *Public safety*
- *Clean environment*
- *Uninterrupted utilities*

Let's keep our communities safe and clean

Critical Steps for a Successful Excavation

Step 1 *Call Before You Dig*

National One-Call Referral Number
(888)258-0808

Step 2 *Dig with Care*

For excavation around underground facilities, Magellan Midstream Partners endorses and recommends the "Excavation Best Practices" outlined by the Common Ground Alliance. To learn more, go to www.commongroundalliance.com on the Web.

Pipeline Representative On-Site

When planning to dig near one of Magellan's pipelines, we require that one of our representatives be on-site during excavation, construction activities or back filling around Magellan's assets. Please call the Magellan representative listed on the attached business card (opposite side) and we'll be at your job site, doing our part to ensure a safe project.

Emergency Contact: (800)720-2417

Please call us night or day, weekends and holidays included to report an emergency involving Magellan's pipelines.

Reporting an Incident

Please report all incidents involving Magellan's assets to the Magellan representative listed on the attached business card (opposite side) or call even if the damage seems minor. Minor scrapes, dents, scratches or creases to a pipe or coating can cause corrosion. Pipeline corrosion could result in a future product leak or serious accident. DON'T COVER UP A POTENTIAL PROBLEM!

THANK YOU
for helping to keep our communities safe and clean

MAGELLAN®
MIDSTREAM PARTNERS, L.P.

(800)720-2417
www.magellanlp.com

CGA Common Ground Alliance

Dig Safely.

MAGELLAN®
MIDSTREAM HOLDINGS, L.P.

Magellan Pipeline Company

General Encroachment Requirements

Owen R Worstell - 963 Vernon Road - Wathena, Kansas 66090

Owen.worstell@magellanlp.com

785-989-3448 ext 22 / 816-809-7316

24-hour Emergency Operation Control

800-720-2417

Know what's **below.**
Call before you dig.

DANGER

HIGH PRESSURE PIPELINE IN AREA
CALL BEFORE YOU DIG ON THIS SITE

DO NOT EXCAVATE ON THIS SITE

EXTREME DANGER TO LIFE AND ENVIROMENT

STOP: CALL THIS NUMBER

800-720-2417

National One Call: Dial 811

Magellan Midstream Partners owns and operates the nation's longest refined petroleum products pipeline system including 8,500 miles of pipeline, over 80 petroleum products terminals and an 1,100-mile ammonia pipeline system. Our primary business is the transportation, storage and distribution of refined petroleum products.

Our facilities are part of a vast national network that reliably delivers products in a safe, clean and economical manner. Products transported through our pipelines are used to generate power, fuel cars, make plastics, grow crops, heat our homes and much more.

Magellan is committed to operating our pipelines safely. We have an excellent safety record in the pipeline industry. Our pipelines and facilities are designed, tested, operated, maintained and monitored at or above regulatory standards.

Despite extensive safeguards, pipeline accidents can still occur. Statistics show that the leading cause of pipeline damage is excavation activity. Should an accident occur, Magellan employees are trained to work with emergency officials and responders to resolve the issue as safely and quickly as possible.

Identifying pipelines

Petroleum pipeline companies, like Magellan, install aboveground markers to show the approximate location of buried pipelines as well as the name and emergency phone number of the pipeline operator. Markers should not be used to determine exact locations or depth. It is important to call 811 or your area One-Call center to locate any buried pipeline. Some of the markers are designed to be viewed by aerial pipeline inspectors who survey the line on a regular basis.

Call before you dig

811
Know what's **below.**
Call before you dig.

To reduce the amount of damage caused by third parties, Magellan participates in One-Call programs which give utility owners the opportunity to mark their underground facilities in the area of digging.

Before excavating, a free phone call to 811 will start the process to get underground utility and pipelines marked for free. Within a few days, your utility companies, including Magellan, will send a trained locator to mark the locations of the pipeline and other underground utilities. If a buried pipeline is struck, the owner of that utility should be contacted immediately. Unreported damage, including the tearing of a pipeline cover or denting of the pipe, can lead to an accident days or even years later.

Potential hazards

Fire and explosions are the greatest hazards for petroleum products, and for certain gases such as butane, propane, natural gas and anhydrous ammonia. Anhydrous ammonia is also a toxic gas – although it is lighter than air, it may auto-refrigerate in an accidental release and produce a cold, dense, toxic vapor cloud or fog which may concentrate near the ground or in low-lying areas until it warms.

HAZARDOUS MATERIAL QUICK GUIDE

	Product	Leak Type	Vapors	Health Hazards	Fire Hazards
ERG Guide 128	Crude Oil	Liquid	Heavier than Air*	Possible presence of H2S, a toxic gas	Extremely flammable liquid or vapor; vapors are heavier than air and may accumulate in low areas and travel considerable distance to ignition source
	Gasoline, Diesel, Jet Fuel, Heating Oil, Transmix			Irritating to Eyes and Skin; vapors at high concentration may cause central nervous system effects	
ERG Guide 115	Propane, Butane	Liquid/Gas		Respiratory tract irritant, may cause central nervous system effects	
ERG Guide 125	Anhydrous Ammonia	Liquid/Gas	Lighter than air but can act as heavy gas	Irritant and corrosive to skin, eye, respiratory tract and mucous membranes; may cause severe burns, eye and lung injuries and death	SPECIAL EMERGENCY RESPONDER PROCEDURES: Must wear protective clothing and respiratory protection; stay upwind and use water spray to knock down vapor and dilute
ERG Guide 115	Natural Gas	Gas	Lighter than Air	Extremely high concentrations may cause irritation or asphyxiation	Extremely flammable and easily ignited by heat, sparks or flames

Important Resources
- Material Safety Data Sheets (MSDS) are available by calling (800) 451-8346.
- The Emergency Response Guide (ERG) can be viewed online or purchased at http://hazmat.dot.gov.

Emergency Response Steps

1. Ensure personal safety

In the event of a pipeline emergency, responders should take standard precautions to ensure personal safety such as those outlined in the Department of Transportation's Emergency Response Guidebook.
- Do not approach the impacted area without proper Personal Protective Equipment (PPE)
- Monitor wind direction and keep unprotected personnel upwind of spill area
- Use appropriate detection equipment
- Do not drive into vapor clouds
- Do not extinguish primary fires
- Turn off all engines and electrical devices including phones and radios
- Do not attempt to operate any pipeline valves
- Do not approach liquid or vapor ammonia cloud without proper PPE

2. Notify the pipeline operator

Pipeline controllers can take immediate steps to shut down an affected pipeline. At the same time, trained Magellan representatives will respond to the scene where they will integrate into the Incident Command structure working with emergency responders, state and local agencies to minimize consequences and bring the incident to a conclusion. Magellan employees receive specialized spill response training, and will utilize professional response contractors who have the equipment and expertise to control and recover spilled material.

3. Protect the public

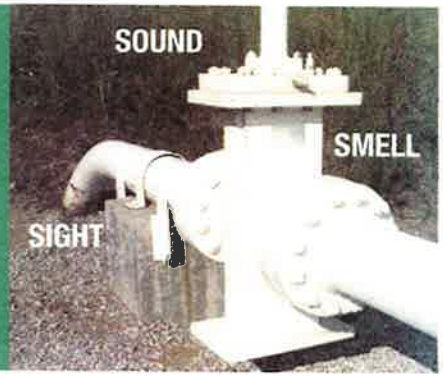
Establishing control of the incident is vital to protect lives and property. After identifying the type of released product, use the Emergency Response Guidebook to determine proper exclusion zones and evacuation areas.
- Establish a perimeter
- Stop all traffic from entering exclusion zone
- Clear roadways for emergency vehicles
- Determine methods to inform public such as radio, television, the emergency alert system, or reverse-911
- Evacuate, or shelter-in-place where the public is advised to remain in their homes with their windows and doors shut, and possibly turning off the heat or air conditioners. Additional protective steps for an ammonia release would be to stay inside a bathroom with the shower running and a wet towel at the bottom of the door.
- If evacuation is necessary, establish an evacuation center where the public can wait for news and assistance

LEAK IDENTIFICATION

Pipeline leaks can be dangerous, possibly resulting in a fire or explosion. Watch for the following signs to detect a potential leak:

- Strange, pungent or unusual odor near the pipeline
- Hissing, whistling or roaring sound
- Dense white cloud of fog
- Patch of dead or discolored vegetation along a pipeline
- Pools of liquid
- Continuous bubbling in wet, flooded areas, creeks or bayous

Suspected leaks should be reported immediately to Magellan's 24-hour Emergency Operations Control Number, 1-800-720-2417 and local emergency agencies.



Magellan's System Integrity Plan (SIP)

Magellan uses a comprehensive System Integrity Plan (SIP) which includes procedures, practices and processes to monitor our lines.

- **Risk Analysis** is performed regularly by engineers who work diligently to prevent pipeline failures in all areas of our operations. High Consequence Areas or highly populated locations, environmentally sensitive areas, or commercially navigable waterways receive additional focus. Our risk engineers analyze multiple areas including proximity, potential volume release, third party activities, corrosion control and others to determine if additional protective measures are needed.

- **Computerized Control Centers** use remote telemetry equipment to monitor the operation of our pipelines 24 hours-per-day, seven days a week. These devices assist operators in quickly shutting down equipment and dispatching emergency crews during an urgent situation.

- **Smart Pigs** are sophisticated electronic pipeline inspection tools used to detect dings, scratches or corrosion in and on our pipelines.

- **Routine inspections** are conducted at our facilities and along our pipeline routes. Air patrols are regularly conducted to visually monitor the land surrounding the pipeline.

- **Emergency Plans** are maintained at our facilities. Our employees are regularly trained in emergency response and participate in drills with local and state emergency agencies.

Before you build

Pipeline rights-of-way, or easements, are parcels of land above and around buried pipelines. To operate our pipelines safely, operators must be able to reach these parcels without interference from buildings, shrubs, trees or other encroachments. Communities should consider setbacks (the distance from the pipeline to another structure in the area), zoning ordinances or other measures to keep these areas clear. Careful land use decisions can reduce risks associated with pipelines. The Office of Pipeline Safety (www.phmsa.dot.gov) through the Pipeline and Informed Planning Alliance works with communities and pipeline companies to provide guidance for developing properties near pipelines.

811

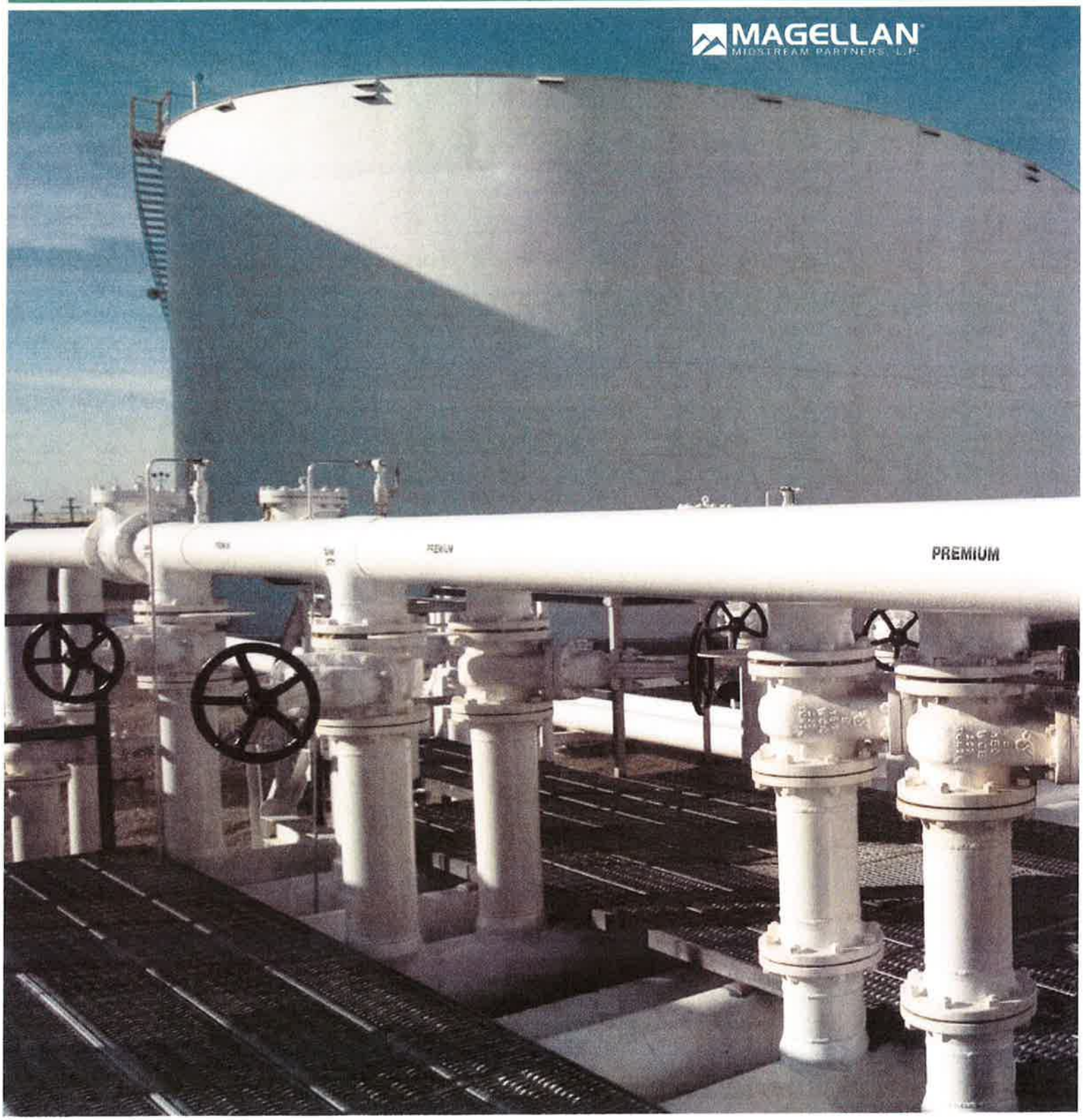
Know what's **below.**
Call before you dig.

To obtain more information about our emergency response plans or asset integrity programs, please call 800-574-6671.

24-hour Emergency Operations Control
800-720-2417

P.O. Box 22186
Tulsa, OK 74121-2186
One Williams Center
Tulsa, OK 74172
Phone: 918-574-7000
Toll-Free: 800-574-6671

www.magellanlp.com



MAGELLAN PIPELINE COMPANY, L.P.

General Encroachment Requirements

A. GENERAL - These requirements define the minimum standards of practice for encroachments by a landowner (including any developer, business entity, utility company or individual working for, or on behalf of, or with permission of landowner) (herein referred to collectively as "Owner") to pipeline corridors and rights of way ("Magellan's Easement Tract") owned or operated by Magellan Pipeline Company, L.P. ("Magellan"). Upon written request by Owner to Magellan, a copy of these minimum requirements shall be provided to any developer, business entity, utility company or individual working on behalf of Owner or with the permission of Owner within Magellan's Easement Tract. Specific circumstances may require additional precautions or more stringent methods in order to protect the integrity of Magellan's pipelines and facilities. Magellan's Easement Tract for purposes of these General Encroachment Requirements shall be considered to be any area within fifty (50) feet of any Magellan pipeline or other Magellan-owned or operated facility unless a different right of way width is specified by one or more recorded right of way or easement documents (herein collectively called "Easement", whether one or more), in which case such specified width shall define Magellan's Easement Tract.

1. **Encroachment Definition.** An "encroachment" is any use of the land within Magellan's Easement Tract which could interfere with Magellan's Easement rights or which could create safety concerns for Magellan pipelines and/or facilities located on Magellan's Easement Tract. Encroachments include, but are not limited to: structures, fixtures, personal property, landscaping, foreign utilities, foreign pipelines, roadways, railroads, waterway crossings, water impoundments, walls, heavy equipment and heavy loads on Magellan's Easement Tract, and also any excavation, digging, drilling, tunneling and addition, removal or disturbance of soil or subsoil within Magellan's Easement Tract.

2. **Magellan Representative Required On-Site.** Magellan pipeline systems operate at high pressures, and for safety reasons, Magellan requires its company representatives to be on-site while Owner is excavating or performing other activities which could endanger the Magellan pipelines or other facilities on

Magellan's Easement Tract. For other activities of the Owner on the Magellan Easement Tract, the Magellan field representative shall determine whether Magellan's continuous presence or periodic monitoring of encroachment activities will be required and shall inform the Owner. A Magellan representative will be made available upon 48 hours notice (exclusive of weekends and holidays) to determine the location and approximate depth of any Magellan pipelines. No excavation shall be commenced without prior written approval from Magellan and verification by Magellan of the location and approximate depth of its pipelines.

3. **Magellan's Facilities.** Magellan's facilities include, but are not limited to, Easement, rights of way, pipelines, meter and valve sites, aboveground piping manifolds and cathodic protection systems.

4. **Land Use Change - Notification.** The landowner and tenant, if any, must notify Magellan at any and every time when the land use will be changed for land on or adjacent to Magellan's Easement Tract. Examples of such land use changes are:
   - Change from pasture to cultivation
   - Change in depth of tilling (e.g. plowing deeper or deep-breaking the land)
   - Change in that terraces will be cut or re-cut
   - Change from agricultural use to residential, commercial or industrial use.
   - Change from residential to commercial or from commercial to industrial.

5. **Governmental Regulations and Industry Guidelines.** Owner must comply with all applicable laws and regulations, as well as Magellan's policies as expressed herein. Owner is also hereby referred to the Common Ground Alliance Best Practices which can be found on the web site: www.commongroundalliance.com (See "Program Information" / "Best Practices") and which is available from Common Ground Alliance in booklet form for easy reference. Best Practices addresses the most common issues for damage prevention for an encroaching party, including, among others: Planning and Design; One-Call Center; Locating and Marking; Excavation; and Mapping.

   In the even of a conflict between laws and regulations, Magellan's policies and the Common Ground Alliance Best Practices, the following priority shall govern encroachments on Magellan's Easement Tract: 1st -- laws and regulations; 2nd -- Magellan policies; and 3rd -- Common Ground Alliance Best Practices.

B. MAGELLAN RIGHT OF WAY PRACTICES

1. **Personal Property and Fixtures To Be Kept Off of Magellan's Easement Tract.** In order to keep Magellan rights of way clear for operations, maintenance, inspection and emergency access, personal property and fixtures shall not be placed, stored or maintained on Magellan's Easement Tract. Personal property and fixtures include, but are not limited to, storage sheds, automobiles, trailers, mobile homes, above-ground swimming pools, business equipment, product inventory, scrap metal, boulders, large rocks, debris, junk and piles of materials.

2. **Encroachments Subject to Being Cleared from Magellan's Easement Tract.** Subject to the terms of its Easement (including right of way agreement[s] and other written agreements) , Magellan may keep Magellan's Easement Tract clear of items that may hinder the exercise of Magellan's rights to construct, operate, inspect, maintain, repair and access its pipelines and other facilities. Clearing of the Magellan's Easement Tract shall include, but not be limited to the following: removal of trees, brush, crops, other vegetation and non-permitted encroachments located on or overhanging all or part of any Magellan's Easement Tract. Trees or other vegetation overhanging Magellan's Easement Tract may be side-trimmed.

C. ENCROACHMENT PLANNING

1. **Plan Review Required by Magellan.** For any encroachment, Magellan must be provided project plans to review and approve, *prior to the encroachment occurring*, for purposes of damage prevention.
2. **Submission of Complete Plans.** Owner must submit complete plans to Magellan for review. Incomplete plans could delay Magellan's engineering impact study and insufficient information could result in increased costs. Plans must include:
   - A plan view of the project with the *pipeline(s) location included.*
   - An illustration in *profile* of the existing surface elevations, the proposed surface elevations and the elevation of the Magellan pipeline(s).
   - A comprehensive utility/structure/grading plan depicting the relationship to the pipeline(s).
   - A proper legal description of the project location.
   - Complete landscaping plans.
   - Complete plans for backfilling and compaction of backfill material.

3. **Plans Must Show Magellan's Easement Tract, Pipelines and Facilities.** All construction plans (prints) showing lands where all or any part of Magellan's Easement Tract, any Magellan pipeline or facility is located must contain the

following:

- Location and depth of all Magellan pipelines and facilities
- The width of Magellan's Easement Tract
- A standard warning statement *conspicuously displayed* containing the following language:

WARNING
HIGH-PRESSURE PIPELINE(S)

Excavation and/or Construction Prohibited

Without compliance with **State One-Call**, AND

Without Written Permission From

MAGELLAN PIPELINE COMPANY, L.P.

4. **Written Encroachment Agreement Required.** A written, fully executed Encroachment Agreement must be in place between Magellan and Owner before Owner commences work on any encroachment.

5. **Costs.** Unless otherwise agreed in writing, all costs to Magellan that result from any encroachment should be paid by Owner. Such costs shall include, but not be limited to: modification, replacement, lowering, and protection of pipelines, including engineering evaluation and design, field labor and real estate research and document preparation and handling,

6. **Pipeline Integrity Inspection.** Prior to the installation of any structure, parking lot, roadway or other facility which might interfere with or hinder Magellan's inspection of any pipeline or facility, Magellan will perform an integrity review of its pipeline and any other assets which may be affected by the proposed structure, parking lot, roadway or other encroaching facility in order to determine that Magellan's assets comply with integrity requirements and to allow Magellan to make any needed changes prior to construction of any encroachments.

7. **Soil On Magellan's Easement Tract -- Removing and Adding.** No soil shall be removed from or added to Magellan's Easement Tract without written authorization from Magellan. Any soil added must be clean (without contaminants, trash or debris) fill dirt and must be *limited in amount* so that the

resulting cover (vertical distance from the surface of the land to the top of Magellan's pipeline) is not greater than eight feet (8').

8. **Erosion Control Materials.** Erosion-control materials may be allowed on Magellan's Easement Tract for temporary periods of construction and restoration.

9. **Proof of Title to Property.** Magellan may require Owner to provide proof of current ownership of the land where the proposed encroachment is to be located. Such proof may be in the form of a Title Commitment, Title Policy, or a copy of a recorded Warranty Deed.

10. **Subdivision Plat.** Magellan requires a copy of the Subdivision Plat, if applicable. If the plat has been recorded, Magellan requires a copy indicating the book and the page of the recording.

11. **Location and Approximate Depth of Pipelines.** A Magellan representative is normally available with 48 hours notice (exclusive of weekends and holidays) to determine the location and approximate depth of the pipeline(s). Determining actual depths of pipelines may require pot-holing or hand-digging by, and at the expense of Owner in the presence of an authorized Magellan representative. No excavation on Magellan's Easement Tract shall take place without approval by Magellan.

12. **Vertical Separation Between Magellan Pipeline or Facility and an Encroaching Object or Structure.** Vertical separation is defined in this document as the vertical distance between the outermost part of a Magellan pipeline, facility or appurtenance (for example, the outside of the pipe [for uncased pipe] or the outside of the pipe casing [for cased pipe]) and the outermost part of the encroaching object (for example, the outside of the encroaching pipeline or the outside of its conduit).

13. **Construction Equipment Information.** Owner shall provide to Magellan information as to the type, size, and weight of construction equipment that will be used over or in the vicinity of the pipeline(s).

D. ENCROACHMENT DESIGN REQUIREMENTS & STANDARDS

1. **Risk of Loss and Damage.** Owner shall bear the risk of loss, damage and/or destruction to any structure, fence, landscaping or improvement placed within the boundaries of Magellan's Easement Tract and shall hold Magellan harmless

for damages, destruction of structures and for any consequential damages which may arise out of Magellan or its designees exercising Magellan's Easement rights or which may arise out of accessing Magellan's Easement Tract, pipelines or facilities.

2. **Buildings, Structures and Fences.**

   a. **Buildings and Structures.** No buildings, houses, barns, garages, patios, playhouses, sheds, septic systems or drain fields, swimming pools (above-ground or below-ground), reinforced concrete slabs or other similar structures will be permitted on the Magellan's Easement Tract.
   b. **Septic System not permitted.** No septic-system, including any lateral lines will be permitted on Magellan's Easement Tract.
   c. **Retaining Walls.** Retaining walls are not permitted on Magellan's Easement Tract.
   d. **Fences.** No fence shall be constructed or maintained on Magellan's Easement Tract without a written agreement.
   e. **Requirements for Fences.** If fencing on Magellan's Easement Tract is authorized by a written agreement with Magellan, the fencing must comply with the following:
      1) **Not Parallel to Pipeline.** No fence shall be allowed to be constructed parallel closer than 10 feet to any Magellan pipeline, within the boundaries of Magellan's Easement Tract.
      2) **Fence Posts Location.** No fence posts will be allowed to be within five (5) feet of any Magellan pipeline or facility.
      3) **Gates Required.** Magellan may require any fence constructed within the boundaries of Magellan's Easement Tract to have gates of such size and suitability as is necessary or convenient for Magellan to access its pipelines and/or facilities for its operations, including inspections, at each point where the fence crosses a Magellan pipeline or facility boundary. Magellan shall be allowed to put a Magellan lock on such gates, which will allow access to Magellan's Easement Tract and/or facilities through such gates.
      4) **Angle of Fence Crossing.** It is preferred that fence crossings be as close to 90 degrees as possible.

3. **Landscaping, Elevation Changes and Water.**

   a. **Landscaping Definition.** Landscaping shall include, but not be limited to, trees, shrubs, underground irrigation or sprinkler systems, sidewalks or other paths, retaining walls, terraces or other land grade changes, within

Magellan's Easement Tract.

b. **General Landscaping Requirements.** The following are the general rules for landscaping on Magellan's Easement Tract:
   1) **Written Approval.** Landscaping proposed to be done on Magellan's Easement Tract must be approved by Magellan in a **written *encroachment agreement***. Among other terms, the encroachment agreement will release Magellan from any liability for damages to the landscaping from the exercise of Magellan's Easement rights.
   2) **Trees Not Permitted.** Trees are not permitted on Magellan's Easement Tract.
   3) **Shrubs.** Shrubs exceeding 3 feet in height and/or obstructing the view of any Magellan pipeline marker posts are not permitted on Magellan's Easement Tract.
   4) **Irrigation Systems, Field Drain Lines, and Sidewalks.** Irrigation systems, field drain lines and sidewalks that are to cross a Magellan pipeline must cross such pipeline at an angle as close to 90 degrees as possible, but in no event at an angle less than 45 degrees and must comply with other applicable provisions of this document.

c. **No Water Bodies on Magellan's Easement Tract.** Retention of water, including but not limited to, Livestock ponds, lakes, retention ponds, or wetlands may not be constructed or formed on Magellan's Easement Tract.

d. **Surface Grade and Elevation Changes.** Surface grade or elevation changes must be reviewed and approved in writing by Magellan.

4. **Foreign Pipeline & Utility Crossings.** No foreign pipelines or utility lines of any type shall be allowed to be constructed parallel to any Magellan pipeline within the boundaries of Magellan's Easement Tract.

   a. **Minimum Angle for Pipeline/Utility Crossing.** Any foreign pipeline or utility that is proposed to cross a Magellan pipeline must cross the Magellan pipeline at an angle as close to 90 degrees as possible, but in no event at an angle less than 45 degrees.

   b. **Vertical Separation Requirements for Crossing.** Foreign pipeline(s), utilities (except high-voltage lines – see below) or flow lines should cross Magellan pipeline(s) with at least 24 inches of vertical separation. Special written authorization must be given in the event vertical separation is less than that specified in these General Encroachment Requirements. The preferred method for a foreign pipeline or utility to cross a Magellan pipeline is to cross ***below*** the Magellan pipeline.

   c. **Warning Tape Required.** When any foreign pipeline or utility line is

proposed to cross a Magellan pipeline, Owner must place 6" wide McMaster-Carr No. 8288T12 or equal within Magellan's Easement Tract in the following manner:

1) The tape must be placed directly over (parallel to) and at least 15 inches above the foreign line for the entire distance that it occupies Magellan's Easement Tract. Additionally, the tape must be placed directly over (parallel to) and at least 15 inches above each Magellan pipeline that is crossed for a minimum distance which is the greater of:
   (a) a minimum distance of 20 feet on each side of the Magellan pipeline, or
   (b) across the entire width of Magellan's Easement Tract
2) The placement of warning tape on each side of *Magellan* pipeline(s) will not be required for utility cables that are installed using the directional drill or jacking method.

d. **Crossings By Metal Pipelines or Conduits.** Metallic pipe crossing Magellan pipeline(s) may require Magellan to perform a cathodic protection interference survey. If interference with Magellan's cathodic protection system is detected and remediation is necessary, Owner agrees to cooperate with Magellan and to make necessary adjustments in Owner's interfering metallic pipe or other remediation to correct such interference problem insure that the Magellan cathodic protection system is operating properly.

e. **Crossing Requirements.** Electrical, fiber optic, local service communication, long distance carrier telephone, and utility cables should cross Magellan pipeline(s) with a ***minimum of 24-inches of vertical separation***. All such lines must be covered with a *Concrete Slab* for the full width of the **Easement Tract**, if requested by Magellan. If such lines have an exposed concentric neutral, a test point from the ground wire shall be installed by the power company.

f. **Crossing Requirements For Lines Going Over a Magellan Pipeline.** In the event the electrical, fiber optic, local service communication, long distance carrier telephone, and utility cable crosses ***over*** a Magellan pipeline, such line shall be ***encased in red concrete across the full width of Magellan's Easement Tract***, unless a variance is granted by Magellan, as set forth below.

g. **Written Authorization for Variance.** Owner must have written authorization from Magellan for any variance from the vertical separation requirements listed above and/or for any variance from the requirement for encasement of high-voltage electrical lines in red concrete.

h. **Utility Poles and Guy Anchors.** Utility poles and guy anchors shall not

be placed on Magellan's Easement Tract without a written agreement. With a written agreement, poles and anchors may be placed no closer than 20 feet to any Magellan pipeline. Poles shall not be allowed to run parallel to a Magellan pipeline within the Magellan Easement Tract.

i. **Directional Drilling / Boring.**

1) Prior to commencing any horizontal directional drilling, Owner shall submit plans showing procedure and material descriptions for Magellan's approval. The plans and description shall include, but not be limited to the following:
   - Profile and plan showing location of entry and exit points
   - Work space required to perform the work
   - Mud containment and disposal sites
2) Owner shall positively locate and stake the location of Magellan's existing pipelines and other underground facilities, including exposing any facilities located within 10 feet of the designed drilled path. Prior to commencing drilling operations, Owner shall modify drilling practices and down-hole assemblies to prevent damage to Magellan's existing pipelines and other facilities. Owner shall be responsible for losses and repairs occasioned by damage all Magellan pipelines and other facilities resulting from drilling or boring operations.
3) At all times, Owner shall provide and maintain instrumentation to document and accurately locate the pilot hole and the drill bit, to measure drill-string axial and torsional loads, and to measure drilling fluid discharge rate and pressure. At Magellan's request, Owner shall promptly provide Magellan with reasonable access to information and readings provided by these instruments, including copies of any written documentation.
4) Pilot Hole.
   - The pilot hole shall be drilled along the path shown in the plan and profile drawings. No pilot hole shall be made that will result in any of the encroaching utility being installed in violation of laws and regulations or of Magellan's requirements described herein. However, safety for any adjacent utilities and/or structures is of utmost importance. Therefore, the listing of separation distances or tolerances herein does not relieve Owner from responsibility for safe operations or for damage to adjacent utilities and structures.
   - If tolerances are not specified in the plan and profile drawings, the pilot hole shall have the following tolerances:
     - Elevation of +0 feet and -15 feet
     - Alignment of +/-20 feet as long as it does not come to

within 10 feet of Magellan's pipeline

- Initial penetration of ground surface at exact location shown in the plan and profile drawings
- Final penetration of the ground surface within +/-10 feet of the alignment and within +30 feet and -0 feet of the length shown in the plan and profile drawings
- Curves shall be drilled at a radius equal to or greater than that specified in the plan and profile drawings. The drilled radius will be calculated over any 3 joints (range 2 type drill pipe) segment using the following formula:

Rdrilled = (Ldrilled/Aavg) x 180/π

Where: Rdrilled =drilled radius over Ldrilled

Ldrilled = length drilled; no less than 75 feet and no greater than 100 feet

Aavg = total change in angle over Ldrilled

- At the completion of the pilot-hole drilling, Owner shall provide to Magellan a tabulation of horizontal and vertical coordinates, referenced to the drilled entry point, which accurately describe the location of the pilot hole.

5) **Drilling Fluids.**

- The composition of drilling fluids proposed for use shall comply with all applicable laws and regulations.
- Owner is responsible for obtaining, transporting and storing any water required for drilling fluids.
- Disposal of drilling fluids and drill cuttings shall be Owner's responsibility and shall be conducted in compliance with applicable laws and regulations. Drilling fluid shall *not* be disposed of by placing fluids on or under the surface of Magellan's Easement Tract.
- Owner shall employ best efforts to maintain full annular circulation of drilling fluids. Drilling fluid returns at locations other than entry and exit points shall be minimized. If annular circulation is lost, Owner shall take steps to restore circulation. If inadvertent surface returns of drilling fluids occur, they shall be immediately contained with hand-placed barriers (e.g., hay bales, sand bags, silt fences, etc.) and collected using pumps as practical. If the amount of surface return is not great enough to allow practical collection, the affected area will be diluted with fresh water and the fluid will be allowed to dry and dissipate naturally. If the amount of surface return exceeds that which can be contained with hand-placed barriers, small collection sumps (less than 5

cubic yards) may be used unless permits or other regulations prohibit the use of collection sumps. If the amount of surface return exceeds that which can be contained and collected using barriers or small sumps, or if the return of drilling fluids occurs in the body of water proper, drilling operations will be suspended until surface return volumes can be controlled.

6) **As-Built Drawing.** Owner shall provide to Magellan an as-built plan and profile drawing of the drilled crossing showing the location of the new crossing as well as the location of Magellan's pipeline.

5. **Roadway, Driveway, Railroad and Equipment Crossings.** No roadway, driveway, railroad or equipment crossings of any type shall be allowed to be constructed parallel to any Magellan pipeline within the boundaries of Magellan's Easement Tract.

   a. **Pipeline Integrity Inspection.** A pipeline integrity review shall be performed by Magellan as described in provision "*6*" under "*C. ENCROACHMENT PLANNING*" (above).
   b. **Load Bearing and Stress Limit Requirements.** Prior to any road, driveway, rail bed or equipment crossing construction, Magellan's engineer must determine whether the proposed compacted cover meets load-bearing requirements and provides adequate protection to limit stress on Magellan's pipeline or other facilities and must advise Owner of any additional requirements necessary to provide adequate protection.
   c. **No Crossing Over Pipeline Bend.** Paved surfaces or rail beds shall not be allowed to cross a pipeline bend (point of inflection).
   d. **Minimum Angle of Crossing.** Crossings should be as close to 90 degrees to Magellan pipeline(s) as possible, but not less than 30 degrees.
   e. **Pipeline Casing Issues.** Magellan prefers that cased roadway and railroad crossings no longer be installed. If the carrier pipe under roadways and railroads requires adjustment or relocation, then instead of using casing, the carrier pipe will consist of extra strength material or heavier wall thickness to accommodate the additional longitudinal stress due to external loads. If a road or railroad crossing currently uses casing and the road or railroad is being widened and no other adjustment or relocation of the carrier pipe is required, then Magellan may elect to extend the casing pipe on the existing crossing(s) to accommodate additional road surface. If casing is used, it must not end under the roadway surface or track structure, but must extend across the entire length of the roadway or railroad right of way.
   f. **Railroad Crossing Requirements.** Railroads shall be installed with a

minimum compacted cover over the carrier pipe, as measured from the base of the rail to the top of the pipe, as follows (*see Figures 1 and 3*):

Location of Pipeline	Minimum Compacted Cover Over Top of Pipeline
Under track structure proper (Below bottom of rail)	6.0 feet
Under all other surfaces within the right of way or from the bottom of ditches	3.0 feet

g. **Roadway and Driveway Crossings.** Roadways and driveways, shall be installed with a minimum compacted cover over the carrier pipe, as measured from the top of the roadway surface to the top of the pipe, as follows (*see Figures 2 and 4*):

Location of Pipeline	Minimum Compacted Cover Over Top of Pipeline
Under roadway surface proper (Below surface of pavement)	4.0 feet
Under all other surfaces within the right of way or from the bottom of ditches	3.0 feet

h. **Crossing Pipelines Transporting Highly Volatile Liquids.** For Magellan pipelines transporting highly volatile liquids, minimum cover for a crossing at a drainage ditch must be 4.0 feet.

i. **When Additional Depth Required.** Depth greater than the minimum depths stated above may be required for a pipeline due to the combined stress of internal pipeline pressure and external loading pressure. Magellan will analyze each proposed crossing based on information provided by Owner to determine any additional depth that may be required for the pipeline for safe operation.

j. **Temporary Roads and Equipment Crossings.** Any such road or crossing must meet the following requirements:
   - Must be located at a site approved by a Magellan field representative.
   - Must provide adequate protection for Magellan's pipeline and other facilities, as determined by the appropriate Magellan engineer, so that the compacted cover meets load-bearing requirements and provides

adequate protection to limit stress on the pipeline or other facilities.

- Owner shall place Six-inch wide plastic warning tape, McMaster-Carr No. 8288T12 or equal, over each pipeline for the width of the temporary road or equipment crossing, plus an additional 20 feet past each outside edge of such temporary road or equipment crossing

k. **Owner Required to Protect Magellan Pipelines.** Magellan may require Owner to put in place additional cover and/or stabilization (timbers, steel plate, crushed rock, concrete slab, etc.) at any approved equipment crossing in order to protect Magellan pipelines, taking into account possible effects of weather, pipeline depth, and type of vehicles proposed to cross the pipelines. Magellan will analyze each proposed crossing based on information provided by Owner to determine any additional depth or protection that may be required for safe pipeline operation.

l. **Heavy Equipment - Definition and Requirements.** Heavy equipment shall be defined as vehicles having a *gross weight* in excess of 80,000 pounds. Heavy equipment shall be prohibited from working directly on top of the active pipeline. For vehicles having a *gross weight* of 80,000 pounds or less, the pipeline must have a minimum of 4 feet of cover. Magellan must analyze the additional longitudinal stress due to external loads if the vehicles have a *gross weight* in excess of 80,000 pounds in order to determine required pipeline depth for safe operation.

6. **Parking Lots and Other Pavement.**

a. **Parking Lot and Pavement Requirements.** All parking lots and other pavement installed on Magellan's Easement Tract shall consist of a flexible surface such as asphalt. No reinforced concrete will be allowed.

b. **Pipeline Depth Under Parking Lot.** The depth of Magellan's pipelines under a parking lot must meet or exceed compacted cover requirements listed in the previous "Roadway, Driveway, Railroad, and Equipment Crossings" section above

7. **Waterway Crossings.**

a. **Pipeline Depth Requirements.** If Owner proposes to cross a Magellan pipeline with a waterway (river, stream, creek, irrigation canal, or drainage ditch), such crossing must result in Magellan's pipelines meeting or exceeding the minimum depth below the bottom of the waterway for compliance with then current pipeline construction standards and federal, state, and local regulations.

b. Requirements for Waterway Crossings:

location of activity.

Current "ONE-CALL" numbers and information can be found on each state's "ONE-CALL" website:

Arkansas - http://www.arkonecall.com/	- 800 482-8998
Colorado - www.uncc2.org/	- 800 922-1987
Illinois - www.illinois1call.com/	- 800 892-0123
Iowa - www.iowaonecall.com/	- 800 292-8989
Kansas - www.kansasonecall.com/	- 800 344-7233
Minnesota - www.gopherstateonecall.org/	- 800 252-1166
Missouri - www.mo1call.com/	- 800 344-7483
Nebraska - www.ne-diggers.com/	- 800 331-5666
North Dakota - www.ndonecall.com/	- 800 795-0555
Oklahoma - www.callokie.com/	- 800 522-6543
South Dakota -www.sdonecall.com/index.asp	- 800 781-7474
Texas - www.texasonecall.com/	- 800 245-4545
Wisconsin - www.diggershotline.com/	- 800 242-8511

Alternatively, the National One-Call number – (888) 258-0808 - may be used to register a proposed excavation and to subsequently notify underground utility operators with assets in the vicinity.

3. **Excavation Plan Approval.** Owner shall submit to Magellan for its approval plans for any proposed excavation on the Magellan Easement Tract. No excavation on Magellan's Easement Tract shall be commenced until Owner has secured Magellan's written approval of the plans. The excavation work shall be in compliance with all applicable laws and regulations. Owner is also referred to the Common Ground Alliance Best Practices (referenced in this document).

4. **Magellan Representative On-Site for Excavation.** A Magellan representative must be on-site when an excavation is occurring on Magellan's Easement Tract (*see provision "2" under "A. General" beginning on page 1*).

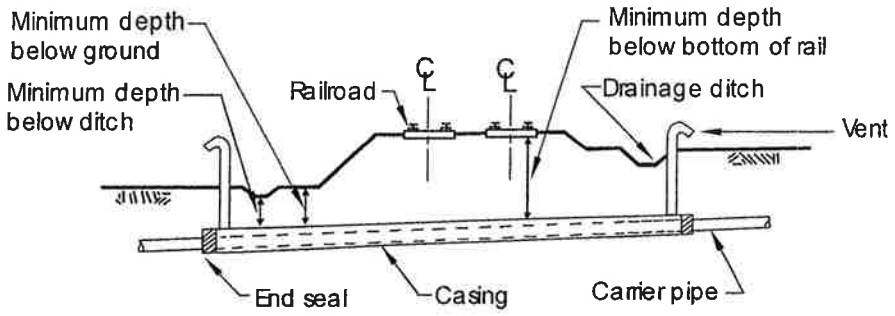
5. **Removal of Side-Cutting Teeth from Equipment.** Side-cutting teeth shall be removed from buckets of excavating equipment.

6. **Parallel Excavating Required.** When, in preparation for crossing any Magellan pipeline with any other pipeline or with electric line, communication line, roadway or any other structure or facility, Owner needs to locate a Magellan

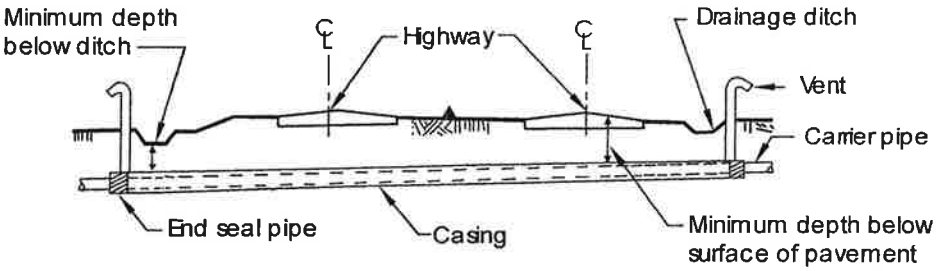
pipeline by use of mechanical means. Owner must perform such locating activity by excavating parallel to the Magellan pipeline with such mechanical means, but shall cease using the mechanical means when it reaches a point within two feet of the Magellan pipeline (*see next provision*).

7. **Exposing Pipeline by Hand.** Excavating within 2 feet of any Magellan pipeline shall be done by *hand-digging* until the pipeline is exposed and its location is accurately known. Then, Owner must position the excavation equipment so that from the point of operations the equipment will not reach within 2 feet of any Magellan pipeline.

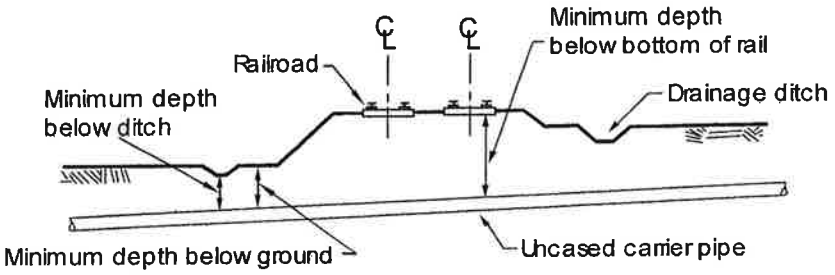
RAILROAD AND HIGHWAY CROSSINGS



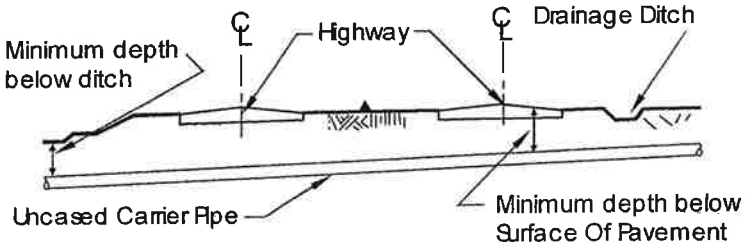
CASED RAILROAD CROSSING
FIGURE 1



CASED HIGHWAY CROSSING
FIGURE 2



UNCASED RAILROAD CROSSING
FIGURE 3



UNCASED HIGHWAY CROSSING
FIGURE 4

THANK YOU *from all of us*

for using the One-Call system.

FREE *to you!*

PRICELESS *to everyone!*

Benefits of using One-Call:

- *Public safety*
- *Clean environment*
- *Uninterrupted utilities*

Let's keep our communities safe and clean

Critical Steps for a Successful Excavation

Step 1 *Call Before You Dig*

National One-Call Referral Number
(888)258-0808

Step 2 *Dig with Care*

For excavation around underground facilities, Magellan Midstream Partners endorses and recommends the "Excavation Best Practices" outlined by the Common Ground Alliance. To learn more, go to www.commongroundalliance.com on the Web.

Pipeline Representative On-Site

When planning to dig near one of Magellan's pipelines, we require that one of our representatives be on-site during excavation, construction activities or back filling around Magellan's assets. Please call the Magellan representative listed on the attached business card (opposite side) and we'll be at your job site, doing our part to ensure a safe project.

Emergency Contact: (800)720-2417

Please call us night or day, weekends and holidays included to report an emergency involving Magellan's pipelines.

Reporting an Incident

Please report all incidents involving Magellan's assets to the Magellan representative listed on the attached business card (opposite side) or call even if the damage seems minor. Minor scrapes, dents, scratches or creases to a pipe or coating can cause corrosion. Pipeline corrosion could result in a future product leak or serious accident. DON'T COVER UP A POTENTIAL PROBLEM!

THANK YOU
for helping to keep our communities safe and clean

MAGELLAN®
MIDSTREAM PARTNERS, L.P.

(800)720-2417
www.magellanlp.com

CGA Common Ground Alliance

Dig Safely.

Confidential and Protected – Prepared Under Direction of Counsel

Persons interviewed:

Luke Andrew (interviewed 12/15/11)

Interviewer: Dyan Gillean and Rick Bondy

Summary of the interview

Notes from meeting with the Excavator Luke Andrews 12/15/11 beginning around 10:15am.

Dyan Gillean, Rick Bondy, Greg Tarr met Luke Andrew (excavator) at the Andrews Farms elevator to discuss events of the line strike.

Luke said in September he called in a one call and Owen came out in October and they built a terrace across the field and there was a tile pipeline on the hill. The longest probe was 6 ft deep. Luke told Owen he would take the trees out later and he said it was fine. Luke shows us on the map where the pipeline markers were taken out in October. Luke stated that Owen told him that he thought the line at the tree line was plenty deep and that it was clear. Own pulled the pipeline markers. Luke indicated he told Owen that he offered to farm around it but Owen said it was fine. There was no actual fence there, just a tree row.

Owen put the markers in the back of his pickup in October. They were T Post type markers.

Owen came out the day of the one call ticket, then once everything was marked he called Owen back out and stood by while they worked.

Luke was using a dozer a D8. There was a brush pile on the east and on the west. They had a large root ball in the middle of the piles they needed to rip up. Owens brother, Bryce was stacking the trees on top of the fire while he did the clearing.

Luke said when he hit the line he saw it start spraying he raised up the blade and got out of there. The cab was covered and he took off and called Owen. He said it was less than 2 minutes until he called Owen.

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Persons interviewed:

Dyan Gillean - Interviewer

Richard Andrew – landowner father (interviewed 12/15/11)

Summary of the interview

On December 15, 2011 around 10:00 a.m. Richard Andrew - landowner met with Greg Tarr – Magellan Supervisor of Asset Integrity, Rick Bondy - Magellan Emergency Preparedness Coordinator and Dyan Gillean – Magellan Supervisor of One Call at his place of business, where he owns a grain elevator.

Richard identified himself as the father of the person (Luke) excavating. He said he wasn't sure he should talk to us without legal representation but he did briefly. He asked if we had the incident contained. He said there was a drain tile on the property that led to the creek. We explained we had discovered that and that we put in an underflow dam and we have the creek dammed up in four locations and are still working around the clock.

We discussed the locations of the land he owns. He said he leases some of the surrounding properties.

Richard said Owen (Magellan Operator and line locator) had been to their property several times and he said Owen took out Magellan's markers located at the hedge row. He said they couldn't get to the land on the other side of the hedge row so they were planning to clear the hedge row.

Richard said he remembered Magellan doing some line lowering or work on the property south of the release site, near the creek a few years ago because he leases and farms that property too.

Richard asked how old the pipeline was, Greg told him he thought it was put in back in the 1950's.

Richard asked if we had check valves between pumping stations or pressure sensing valves close by and we explained there were remote operating valves that we can close from Tulsa. The other valves were manual valves that had to be closed by hand. In this case the valves are closer because of the river.

He said the paper reported they were bad because they didn't call a one call. They said they wanted Owen there. He said he and his son had discussed contracting this work out due to the liability of the work.

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Persons interviewed:

Owen Worstell (interviewed 12/15/11 and 2/17/12)

Interviewer: Dyan Gillean and Rick Bondy

Summary of the interview

On 12/15/11 around 2:20 pm Dyan Gillean and Rick Bondy met Owen Worstell at the Magellan St. Joe office.

Owen said, Andrews farms 6000 to 10000 acres and own land on the idle Topeka to Sioux Falls line. Owen met Bryce (Luke's Brother and Richards other son) first in August 2011 because they were excavating without a one call. The line flyer reported work taking place on a property owned by the Andrews. Owen met Bryce at the property to discuss calling one call and gave Bryce a book regarding encroachment guidelines with contact information. Luke was there and Bryce gave the book to Luke. Owen doesn't know if he read it.

We showed Owen the map of the area of the line strikes. Owen said he received a one call ticket in September – he went out the same day and passed Luke on the road. Owen marked and flagged the line to the fence the line North 100' from the fence. Luke and his workers were there when he flagged it. Owen went back a few weeks later because Luke called and said he was ready to do the work. Owen had already flagged the whole ½ mile survey flags were already out and when Luke called Owen back to stand by while he took out some terraces on the hill and then cut some new terraces and did two tile crossings.

During the time of the terracing work when Air patrol would call Owen before they fly Owen would tell them they have terrace work going on and he's aware of them but to keep an eye on them. (Them being the Andrew Family)

There was 5' of cover where they were terracing. Owen marked from the road to 100' from the fence. Owen stood by while they crossed Magellan's lines and Luke was there. After they finished they talked about clearing the fence row & Owen took out the pipeline markers. Owen had trouble finding the 8" but found the 12" at 30" deep. Owen thought he told Luke to call anytime they get the dozer around the pipeline. He only probed the line on Andrews's side of fence not the other side where they hit it.

When Owen probed the line he found it at 30" and that was close to the fence. Owen said he took the markers out so they wouldn't get torn up.

Luke called Owen right after he hit the lines.

2nd Interview with Owen February 17th at 11:00 am

Dyan Gillean and Rick Bondy called Owen Worstell to get some details regarding incident around 11 am on February 17th.

Owen said when people are working over our line he has stood by before, Owen didn't know Luke was going to rip he just thought he was using the dozer. Owen began probing about 200' -400' away he tried to probe toward the fence but had trouble finding it. Owen was probing at least 50' away from the markers and had trouble finding our lines. Owen had no reason to go on the other side of the fence. He said he looked at it but had trouble finding it, he couldn't locate around the fence line because his line finder was acting up. He was several hundred feet away from the fence when he probed. He said our line was 5'-6' deep. The closest he probed to the fence was 300'-400' away and the shallowest he found our line was 40".

He doesn't do too many tree clearings normally one or two a year because our ROW is usually clear. But he has had ½ a dozen this year because its so dry and we didn't have much of a winter. Normally tree clearing is done with a dozer. Tree clearings usually have one calls that's how he knows about them. This is the first time he's seen a ripper used for tree clearing.

Owen will send the Safety Brochure to Dyan Gillean in Tulsa.