

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 18, 2012

Mr. Michael Pearson Senior Vice President of Technical Services Magellan Pipeline Company, L.P. One Williams Center Mail Drop 27 Tulsa, OK 74172

CPF 4-2011-5006H

Dear Mr. Pearson:

On February 24, 2011, Magellan Pipeline Company, L.P. (Magellan) experienced a failure of its 18-inch diameter products pipeline in Texas City, TX. As a result of the accident the Pipeline and Hazardous Materials Administration (PHMSA) issued a Corrective Action Order (CAO), 4-2011-5006H, dated March 1, 2011, requiring Magellan to take corrective actions with respect to its pipeline system.

The cause of the failure was determined to be seam failure in the ERW pipe and Magellan presented a plan of corrective measures designed to prevent additional in-service failures. PHMSA moritored the repairs made and reviewed the hydrostatic test performed as required, to determine that Magellan has substantially completed the requirements of the CAO.

Consequently, PHMSA has closed the CAO, CPF 4-2011-5006H.

Sincerely,

R. M. Seeley

Director, Southwest Region

Pipeline and Hazardous Materials Safety Administration