argusmedia.com

Argus *Petroleum Transportation North America*

Issue 13-19 | Friday 10 May 2013

Clipper fight ahead for Enbridge

Enbridge thinks its planned expansion on the existing Alberta Clipper heavy crude pipeline will have an easier time moving forward than similar projects because it requires no new pipe, causing less environmental disruption.

But as Enbridge and others are well aware by now, such regulatory and public relations battles are not about laying pipe and never were. They are all about the oil sands.

"I will not deny that there will likely be some focus on it as well, but the pipe is in the ground, we are talking about a relatively limited amount of work here, from an environmental point of view and from an equipment point of view," chief executive Al Monaco said this week.

Enbridge has applied to nearly double capacity to 800,000 b/d from 450,000 b/d on the 1,000-mile (1,600km) Alberta Clipper connecting Hardisty, Alberta, with the hub at Superior, Wisconsin. Monaco's hope is that the work, which simply will require increased compression on existing pipe, will get less scrutiny than the drama surrounding TransCanada's greenfield 830,000 b/d Keystone XL proposal from Alberta to Nebraska.

That battle used to center on Nebraska's environmentally sensitive Sand Hills region, forcing a rejection by US President Barack Obama. Now a reroute has largely avoided those areas, and environmentalist foes have retreated to what their core argument was all along — pipelines will encourage further development of Canadian oil sands.

"We will obviously wait to see how it unfolds," Monaco said of the Alberta Clipper regulatory process. "We will go through the process as we normally do. We work closely with the [State Department] and we will work through it as required."

Enbridge said the project would maximize heavy oil flows out of western Canada as production ramps up in 2015. Rising oil sands production added volumes on Enbridge's mainline, Canada's principal export artery into the US, lifting first quarter earnings on higher throughput and tolls.

Demand for Canadian crude, widely discounted to the West Texas Intermediate benchmark during the quarter, remained high and drove an increase in long-haul barrels.

As Enbridge seeks to further capitalize, it needs to remember that sometimes pipeline permits have little to do with the pipelines themselves.

KEY MARKET INDICATORS

Transportation prices

Commodity	Modality	Route	Unit	Rate	Change on week
Bakken crude	Rail	North Dakota to St James	$/bl	11.90	
Eagle Ford crude	Rail	South Texas to St James	$/bl	6.88	
Eagle Ford crude	Barge	Corpus Christi to St James	$/bl	2.80	
Colombian crude	Waterborne	Covenas to US Gulf coast	$/bl	1.42	
Light products	Waterborne	Europe to US Atlantic coast	$/bl	1.89	-0.10
Light products	Waterborne	US Gulf coast to Chile	$/bl	5.47	+0.30
Ethanol	Rail	Nebraska to Southern California	¢/USG	20.93	
Tank car lease rate	Rail	Non-pressurized, full serve, >5 years	$/car /month	1,275	

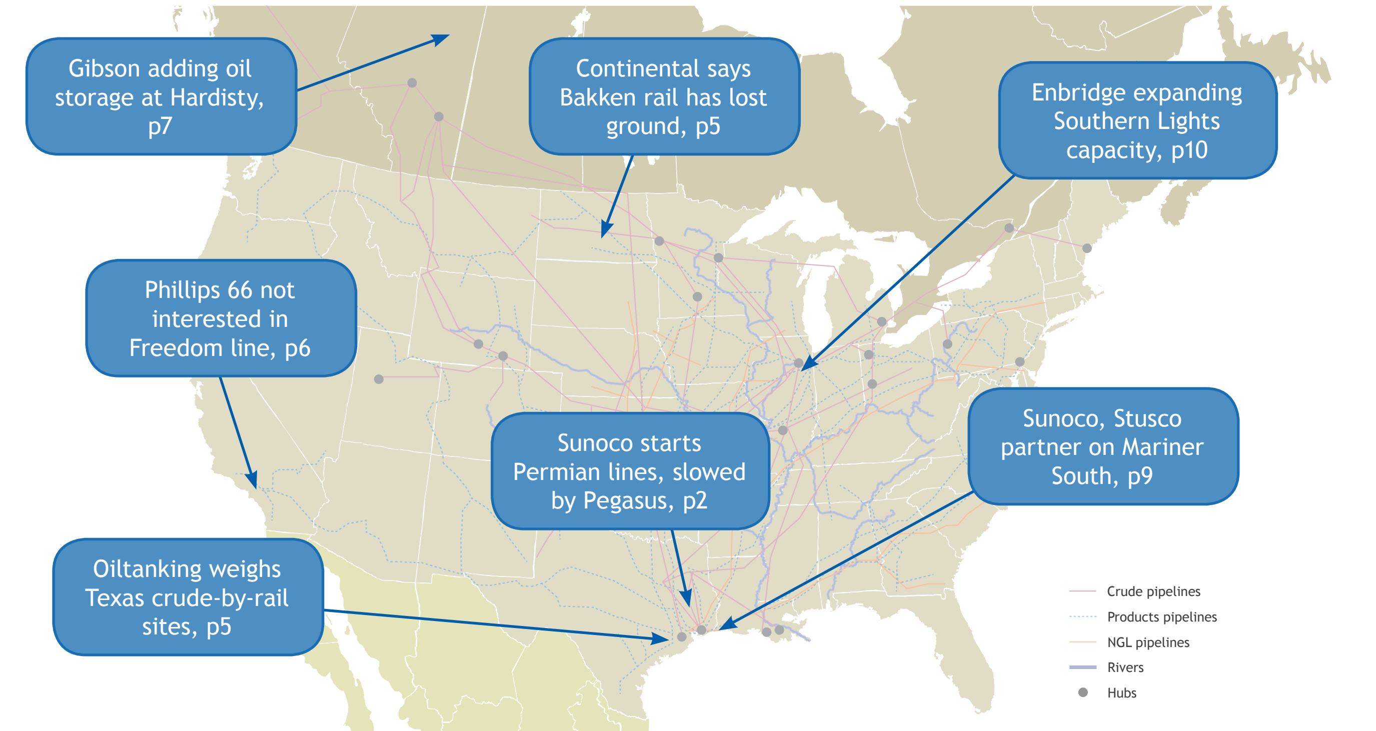
See full transportation price tables at the back of the report.

Commodity prices

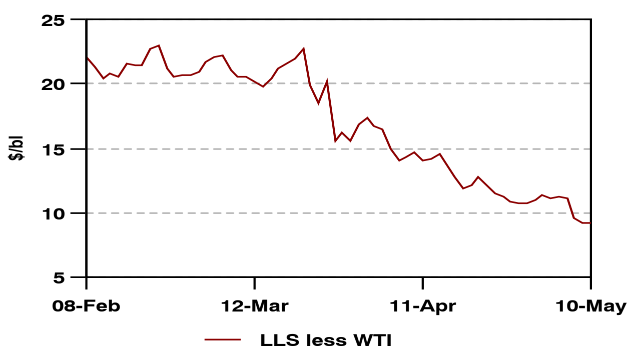
Commodity	Modality	Location	Unit	Price	Change on week
Bakken crude	Pipeline	Clearbrook, MN	$/bl	91.17	+0.37
LLS crude	Pipeline	St James, LA	$/bl	105.22	-1.50
WCS crude	Pipeline	Hardisty	$/bl	73.77	-1.16
Ethanol	Rail	Chicago	¢/USG	267.88	+0.38
Gasoline 87	Waterborne	Fob USGC	¢/USG	284.16	+1.24
ULS Diesel	Waterborne	Fob USGC	¢/USG	288.30	+2.31

Contents

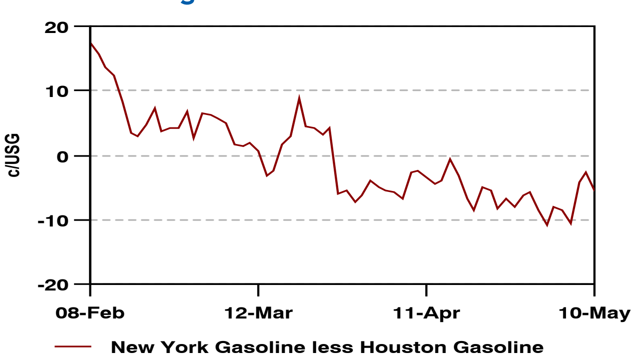
ARGUS MARKET MAP



Sweet crude: Relative value to Cushing, North Sea



Gasoline arbitrage Houston to New York



COMMENTARY

- Brent's premium to West Texas Intermediate (WTI) took another dive this week, falling by 71¢/bl to just $7.87/bl. WTI gained 43¢/bl over the week to $96.04/bl while Brent shed 28¢/bl to settle on Friday at $103.91/bl. Commenting on the slimming differential, Phillips 66 chief executive Greg Garland said this week that it should not change the fundamentals of moving North American onshore crude production to the east and west coasts of the US. "When I look at the fundamentals, nothing's really changed," Garland said. "We're still going to be in an oversupply situation in North America."

- Similarly, US independent refiner Alon this week said the movement of WTI Midland crude to virtual parity with WTI has been temporary and will ease, benefitting its 70,000 b/d in Big Spring, Texas, near the heart of Midland WTI production. Chief executive Paul Eisman this week said part of the upward pressure on Midland WTI has come from pipeline linefill operations that have been completed.

- Chicago prompt Rbob gasoline cash prices are running high premiums to Rbob in the New York Harbor and Gulf coast markets.

SURVEY

Wax on

It seemed like only yesterday that dogged Uinta basin crude oil producer Newfield Exploration began making serious inroads in the local Rocky Mountain refining market. In a matter of months, the US independent has begun taking the long-overlooked waxy crude to price-advantaged coastal markets by rail.

Newfield has been working the northeastern Utah field since 2004 and never had been able to secure delivery agreements for longer than 18 months until signing a seven-year agreement with Tesoro in 2011 to supply 10,000 b/d to its 58,000 Salt Lake City refinery. Since then, Newfield also has inked a 10-year, 20,000 b/d contract to supply HollyFrontier's 31,000 b/d Wood Cross, Utah, refinery.

Now, both refiners have said they would consider building heated pipelines to further supply their Utah facilities with Uinta production, which currently arrives by truck. The lines would need heat because of the light, sweet crude's drawback that has kept it locked underground all these years — its paraffin content. While the oil comes out of the ground as a liquid and a light one at that — black wax crude is rated at 33°-35° API and yellow wax crude is ° API and yellow wax crude is 35°-37° API — it turns the consistency of shoe polish under 96°F, meaning it must be heated manually to flow or pour.

All aboard

But while Tesoro, HollyFrontier and Sinclair are salivating over years of transmission-constrained and budget-priced crude supplies at their regional refineries, Newfield and others are thinking outside of that box. And as it has in so many other North American crude oil basins, rail could be the answer.

"There's virtually an infinite amount of it there in the ground, and the problem — the frustration — was, 'Let's get it out, let's get it to market and refine it,'" Malcolm Turner, who as consultancy Turner Mason's chairman spent several years studying how to increase black wax usage, said. "But the problem was, first of all, how do you get it to market?"

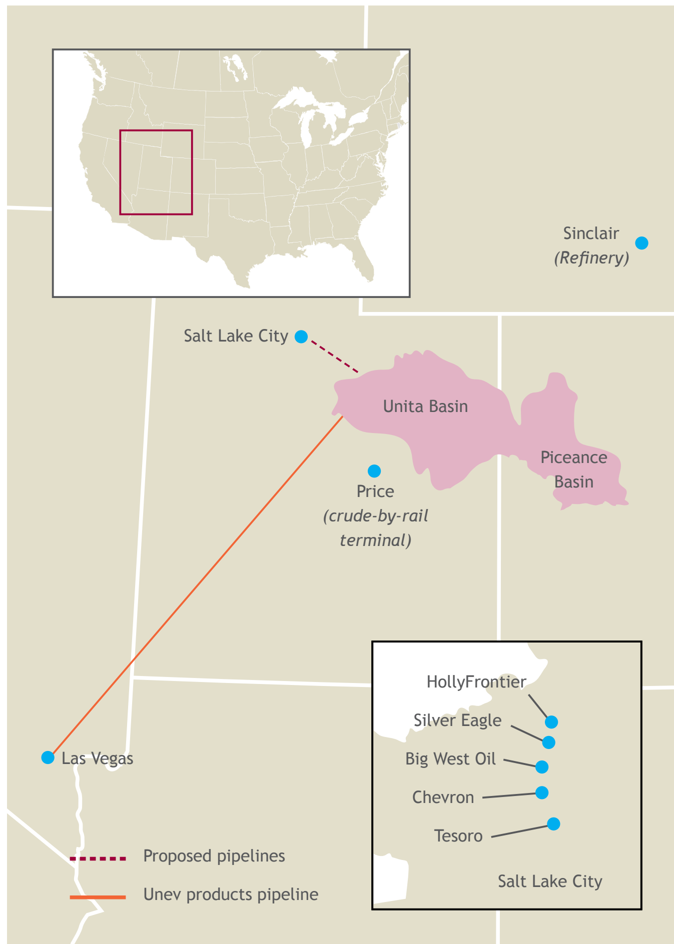
Newfield recently railed 30,000 bl of waxy to a "coastal refinery," and as early as this month could move another 90,000-120,000 bl of Uinta crude. Newfield has not yet specified which customer, or even which coast, is involved.

"These new markets could provide competition on our crude, better price differentials and allow us to grow future volumes at a quicker pace," chief executive Lee Boothby said. While Newfield has secured sufficient railcars for these trial shipments, it would have to deal with tight supply of insulated rail cars if it were to ramp up volumes.

"If we wanted to ramp it up more, certainly, it would be something that would have to be addressed," Newfield chief operating officer Gary Packer said. "But we are not contemplating that at this point, our focus is on moving the volumes [to area refiners] as well as the optionality that we have in 2013, and I it is my understanding that the rail cars are in place to do that."

Newfield production will rise by 10pc this year and 20pc next year thanks in part to refinery expansions that will boost crude demand. Oil output from the basin averaged nearly

UINTA BASIN INFRASTRUCTURE



Continued on page 4

SURVEY

Wax on

Continued from page 3

16,000 b/d during the first quarter, and the company expects all operators to produce a combined 60,000 b/d by year's end, with Newfield's gross output up to 50,000 by late 2015.

"Although we have the refining capacity in hand today [regionally] to execute our 3-year plan, we continue to explore other options to move crude out of the Uinta basin and into new markets," Boothby said. "These new markets could provide competition for our crude, better price differentials and allow us to grow future oil volumes at a quicker pace."

Meanwhile, logistics provider Savage this month is adding manifest crude-by-rail transloading services at Price and Salt Lake City, Utah. The sites currently handle coal and other products, but will be able to transload a combined 9,000 b/d of Uinta crude, which requires heated equipment and coiled, insulated railcars much like heavy crude from Alberta's oil sands.

Homegrown demand

A different pipeline entirely has helped pave the way for the infrastructure prospects surrounding Uinta production. HollyFrontier's 62,000 b/d Unev refined products pipeline that connects Rockies producers to Las Vegas, Nevada, consumers, has allowed refineries to run throughout the year and given them cause to expand, both increasing their thirst for crude.

With improved demand prospects and access to the inexpensive Uinta feedstock, refineries are expanding. Tesoro is adding 4,000 b/d of capacity to its Salt Lake City plant so it can take 21,000 b/d of waxy crude while boosting gasoline production, and HollyFrontier is tacking 14,000 b/d of capacity onto its Woods Cross facility. Sinclair's 20,000 b/d expansion to 80,000 b/d allows it to take more Uinta-type crude as well, but even though it is known to be a Newfield customer, it has not announced any long-term supply arrangements.

The 35,000 b/d Big West Oil refinery in North Salt Lake can run at least 11,500 b/d of black wax crude, and Silver Eagle's 10,000 b/d Woods Cross refinery runs yellow wax crude. Chevron has said it is working to take more of the advantaged crude at its 45,000 b/d refinery at Salt Lake City, but the major has not revealed details.

The 406-mile (653km) Unev pipeline went on line in February and allowed price-advantaged Rockies refiners to compete with California refiners in Nevada, where California products almost immediately started being backed out upon its opening. Unev also allowed refiners in the intensely seasonal Rockies region to run throughout the winter for the first time.

Canadian company railing Uinta crude east

Canadian producer Crescent Point Energy, which railed about 31,500 b/d of crude out of three facilities in Saskatchewan and Alberta in the first quarter, is now shipping its Uinta basin production to the east coast.

Crescent Point also began shipping crude through a third-party facility in Utah recently and plans to have its own rail loading facility in the state operating by late in the second quarter. The facility will start up with 5,000 b/d of capacity and could be expanded to unit train size, the company said. Waxy, paraffinic crude from the Uinta basin is loaded into coil insulated cars and unloaded using steam equipment.

"We have had a lot of interest in the Uinta basin crude from refiners across North America. In the long run we are going to see those cars going to the west coast, the east coast and the Gulf coast and there is nothing really tricky about refining it. It has got some really nice yields to it," Trent Stangl, vice-president of marketing and investor relations, said.

The company said it nabs \$5-\$6/bl more for its crude by railing it, though returns can depend on pipeline prices. It has yet to see a big gain on railing crude out of Utah, but Stangl attributed that to the project being in its early stages. It could gain \$5-\$10/bl eventually, chief executive Scott Saxberg said, saying the crude is currently fetching discounts of \$15-\$17/bl to West Texas Intermediate (WTI).

The company is focusing its efforts on the Uinta basin this year and plans to drill 74 net wells there in 2013 and spend \$195mn in the basin, cutting back operations in North Dakota because of higher costs of operating in the Bakken. The firm's well costs in the Uinta are \$1.6mn compared to around \$10mn in North Dakota.

Overall, the company has locked in 18,000 b/d in crude-by-rail contracts at average selling prices of more than \$90/bl and has also signed deals for 14,000 b/d in rail deliveries of its oil to customers during the first half of 2014.

TRANSPORTATION NEWS

CRUDE

Continental says Bakken rail has lost ground

The narrowing Brent premium to West Texas Intermediate (WTI) is bringing rail into "rough parity" with pipeline alternatives, top Bakken producer and crude-by-rail customer Continental Resources said.

"If Brent-WTI spreads continue to converge, we will look at pipeline evacuation opportunities and we will need to see rail carriers reduce their costs to stay competitive," president Rick Bott said yesterday on the company's first quarter earnings call.

The Brent-WTI spread settled recently has been in the $8/bl range, far below spreads that blew out to more than $20/bl previously. The company is now balancing spot selling with short-term agreements to sell volumes to refiners, Bott said. Continental railed about 80pc of the production from Bakken wells it operates in the first quarter.

Rising pipeline capacity out of the Bakken and rail receipt sites being built at refineries will create flux over the next 18 months on which markets are best for Bakken, Continental executive Jeff Hume said, pointing to the approaching start-up of the Pony Express pipeline and expansions on Enbridge's Line 9, which will give Bakken barrels access to the east coast and the Cushing, Oklahoma, pricing hub.

"In the end game, you will see these come close, come into parity and you will have good transportation to the all three coasts and the midcontinent with the combination of rail and pipe and they will grow to a reasonable price," Hume said. "There will be enough capacity within two years to move huge amount of barrels out by pipe as well as by rail."

Calumet railing Bakken to east coast

Calumet Specialty Products can rail Bakken crude to east coast customers faster than to its own Shreveport refinery.

The company plans to move 10,000 b/d of the crude to its 58,000 b/d refinery in Shreveport, Louisiana, from its Superior, Wisconsin refinery. But the company can send and return trains to third parties on the east coast "several days" faster than it can to Shreveport, putting the Shreveport facility in competition with third-party buyers.

"We are treating the Shreveport refinery like a third-party customer," chief operating officer Jennifer Straumins said. "We do have some contracts with third parties for barrels, and then sell some on a spot basis as well."

The opportunity has led the company to look at more potential midstream projects, though Calumet has yet to disclose any firm plans. Calumet currently leases 2,600 railcars for crude movements.

Inergy to expand ND crude terminal

Natural gas and NGL infrastructure player Inergy Midstream will spend $40mn to expand its 120,000 b/d North Dakota crude-by-rail Colt Hub terminal to 160,000 b/d.

"We are adding loading arms and a track parallel to the BNSF mainline, additional truck racks and an expansion of pipeline interconnectivity," chief executive John Sherman said. The project is scheduled for completion by February 2014. "We are only assuming it will operate at 140,000 b/d" at that time, Sherman said.

Only 20,000 b/d of the expansion is contracted, and the company is in discussions with potential customers in the Bakken shale field, Inergy Services president William Gautreaux said.

"We have got demand that far exceeds that supply, and we are trying to find that optimal mix of price, tenure and counterparty quality," Gautreaux said. "We expect to have it fully contracted in next 60 days."

The Colt site currently serves refiners Tesoro, which operates west coast plants; and Flint Hills Resources, which runs refineries in the midcontinent at the US Gulf coast, as well as Sunoco Logistics. Inergy also may add a rail unloading facility to its existing terminal in Bakersfield, California.

Inergy Midstream last year paid $425mn for the North Dakota crude-by-rail business.

Oiltanking weighs Texas crude-by-rail sites

Midstream operator Oiltanking is looking at crude-by-rail projects that would involve unit train movements of light and heavy grades into and out of the Houston and Beaumont, Texas, areas.

The company has an existing facility in Houston that handles two to three unit trains a week, but only has a limited number of railcar unloading spots. It is considering two locations that would allow full unit train-unloading capacity that could handle one train daily.

Oiltanking also has been approached by producers to develop origination facilities in production regions, senior vice-president of commercial and business development Bo McCall said. The company is considering a crude-by-rail project, a new dock and inbound pipelines in Beaumont, Texas, where the company owns a 5.5mn bl storage terminal, and it is expanding connections to local refineries and other delivery points in the Beaumont area.

"We have existing customers and new customers that are trying to find ways to source their barrels in these producing shales into the Houston and Beaumont areas," McCall said.

Demand at the company's Houston crude and petroleum products terminal, which is being expanded to 20mn bl in the next two years, has been strong amid new volumes arriving in the area from the Eagle Ford, Permian basin and midcontinent.

Oiltanking is considering additional pipelines to its Crossroads junction, the termination point of TransCanada's Keystone XL Houston line and the start point for Shell's Ho-Ho line, which is being reversed to carry volumes out of Houston to Louisiana. It is negotiating with customers to deliver and receive more crude from the junction, and construction on an expansion could start as early as this summer and be on line within 12-16 months.

Sunoco starts Permian lines, slowed by Pegasus

Sunoco Logistics has started its 40,000 b/d Houston Access pipeline moving volumes from west Texas to Houston and will start up a 30,000 b/d west Texas line to Longview by the end of the month. It will start up by June an estimated 90,000 b/d of its Permian Express pipeline from Wichita Falls to Nederland, Texas.

The latter two lines are expansions of the company's 300,000 b/d West Texas Gulf pipeline from west Texas to Longview and Nederland. Sunoco previously said the Longview line would be up by January 2013, and the Houston line was to have started up last month. A third expansion — a 40,000 b/d pipe to Nederland, Texas — has been delayed because it will connect to ExxonMobil's Pegasus pipeline, which is off line.

Pegasus carries crude from Patoka, Illinois, to Sunoco's facility in Nederland, but has been shut since late March after a breach caused a 5,000 bl oil spill in Arkansas. It was not immediately clear where Sunoco's Nederland line would connect into Pegasus. A company representative did not respond to requests for comments.

Permian Express will be expanded to 150,000 b/d by late 2013 or early 2014. Sunoco is also weighing a 200,000 b/d expansion from Nederland to St James, Louisiana.

"We have had considerable market interest" on the extended line, chief executive Michael Hennigan said. "The flow [of crude] continues to move west to east and north to south. Our Nederland terminal is becoming an important distribution hub."

The company also is planning to launch an open season as soon as next week for the Eaglebine Express crude pipeline, which will convert and reverse part of the MagTex refined products pipeline into crude service. The line would carry oil from the Eaglebine and Woodbine areas in east Texas, originating in Hearne and flowing to Nederland.

Hennigan said the company is bullish on Permian takeaway capacity and expects the region's output to grow by 200,000 b/d annually.

Phillips 66 not interested in Freedom line

Phillips 66 is not pursuing shipping volume on Kinder Morgan's proposed Permian crude pipeline from west Texas to southern California, chief executive Greg Garland said.

The company's 259,000 b/d of refining capacity in that state are more geared for heavy, Californian crudes and would more naturally run Canadian oil imports, Garland said.

Kinder Morgan has proposed a 1,025-mile (1,650km) Freedom pipeline to move crudes from Wink, Texas, to southern California. The project includes the conversion and reversal of flow on 740 miles of natural gas pipeline, 200 miles of existing line and 22 miles of new pipeline installation.

But Phillips 66 said it prefers a rail and marine solution for its California refineries. The company is working on rail terminals in California and is in the process of getting permits for a Washington railed crude unloading facility that would then barge crudes on to US west coast points.

That Washington facility probably will provide the Canadian heavy barrels the California refineries need, Garland said.

Baytex railing 17,000 b/d of heavy crude

Canadian producer Baytex Energy is now railing up to 17,000 b/d of its heavy crude output and is looking for ways to grow that figure.

The company railed 12,000 b/d of heavy crude in the first quarter, higher by 60pc compared with year-prior volumes. Railing crude to the Gulf coast works as a hedge against currently low Western Canadian Select (WCS) prices, chief executive James Bowzer said yesterday. The company can sell WCS at a $5/bl premium to West Texas Intermediate (WTI) prices on the Gulf coast.

The rail program also allows Baytex to preserve crude quality and avoid mixing expensive diluent into its heavy crude when transporting via rail instead of pipeline, he added. Crude that is transported by pipeline can mix with other shippers' oil and emerge with different specs than it had at the origination point.

"If you can get to that specific refinery and you can be on rail, you then also lose the discount you have on pipe associated with quality. So it is the combination of all of those factors that make quite a big difference and that is why you're seeing the movement to rail," Bowzer said.

US refiners keen on heavy upgrading — Garland

The growing volume of Canadian heavy oil production will encourage investment in more US upgrading capacity after 2020, according to Phillips 66 chief executive Greg Garland.

Such refining investments, including costly cokers and other process units wringing the most from very heavy Canadian bitumen, could come in the form of joint ventures (JVs), he said. Phillips 66 operates JV refineries with Canadian integrated firm Cenovus — the 356,000 b/d Wood River refinery in Roxana, Illinois, and the 146,000 b/d refinery in Borger, Texas. The JV is one of the largest importers of Canadian crude.

Booming volumes of cheap US light, sweet crude and bottlenecks slowing the movement of heavy crude to the US Gulf coast have scuttled any immediate investments in coking. Refiners, in fact, have contemplated cutting runs to those units.

Garland expects TransCanada to complete a proposed conversion of a 2,734-mile (4,400km) section of its natural gas pipeline system to move heavy crude from Alberta and Saskatchewan to eastern Canada, making it available for waterborne export. But the US Gulf coast continues to represent the highest value for Canadian heavy barrels, he said.

"As you start moving out, and you start thinking beyond 2020, we are probably going to have to invest in upgrading capacity," Garland said. "Prices would have to go to the point where it would incent someone to make that investment."

Phillips 66 supports but is not a shipper on the proposed Keystone XL crude pipeline from the oil sands region of Alberta into the US.

Blueknight in Longview-to-Houston crude line

A 60,000-65,000 b/d crude pipeline originating in Longview, Texas, will be reactivated and developed to ship oil south to Houston, Texas.

Vitol subsidiary Blueknight Energy Partners and privately held Silverado Pipeline will develop the Silver Eagle pipeline, which is expected to be operational in about a year. The companies will activate about 200 miles (322km) of existing 10- and 12-inch diameter pipeline owned by Silverado, add crude storage and connect the line into the Houston market.

"Longview has become a very active crude oil hub, but has limited connectivity and capacity to reach the Houston market. With existing production as well as the significant development projected in the east Texas area, this pipeline will provide a more efficient means of transporting crude oil to the Gulf Coast," Blueknight chief Mark Hurley said.

Longview is the starting point for Mid Valley pipeline, which pumps crude north to Michigan. That line's owner, Sunoco Logistics, previously said it would create by January of this year 30,000 b/d of capacity from west Texas to Longview. Delek runs a 58,000 b/d refinery in nearby Tyler.

Firms to expand NM site to take unit trains

Murex and Cetane Energy are expanding an existing crude trans-loading facility in Carlsbad, New Mexico, to handle unit trains by late summer.

The companies plan to add railcar loading stations and a gathering system sourcing production from area producers to the site, which has been handling manifest volumes of Permian basin crude. An estimated 20,000ft of additional track will be laid by August, which will allow the loading of 110-car unit trains. Murex is anticipating a capacity of about 20,000 b/d initially following the new track, which could increase after more inbound capacity is added.

The companies in the last year have added 40,000 bl of crude storage, 12 tanker truck unloading stations and additional custody transfer meters at the site. The facility is served by the Southwest Railroad short line, which connects to BNSF Railway.

"Today, rail is providing a more flexible, long-term and economical option to ship crude oil to destination markets throughout the east, west and Gulf coasts, and along the Mississippi river," BNSF group vice-president of industrial products Dave Garin said.

Murex said it is interested in further expanding the Cetane facility, and is working with developer Frontier Energy Services to build gathering infrastructure to deliver crude from area producers to the terminal.

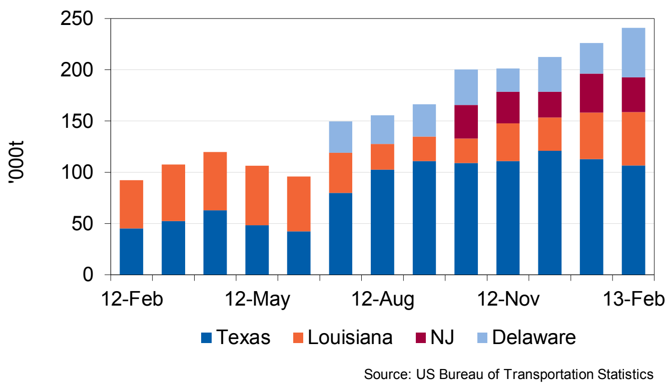
Gibson adding oil storage at Hardisty

Gibson Energy is adding a 500,000 bl oil storage tank to its expanding Hardisty terminal in Alberta after receiving sufficient committed customer support.

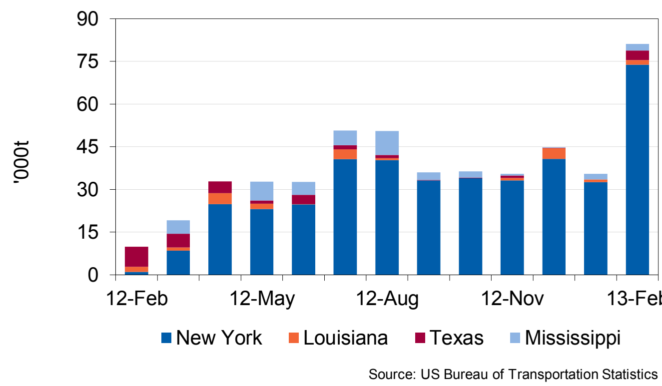
The new tank will be built at Gibson's eastern Hardisty lands alongside two 400,000 bl tanks, which were announced last September, and a 300,000 bl tank announced in April. The company also said it would boost the capacity of the latter project to handle 400,000 bl.

RAIL MOVEMENTS: FEBRUARY 2013

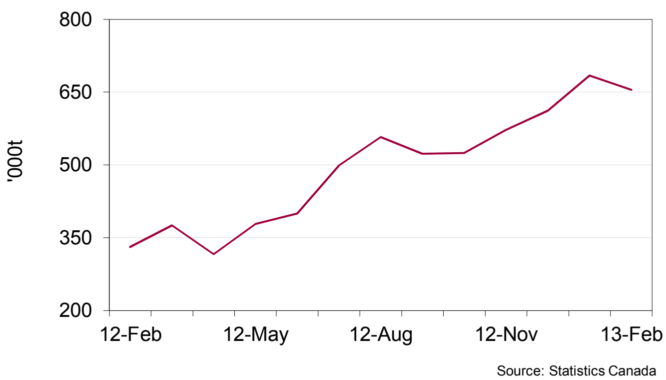
Alberta mineral fuels, oils, waxes shipments



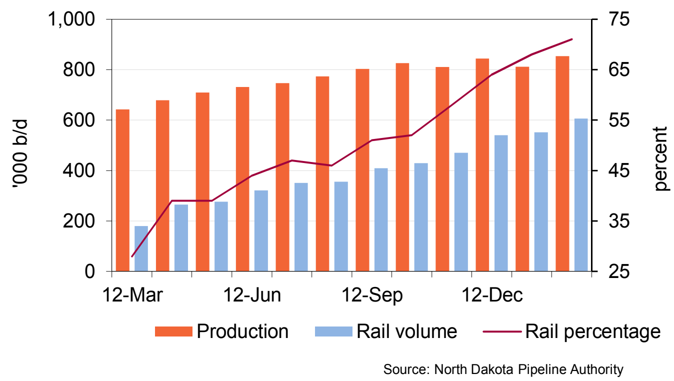
Saskatchewan mineral fuels, oils, waxes shipments



Western Canada fuel oils and crude



Williston basin crude-by-rail movements



TRANSPORTATION NEWS

Site work at Hardisty is underway, with the first three tanks expected to come on line by late 2014. The new 500,000 bl addition will come on line in 2015.

Demand for storage at the export hub in east central Alberta has soared in the past year amid rising conventional and unconventional oil production.

"The addition of 1.7mn bl of new storage capacity announced in the last seven months reaffirms the attractiveness of our Hardisty terminal location for customers as they direct their current and future production to appropriate markets," Rick Wise, Gibson's senior vice-president of operations, said.

More expansions were likely, based on customer interest in both Hardisty and Edmonton.

"We expect near-term organic growth to be largely driven by long-term, fee-based contracted storage tank construction, expanded terminal services and construction of rail infrastructure to facilitate crude oil movements," the company said.

Delek cools to heavy refining capacity

US independent refiner Delek is reconsidering its interest in heavy crude distillation capacity as part of a plan to bring its 100,000 b/d refinery in El Dorado, Arkansas, to full capacity.

Canadian heavy crudes have become much less attractive at the refinery over the course of the first quarter, leading the company to shift lighter crudes. El Dorado typically runs roughly 20,000 b/d below its nameplate capacity.

Delek also prefers the lighter refined products slate produced by a refinery not running heavier crudes.

"When we look at current economics, we're not sure if that is the direction we necessarily want to go, with the added asphalt production that goes along with that," chief operating officer Fred Green said. "We do have a study underway that looks at expansion to 100,000 b/d, but maintaining the flexibility we have now to process lighter crudes."

Delek can offload 12,000 b/d of railed heavy crude at the refinery, but has recently built up access to lighter feedstocks. Owned and third-party rail facilities supporting the refinery can offload 45,000 b/d of crude.

The refiner also is ramping up pipeline access to Midland crude at both its El Dorado and 58,000 b/d Tyler, Texas, refineries by 42,000 b/d to 94,000 b/d in June through new pipeline access at its Longview terminal. Tyler began receiving 52,000 b/d of Midland crudes in April, and El Dorado received 20,000 b/d in May. Delek plans to El Dorado runs of Midland crudes to 35,000 b/d in June.

Locally gathered crudes also are improving flexibility through Longview, chief executive Uzi Yemin said.

"We are very, very pleased and very optimistic about Longview," Yemin said. "We see Longview as key and we believe the situation in Longview will continue to improve over the next 12-18 months."

Plains doubles NGL throughput

Plains All American Pipeline this week reported NGL throughput more than doubled in the first quarter of 2013, to 284,000 b/d versus 134,000 b/d the prior year period.

The uptick in NGL transportation, coupled with higher gathering volumes and favorable crude market conditions, bolstered profits for Plains' supply and logistics segment by 107pc.

"We did not expect to experience the NGL volume gains seen in the first quarter," chief executive Greg Armstrong said.

The uptick in NGL volumes comes as subsidiary Plains Midstream Canada recently announced plans to build a new NGL pipeline system in western Canada. The project would see the construction of a y-grade pipeline and condensate pipeline, which would run parallel from northwest Alberta and terminate at Fort Saskatchewan, in a joint venture with Canadian midstream operator Keyera.

Open season for the line closes 15 May, after which the companies will evaluate whether to go forward with the project.

NATURAL GAS LIQUIDS

Sunoco, Stusco partner on Mariner South

Sunoco Logistics and Lone Star NGL, a joint venture between sister companies Energy Transfer Partners and Regency Energy Partners, will build an LPG export terminal at Nederland in southeast Texas with Shell Trading US (Stusco).

"Stusco has committed to the project, known as Mariner South, as an anchor customer," Regency Energy Partners said this week.

Sunoco also said it received sufficient customer commitments on its proposed Mariner South NGL pipeline to move forward with the 200,000 b/d project. The line would move international-grade propane and butane from the Lone Star NGL storage facility at Mont Belvieu, Texas, to the Nederland facility, which is set for completion in the first quarter of 2015.

"Although sufficient commitments have been received for this project to move forward, the binding open season period will remain open to solicit additional shipper interest," Sunoco said.

The companies did not disclose how much capacity has been contracted. But Regency said the terminal will be able to export 6mn bl of propane per month at rates of 30,000 bl per hour, more than twice as fast as Enterprise Products Partners' existing facility on the Houston Ship Channel, which is ramping up to 14,000 bl per hour.

The announcement comes as Sunoco competes with other announced LPG export terminal projects, including nearby facilities planned by Intercontinental Terminals and Vitol, for long-term export contracts.

Enterprise and Targa Resources Partners, operators of existing export terminals on the Houston Ship Channel, have suggested they will further boost loading capacities to accommodate customer demand. Expansions recently completed at the Enterprise terminal increased propane export capacity to 7.5mn bl per month, and Targa's expansion will increase loading capacity there to 5mn bl per month.

While a surge in projected US LPG production is likely to keep arbitrage opportunities with Japan, South Korea, China and northwest Europe open, some say there will be limited demand for US exports in the future.

A ViaMar study presented at *Argus'* International LPG conference in February estimated there is 1 mn bl/month of incremental propane export demand unmet by the current US export infrastructure. As a result, US midstream players and trading companies alike are racing to break ground on new export terminals that may capture a share of new demand from Asia-Pacific buyers.

Sunoco mulls Marcus Hook terminal work

Sunoco Logistics will consider expanding operations at its Marcus Hook marine terminal facility near Philadelphia to process NGLs, as it seeks to turn the former refinery into a hub for Marcellus production.

"It has all the power and water to handle industrial processing, so we are going to look at processing capabilities as well. It is not going to run crude oil, but it still has processing capability, and if we can hook something up from the NGL perspective, that will be a goal of ours," chief executive Michael Hennigan said.

Sunoco's terminal in Marcus Hook includes 2mn bl of storage in five underground caverns. Half of that capacity is dedicated to propane and all of it is capable of handling butane and heavier NGLs. The company is adding above-ground refrigerated storage for propane and ethane, which will come in from the Marcellus shale through Sunoco's Mariner East pipeline.

The company did not provide details on the nature of prospective NGL processing conversions or additions at the refinery. Sunoco also is exploring other options at the site, including refined products.

"We have got a couple million barrels of gasoline, distillate and crude tankage. That is a business that we will start to be in. On the NGL side, we really have a good opportunity to increase the rail and truck-loading capacity," Hennigan said.

A boom in LPG export demand is driving Sunoco to develop more terminal capacity at Marcus Hook and to move forward on a large-scale terminal facility on the Texas Gulf coast as part of a joint venture with Lone Star NGLs.

Sunoco's Mariner South NGL pipeline, which will carry propane and butane from Lone Star's Mont Belvieu storage facility to Nederland, Texas, for export, will remain in an open season for a few more weeks. The company recently announced it has received sufficient interest to move forward with the project, but that the line is not yet fully contracted.

Enbridge expanding Southern Lights capacity

Canadian midstream operator Enbridge will expand its Southern Lights diluent pipeline capacity to 275,000 b/d, up from 180,000 b/d, following robust shipping interest in its recently held open season.

The open season between 28 January and 26 March solicited shipping commitments of 50,000 b/d for a contract period ending 30 June 2025. But Enbridge received transportation agreements exceeding that offered capacity, spurring it to expand the line's capacity by 95,000 b/d.

The company could not be immediately reached for comment about the timetable of the expansion.

Enbridge's 1,588-mile (2,556km) Southern Lights pipeline moves diluent from Manhattan, Illinois, to the Canadian hub at Edmonton, Alberta.

MarkWest's Pa. de-ethanizer to have options

MarkWest Energy Partners' 38,000 b/d de-ethanizer, which is nearly complete near its Houston, Pennsylvania, fractionator, will tie into three major ethane lines currently under construction.

"Our comprehensive ethane recovery and transportation infrastructure will provide our producers with direct access to all of the major ethane pipeline projects, including Mariner West, East, and the Atex [Express pipeline to the US Gulf coast]." Mariner West will send ethane to Ontario while Mariner East ship it to the Philadelphia area for export.

Marcellus shale gas is currently so rich that much of the ethane from the region must be rejected into the natural gas stream, which can make it difficult for producers to meet gas pipeline specifications.

Crosstex seeks fee-based business

US midstream provider Crosstex Energy is repositioning its core business to focus on fee-based revenues after commodity-based margins in the first quarter fell by nearly half to $14mn.

During the first three months of 2013, fee-based operations comprised 86pc of the partnership's gross operating margin, chief executive officer Barry Davis said.

Among projects expected to bolster fee-based capital is the Cajun-Sibon pipeline and fractionation expansion. That project, which is expected to kick off phase one of operations in late July, is forecast to contribute $115mn-130mn in fee-based cash flow, Davis said.

The initial phase will bring on line a 139-mile (224km) pipeline between Eunice, Louisiana, and the NGL fractionation and processing hub in Mont Belvieu, Texas, as well as an expansion to the 15,000 b/d Eunice fractionator. The second phase will see the construction of a 100,000 b/d fractionator at the Plaquemine gas processing plant and additional pump stations added to the Cajun-Sibon pipeline to increase capacity to 120,000 b/d.

As Crosstex ramps up its NGL footprint in Louisiana, Davis said the company is interested in capitalizing on the state's growing petrochemical industry for a possible joint venture or partnership.

"We are well-positioned from a marketplace standpoint in south Louisiana," he said. "We are quick to engage in those discussions and have something that would look like a joint venture or shared opportunity."

Separately, the company this week announced it would invest $25mn in E2, a newly formed company that provides services for Utica shale producers, to construct a third natural gas compression and condensate stabilization facility in the Ohio river valley. The facility will have 100mn ft^3/d (2.8mn m^3/d) of gas processing and 5,000 b/d of condensate stabilization capacity.

Crosstex already has invested $50mn for two similar facilities in that region that will be built, managed and operated by E2. The three facilities will have combined capacity of 300mn ft^3/d and 12,000 b/d of condensate stabilization, and are supported by long-term contracts with Antero Resources. They are slated to begin operations in the fourth quarter.

DCP eyes more Virginia propane exports

DCP Midstream Partners is evaluating exporting more propane from its Chesapeake, Virginia, terminal.

"We are currently working on debottlenecking the logistics in and out of that facility so we will have the ability to bring product into Chesapeake for export," DCP president Bill Waldheim said. "We are also working on some of the engineering to be able to chill that propane for export. It is a little too early to say if it is going to be a go yet."

DCP Midstream exported a scant 143,000 bl from its Chesapeake propane terminal in the first quarter. By comparison, a standard very large gas carrier (VLGC) loaded from the Texas Gulf coast carries 44,000mt, or about 547,000 bl.

The partnership is performing maintenance at Chesapeake during the summer months, "so the earliest we would be exporting would be into early next year," Waldheim said.

The company also is evaluating additional storage at its NGL facility in Marysville, Michigan, to accommodate a boom in Marcellus NGL production, particularly propane.

"The Marysville facility is in a good location to act as a buffer for the extra production coming on in the Marcellus and Utica shales, and with the conversion of facility to handle ethane for Nova Chemicals, we have additional opportunities to add propane and butane storage at that location and we're looking at that as we speak," Waldheim said.

Farther south, DCP is executing linefill operations on its 200,000 b/d Sand Hills and its 150,000 b/d Southern Hills pipelines, which will carry unfractionated NGLs from the Permian basin and midcontinent, respectively, to Mont Belvieu, Texas. Linefill operations will take at least a month.

DCP Midstream Partners saw profits more than double to $31mn in the first quarter amid greater natural gas and NGL throughput on its system. Natural gas throughput rose by 1pc to 2.3 Bcf/d (54mn m^3/d); NGL throughput was up by 2pc to 84,294 b/d. Gross NGL production grew by 7.5pc to 114,106 b/d in the quarter.

Midstream operators Crestwood, Inergy to merge

US midstream operators Crestwood and Inergy will merge, combining existing pipeline natural gas processing assets across numerous liquids-rich shale plays in the US.

The merger, with an estimated $7bn enterprise value, includes assets and services across a broad swath of US onshore formations, including the Marcellus, Bakken, Eagle Ford, Niobrara, Barnett, Fayetteville, Granite Wash, Haynesville, Monterey, as well as the Permian basin and Powder river basin.

Together, Inergy and Crestwood's portfolio will include more than 400mn ft^3/d of natural gas processing capacity, 1,000 miles of gas and NGLs pipelines, seven processing plants and 120,000 b/d of crude oil rail loading capacity.

"We view this transaction as a merger of equals through which we are creating a larger, more diversified operating platform that will be highly attractive to investors, customers, creditors and employees," Robert Phillips, chief executive officer of Crestwood, said.

Terms of the agreement were not disclosed, but the tie-up already has been approved by the boards of directors and independent committees for both companies. The deal will take place through a series of transactions, slated to be done by the third quarter.

PRODUCTS

Buckeye closer to Perth Amboy connection

Buckeye expects to complete in September a pipeline connection to Colonial pipeline's system in the Linden, New Jersey, hub and to add a direct connection sometime next year.

The pipeline operator sees customer interest in the potential of an outbound connection from Linden to its Perth Amboy, New Jersey, terminal.

"Having the ability to ship products out from our marine dock via ship or barge, or move it via pipeline are truck, Perth Amboy will emerge as one of the premiere marine terminals in the US," chief executive Clark Smith said.

Colonial in February discussed wanting to improve access for its customers to export opportunities in the New York Harbor market.

Notices and maintenance

- Enbridge will conduct planned maintenance on its 215,000 b/d Ozark crude pipeline in June. The line, which transports mostly light domestic crudes to Wood River, Illinois, up from Cushing, Oklahoma, will be taken off line for repairs on or around 10 June and be down for about 10 days. Shippers have been advised that throughput rates could be reduced by as much as 40pc for the month.

- Enbridge this week halted crude deliveries to Clearbrook, Minnesota, from its 210,000 b/d North Dakota pipeline system due to high tank storage levels. The line, which transports light, sweet Bakken crude, will reduce deliveries to Clearbrook to zero "until further notice," according to a notice to shippers. Crude receipts delivering to other sites along the line will remain unaffected.

- Enbridge restarted its North Dakota system last weekend following the discovery of a leak the previous week. The company restarted the system on 6 May. The line was shut last week after the discovery of a 10 USG leak. The pipeline, which carries crude from Plentywood, Montana, to Clearbrook, Minnesota, has a capacity of 210,000 b/d from Minot, North Dakota, to Clearbrook.

- Enbridge also said this week that a recent test at the Berthold station of the company's North Dakota pipeline system revealed crude that had an "extremely high level" of hydrogen sulfide vapor. As a result, the company amended on less than one day's notice the rules and regulations tariff for the 210,000 b/d North Dakota system, effective yesterday. Enbridge cited as a reason for the tariff amendment that high levels of hydrogen sulfide vapor represent a "serious and significant" health and safety concern.

- Colonial this week allocated separate cycles of its main gasoline-bearing Line 01 and distillates-bearing Line 02 from the western US Gulf coast to Greensboro, North Carolina. It also allocated cycles 27 and 28 on Line 17, moving product from Atlanta to Bainbridge, Georgia; and on Line 20, moving distillates from Atlanta to Nashville, Tennessee.

CRUDE TRANSPORTATION RATES

Rail, US and Canada			Jun	$/bl
Origin	Destination	Typical crude	Manifest rate	Unit rate
North Dakota	Chicago	Bakken	6.87	5.73
North Dakota	New York	Bakken	10.39	9.10
North Dakota	St James, LA	Bakken	11.90	10.76
North Dakota	Port Arthur	Bakken	11.09	9.88
North Dakota	Houston	Bakken	10.35	9.07
North Dakota	Tulsa	Bakken	8.46	7.40
North Dakota	Denver	Bakken	7.42	6.17
North Dakota	Bakersfield, CA	Bakken	12.35	10.98
North Dakota	Seattle	Bakken	9.57	7.98
South Texas	St James, LA	Eagle Ford	6.88	5.29
Cheyenne	St James, LA	Niobrara	11.58	10.25
Tulsa	Houston	Domestic Sweet	8.56	7.05
S Saskatchewan	Houston	Canadian Heavy/Light	19.30	17.63
Lloydminster	Vancouver	Canadian Heavy	11.57	9.81
Lloydminster	New Orleans	Canadian Heavy	16.13	14.42
Lloydminster	Chicago	Canadian Heavy	11.96	10.06

Barge, US inland waterway	May	$/bl
Origin	Destination	Spot rate
Corpus Christi	Texas City	1.20
Corpus Christi	Houston	1.62
Corpus Christi	Beaumont/Port Arthur	1.44
Corpus Christi	Houma, LA	2.20
Corpus Christi	St James, LA	2.80
Corpus Christi	Baton Rouge	3.02
Brownsville	Houston	1.87
Houston	Beaumont/Port Arthur	1.00
Wood River	St James, LA	4.35

Waterborne freight			10-May	
Origin	Destination	Vessel size	$/bl	$/mt
Corpus Christi	Delaware Bay	32-46kt	3.27	24.21
Europe	US Atlantic	80kt	1.67	12.42
Europe	US Gulf	260kt	1.02	8.01
Europe	US Gulf	135kt	1.40	10.97
Mideast Gulf	US Gulf	260kt	1.45	10.62
Mediterranean	US Gulf	260kt	1.39	10.94
Mediterranean	US Gulf	135kt	1.49	11.72
Covenas*	US Gulf	70kt	1.42	10.21
Rio de Janeiro*	US Gulf	130kt	1.89	13.60

Pipeline, US and Canada				May		$/bl
Pipeline	Origin	Destination	Crude			Tariff
Enbridge	Hardisty	Cushing	Light			5.45
Enbridge	Hardisty	Cushing	Medium			5.70
Enbridge	Hardisty	Cushing	Heavy			6.12
Enbridge	Hardisty	Sarnia	Light			3.70
Enbridge	Hardisty	Sarnia	Medium			3.98
Enbridge	Hardisty	Sarnia	Heavy			4.45
				Not committed	<10 kbd	>10 kbd
Spearhead	Chicago	Cushing		2.15	1.24	1.09
				Not committed	5 year	10 year
Seaway	Cushing	Katy/Jones Creek, TX	Light	3.82	2.82	2.57
Seaway	Cushing	Katy/Jones Creek, TX	Heavy	4.32	3.32	3.07

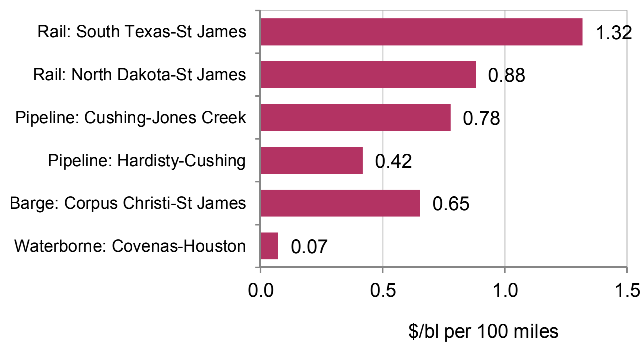
*Courtesy of Southport Maritime.
Phone: 561.775.3333; Email: fix@southportmaritime.com

COMMENTARY

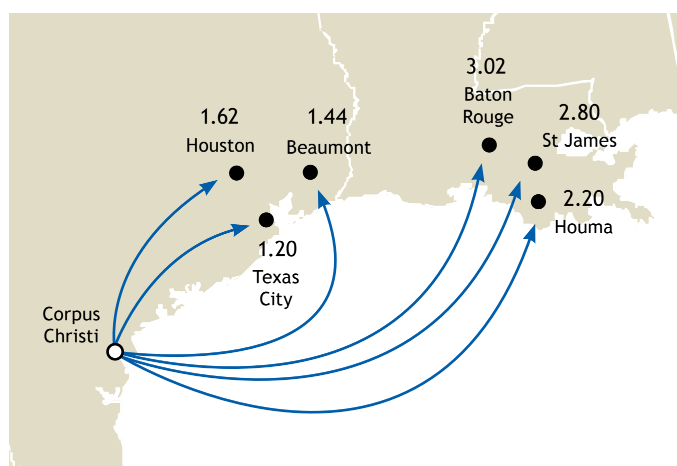
- The west Africa Suezmax market shifted lower this week with rates to the US Gulf down to Worldscale (WS) 52.5 from WS55 on 3 May. A gap in demand early this week, in part because of the UK public holiday, left rates untested and unchanged at WS55, but new cargo enquiry emerged midweek and was quickly covered at WS52.5 into the US Gulf. BP has fixed four ships for late-month loading, among them the *Aleksey Kosygin* at WS52.5 to the US Gulf and WS55 for both US Atlantic coast and UK continent or Mediterranean discharge.

- In the very large crude carrier (VLCC) market, the *Genmar Defiance* was fixed on subjects with Shell for an 11 May Aframax cargo from the east coast of Mexico to the Louisiana Offshore Oil Port (Loop) at WS105.

Crude cost per barrel per mile by modality



CRUDE BARGE RATES $/BL



See rail rate methodology on final page of the report.

REFINED PRODUCT TRANSPORTATION RATES

Ethanol rail, US		Jun	¢/USG
Origin	Destination	Manifest rate	Unit rate
Omaha	Chicago	9.27	6.93
Omaha	New York	24.78	22.18
Omaha	Atlanta	24.72	21.94
Omaha	Houston	25.33	22.30
Omaha	Phoenix	21.81	18.16
Omaha	Bakersfield, CA	23.97	20.93
Omaha	Stockton, CA	22.90	19.95
Omaha	Seattle	22.41	19.46

Light product barge, US inland waterway	May	$/bl
Origin	Destination	Spot rate
Corpus Christi	Houston	1.55
Houston	Corpus Christi	1.35
Houston	Cross-channel	0.97
Beaumont/Port Arthur	Houston	1.06
Beaumont/Port Arthur	Corpus Christi	1.37

Clean product waterborne freight			10-May	
Origin	Destination	Vessel size	$/bl	$/mt
Houston	New York	32-46kt	3.13	27.03
Houston	New York	25-30kt	5.77	49.79
Houston	Port Everglades	25-30kt	3.59	31.01
Houston	Chile	38kt	5.47	40.79
Houston*	Rio de Janeiro	38kt	4.82	34.61
Europe	US Atlantic coast	65kt	1.89	15.95
Mediterranean	US Atlantic coast	33kt	3.79	31.99

Clean product pipeline, US			May	¢/USG
Pipeline	Origin	Destination	Tariff	Volume discount
Colonial	Houston	Atlanta	2.61	
Colonial	Houston	No Virginia	3.35	
Colonial	Houston	Linden, NJ	4.51	
Explorer	Houston	Tulsa	4.03	3.96
Explorer	Houston	Wood River, IL	4.38	4.28
Explorer	Houston	Chicago	4.71	4.59
Magellan	Tulsa	Lincoln, NE	4.94	
Magellan	Tulsa	Albany, IL	6.69	

*Courtesy of Southport Maritime.
Phone: 561.775.3333; Email: fix@southportmaritime.com

NGL TRANSPORTATION RATES

Y-grade rail (unfractionated NGLs)		Jun	¢/USG
Origin	Destination	Manifest rate	Unit rate
Edmonton	Conway	29.83	26.03
West Texas	Mont Belvieu	17.66	13.86
North Dakota	Conway	22.03	18.53

Pipeline		May	¢/USG
Pipeline	Origin	Destination	Tariff
Dixie	Mont Belvieu	Hattiesburg	3.65
Sterling 1&2	Medford	Mont Belvieu	4.84

RAIL TANK CAR LEASE RATES

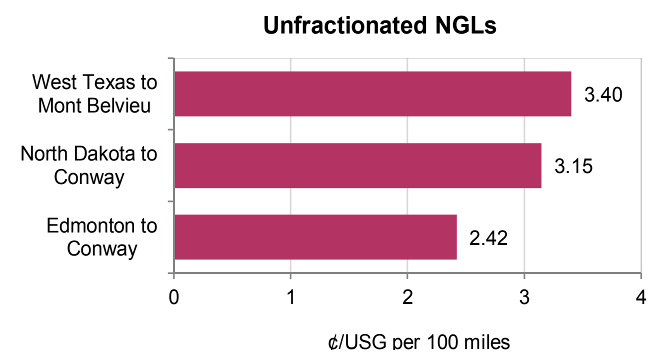
Full-serve	Jun		$/car/month
Term (years)	<1	1-5	>5
Non-pressurized	3,250	2,425	1,275
Pressurized	2,900	2,150	1,150

Railcar only	Jun		$/car/month
Term (years)	<1	1-5	>5
Non-pressurized	2,850	2,050	1,050
Pressurized	2,650	2,025	1,000

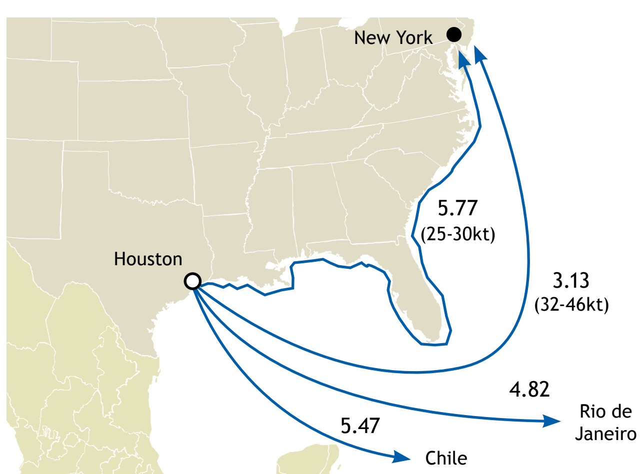
COMMENTARY

- Medium Range (MR) 37,000t clean tanker rates from Europe to the US Atlantic coast jumped by Worldscale (WS) 25 points in the week, reaching a two-month high of WS170.

Y-grade by rail: Cost by distance and volume



CLEAN PRODUCTS FOB US GULF $/BL



See rail rate methodology on final page of the report.

Methodology

For complete methodology please see www.argusmedia.com.

Rail rates

At the beginning of each calendar month, Argus will assess rail rates that will apply for shipments made in the next calendar month. A shipment begins when the volume is delivered to the railroad for transport. These rates will be updated each month in the first weekly issue of Argus Petroleum Transportation North America. For example, in early August, Argus will publish rates for petroleum shipments moving in September.

Rate specifications are:

Manifest train:	Crude: 99 cars maximum
	Ethanol: 74 cars maximum
Unit train:	Crude: 100 cars minimum
	Ethanol: 75 cars minimum
Tank car capacity:	Sweet crude: 660 bl
	Heavy crude: 540 bl
	Ethanol: 28,000 USG (666.67 bl)
	Natural Gas Liquids: 25,000 USG (595.24 bl)

Diesel fuel surcharges are levied on shippers by railroads and Argus rail rates include these surcharges. Argus rail rate assessments do not incorporate costs for the purchase or lease of railcars, or the fees associated with equipment handling. Rates are not reflective of equipment ownership and are solely the cost of transport for the routes in question.

Rail car lease rates

A full-serve lease includes all maintenance and repair costs, while a railcar-only lease leaves the shipper liable for maintenance and repairs. Argus assesses railcar lease terms of greater than five years, one to five years and less than one year. Argus will assess lease rates that will apply for shipments made in the next calendar month. These rates will be updated each month in the first weekly issue.

Barge rates

Rates are inclusive of all costs such as the day rate charged for the boat, diesel fuel and lube costs. Assessments apply to movements during the current month, and will be updated each month in the first weekly issue.

Waterborne freight

The methodology behind Argus international waterborne freight assessments is located in the Argus Freight report methodology document located on argusmedia.com. Argus also publishes assessments of Jones Act oceangoing freight rates between US ports. Vessels are US-flagged, built, and crewed.

Pipelines

Pipeline tariffs change infrequently but are included as important comparisons to other transport modalities. Argus constantly monitors the pipeline websites for the release of FERC approved tariff change bulletins and will update tariffs as released.

argus

Argus *Petroleum Transportation North America* is published by Argus Media Inc.

Registered office
Argus House, 175 St John St, London, EC1V 4LW
Tel: +44 20 7780 4200 Fax: +44 870 868 4338
email: sales@argusmedia.com

ISSN: 2051-3534

Editor: Mark Babineck
Tel: +1 713 429 6335
uspetroleumtransport@argusmedia.com

Customer support and sales:
email: support@argusmedia.com
Technical support:
email: technicalsupport@argusmedia.com
Houston, US
Tel: +1 713 968 0000
New York, US
Tel: +1 646 376 6130
Washington DC, US
Tel: +1 202 775 0240
London, UK
Tel: +44 20 7780 4200
Astana, Kazakhstan
Tel: +7 7172 54 04 60
Beijing, China
Tel: + 86 10 6515 6512
Dubai
Tel: +971 4434 5112
Moscow, Russia
Tel: +7 495 933 7571
Rio de Janeiro, Brazil
Tel: +55 21 3514 1450
Singapore
Tel: +65 6496 9966
Tokyo, Japan
Tel: +81 3 3561 1805

argus

argusmedia.com

Argus North American Crude Transportation Summit: New Pathways to the Market

June 5-7, 2013
Houston, TX

Exhibit space and sponsorship opportunities available. Contact Antonette Jones at +1 713 429 6310 or antonette.jones@argusmedia.com.

Rising North American crude production has set off a surge of infrastructure growth to connect producers with their customers. The Argus North American Crude Transportation Summit brings together market participants from across the crude oil supply chain to discuss the issues involved in bringing advantaged crudes to market.

- Production and take-away capacity analysis from the Bakken, Eagle Ford and emerging shale regions
- Crude by rail, barge and truck: Rates, availability and economics
- Jones Act shipping: Economics around major routes, possible new tanker destinations, impact of approved Canadian exports
- Major pipeline projects and expected impact on supply
- Modal cost competition and arbitrage opportunities...*and more!*

Participating Companies:

AllTranstek LLC • Anadarko Petroleum • Argus • Asphalt and Fuel Supply • Atlas Oil • BB&T Capital Markets • BioUrja Trading • BP • Buckeye Energy Services • Canadian Pacific • Cenovus Energy Inc • CIMA Energy • Eagle Rock Energy • Enterprise Products • ExxonMobil Refining & Supply • Federal Railroad Administration • Intertek • J.P. Morgan • Kansas City Southern Railway • Lukoil Pan Americas • Mitsui Rail Capital, LLC • Nexant, Inc. •Nexen Inc. • OSG Ship Management, Inc. • Pembina Pipeline Corp. • Pioneer Natl. Resources USA, Inc. • Pioneer Solutions • Plains Marketing, LP • PMI Comercio International, S.A. DE C.V. • Quorum • Rail Logix Rail • Pipeline Group LLC • Raymond James • RBN Energy, LLC • Shell • Tesoro • Tesoro Maritime Co. • Torq Capital Partners • Total Petrochemicals & Refining USA, Inc. • Transcanada Pipelines • Transmontaigne...*and others!*

Register, view the full agenda and get up-to-the-minute conference updates at:
www.argusmedia.com/NA-crude-transport

Breakfast Sponsor: PIONEER SOLUTIONS

Exhibitors: Intertek, QUORUM BUSINESS SOLUTIONS, INC.

Partnering Organization: GARP

Featured Speakers:

Tony Chovanec, Vice President Fundamentals and Supply Appraisal, **Enterprise Products**

Tracy Robinson, Vice President, Marketing and Sales, Energy and Merchandise, **Canadian Pacific**

Greg Henderson, General Manager, Pipelines and Terminals, **Tesoro**

Dan Gordon, Vice President Fuel Supply, **Delek US**

László Varsányi, Director, Market Development, **Enbridge Pipelines**

Dan Altena, General Manager, Southern Mid-stream, **Anadarko Petroleum Corp.**

Daniel Penovich, Vice President, **Mitsui Rail Capital**

Eric Smith, Chief Commercial Officer, **OSG**

Kevin Sterling, CFA, Senior Vice President, BB&T Capital Markets, **Transportation Equity Research**

Jacob Dweck, Partner, **Sutherland Asbill & Brennan LLP**

Robert (Bob) Centracco, Haz-Mat Specialist, **Federal Railroad Administration**

Tim Allen, Vice President Liquid Sales, **American Commercial Lines**

Richard Kloster, Senior VP, **AllTranstek LLC**

Scott Swanson, Director of Crude and Biofuels Business Development, **Atlas Oil**

Jarrett Zielinski, President and CEO, **Torq Capital Partners**

Darrell D Brock, Jr., Director of Business Development, **Arc Terminals**

Jerry Difede, Vice President Global Cargo Inspection, **Intertek**

Nelson Vasquez, Senior Consultant, **Nexant Inc.**

Petroleum
illuminating the markets

Argus North American Crude Transportation Summit

EVENT REGISTRATION

EMAIL:
usconferences@argusmedia.com

FAX:
Complete this form and fax to
+1 281 786 3946

MAIL:
Complete this form and post to the address below

DATES & VENUE

June 5-7, 2013
Houston, Texas
www.argusmedia.com/NA-crude-transport

REGISTRATION

Early registration (available until May 3, 2013): ☐ $1295
Standard registration (after May 3, 2013): ☐ $1495

*To apply for a group rate, contact Antonette Jones:
+1 713 429 6310 or antonette.jones@argusmedia.com

Fees include participation in all sessions, conference luncheon/reception, coffee breaks, continental breakfast and one set of conference documentation per person. Travel and accommodation costs are not included.

PAYMENT METHOD

☐ Check enclosed (Make payable to "Argus Media").
☐ Credit card number provided.
☐ Bank transfer (see below for details.)

Type of credit card (check one): ☐ Visa ☐ Amex ☐ Mastercard
Card number: ______________________
Card holder's name: ______________________
Security code: __________ Exp. date: _____ /_____ /_______
Signature: ______________________
Card billing address: ______________________
Total $: ______________________
(Credit card payments must be received before the expiration date)

Details for Bank Transfer
To request remittance details and pay by bank transfer please select the checkbox above and submit your registration form to the email or fax line noted on this form.

REGISTRATION FORM

Please PRINT in block letters and return to:
Argus Media, Inc
3040 Post Oak Boulevard, Suite 550
Houston, TX 77056
Attn: Argus North American Crude Transportation Summit
Tel: +1 713 429 6310 | Fax: +1 281 786 3946
Email: usconferences@argusmedia.com
www.argusmedia.com/NA-crude-transport

COMPANY DETAILS:

Company Name: ______________________
Address: ______________________
City/State or Province: ______________________
Postal Code: ______________________
Country: ______________________
Main Business/Activity: ______________________

DELEGATE 1 DETAILS

Name: Dr/Mr/Ms: ______________________
Job Title: ______________________
Telephone: ______________________
Email: ______________________

DELEGATE 2 DETAILS

Name: Dr/Mr/Ms: ______________________
Job Title: ______________________
Telephone: ______________________
Email: ______________________

Tick here to request a free trial of *Argus* Americas Crude ☐

Tick here to request a free trial of *Argus* Crude ☐

Tick here to request more information about *Argus* Petroleum Transportation North America ☐

TERMS AND CONDITIONS

- All registrations must be on the prescribed form, with payment enclosed. Payment will be accepted by credit card, bank wire or company check only.
- The conference organizers reserve the right to refuse the registration of any individual or company for any reason, at the conference organizer's sole discretion. The conference organizers reserve the right to impose conditions of entry for walk-in delegates, including refusal of entry.
- The delegate acknowledges and agrees that photographs taken at the conference, which may include the delegate's image, may be used by Argus in future promotional material.
- The delegate acknowledges and agrees that his or her name, company name and title may be used by Argus in marketing this and future conferences and events.
- Argus may disclose the delegate's contact information (full name, title, company name, company address, telephone and e-mail address) to other delegates, sponsors, speakers and/or conference partners.

Cancellation & Substitution

- Cancellations prior to May 7, 2013 will be eligible for a 50% refund. No refunds will be given after May 6, 2013.
- Substitutions from the same company are accepted at any time. Please contact us by June 4, 2013 with substitute name so we can have their materials ready.

Hotel Accommodation & Visa Application

Delegates are responsible for their hotel, travel and visa arrangements. Event room rates are available on a first-come, first-served basis.

Disclaimer

The organizers will not accept liability for non-approval of visas, individual transport delays and transport disruption. In such circumstances, our normal cancellation rules and penalties apply. Where matters beyond the reasonable control of the organizers impair or prevent the organizers from being able to perform their obligation under this event, the delegate releases the organizers from any liability, incidental or consequential, to such matters.