

PERIODIC REPORTS RE: MAGELLAN GASOLINE RELEASE SITE

Prepared by Magellan Midstream Partners LP

and/or Leggette, Brashears & Graham, Inc. Environmental Engineering Consultants

WEEK OF JANUARY 24, 2010

Major activities conducted during the week of January 24, 2010:

- Boart Longyear was onsite Monday and Tuesday (1/25-26/10) and installed two (2) additional remediation wells and four (4) monitoring wells. The remediation wells were installed within the berm near the downgradient edge of the free product plume. Three monitoring wells were installed in the tank berm area downgradient of the existing remediation wells. One monitoring well was installed side gradient south of the loading rack.
- Approximately 9.5 tons of soil (Drill cuttings/pre-clearing) were hauled offsite by River View Construction and disposed of at the Lincoln County Solid Waste Facility on Friday (1/29/10) who has a WDNR approved petroleum contaminated soil biopile.
- Boart developed the monitoring wells on Thursday (1/28/10). All purge water was containerized and disposed of by Chief Industrial Services.
- Chief Industrial Services conducted free product vacuum events on select remedial wells (FP-12, FP-26, SVE-6, SVE- 8, SVE-13, SVE-17, SVE-20, SVE-22, and SVE-24) on Wednesday and Thursday (1/27-28/10). Liquids recovered (2,600 gallons) were hauled offsite and disposed of by Chief at their treatment facility. Air discharge was routed to Flame Ox so no direct discharge to atmosphere from the Vac Truck.
- Fluid levels were collected throughout the week from the remediation wells.
- Soil gas screening of the four vapor points located by the terminal office and workshop were conducted on Wednesday (1/27/10). Field screening readings did not indicate adverse conditions at these locations.
- Engineers were on site throughout the week to collect SVE and Flame Ox system data and perform system optimization. In addition, LEL, PID, and O2 readings were collected from operating SVE wells (FP wells). Drop tubes were adjusted to increase LEL to the Flam Ox. Condensate was removed and drummed. Due to adverse weather conditions, SVE laterals and valves were freezing, and warming blankets were used to wrap the piping.
- Electricians wired and engineers tested the compressor skid to be used with the pneumatic pumps (to be installed this week, weather permitting).
- Influent and Effluent samples were collected from the SVE system at the Flame Ox.
- An Air Sparging Work Plan was submitted to the WDNR.

Activities proposed for the week of January 31, 2010:

- R3 to plumb in additional SVE blowers,
- R3 to install a limited number of pneumatic pumps for product recovery to see how they will function given the cold weather,
- Chief to pre-clear and Boart to drill/install 13-14 air sparge wells near the property line extending from MW09-23 to the eastern edge of the tank farm berm,
- LBG to collect groundwater samples from eight new monitoring wells installed over the past two weeks. The wells will be analyzed for VOCs, GRO, and DRO.
- Chief to provide disposal services for all development and purge water from the monitoring wells and condensate from SVE system,
- LBG to continue fluid-level monitoring and soil-vapor monitoring,

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- Kemper & Associates is scheduled to be onsite to survey vertical and horizontal locations of the monitoring wells and horizontal location of the remediation wells,
- Free-product recovery will be conducted using a portable submersible pump,
- A new gas line and an additional electric service to be brought to site in the next couple weeks to provide required power to the expanding remediation systems, and
- LBG and R3 to continue optimization of current remediation systems.

Attachments:

- Free Product Thickness Map
- Groundwater Analytical Data
- Soil Vapor Data
- Recovery Calculations (Vac Truck Events and SVE System)

Lorraine K. Woxell

Environmental Remediation Specialist

Magellan Midstream Partners, L.P.

WEEK OF JANUARY 18, 2010

Groundwater sampling of all monitoring wells was conducted on Tuesday(1/19/10) and Wednesday (1/20/10). Analysis consisted of PVOCs, GRO, DRO, and natural attenuation parameters. VOCs were substituted for PVOCs at two newly installed wells (MW09-7 and MW09-19). All purge water was containerized and placed in the onsite frac tank.

Soil gas samples were collected on Wednesday (1/20/10) for laboratory analysis from the four vapor points located by the terminal office and workshop. Field screening readings did not indicate adverse conditions at these locations. The SVE system at all three skid locations remained operational throughout the week. An influent air sample was collected on Wednesday (1/20/10).

Boart Longyear was onsite Tuesday(1/19/10) through Friday (1/22/10) and installed an additional forty-one (41) remediation wells and four (4) monitoring wells. Drill cuttings were placed in a Clean Harbors rolloff. Once the rolloff was full, additional drill cuttings were placed into a Riverview Construction dump truck. All soils will be hauled to and disposed of at the Lincoln County Solid Waste Facility which has a WDNR approved petroleum contaminated soil biopile. Arrangements are in place for Clean Harbors to remove the rolloff from site. Riverview Construction will be hauling soils on an as needed basis.

The four new monitoring wells were developed and all water was containerized. The four new wells will be sampled next week with laboratory analyses consisting of VOCs, GRO, and DRO.

Fluid levels were collected throughout the week from the monitoring and remediation wells. Product thickness remained relatively steady in all free product wells. Product was detected for the first time in B09-13 at 0.32 foot. B09-13 has since been converted to a remediation well (SVE-13 on the Figure).

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Chief Liquid Waste, Inc. was retained to offload, haul, pre-treat, and dispose of the frac tank liquids. Chief also provided frac tank cleaning services. CleanHarbors removed the frac tank from the site on Friday (1/22/10). In addition to SVE, alternative product recovery options have been pursued. Approximately ten (10) Magellan owned downhole pneumatic pumps have been located throughout the Magellan system. These will be brought to the terminal and installed next week to complement the existing and future expanded SVE system. Tentative startup for the pneumatic pumps is the week of January 25.

Major activities proposed for the week of January 25, 2010:

- LBG and R3 continue optimization of current SVE system,
- R3 to install up to 10 pneumatic pumps for product recovery,
- Boart to install and develop additional downgradient monitoring wells,
- Chief to provide disposal services for all development and purge water from the monitoring wells,
- LBG to collect groundwater samples from the four new monitoring wells installed last week and potentially sample the new wells to be installed this week,
- LBG to conduct soil gas monitoring of the four vapor points by the office and workshop, monitor fluid-levels, and
- LBG continue gathering equipment for additional/expanded SVE system, including additional SVE skids, and an additional oxidizer unit.

Please feel free to contact us with additional comments or if you have any questions.

Bruce Heine

Dir Government & Media Affairs
Magellan Midstream Partners, L.P.

Lorraine K. Woxell

Environmental Remediation Specialist
Magellan Midstream Partners, L.P.

JANUARY 22, 2010

I am providing you with answers to your questions listed below.

- When was MW09-19 sampled?
A grab sample was collected from the MW09-19 location on December 18, 2009 during an initial geoprobe investigation (SB09-19). This location was then modified to a permanent 2-inch monitoring well on December 22, 2009. The well is included on the January 2010 sampling schedule, which was January 20, 2010. The well will be analyzed for VOCs, GRO and DRO.
- What is your turn-around time for laboratory analysis?
Since this is a critical monitoring location, we have requested that samples from MW09-19, in addition to MW09-7 have an expedited laboratory turnaround time. We have requested a 48-hour turnaround from the laboratory, and expect to see analytical results by end of day on Monday, January 25th.

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- Have you collected groundwater samples from the temporary points more than once?
One round of groundwater samples was collected from the temporary monitoring point locations along the perimeter of the identified product plume on December 16-18, 2009. Additional permanent monitoring wells will be installed along the edges of the product plume during the current phase of product delineation (see previous figure) to span the sidegradient and downgradient direction of groundwater flow.
- When you receive your SVE results, please submit them to me and Ashley Gray (air engineer).
Our engineers working on the air permit have been directed to submit all air analytical results to Ms. Gray and copy you. In addition, any analytical data that would require modifications to the air permit would be sent to the WDNR permit group in Madison by Magellan's Air Specialist.
- Can you provide more detail on how the SVE system will reduce the free product and the role of the pneumatic pumps?
There were various remedial technologies that were considered for interim response actions for this site. In particular, SVE was selected to be the best available technology for the following reasons:

1. *High volatility of the released material (gasoline);*
2. *High permeability of the site soils (sand);*
3. *Current seasonal conditions (winter, freezing conditions);*
4. *Lack of current water discharge points or permits available for the site.*

SVE is extremely effective at mitigating gasoline impacts, especially in high permeability soil conditions. LBG has modified the application of SVE from a standard soil-cleanup technology to a free product recovery technology by aggressively decreasing well spacing. The aggressive well spacing will allow more efficient volatilization and recovery to occur throughout the entire product plume.

Although less effective in direct comparison to SVE, pneumatic, product-only, recovery pumps currently owned by Magellan and currently available for use at this site will be used to further expedite product recovery efforts. Based on the product levels observed, the pneumatic pumps should immediately supplement the product recovery efforts at the site.

- How long will it take to reduce free product levels?
With limited operational data at this time, and ongoing efforts to expand the SVE system it is difficult to estimate a current timeframe for completion of product recovery efforts. Our best guess at this time would be 6 months with significant product recovery after 3 months of operation.
- Is it more efficient than pumping the free product off the groundwater table?
Based on current site conditions, SVE is the most effective remedy at removing product from the subsurface at this time.
- How will you keep the free product area from increasing? Or if it is going to increase, what is your contingency plan to keep the plume from moving off the property?
I am sure there will continue to be fluctuations of product measured along the perimeter of the currently identified product area, but the source of impacts to the groundwater table has been removed. Free product recovery efforts, including historical vacuum truck events, SVE and pneumatic down-hole pumps will continue to remove product from the surface to achieve at a minimum, plume stability. Currently installed and future (this week and next) monitoring wells located between the identified product plume and the downgradient perimeter wells will allow LBG to implement contingency scenarios. If the product plume is

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unstable, a multi-phase extraction and/or pump and treat system has been considered. These technologies will be submitted for WDNR approval in future work plans.

- What factors are you using in your contingency plan to determine when you should look at sampling off-site? *If current data indicates the dissolved phase plume resulting from the December 2009 gasoline release has the ability to reach the perimeter of the site at concentrations exceeding enforcement standards that would pose a risk to human health or the environment, Magellan will complete off site sampling. This would include the potential for vapor intrusion sampling at off site locations. The monitoring network installed between the product plume and the perimeter monitoring wells at the property line will be used to estimate/model future potential downgradient conditions at the site.*
- Have you used SVE to remove free product at other sites? If so, did any of the sites have the amount of free product at the Wausau Terminal site?
Yes, SVE has been used for free product recovery at other sites, and in similar applications to the Wausau Terminal site. At this time under current site conditions, it is believed that SVE is going to be the most effective product removal technology. The majority of bulk product removal will occur through the vapor phase. When seasonal conditions change, the current technology may be modified, if deemed beneficial to the remedial process. The product recovery wells were designed to be effective for a wide range of potential remedial alternatives at the site, including but not limited to: multi-phase extraction, dissolved oxygen injection, pump and treat, and product-only recovery methods. The wells are 4-inch diameter, which will allow the use of packers, etc. to optimize in-well conditions for specific remedial alternatives.
- How did you determine your 25' radius of influence (ROI) for the SVE wells? Do you have site data to document the ROI?
Historical SVE pilot tests were completed in the aquifer and achieved a typical ROI of 75 to 100 feet in this type of geology (sand). However, the current ROI was determined based on the premise of product recovery, not soil cleanup, and therefore spacing is much more aggressive than usual.
- What do you consider to be the permanent long-term remedial plan at the site?
It is expected that permanent long-term remedial plans will include some modification to the current source area (product) remediation. Most likely options include multiphase extraction or dissolved oxygen injection. In addition, we are evaluating the need for multiple recirculation wells installed in a linear formation that would act as a "curtain" or barrier system and would be installed downgradient of the identified product plume and upgradient of the property boundary. Depending on dissolved phase loading, and recirculation well destruction capacity, an additional recovery well would ideally be located downgradient of this proposed recirculation "curtain" system, which would effectively capture groundwater passing through the "curtain", pump it to an upgradient location on site near the source area to be saturated with oxygen and re-injected. The dissolved phase oxygen system, if approved by the WDNR would likely be the most effective at polishing up groundwater to achieve regulatory closure.
- Please provide the soil disposal information in your next weekly update (total amount taken to Lincoln County and the date of disposal).
On January 11 and 13, 2010, a total of 32.98 tons of soil were brought to Lincoln County for disposal. A significant quantity of this soil was generated during pre-clearing of drilling locations (to a depth of 6 feet below grade) on the terminal property away from the direct release location, and was not impacted by the December 2009 release.

It is Magellan's intent to begin a more formal reporting process once the non-emergency immediate and interim actions which currently include free product delineation efforts and product recovery events are established and

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operational. In the near term, Magellan will provide a summary status report of activities completed and analytical data collected at the site to date. Our next anticipated work plan submitted for WDNR approval would be associated with the recirculation system.

Thank you for all your effort on this project. Please let us know if you have additional questions.

Lorraine K. Woxell

Environmental Remediation Specialist

Magellan Midstream Partners, L.P.

WEEK OF JANUARY 11, 2010

Kim Blomker (LBG), Mike Pearson (Magellan), and Lisa Gutknecht (WDNR) met with the Village of Kronenwetter on Monday, January 11th to address concerns the Village had regarding the December 2009 gasoline release at the Wausau Terminal.

As requested by the WDNR, LBG submitted temporary SVE system specifications and details, including drawings. In addition, soil and groundwater tables, including free product (gasoline) thickness measurements were included with an updated site map.

Soil gas field monitoring of the four vapor points located by the office and workshop was conducted. No adverse readings were recorded.

R3 Contracting got the remaining two of three SVE skids up and running on Monday. LBG was onsite Wednesday through Friday with R3 to optimize the SVE system. Laboratory analytical results collected influent/effluent from the Oxidizer (pending) will be used to record product recovery rates.

SGS Environmental Contracting was on site Monday and Wednesday to load, haul, and dispose of the soils stockpiled on and covered with plastic in the tank farm bermed area. These soils were generated from the initial loading rack release excavation and from hydro-vac preclearing for installation of the temporary monitoring points. They also disposed of one (1) drum of soil cuttings generated by Matrix Environmental during the temporary monitoring point installations, and four (4) drums of soil cuttings generated by Boart Longyear during the side and up gradient monitoring well installations. The soils were characterized and disposed of at the Lincoln County Solid Waste Facility which has WDNR approved petroleum contaminated soil biopile. As requested by Magellan, this work was conducted under the supervision of LBG.

Fluid levels of the temporary and product recovery source wells were measured on Monday January 11 and Thursday January 14. Product thickness remained relatively steady in all free product wells. Product was detected for the first time in B09-17 at 0.70 foot. B09-17 is currently a temporary 3/4-inch downgradient monitoring point.

Frac tank water disposal options were explored. The WDNR did not approve disposal at Rib Mountain, therefore Chief Liquid Waste, Inc. has been retained to offload, haul, pre-treat and dispose of the liquid. The liquid waste is tentatively scheduled to be hauled off site next week.

In addition to SVE, alternative product recovery options have been pursued. Approximately ten (10) Magellan owned downhole pneumatic pumps have been located throughout the Magellan system. These will be brought to the

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terminal and installed over the course of the next two weeks to complement the existing and future expanded SVE system. Tentative startup for the pneumatic pumps is the week of January 25.

Major activities for the following week:

- LBG and R3 continue optimization of current SVE system,
- Boart to install additional MW and SVE wells (see attached map),
- Chief to provide preclearing for additional drill locations,
- Chief to provide services to haul and dispose of liquid waste in the frac tank,
- CleanHarbors to move frac tank offsite,
- LBG to conduct site wide groundwater sampling event of permanent monitoring wells,
- LBG to collect soil gas samples for lab analysis from the four vapor points by the office and workshop, and
- LBG continue gathering equipment for additional/expanded SVE system, including additional SVE skids and an additional oxidizer unit.

Please feel free to contact us with additional comments or if you have any questions.

Lorraine K. Woxell

Environmental Remediation Specialist
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UPDATE FOR WEEK OF JANUARY 2-8, 2010

Magellan received an email from Judith Akey, President of the Village of Kronenwetter, requesting additional information regarding the actions Magellan is taking to clean up the spill and to prevent future incidents. A question and answer form was submitted containing the Village's concerns. A conference call between Magellan, LBG, and WDNR discussed the best approach to address these concerns. A text summary along with site maps illustrating soil quality, water quality, and product thickness were prepared. This information was conveyed to the Village by Magellan, LBG, and WDNR during a face to face meeting on Monday, January 11.

UP Environmental conducted free product recovery via vac truck extraction on Tuesday through Thursday. Fluid level measurements in the wells containing product were obtained daily during the vac events. On Friday, product was transferred from the frac tank to Magellan's onsite separator. Arrangements for water disposal continue to be pursued with local POTWs. Laboratory data associated with the frac tank water sample are to be made available by the end of the day Monday January 11.

R3 Contracting continued installation of the above ground interim SVE system throughout the week. LBG was onsite Thursday and Friday for SVE startup. On Friday, one of the three SVE skids became operational. As required, air samples of the SVE influent and effluent were collected during the first three consecutive days (Friday, Saturday, and Sunday) of system operation. It is planned to have the second SVE skid operational on Monday January 11 and the third SVE skid online by the end of the same week. Actions have been initiated to move the Magellan owned Flame-Ox from the Kansas City Terminal to the Wausau Terminal to replace the rental Flame-Ox currently onsite. As requested by the WDNR, we are preparing system specifications, system operation details, drawings illustrating the system layout, and an air sampling schedule.

Soil gas monitoring of the four vapor points located by the office and workshop was conducted. No adverse readings were recorded.

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An Update for the week of January 9-15, will be provided early next week. Please contact us if additional clarification is necessary.

Lorraine K. Woxell

Environmental Remediation Specialist

Magellan Midstream Partners, L.P.

DECEMBER 29, 2009

The free product plume has been delineated (see attached map). The plume is not yet stabilized, and continues to expand. Ten temporary geoprobe points were converted to 2-inch remediation points within the source area. In addition, 3 additional points were drilled and installed within pre-cleared locations. A total of 13 wells will be utilized to complete interim vacuum recovery events on a weekly basis until a full scale system is operational. A 21,000 gallon frac tank was brought to the site and contained within the facility berm on Tuesday (12/22) of last week. The facility SPCC, ERAP and MPAP plans were provided to the WDNR. Magellan received approval to complete interim product removal efforts on Monday December 21st contingent on submittal of an air construction permit application. A vacuum event was completed on Tuesday, Dec. 22nd of last week, but due to complications with weather and freezing, only 96 gallons of product were removed from wells within the source area. In contrast, approximately 244 gallons of product were removed in a 2.5 hour window this morning (12/28). Vacuum events will continue throughout Wednesday of this week.

The newly installed sidegradient and upgradient monitoring wells were developed last week by Boart Longyear. LBG will be sampling these wells along with the other perimeter wells and the on-site water supply (used for non-potable use) on Tuesday (12/29) and Wednesday (12/30) of this week. Boart Longyear converted two additional temporary points into downgradient monitoring points last week. LBG began developing the wells last week, and will continue this week. These wells did not contain free product during the geoprobe investigation, and will be utilized for future contingency monitoring of potential plume expansion. LBG has just started receiving the soil quality and groundwater quality results from the geoprobe investigation. LBG will be tabulating the information this week.

LBG is still waiting on soil vapor probe analytical results. In the interim, the points are monitored weekly with a PID, LEL and O2 meter. Last week there were no detections for PID/LEL in any of the points. Air analytical results from the vac truck exhaust event from last Tuesday just came in today (12/28). We are working on calculations to indicate the expected discharge to atmosphere from last week's vacuum event (per WDNR request) and estimated concentrations for the air construction permit for any future events that may occur. Benzene emissions are MUCH lower than originally anticipated.

We have ordered SVE equipment and obtained a Catox/Flame Ox unit that will be used during interim wellhead SVE events. The equipment is anticipated to arrive on site on January 4th. We have hired an electrician to get power to the necessary equipment on Tuesday, January 5th. Above grade piping/plumbing at the wellheads will be completed and startup will occur during the week of January 4th.

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Kimberly Blomker, CHMM

Periodic Reports re-Magellan Spill.docx

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DECEMBER 17, 2009

I wanted to give you a quick update regarding the Wausau Terminal investigation. We are continuing to delineate soil and groundwater impacts utilizing a geoprobe to screen soils and install temporary points to monitor for free product. We have identified free product at the water table in the immediate vicinity of the truck loading rack. Temporary monitoring points installed 20 feet north of the rack contain approximately 12 inches of product. Approximately 100 feet due west (downgradient) of the rack, one monitoring point contains approximately 10 inches of product. At this time, we are continuing to delineate the perimeter of the free product area.

LBG has contracted Boart to complete the installation of four permanent monitoring wells that are consistent with your request to install side-gradient and upgradient monitoring points (mentioned in your email below). The wells you specifically mention below were previously abandoned when the original release was closed. Once the four new monitoring wells have stabilized, groundwater samples will be collected in accordance with WDNR rules. We are planning on collecting an additional round of groundwater samples from the downgradient perimeter wells at this time as well.

To insure the safety of our terminal personnel and determine the potential for vapor intrusion, soil-vapor points will be installed near the office and the storage/garage locations. Two permanent probes will be installed at each location, and air samples will be collected via Summa canisters. These points will continue to be monitored throughout the duration of the project life cycle.

We anticipate that the four permanent monitoring wells and temporary geoprobe points will be completed by the Christmas holiday. We are planning to initiate the remedial design/well installation phase immediately after the Christmas holiday. At this time, we believe the most effective remedial system will be multi-phase extraction (MPE), including SVE (However, air and water permitting issues will have a bearing on the final remedial approach). The wells will be 4-inches in diameter and will be designed to allow the use of several different remediation techniques. A pilot test will most likely be completed to determine design parameters for a permanent system. We are also investigating the feasibility of installing buried piping for a permanent system under current seasonal conditions. At a minimum, interim free product recovery will be completed on a weekly basis via vac truck or with a pneumatic pumping system until a permanent system is permitted and constructed.

In my next weekly update (Monday, Dec. 21), I will include a base map of geoprobe locations with temporary monitoring points, soil vapor points and newly installed monitoring wells for your reference. If you should have any additional comments or questions, please feel free to contact LBG or me directly.

Lorraine K. Woxell

Environmental Remediation Specialist

Magellan Midstream Partners, L.P.