SOUTH TEXAS GATEWAY PROJECT OVERVIEW

Buckeye is developing a new crude oil pipeline from the Permian Basin in West Texas to Corpus Christi and Houston. The proposed pipeline system — called South Texas Gateway — will deliver crude oil and condensate from origination points in Wink, Midland, and Crane, Texas, to Buckeye’s recently expanded world-class facilities in Corpus Christi, Texas, and to destinations in the Houston area.

The pipeline is expected to be 30 inches in diameter with a total capacity exceeding 600,000 barrels per day. Buckeye plans to hold a binding open season for the pipeline in early 2018 with the expectation that it will be in service in 2020.

The much needed Permian Basin take-away capacity will expand access to global markets for Texas-produced crude oil, fostering continued economic success for the state. South Texas Gateway will also positively contribute to Texas and the nation’s continued economic growth and impact on energy markets worldwide.

COMMUNITY

Headquartered in Houston, Buckeye understands and embraces Texas values. With over a 130-year history, we place a high priority on community engagement, operational transparency, and entrepreneurship, which is critical to our success. We also understand the importance of communicating and working with all stakeholders — especially landowners — to develop, construct, and operate the South Texas Gateway pipeline safely and responsibly.

SAFETY

At Buckeye, there’s no higher priority than safety. Our employees and contractors are held to — and hold themselves to — the highest and most rigorous safety standards. South Texas Gateway will be designed and built with highly advanced construction and engineering technologies and solutions that meet or exceed all applicable safety and environmental regulations. Once operational, the pipeline will be subject to ongoing inspection and testing to ensure its integrity and compliance with all applicable regulations.

ENVIRONMENTAL PROTECTION

Buckeye will conduct environmental, anthropological and threatened species surveys along the proposed route with a variety of resources, including Geographical Information System (GIS) mapping, aerial inspections and on-the-ground assessments done by professional wildlife and habitat biologists. This thorough process is conducted in collaboration with regulators, landowners, and other key stakeholders.

Following construction, Buckeye will work closely with landowners to implement a reclamation program to ensure that land is restored with native seeds and grasses. Erosion controls will also be utilized to minimize post-construction erosion. Ongoing inspections will be conducted during the first several growing seasons to assess the reclamation program’s effectiveness.
Buckeye is proud to invest in infrastructure solutions that connect Texas crude oil and petroleum products to global markets. Given the recent significant growth across the Permian Basin – one of the world’s most prolific oil producing regions – comprehensive transportation solutions are needed to ensure West Texas remains competitive. Drawing on its long record of providing exceptional logistical and transportation solutions for the energy industry, Buckeye is uniquely positioned to meet these needs, particularly given the company’s existing and proposed critical infrastructure projects in Corpus Christi, Texas.

Buckeye has invested more than $1.2 billion in its South Texas platform, which includes a world-class processing, storage, blending and marine export facility in Corpus Christi. South Texas Gateway builds upon and further enhances available transportation and logistics solutions to significantly enhance Permian Basin production as well as certain other complementary projects Buckeye is pursuing. These complementary projects include the construction of a crude oil distribution system in Corpus Christi to provide local refineries with access to new supply sources and a planned expansion of Buckeye’s existing storage and marine terminalising assets along the Corpus Christi Ship Channel. These projects, along with the South Texas Gateway pipeline, will have a major economic impact for Texas and beyond.

**ECONOMIC BENEFITS**

The construction and operation of the South Texas Gateway pipeline is expected to have a lasting economic impact. The construction of the pipeline is anticipated to generate over $1 billion in economic activity to the state’s economy over three years, with the project’s national economic impact expected to reach $3 billion during that period. The potential state-level economic impact is represented by over $400 million in direct investment in the pipeline along with over $600 million in supplier and employee spending.

The pipeline is projected to support over 1,800 construction jobs at its peak in 2019 with related supply chain jobs reaching over 6,000 total jobs that same year. During construction, the project could generate $65 million in state and local tax revenues over three years.

Once operational in 2019, the pipeline is expected to support nearly 40 direct jobs as well as 540 additional jobs throughout the state’s economy and provide an annual economic impact of $62 million and $73 million at the state and national levels, respectively. State and local tax revenues generated could reach $26 million annually.

*Economic impact data generated using IMPLAN modeling*