

ExxonMobil Pipeline Company
800 Bell Street
Houston, Texas 77002

Gary W. Pruessing
President

ExxonMobil
Pipeline

July 26, 2013

Senator Mark Pryor
255 Dirksen Senate Office Bldg.
Washington, D.C. 20510

Senator John Boozman
320 Hart Senate Office Bldg.
Washington, D.C. 20510

Representative Tim Griffin
1232 Longworth HOB
Washington, D.C. 20515

Judge Buddy Villines
201 S. Broadway, Suite 400
Little Rock, AR 72201

Mayor Mark Stodola
Little Rock City Hall
500 West Markham Street
Little Rock, AR 72201

Mayor Joe Smith
City of North Little Rock
120 Main Street
North Little Rock, AR 72115

Chairperson Marie-Bernarde Miller
221 East Capitol Ave.
P.O. Box 1789
Little Rock, AR 72203

Dear Senator Pryor, Senator Boozman, Representative Griffin, Judge Villines, Mayor Stodola, Mayor Smith and Chairperson Miller,

I am in receipt of your July 19 letter regarding the requests for information on the Pegasus Pipeline. Let me start by stating that we understand and share your concern for the Lake Maumelle Watershed. As a responsible operator of pipelines nationwide, it is a concern we have for all public and environmental resources that could be impacted by our pipeline operations. Next, let me assure you that ExxonMobil Pipeline Company (EMPCo) is complying with all applicable regulations and requirements as part of the investigation and is committed to identifying any and all mitigation steps necessary to prevent an incident like this from occurring again.

As you are aware, the line is regulated by the Pipeline and Hazardous Materials Safety Administration (PHMSA). EMPCo is currently under a Corrective Action Order (CAO) regarding the Pegasus Pipeline and is working diligently to provide PHMSA with all available data and results from on-going testing and evaluations. While we now know a manufacturing defect caused the rupture, we are collaborating with PHMSA to conduct supplemental testing on the failed section of the pipeline to understand how the original defect failed. A comprehensive review and analysis of this nature is necessary to allow for the integrity verification of the entire pipeline.

We recognize this process is not as expedient as some would like but taking the time to get to the full root cause is essential for determining the correct path forward. Let me assure you that EMPCo is conducting this investigation with the highest integrity in response to the incident and providing complete transparency to regulators. We are also working with leading technical experts in the industry to ensure we have the best expertise available. While the investigation is on-going, it is PHMSA that defines the timing, type and amount of investigative information to share with appropriate stakeholders and the general public.

In terms of the Lake Maumelle Watershed, EMPCo has had an ongoing dialogue with Central Arkansas Water (CAW) for several years. Within days of the incident, EMPCo was petitioned to participate in a CAW Commission meeting to discuss next steps for the pipeline, including potential relocation. I personally engaged with CAW representatives then and explained that our immediate priority at the time was the emergency response activities in Mayflower.

Following your letter of May 15, Karen Tyrone, Caroline Henderson, and Nick Medina, met with you, or your representatives, in Little Rock on May 22, to update you on the investigation of the incident and express our commitment to address the CAW's concerns. At that meeting, the EMPCo representatives shared with CAW our most recent copy of our Emergency Response Plans and a Tactical Response Plan developed for the Lake Maumelle Watershed. The latter was a collaborative effort by CAW and ExxonMobil over the past two years to address emergency response concerns over the Maumelle watershed and it includes more than 250 pages of detailed scenarios and tactics for how to respond to an incident.

In the weeks since the May 22 meeting, we have met with you and/or your staffs to keep you apprised of new developments. We have also kept CAW informed, shared preliminary conclusions of test results, and maintained on-going dialogue of key activities related to the investigation. For example, last month, EMPCo invited CAW to participate in a 'dig' or pipeline validation in the Maumelle Watershed. CAW brought their experts and outside consultant to see first-hand the maintenance and rigorous integrity management activities conducted on the pipeline on an on-going basis. This was one of more than 40 'digs' conducted on the pipeline since the incident.

We have also committed to conducting a joint walk-through with CAW for the 13.5 miles of pipeline in the Maumelle Watershed within the next few months.

Additionally, we have been working with CAW to develop a mechanism to share appropriate pipeline integrity data pertaining to the Maumelle watershed, including test results as noted in your most recent letter, under a process that safeguards proprietary and confidential information.

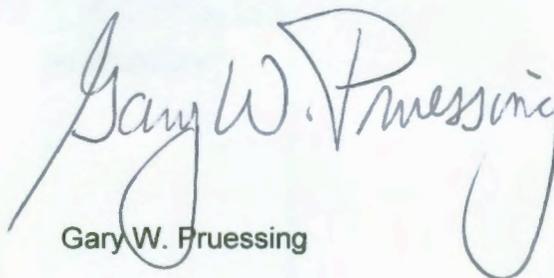
We are prepared to move forward with this approach and hopefully build a sound foundation for further discussion and understanding of our respective concerns. That includes addressing the immediate, short-term and long-term concerns noted in your May 15 letter and providing you with information responsive to your July 19 letter.

In the meantime, the Pegasus Pipeline is shut down, and we will not restart it until we are satisfied it is safe to do so and have the approval of PHMSA. The Pegasus Pipeline has been a safe and reliable pipeline with no major incidents for 64 years until the Mayflower breach. It would be premature to engage in discussions of significance until the investigation of the pipeline failure is complete.

At the appropriate time, we plan to sit down with you and with representatives of the CAW to review our work plan and restart plan, including additional safety processes, response measures for containment and ongoing integrity management practices, before the pipeline is placed back in operation.

We sincerely regret the crude oil release in Mayflower occurred and apologize for the disruption and inconvenience that it has caused the citizens of Arkansas. We are devoting extensive effort to fully understanding the cause of the release and developing a plan to help prevent such an incident in the future.

Sincerely,

A handwritten signature in black ink that reads "Gary W. Fruessing". The signature is written in a cursive style with a large, prominent initial "G".

Gary W. Fruessing

c: Governor Mike Beebe
Cynthia Quarterman, PHMSA
Roderick Seeley, PHMSA
Caroline Henderson
Nick Medina
Karen Tyrone