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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2005**

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____**

Commission file number **1-31219**

SUNOCO LOGISTICS PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware	**23-3096839**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
Ten Penn Center **1801 Market Street** **Philadelphia, PA**	**19103-1699**
(Address of principal executive offices)	(Zip-Code)

(215) 977-3000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES ☑ NO o

At April 27, 2005, the number of the registrant's Common Units outstanding were 15,606,314, and its Subordinated Units outstanding were 8,537,729.

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(in thousands, except unit and per unit amounts)

	Three Months Ended March 31,	
	2005	2004
Revenues		
Sales and other operating revenue:		
Affiliates (Note 3)	$ 476,923	$ 365,113
Unaffiliated customers	534,926	379,794
Other income	3,627	3,169
Total Revenues	1,015,476	748,076
Costs and Expenses		
Cost of products sold and operating expenses	974,911	710,692
Depreciation and amortization	8,122	7,539
Selling, general and administrative expenses	11,917	12,059
Total Costs and Expenses	994,950	730,290
Operating Income	20,526	17,786
Net interest cost paid to affiliates (Note 3)	65	104
Other interest cost and debt expense, net	5,163	4,671
Net Income	$ 15,298	$ 13,011
Calculation of Limited Partners' interest in Net Income (Note 4):		
Net Income	$ 15,298	$ 13,011
Less: General Partner's interest in Net Income	(922)	(495)
Limited Partners' interest in Net Income	$ 14,376	$ 12,516
Net Income per Limited Partner unit:		
Basic	$ 0.60	$ 0.55
Diluted	$ 0.59	$ 0.54
Weighted average Limited Partners' units outstanding (Note 4):		
Basic	24,090,548	22,771,793
Diluted	24,288,379	22,975,315

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 31, 2005 (UNAUDITED)	December 31, 2004
Assets		
Current Assets		
Cash and cash equivalents	$ 32,671	$ 52,660
Advances to affiliates (Note 3)	10,778	12,349
Accounts receivable, affiliated companies (Note 3)	148,862	140,328
Accounts receivable, net	536,535	396,479
Inventories:		
Crude oil	46,294	26,428
Materials, supplies and other	700	700
Total Current Assets	775,840	628,944
Properties, plants and equipment	1,099,223	1,095,928
Less accumulated depreciation and amortization	(452,290)	(448,728)
Properties, plants and equipment, net	646,933	647,200
Investment in affiliates (Note 5)	69,282	69,745
Deferred charges and other assets	23,183	22,897
Total Assets	$ 1,515,238	$ 1,368,786
Liabilities and Partners' Capital		
Current Liabilities		
Accounts payable	$ 711,907	$ 553,629
Accrued liabilities	16,123	25,284
Accrued taxes other than income	14,563	15,162
Total Current Liabilities	742,593	594,075
Long-term debt (Note 6)	313,347	313,305
Other deferred credits and liabilities	905	812
Commitments and contingent liabilities (Note 7)		
Total Liabilities	1,056,845	908,192
Partners' Capital:		
Limited Partners' interest	450,551	452,856
General Partner's interest	7,842	7,738
Total Partners' Capital	458,393	460,594
Total Liabilities and Partners' Capital	$ 1,515,238	$ 1,368,786

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Three Months Ended March 31,	
	2005	2004
Cash Flows from Operating Activities:		
Net Income	$ 15,298	$ 13,011
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,122	7,539
Changes in working capital pertaining to operating activities:		
Accounts receivable, affiliated companies	(8,534)	25,266
Accounts receivable, net	(140,056)	(114,021)
Inventories	(19,866)	(887)
Accounts payable and accrued liabilities	149,117	83,831
Accrued taxes other than income	(599)	(2,416)
Other	1,119	(3,040)
Net cash provided by operating activities	4,601	9,283
Cash Flows from Investing Activities:		
Capital expenditures	(7,841)	(3,585)
Acquisitions	—	(20,000)
Net cash used in investing activities	(7,841)	(23,585)
Cash Flows from Financing Activities:		
Distributions paid to Limited Partners and General Partner	(15,955)	(12,957)
Payments of statutory withholding on net issuance of Limited Partner units under restricted unit incentive plan	(2,863)	—
Contribution from General Partner for Limited Partner unit transactions	137	—
Advances to affiliates, net	1,571	6,380
Contributions from affiliate	361	—
Net cash used in financing activities	(16,749)	(6,577)
Net change in cash and cash equivalents	(19,989)	(20,879)
Cash and cash equivalents at beginning of year	52,660	50,081
Cash and cash equivalents at end of period	$ 32,671	$ 29,202

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Basis of Presentation

Sunoco Logistics Partners L.P. (the "Partnership") is a Delaware limited partnership formed by Sunoco, Inc. ("Sunoco") in October 2001 to acquire, own, and operate a substantial portion of Sunoco, Inc.'s logistics business, consisting of refined product pipelines, terminalling and storage assets, crude oil pipelines, and crude oil acquisition and marketing assets located in the Northeast, Midwest and South Central United States. On February 8, 2002, Sunoco contributed these assets to the Partnership in connection with the Partnership's initial public offering ("IPO").

The consolidated financial statements reflect the results of Sunoco Logistics Partners L.P. and its wholly-owned partnerships, including Sunoco Logistics Partners Operations L.P. (the "Operating Partnership"). Equity ownership interests in corporate joint ventures, which are not consolidated, are accounted for under the equity method.

The accompanying condensed consolidated financial statements are presented in accordance with the requirements of Form 10-Q and accounting principles generally accepted in the United States for interim financial reporting. They do not include all disclosures normally made in financial statements contained in Form 10-K. In management's opinion, all adjustments necessary for a fair presentation of the results of operations, financial position and cash flows for the periods shown have been made. All such adjustments are of a normal recurring nature. Results for the three months ended March 31, 2005 are not necessarily indicative of results for the full year 2005. Certain previously reported amounts have been reclassified to conform to the 2005 presentation.

2. Equity Offering

On April 7, 2004, the Partnership sold 3.4 million common units in a public offering for total gross proceeds of $135.1 million. The units were issued under the Partnership's previously filed Form S-3 shelf registration statement. The sale of the units resulted in net proceeds of $128.7 million, after underwriters' commissions and legal, accounting, and other transaction expenses. Net proceeds from the sale were used to (a) redeem approximately 2.2 million common units from Sunoco for $82.7 million, (b) replenish cash utilized to acquire the Eagle Point logistics assets for $20.0 million, (c) finance the acquisition of two refined product terminals for $12.0 million, (d) finance the acquisition of an additional 33.3 percent undivided interest in the Harbor pipeline for $7.3 million, and (e) for general partnership purposes, including to replenish cash used for past acquisitions and capital improvements, and for other expansion, capital improvements or acquisition projects. As a result of this net issuance of 1.2 million common units, the Partnership also received $1.0 million from its general partner as a capital contribution to maintain its 2.0 percent general partner interest. At March 31, 2005, Sunoco's ownership interest in the Partnership was 62.2 percent, including its 2.0 percent general partner interest.

3. Related Party Transactions

Advances to Affiliates

The Partnership has a treasury services agreement with Sunoco pursuant to which it, among other things, participates in Sunoco's centralized cash management program. Under this program, all of the Partnership's cash receipts and cash disbursements are processed, together with those of Sunoco and its other subsidiaries, through Sunoco's cash accounts with a corresponding credit or charge to an intercompany account. The intercompany balances are settled periodically, but no less frequently than monthly. Amounts due from Sunoco earn interest at a rate equal to the average rate of the Partnership's third-party money market investments, while amounts due to Sunoco bear interest at a rate equal to the interest rate provided in the Partnership's revolving credit facility (see Note 6).

Selling, general and administrative expenses in the condensed consolidated statements of income include costs incurred by Sunoco for the provision of certain centralized corporate functions such as legal, accounting, treasury, engineering, information technology, insurance and other corporate services. These services were provided to the Partnership under an omnibus agreement ("Omnibus Agreement") with Sunoco through December 31, 2004 for an annual administrative fee. This fee does not include the costs of shared insurance programs, which are allocated to the Partnership based upon its share of the cash premiums incurred. This fee also does not include salaries of pipeline and terminal personnel or other employees of the general partner, including senior executives, or the cost of their employee benefits. The Partnership is reimbursing Sunoco for these costs and other direct expenses incurred on its behalf. The fee for the annual period ended December 31, 2004 was $8.4 million. In January 2005, the parties extended the term of Section 4.1 of the Omnibus Agreement (which concerns the Partnership's obligation to pay the annual fee for provision of certain general and administrative services) by one year. The annual administrative fee applicable to this one-year extension is $8.4 million. There can be no assurance that Section 4.1 of the Omnibus Agreement will be extended beyond 2005, or that, if extended, the administrative fee charged by Sunoco will be at or below the current administrative fee. In the event that the Partnership is unable to obtain such services from Sunoco or other third parties at or below the current cost, the Partnership's financial condition and results of operations may be adversely impacted. These costs may also increase if the Partnership consummates an acquisition or constructs additional assets that require an increase in the level of general and administrative services received by the Partnership from the general partner or Sunoco.

Allocated Sunoco employee benefit plan expenses for employees who work in the pipeline, terminalling, storage and crude oil gathering operations, including senior executives, include non-contributory defined benefit retirement plans, defined contribution 401(k) plans, employee and retiree medical, dental and life insurance plans, incentive compensation plans, and other such benefits. These expenses are reflected in cost of products sold and operating expenses and selling, general and administrative expenses in the condensed consolidated statements of income. These employees, including senior executives, are employees of the Partnership's general partner or its affiliates, which are wholly-owned subsidiaries of Sunoco. The Partnership has no employees.

Accounts Receivable, Affiliated Companies

Affiliated revenues in the condensed consolidated statements of income consist of sales of crude oil as well as the provision of crude oil and refined product pipeline transportation, terminalling and storage services to Sunoco, Inc. (R&M) ("Sunoco R&M"). Sales of crude oil are computed using the formula-based pricing mechanism of a supply agreement with Sunoco R&M. Management of the Partnership believes these terms in the aggregate to be comparable to those that could be negotiated with an unrelated third party. Pipeline revenues are generally determined using posted tariffs. The Partnership has throughput agreements with Sunoco R&M under which the Partnership is charging Sunoco R&M fees for services provided under these agreements comparable to those charged in arm's-length, third-party transactions. Under these agreements, Sunoco R&M has agreed to pay the Partnership a minimum level of revenues for transporting and terminalling refined products and crude oil for the period specified in the agreements.

Under other agreements between the parties, Sunoco R&M is, among other things, purchasing from the Partnership, at market-based rates, particular grades of crude oil that the Partnership's crude oil acquisition and marketing business purchases for delivery to certain pipelines. These agreements automatically renew on a monthly basis unless terminated by either party on 30 days written notice. Sunoco R&M also leases the Partnership's 58 miles of interrefinery pipelines between Sunoco R&M's Philadelphia and Marcus Hook refineries for a term of 20 years, ending in 2022.

Capital Contributions

The Partnership has agreements with Sunoco R&M which requires Sunoco R&M to, among other things, reimburse the Partnership for certain expenditures. These agreements include:

- the Omnibus Agreement, which requires Sunoco R&M to, among other things, reimburse the Partnership for up to $10.0 million of expenditures required at the Marcus Hook Tank Farm and the Darby Creek Tank Farm to maintain compliance with existing industry standards and regulatory requirements;

- the Interrefinery Lease Agreement, which requires Sunoco R&M to reimburse the Partnership for any non-routine maintenance expenditures incurred, as defined, during the term of the agreement; and

- the Eagle Point purchase agreement, which requires Sunoco R&M to reimburse the Partnership for certain maintenance capital and expense expenditures incurred regarding the assets acquired, as defined, up to $5.0 million through March 2014.

For the three months ended March 31, 2005, the Partnership incurred $0.4 million of maintenance capital expenditures under these agreements. No amounts were incurred under these agreements for the three months ended March 31, 2004. The reimbursement of these amounts were recorded by the Partnership as capital contributions to Partners' Capital within the condensed consolidated balance sheet at March 31, 2005.

In February 2005, the Partnership issued 0.2 million common units to participants in the Sunoco Partners LLC Long-Term Incentive Plan ("LTIP") upon completion of award vesting requirements. As a result of this net issuance of common units, the general partner contributed $0.1 million to the Partnership to maintain its 2.0 percent ownership interest. The Partnership recorded this amount as a capital contribution to Partners' Capital within its condensed consolidated balance sheet.

Asset Acquisition

On March 30, 2004, the Partnership acquired the Eagle Point refinery logistics assets from Sunoco R&M for $20 million (see Note 8). In connection with the acquisition, the Partnership entered into a throughput agreement with Sunoco R&M under which the Partnership is charging Sunoco R&M fees for services provided under this agreement comparable to those charged in arm's length, third-party transactions. The throughput agreement also requires Sunoco R&M to maintain minimum volumes on the truck rack acquired in this transaction upon completion of certain capital improvements which were completed during the fourth quarter of 2004.

Redemption of Common Units

In April 2004, the Partnership sold 3.4 million common units in a public offering (see Note 2). The proceeds of this offering were partially utilized to redeem approximately 2.2 million common units from Sunoco for $82.7 million. The redemption price per unit was equal to the public offering price per unit after the underwriters' commissions. As a result of this net issuance of 1.2 million common units, the general partner contributed $1.0 million to the Partnership to maintain its 2.0 percent ownership interest. The Partnership recorded this amount as a capital contribution to Partners' Capital within its condensed consolidated balance sheet. In connection with the equity offering, the Partnership and Sunoco entered into an agreement whereby Sunoco agreed to reimburse the Partnership for transaction costs incurred by the Partnership based upon the percentage that Sunoco's net redemption proceeds received represented of the total gross proceeds of the Partnership's offering (approximately 64.2 percent). Reimbursement of these costs of $0.4 million occurred during the fourth quarter of 2004 when the transaction costs were finalized and was accounted for as an increase to Partners' Capital within the Partnership's condensed consolidated balance sheet.

Conversion of Subordinated Units

In February 2005, 2,845,910 subordinated limited partner units, equal to one-quarter of the originally issued subordinated units held by the general partner, were converted to common units as the Partnership met the requirements set forth in the partnership agreement (see Note 9).

4. Net Income Per Unit Data

The computation of basic net income per limited partner unit is calculated by dividing net income, after the deduction of the general partner's interest in net income, by the weighted-average number of common and subordinated units outstanding during the period. The general partner's interest in net income is calculated on a quarterly basis based upon its percentage interest in quarterly cash distributions declared. The general partner's interest in quarterly cash distributions consists of its 2.0 percent general interest and "incentive distributions", which are increasing percentages, up to 50 percent of quarterly distributions in excess of $0.50 per limited partner unit (see Note 9). The general partner was allocated net income of $0.9 million (representing 6.0 percent of the total net income for the period) for the three months ended March 31, 2005 and $0.5 million (representing 3.8 percent of total net income for the period) for the three months ended March 31, 2004. Diluted net income per limited partner unit is calculated by dividing net income applicable to limited partners' by the sum of the weighted-average number of common and subordinated units outstanding

and the dilutive effect of incentive unit awards, as calculated by the treasury stock method.

The following table sets forth the reconciliation of the weighted average number of limited partner units used to compute basic net income per limited partner unit to those used to compute diluted net income per limited partner unit for the three months ended March 31, 2005 and 2004:

	Three Months Ended March 31,	
	2005	2004
Weighted average number of limited partner units outstanding – basic	24,090,548	22,771,793
Add effect of dilutive unit incentive awards	197,831	203,522
Weighted average number of limited partner units – diluted	24,288,379	22,975,315

5. Investment in Affiliates

The Partnership's ownership percentages in corporate joint ventures as of March 31, 2005 and December 31, 2004 are as follows:

	Equity Ownership Percentage
Explorer Pipeline Company	9.4%
Wolverine Pipe Line Company	31.5%
West Shore Pipe Line Company	12.3%
Yellowstone Pipe Line Company	14.0%
West Texas Gulf Pipe Line Company	43.8%

The following table provides summarized combined statement of income data on a 100 percent basis for the Partnership's corporate joint venture interests for the three months ended March 31, 2005 and 2004 (in thousands of dollars):

	Three Months Ended March 31,	
	2005	2004
Income Statement Data:		
Total revenues	$ 87,021	$ 82,424
Net income	$ 24,437	$ 23,399

The following table provides summarized combined balance sheet data on a 100 percent basis for the Partnership's corporate joint venture interests as of March 31, 2005 and December 31, 2004 (in thousands of dollars):

	March 31, 2005	December 31, 2004
Balance Sheet Data:		
Current assets	$ 88,669	$ 100,971
Non-current assets	470,430	473,183
Current liabilities	55,117	69,836
Non-current liabilities	445,116	446,482
Net equity	58,866	57,836

The Partnership's investments in Wolverine, West Shore, Yellowstone, and West Texas Gulf at March 31, 2005 include an excess investment amount of approximately $56.1 million, net of accumulated amortization of $1.5 million. The excess investment is the difference between the investment balance and the Partnership's proportionate share of the net assets of the entities. The excess investment was allocated to the underlying tangible and intangible assets. Other than land and indefinite-lived intangible assets, all amounts allocated, principally to pipeline and related assets, are amortized using the straight-line method over their estimated useful life of 40 years and included within depreciation and amortization in the condensed consolidated statements of income.

6. Long-Term Debt

The components of long-term debt are as follows (in thousands of dollars):

	March 31, 2005	December 31, 2004
Credit Facility	$ 64,500	$ 64,500
Senior Notes	250,000	250,000
Less unamortized bond discount	(1,153)	(1,195)
	$ 313,347	$ 313,305

On November 22, 2004, the Operating Partnership entered into a new, five-year $250 million Credit Facility. This Credit Facility replaced the Operating Partnership's previous credit agreement, which was scheduled to mature on January 31, 2005. The Credit Facility is available to fund the Operating Partnership's working capital requirements, to finance future acquisitions and for general partnership purposes. It may also be used to fund the quarterly distribution to a maximum of $20.0 million. Borrowing under this distribution sublimit must be reduced to zero each year for a 15-day period. The Credit Facility bears interest, at the Operating Partnership's option, at either (i) LIBOR plus an applicable margin or (ii) the higher of the federal funds rate plus 0.50 percent or the Citibank prime rate (each plus the applicable margin). The interest rate on the outstanding borrowings at March 31, 2005 was 3.2 percent. The Credit Facility may be prepaid at any time. The Credit Facility contains various covenants limiting the Operating Partnership's ability to incur indebtedness; grant certain liens; make certain loans, acquisitions and investments; make any material change to the nature of its business; acquire another company; or enter into a merger or sale of assets, including the sale or transfer of interests in the Operating Partnership's subsidiaries. The Credit Facility also contains covenants requiring the Operating Partnership to maintain, on a rolling four-quarter basis, a maximum total debt to EBITDA ratio (each as defined in the credit agreement) of 4.5 to 1, which can be increased to 5.0 to 1 during an acquisition period (as defined in the credit agreement); and an interest coverage ratio (as defined in the credit agreement) of at least 3.0 to 1. The Operating Partnership is in compliance with these covenants as of March 31, 2005. The Partnership's ratio of total debt to EBITDA was 2.7 to 1 and the interest coverage ratio was 5.4 to 1 at March 31, 2005.

The Senior Notes are at 7.25 percent, due February 15, 2012, and were issued by the Operating Partnership at a discount of 99.325 percent of the principal amount. The discount is amortized on a straight-line basis over the term of the Senior Notes and is included within interest expense in the condensed consolidated statements of income. The Senior Notes are redeemable, at a make-whole premium, and are not subject to sinking fund provisions. The

Senior Notes contain various covenants limiting the Operating Partnership's ability to incur certain liens, engage in sale/leaseback transactions, or merge, consolidate or sell substantially all of its assets. The Operating Partnership is in compliance with these covenants as of March 31, 2005. In addition, the Senior Notes are also subject to repurchase by the Operating Partnership at a price equal to 100 percent of their principal amount, plus accrued and unpaid interest upon a change of control to a non-investment grade entity.

The Partnership and the operating partnerships of the Operating Partnership serve as joint and several guarantors of the Senior Notes and of any obligations under the Credit Facility. The guarantees are full and unconditional.

The Partnership has no operations and its only assets are investments in its wholly-owned partnerships. The Operating Partnership also has no operations and its assets are limited primarily to investments in its wholly-owned operating partnerships, deferred charges, and cash and cash equivalents of $32.7 million. Except for amounts associated with the Senior Notes, the Credit Facility, cash and cash equivalents and advances to affiliates, the assets and liabilities in the condensed consolidated balance sheets and the revenues and costs and expenses in the condensed consolidated statements of income are primarily attributable to the operating partnerships.

7. Commitments and Contingent Liabilities

The Partnership is subject to numerous federal, state and local laws which regulate the discharge of materials into the environment or that otherwise relate to the protection of the environment. These laws and regulations result in liabilities and loss contingencies for remediation at the Partnership's facilities and at third-party or formerly owned sites. The accrued liability for environmental remediation in the condensed consolidated balance sheets at March 31, 2005 and December 31, 2004 was $0.8 million. These liabilities do not include any amounts attributable to unasserted claims, nor have any recoveries from insurance been assumed.

Total future costs for environmental remediation activities will depend upon, among other things, the identification of any additional sites, the determination of the extent of any contamination at each site, the timing and nature of required remedial actions, the technology available and needed to meet the various existing legal requirements, the nature and extent of future environmental laws, inflation rates and the determination of the Partnership's liability at multi-party sites, if any, in light of uncertainties with respect to joint and several liability, and the number, participation levels and financial viability of other parties. As discussed below, the Partnership's future costs will also be impacted by an indemnification from Sunoco.

Sunoco has indemnified the Partnership for 30 years from environmental and toxic tort liabilities related to the assets contributed to the Partnership that arise from the operation of such assets prior to the closing of the Partnership's February 2002 IPO. Sunoco has indemnified the Partnership for 100 percent of all losses asserted within the first 21 years of closing of the February 2002 IPO. Sunoco's share of liability for claims asserted thereafter will decrease by 10 percent a year. For example, for a claim asserted during the twenty-third year after closing of the February 2002 IPO, Sunoco would be required to indemnify the Partnership for 80 percent of its loss. There is no monetary cap on the amount of indemnity coverage provided by Sunoco. The Partnership has agreed to indemnify Sunoco

and its affiliates for events and conditions associated with the operation of the Partnership's assets that occur on or after the closing of the February 2002 IPO and for environmental and toxic tort liabilities to the extent Sunoco is not required to indemnify the Partnership.

Sunoco has also indemnified the Partnership for liabilities, other than environmental and toxic tort liabilities related to the assets contributed to the Partnership, that arise out of Sunoco's ownership and operation of the assets prior to the closing of the February 2002 IPO and that are asserted within 10 years after closing of the February 2002 IPO. In addition, Sunoco has indemnified the Partnership from liabilities relating to certain defects in title to the assets contributed to the Partnership and associated with failure to obtain certain consents and permits necessary to conduct its business that arise within 10 years after closing of the February 2002 IPO as well as from liabilities relating to legal actions currently pending against Sunoco or its affiliates and events and conditions associated with any assets retained by Sunoco or its affiliates.

Management of the Partnership does not believe that any liabilities which may arise from claims indemnified by Sunoco would be material in relation to the financial position of the Partnership at March 31, 2005.

There are certain other pending legal proceedings related to matters arising after the February 2002 IPO that are not indemnified by Sunoco. Management believes that any liabilities that may arise from these legal proceedings will not be material in relation to the financial position of the Partnership at March 31, 2005.

8. Acquisitions

On November 30, 2004, the Partnership acquired a refined products terminal located in Columbus, Ohio for approximately $8.0 million. The terminal is connected to a third-party, refined product, common carrier pipeline and includes six refined product tanks with approximately 160,000 barrels of working storage capacity. The purchase price was funded through cash on hand, and was allocated to property, plant and equipment within the Terminal Facilities business segment. The results of the acquisition are included in the financial statements from the date of acquisition.

On June 28, 2004, the Partnership purchased an additional 33.3 percent undivided interest in the Harbor pipeline for $7.3 million. The Harbor pipeline is an 80-mile, 180,000 bpd refined product, common carrier pipeline originating near Woodbury, New Jersey and terminating in Linden, New Jersey. As a result of this transaction, the Partnership increased its ownership to 66.7 percent and will continue to be the operator of the pipeline. The purchase price was funded through the proceeds of the April 7, 2004 sale of common units (see Note 2). The purchase price was allocated to property, plant and equipment within the Eastern Pipeline System business segment. The results of the acquisition are included in the financial statements from the date of acquisition.

On April 28, 2004, the Partnership purchased two refined product terminals located in Baltimore, Maryland and Manassas, Virginia for $12.0 million. The Baltimore terminal is connected to a third-party, refined product, common carrier pipeline and includes 13 refined product tanks with approximately 646,000 barrels of working storage capacity. The Manassas terminal is connected to a third-party, refined product, common carrier pipeline and includes seven refined product tanks with approximately 277,000 barrels of working storage capacity. The purchase price was funded through

the proceeds of the April 7, 2004 sale of common units (see Note 2). The purchase price was allocated to property, plant and equipment within the Terminal Facilities business segment. The results of the acquisition are included in the financial statements from the date of acquisition.

On March 30, 2004, the Partnership acquired the Eagle Point refinery logistics assets from Sunoco R&M for $20.0 million. The Eagle Point logistics assets consist of crude and refined product ship and barge docks, a refined product truck rack, and a 4.5 mile, refined product pipeline from the Eagle Point refinery to the origin of the Harbor pipeline. In connection with the acquisition, the Partnership entered into a throughput agreement with Sunoco R&M whereby they have agreed to maintain minimum volumes on the truck rack upon completion of certain capital improvements which were completed during the fourth quarter of 2004. The purchase price was funded initially through cash on hand. A portion of the proceeds of the April 7, 2004 sale of common units was subsequently utilized to replenish cash used to fund this acquisition (see Note 2). The purchase price was allocated to property, plant and equipment. The ship and barge docks and the truck rack have been included within the Terminal Facilities business segment, while the pipeline has been included within the Eastern Pipeline System. The results of the acquisition are included in the financial statements from the date of acquisition.

9. Cash Distributions

The Partnership distributes all cash on hand within 45 days after the end of each quarter, less reserves established by the general partner in its discretion. This is defined as “available cash” in the partnership agreement. The general partner has broad discretion to establish cash reserves that it determines are necessary or appropriate to properly conduct the Partnership’s business. The Partnership will make quarterly distributions to the extent there is sufficient cash from operations after establishment of cash reserves and payment of fees and expenses, including payments to the general partner.

The Partnership has 8,537,729 subordinated units issued at March 31, 2005, all of which are held by the general partner and for which there is no established public trading market. During the subordination period the Partnership will, in general, pay cash distributions each quarter in the following manner:

- First, 98 percent to the holders of common units and 2 percent to the general partner, until each common unit has received a minimum quarterly distribution of $0.45, plus any arrearages from prior quarters;

- Second, 98 percent to the holders of subordinated units and 2 percent to the general partner, until each subordinated unit has received a minimum quarterly distribution of $0.45; and

- Thereafter, in the manner described in the table below.

The subordination period is generally defined as the period that ends on the first day of any quarter beginning after December 31, 2006 if (1) the Partnership has distributed at least the minimum quarterly distribution on all outstanding units with respect to each of the immediately preceding three consecutive, non-overlapping four quarter periods; and (2) the adjusted operating surplus, as defined in the partnership agreement, during such periods equals or exceeds the amount that would have been sufficient to

enable the Partnership to distribute the minimum quarterly distribution on all outstanding units on a fully diluted basis and the related distribution on the 2 percent general partner interest during those periods. If the subordination period ends, the rights of the holders of subordinated units will no longer be subordinated to the rights of the holders of common units, and the subordinated units may be converted into common units. The Partnership met the minimum quarterly distribution requirements on all outstanding units for each quarter since its February 2002 IPO. In February 2005, 2,845,910 subordinated limited partner units, equal to one-quarter of the originally issued subordinated units held by the general partner, were converted to common units as the Partnership met the tests set forth in the partnership agreement. In addition, one-quarter of the originally issued subordinated units may convert to common units on a one-for-one basis after December 31, 2005, if the Partnership meets the tests set forth in the partnership agreement.

After the subordination period, the Partnership will, in general, pay cash distributions each quarter in the following manner:

- First, 98 percent to all unitholders, pro rata, and 2 percent to the general partner, until the Partnership distributes for each outstanding unit an amount equal to the minimum quarterly distribution for that quarter; and

- Thereafter, as described in the paragraph and table below.

As presented in the table below, if cash distributions exceed $0.50 per unit in a quarter, the general partner will receive increasing percentages, up to 50 percent, of the cash distributed in excess of that amount. These distributions are referred to as “incentive distributions”. The amounts shown in the table below are the percentage interests of the general partner and the unitholders in any available cash from operating surplus that is distributed up to and including the corresponding amount in the column “Quarterly Cash Distribution Amount per Unit”, until the available cash that is distributed reaches the next target distribution level, if any. The percentage interests shown for the unitholders and the general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution.

	Percentage of Distributions	
Quarterly Cash Distribution Amount per Unit	Unitholders	General Partner
Up to minimum quarterly distribution ($0.45 per Unit)	98%	2%
Above $0.45 per Unit up to $0.50 per Unit	98%	2%
Above $0.50 per Unit up to $0.575 per Unit	85%	15%
Above $0.575 per Unit up to $0.70 per Unit	75%	25%
Above $0.70 per Unit	50%	50%

There is no guarantee that the Partnership will pay the minimum quarterly distribution on the common units in any quarter, and the Partnership will be prohibited from making any distributions to unitholders if it would cause an event of default, or if an event of default is existing, under the Credit Facility or the Senior Notes (see Note 6).

Distributions paid by the Partnership for the period from January 1, 2004 through March 31, 2005 were as follows:

Date Cash Distribution Paid	Cash Distribution per Limited Partner Unit	Total Cash Distribution to Limited Partners ($ in millions)	Total Cash Distribution to the General Partner ($ in millions)
February 13, 2004	$ 0.55	$ 12.5	$ 0.4
May 14, 2004	$ 0.57	$ 13.7	$ 0.5
August 13, 2004	$ 0.5875	$ 14.1	$ 0.7
November 12, 2004	$ 0.6125	$ 14.7	$ 0.9
February 14, 2005	$ 0.625	$ 15.0	$ 1.0

On April 21, 2005 the Partnership declared a cash distribution of $0.625 per unit on its outstanding common and subordinated units representing the distribution for the quarter ended March 31, 2005. The $16.1 million distribution, including $1.0 million to the general partner, will be paid on May 13, 2005 to unitholders of record at the close of business on May 6, 2005.

10. Business Segment Information

The following table sets forth condensed statement of income information concerning the Partnership’s business segments and reconciles total segment operating income to net income for the three months ended March 31, 2005 and 2004, respectively (in thousands of dollars):

	Three Months Ended March 31,	
	2005	2004
Segment Operating Income Eastern Pipeline System:		
Sales and other operating revenue:		
Affiliates	$ 18,061	$ 16,825
Unaffiliated customers	5,443	5,899
Other income	3,071	2,480
Total Revenues	26,575	25,204
Operating expenses	10,617	9,964
Depreciation and amortization	2,599	2,700
Selling, general and administrative expenses	4,659	4,569
Total Costs and Expenses	17,875	17,233
Operating Income	$ 8,700	$ 7,971
Terminal Facilities:		
Sales and other operating revenue:		
Affiliates	$ 19,313	$ 15,892
Unaffiliated customers	8,614	7,478
Other income	1	—
Total Revenues	27,928	23,370
Operating expenses	11,039	9,606
Depreciation and amortization	4,084	3,453
Selling, general and administrative expenses	3,268	3,129
Total Costs and Expenses	18,391	16,188
Operating Income	$ 9,537	$ 7,182
Western Pipeline System:		
Sales and other operating revenue:		
Affiliates	$ 439,549	$ 332,396
Unaffiliated customers	520,869	366,417
Other income	555	689
Total Revenues	960,973	699,502
Cost of products sold and operating expenses	953,255	691,122
Depreciation and amortization	1,439	1,386
Selling, general and administrative expenses	3,990	4,361
Total Costs and Expenses	958,684	696,869
Operating Income	$ 2,289	$ 2,633
Reconciliation of Segment Operating Income to Net Income:		
Operating Income:		
Eastern Pipeline System	$ 8,700	$ 7,971
Terminal Facilities	9,537	7,182
Western Pipeline System	2,289	2,633
Total segment operating income	20,526	17,786
Net interest expense	5,228	4,775
Net Income	$ 15,298	$ 13,011

The following table provides the identifiable assets for each segment as of March 31, 2005 and December 31, 2004 (in thousands):

	March 31, 2005	December 31, 2004
Eastern Pipeline System	$ 329,910	$ 333,186
Terminal Facilities	271,900	270,824
Western Pipeline System	865,228	694,076
Corporate and other	48,200	70,700
Total identifiable assets	$ 1,515,238	$ 1,368,786

Corporate and other assets consist primarily of cash and cash equivalents, advances to affiliates and deferred charges.

11. Subsequent Event

On May 6, 2005, the Partnership signed a definitive agreement to purchase a crude oil pipeline system and a storage facility located in Texas for $100.0 million. The system consists primarily of a 187-mile, 16-inch pipeline with an operating capacity of 125,000 barrels per day and originates at a crude oil terminal in Corsicana and terminates at Wichita Falls. The Corsicana terminal has 2.9 million barrels of shell capacity for crude oil. The Partnership has also agreed to assume certain environmental liabilities associated with these assets. Closing of the transaction is expected to occur during the third quarter of 2005, subject to satisfactory completion of due diligence and customary closing conditions. The transaction is expected to be funded through a combination of cash on hand, borrowings under the Credit Facility, other borrowings or the issuance of additional common units. Management of the Partnership expects to maintain its current capital structure after completion of this acquisition.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations – Three Months Ended March 31, 2005 and 2004

Sunoco Logistics Partners L.P.
Operating Highlights
Three Months Ended March 31, 2005 and 2004

	Three Months Ended March 31,	
	2005	2004
Eastern Pipeline System:(1)		
Total shipments (barrel miles per day)(2)	55,600,671	54,908,322
Revenue per barrel mile (cents)	0.470	0.455
Terminal Facilities:		
Terminal throughput (bpd):		
Refined product terminals	396,022	280,791
Nederland terminal	491,911	490,308
Refinery terminals(3)	689,789	503,253
Western Pipeline System:(1)		
Crude oil pipeline throughput (bpd)	317,970	298,516
Crude oil purchases at wellhead (bpd)	194,848	188,684
Gross margin per barrel of pipeline throughput (cents)(4)	20.0	23.2

(1) Excludes amounts attributable to equity ownership interests in the corporate joint ventures.

(2) Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.

(3) Consists of the Partnership's Fort Mifflin Terminal Complex, the Marcus Hook Tank Farm and the Eagle Point Dock, which was acquired on March 30, 2004.

(4) Represents total segment sales and other operating revenue minus cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.

Analysis of Statements of Income

Net income was $15.3 million for the first quarter 2005 as compared with $13.0 million for the first quarter 2004, an increase of $2.3 million. The increase was primarily the result of a $2.7 million increase in operating income to $20.5 million for the first quarter 2005 from $17.8 million for the prior year quarter due principally to the operating results of recent acquisitions and higher Terminal Facilities and Western crude oil pipeline system results, partially offset by lower Western Pipeline System lease acquisition results.

Sales and other operating revenue totaled $1,011.8 million for the first quarter 2005 as compared with $744.9 million for the first quarter 2004, an increase of $266.9 million. This increase was largely attributable to an increase in crude oil prices, partially offset by a decrease in lease acquisition bulk volumes. The average price of West Texas Intermediate crude oil at Cushing, Oklahoma, the benchmark crude oil in the United States, increased to an average price of $49.90 per barrel for the first quarter 2005

from $35.16 per barrel for the first quarter 2004. Other income increased $0.5 million from the first quarter 2004 to $3.6 million for the first quarter 2005 due principally to an increase in joint venture equity income.

Total cost of products sold and operating expenses increased $264.2 million to $974.9 million for the first quarter 2005 from $710.7 million for the first quarter 2004 due primarily to the increase in crude oil prices, partially offset by the decrease in lease acquisition bulk volumes described previously. Depreciation and amortization increased $0.6 million to $8.1 million for the first quarter 2005 from $7.5 million for the prior year quarter due mainly to depreciation related to the acquired assets. Net interest expense increased $0.5 million to $5.2 million for the first quarter 2005 due principally to higher short-term interest rates on borrowings under the Partnership's credit facility.

Analysis of Segment Operating Income

Eastern Pipeline System

Operating income for the Eastern Pipeline System was $8.7 million for the first quarter 2005 compared with $8.0 million for the prior year quarter. The $0.7 million increase was the result of a $0.8 million increase in sales and other operating income and a $0.6 million increase in other income, partially offset by a $0.7 million increase in total costs and expenses. Sales and other operating revenue increased to $23.5 million for the first quarter 2005 compared with the first quarter 2004 due to an increase in total shipments and higher revenue per barrel mile. The increase in shipments was principally due to higher volumes on the Harbor pipeline, resulting from the acquisition of an additional one-third interest in June 2004, and higher comparative volumes in the first quarter of 2005 on other product pipelines as a result of a turnaround at Sunoco, Inc.'s Toledo, Ohio refinery in March 2004. These items were partially offset by lower throughput on the Marysville to Toledo crude oil pipeline due mainly to production issues at two third-party Canadian synthetic crude oil plants as a result of fire damage. Management expects crude oil throughput on this pipeline to be reduced through the third quarter of 2005 due to the reduced production at one of these facilities. Total costs and expenses increased from $17.2 million for the prior year's first quarter to $17.9 million for the first quarter 2005 due principally to the timing of scheduled maintenance activity.

Terminal Facilities

The Terminal Facilities business segment had operating income of $9.5 million for the first quarter 2005 compared with $7.2 million for the prior year quarter. This $2.3 million increase was due to a $4.6 million increase in total revenues, partially offset by a $2.2 million increase in total costs and expenses. The increase in total revenues to $27.9 million for the first quarter 2005 from $23.4 million for the first quarter 2004 was largely due to the operating results from the acquisition of the Eagle Point logistics assets in March 2004, the purchase of two refined product terminals located in Baltimore, Maryland and Manassas, Virginia in April 2004, and the purchase of a refined product terminal located in Columbus, Ohio in November 2004. In addition, the Nederland Terminal and the Partnership's other refined product terminals experienced increases in both volumes and revenues from the prior year's quarter.

The increase in total costs and expenses to $18.4 million for the first quarter 2005 from $16.2 million for the prior year quarter was primarily due to a $1.4 million increase in operating expenses and a $0.6 million increase

in depreciation and amortization. Both increases were principally due to the acquired assets mentioned previously. The increase in operating expenses was partially offset by a decline in maintenance expenses for the Fort Mifflin Terminal due to non-routine dredging activity on the Delaware River in the prior year.

Western Pipeline System

Operating income for the Western Pipeline System was $2.3 million for the first quarter 2005, a decrease of $0.3 million from the prior year quarter. This decrease was the result of a $0.6 million decrease in gross margin, partially offset by a $0.4 million decrease in selling, general and administrative expenses. Sales and other operating revenue and cost of products sold and operating expenses increased in the first quarter 2005 compared with the prior year quarter due mainly to the increase in crude oil prices, partially offset by the decrease in lease acquisition bulk volumes mentioned previously. The decrease in gross margin was primarily attributable to lower lease acquisition margins, partially offset by higher crude oil pipeline volumes and lower pipeline operating expenses. The increase in pipeline volumes was due mainly to higher throughput on the Nederland to Longview, Texas pipeline and the absence in the current quarter of a turnaround at Sunoco, Inc.'s Tulsa refinery, which occurred in March 2004.

Liquidity and Capital Resources

General

Cash generated from operations and borrowings under the Credit Facility are the Partnership's primary sources of liquidity. At March 31, 2005, the Partnership had working capital of $33.2 million and available borrowing capacity under the Credit Facility of $185.5 million. The Partnership's working capital position also reflects crude oil inventories based on historical costs under the LIFO method of accounting. If the inventories had been valued at their current replacement cost, the Partnership would have had working capital of $118.1 million at March 31, 2005.

In April 2004, the Partnership sold 3.4 million common units in a public offering for total gross proceeds of $135.1 million. The units were issued under the Partnership's previously filed $500 million universal shelf registration statement, of which approximately $364.9 million remains available. The sale of the units resulted in net proceeds of $128.7 million, after underwriters' commissions and legal, accounting, and other transaction expenses. Net proceeds from the sale were used to (a) redeem approximately 2.2 million common units from Sunoco for $82.7 million, (b) replenish cash utilized to acquire the Eagle Point logistics assets for $20.0 million, (c) finance the acquisition of two refined product terminals for $12.0 million, (d) finance the acquisition of an additional 33.3 percent undivided interest in the Harbor pipeline for $7.3 million, and (e) for general partnership purposes, including to replenish cash used for past acquisitions and capital improvements, and for other expansion, capital improvements or acquisition projects. As a result of this net issuance of 1.2 million common units, the Partnership also received $1.0 million from its general partner as a capital contribution to maintain its 2.0 percent general partner interest. At March 31, 2005, Sunoco's ownership interest in the Partnership was 62.2 percent, including its 2.0 percent general partner interest.

On November 22, 2004, the Partnership entered into a new five-year, $250 million Revolving Credit Facility. This Credit Facility replaced the

previous credit agreement, which was scheduled to mature on January 31, 2005. At March 31, 2005, there was $64.5 million drawn under the Credit Facility.

Management believes that the Partnership has sufficient liquid assets and cash from operations to meet its financial commitments, debt service obligations, unitholder distributions, contingencies and anticipated capital expenditures and acquisitions. However, the Partnership is subject to business and operational risks that could adversely effect its cashflow. The Partnership may supplement its cash generation with proceeds from financing activities, including borrowings under the Credit Facility and other borrowings and the issuance of additional common units.

Cash Flows and Capital Expenditures

Net cash provided by operating activities for the first quarter 2005 was $4.6 million compared with $9.3 million for the first quarter 2004. Net cash provided by operating activities for the first quarter 2005 was primarily generated by net income of $15.3 million and depreciation and amortization of $8.1 million, partially offset by an increase in working capital of $19.9 million. Net cash provided by operating activities for the first quarter 2004 was principally generated by net income of $13.0 million and depreciation and amortization of $7.5 million, partially offset by an increase in working capital of $8.2 million.

Net cash used in investing activities for the first quarter 2005 was $7.8 million compared with $23.6 million for the first quarter 2004. The decrease between periods is due primarily to the acquisition of the Eagle Point logistics assets in March 2004, partially offset by a $4.3 million increase in capital expenditures. See further discussion of capital expenditures under “Capital Requirements”.

Net cash used in financing activities for the first quarter 2005 was $16.7 million compared with $6.6 million used in financing activities for the first quarter 2004. Net cash used in financing activities for the first quarter 2005 was principally the result of $16.0 million of cash distributions paid to the limited partners and general partner and $2.9 million of payments for statutory withholding on net issuances of limited partner units under the restricted unit incentive plan, partially offset by net collections of $1.6 million of advances to affiliates. Net cash used by financing activities for the first quarter 2004 was mainly the result of $13.0 million of cash distributions paid to the limited partners and general partner, partially offset by net collections of $6.4 million of advances to affiliates.

Under a treasury services agreement with Sunoco, the Partnership participates in Sunoco’s centralized cash management program. Advances to affiliates in the Partnership’s condensed consolidated balance sheets at March 31, 2005 and December 31, 2004 represent amounts due from Sunoco under this agreement.

Capital Requirements

The pipeline, terminalling, and crude oil transport operations are capital intensive, requiring significant investment to upgrade or enhance existing operations and to meet environmental and operational regulations. The capital requirements have consisted, and are expected to continue to consist, primarily of:

- Maintenance capital expenditures, such as those required to maintain equipment reliability, tankage and pipeline integrity and safety, and to address environmental regulations; and

- Expansion capital expenditures to acquire complementary assets to grow the business and to expand existing and construct new facilities, such as projects that increase storage or throughput volume.

The following table summarizes maintenance and expansion capital expenditures, including net cash paid for acquisitions, for the periods presented (in thousands of dollars):

	Three Months Ended March 31,	
	2005	2004
Maintenance	$ 4,901	$ 3,415
Expansion	2,940	20,170
	$ 7,841	$ 23,585

Maintenance capital expenditures for the first quarter 2005 were $4.9 million, an increase of $1.5 million from the prior year quarter. The increase between periods is principally related to timing differences in scheduled maintenance activity. Capital expenditures for both periods presented include recurring expenditures such as pipeline integrity costs, pipeline relocations, repair and upgrade of field instrumentation, including measurement devices, repair and replacement of tank floors and roofs, upgrades of cathodic protection systems, crude trucks and related equipment, and the upgrade of pump stations. In addition to these recurring projects, maintenance capital for the first quarter 2005 includes $0.4 million of expenditures for which the Partnership received reimbursement from Sunoco R&M under the terms of certain agreements between the parties. Management anticipates maintenance capital expenditures to be approximately $27.5 million for the year ended December 31, 2005, excluding amounts management expects to receive as reimbursement from Sunoco R&M in accordance with the terms of certain agreements.

Expansion capital expenditures decreased by $17.3 million to $2.9 million for the first quarter 2005 compared with the prior year quarter. The decrease between periods was primarily related to the acquisition of the Eagle Point logistics assets for $20.0 million in March 2004.

The Partnership expects to fund capital expenditures, including any acquisitions, from cash provided by operations and, to the extent necessary, from the proceeds of borrowings under the Credit Facility and other borrowings and the issuance of additional common units.

Subsequent Event

On May 6, 2005, the Partnership signed a definitive agreement to purchase a crude oil pipeline system and a storage facility located in Texas for $100.0 million. The system consists primarily of a 187-mile, 16-inch pipeline with an operating capacity of 125,000 barrels per day and originates at a crude oil terminal in Corsicana and terminates at Wichita Falls. The Corsicana terminal has 2.9 million barrels of shell capacity for crude oil. The Partnership has also agreed to assume certain environmental

liabilities associated with these assets. Closing of the transaction is expected to occur during the third quarter of 2005, subject to satisfactory completion of due diligence and customary closing conditions. The transaction is expected to be funded through a combination of cash on hand, borrowings under the Credit Facility, other borrowings or the issuance of additional common units. Management of the Partnership expects to maintain its current capital structure after completion of this acquisition.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Partnership is exposed to various market risks, including volatility in crude oil commodity prices and interest rates. To manage such exposures, inventory levels and expectations of future commodity prices and interest rates are monitored when making decisions with respect to risk management. The Partnership has not entered into derivative transactions that would expose it to price risk.

The $250 million Credit Facility exposes the Partnership to interest rate risk since it bears interest at a variable rate (3.2 percent at March 31, 2005). A one percent change in interest rates changes annual interest expense by approximately $645,000 based upon outstanding borrowings under the Credit Facility of $64.5 million at March 31, 2005.

Forward-Looking Statements

Some of the information included in this quarterly report on Form 10-Q contains “forward-looking” statements, as such term is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act, and information relating to the Partnership that is based on the beliefs of its management as well as assumptions made by and information currently available to management.

Forward-looking statements discuss expected future results based on current and pending business operations, and may be identified by words such as “anticipates”, “believes”, “expects”, “planned”, “scheduled” or similar expressions. Although management of the Partnership believes these forward-looking statements are reasonable, they are based upon a number of assumptions, any or all of which may ultimately prove to be inaccurate. Statements made regarding future results are subject to numerous assumptions, uncertainties and risks that may cause future results to be materially different from the results stated or implied in this document.

The following are among the important factors that could cause actual results to differ materially from any results projected, forecasted, estimated or budgeted:

- Changes in the demand both for crude oil we buy and sell, as well as for crude oil and refined petroleum products that we store and distribute;
- Changes in demand for storage in the Partnership’s petroleum product terminals;
- The loss of Sunoco R&M as a customer or a significant reduction in its current level of throughput and storage with the Partnership;
- An increase in the competition encountered by the Partnership’s petroleum products terminals, pipelines and crude oil acquisition and marketing operations;

- Changes in the throughput on petroleum pipelines owned and operated by third parties and connected to the Partnership's petroleum product pipelines and terminals;
- Changes in the financial condition or operating results of joint ventures or other holdings in which the Partnership has an equity ownership interest;
- Changes in the general economic conditions in the United States;
- Changes in laws and regulations to which the Partnership is subject, including federal, state, and local tax, safety, environmental and employment laws;
- Phase-outs or restrictions on the use of MTBE;
- Improvements in energy efficiency and technology resulting in reduced demand;
- The Partnership's ability to manage rapid growth;
- The Partnership's ability to control costs;
- The effect of changes in accounting principles and tax laws and interpretations of both;
- Global and domestic economic repercussions from terrorist activities and international hostilities and the government's response thereto;
- Changes in the level of operating expenses and hazards related to operating facilities (including equipment malfunction, explosions, fires, spills and the effects of severe weather conditions);
- The occurrence of operational hazards or unforeseen interruptions for which the Partnership may not be adequately insured;
- The age of, and changes in the reliability and efficiency of the Partnership's operating facilities or those of Sunoco R&M or third parties;
- Changes in the expected level of environmental capital, operating, or remediation spending;
- Delays related to construction of, or work on, new or existing facilities and issuance of applicable permits;
- Changes in insurance markets resulting in increased costs and reductions in the level and types of coverage available;
- The Partnership's ability to identify acquisitions under favorable terms, successfully consummate announced acquisitions or expansions and integrate them into existing business operations;
- Risks related to labor relations and workplace safety;
- Non-performance by major customers, suppliers or other business partners;

- Price trends and overall demand for refined petroleum products, crude oil and natural gas liquids in the United States, economic activity, weather, alternative energy sources, conservation and technological advances which may affect price trends and demand for the Partnership's business activities;
- Changes in the Partnership's tariff rates, implemented by federal and/or state government regulators;
- The amount of the Partnership's indebtedness, which could make the Partnership vulnerable to general adverse economic and industry conditions, limit the Partnership's ability to borrow additional funds, place it at competitive disadvantages compared to competitors that have less debt, or have other adverse consequences;
- Restrictive covenants in the Partnership's or Sunoco, Inc.'s credit agreements;
- Changes in the Partnership's or Sunoco, Inc.'s credit ratings, as assigned by ratings agencies;
- The condition of the debt capital markets and equity capital markets in the United States, and the Partnership's ability to raise capital in a cost-effective way;
- Changes in interest rates on the Partnership's outstanding debt, which could increase the costs of borrowing;
- Military conflicts between, or internal instability in, one or more oil-producing countries, and governmental actions or other disruptions in the ability to obtain crude oil;
- Changes in applicable statutes and governmental regulations (or the interpretations thereof), including those relating to the environment and global warming;
- Claims of the Partnership's non-compliance with regulatory and statutory requirements; and
- The costs and effects of legal and administrative claims and proceedings against the Partnership or any entity which it has an ownership interest, and changes in the status of, or the initiation of new litigation, claims or proceedings, to which the Partnership, or any entity which it has an ownership interest, is a party.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the Partnership's forward-looking statements. Other factors could also have material adverse effects on future results. The Partnership undertakes no obligation to update publicly any forward-looking statement whether as a result of new information or future events.

Item 4. Controls and Procedures

(a) As of the end of this fiscal quarter covered by this report, the Partnership carried out an evaluation, under the supervision and with the participation of the management of Sunoco Partners LLC, the Partnership's general partner (including the President and Chief Executive Officer of Sunoco Partners LLC and the Vice President and Chief Financial Officer of

Sunoco Partners LLC), of the effectiveness of the design and operation of the Partnership's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the President and Chief Executive Officer of Sunoco Partners LLC and the Vice President and Chief Financial Officer of Sunoco Partners LLC concluded that the Partnership's disclosure controls and procedures are effective.

(b) No change in the Partnership's internal controls over financial reporting has occurred during the fiscal quarter covered by this report that has materially affected, or that is reasonably likely to materially affect, the Partnership's internal control over financial reporting.

(c) Disclosure controls and procedures are designed to ensure that information required to be disclosed in the Partnership reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Partnership reports under the Exchange Act is accumulated and communicated to management, including the President and Chief Executive Officer of Sunoco Partners LLC and the Vice President and Chief Financial Officer of Sunoco Partners LLC, as appropriate, to allow timely decisions regarding required disclosure.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

There are certain legal and administrative proceedings arising prior to the February 2002 IPO pending against the Partnership's Sunoco-affiliated predecessors and the Partnership (as successor to certain liabilities of those predecessors). Although the ultimate outcome of these proceedings cannot be ascertained at this time, it is reasonably possible that some of them may be resolved unfavorably. Sunoco, Inc. has agreed to indemnify the Partnership for any losses it may suffer as a result of these pending legal actions.

There are certain other pending legal proceedings related to matters arising after the February 2002 IPO that are not indemnified by Sunoco, Inc. Management believes that any liabilities that may arise from these legal proceedings will not be material to the Partnership's financial position at March 31, 2005.

Item 2. Unregistered Sales of Equity Securities and Uses of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits

On April 21, 2005, the Compensation Committee of the general partner's board of directors adopted a change of control severance plan for executives, and approved changes to the Sunoco Partners LLC Long-Term Incentive Plan and the Sunoco Partners LLC Annual Incentive Plan, in order to clarify the manner in which awards under these plans will be paid out in the event of a change of control. The affected plans are being filed as exhibits to this report, and these actions were disclosed in a previously filed Form 8-K.

Exhibits

2.1	:	Purchase and Sale Agreement by and between Mobil Pipeline Company and Sunoco Pipeline L.P., executed May 6, 2005.
2.1.1	:	List of Schedules and Exhibits to Purchase and Sale Agreement omitted from this filing. Registrant hereby undertakes, pursuant to Regulation S-K Item 601(2) to furnish any such schedules and exhibits to the SEC supplementally, upon request.
10.1	:	Sunoco Partners LLC Long-Term Incentive Plan (amended and restated as of April 21, 2005)
10.1.1	:	Form of Restricted Unit Agreement under the Sunoco Partners LLC Long-Term Incentive Plan
10.1.2	:	Form of Restricted Unit Agreement under the Sunoco Partners LLC Long-Term Incentive Plan
10.2	:	Sunoco Partners LLC Annual Incentive Plan (amended and restated as of April 21, 2005)

10.3	:	Sunoco Partners LLC Special Executive Severance Plan
10.4*	:	Throughput and Deficiency Agreement, executed May 6, 2005.
12.1	:	Statement of Computation of Ratio of Earnings to Fixed Charges
31.1	:	Chief Executive Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(a)
31.2	:	Chief Financial Officer Certification of Periodic Report Pursuant to Exchange act Rule 13a-14(a)
32	:	Chief Executive Officer and Chief Financial Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(b) and U.S.C. §1350

* Confidential status has been requested for certain portions thereof pursuant to a Confidential Treatment Request filed November 4, 2004. Such provisions have been separately filed with the Commission.

We are pleased to furnish this Form 10-Q to unitholders who request it by writing to:

Sunoco Logistics Partners L.P.
Investor Relations
Ten Penn Center
1801 Market Street
Philadelphia, PA 19103-1699

or through our website at www.sunocologistics.com.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Sunoco Logistics Partners L.P.

By: /s/ Colin A. Oerton
Colin A. Oerton
Vice President & Chief Financial Officer

Date: May 9, 2005

EXHIBIT 2.1

EXECUTION COPY

PURCHASE AND SALE AGREEMENT

CORSICANA TO WICHITA FALLS AND KILGORE TO CORSICANA PIPELINE SYSTEMS

This Purchase and Sale Agreement (the "AGREEMENT") is made and entered into effective this _____ day of April, 2005 (the "EFFECTIVE DATE"), by and between MOBIL PIPE LINE COMPANY, a Delaware corporation ("SELLER" or "MPLCO") and SUNOCO PIPELINE L.P., a Texas limited partnership ("BUYER"). MPLCO and BUYER are hereinafter sometimes referred to individually as "PARTY" or collectively as "PARTIES":

WITNESSETH

WHEREAS, MPLCO desires to sell the real and personal property and related rights described in Section 1 below (collectively, the "ASSETS"), and BUYER wishes to purchase the Assets from MPLCO on the terms and conditions set forth below,

NOW, THEREFORE, for the consideration hereinafter specified, MPLCO and BUYER agree as follows:

Definitions. The following terms shall have the meanings set forth below for all purposes of this Agreement:

A. "AFFILIATE" shall mean a Party's Parent Company and its Affiliated Companies; for the purpose of this definition (a) a Party's "Parent Company" shall mean an entity or entities having a direct or indirect Controlling Interest in such party; (b) a Party's "Affiliated Companies" shall mean any and all entities in which such Party, or the Parent Company of such Party, has a direct or indirect Controlling Interest; and (c) "Controlling Interest" shall mean a legal or beneficial ownership of more than fifty percent (50%) of the voting stock or other equity or ownership interests in an entity or having the power to direct or cause the direction of the management and policies of an entity.

B. "AUTHORIZED REPRESENTATIVE" means any employee, agent, representative, consultant, contractor, or subcontractor.

C. "BOOKS AND RECORDS" means all non-privileged original files, records and data (excluding any legal opinions) relating to the Assets, including, but not limited to, lease, land, and title records (including abstracts of title, title opinions and title curative documents); contracts; communications to and from any Governmental Authorities; accounting records; permitting files; health, safety and environmental records; and engineering and operating records (including risk modeling data) relating to the Assets. In the event that Seller claims that a document is privileged, Seller shall notify BUYER of that fact in writing prior to Closing.

D. "CLAIM" and "CLAIMS" all liability, costs (including, without limitation, any reasonable attorney fees and costs), expenses, claims, demands, fines, penalties, causes of action or other obligation of whatever nature, whether under express or implied contract, at common law or under any applicable law, rule or regulation, including without limitation applicable Environmental Laws.

E. "CODE" means the Internal Revenue Code of 1986, as amended.

F. "CRACK-LIKE FEATURES" means any crack-like defect identified by the Crack Assessment Analysis that requires repair in accordance with prudent petroleum pipeline industry practices and applicable federal, state, or local laws.

G. "CRACK ASSESSMENT ANALYSIS" means the report or reports prepared by Tuboscope regarding the integrity of the pipelines described in Section 1(A)(i), the entire cost of which shall be borne by MPLCO.

H. "CRACK-LIKE FEATURES REPAIR COST" means the cost to repair the Crack-like Features to the standards prescribed by applicable federal, state, or local laws and in accordance with prudent petroleum pipeline industry practices. The amount of the Crack-like Features Repair Cost shall be determined by Buyer on the basis of the Crack Assessment Analysis following consultation with MPLCO. Such costs shall include excavation, technical analysis (on-site and/or laboratory) expense, purging costs (if required) and material costs.

I. "DAMAGES" means any and all obligations, liabilities, damages (including, without limitation, physical damage to real or personal property or natural resources), fines, liens, penalties, deficiencies, losses, judgments, settlements, personal injuries (including, without limitation, injuries or death arising from exposure to Regulated Substances), costs and expenses (including, without limitation, environmental costs, reasonable accountants' fees, attorneys' fees, fees of engineers, health, safety, environmental and other outside consultants and investigators, and reasonable court costs, appellate costs, and bonding fees), whether based in tort, contract or any local, state or federal law, common law, statute, ordinance or regulation, whether legal or equitable, past, present or future, ascertained or unascertained, known or unknown, suspected or unsuspected, absolute or contingent, liquidated or unliquidated, choate or inchoate or otherwise.

J. "ENVIRONMENTAL CONDITION" means the existence of Regulated Substances in or on the soil, surface water, groundwater at, on or under the Assets, or migrating from the Assets to a contiguous property or properties to the extent the levels of any such Regulated Substances exceed naturally occurring background levels in such areas.

K. "ENVIRONMENTAL DOCUMENTS" means all of the documents set forth in Schedule 7(B).

L. "ENVIRONMENTAL LAW" or "ENVIRONMENTAL LAWS" means any and all applicable common law, statutes and regulations, of the United States, the State of Texas, and local and county areas concerning the environment, preservation or

reclamation of natural resources, natural resource damages, human health and safety, prevention or control of spills or pollution, or to the management (including, without limitation, generation, treatment, storage, transportation, arrangement for transport, disposal, arrangement for disposal, or other handling), Release or threatened Release of Regulated Substances, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 et seq.), the Hazardous Material Transportation Authorization Act of 1994 (49 U.S.C. Section 5101 et seq.), the SoliD Waste Disposal Act (42 U.S.C. Section 6901 et seq.) (including the Resource Conservation and Recovery Act of 1976, as amended), the Clean Water Act (33 U.S.C. Section 1251 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. Section 2701 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Safe Drinking Water Act (42 U.S.C. Section 300(f) et seq.), the Emergency Planning and Right-To-Know Act of 1986 (42 U.S.C. Section 11101 et seq.), the Endangered Species Act of 1973 (16 U.S.C. Section 1531 et seq.), thE Lead-Based Paint Exposure Reduction Act (15 U.S.C. Section 2681 et seq.), and the National Environmental Policy Act of 1969 (42 U.S.C. Section 4321 et seq.), and all State of Texas, county and local laws of a similar nature tO federal law, and the rules and regulations promulgated thereunder, each as amended and, unless otherwise provided in this Agreement, in effect as of the Closing Date.

M. "ENVIRONMENTAL LIABILITIES" means any Damages or Proceedings (whether incurred, existing or first occurring on, before or after the Closing Date) relating to or arising out of ownership or operation of the Assets (whether on, before or after the Closing Date) pursuant to any applicable Environmental Laws as in effect at any time, including without limitation: (i) any Third Party Environmental Claim; (ii) any Governmental Environmental Enforcement Action; or (iii) any obligation to conduct environmental remediation of an Environmental Condition.

N. "ENVIRONMENTAL PERMITS" shall mean those permits, authorizations, approvals, registrations, certificates, orders, waivers, variances or other approvals and licenses issued by or required to be filed with any Governmental Authority under any applicable Environmental Law that are in the name of Seller or any of its Affiliates, related solely to the Assets, and shown on Exhibit "H".

O. "EXXONMOBIL/ANCON POLICY" shall mean any property and/or liability insurance policies issued to MPLCO, Exxon Mobil Corporation or any of their divisions or Affiliates, including without limitation, any property and/or liability coverage policies issued to MPLCO, Exxon Mobil Corporation or any of their divisions or Affiliates by Ancon Insurance Company, Inc. ("Ancon"), a Vermont corporation, (which is Exxon Mobil Corporation's wholly-owned captive insurer), or its predecessor companies or by a locally admitted insurer which are reinsured by Ancon.

P. "GOVERNMENTAL AUTHORITY" or "GOVERNMENTAL AUTHORITIES" means any federal, state or local governmental authority, administrative agency, regulatory body, board, commission, judicial body or other body having jurisdiction over the matter.

Q. "GOVERNMENTAL ENVIRONMENTAL ENFORCEMENT ACTION" means any Order, settlement agreement, consent decree, directive, notice of violation, notice of

enforcement, letter of notice, notice of noncompliance, corrective action, or similar type of legal requirement or instrument that is issued by, entered into with, or otherwise required by a Governmental Authority with respect to an actual or alleged noncompliance or liability under applicable Environmental Laws arising out of the use or operation of the Assets.

R. "IRS" means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.

S. "KNOWLEDGE" means (i) with respect to BUYER the actual knowledge of the persons set forth in Schedule 1.1(a) and (ii) with respect to Seller the actual knowledge of the persons set forth in Schedule 1.1(b).

T. "LIEN" means any lien, mortgage, pledge, security interest or options except for Permitted Encumbrances.

U. "OFF-SITE" means those areas contiguous to the Real Property to be conveyed under this Agreement and not considered On-Site.

V. "OFF-SITE DISPOSAL ACTIVITIES" means any off-site transportation, storage, disposal, or treatment, or any arrangement for off-site transportation, storage, disposal, or treatment of any Regulated Substance originating from the operation of the Assets; provided however, that the term "Off-Site Disposal Activities" shall not include (i) the Off-Site portion of an Environmental Condition that has migrated from the Assets, and (ii) Environmental Conditions of waterways extending beyond the pipeline's shoreline, if any.

W. "ON-SITE" means the Real Property, Easements and Shared Easements on which the Facilites are located.

X. "ORDER" means any current judgment, order, settlement agreement, writ, injunction or decree of any Governmental Authority having jurisdiction over the matter and still in effect as of the Closing Date.

Y. "PERMIT" means any license, permit, concession, franchise, authority, consent or approval granted by any Governmental Authority, including without limitation Environmental Permits.

Z. "PERMITTED ENCUMBRANCES" means those agreements and reservations noted as exceptions to title as set forth on Exhibit A-2.

Z. "PROCEEDINGS" means any actions, causes of action, written demands, written Claims, suits, investigations, and any appeals.

AA. "REGULATED SUBSTANCE" means any (a) chemical, substance, material, or waste that is designated, classified, or regulated as "industrial waste," "hazardous waste," "hazardous material," "hazardous substance," "toxic substance," or words of similar import, under any applicable Environmental Law; (b) petroleum, petroleum hydrocarbons, petroleum products, petroleum substances, crude oil, and components, fractions, derivatives, or by-products thereof; (c) asbestos or

asbestos-containing material (regardless of whether in a friable or non-friable condition), or polychlorinated biphenyls; and (d) substance that, whether by its nature or its use, is subject to regulation under any applicable Environmental Law in effect at that time or which could be the subject of a Governmental Environmental Enforcement Action.

BB. "RELEASE" shall have the meaning specified in CERCLA; provided, however, that, to the extent the Environmental Laws in effect at any time after the Closing Date establish a meaning for "Release" that is broader than that specified in CERCLA, such broader meaning shall apply to any "Release" occurring after Closing.

CC. "TAX" means any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental, windfall profit, customs, vehicle, airplane, boat, vessel or other title or registration, capital stock, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative, add-on minimum and other tax, fee, assessment, levy, tariff, charge or duty of any kind whatsoever and any interest, penalty, addition or additional amount thereon imposed, assessed or collected by or under the authority of any Governmental Authority or payable under any tax-sharing agreement or any other contract.

DD. "THIRD PARTY" means any individual or legal business entity other than: (i) a Party; (ii) a Party's Affiliates; (iii) a Party's Authorized Representatives; (iv) employees, officers, directors, agents and representatives and all successors of a Party and its Affiliates; and, (v) a Party's permitted assigns.

EE. "THIRD PARTY ENVIRONMENTAL CLAIM" means a Proceeding by any Third Party alleging Damages relating to or arising out of a Release of, exposure to, or Off-Site migration of, a Regulated Substance (including, without limitation, Damages for Proceedings arising under applicable Environmental Laws in connection with Damages for environmental investigation and/or remediation undertaken by a Third Party at its property).

FF. "TRANSITION SERVICES AGREEMENT" means the Transition Services Agreement, dated as of the Closing Date, substantially in the form of Exhibit J.

GG. "TUBOSCOPE" means Tuboscope Pipeline Services.

1. Purchase and Sale. Subject to the terms and conditions of this Agreement, MPLCO agrees to sell and BUYER agrees to buy all of MPLCO's right, title and interest in the following:

(A) The MPLCO Corsicana to Wichita Falls crude pipeline system consisting of approximately 187 miles of 16-inch mainline pipe, and originating in Corsicana, Texas and having delivery points in Ringgold, Texas and Wichita Falls, Texas, collectively described as the "16 inch System" and more specifically described as follows:

(i) The Corsicana to Ringgold pipeline segment consisting of approximately 154 miles of 16-inch diameter pipe extending from Corsicana Station in Corsicana, Texas to Ringgold Station in Ringgold, Texas; and

(ii) The Ringgold to Wichita Falls pipeline segment consisting of approximately 33 miles of 16-inch diameter pipe extending from MPLCO's Ringgold Station to Wichita Falls, Texas; and

(iii) Corsicana Station which includes 26 storage tanks, pumps, meters, and other appurtenances in Corsicana, Texas; and

(iv) Ringgold Station which includes 4 storage tanks, pumps, meters and other appurtenances in Ringgold, Texas; and

(v) The following Booster stations associated with the 16 inch System: Midlothian, Keller and Alvord.

(B) The idled MPLCO Kilgore to Corsicana pipeline system consisting of approximately 104 miles of 12-inch mainline pipe, and originating in Kilgore, Texas and having a delivery point in Corsicana, Texas and, having injection systems at Fisher and Frankston, collectively described as the "12 inch System" and more specifically described as follows:

(i) The Kilgore to Corsicana pipeline segment consisting of approximately 104 miles of 12-inch diameter pipe extending from Kilgore Station in Kilgore, Texas to Corsicana Station in Corsicana, Texas ; and

(ii) The Hawkins Creek line connecting Fisher Station to Kilgore Station consisting of approximately 8 miles of 8-inch pipe; and

(iii) The Frankston Gathering System consisting of approximately 11.5 miles of 6 and 8-inch diameter pipe extending from Hunt Cen. Battery #15 to the Kilgore to Corsicana segment at Brownsboro Station; and

(iv) A pipeline segment connecting MPLCO's Kilgore Station to Black Hill's Kilgore Station consisting of approximately 1 mile of 4-inch pipe; and

(v) Kilgore Station which includes 3 storage tanks, pumps, meters, and other appurtenances in Kilgore, Texas; and

(vi) The following Booster station associated with the 12 inch System: Brownsboro.

All of the assets as listed in sections 1(A) and 1(B) above as more particularly described in Exhibit A-1 hereto and made a part hereof are referred to herein as the "FACILITIES".

(C) Subject to the Permitted Encumbrances, including those granted to MPLCO prior to the date of this Agreement, all of (i) MPLCO's real property related to the Assets and owned in fee, listed in Exhibit A-2 hereto and (ii) the buildings and

improvements located on such real property. The real property, buildings and improvements listed in the preceding sentence are referred to herein as the "REAL PROPERTY", and all of which shall be conveyed to BUYER pursuant to one or more Special Warranty Deeds in the form of Exhbit T hereto. Commencing with the Closing, Buyer shall lease back to MPLCO the buildings and improvements listed in Exhibit A-3 pursuant to a Ground Lease in the form of Exhibit A-4 hereto.

(D) All of MPLCO's rights in, to and under the easements, and/or right of way agreements, and to the extent assignable, those land-use and water crossing licenses or permits and governmental authorizations relating to the Facilities, listed in Exhibit B hereto (collectively the "EASEMENTS"). At Closing, MPLCO shall execute and deliver to Buyer Assignments in the form of Exhibit G hereto.

(E) A partial assignment of MPLCO's rights in, to and under the easements, and/or right of way agreements, and to the extent assignable, those land-use and water crossing licenses or permits and governmenal authorizations relating to the Facilities listed in Exhibit B-1 hereto (collectively the "SHARED EASEMENTS"). The rights being assigned to Buyer shall consist of all of MPLCO's rights in, to and under the Shared Easements, as they pertain to the 16-inch pipeline and related facilities currently installed on the Shared Easements, except for MPLCO's right, if any, to install additional pipelines on the Shared Easements. MPLCO retains all right, title and interest in, to and under the Shared Easements with regard to the pipelines installed on the Shared Easements, but not included in the purchase and sale that is the subject of this Agreement. Buyer acknowledges and agrees that, in the future, MPLCO may transfer the remainder of its retained rights in, to and under the Shared Easements to a third party, but subject in all such cases to the rights of Buyer and its successors and assigns in, to and under the Shared Easements. At Closing, MPLCO shall execute and deliver one or more Assignments in the form of Exhibit G-1, and MPLCO and Buyer shall execute and deliver an Easement Sharing Agreement in the form of Exhibit "P".

(F) MPLCO's right-of-way files and United States and Texas Departments of Transportation files pertaining to the Easements and the Facilities, subject to MPLCO's right to retain copies of records, files and other data deemed necessary or required for MPLCO's compliance with applicable regulations or which pertain to MPLCO facilities not included in the Assets.

(G) Copies of MPLCO's right-of-way files and United States and Texas Departments of Transportation files pertaining to the Shared Easements.

(H) The Books and Records.

(I) To the extent assignable, those contracts described in Schedule 1(G).

(J) All spare parts (including, without limitation, pipe, elements, seals and bearings) relating to the Assets, a true and correct list of which is set forth in Schedule 1 (H).

(K) The proceeds from the sale of that portion of the Ringgold Station subject to the surface lease between Seller and Valero Logistics Operations, L.P. ("Valero"), as

successor-in-interest to TPI Pipeline Corporation, effective July 1, 2000, recorded in Volume 184, Page 612 and Volume 185, Page 597, Deed records, if Valero exercises its option to purchase the leased premises as provided under the terms of such surface lease prior to the Closing hereunder.

2. Exclusions.

(A) Except as specifically provided in Section 1 or Exhibit "A-1", the Assets do not include any vehicles, boats, tools, warehouse stock, equipment or materials temporarily located on the property where any of the Assets are located or any inventory, equipment, materials, pipelines, fixtures or interests owned by any person or entity other than MPLCO.

(B) The Assets do not include the following:

(i) any furniture, equipment and other personal property located in any of the buildings and other improvements included among the Real Property identified in Exhibit A-3; and

(ii) Those mainline pumps and motors and related equipment that are dedicated to MPLCO's 20" crude systems that originate and terminate at Corsicana Station.

(C) This Agreement does not license or authorize BUYER to use or display the "Mobil" name or any trademark owned by MPLCO, Exxon Mobil Corporation, or any of their Affiliates and BUYER shall, at its expense, remove (or, with respect to pipeline markers, cover) all signs and markings at or on the Assets which indicate that they were ever owned or operated by MPLCO, Exxon Mobil Corporation or any of their Affiliates and return any removed signs to MPLCO. BUYER shall remove (or, with respect to pipeline markers, cover) all signs and markings located at or on the Assets within sixty (60) days after Closing (as defined in Section 15).

(D) The Assets do not include any interest in any insurance or bonds maintained by or on behalf of MPLCO or Exxon Mobil Corporation, or any of their divisions or Affiliates. No claims regarding any matter whatsoever, whether or not arising from events occurring prior to Closing, shall be made by BUYER, its successors or assigns, against or with respect to any insurance policy covering the assets or operations of MPLCO, any other ExxonMobil entity insurance policy or ExxonMobil/Ancon Policy regardless of their date of issuance. Accordingly, BUYER, individually and on behalf of its successors and assigns, does hereby disclaim any right or interest under any insurance policy covering the assets or operations of MPLCO, any other ExxonMobil entity insurance policies or such ExxonMobil/Ancon Policies generally and specifically with regard to the Assets or any claims associated with the Assets. Nothing in this Section 2(D) shall limit Seller's obligations set forth in Section 14 hereof.

(E) Rectifiers Nos. 3T-1 and 3T-2, which are located within the Shared Easements between Corsicana, Texas and Iatan, Texas at Milepost 333.3 and 332.2, respectively (the "Rectifiers"); provided, however, that in the event MPLCO assigns to Buyer the relevant portion of the Facilities Sharing Agreement dated April 1,

2004, by and among MPLCO, ExxonMobil Pipeline Company and Dreyfus Pipeline L.P. at Closing, the Rectifiers shall be included in the Facilities transferred to Buyer hereunder, without additional consideration to MPLCO

3. Purchase Price.

(A) The "PURCHASE PRICE" (hereby defined) to be paid for the Assets shall be ONE HUNDRED MILLION AND NO/100 U.S. DOLLARS ($100,000,000.00) cash or other immediately available funds in MPLCO's account. As evidence of good faith, BUYER has deposited or will deposit with MPLCO on the Effective Date (i) the amount of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($500,000) (the "EARNEST MONEY"), and (ii) the amount of FIVE HUNDRED AND NO/100 DOLLARS ($500.00) (the "INDEPENDENT CONSIDERATION"). The Independent Consideration shall be in addition to and independent of any other consideration provided under this Agreement, shall be non-refundable and shall be retained by MPLCO under all circumstances. The parties acknowledge the sufficiency of the Independent Consideration to support this Agreement. The Earnest Money, exclusive of any interest (which MPLCO shall retain for its own account), will be applied to the Purchase Price at Closing. Except as specifically provided otherwise in this Agreement, the Earnest Money shall be non-refundable.

(B) MPLCO and BUYER shall, within ninety (90) days after the Closing Date, agree to an allocation of the Purchase Price among the Assets in accordance with Section 1060 of the Code. After the Closing, the parties shall make consistent use of the above allocation for all Tax purposes and in all filings, declarations and reports with the IRS in respect thereof, including the reports required to be filed under Section 1060 of the Code. BUYER shall prepare and deliver IRS Form 8594 to MPLCO within ninety (90) days after the Closing Date to be filed with the IRS. In any proceeding related to the determination of any Tax, neither BUYER nor MPLCO shall contend or represent that such allocation is not a correct allocation.

4. MPLCO's Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF MPLCO EXPRESSLY SET FORTH IN THIS SECTION 4, MPLCO WILL SELL THE ASSETS TO BUYER ON AN AS-IS, WHERE-IS AND WITH ALL FAULTS BASIS. MPLCO MAKES NO REPRESENTATIONS OR EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE ASSETS. MPLCO MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS, DATA, INFORMATION, OR MATERIALS HERETOFORE OR HEREAFTER FURNISHED BUYER IN CONNECTION WITH THE ASSETS AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK. BUYER EXPRESSLY WAIVES THE PROVISIONS OF CHAPTER XVII, SUBCHAPTER E, SECTIONS 17.41 THROUGH 17.63, INCLUSIVE (OTHER THAN SECTION 17.555, WHICH IS NOT WAIVED), VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE CODE (THE "DECEPTIVE TRADE PRACTICES - CONSUMER PROTECTION ACT" AS WELL AS THE PROVISIONS OF ANY SIMILAR LAW OF ANY OTHER STATE HAVING JURISDICTION OVER ANY PARTY HERETO OR THE ASSETS). MPLCO represents and warrants on the date hereof that:

(A) MPLCO is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to carry on its business in Texas and if the Assets are not located in Texas, the state in which the Assets are located.

(B) MPLCO has the corporate power and authority to execute and deliver this Agreement and each agreement and instrument to be delivered by MPLCO pursuant hereto, and to carry out its obligations hereunder. The execution, delivery and performance of this Agreement and each agreement and instrument to be delivered pursuant hereto by MPLCO, and the consummation of the transactions provided for hereby have been duly authorized and approved by all requisite corporate action of MPLCO and no other corporate act or proceeding on the part of MPLCO or its shareholders is necessary to authorize the execution, delivery or performance of this Agreement, this Agreement has been duly executed and delivered by MPLCO and this Agreement is a legal, valid, binding and enforceable obligation of MPLCO, except as may be limited by bankruptcy or other laws of such general application affecting creditors' rights generally.

(C) No consent, approval, or notices of or to any other person ("CONSENT") is required with respect to MPLCO in connection with the execution, delivery or enforceability of this Agreement or the consummation of the transactions provided for hereby other than (i) those for which any adverse consequences arising out of the failure to obtain such Consent or to make such filing are immaterial, individually and in the aggregate, to the Assets, (ii) those required for the transfer of the Easements and the Shared Easements, if any, and (iii) filings made under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(D) MPLCO has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in connection with the transactions contemplated by this Agreement for which BUYER shall have any responsibility or liability. MPLCO agrees to pay and to indemnify fully, hold harmless and defend BUYER and its Affiliates from and against, and pay, any claims by any person alleging a right to a broker's or finder's fee based upon any actions of MPLCO or its Affiliates in connection with these transactions.

(E) Except for the Easements and Shared Easements, Seller has, and at Closing will have, good and valid title to the Assets, free and clear of all Liens of any kind.

(F) Neither the execution and delivery of this Agreement nor the consummation of the transactions and performance of the terms and conditions hereof by MPLCO will (i) result in a violation or breach of or default under any provision of the Certificate of Incorporation, By-laws or other similar governing document of MPLCO, (ii) not violate any agreement, contract, indenture or other instrument to which MPLCO is a party, it being understood that MPLCO makes no representation with respect to the Easements or Shared Easements; or (iii) violate any Law applicable to MPLCO or any of its properties.

(G) For all taxes that are due and payable on or before the Closing, MPLCO has paid, or prior to the Closing will pay, all Taxes arising from or related to the Assets

(except amounts being diligently contested in good faith by appropriate Proceedings and disclosed in Schedule 4(G) for all taxable years or taxable periods prior to the Closing (including portions of taxable years or periods with respect to which taxes are due and payable on or before the Closing).

(H) Except as disclosed in Schedule 4(H), MPLCO has not received notice from any Governmental Authority of any alleged actual or potential non-compliance with the terms and conditions of any Permits relating to any portion of the Assets.

(I) Except for the exclusions set forth in Section 2 hereof, the Assets constitute all of the properties and assets necessary for the operation of the Facilities as they are currently used and operated, it being understood that MPLCO makes no representation or warranty with respect to the Easements or the Shared Easements.

(J) Except as set forth in Schedule 4(J), (1) there is no Proceeding affecting the Assets or MPLCO's ownership or operation thereof on the date hereof that is pending or, to MPLCO's Knowledge, threatened, and that, if adversely determined, would impair or prohibit the consummation of the transaction contemplated hereby or would result in a Material Defect and (2) there are no material Orders, writs, judgments, stipulations, injunctions, decrees, determinations, awards or other decisions of any Governmental Authority, or any arbitrator or mediator, outstanding against MPLCO pertaining to any portion of the Assets.

(K) Exhibit "I" includes or references all material information, to MPLCO's Knowledge, relating to, affecting or concerning any Environmental Condition or status of the Assets as of the Closing Date.

(L) MPLCO has diligently reviewed, or caused to be reviewed, the relevant files and records relating to the pipelines described in Section 1(B)(ii) & (iii), and any Environmental Condition disclosed in such files and records is listed on Exhibit "I", whether or not considered material by MPLCO.

5. BUYER's Representations and Warranties. BUYER represents and warrants on the date hereof that:

(A) BUYER IS ACQUIRING THE ASSETS FOR ITS OWN BENEFIT AND ACCOUNT AND NOT WITH THE INTENT OF DISTRIBUTING FRACTIONAL UNDIVIDED INTERESTS THEREOF SUCH AS WOULD BE SUBJECT TO REGULATION BY FEDERAL OR STATE SECURITIES LAWS.

(B) BY REASON OF BUYER'S KNOWLEDGE AND EXPERIENCE IN THE EVALUATION, ACQUISITION, AND OPERATION OF SIMILAR PROPERTIES, BUYER HAS EVALUATED THE MERITS AND RISKS OF PURCHASING THE ASSETS AND HAS FORMED AN OPINION BASED SOLELY UPON BUYER'S KNOWLEDGE AND EXPERIENCE AND NOT UPON ANY REPRESENTATIONS OR WARRANTIES BY MPLCO (OTHER THAN AS EXPRESSLY SET FORTH IN

THIS AGREEMENT) WITH RESPECT TO THE ASSETS OR AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS, DATA, INFORMATION, OR MATERIALS HERETOFORE OR HEREAFTER FURNISHED TO BUYER IN CONNECTION WITH THE ASSETS, AND ANY RELIANCE ON OR USE OF THE SAME HAS BEEN AND WILL BE AT BUYER'S SOLE RISK.

(C) BUYER HAS MADE ALL INVESTIGATION NECESSARY TO DETERMINE THE ENVIRONMENTAL AND PHYSICAL CONDITION OF THE FACILITIES AND THE PREMISES COVERED BY THE EASEMENTS AND THE SHARED EASEMENTS, AND ALL OTHER INVESTIGATION NECESSARY TO PURCHASE THE ASSETS.

(D) BUYER is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Texas, and is duly qualified to conduct business in Texas or if the Assets are not located in Texas, the state in which the Assets are located.

(E) BUYER has the requisite limited partnership power and authority to execute and deliver this Agreement and each agreement and instrument to be delivered by BUYER pursuant hereto, and to carry out its obligations hereunder. The execution, delivery and performance of this Agreement and each agreement and instrument to be delivered pursuant hereto by BUYER and the consummation of the transactions provided for hereby have been duly authorized and approved by all requisite limited partnership action of BUYER and no other act or proceeding on the part of BUYER or its Affiliates or partners is necessary to authorize the execution, delivery or performance of this Agreement, this Agreement has been duly executed and delivered by BUYER and this Agreement is a legal, valid, binding and enforceable obligation of BUYER, except as may be limited by bankruptcy or other laws of such general application affecting creditor's rights generally.

(F) No Consent or filing is required with respect to BUYER or any of its Affiliates in connection with the execution, delivery or enforceability of this Agreement or the consummation of the transactions provided for hereby, other than (i) those for which any adverse consequences arising out of the failure to obtain such Consent are immaterial, individually and in the aggregate, to the purchase and sale of the Assets, and (ii) filings made under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(G) The execution and delivery of this Agreement and the consummation of the transactions provided for hereby does not violate any other agreement, contract, or instrument to which BUYER is subject or is a party.

(H) No action, suit, proceeding or claim is pending, or to BUYER's knowledge threatened against BUYER seeking to restrain or prohibit this Agreement or the transactions contemplated hereby, or to obtain damages, a discovery order or other relief in connection with this Agreement or the transactions contemplated hereby.

(I) BUYER has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in connection with the transactions contemplated by this Agreement for which MPLCO shall have any responsibility or liability. BUYER agrees to pay and to indemnify fully, hold harmless and defend MPLCO and its Affiliates from and against, and pay, any claims by any person alleging a right to a broker's or finder's fee based upon any actions of BUYER or its Affiliates in connection with these transactions.

(J) BUYER has no Knowledge prior to the Closing of any facts or circumstances which would serve as the basis for a claim by BUYER against MPLCO based upon a breach of any representation or warranty of MPLCO in this Agreement. BUYER will be deemed to have waived in full any breach of MPLCO's representations and warranties of which BUYER has Knowledge at Closing.

6. Operational Review Period; Crack-like Features.

(A) BUYER shall have a time period which shall end on the later of (i) the expiration of sixty (60) days following the date of this Agreement and (ii) fifteen days following the delivery by MPLCO to BUYER of the Crack-like Assessment Analysis (defined below), to conduct or have conducted, at its own risk and expense and to BUYER's satisfaction, an assessment of the Assets consisting of (a) Easements, Shared Easements, permits, licenses or other matters related to title of the Assets; (b) operational files, including available historical files regarding maintenance and regulatory required inspections, if any, for the Assets; and (c) financial data associated specifically with the Assets. BUYER acknowledges that MPLCO makes no representations or warranties, express or implied, with regard to the accuracy or completeness of any files or other records reviewed. The activities covered by this paragraph are collectively called the "OPERATIONAL ASSESSMENT". MPLCO agrees to make such personnel who shall have knowledge of the Assets and their operation reasonably accessible to BUYER during the Operational Assessment for the purpose of answering questions BUYER may have.

(B) As promptly as practicable following its receipt thereof, MPLCO shall deliver a copy of the Crack-like Assessment Analysis to Buyer. If (i) subject to the final sentence of this Section 6(B), within 180 days after the Closing Buyer shall notify MPLCO of its election to repair the Crack-like Features, (ii) such repairs are completed within 24 months after the Closing, and (ii) the Crack-like Features Repair Cost shall exceed $500,000.00, MPLCO shall pay or reimburse Buyer for such portion of the Crack-like Features Repair Cost as shall exceed $500,000; provided that in no event shall MPLCO have any obligation to pay more than $1,000,000.00 under this Section 6(B). Buyer shall be solely responsible for the repair of the Crack-like Features, although it shall discuss its plans for such repair with MPLCO in reasonable detail and shall consider in good faith any suggestions that MPLCO may make. Any payments to be made by MPLCO to Buyer under this Section 6(B) shall be made to Buyer promptly upon demand following Buyer's providing MPLCO with such information as shall reasonably support the amounts being demanded by Buyer. If within three months following the date of the Crack-like Assessment Analysis Buyer shall notify MPLCO that it has reason to believe that the Linalog and associated tools and equipment used in performing

the services that formed the basis of the Crack-like Assessment Analysis were defective or deficient, or had not been properly used or operated by Tuboscope, so as to yield data accurate to the extent possible within the environment and conditions of their use, MPLCO shall require that Tuboscope perform a reinspection at no cost to Buyer so as to confirm or correct the results described in the Crack-like Assessment Analysis. In the case of any such reinspection, the 180 day period referred to in clause (i) of this Section 6(B) shall be extended to 180 days following the delivery to Buyer of the results of such reinspection.

7. Environmental Review Period.

(A) BUYER acknowledges that prior to signing this Agreement, BUYER was given the opportunity and waived such opportunity to conduct, or BUYER conducted or had conducted on its behalf, at its own risk and expense and to BUYER's satisfaction, an environmental assessment of the Assets consisting of (i) a non-intrusive surface inspection of the Assets, and (ii) an inspection of Seller's available historical files for information, if any, covering any environmental issues, including but not limited to, spills or disposal of crude oil, petroleum, petroleum products or hazardous substances, underground injection or solid waste disposal on the real property on which the Assets are located. In the event that BUYER determines that additional assessments or inspections in addition to (i) above are necessary, BUYER shall submit an inspection plan to Seller which details the locations, methods and other information pertaining to the desired inspection for Seller's approval. Such approval shall not be unreasonably withheld. BUYER acknowledges that Seller makes no representations or warranties, express or implied, with regard to the accuracy or completeness of any files or other records reviewed. The activities covered by this paragraph are collectively called the "ENVIRONMENTAL ASSESSMENT".

(B) BUYER and its Authorized Representatives have reviewed the Environmental Documents, which include results of all tests conducted by BUYER and its Authorized Representatives under Section 7A, if any.

(C) Seller's Retained Environmental Liabilities. Seller shall retain and be solely responsible only for Environmental Liabilities in connection with Off-Site Disposal Activities prior to the Closing Date ("RETAINED ENVIRONMENTAL LIABILITY").

(D) BUYER's Assumed Environmental Liabilities. Except for the Retained Environmental Liability, from and after the Closing Date, BUYER shall assume and, as between BUYER and Seller, be solely responsible for all Environmental Liabilities relating to or arising out of the Assets, whether existing or asserted before, on or after the Closing Date, whether known or unknown, whether based on past, present or future conditions or events, but excluding any of the foregoing resulting from MPLCO's use of the easement granted to it by Buyer across the Real Property (the "Assumed Environmental Liabilities"). Except where BUYER has obtained Seller's written consent (which consent shall not be unreasonably withheld, conditioned or delayed), BUYER's obligations under this Section 7 shall not terminate upon the lease, sale, or other transfer of the Assets or any portion of the Assets regardless of any assumption of such obligations by a subsequent lessee, purchaser, or other transferee.

(E) Seller's Environmental Indemnity. For purposes of this Section 7(E), where BUYER is the indemnified party, the term "BUYER" shall include BUYER and its Affiliates and the directors, officers, and employees and all successors and assigns of the foregoing. Seller agrees to indemnify, hold harmless and defend BUYER from and against any Damages and Proceedings asserted against or incurred by BUYER relating to or arising out of the Retained Environmental Liabilities. The foregoing indemnity obligations of Seller shall not be affected by any negligence or other action or inaction of Buyer from and after the Closing.

(F) BUYER's Environmental Indemnity. For purposes of this Section 7(F), where Seller is the indemnified party, the term "Seller" shall include Seller and its Affiliates and the directors, officers and employees, and all successors and assigns of the foregoing. From and after the Closing Date, except, for all purposes of this Section 7(F), for the Retained Environmental Liability, BUYER shall indemnify, hold harmless and defend Seller from and against any Damages and Proceedings asserted against or incurred by Seller relating to the Assumed Environmental Liabilities, including but not limited to:

(i) Any Environmental Liabilities, whether On-Site or Off-Site;

(ii) Any Release of any Regulated Substance related to operations of the Assets occurring prior to, on or after the Closing Date;

(iii) Any residual Environmental Condition remaining at the Assets or any areas Off-Site on or after the Closing Date;

(iv) Any Third Party Environmental Claim made by a Third Party on or after the Closing Date;

(v) Any Governmental Environmental Enforcement Action that is taken against BUYER or Seller for events or conditions that occurred prior to, on or after the Closing Date;

(vi) Any Off-Site Disposal Activities resulting from the ownership or operation of the Assets on or after the Closing Date;

(vii) Any liability for On-Site or Off-Site Environmental Conditions resulting from the ownership or operation of the Assets prior to, on or after the Closing Date;

(viii) Exacerbation of any Environmental Condition (whether resulting in On-Site or Off-Site impacts) by BUYER or its Authorized Representatives (which for purposes of this Section 7(E) shall include its tenants, customers, invitees, licensees, or any users of the Assets (except Seller)); and

(ix) Failure to comply with any Permit or Order, including transferred or assigned Environmental Permits or Orders identified on Exhibit H and Schedules 4(H) and 4(J), by BUYER or its Authorized Representatives.

(G) BUYER's Release of Seller for Environmental Liabilities. Except as expressly set forth in this Agreement, BUYER, in consideration of the negotiated amount of the Purchase Price, hereby unconditionally, completely and forever releases and discharges Seller, its Affiliates, and employees, officers, directors, agents and representatives and all successors and assigns of the foregoing, from all Environmental Liabilities except Seller's Retained Environmental Liability, including but not limited to the following:

(i) Any Governmental Environmental Enforcement Action taken against BUYER and attributable to any failure by Seller to own or operate the Assets prior to the Closing Date in compliance with applicable Environmental Laws;

(ii) Any Third Party Environmental Claim with respect to the Assets resulting from any Release occurring prior to the Closing Date and caused by Seller's ownership or operation of the Assets; and

(iii) Any obligation by Seller to remediate or ensure the remediation of any Environmental Condition.

BUYER shall deliver to Seller on the Closing Date the release in the form of Exhibit "K" hereto.

(H) Seller's Access to the Assets. Upon request by Seller in connection with any written request or demand from any Governmental Authority in respect of the Assets, BUYER shall, at no cost to Seller, permit Seller, its Affiliates, and its Authorized Representatives reasonable access to the Assets. Seller, its Affiliates or Authorized Representatives shall provide forty-eight (48) hours' written notice to BUYER for any routine access by Seller or its Affiliates or Authorized Representatives. Seller will provide thirty (30) days' written notice to BUYER for any access that Seller believes may result in a material impact to BUYER's operations. Seller will make reasonable efforts to minimize impacts on BUYER's operations. The BUYER's obligations will be set forth in any Special Warranty Deed or other instrument of conveyance, conveying any Real Property to be conveyed under this agreement and will under this Section 7 be a covenant running with the land and will bind the successors and assigns of BUYER. Upon written request by Seller, in connection with any request to Seller from any Governmental Authority, BUYER shall provide Seller copies of all reports, correspondence, notices and communications sent or received from Governmental Authorities regarding the Environmental Condition of the Assets or any remediation and/or investigation at the Assets or other copies of all reports, correspondence, notices and communications sent to or received from third parties concerning conditions that would obligate Seller (financially or otherwise); provided, however, that BUYER shall not be under any obligation to disclose reports, correspondence, notices or other communications to the extent any of the foregoing is protected by privilege or to the extent BUYER is otherwise prevented by applicable law from providing such materials to Seller.

(I) Environmental Issues.

(i) BUYER acknowledges that there may have been spills of wastes, crude oil, petroleum products, produced water, or other materials in the past at or on the Assets or in connection with their operation, and tank bottoms or other wastes may have been placed at, on or under the Assets. In addition, the Assets may contain asbestos in piping coating, undisplaced crude oil, coats of lead-based paints, PCB's in transformers, mercury in electrical switches, Naturally Occurring Radioactive Material (NORM), and other materials, substances and contaminants. Except to the extent it may constitute a Seller's Retained Environmental Liability under Section 7(C), BUYER assumes all liability for or in connection with the assessment, remediation, removal, transportation, and disposal of any such materials and associated activities in accordance with all relevant rules, regulations, and requirements of governmental agencies.

(ii) As part of the consideration for the sale of the Assets, BUYER for itself, its successors and permitted assigns, covenants and agrees that neither the Real Property, nor any part thereof shall at any time be used for any of the following specifically listed facilities or uses, or any similar facility or use: residential, child care, nursery school, preschool, or any other educational facility, place of worship, playground, hotel, motel, inn, bed and breakfast or rooming house, nursing home, rehabilitation center, hospital or community center and that the installation of any water wells for drinking or irrigation purposes along with the construction of basements is prohibited; that these covenants and agreements shall survive the Closing; that these covenants and agreements are to run with the Real Property; that these restrictive measures will be inserted in the Special Warranty Deed to be delivered at the Closing and that similar restrictive covenants shall be inserted in any deed, lease or other instrument conveying or demising the Real Property or any part thereof. Furthermore, BUYER for itself, its successors and permitted assigns agrees to execute any documents legally required by any Governmental Authority having jurisdiction over the Assets that are consistent with the above use restrictions.

(iii) If Closing does not occur within the time required by this Agreement, or upon earlier termination of this Agreement, upon Seller's request, BUYER shall promptly deliver to Seller or destroy all originals and copies (whether written or electronic) that are in BUYER's or its Authorized Representatives' possession of the information, reports, or materials including specifically those concerning the environmental or other condition of the Assets together with all information, reports, or material furnished to BUYER by Seller, and BUYER shall promptly cause third parties to whom Buyer provided documents to destroy or deliver to Seller such materials that are in their possession. Should BUYER elect to destroy rather than return any information, reports, or materials covered by this Section 7(I)(iii), BUYER shall promptly deliver to SELLER a certificate, signed by an officer of BUYER, certifying such destruction.

(iv) BUYER and Seller shall cooperate with each other in all reasonable respects as to the transfer or assignment of the Environmental Permits or Orders that can be transferred or assigned under applicable Environmental Laws and the making of any filings or notifications or obtaining any authorizations required under applicable Environmental Laws in connection with the transfer of the Assets to BUYER. Seller shall, if applicable, assist BUYER in the transfer or assignment of any Environmental Permits or Orders. BUYER, however, shall be solely responsible for all subsequent communications and filings needed to follow through and complete the timely transfer or assignment of such Environmental Permits or Orders. With respect to any Environmental Permits or Orders issued under applicable Environmental Laws prior to the Closing Date that are transferred to BUYER, Seller, within thirty (30) calendar days after the Closing Date shall submit a letter to each applicable Governmental Authority acknowledging that BUYER is assuming the obligations of Seller under such Permit or Order.

(v) As between BUYER and Seller, BUYER shall be responsible for all filing costs and administrative expenses associated with such transfer or assignment of any Environmental Permits or Orders pursuant to this Agreement and for all costs and expenses relating to or arising out of any change in terms or conditions of such Environmental Permits or Orders resulting from any transfer, assignment or re-issuance of such Environmental Permits or Orders to BUYER, except for any such costs and expenses related to or arising out of Seller's non-compliance with such Environmental Permits or Orders. With respect to those Environmental Permits or Orders that cannot be transferred or assigned under applicable Environmental Laws, BUYER will use reasonable efforts at BUYER's cost and expense to obtain new permits or orders.

8. Right of Entry. BUYER agrees that the provisions of this Section shall apply to any and all access to the Assets or other MPLCO property in connection with this Agreement, whether such access occurred before or will occur after the execution of this Agreement. MPLCO will, to the extent it has the legal right to do so, provide BUYER (or its Authorized Representative) with reasonable access to the Assets to conduct the Operational Assessment. BUYER and/or its Authorized Representative shall comply with prudent safety and industrial hygiene procedures, including without limitation, the Safety Requirements set forth in Exhibit "C" attached hereto, and shall review such procedures with MPLCO prior to commencement of the Assessment. BUYER, its employees, agents and/or contractors shall comply with the Drug and Alcohol Prohibitions and Requirements set forth in Exhibit "D" attached hereto, while present on the Assets or other MPLCO property. BUYER shall submit schedules to MPLCO which show when BUYER plans to enter the Assets or other MPLCO property. Said schedules shall be in sufficient detail to allow MPLCO to determine in advance the approximate number of employees, contractors, subcontractors and equipment that BUYER will have on the sites where the Assets are located at any time, and shall be provided to MPLCO sufficiently in advance of the date or dates of entry to enable MPLCO to arrange to have an inspector(s) present at the site(s). BUYER shall not enter the real property on which the Assets are located without the presence of an MPLCO employee or MPLCO contractor. It is understood that there are risks associated with entry onto the Assets,

and BUYER assumes responsibility for the safety of personnel and property of both BUYER and BUYER's contractors. BUYER agrees to inspect the Assets for safety purposes prior to such entry and to exercise precautions and conduct all actions in a way that will, in so far as reasonably possible, assure the safety of persons and property.

9. Review of Title. Before the conclusion of the Operational Assessment period, BUYER will have conducted a review of the Easements and Shared Easements, including permits and licenses, made available by MPLCO to determine whether MPLCO has good title to the Easements and Shared Easements and whether any consents or approvals are required for assignment of the Easements, Shared Easements, and/or permits and licenses. If consents or approvals are required for assignment of any Easement or Shared Easement, MPLCO shall, prior to, and if necessary following, Closing, use commercially reasonable efforts to obtain such consents and/or approvals, provided that (i) MPLCO shall not be required to incur any expense beyond MPLCO's usual overhead expense, (ii) BUYER shall cooperate, but shall not be required to pay any amounts in addition to the Purchase Price, in obtaining any such consents and or approvals and (iii) BUYER shall execute any reasonable documentation requested by the parties whose consent or approval may be required.

10. Confidentiality. The Confidentiality Agreement executed by and between MPLCO and BUYER, dated August 31, 2004, a copy of which is attached hereto as Exhibit "E" is hereby incorporated into this Agreement and shall from and after the date hereof and following Closing be deemed to apply not only to the Evaluative Information described therein but also to any other information obtained from MPLCO in connection with or as part of the Assets.

11. Records. BUYER shall not destroy or otherwise dispose of any records, files and other data acquired hereunder for a period of three (3) years following Closing (except as to tax records, for which the period shall be the applicable statute of limitations) except upon thirty (30) days prior written notice to MPLCO. During such periods, BUYER shall make such records, files and other data available to MPLCO or its authorized representatives for any business, legal or technical need in a manner which does not unreasonably interfere with BUYER's business operations. Additionally, MPLCO shall have the right to retain copies of any records, files or other data transferred to BUYER hereunder.

12. Option to Terminate.

(A) Except as hereinafter provided, BUYER shall have the option of terminating this Agreement by providing written notice to MPLCO no later than three (3) days following the conclusion of the Operational Assessment period in the event BUYER determines during the Operational Assessment period that the Assets are subject to any (i) Material Defect (as defined below) in the Facilities or (ii) Material Defect in the title to any of the Assets. To be effective, any such notice shall specifically identify and describe the basis for such termination, and shall include reasonable evidence thereof. Minor deviations in the location of a pipeline relative to a defined right of way in an Easement or Shared Easement shall not be deemed to constitute a title defect for purposes of this Agreement.

A "MATERIAL DEFECT" shall mean (i) a condition or an accumulation of conditions which would significantly impair the operating functions or safety of the Facilities including, without limitation, any Crack-like Features, or (ii) a defect or accumulation of defects in title, which in either case:

(i) would cost in excess of FIVE MILLION AND NO/100 DOLLARS ($5,000,000) cash to cure or remedy, excluding any amount paid by MPLCO pursuant to Section 6(B); and

(ii) was not disclosed in writing to, or to the Knowledge of, BUYER prior to BUYER's execution of this Agreement.

To be included in the calculation of the cumulative amount of Material Defect an applicable individual Material Defect must exceed FIVE HUNDRED THOUSAND AND NO/100 U.S. DOLLARS ($500,000.00).

Notwithstanding the delivery of such a notice of termination by BUYER to MPLCO, this Agreement shall not be terminated if within thirty (30) days after MPLCO's receipt of such notice (1) MPLCO remedies or agrees to remedy, to a degree which is mutually agreed upon prior to Closing, such Material Defect or (2) MPLCO and BUYER mutually agree on an adjustment to the Purchase Price.

(B) In addition to the rights under Section 12(A), this Agreement may be terminated at any time prior to the Closing:

(i) by the mutual consent of Seller and BUYER; or

(ii) if the Closing has not occurred by the close of business on December 31, 2005, then by Seller if any condition specified in Section 15(A) has not been satisfied on or before such close of business, and shall not theretofore have been waived by Seller, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by Seller to fulfill any undertaking or commitment provided for herein on the part of Seller that is required to be fulfilled on or prior to Closing; or

(iii) if the Closing has not occurred by the close of business on December 31, 2005, then by BUYER if any condition specified in Section 15(B) has not been satisfied or waived on or before such close of business, and shall not theretofore have been waived by BUYER, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by BUYER to fulfill any undertaking or commitment provided for herein on the part of BUYER that is required to be fulfilled on or prior to Closing.

If the Agreement is terminated pursuant to any option specified in this Section 12, the Earnest Money shall be returned to BUYER.

13. INDEMNIFICATION AND RELEASE. Except for Sellers' Retained Environmental Liability, and except for Assumed Environmental Liabilities, the indemnity for which is set out in Section 7(D), in addition to BUYER's release or indemnity in any other Section of this Agreement or in any other agreement executed pursuant to or in connection with this Agreement, BUYER agrees as follows:

(A) BUYER, its successors and assigns (hereinafter in this Section 13 individually and collectively, "BUYER INDEMNITOR") agrees to release, indemnify, defend, and hold harmless MPLCO, ExxonMobil Corporation and its Affiliates, and their respective officers, directors, employees, contractors, representatives, successors, and assigns (hereinafter in this Section 13 individually and collectively, "MPLCO INDEMNITEE") from all Claims asserted against a MPLCO Indemnitee by any person or entity arising from or related to MPLCO Indemnitee's or BUYER Indemnitor's ownership, operation, use, repair, removal, separation or control of the Assets, before or after Closing including, without limitation, performance of BUYER Indemnitor's obligations under Sections 5, 6, 8, 10, and 19 of this Agreement; provided, however, that no MPLCO Indemnitee shall have any rights under this Section 13 in respect of any Claim resulting from MPLCO's use of the easement granted to it by Buyer across the Real Property.

(B) BUYER Indemnitor agrees to release, indemnify, defend and hold harmless MPLCO Indemnitee from any Claim relating to the Assets made after the Closing against any insurance policy covering the Assets or operations of MPLCO, including without limitation the ExxonMobil/Ancon Policies by or through BUYER Indemnitor or any person subrogated to BUYER Indemnitor's rights.

(C) IT IS THE EXPRESS INTENTION OF THE PARTIES THAT THE RELEASES AND INDEMNITIES IN THIS SECTION 13 SHALL APPLY TO CLAIMS THAT MAY ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR STRICT LIABILITY OF MPLCO'S INDEMNITEE, WHETHER ACTIVE, PASSIVE, JOINT, CONCURRENT, OR SOLE. THE PARTIES HERETO ALSO ACKNOWLEDGE THAT THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND CONSTITUTES CONSPICUOUS NOTICE.

(D) If any provision or provisions of this Section, or any portions thereof, should be deemed invalid or unenforceable pursuant to a final determination of any court of competent jurisdiction or as a result of future laws, such determination or action shall be construed so as not to affect the validity or effect of any other portion or portions of this Section not held to be invalid or unenforceable.

(E) If any action, suit, proceeding or claim is commenced, or if any claim, demand or assessment is asserted, by a third party in respect of which MPLCO is entitled to be indemnified under this Section 13 or any other agreement or instrument delivered pursuant or in connection with this Agreement, MPLCO may defend against the action, suit, proceeding or claim and enter into any reasonable compromise or settlement; provided, however, that in no event may MPLCO defend, compromise or settle any such Proceeding or Claim without the prior written consent of BUYER, to be provided or withheld in BUYER's sole discretion. MPLCO may thereafter collect from BUYER the reasonable costs and expenses related to such defense and compromise or settlement, if applicable, including without limitation, attorneys fees, together with the amount paid or owed to such third party pursuant the action, suit, proceeding, claim, demand, compromise or settlement.

14. Indemnification. In addition to Seller's indemnity in any other Section of this Agreement or in any other agreement executed pursuant to or in connection with this Agreement, Seller agrees as follows:

(A) Seller, its successors and assigns (hereinafter in this Section 14 individually and collectively, "SELLER INDEMNITOR") agrees to release, indemnify, defend, and hold harmless BUYER and its Affiliates, and their respective officers, directors, partners, employees, contractors, representatives, successors, and permitted assigns (hereinafter in this Section 14 individually and collectively, "BUYER INDEMNITEE") from all Claims asserted against a BUYER Indemnitee by any person or entity arising from or related to the inaccuracy of any representation or the breach of any representation, warranty, covenant, obligation, condition, or agreement of Seller set forth in this Agreement.

(B) If any provision or provisions of this Section 14, or any portions thereof, should be deemed invalid or unenforceable pursuant to a final determination of any court of competent jurisdiction or as a result of future laws, such determination or action shall be construed so as not to affect the validity or effect of any other portion or portions of this Section not held to be invalid or unenforceable.

(C) If any action, suit, proceeding or claim is commenced, or if any claim, demand or assessment is asserted, by a third party in respect of which BUYER is entitled to be indemnified under this Section 14 or any other agreement or instrument delivered pursuant or in connection with this Agreement, BUYER may defend against the action, suit, proceeding or claim and enter into any reasonable compromise or settlement; provided, however, that in no event may BUYER defend, compromise or settle any such Proceeding or Claim without the prior written consent of MPLCO, to be provided or withheld in MPLCO's sole discretion. BUYER may thereafter collect from Seller the reasonable costs and expenses related to such defense and compromise or settlement, if applicable, including without limitation, attorneys fees, together with the amount paid or owed to such third party pursuant the action, suit, proceeding, claim, demand, compromise or settlement.

(D) MPLCO will have no indemnification obligation under this Section 14 unless MPLCO has received a claim from BUYER, specifying in reasonable detail the basis for such claim, within one (1) year following the Closing.

15. Closing Conditions and Closing Deliverables. The "CLOSING" (hereby defined) of this sale shall occur as soon as practicable following the conclusion of the Operational Assessment period or, if later, the date on which the transactions contemplated by this Agreement may be consummated under applicable law, at the offices of MPLCO at 800 Bell Street, Houston, Texas, unless the Parties mutually agree to another location. Time shall be of the essence to this Agreement.

(A) Conditions Precedent to Seller's Obligations. Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by Seller) of each of the following conditions:

(i) the representations and warranties of BUYER in Section 5 as of the Closing Date shall be true and correct (in the case of any such representation and warranty qualified by materiality) and true and correct in all material respects (in the case of all other representation and warranties);

(ii) BUYER must have performed and complied with in all material respects all of its covenants required by this Agreement to be performed or complied with on or prior to the Closing;

(iii) all consents and notifications necessary for the transfer of the Assets to BUYER (except those consents related to the assignment of the Easements and Shared Easements, if any), and the assumption by BUYER of the obligations and liabilities to be transferred to and assumed by BUYER, at the Closing shall have been obtained or made (and must be in full force and effect), in each case in form and substance reasonably satisfactory to Seller, all necessary declarations, filings, and registrations with Governmental Authorities shall have been made by BUYER, and all applicable waiting and other time periods (including extensions thereof, if any) under any applicable legislation or regulation, including under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, of any relevant jurisdiction shall have expired, lapsed, or been terminated;

(iv) there must not be issued and in effect any order, decree or ruling restraining, enjoining or prohibiting the transactions contemplated hereby;

(v) BUYER shall have executed and delivered the documents to which it is a party listed in Section 15(C); and

(vi) BUYER shall have delivered to Seller a certificate in form and substance reasonably satisfactory to Seller to the effect that each of the conditions specified above in this Section 15(A) is satisfied in all respects.

(B) Conditions Precedent to BUYER'S Obligations. BUYER'S obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by BUYER) of each of the following conditions:

(i) the representations and warranties of Seller in Section 4 as of the Closing Date shall be true and correct (in the case of any such representation and warranty qualified by materiality) and true and correct in all material respects (in the case of all other representation and warranties);

(ii) Seller must have performed and complied with in all material respects all of its covenants required by this Agreement to be performed or complied with on or prior to the Closing;

(iii) all consents and notifications necessary for the transfer of the Assets to BUYER (except those consents related to the assignment of the Easements and Shared Easements, if any), and the assumption by BUYER of the obligations and liabilities to be transferred and assumed by BUYER, at the Closing shall have been obtained or made (and must be in full force and effect), in each case

in form and substance reasonably satisfactory to BUYER, all necessary declarations, filings, and registrations with Governmental Authorities shall have been made by Seller, and all applicable waiting and other time periods (including extensions thereof, if any) under any applicable legislation or regulation, including under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, of any relevant jurisdiction shall have expired, lapsed, or been terminated;

(iv) there must not be issued and in effect any order, decree or ruling restraining, enjoining or prohibiting the transactions contemplated hereby;

(v) Sellers shall have delivered to BUYER a certificate in form and substance reasonably satisfactory to BUYER to the effect that each of the conditions specified above in this Section 15(B) is satisfied in all respects;

(vi) Seller shall have executed and delivered the documents to which it is a party listed in Section 15(C);

(vii) BUYER shall have accepted each of the amendments to the Disclosure Schedules pursuant to Section 31; and

(viii) To the extent assignable, Seller shall have assigned to Buyer all of its rights under that certain release relating to the Hawkins Creek line dated January 6, 1988, from Nancy Horton and Margaret Gunn to MPLCO, pursuant to the form of assignment attached hereto as Exhibit "O".

(C) At the Closing, MPLCO and/or BUYER, as appropriate, shall execute and/or deliver each of the following documents:

(i) Each of BUYER and SELLER shall deliver a certificate of one of its authorized officers as to the matters set forth in Section 15(A)(i) and 15(B)(i), respectively.

(ii) a BILL OF SALE in the form attached hereto as Exhibit "F," covering the Facilities;

(iii) ASSIGNMENTS in the form attached hereto as Exhibit "G" and Exhibit "G-1", as appropriate, covering the Easements and Shared Easements, respectively;

(iv) the GROUND LEASE in the form attached hereto as Exhibit "A-4";

(v) SPECIAL WARRANTY DEED(S) in the form attached hereto as Exhibit "L";

(vi) a certificate of non-foreign status provided to BUYER by MPLCO;

(viii) Incumbency certificates for all signatory officers of BUYER and MPLCO;

(viiii) Articles of Incorporation & Bylaws, or other similar organizational documents, of BUYER and MPLCO, certified as true and correct by the corporate secretary or officer of similar authority;

(ix) Certified Corporate Resolutions of BUYER and MPLCO authorizing all aspects of transactions contemplated herein;

(x) the joint tariff filed, or to be filed immediately following Closing, by MPLCO and BUYER with the Federal Energy Regulatory Commission for MPLCO's 20-inch pipeline from Nederland, Texas to Corsicana, Texas, and the 16-inch pipeline from Corsicana, Texas to Wichita Falls, Texas and Ringgold, Texas, being acquired by Buyer pursuant to this Agreement, such tariff to provide for: (i) such division of rates as shall entitle MPLCO or its Affiliate to receive $0.15 (net of terminaling costs at Nederland) thereunder and Buyer to receive the remainder thereunder, and (ii) MPLCO's ability to terminate that portion of the joint tariff applicable to its 20-inch pipeline from Nederland to Corsicana at such time as the direction of such 20-inch pipeline is reversed, or December 31, 2005, which ever occurs first;

(xi) the Transition Services Agreement substantially in the form attached hereto as Exhibit "J";

(xii) the Facilities Separation Agreement, substantially in the form attached hereto as Exhibit "N";

(xiii) the Easement Sharing Agreement, substantially in the form attached hereto as Exhibit "P";

(xiv) an Easement Agreement pertaining to an easement for MPLCO's 20-inch pipeline and related facilities to cross the Real Property, substantially in the form of Exhibit "Q";

(xv) a Release Agreement substantially in the form of Exhibit "K";

(xvi) an update to the Schedules or a Certificate of an officer of Seller stating no updates to the Schedules has been made;

(xvii) the Books and Records to be delivered by MPLCO to BUYER; and

(xviii) any other documents, instruments, and/or certificates reasonably requested by MPLCO or BUYER or otherwise contemplated by this Agreement.

The above listed closing documents shall be executed at Closing and made effective as of 12:01 a. m. on the date of Closing ("CLOSING DATE") unless MPLCO and BUYER mutually agree to the contrary. BUYER shall deliver the balance of the Purchase Price to MPLCO's account by wire transfer of immediately available funds at Closing, without discount or deduction other than as expressly set forth in this Agreement and shown on a closing statement executed by both BUYER and MPLCO.

16. Permits. It shall be BUYER's responsibility to obtain the issuance or transfer of all Permits (except for the issuance, transfer, or assignment of Environmental Permits, which shall be governed by the provisions of Sections 7(I)(iv) and (v)); provided however, that MPLCO shall reasonably cooperate with BUYER's reasonable efforts to obtain the transfer of such permits.

17. Property Taxes. All ad valorem real and tangible personal property taxes and special assessments for the current year ("PROPERTY TAXES") applicable to the Assets shall be allocated between MPLCO and Buyer as of the Closing Date on the basis of no applicable discount. The allocation shall be based on the number of days that each party owns the Assets during the year of the sale. If the amount of such Property Taxes with respect to any of the Assets for the calendar year in which the Closing occurs has not been determined as of the Closing date, then the Property Taxes with respect to such Assets for the preceding calendar year, on the basis of no applicable discount, shall be used to calculate such allocations, with known changes in valuation or millage applied. MPLCO's allocated share of Property Taxes for the current year shall be credited to Buyer at closing as a reduction in Purchase Price and Buyer shall assume the responsibility to pay the Property Taxes, unless MPLCO has already paid the current year's Property Taxes, in which case MPLCO shall be credited at Closing as an increase in Purchase Price with Buyer's allocated share of the Property Taxes. If the actual amount of any such Property Taxes varies by more than Twenty Thousand Dollars ($20,000) from estimates used at the Closing to prorate such taxes, then the parties shall re-prorate such Property Taxes within ten (10) days following a request by either party based on the actual amount of the tax bills.

18. Other Taxes. As may be required by relevant taxing agencies, MPLCO shall collect and BUYER shall pay on the date of Closing all applicable state and local sales tax, use tax, gross receipts tax, business license tax, other taxes except taxes imposed by reason of capital or income of MPLCO, and fees. MPLCO and BUYER agree that no Texas sales and use taxes will be reported on any of the Assets transferred to BUYER since such Assets fall within the Texas occasional sale exemption. Any state or local tax specified above, inclusive of any penalty and interest, assessed at a future date against MPLCO with respect to the transaction covered herein shall be paid by BUYER or, if paid by MPLCO, BUYER shall promptly reimburse MPLCO therefor. Any documentary stamp tax which may be due shall be paid by BUYER.

19. Allocation of Carrier Obligations and Proceeds. The Facilities may contain crude petroleum which is held for the account of shipper(s). It is understood that title to the contents of the Facilities will remain with the shipper(s) and that BUYER assumes the obligation to deliver such contents in accordance with MPLCO's existing arrangements with the shipper(s), whether under a published tariff or a private transportation or storage agreement. Further, to the extent that petroleum products have been offered for shipment in the Facilities under a published tariff or pursuant to rights under a private transportation agreement, but not yet delivered to MPLCO, BUYER shall receive those products for transportation in the normal course of business. Tariff charges for transportation during the month of sale shall be allocated between MPLCO and BUYER on the basis of the number of days that each Party owns the Facilities during the month of sale, provided that payments of such charges shall be allocated and divided between MPLCO and BUYER only after receipt thereof, unless received prior to the date of Closing. On the day immediately preceeding the Closing, the amount of petroleum

products in the Facilities shall be determined by MPLCO and BUYER in accordance with the procedures set forth in Exhibit "M" hereto, and MPLCO will adjust shippers' book inventory to the physical inventory measured as of Closing.

20. Notices. All notices, requests, demands, instructions and other communications required or permitted to be given hereunder shall be in writing and shall be delivered personally or mailed by registered mail, postage prepaid, as follows:

If to BUYER, addressed to:
Sunoco Logistics Partners L.P.
Attention: Vice President & General Counsel
1801 Market Street
Philadelphia, PA 19103
Fax: (215) 246-8113

If to MPLCO, addressed to:
Mobil Pipe Line Company
Attention: Business Development Manager
P.O. Box 2220
Houston, Texas 77252-2220

or to such other place as either Party may designate as to itself by written notice to the other. All notices will be deemed given on the date of receipt at the appropriate address.

21. Default. If BUYER defaults on or prior to the Closing Date in a material way on BUYER's obligations, including but not limited to BUYER's absence at the designated time and place for Closing, MPLCO shall be entitled to retain the Earnest Money as liquidated damages in addition to all of its other rights or remedies at law or in equity. Further, MPLCO shall be free immediately to sell the Assets to any third party without any restriction under or by reason of this Agreement. If MPLCO defaults on or prior to the Closing Date in a material way on MPLCO's obligations, including but not limited to MPLCO's absence at the designated time and place for Closing, BUYER, as its sole and exclusive remedy hereunder, may terminate this Agreement and receive a refund of the Earnest Money.

22. Governing Law and Venue. The provisions of this Agreement and the documents delivered pursuant hereto shall be governed by and construed in accordance with the laws of the State of Texas without regard to its conflicts of laws provisions which if applied might require the application of the laws of another jurisdiction. Each Party hereby submits to the exclusive jurisdiction of the courts of the State of Texas and the United States District Court located in Harris County Texas in connection with any dispute based on or arising out of this Agreement and the transactions contemplated hereby. Furthermore, each Party hereby waives any right or basis it may have to object to or claim a venue other than Harris County Texas.

23. Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except for any assignment of this Agreement to effectuate a like kind exchange in accordance with Section 1031 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "CODE"), this Agreement may not be assigned, in whole or

in part, without the prior written consent of the other Party hereto, and any such assignment that is made without such consent shall be void and of no force and effect.

24. Entire Agreement; Amendments. This Agreement, including the attached Schedules and Exhibits, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, superseding any and all prior negotiations, discussions, agreements and understandings, whether oral or written, relating to such subject matter. Exhibits "A" through "N" and the enumerated Schedules, as more specifically described herein or in the attached "Schedules and Exhibits", are incorporated herein for all purposes. This Agreement may not be amended and no rights hereunder may be waived except by a written document signed by the Party to be charged with such amendment or waiver.

25. Publicity. The Parties agree that there shall be no press releases or other public announcements prior to Closing by either Party, except to the extent required by applicable laws, rules, or regulations, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. If either Party determines that a press release is required or desired, it will so notify the other Party in writing and thereafter the Parties shall consult with each other with regard to the same. The Parties further agree to consult with each other in respect of all press releases and announcements issued at or after Closing concerning the transactions contemplated by this Agreement. Except as required by law, no such release or announcement shall disclose the Purchase Price.

26. Survival. The following provisions of this Agreement shall not survive the Closing: 3(A), and 15. Such provisions will be merged with and will be superseded by the documents executed at Closing. Notwithstanding the fact that the other provisions of this Agreement are not expressly included in the conveyance documents, all other provisions of this Agreement shall survive Closing and shall not be deemed merged therewith.

27. No Third Party Beneficiary. It is expressly understood that the provisions of this Agreement do not impart enforceable rights in anyone who is not a Party or a successor or assign of a Party.

28. Joint Efforts. This Agreement was prepared with each of the Parties having access to their own legal counsel. Accordingly, the Parties stipulate and agree that this Agreement shall be deemed and considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, submittal or other event of negotiation or drafting.

29. Headings. The division of this Agreement into articles, sections, and subsections and the insertion of headings and table of contents, if any, are for convenience only and shall not be used in or affect the construction or interpretation of this Agreement.

30. Severability. If any term or provision or portions thereof is deemed invalid or unenforceable pursuant to a final determination of any court of competent jurisdiction or as a result of future laws, such determination or action shall be construed so as not to affect the validity or effect of any other portion or portions of this Agreement. Furthermore, it is the intent and agreement of the Parties that this Agreement shall be deemed amended by modifying such term or provision to the extent necessary to render

it valid and enforceable while preserving the original intent of the affected term or provision or if that is not possible, by substituting therefor another provision that is valid and enforceable and achieves the same objective.

31. Updates to Schedules. MPLCO will update the Schedules hereto between the signing of this Agreement and Closing in order to make these representations true as stated at Closing; provided, however, that for the purpose of determining whether MPLCO's obligation pursuant to Section 15(B) has been satisfied, no such update by MPLCO to the Schedules subsequent to the signing of this Agreement shall be considered to have been made unless expressly accepted by BUYER.

32. Further Assurances and Documents; Additional Joint Tariffs.

(A) Each Party shall promptly take such further actions, including the execution of further documents, as shall be reasonably required in order to carry out the intent and purposes of this Agreement or to protect the rights and remedies hereby created or intended to be created in favor of one or both Parties including, without limitation, assisting in obtaining any consents that may be required for the transfer of any of the Assets.

(B) Without limiting Section 32(A), the Parties covenant and agree that following the Effective Date, they will cooperate in good faith with third-party pipeline owners to establish and file with the Federal Energy Regulatory Commission new joint tariffs to replace any existing joint tariffs with such third-party owners that incorporate MPLCO's 20-inch pipeline from Nederland, Texas to Corsicana, Texas and the 16-inch pipeline from Corsicana, Texas to Wichita Falls, Texas and/or Ringgold, Texas, being acquired by Buyer pursuant to this Agreement. The division of rates for any such new joint tariffs shall shall entitle MPLCO or its Affiliate to receive $0.15 (net of terminaling costs at Nederland) thereunder with the remainder thereunder to be shared by Buyer and such third-party pipeline owners as they may determine.

33. Tax-deferred Exchange. Notwithstanding the general prohibition against an assignment of all or any portion of this Agreement contained in Section 23 of this Agreement, BUYER hereby agrees that MPLCO may elect to structure the transaction contemplated herein as a tax-deferred exchange in accordance with Section 1031 of the Code provided that MPLCO shall give the BUYER notice not less ten (10) days prior to the Closing. In the event that MPLCO elects to effect a tax-deferred exchange, BUYER further agrees to reasonably assist and accommodate MPLCO by (1) consenting and agreeing to the assignment from MPLCO to a qualified intermediary of all of MPLCO's right, title and interest in and to this Agreement; and (2) agreeing to accept title to the Property in the form of a cash sale direct from MPLCO, and (3) agreeing to pay the full purchase price, adjusted for any Closing Credits due to BUYER hereunder, for the Property at the closing of the sale contemplated herein direct to the qualified intermediary. MPLCO will defend, indemnify and hold harmless BUYER against any and all losses, costs, Taxes of any kind whatsoever, damages, and expenses, including all attorneys' fees and costs of litigation, which may be sustained by it on account of, or in connection with, the MPLCO election to structure the transaction as a deferred like-kind exchange under Section 1031 of the Code.

34. Limitations of Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER PARTY SHALL BE LIABLE OR RESPONSIBLE TO ANOTHER PARTY HERETO OR ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES, OR FOR LOSS OF PROFITS OR REVENUES (COLLECTIVELY REFERRED TO AS SPECIAL DAMAGES) INCURRED BY SUCH PARTY OR ITS AFFILIATES THAT ARISE OUT OF OR RELATE TO THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIM ARISES UNDER OR RESULTS FROM CONTRACT, TORT OR STRICT LIABILITY, provided that the foregoing limitation is not intended and shall not affect Special Damages imposed in favor OF individuals or entities that are not Parties to this Agreement.

35. Employee Offers and Related Matters.

(A) Upon execution of this Agreement by BUYER, MPLCO hereby consents to BUYER interviewing and making conditional offers of employment to those employees of MPLCO or MPLCO's Affiliates who are involved in operating the Facilities (the "Available Employees") as determined in the sole discretion of BUYER and listed on Schedule 35(a) hereto. Such list is a complete list of the Available Employees (determined as of the date hereof), which list includes each such Available Employee's name, race, sex, birth date, home address, hire date, salary (including any profit sharing, bonus or other form of compensation), job title, job description, work location and any other relevant information. Seller shall provide BUYER the opportunity to review employment records at least forty-five (45) days prior to Closing Date. NEITHER BUYER NOR ANY OF ITS AFFILIATES SHALL BE UNDER ANY OBLIGATION TO OFFER EMPLOYMENT TO ANY PARTICULAR AVAILABLE EMPLOYEE OR UNDER ANY OBLIGATION TO ACCEPT, ASSUME OR ADOPT ANY EXISTING COLLECTIVE BARGAINING AGREEMENT, PROVISIONS, LETTERS OF UNDERSTANDING, AMENDMENTS, LETTERS, NOTICES, MEMORANDUM OF AGREEMENT OR OTHER SIMILAR DOCUMENTS RELATING TO ANY AVAILABLE EMPLOYEE OR SELLER. BUYER shall provide to Seller at least five (5) days prior to the Closing Date a list of the Available Employees to whom BUYER may offer employment commencing as of the Closing Date. Those Available Employees who accept offers of employment with BUYER shall be referred to herein as a "RETAINED EMPLOYEE." Seller shall make appropriate arrangements so that all Retained Employees are available for employment with the BUYER on the Closing Date.

(B) Seller Plans.

MPLCO shall remain solely responsible for all liabilities with respect to the Seller Plans which are all listed on Schedule 35(b), and shall indemnify and hold BUYER harmless from any liabilities arising directly or indirectly, whether before, on, or after the Closing Date (i) under any Seller Plans, (ii) relating to any group health or insurance plans sponsored or maintained by Seller or any member of its controlled group (as determined under Section 414 of the Code) (an "ERISA AFFILIATE") with respect to termination of any such plan arising under Section 4980B of the Code, or (iii) under Title IV of the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder ("ERISA") with respect to any plan that is subject to Title IV of ERISA, and is or has within the six-year period preceding the Closing Date been sponsored or maintained by Seller or any ERISA Affiliate. Neither BUYER nor any of its

Affiliates shall assume or be deemed to have assumed any Seller Plans nor shall any of them have any obligations under, or assume any liabilities with respect to, any Seller Plans. Without limiting the scope of the preceding sentence, Seller shall retain all responsibility and liabilities for all severance and employment obligations for the Available Employees (regardless of whether they become Retained Employees) for the period prior to the Closing and associated with the termination of any Available Employee's employment from Seller.

(C) Retained Employees.

Effective as of the Closing Date, and subject to the consummation of the Closing, each Retained Employee who has accepted the BUYER offer of employment shall be considered new hires with a BUYER service date as of the Closing Date. Each Retained Employee and his or her eligible dependents shall be eligible for coverage under employee benefit plans, programs, practices or arrangements as determined and provided for in the sole discretion of BUYER.

(i) Workers' Compensation.

Claims by Retained Employee for workers' compensation benefits from claims arising out of the period prior to the Closing Date, whether such claims were made prior to, on or after the Closing Date, shall be the responsibility of Seller. Claims by Retained Employee for workers' compensation benefits arising out of occurrences on or after the Closing Date shall be the responsibility of BUYER.

(ii) Other Matters

Claims by a Retained Employee for all other employment related issues arising out of the period prior to the Closing Date, whether such claims were made prior to, on or after the Closing Date, shall be the responsibility of Seller. Claims by a Retained Employee arising out of occurrences on or after the Closing Date shall be the responsibility of BUYER.

(D) No Restrictions on Changes.

Nothing herein shall be deemed or construed to (i) give rise to any rights, claims, benefits, or causes of action by any Retained Employee or (ii) prevent, restrict, or limit BUYER following the Closing from terminating the employment of any Retained Employee, modifying the terms of employment of any Retained Employee, or modifying, terminating or replacing any of its employee related matters as it may deem appropriate.

(E) Conflict.

In the event of any conflict between this Section 36 and any other provisions which address employee matters, the provisions of this Section 36 shall control and prevail.

For the purposes of this Section 35, the term (a) "AVAILABLE EMPLOYEES" shall mean such employees set forth on Schedule 35(a), and (b) "SELLER PLANS" shall mean the complete list of each employee benefit plan subject to ERISA maintained by Seller as set forth on Schedule 35(b).

Executed on behalf of the parties hereto on the dates set forth below the respective signature lines but effective as of the date first set forth herein above.

MPLCO:

Mobil Pipe Line Company

By: _____
Name:
Title:
Date:

BUYER:

Sunoco Pipeline L.P.

By: Sunoco Logistics Partners Operations GP LLC, its general partner

By: _____
Name:
Title:
Date:

SIGNATURE PAGE TO THAT CERTAIN PURCHASE AND SALE AGREEMENT BY AND BETWEEN MOBIL PIPE LINE COMPANY AND SUNOCO PIPELINE L.P., AS OF THE DATE FIRST SET FORTH ABOVE.

SCHEDULES AND EXHIBITS

Schedule 1.1(a)	BUYER Knowledge
Schedule 1.1(b)	Seller Knowledge
Schedule 1(G)	Contracts
Schedule 1(H)	Spare Parts
Schedule 4(G)	Tax Proceedings
Schedule 4(H)	Non-Compliance
Schedule 4(J)	Proceedings
Schedule 35(a)	Available Employees
Schedule 35(b)	Seller Plans
Exhibit "A-1"	Facilities
Exhibit "A-2"	Real Property
Exhibit "A-3"	Buildings and Improvements to be Leased
Exhibit "A-4"	Ground Lease
Exhibit "B"	Easements
Exhibit "B-1"	Shared Easements
Exhibit "C"	Safety Requirements
Exhibit "D"	Drug and Alcohol Prohibitions and Requirements
Exhibit "E"	Confidentiality Agreement
Exhibit "F"	Bill of Sale
Exhibit "G"	Form of Assignment
Exhibit "G-1"	Form of Assignment for Shared Easements
Exhibit "H"	Environmental Permits
Exhibit "I"	Environmental Documents

Exhibit "J"	Transition Services Agreement
Exhibit "K"	BUYER'S release of MPLCO for Environmental Liability
Exhibit "L"	Special Warranty Deed
Exhibit "M"	Inventory Measurement Procedures
Exhibit "N"	Facilities Separation Agreement
Exhibit "O"	Assignment of Landowners' Release
Exhibit "P"	Easement Sharing Agreement
Exhibit "Q"	Form of Easement for MPLCO 20-inch Pipeline and Related Facilities

LIST OF SCHEDULES AND EXHIBITS TO PURCHASE AND SALE AGREEMENT OMITTED FROM THIS FILING

SCHEDULES:

Schedule 1.1(a)	BUYER Knowledge
Schedule 1.1(b)	Seller Knowledge
Schedule 1(G)	Contracts
Schedule 1(H)	Spare Parts
Schedule 4(G)	Tax Proceedings
Schedule 4(H)	Non-Compliance
Schedule 4(J)	Proceedings
Schedule 35(a)	Available Employees
Schedule 35(b)	Seller Plans

EXHIBITS:

Exhibit "A-1"	Facilities
Exhibit "A-2"	Real Property
Exhibit "A-3"	Buildings and Improvements to be Leased
Exhibit "A-4"	Ground Lease
Exhibit "B"	Easements
Exhibit "B-1"	Shared Easements
Exhibit "C"	Safety Requirements
Exhibit "D"	Drug and Alcohol Prohibitions and Requirements
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Exhibit "Q"	Form of Easement for MPLCO 20-inch Pipeline and Related Facilities

EXHIBIT 10.1

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SUNOCO PARTNERS LLC
LONG-TERM INCENTIVE PLAN

(AMENDED AND RESTATED AS OF APRIL 21, 2005)

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SUNOCO PARTNERS LLC LONG-TERM INCENTIVE PLAN
AMENDED AND RESTATED AS OF APRIL 21, 2005

SUNOCO PARTNERS LLC
LONG-TERM INCENTIVE PLAN

SECTION 1. PURPOSE OF THE PLAN.

The Sunoco Partners LLC Long-Term Incentive Plan (the "Plan") is intended to promote the interests of Sunoco Logistics Partners L.P., a Delaware limited partnership (the "Partnership"), by providing to employees and directors of Sunoco Partners LLC, a Pennsylvania limited liability company (the "Company"), and its Affiliates who perform services for the Partnership and its subsidiaries, incentive awards for superior performance that are based on Units. The Plan is also intended to enhance the ability of the Company and its Affiliates to attract and retain employees whose services are key to the growth and profitability of the Partnership, and to encourage them to devote their best efforts to the business of the Partnership and its subsidiaries, thereby advancing the Partnership's interests.

SECTION 2. DEFINITIONS.

As used in the Plan, the following terms shall have the meanings set forth below:

2.1 "Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

2.2 "Award" means a grant of one or more Options or Restricted Units pursuant to the Plan, and shall include any tandem DERs granted with respect to such Award.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Cause" means:

(i) fraud or embezzlement on the part of the Participant;

(ii) conviction of or the entry of a plea of nolo contendere by the Participant to any felony;

(iii) the willful and continued failure or refusal by the Participant to perform substantially the Participant's duties with the Company or an Affiliate thereof (other than any such failure resulting from incapacity due to physical or mental illness, or death, or following notice of employment termination by the Participant for Good Reason) within thirty (30) days following the delivery of a written demand for substantial performance to the Participant by the Board, or any employee of the Company or an Affiliate with supervisory authority over the Participant, that specifically identifies the manner in which the Board or such supervising employee believes that the Participant has not substantially performed the Participant's duties; or

(iv) any act of willful misconduct by the Participant which:

(a) is intended to result in substantial personal enrichment of the Participant at the expense of the Partnership, the Company or any of their Affiliates; or

(b) has a material adverse impact on the business or reputation of the Partnership, the Company or any Affiliate thereof (such determination to be made by the Partnership, the Company or any such Affiliate in the good faith exercise of its reasonable judgment).

2.5 "Change of Control" means, and shall be deemed to have occurred upon the occurrence of one or more of the following events:

(i) the consolidation, reorganization, merger or other transaction pursuant to which more than 50% of the combined voting power of the outstanding equity interests in the Company cease to be owned by Sunoco and its Affiliates;

(ii) a "Change in Control" of Sunoco, as defined from time to time in the Sunoco stock plans; or

(iii) the general partner (whether the Company or any other Person) of the Partnership ceases to be an Affiliate of Sunoco.

2.6 "Committee" means the Compensation Committee of the Board, such subcommittee thereof, or such other committee of the Board appointed to administer the Plan.

2.7 "DER" or "Distribution Equivalent Right" means contingent right, granted in tandem with a specific Restricted Unit, to receive an amount in cash equal to the cash distributions made by the Partnership with respect to a Unit during the period such Restricted Unit is outstanding.

2.8 "Director" means a member of the Board who is not an Employee.

2.9 "Employee" means any employee of the Company or an Affiliate, who performs services for the Partnership.

2.10 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.11 "Fair Market Value" means, as of any date and in respect of any Unit, the opening price of a Unit on such date (which price shall be the closing price of a Unit on the previous trading day, as reflected in the consolidated trading tables of The Wall Street Journal or any other publication selected by the Committee). If there is no sale of Units on the New York Stock Exchange for more than ten (10) days immediately preceding such date, or if deemed appropriate by the Committee for any other reason, the Fair Market Value of such Units shall be as determined in good faith by the Committee in such other manner as it may deem appropriate.

2.12 "Good Reason" means:

(i) a reduction in the Participant's annual base salary;

(ii) failure to pay the Participant any compensation due under an employment agreement, if any;

(iii) failure to continue to provide benefits substantially similar to those then enjoyed by the Participant unless the Partnership, the Company or their Affiliates provide aggregate benefits equivalent to those then in effect;

(iv) failure to continue a compensation plan or to continue the Participant's participation in a plan on a basis not materially less favorable to the Participant, subject to the power of the Partnership, the Company or their Affiliates to amend such plans in their reasonable discretion, including, without limitation, providing a replacement plan; or

(v) the Partnership, the Company or their Affiliates purported termination of the Participant's employment for Cause not pursuant to a procedure indicating the specific provision of the definition of Cause contained in this Plan as the basis for such termination of employment;

The Participant may not terminate for Good Reason unless he has given written notice delivered to the Partnership, the Company or their Affiliates, as appropriate, of the action or inaction giving rise to Good Reason, such notice to state with specificity the nature of the breach, failure or refusal, and such action or inaction is not corrected within thirty (30) days thereafter.

2.13 "Member" means, as of any date, any Person that has executed the limited liability company operating agreement of the Company (the "LLC Agreement") as a member of the Company, and thereafter been admitted to the Company as a member as provided in the LLC Agreement, but such term does not include any Person who has ceased to be a member in the Company.

2.14 "Option" means on option to purchase Units granted under the Plan.

2.15 "Participant" means any Employee or Director granted an Award under the Plan.

2.16 "Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Partnership.

2.17 "Person" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

2.18 "Restricted Period" means the period established by the Committee with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant.

2.19 "Restricted Unit" means a phantom, or notional, unit granted under the Plan which is equivalent in value and in distribution rights to a Unit and which, upon vesting, entitles the Participant to receive a Unit or its Fair Market Value in cash, whichever is determined by the Committee.

2.20 "Rule 16b-3" means Rule 16b-3 promulgated by the SEC under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

2.21 "SEC" means the Securities and Exchange Commission, or any successor thereto.

2.22 "Sunoco" means Sunoco, Inc.

2.23 "Unit" means a Common Unit of the Partnership.

SECTION 3. ADMINISTRATION.

The Plan shall be administered by the Committee. A majority of the Committee shall constitute a quorum, and the acts of the members of the Committee who are present at any meeting thereof at which a quorum is present, or acts unanimously approved by the members of the Committee in writing, shall be the acts of the Committee. Annual grant levels for Participants will be recommended to the Committee by the Chief Executive Officer of the Company.

Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to:

(i) designate Participants;

(ii) determine the type or types of Awards to be granted to a Participant;

(iii) determine the number of Units to be covered by Awards;

(iv) determine the terms and conditions of any Award;

(v) determine whether, to what extent, and under what circumstances Awards may be settled, exercised, canceled, or forfeited;

(vi) interpret and administer the Plan and any instrument or agreement relating to an Award made under the Plan

(vii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and

(viii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, the Partnership, any Affiliate, any Participant, and any beneficiary of any Award.

Subject to the following and any applicable law, the Committee, in its sole discretion, may delegate any or all of its powers and duties under the Plan to the Chief Executive Officer of the Company, including the power to grant Awards under the Plan, provided the Chief Executive Officer is also a member of the Board, subject to such limitations on such delegated powers and duties as the Committee may impose, if any. Upon any such delegation all references in the Plan to the "Committee", other than in Section 7 ("Amendment and Termination"), shall be deemed to include the Chief Executive Officer; provided, however, that such delegation shall not limit the Chief Executive Officer's right to receive Awards under the Plan. Notwithstanding the foregoing, the Chief Executive Officer may not grant Awards to, or take any action with respect to any Award previously granted to, a person who is an officer subject to Rule 16b-3 or a member of the Board.

SECTION 4. UNITS AVAILABLE FOR AWARDS.

4.1 Units Available. Subject to adjustment as provided in Section 4.3, the number of Units with respect to which Awards may be granted under the Plan is one million two hundred fifty thousand (1,250,000). If any Award is forfeited or otherwise terminates or is canceled without the delivery of Units, then the Units covered by such Award, to the extent of such forfeiture, termination , or cancellation, shall again be Units with respect to which Awards may be granted.

4.2 Sources of Units Deliverable Under Awards. Any Units delivered pursuant to an Award shall consist, in whole or in part, of Units acquired in the open market, from any Affiliate, the Partnership or any other Person, or any combination of the foregoing, as determined by the Committee in its discretion.

4.3 Adjustments. If the Committee determines that any distribution (whether in the form of cash, Units, other securities, or other property), re-capitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Units or other securities of the Partnership, issuance of warrants or other rights to purchase Units or other securities of the Partnership, or other similar transaction or event affects the Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of:

(i) the number and type of Units (or other securities or property) with respect to which Awards may be granted;

(ii) the number and type of Units (or other securities or property) subject to outstanding Awards; and

(iii) if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; provided, that the number of Units subject to any Award will always be a whole number.

SECTION 5. ELIGIBILITY.

Any Employee or Director will be eligible to be designated a Participant and receive an Award under the Plan.

SECTION 6. AWARDS.

6.1 Options. The Committee shall have the authority to determine the Employees and Directors to whom Options will be granted, the number of Units to be covered by each Option, the purchase price therefor and the conditions and limitations applicable to the exercise of the Option, including the following terms and conditions and such additional terms and conditions, as the Committee shall determine, that are not inconsistent with the provisions of the Plan.

(i) Exercise Price. The purchase price per Unit purchasable under an Option shall be determined by the Committee at the time the Option is granted but shall not be less than its Fair Market Value as of the date of grant.

(ii) Time and Method of Exercise. The Committee shall determine the Restricted Period, i.e., the time or times at which an Option may be exercised in whole or in part, and the method or methods by which payment of the exercise price with respect thereto may be made or deemed to have been made which may include, without limitation, cash, check acceptable to the Company, a "cashless-broker" exercise (through procedures approved by the Company), other securities or other property, a note from the Participant (in a form acceptable to the Company), or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price.

(iii) Forfeiture. Except as otherwise provided in the terms of the Option grant, upon termination of a Participant's employment with the Company and its Affiliates or membership on the Board, whichever is applicable, for any reason during the applicable Restricted Period, all Options shall be forfeited by the Participant, unless otherwise provided in a written employment agreement (if any) between the Participant and the Company or one or more of its Affiliates. The Committee may, in its discretion, waive in whole or in part such forfeiture with respect to a Participant's Options.

6.2 Restricted Units. The Committee shall have the authority to determine the Employees and Directors to whom Restricted Units shall be granted, the number of Restricted Units to be granted to each such Participant, the duration of the Restricted Period, the conditions under which the Restricted Units may become vested or forfeited, and such other terms and conditions as the Committee may establish respecting such Awards, including whether DERs are granted with respect to such Restricted Units.

(i) DERs. To the extent provided by the Committee, in its discretion, a grant of Restricted Units may include a tandem DER grant, which may provide that such DERs shall be paid directly to the Participant, be credited to a bookkeeping account (with or without interest in the discretion of the Committee) subject to the same restrictions as the tandem Award, or be subject to such other provisions or restrictions as determined by the Committee in its discretion.

(ii) Forfeiture. Except as otherwise provided in the terms of the Award agreement, upon termination of a Participant's employment with the Company and its Affiliates or membership on the Board, whichever is applicable, for any reason during the applicable Restricted Period, all Restricted Units shall be forfeited by the Participant, unless otherwise provided in a written employment agreement (if any) between the Participant and the Company or one or more of its Affiliates. The Committee may, in its discretion, waive in whole or in part such forfeiture with respect to a Participant's Restricted Units.

(iii) Lapse of Restrictions. Upon, or as soon as reasonably practicable following, the vesting of each Restricted Unit, the Participant shall be entitled to receive from the Company one Unit or its Fair Market Value, in cash, as determined by the Committee, subject to the provisions of Section 8.2.

6.3 General.

(i) Awards May Be Granted Separately or Together. Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for any other Award granted under the Plan or any award granted under any other plan of the Company or any Affiliate. Awards granted in addition to or in tandem with other Awards or awards granted under any other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(ii) Limits on Transfer of Awards.

(a) Except as provided in (b) below:

(1) no Award and no right under any such Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate

(2) each Option shall be exercisable only by the Participant during the Participant's lifetime, or by the person to whom the Participant's rights shall pass by will or the laws of descent and distribution; and

(b) To the extent specifically provided by the Committee with respect to an Option grant, an Option may be transferred by a Participant without consideration to immediate family members or related family trusts, limited partnerships or

similar entities or on such terms and conditions as the Committee may from time to time establish. In addition, Awards may be transferred by will and the laws of descent and distribution.

(iii) Term of Awards. The term of each Award shall be for such period as may be determined by the Committee.

(iv) Unit Certificates. All certificates for Units or other securities of the Partnership delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Units or other securities are then listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(v) Consideration for Grants. Awards may be granted for such consideration as the Committee determines including, without limitation, services or such minimal cash consideration as may be required by applicable law.

(vi) Delivery of Units or other Securities and Payment by Participant of Consideration. Notwithstanding anything in the Plan or any grant agreement to the contrary, delivery of Units pursuant to the exercise or vesting of an Award may be deferred for any period during which, in the good faith determination of the Committee, the Company is not reasonably able to obtain Units to deliver pursuant to such Award without violating the rules or regulations of any applicable law or securities exchange. No Units or other securities shall be delivered pursuant to any Award until payment in full of any amount required to be paid pursuant to the Plan or the applicable Award agreement (including, without limitation, any exercise price or any tax withholding) is received by the Company. Such payment may be made by such method or methods and in such form or forms as the Committee shall determine, including, without limitation, cash, other Awards, withholding of Units, cashless broker exercises with immediate sale, or any combination thereof; provided, however, that the combined value, as determined by the Committee, of all cash and cash equivalents and the Fair Market Value of any such Units or other property so tendered to the Company, as of the date of such tender, is at least equal to the full amount required to be paid to the Company pursuant to the Plan or the applicable Award agreement.

(vii) CHANGE OF CONTROL. In the event of a Change of Control, Restricted Units will be paid to the Participant no later than ninety (90) days following the date of occurrence of such Change of Control, regardless of whether the applicable Restricted Period has expired or whether applicable performance goals or targets have been met.

For a Change of Control occurring within the first consecutive twelve-month period following the date of grant, the number of performance-based Restricted Units paid out with regard to such grant shall be equal to the total number of Restricted Units outstanding in such grant as of the Change of Control, not adjusted for any performance factors.

For a Change of Control occurring after the first consecutive twelve-month period following the date of grant, the number of performance-based Restricted Units paid out with regard to such grant shall be the greater of:

(a) the total number of Restricted Units outstanding in such grant as of the Change of Control, not adjusted for any performance factors, or

(b) the total number of such Restricted Units outstanding in such grant, multiplied by the applicable performance factors related to the Partnership's actual performance immediately prior to the Change of Control.

In the case of an award of Restricted Units conditioned upon the Participant's continued employment, the total number of Restricted Units outstanding in such grant as of the Change of Control shall be paid to the Participant.

The Participant's Restricted Units shall be payable to the Participant in cash or Units, as determined by the Committee prior to the Change of Control, as follows:

(c) if the Participant is to receive Units, the Participant will receive the total number of Units stated above in this Section 6.3(vii); or

(d) if the Participant is to receive cash, the Participant will be paid an amount in cash equal to the number of Units stated above in this Section 6.3(vii), multiplied by the Fair Market Value per Unit. Such amount will be reduced by the applicable federal, state and local withholding taxes due.

On or before the ninetieth (90th) day following the date of occurrence of the Change of Control, the Participant will be paid an amount in cash equal to the value of the applicable DERs on the number of Units being paid pursuant to this Section 6.3(vii) for the time period immediately preceding the Change of Control. Payout of Restricted Units and DERs shall be made to each Participant:

(c) who is employed by the Company on the ninetieth (90th) day following the date of occurrence of the Change of Control; or

(d) whose employment relationship with the Company is terminated:

(1) for Good Reason, or as a result of any "Qualifying Termination" (as the such term may be defined in the applicable agreement with Participant, evidencing the grant) prior to the ninetieth (90th) day following the date of occurrence of the Change of Control; or

(2) as a result of death, permanent disability or retirement (as each is determined by the Committee), that has occurred prior to the ninetieth (90th) day following the date of occurrence of the Change of Control.

The Committee may establish, at the time of the grant of Restricted Units, other conditions that must be met for payout to occur. These conditions shall be set forth in the Committee's resolution granting the Restricted Units and in the applicable agreements with Participants.

Notwithstanding any provisions to the contrary in agreements evidencing Options granted thereunder, or in this Plan, each outstanding Option shall become immediately and fully exercisable upon the occurrence of any Change of Control."

(viii) Sale of Significant Assets. In the event the Company or the Partnership sells or otherwise disposes of, other than to an Affiliate, a significant portion of the assets under its control, (such significance to be determined by action of the Board of the Company in its sole discretion), and as a consequence of such disposition:

(a) a Participant's employment is terminated by the Partnership, the Company or their Affiliates without Cause or by the Participant for Good Reason; provided, however, that in the case of any such termination by the Participant under this subparagraph 6.3(viii)(a), such termination shall not be deemed to be for Good Reason unless the termination occurs within 180 days after the occurrence of the applicable sale or disposition constituting the reason for the termination; or

(b) as a result of such sale or disposition, the Participant's employer shall no longer be the Partnership, the Company or one of their Affiliates,

then all of such Participant's Awards shall automatically vest and become payable or exercisable, as the case may be, in full. In this regard, all Restricted Periods shall terminate and all performance criteria, if any, shall be deemed to have been achieved at the maximum level.

SECTION 7. AMENDMENT AND TERMINATION.

Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award agreement or in the Plan:

(i) Amendments to the Plan. Except as required by applicable law or the rules of the principal securities exchange on which the Units are traded and subject to Section 7(ii) below, the Board or the Committee may amend, alter, suspend, discontinue, or terminate the Plan in any manner; provided, however, that neither the Board nor the Committee may increase the number of Units available for Awards under the Plan, without the express prior written consent of the Members of the Company.

(ii) Amendments to Awards. The Committee may waive any conditions or rights under, amend any terms of, or alter any Award theretofore granted, provided no change, other than pursuant to Section 7(iii), in any Award shall materially reduce the benefit to Participant without the consent of such Participant.

(iii) Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.3 of the Plan) affecting the Partnership or the financial statements of the Partnership, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

SECTION 8. GENERAL PROVISIONS.

8.1 No Rights to Awards. No Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants. The terms and conditions of Awards need not be the same with respect to each Participant.

8.2 Withholding. The Company or any Affiliate is authorized to withhold from any Award, from any payment due or transfer made under any Award or from any compensation or other amount owing to a Participant the amount (in cash, Units, other securities, Units that otherwise would be issued pursuant to such Award or other property) of any applicable taxes payable in respect of the grant of an Award, its exercise, the lapse of restrictions thereon, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy its withholding obligations for the payment of such taxes.

8.3 No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employment of the Company or any Affiliate or to remain on the Board, as applicable. Further, the Company or an Affiliate may at any time

dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award agreement.

8.4 Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the Commonwealth of Pennsylvania and applicable federal law.

8.5 Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

8.6 Other Laws. The Committee may refuse to issue or transfer any Units or other consideration under an Award if, in its sole discretion, it determines that the issuance or transfer of such Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Units are then traded, or entitle the Partnership or an Affiliate to recover the entire then Fair Market Value thereof under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary.

8.7 No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any general unsecured creditor of the Company or any Affiliate.

8.8 No Fractional Units. No fractional Units shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Units or whether such fractional Units or any rights thereto shall be canceled, terminated, or otherwise eliminated.

8.9 Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

8.10 Facility Payment. Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to properly manage his financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Committee may select, and the Company shall be relieved of any further liability for payment of such amounts.

8.11 Gender and Number. Words in the masculine gender shall include the feminine and the neuter, the plural shall include the singular and the singular shall include the plural.

SECTION 9. TERM OF THE PLAN.

The Plan shall be effective on the date of its approval by the Board and shall continue until the date terminated by the Board or Units are no longer available for grants of Awards under the Plan, whichever occurs first. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted prior to such termination, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under such Award, shall extend beyond such termination date.

RESTRICTED UNIT AGREEMENT
UNDER THE
SUNOCO PARTNERS LLC LONG-TERM INCENTIVE PLAN

This Restricted Unit Agreement (the "Agreement"), entered into as of _____ (the "Agreement Date"), by and between Sunoco Partners LLC (the "Company") and _____, an employee of the Company or one of its subsidiaries (the "Participant");

W I T N E S S E T H:
- - - - - - - - - - -

WHEREAS, in order to make certain awards to key employees of the Company and its subsidiaries, the Company maintains the Sunoco Partners LLC Long-Term Incentive Plan (the "Plan"); and

WHEREAS, the Plan is administered by the Compensation Committee of the Company's Board of Directors (the "Committee"); and

WHEREAS, the Committee has determined to grant to Participant, pursuant to the terms and conditions of the Plan, an award (the "Award") of Restricted Units, representing rights to receive common units, representing limited partnership interests in of Sunoco Logistics Partners L.P. (the "Partnership"), which are subject to a risk of forfeiture by the Participant, with the payout of such Restricted Units being conditioned upon the Participant's continued employment with the Company through the end of a three-year restricted period (the "Restricted Period"); and

WHEREAS, the Participant has determined to accept such Award;

NOW, THEREFORE, the Company and the Participant, each intending to be legally bound hereby, agree as follows:

ARTICLE I
AWARD OF RESTRICTED UNITS

1.1 IDENTIFYING PROVISIONS. For purposes of this Agreement, the following terms shall have the following respective meanings:

(a) Participant : _____

(b) Date of Grant : _____

(c) Number of Restricted Units : _____

(d) Restricted Period : _____

Any initially capitalized terms and phrases used in this Agreement but not otherwise defined herein, shall have the respective meanings ascribed to them in the Plan.

1.2 AWARD OF RESTRICTED UNITS. Subject to the terms and conditions of the Plan and this Agreement, the Participant is hereby granted the number of Restricted Units set forth herein at Section 1.1.

1.3 DISTRIBUTION EQUIVALENT RIGHTS ("DERS"). The Participant shall be entitled to receive payment from the Company in an amount equal to each cash distribution payable subsequent to the Date of Grant (each such entitlement being a distribution equivalent right or "DER"), just as though the Participant, on the applicable record date for payment of such cash distribution, had been the holder of record of common units, representing limited partnership interests in the Partnership, equal to the actual number of Restricted Units, if any, earned and received by the Participant at the end of the Restricted Period. The Company shall establish a bookkeeping methodology to account for the distribution equivalents to be credited to the Participant in recognition of these DERs. Such distribution equivalents will not bear interest.

1.4 PAYMENT OF RESTRICTED UNITS AND RELATED DERS. Full payout of the Award is conditioned only upon the Participant's continued employment with the Company throughout the Restricted Period beginning on _____ and ending on _____. The full Award shall become vested and payable, if the Participant is employed by the Company at such time. Actual payment in respect of the earned Restricted Units and the earned DER Account shall be made to the Participant within ninety (90) days after the Restricted Period for such Restricted Units has ended.

(a) Payment in respect of Restricted Units earned. Except as provided by this Section 1.5 hereof, all payment for Restricted Units earned shall be made in common units representing limited partnership interests in the Partnership. The number of common units paid shall be equal to the number of Restricted Units earned; provided, however, that any fractional units shall be distributed as an amount of cash equal to the Fair Market Value of such fractional unit on the date of payment.

(b) Payment of Related Earned Distribution Equivalents. The Participant will be entitled to receive from the Company at the end of the Restricted Period, cash payment in respect of the related distribution equivalents earned.

Applicable federal, state and local taxes shall be withheld in accordance with Section 2.6 hereof.

1.5 CHANGE OF CONTROL.

(a) Payment of Restricted Units. In the event of a Change of Control, the Restricted Units subject to this award will be paid to the Participant no later than ninety (90) days following the date of occurrence of such Change of Control. The number of Restricted Units paid out shall be equal to the total number of Restricted Units outstanding in this award as of the Change of Control, regardless of whether the applicable Restricted Period has expired. The Restricted Units subject to this award shall be payable to the Participant in cash or Units, as determined by the Committee prior to the Change of Control, as follows:

(1) if the Participant is to receive Units, the Participant will receive the total number of Units stated above in this Section 1.6(a); or

(2) if the Participant is to receive cash, the Participant will be paid an amount in cash equal to the number of Units stated above in this Section 1.6(a), multiplied by the Fair Market Value per Unit immediately prior to the Change of Control. Such amount will be reduced by the applicable federal, state and local withholding taxes due.

(b) Distribution Equivalents. On or before the ninetieth (90th) day following the date of occurrence of the Change of Control, the Participant will be paid an amount in cash equal to the value of the applicable DERs on the number of Units being paid pursuant to Section 1.6(a) hereof, for the time period immediately preceding the Change of Control.

(c) Eligibility for Payout. Payout of Restricted Units and DERs shall be made to each Participant:

(1) who is employed by the Company on the ninetieth (90th) day following the date of occurrence of the Change of Control; or

(2) whose employment relationship with the Company is terminated:

(A) for Good Reason, or as a result of any Qualifying Termination prior to the ninetieth (90th) day following the date of occurrence of the Change of Control; or

(B) as a result of death, permanent disability or retirement (as each is determined by the Committee), that has occurred prior to the ninetieth (90th) day following the date of occurrence of the Change of Control..

(d) Qualifying Termination - shall mean the following:

(1) a termination of employment by the Company within six (6) months after a Change of Control, other than for Cause, death or permanent disability;

(2) a termination of employment by the Participant within six (6) months after a Change of Control for one or more of the following reasons:

(i) the assignment to such Participant of any duties inconsistent in a way significantly adverse to such Participant, with such Participant's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control, or a significant reduction in the duties and responsibilities held by the Participant immediately prior to the Change of Control, in each case except in connection with such Participant's termination of employment by the Company for Cause; or

(ii) a reduction by the Company in the Participant's combined annual base salary and guideline (target) bonus as in effect immediately prior to the Change of Control; or

(iii) the Company requires the Participant to be based anywhere other than the Participant's present work location or a location within thirty-five (35) miles from the present location; or the Company requires the Participant to travel on Company business to an extent substantially more burdensome than such Participant's travel obligations during the period of twelve (12) consecutive months immediately preceding the Change of Control;

provided, however, that in the case of any such termination of employment by the Participant under this subparagraph (d), such termination shall not be deemed to be a Qualifying Termination unless the termination occurs within 120 days after the occurrence of the event or events constituting the reason for the termination; or

(3) before a Change of Control, a termination of employment by the Company, other than a termination for Cause, or a termination of employment by the Participant for one of the reasons set forth in (2) above, if the affected Participant can demonstrate that such termination or circumstance in (2) above leading to the termination:

(i) was at the request of a third party with which the Company had entered into negotiations or an agreement with regard to a Change of Control; or

(ii) otherwise occurred in connection with a Change of Control;

provided, however, that in either such case, a Change of Control actually occurs within one (1) year following the Participant's employment termination date.

1.6 TERMINATION OF EMPLOYMENT.

(a) Death, Disability or Retirement. Upon the occurrence, prior to the end of the Restricted Period, of either of the following :

(1) the death of the Participant;

(2) the termination of the Participant's employment with the Company by reason of retirement or permanent disability (as each is determined by the Committee); or

(3) other involuntary termination not for Cause, and not associated with any Change of Control,

a portion of the Restricted Units subject to this award automatically shall vest and become payable to the Participant in an amount of cash equal to the number of Restricted Units outstanding multiplied by:

(4) a fraction, the numerator of which is the number of full and partial months from April 20, 2004 through the date of termination of such Participant's employment with the Company, and the denominator of which is thirty-three (33); and

(5) the average closing price for Common Units of Sunoco Logistics Partners L.P. (the "Partnership"), reflected in the consolidated trading tables of The Wall Street Journal (presently the New York Stock Exchange Composite Transactions quotations) for the thirty (30) trading day period prior the date of termination of such Participant's employment, and rounding the result upwards to the nearest whole number.

The Participant also will be entitled to payment in cash in respect of the related DERs applicable to such vested portion of the award.

(b) Other Termination of Employment. Except as provided in Sections 1.5 and 1.6(a) above, or as determined by the Committee, upon termination of the Participant's employment with the Company prior to the end of the Restricted Period (whether as a result of termination for Cause by the Company, or voluntary resignation by Participant, or otherwise), the Participant shall forfeit 100% of such Participant's Restricted Units, together with the related DERs, and the Participant shall not be entitled to receive any common units, representing limited partnership interests of the Partnership, or any payment in respect of any DERs.

ARTICLE II
GENERAL PROVISIONS

2.1 NON-ASSIGNABILITY. The Restricted Units and the related earned DERs covered by this Agreement shall not be assignable or transferable by the Participant, except by will or the laws of descent and distribution, unless otherwise provided by the Committee. During the life of the Participant, the Restricted Units and the related DERs covered by this Agreement shall be payable only to the Participant or the guardian or legal representative of such Participant, unless the Committee provides otherwise.

2.2 HEIRS AND SUCCESSORS. This Agreement shall be binding upon and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. In the event of the Participant's death prior to payment of the Restricted Units and/or the related DERs, payment may be made to the estate of the Participant to the extent such payment is otherwise permitted by this Agreement. Subject to the terms of the Plan, any benefits distributable to the Participant under this Agreement that are not paid at the time of the Participant's death shall be paid at the time and in the form determined in accordance with the provisions of this Agreement and the Plan, to the legal representative or representatives of the estate of the Participant.

2.3 NO RIGHT OF CONTINUED EMPLOYMENT. The receipt of this award does not give the Participant, and nothing in the Plan or in this Agreement shall confer upon the Participant, any right to continue in the employment of the Company or any of its subsidiaries. Nothing in the Plan or in this Agreement shall affect any right which the Company or any of its subsidiaries may have to terminate the employment of the Participant. The payment of earned Restricted Units, and the related DERs, under this Agreement shall not give the Company or any of its subsidiaries any right to the continued services of the Participant for any period.

2.4 RIGHTS AS A LIMITED PARTNER. Neither the Participant nor any other person shall be entitled to the privileges of ownership of common units, representing limited partnership interests in the Partnership, or otherwise have any rights as a limited partner, by reason of the award of the Restricted Units covered by this Agreement or any Partnership common units, issuable in respect of such Restricted Units, unless and until such common units have been validly issued to such Participant, or such other person, as fully paid common units, representing limited partnership interests in the Partnership.

2.5 REGISTRATION OF COMMON UNITS. Notwithstanding any other provision of this Agreement, the Restricted Units shall not be or become payable in whole or in part unless a registration statement with respect to the common units subject thereto has been filed with the Securities and Exchange Commission and has become effective.

2.6 TAX WITHHOLDING. All distributions under this Agreement are subject to withholding of all applicable taxes.

(b) Payment in Common Units. Immediately prior to the payment of any common units to Participant in respect of earned Restricted Units, the Participant shall remit an amount sufficient to satisfy any Federal, state and/or local withholding tax due on the receipt of such common units. At the election of the Participant, and subject to such rules as may be established by the Committee, such withholding obligations may be satisfied through the surrender of common units representing limited partnership interests in the Partnership and otherwise payable to Participant in respect of such earned Restricted Units.

(b) Payment in Cash. Cash payments in respect of any earned Restricted Units, and/or the related DERs, shall be made net of any applicable federal, state, or local withholding taxes.

2.7 ADJUSTMENTS. In the event of any change in the outstanding common units by reason of a distribution of common units, re-capitalization, merger, consolidation, split-up, combination, exchange of common units or the like, the Committee may appropriately adjust the number of common units which may be issued under the Plan, the number of common units payable with respect to the Award, and/or any other Restricted Units previously granted under the Plan, and any and all other matters deemed appropriate by the Committee.

2.8 LEAVES OF ABSENCE. The Committee shall make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence taken by the Participant. Without limiting the generality of the foregoing, the Committee shall be entitled to determine:

(a) whether or not any such leave of absence shall constitute a termination of employment within the meaning of the Plan; and

(b) the impact, if any, of any such leave of absence on any prior awards made to the Participant under the Plan.

2.9 ADMINISTRATION. Pursuant to the Plan, the Committee is vested with conclusive authority to interpret and construe the Plan, to adopt rules and regulations for carrying out the Plan, and to make determinations with respect to all matters relating to this Agreement, the Plan and awards made pursuant thereto. The authority to manage and control the operation and administration of this Agreement shall be likewise vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Committee, and any decision made by the Committee with respect to this Agreement, shall be final and binding.

2.10 EFFECT OF PLAN; CONSTRUCTION. The entire text of the Plan is expressly incorporated herein by this reference and so forms a part of this Agreement. In the event of any inconsistency or discrepancy between the provisions of this Restricted Unit Agreement and the terms and conditions of the Plan under which such Restricted Units are granted, the provisions in the Plan shall govern and prevail. The Restricted Units, the related DERs and this Agreement are each subject in all respects to, and the Company and the Participant each hereby agree to be bound by, all of the terms and conditions of the Plan, as the same may have been amended from time to time in accordance with its terms; provided, however, that no such amendment shall deprive the Participant, without such Participant's consent, of any rights earned or otherwise due to Participant hereunder.

2.11 AMENDMENT. This Agreement shall not be amended or modified except by an instrument in writing executed by both parties to this Agreement, without the consent of any other person, as of the effective date of such amendment.

2.12 CAPTIONS. The captions at the beginning of each of the numbered Sections and Articles herein are for reference purposes only and will have no legal force or effect. Such captions will not be considered a part of this Agreement for purposes of interpreting, construing or applying this Agreement and will not define, limit, extend, explain or describe the scope or extent of this Agreement or any of its terms and conditions.

2.13 GOVERNING LAW. The validity, construction, interpretation and effect of this instrument shall exclusively be governed by and determined in accordance with the law of the Commonwealth of Pennsylvania (without giving effect to the conflicts of law principles thereof), except to the extent preempted by federal law, which shall govern.

2.14 NOTICES. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing, by facsimile, by overnight courier or by registered or certified mail, postage prepaid and return receipt requested. Notices to the Company shall be deemed to have been duly given or made upon actual receipt by the Company. Such communications shall be addressed and directed to the parties listed below (except where this Agreement expressly provides that it be directed to another) as follows, or to such other address or recipient for a party as may be hereafter notified by such party hereunder:

(a) if to the Company: SunOCO PARTNERS LLC
Board of Directors
Ten Penn Center
1801 Market Street
Philadelphia, Pennsylvania, 19103-1699
Attention: Vice President, General
Counsel and Secretary

(b) if to the Participant: to the address for Participant as it appears on the Company's records.

2.15 SEVERABILITY. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent it is not prohibited or unenforceable, nor invalidate the other provisions hereof.

2.16 ENTIRE AGREEMENT. This Agreement constitutes the entire understanding and supersedes any and all other agreements, oral or written, between the parties hereto, in respect of the subject matter of this Agreement and embodies the entire understanding of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement as of the day first above written.

SUNOCO PARTNERS LLC

By:

Deborah M. Fretz
President & Chief Executive Officer

By:

Name:

Participant

RESTRICTED UNIT AGREEMENT

UNDER THE

SUNOCO PARTNERS LLC LONG-TERM INCENTIVE PLAN

This Restricted Unit Agreement (the "Agreement"), entered into as of _____ (the "Agreement Date"), by and between Sunoco Partners LLC (the "Company") and _____, an employee of the Company or one of its subsidiaries (the "Participant");

W I T N E S S E T H:
- - - - - - - - - -

WHEREAS, in order to make certain awards to officers and/or key employees, the Company maintains the Sunoco Partners LLC. Long-Term Incentive Plan (the "Plan"); and

WHEREAS, the Plan is administered by the Compensation Committee of the Company's Board of Directors (the "Committee"); and

WHEREAS, the Committee has determined to make an award to the Participant of Restricted Units, representing rights to receive common units, representing limited partnership interests in Sunoco Logistics Partners L.P. (the "Partnership"), which are subject to a risk of forfeiture by the Participant, pursuant to the terms and conditions of the Plan; and

WHEREAS, the Participant has determined to accept such award;

NOW, THEREFORE, the Company and the Participant each, intending to be legally bound hereby, agree as follows:

ARTICLE I
AWARD OF RESTRICTED UNITS

1.1 IDENTIFYING PROVISIONS. For purposes of this Agreement, the following terms shall have the following respective meanings:

(a) Participant : ----------

(b) Date of Grant : ----------

(c) Number of Restricted Units : ----------

(d) Restricted Period : ----------

Any initially capitalized terms and phrases used in this Agreement but not otherwise defined herein, shall have the respective meanings ascribed to them in the Plan.

1.2 AWARD OF RESTRICTED UNITS. Subject to the terms and conditions of the Plan and this Agreement, the Participant is hereby granted the number of Restricted Units set forth herein at Section 1.1.

1.3 DISTRIBUTION EQUIVALENT RIGHTS ("DERS"). The Participant shall be entitled to receive payment from the Company in an amount equal to each cash distribution payable subsequent to the Date of Grant (each such entitlement being a distribution equivalent right or "DER"), just as though the Participant, on the applicable record date for payment of such cash distribution, had been the holder of record of common units, representing limited partnership interests in the Partnership, equal to the actual number of Restricted Units, if any, earned and received by the Participant at the end of the Restricted Period. The Company shall establish a bookkeeping methodology to account for the distribution equivalents to be credited to the Participant in recognition of these DERs. Such distribution equivalents will not bear interest.

1.4 PERFORMANCE MEASURES. Exhibit _____, attached hereto and made a part hereof, sets forth the performance measures that will be applied to determine the amount of the award earned pursuant to this Agreement. Any or all of these performance measures may be modified by the Committee during, and after the end of, the Restricted Period to reflect significant events that occur during such Restricted Period.

1.5 PAYMENT OF RESTRICTED UNITS AND RELATED DERS. Payment in respect of the Restricted Units, and the related DERs, shall be paid to Participant within ninety (90) days after the Restricted Period for such Restricted Units has ended, but only to the extent the Committee determines that the applicable performance targets have been met.

(a) Payment in respect of Restricted Units earned. Except as provided by Section 1.6 hereof, all payment for Restricted Units earned shall be made in common units representing limited partnership interests in the Partnership. The number of common units paid shall be equal to the number of Restricted Units earned; provided, however, that any fractional units shall be distributed as an amount of cash equal to the Fair Market Value of such fractional unit on the date of payment.

(b) Payment of Earned DERs. The Participant will be entitled to receive from the Company at the end of the Restricted Period, payment of an amount in cash equal to the DERs earned , as determined in accordance with the applicable provisions of Exhibit _____.

Applicable federal, state and local taxes shall be withheld in accordance with Section 2.6 hereof.

1.6 CHANGE OF CONTROL.

(a) Payment of Restricted Units. In the event of a Change of Control, the Restricted Units subject to this award will be paid to the Participant no later than ninety (90) days following the date of occurrence of such Change of Control, regardless of whether the applicable Restricted Period has expired or whether applicable performance goals or targets have been met.

For a Change of Control occurring within the first consecutive twelve-month period following the Date of Grant, the number of performance-based Restricted Units paid out shall be equal to the total number of Restricted Units outstanding in this award as of the Change of Control, not adjusted for any performance factors.

For a Change of Control occurring after the first consecutive twelve-month period following the Date of Grant, the number of performance-based Restricted Units paid out shall be the greater of:

(1) the total number of Restricted Units outstanding in this award as of the Change of Control, not adjusted for any performance factors, or

(2) the total number of Restricted Units outstanding in this grant, multiplied by the applicable performance factors related to the Partnership's actual performance immediately prior to the Change of Control.

The Restricted Units subject to this award shall be payable to the Participant in cash or Units, as determined by the Committee prior to the Change of Control, as follows:

(3) if the Participant is to receive Units, the Participant will receive the total number of Units stated above in this Section 1.6(a); or

(4) if the Participant is to receive cash, the Participant will be paid an amount in cash equal to the number of Units stated above in this Section 1.6(a), multiplied by the Fair Market Value per Unit immediately prior to the Change of Control. Such amount will be reduced by the applicable federal, state and local withholding taxes due.

(b) Distribution Equivalents. On or before the ninetieth (90th) day following the date of occurrence of the Change of Control, the Participant will be paid an amount in cash equal to the value of the applicable DERs on the number of Units being paid pursuant to Section 1.6(a) hereof, for the time period immediately preceding the Change of Control.

(c) Eligibility for Payout. Payout of Restricted Units and DERs shall be made to each Participant:

(1) who is employed by the Company on the ninetieth (90th) day following the date of occurrence of the Change of Control; or

(2) whose employment relationship with the Company is terminated:

(A) for Good Reason, or as a result of any Qualifying Termination prior to the ninetieth (90th) day following the date of occurrence of the Change of Control; or

(B) as a result of death, permanent disability or retirement (as each is determined by the Committee), that has occurred prior to the ninetieth (90th) day following the date of occurrence of the Change of Control..

(d) Qualifying Termination - shall mean the following:

(1) a termination of employment by the Company within six (6) months after a Change of Control, other than for Cause, death or permanent disability;

(2) a termination of employment by the Participant within six (6) months after a Change of Control for one or more of the following reasons:

(i) the assignment to such Participant of any duties inconsistent in a way significantly adverse to such Participant, with such Participant's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control, or a significant reduction in the duties and responsibilities held by the Participant immediately prior to the Change of Control, in each case except in connection with such Participant's termination of employment by the Company for Cause; or

(ii) a reduction by the Company in the Participant's combined annual base salary and guideline (target) bonus as in effect immediately prior to the Change of Control; or

(iii) the Company requires the Participant to be based anywhere other than the Participant's present work location or a location within thirty-five (35) miles from the present location; or the Company requires the Participant to travel on Company business to an extent substantially more burdensome than such Participant's travel

AS OF APRIL 21, 2005

obligations during the period of twelve (12) consecutive months immediately preceding the Change of Control;

provided, however, that in the case of any such termination of employment by the Participant under this subparagraph (d), such termination shall not be deemed to be a Qualifying Termination unless the termination occurs within 120 days after the occurrence of the event or events constituting the reason for the termination; or

(3) before a Change of Control, a termination of employment by the Company, other than a termination for Cause, or a termination of employment by the Participant for one of the reasons set forth in (2) above, if the affected Participant can demonstrate that such termination or circumstance in (2) above leading to the termination:

(i) was at the request of a third party with which the Company had entered into negotiations or an agreement with regard to a Change of Control; or

(ii) otherwise occurred in connection with a Change of Control;

provided, however, that in either such case, a Change of Control actually occurs within one (1) year following the Participant's employment termination date.

1.7 TERMINATION OF EMPLOYMENT.

(a) Death, Disability or Retirement. The Committee has determined that, with regard to any particular Restricted Period, no portion of the Participant's Restricted Units, and related DERs, for such Restricted Period shall be forfeited as a result of the occurrence, prior to the end of that Restricted Period, of either of the following :

(1) the death of the Participant; or

(2) the termination of the Participant's employment with the Company by reason of retirement or permanent disability (as each is determined by the Committee).

Instead, the Participant's Restricted Units, and related DERs, earned for such Restricted Period shall remain and be paid out as though the Participant had continued in the employment of the Company through the end of the applicable Restricted Period.

The Participant's Restricted Units, and related DERs will remain subject to adjustment for any performance factors in accordance with the applicable provisions of Exhibit _____ attached hereto, and will be paid out only as, if, and when the applicable performance goals have been met and the Restricted Period has ended, just as though the Participant had continued in the employment of the Company through the end of the Restricted Period.

(b) Other Termination of Employment. Except as provided in Sections 1.6 and 1.7(a) above, or as determined by the Committee, upon termination of the Participant's employment with the Company at any time prior to the end of the Restricted Period, the Participant shall forfeit 100% of such Participant's Restricted Units, together with the related DERs, and the Participant shall not be entitled to receive any common units, representing limited partnership interests of the Partnership, or any payment in respect of any DERs, regardless of the level of performance goals achieved for all or any part of the Restricted Period.

ARTICLE II
GENERAL PROVISIONS

2.1 NON-ASSIGNABILITY. The Restricted Units and the related earned DERs covered by this Agreement shall not be assignable or transferable by the Participant, except by will or the laws of descent and distribution, unless otherwise provided by the Committee. During the life of the Participant, the Restricted Units and the related DERs covered by this Agreement shall be payable only to the Participant or the guardian or legal representative of such Participant, unless the Committee provides otherwise.

2.2 HEIRS AND SUCCESSORS. This Agreement shall be binding upon and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. In the event of the Participant's death prior to payment of the Restricted Units and/or the related DERs, payment may be made to the estate of the Participant to the extent such payment is otherwise permitted by this Agreement. Subject to the terms of the Plan, any benefits distributable to the Participant under this Agreement that are not paid at the time of the Participant's death shall be paid at the time and in the form determined in accordance with the provisions of this Agreement and the Plan, to the legal representative or representatives of the estate of the Participant.

2.3 NO RIGHT OF CONTINUED EMPLOYMENT. The receipt of this award does not give the Participant, and nothing in the Plan or in this Agreement shall confer upon the Participant, any right to continue in the employment of the Company or any of its subsidiaries. Nothing in the Plan or in this Agreement shall affect any right which the Company or any of its subsidiaries may have to terminate the employment of the Participant. The payment of earned Restricted Units, and the related DERs, under this Agreement shall not give the Company or any of its subsidiaries any right to the continued services of the Participant for any period.

2.4 RIGHTS AS A LIMITED PARTNER. Neither the Participant nor any other person shall be entitled to the privileges of ownership of common units, representing limited partnership interests in the Partnership, or otherwise have any rights as a limited partner, by reason of the award of the Restricted Units covered by this Agreement or any Partnership common units, issuable in respect of such Restricted Units, unless and until such common units have been validly issued to such Participant or such other person as fully paid common units, representing limited partnership interests in the Partnership.

2.5 REGISTRATION OF COMMON UNITS. Notwithstanding any other provision of this Agreement, the Restricted Units shall not be or become payable in whole or in part unless a registration statement with respect to the common units subject thereto has been filed with the Securities and Exchange Commission and has become effective.

2.6 TAX WITHHOLDING. All distributions under this Agreement are subject to withholding of all applicable taxes.

(a) Payment in Common Units. Immediately prior to the payment of any common units to Participant in respect of earned Restricted Units, the Participant shall remit an amount sufficient to satisfy any Federal, state and/or local withholding tax due on the receipt of such common units. At the election of the Participant, and subject to such rules as may be established by the Committee, such withholding obligations may be satisfied through the surrender of common units representing limited partnership interests in the Partnership and otherwise payable to Participant in respect of such earned Restricted Units.

(b) Payment in Cash. Cash payments in respect of any earned Restricted Units, and/or the related DERs, shall be made net of any applicable federal, state, or local withholding taxes.

2.7 ADJUSTMENTS. In the event of any change in the outstanding common units by reason of a distribution of common units, re-capitalization, merger, consolidation, split-up, combination, exchange of common units or the like, the Committee may appropriately adjust the number of common units which may be issued under the Plan, the number of common units payable with respect to the Award, and/or any other Restricted Units previously granted under the Plan, and any and all other matters deemed appropriate by the Committee.

2.8 LEAVES OF ABSENCE. The Committee shall make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence taken by the Participant. Without limiting the generality of the foregoing, the Committee shall be entitled to determine:

(a) whether or not any such leave of absence shall constitute a termination of employment within the meaning of the Plan; and

(b) the impact, if any, of any such leave of absence on any prior awards made to the Participant under the Plan.

2.9 ADMINISTRATION. Pursuant to the Plan, the Committee is vested with conclusive authority to interpret and construe the Plan, to adopt rules and regulations for carrying out the Plan, and to make determinations with respect to all matters relating to this Agreement, the Plan and awards made pursuant thereto. The authority to manage and control the operation and administration of this Agreement shall be likewise vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Committee, and any decision made by the Committee with respect to this Agreement, shall be final and binding.

2.10 EFFECT OF PLAN; CONSTRUCTION. The entire text of the Plan is expressly incorporated herein by this reference and so forms a part of this Agreement. In the event of any inconsistency or discrepancy between the provisions of this Restricted Unit Agreement and the terms and conditions of the Plan under which such Restricted Units are granted, the provisions in the Plan shall govern and prevail. The Restricted Units, the related DERs and this Agreement are each subject in all respects to, and the Company and the Participant each hereby agree to be bound by, all of the terms and conditions of the Plan, as the same may have been amended from time to time in accordance with its terms; provided, however, that no such amendment shall deprive the Participant, without such Participant's consent, of any rights earned or otherwise due to Participant hereunder.

2.11 AMENDMENT. This Agreement shall not be amended or modified except by an instrument in writing executed by both parties to this Agreement, without the consent of any other person, as of the effective date of such amendment.

2.12 CAPTIONS. The captions at the beginning of each of the numbered Sections and Articles herein are for reference purposes only and will have no legal force or effect. Such captions will not be considered a part of this Agreement for purposes of interpreting, construing or applying this Agreement and will not define, limit, extend, explain or describe the scope or extent of this Agreement or any of its terms and conditions.

2.13 GOVERNING LAW. THE VALIDITY, CONSTRUCTION, INTERPRETATION AND EFFECT OF THIS INSTRUMENT SHALL EXCLUSIVELY BE GOVERNED BY AND DETERMINED IN ACCORDANCE WITH THE LAW OF THE COMMONWEALTH OF PENNSYLVANIA (WITHOUT

GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF), EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW, WHICH SHALL GOVERN.

2.14 NOTICES. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing, by facsimile, by overnight courier or by registered or certified mail, postage prepaid and return receipt requested. Notices to the Company shall be deemed to have been duly given or made upon actual receipt by the Company. Such communications shall be addressed and directed to the parties listed below (except where this Agreement expressly provides that it be directed to another) as follows, or to such other address or recipient for a party as may be hereafter notified by such party hereunder:

(a) if to the Company: SunOCO PARTNERS LLC
Board of Directors
Ten Penn Center
1801 Market Street
Philadelphia, Pennsylvania, 19103-1699
Attention: Vice President, General
Counsel and Secretary

(b) if to the Participant: to the address for Participant as it appears on the Company's records.

2.15 SEVERABILITY. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent it is not prohibited or unenforceable, nor invalidate the other provisions hereof.

2.16 ENTIRE AGREEMENT. This Agreement constitutes the entire understanding and supersedes any and all other agreements, oral or written, between the parties hereto, in respect of the subject matter of this Agreement and embodies the entire understanding of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement as of the day first above written.

SUNOCO PARTNERS LLC

By:

Deborah M. Fretz
President & Chief Executive Office

By:

Participant

Exhibit _____

SUNOCO PARTNERS LLC
LONG TERM INCENTIVE PLAN

RESTRICTED UNIT AWARDS
_____ GRANT DATE
(THE "_____ REGULAR GRANT")

PERFORMANCE CRITERIA AND METHODOLOGY

METHODOLOGY — The Restricted Period for this award runs from _____ through _____. This Exhibit A describes the methodology used to determine the portion of the Participant's _____ Regular Grant that will vest on _____, based upon the level of achievement by Sunoco Logistics Partners L.P. (the "Partnership") of specified targets for distributable cash flow during the period from _____ to _____. In no event will any vested portion of the award become payable until the end of the Restricted Period (i.e., _____).

WEIGHTING — The following methodology will be used to determine the number of Restricted Units earned at _____:

[Formula for calculating Restricted Units earned]

COMPANY PERFORMANCE GOALS:

[Description of applicable performance goals]

Exhibit _____

FORM OF RESTRICTED UNIT AGREEMENT (GENERIC PERFORMANCE)
AS OF APRIL 21, 2005

EXHIBIT 10.2

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SUNOCO PARTNERS LLC
ANNUAL INCENTIVE PLAN

(AMENDED AND RESTATED AS OF APRIL 21, 2005)

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SUNOCO PARTNERS LLC LONG-TERM INCENTIVE PLAN
AMENDED AND RESTATED AS OF APRIL 21, 2005

SUNOCO PARTNERS LLC
ANNUAL INCENTIVE PLAN

1. DEFINITIONS. As used in this Plan, the following terms shall have the meanings herein specified:

1.1 Affiliate - means, with respect to any entity, any other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the entity in question. For purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

1.2 Board of Directors - shall mean the Board of Directors of the Company.

1.3 Cause - shall mean

(a) fraud or embezzlement on the part of the Participant;

(b) conviction of or the entry of a plea of nolo contendere by the Participant to any felony;

(c) the willful and continued failure or refusal by the Participant to perform substantially the Participant's duties with the Company or an Affiliate thereof (other than any such failure resulting from incapacity due to physical or mental illness, or death, or following notice of employment termination by the Participant pursuant to subsections 1.6(c)(1), (2), (3), (4) or (5)) within thirty (30) days following the delivery of a written demand for substantial performance to the Participant by the Board of Directors, or any employee of the Company or an Affiliate with supervisory authority over the Participant, that specifically identifies the manner in which the Board of Directors or such supervising employee believes that the Participant has not substantially performed the Participant's duties; or

(d) any act of willful misconduct by the Participant which:

(1) is intended to result in substantial personal enrichment of the Participant at the expense of the Partnership, the Company, or any respective Affiliates thereof; or

(2) has a material adverse impact on the business or reputation of the Partnership, the Company, or any respective Affiliate thereof (such determination to be made by the Partnership, the Company, or any such Affiliate in the good faith exercise of its reasonable judgment).

1.4 Change of Control - shall mean, and shall be deemed to have occurred upon the occurrence of one or more of the following events:

(a) the consolidation, reorganization, merger or other transaction pursuant to which more than fifty percent (50%) of the combined voting power of the outstanding equity interests in the Company cease to be owned by Sunoco, Inc. and its Affiliates;

(b) a "Change in Control" of Sunoco, as defined from time to time in the Sunoco stock plans; or

(c) the general partner (whether the Company or any other Person) of the Partnership ceases to be an Affiliate of Sunoco.

1.5 CIC Incentive Award - shall mean the incentive award payable in cash following a Change of Control, as described herein at Section 8.4.

1.6 CIC Participant - shall mean a Participant:

(a) whose employment was terminated by the Company (other than for cause) on or following the Change of Control, but before payment of the CIC Incentive Award; or

(b) whose employment was terminated by the Company (other than for Cause) before the Change of Control, or

(c) who terminated employment for one of the following reasons:

(1) the assignment to such Participant of any duties inconsistent in a way significantly adverse to such Participant, with such Participant's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control, or a significant reduction in the duties and responsibilities held by the Participant immediately prior to the Change of Control, in each case except in connection with such Participant's termination of employment by the Company for Cause; or

(2) with respect to any Participant who is a member of the Company's board of directors immediately prior to the Change of Control, any failure of the members of the Company to elect or re-elect, or of the Company to appoint or re-appoint, the Participant as a member of such board of directors; or

(3) a reduction by the Company in either the Participant's annual base salary or guideline (target) bonus as in effect immediately prior to the Change of Control; or

(4) the failure of the Company to provide the Participant with employee benefits and incentive compensation opportunities that:

(i) are not less favorable than those provided to other executives who occupy the same grade level at the Company as the Participant, or if the Company's grade levels are no longer applicable, to a similar peer group of the executives of the Company; and

(ii) provide the Participant with benefits that are at least as favorable, measured separately for: (A) incentive compensation opportunities, (B) savings and retirement benefits, (C) welfare benefits, and (D) fringe benefits and vacation, as the most favorable of each such category of benefit in effect for the Participant at any time during the 120-day period immediately preceding the Change of Control; or

(5) the Company requires the Participant to be based anywhere other than the Participant's present work location or a location within thirty-five (35) miles from the present location; or the Company requires the Participant to travel on Company business to an extent substantially more burdensome than such

Participant's travel obligations during the period of twelve (12) consecutive months immediately preceding the Change of Control;

provided, however, that in the case of a Participant whose employment terminates under either subsection 1.6(b) or (c), such Participant can demonstrate that such termination, or circumstance leading to the termination, was at the request of a third party with which the Company had entered into negotiations or an agreement regarding a Change of Control, or otherwise occurred in connection with a Change of Control; and further provided, that in either case, the Change of Control actually occurs within one (1) year following the employment termination and, in the event of a termination under 1.6(c), the termination occurs within 120 days after the occurrence of the event or events constituting the reason for such termination; or

(d) who was, immediately before the Change of Control, eligible for a prorated award under the provisions of Section 8.3; or

(e) who was employed by the Company on the date of the Change of Control and who does not incur a termination for Cause before payment of the CIC Incentive Award, in the event that, prior to the end of the calendar year in which the Change of Control occurred, either:

(1) the Plan is terminated; or

(2) the performance measures and/or performance targets for the applicable Plan Year are changed or modified, resulting in a decrease in the amount of any CIC Incentive Award otherwise payable.

1.7 CIC Short Period - shall mean the portion of the Plan Year from January 1 to the date of the occurrence of a Change of Control.

1.8 Company - shall mean Sunoco Partners LLC, a Delaware limited liability company. The term "Company" shall include any successor to Sunoco Partners LLC, any subsidiary or Affiliate that has adopted the Plan, or any company succeeding to the business of Sunoco Partners LLC by merger, consolidation, liquidation, or purchase of assets or stock, or similar transaction.

1.9 Compensation Committee - shall mean the Compensation Committee of the Company's Board of Directors.

1.10 Participant - shall mean a person participating or eligible to participate in the Plan, as determined under Section 4.

1.11 Partnership - shall mean Sunoco Logistics Partners L.P., a Delaware limited partnership, and its subsidiaries.

1.12 Plan - shall mean the Company's Annual Incentive Plan as amended and restated effective as of April 21, 2005.

1.13 Plan Year - shall mean the performance (calendar) year.

1.14 Pro-rated Bonus Award - shall mean an amount equal to the award otherwise payable to a Participant for the Plan Year in which the Participant's termination of employment with the Company (other than for Cause) is effective, multiplied by a fraction the numerator of which is the number of full and partial months in the applicable Plan Year through the date of termination of such Participant's employment, and the denominator of which is twelve (12).

2. PURPOSE. The purpose of this Plan is to motivate management and the employees of the Company and its Affiliates who perform services for the Partnership to collectively produce outstanding results, encourage superior performance, increase productivity, and aid in attracting and retaining key employees.

3. PLAN GUIDELINES. The administration of the Plan and any potential awards granted pursuant to the Plan is subject to the determination by the Compensation Committee of the Company's Board of Directors that the performance goals for the applicable periods have been achieved. The Plan is an additional compensation program designed to encourage Participants to exceed specified objective performance targets for the designated period. The Compensation Committee will review the Partnership's performance results for the designated performance period, and thereafter will determine whether or not to approve awards under the Plan.

4. PERFORMANCE TARGETS.

4.1 Designation of Performance Targets. The Company's Chief Executive Officer shall recommend, subject to approval by the Company's Compensation Committee, the performance measures and performance targets to be used for each Plan Year in determining the bonus amounts to be paid under the Plan. Performance targets may be based on Partnership, business unit and/or individual achievements, or any combination of these, or on such other factors as the Company's Chief Executive Officer, subject to the approval of the Compensation Committee, may determine. Different performance targets may be established for different participants for any Plan Year. Satisfactory results, as determined by the Company's Compensation Committee in its sole discretion, must be achieved in order for an award to be made pursuant to the Plan.

4.2 Equitable Adjustment to Performance Targets. At its discretion, the Compensation Committee may adjust actual performance measure results for extraordinary events or accounting adjustments resulting from significant asset purchases or dispositions or other events not contemplated or otherwise considered by the Compensation Committee when the performance measures and targets were set.

5. PARTICIPANTS. The Compensation Committee, in consultation with the Company's Chief Executive Officer, will designate members of management and employees of the Company and its Affiliates as eligible to participate in the Plan. Employees so designated shall be referred to as "Participants."

6. PARTICIPATION LEVELS. A Participant's designated level of participation in the Plan, or target bonus, will be determined under criteria established or approved by the Compensation Committee for that Plan Year or designated performance period. Levels of participation in the Plan may vary according to a Participant's position and the relative impact such Participant can have on the Company's and/or Affiliates' operations. Care will be used in communicating to any participant his performance targets and potential performance amount for a Plan Year. The amount of target bonus a participant may receive for any Plan Year, if any, will depend upon the performance level achieved (unless waived) for that Plan Year, as determined by the Compensation Committee. No Participant shall have any claim to be granted any award under the Plan, and there is no obligation for uniformity of treatment of Participants. The terms and conditions of awards need not be the same respecting each Participant.

7. AWARD PAYOUT. Awards typically will be determined after the end of the Plan Year or designated performance period. Awards will be paid in cash annually, unless otherwise determined by

the Compensation Committee. The Compensation Committee will have the discretion, by Participant and by grant, to reduce (but not to increase) some or all of the amount of any award that otherwise would be payable by reason of the satisfaction of the applicable performance targets. In making any such determination, the Compensation Committee is authorized to take into account any such factor or factors it determines are appropriate, including but not limited to Company, business unit and individual performance; provided, however, that the exercise of such negative discretion with respect to one Participant may not be used to increase the amount of any award otherwise payable to another Participant.

8. TERMINATION OF EMPLOYMENT.

8.1 Voluntary Termination. Except in the event of a Change of Control, if a Participant terminates his or her employment with the Company (for any reason other than retirement, death, permanent disability, or approved leave of absence) prior to December 31 of any Plan Year, such Participant will not receive payment of the award for such Plan Year, and will forfeit any right, title or interest in such award, unless and to the extent waived by the Compensation Committee in its sole discretion.

8.2 Termination for Cause. A Participant will not receive payment of any award for a particular Plan Year if the Participant's employment with the Company is terminated for Cause prior to the payment of such award.

8.3 Death, Retirement, Disability, Leaves of Absence, Etc. A Pro-rated Bonus Award, reflecting participation for a portion of the Plan Year, will be paid to any Participant whose employment status changed during the year as a result of:

(a) death;

(b) permanent disability (as determined by the Committee);

(c) retirement;

(d) approved leave of absence; or

(e) termination at the Company's request (other than for Cause), for Participants in salary Grade 11 or above on the employment termination date.

New hires and part-time employees also will receive a Pro-rated Bonus Award. Unless otherwise required by applicable law, any Pro-rated Bonus Award payable hereunder will be paid on the date when awards are otherwise payable as provided in the Plan.

8.4 Change of Control. Upon the occurrence of a Change of Control, the terms of this Section 8.4 shall immediately become operative, without further action or consent by any person or entity, and once operative shall supersede and control over any other provisions of this Plan.:

(a) Acceleration. The CIC Incentive Award shall be payable in cash to all CIC Participants within thirty (30) days following the occurrence of a Change of Control (or as soon as it is practicable to determine the level of attainment of applicable performance targets under subsection 8.4(a)(1)). Such award shall be calculated according to the terms of the Plan, except as follows:

(1) the level of attainment of applicable performance targets shall be determined based upon the performance of the Partnership for completed months from January 1 through the date of the Change of Control.

(2) The amount of the CIC Incentive Award shall be equal to the respective award adjusted to reflect the level of attainment of applicable performance

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targets, multiplied by the number of full and partial months in the CIC Short Period divided by twelve (12).

(3) Notwithstanding anything herein to the contrary, no action taken by the Compensation Committee or the Board of Directors after a Change of Control, or before, but in connection with, a Change of Control, may:

(i) terminate or reduce the CIC Incentive Award or prospective CIC Incentive Award payable to any Participant in connection with such Change of Control without the express written consent of such Participant; or

(ii) adversely affect a Participant's rights under subsection 8.4(b) in connection with such Change of Control.

(b) Attorney's Fees. The Company shall pay all reasonable legal fees and related expenses incurred by a Participant in seeking to obtain or enforce payment of the CIC Incentive Award to which such Participant may be entitled under the Plan after a Change of Control; provided, however, that the Participant shall be required to repay any such amounts to the Company to the extent a court of competent jurisdiction issues a final and non-appealable order setting forth the determination that the position taken by the Participant was frivolous or advanced in bad faith.

9. AMENDMENT AND TERMINATION. The Company's Compensation Committee, at its sole discretion, may amend the Plan or terminate the Plan at any time. (except as otherwise set forth in Section 8.4).

10. ADMINISTRATION. The Compensation Committee may delegate the responsibility for the administration and operation of the Plan to the Chief Executive Officer (or designee) of the Company or any participating Affiliate. The Compensation Committee (or the person(s) to which administrative authority has been delegated) shall have the authority to interpret and construe any and all provisions of the Plan, including all performance targets and whether and to what extent achieved. Any determination made by the Compensation Committee (or the person(s) to which administrative authority has been delegated) shall be final and conclusive and binding on all persons.

11. INDEMNIFICATION. Neither the Company, any participating Affiliate, nor the Board of Directors, or any member or any committee thereof, of the Company or any participating Affiliate, nor any employee of the Company or any participating Affiliate shall be liable for any act, omission, interpretation, construction or determination made in connection with the Plan in good faith; and the members of the Company's Board of Directors, the Compensation Committee and/or the employees of the Company or any participating Affiliate shall be entitled to indemnification and reimbursement by the Company to the maximum extent permitted by law in respect of any claim, loss, damage or expense (including counsel's fees) arising from their acts, omission and conduct in their official capacity with respect to the Plan.

12. GENERAL PROVISIONS.

12.1 Non-Guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between the Company and/or a participating Affiliate and a Participant, and nothing in this Plan shall confer upon any Participant any right to continued employment with the Company or a participating Affiliate, or to interfere with the right of the Company or a participating Affiliate to terminate a Participant's employment, with or without cause.

12.2 Interests Not Transferable. No benefits under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment or other legal process, or encumbrance of any kind, and any attempt to do so shall be void.

12.3 Facility Payment. Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Compensation Committee or its designee, is unable to properly manage his or her financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Compensation Committee or its designee may select, and each participating Affiliate shall be relieved of any further liability for payment of such amounts.

12.4 Controlling Law. To the extent not superseded by federal law, the law of the Commonwealth of Pennsylvania shall be controlling in all matters relating to the Plan.

12.5 No Rights to Award. No person shall have any claim to be granted any award under the Plan, and there is no obligation for uniformity of treatment of participants. The terms and conditions of awards need not be the same with respect to each recipient.

12.6 Severability. If any Plan provision or any award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or award, or would disqualify the Plan or any award under the law deemed applicable by the Compensation Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Compensation Committee, materially altering the intent of the Plan or the award, such provision shall be stricken as to such jurisdiction, person or award and the remainder of the Plan and any such award shall remain in full force and effect.

12.7 No Trust or Fund Created. Neither the Plan nor any award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any participating Affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any participating Affiliate pursuant to an award, such right shall be no greater than the right of any general unsecured creditor of the Company or any participating Affiliate.

12.8 Headings. Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision of it.

12.9 Tax Withholding. The Company and/or any participating Affiliate may deduct from any payment otherwise due under this Plan to a Participant (or beneficiary) amounts required by law to be withheld for purposes of federal, state or local taxes.

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SUNOCO PARTNERS LLC
SPECIAL EXECUTIVE SEVERANCE PLAN

(AS OF APRIL 21, 2005)

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SUNOCO PARTNERS LLC SPECIAL EXECUTIVE SEVERANCE PLAN
(AS OF APRIL 21, 2005)

ARTICLE I
DEFINITIONS

1.1 "Annual Compensation" - shall mean a Participant's annual base salary as in effect immediately prior to the Change of Control, or, if greater, immediately prior to the Employment Termination Date, plus the greater of (x) the Participant's annual guideline (target) bonus as in effect immediately before the Change of Control or, if higher, the Employment Termination Date, or (y) the highest annual bonus awarded to the Participant with respect to any of the three years ending before the Change of Control or any subsequent year ending before the Employment Termination Date.

1.2 "Benefit" or "Benefits" - shall mean any or all of the benefits that a Participant is entitled to receive pursuant to Article III of the Plan.

1.3 "Benefit Extension Period" - shall mean:

(a) for the Chief Executive Officer, three years; and

(b) for each other Executive Employee, two years.

1.4 "Cause" - shall mean:

(a) fraud or embezzlement on the part of the Participant;

(b) conviction of or the entry of a plea of nolo contendere by the Participant to any felony;

(c) the willful and continued failure or refusal by the Participant to perform substantially the Participant's duties with the Company or an affiliate (other than any such failure resulting from incapacity due to physical or mental illness, or death, or following notice of employment termination by the Participant pursuant to subsections 1.18(b)(1), (2), (3) or (4)) within thirty (30) days following the delivery of a written demand for substantial performance to the Participant by the board of directors, or any employee of the Company or an affiliate with supervisory authority over the Participant, that specifically identifies the manner in which the Company's board of directors or such supervising employee believes that the Participant has not substantially performed the Participant's duties; or

(d) any act of willful misconduct by the Participant which:

(1) is intended to result in substantial personal enrichment of the Participant at the expense of the Partnership, the Company, or any respective affiliates thereof; or

(2) has a material adverse impact on the business or reputation of the Partnership, the Company, or any respective affiliate thereof (such determination to be made by the Partnership, the Company, or any such affiliate in the good faith exercise of its reasonable judgment).

Disputes with respect to whether "Cause" exists shall be resolved in accordance with Article V.

1.5 "Change of Control" - shall mean, and shall be deemed to have occurred upon the occurrence of one or more of the following events:

(a) the consolidation, reorganization, merger or other transaction pursuant to which more than fifty percent (50%) of the combined voting power of the outstanding equity interests in the Company cease to be owned by Sunoco, Inc. and its affiliates;

(b) a "Change in Control" of Sunoco, as defined from time to time in the Sunoco stock plans; or

(c) the general partner (whether the Company or any other Person) of the Partnership ceases to be an affiliate of Sunoco.

1.6 "Chief Executive Officer" - shall mean the individual serving as the Chief Executive Officer of Sunoco Partners LLC, as of the date of reference.

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1.7 "Committee" - shall mean the administrative committee designated pursuant to Article IV of the Plan to administer the Plan in accordance with its terms.

1.8 "Company" - shall mean Sunoco Partners LLC, Inc., a Pennsylvania limited liability company, and Sunoco Lease Acquisition & Marketing LLC, a Delaware limited liability company and subsidiary of Sunoco Partners LLC, and any successors thereto.

1.9 "Company Service" - shall mean, for purposes of determining Benefits available to any Participant in this Plan, the total aggregate recorded length of such Participant's service with the Company, including service prior to February 8, 2002 with Sunoco,. Inc., or any affiliate thereof, as predecessor in interest to operations of the Company. Company Service shall commence with the Participant's initial date of employment and shall end with such Participant's death, retirement, or termination for any reason. Company Service also shall include:

(a) all periods of approved leave of absence (personal, family, medical, or military); provided, however, that the Participant returns to work within the prescribed time following the leave;

(b) any break in service of thirty (30) days or less; and

(c) any service credited under applicable Company policies with respect to the length of a Participant's employment by any non-affiliated entity that is subsequently acquired by, and becomes a part of, the Company's operations.

1.10 "Compensation Committee" - shall mean the Compensation Committee of Sunoco Partners LLC's board of directors.

1.11 "Disability" - shall mean any illness, injury or incapacity of such duration and type as to render a Participant eligible to receive long-term disability benefits under the applicable broad-based long-term disability program of the Company.

1.12 "Employment Termination Date" - shall mean the date on which the employment relationship between the Participant and the Company is terminated; provided, however, that such employment relationship will not be deemed terminated if the Participant subsequently is hired by Sunoco, Inc., or an affiliate thereof, in connection with a Change of Control.

1.13 "ERISA" - shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.14 "Executive Employee" - shall mean the Chief Executive Officer and any individual who reports directly to the Chief Executive Officer.

1.15 "Involuntary Plan" - shall mean the applicable involuntary termination plan of the Company.

1.16 "Participant" - shall mean any Executive Employee, employed by the Company on or before the occurrence of any Change of Control, who:

(a) meets the eligibility requirements set forth in Section 2.2 of this Plan; and

(b) is participating in this Plan.

1.17 "Plan" - shall mean the Sunoco Partners LLC Special Executive Severance Plan, as set forth herein, and as the same may from time to time be amended.

1.18 "Qualifying Termination" - of the employment of a Participant shall mean any of the following:

(a) a termination of employment by the Company within two (2) years after a Change of Control, other than for Cause, death or Disability; or

(b) a termination of employment by the Participant within two (2) years after a Change of Control for one or more of the following reasons:

(1) the assignment to such Participant of any duties inconsistent in a way

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significantly adverse to such Participant, with such Participant's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control, or a significant reduction in the duties and responsibilities held by the Participant immediately prior to the Change of Control, in each case except in connection with such Participant's termination of employment by the Company for Cause; or

(2) with respect to any Participant who is a member of the Company's board of directors immediately prior to the Change of Control, any failure of the members of the Company to elect or re-elect, or of the Company to appoint or re-appoint, the Participant as a member of such board of directors;

(3) a reduction by the Company in either the Participant's annual base salary or guideline (target) bonus as in effect immediately prior to the Change of Control; or

(4) the failure of the Company to provide the Participant with employee benefits and incentive compensation opportunities that:

(i) are not less favorable than those provided to other executives who occupy the same grade level at the Company as the Participant, or if the Company's grade levels are no longer applicable, to a similar peer group of the executives of the Company; and

(ii) provide the Participant with benefits that are at least as favorable, measured separately for: (A) incentive compensation opportunities, (B) savings and retirement benefits, (C) welfare benefits, and (D) fringe benefits and vacation, as the most favorable of each such category of benefit in effect for the Participant at any time during the 120-day period immediately preceding the Change of Control; or

(5) the Company requires the Participant to be based anywhere other than the Participant's present work location or a location within thirty-five (35) miles from the present location; or the Company requires the Participant to travel on Company business to an extent substantially more burdensome than such Participant's travel obligations during the period of twelve (12) consecutive months immediately preceding the Change of Control;

provided, however, that in the case of any such termination of employment by the Participant under this subparagraph (b), such termination shall not be deemed to be a Qualifying Termination unless the termination occurs within 120 days after the occurrence of the event or events constituting the reason for the termination; or

(c) before a Change of Control, a termination of employment by the Company, other than a termination for Cause, or a termination of employment by the Participant for one of the reasons set forth in (b) above, if the affected Participant can demonstrate that such termination or circumstance in (b) above leading to the termination:

(1) was at the request of a third party with which the Company had entered into negotiations or an agreement with regard to a Change of Control; or

(2) otherwise occurred in connection with a Change of Control;

provided, however, that in either such case, a Change of Control actually occurs within one (1) year following the Employment Termination Date.

Any good faith determination made by the Participant that the Participant has experienced a Qualifying Termination pursuant to Section 1.18(b) shall be conclusive. A Participant's mental or physical incapacity following the occurrence of an event described above in (b) above shall not affect the Participant's ability to have a Qualifying Termination.

1.20 "Retirement Plan" - shall have the meaning set forth in Section 3.1(c).

1.21 "SERP" - shall have the meaning set forth in Section 3.1(c).

ARTICLE II
PURPOSE, ELIGIBILITY AND TERM

2.1 Purpose. The Company maintains this Plan to provide severance benefits to Executive Employees, whose employment is terminated in connection with, or following, a Change of Control. This Plan is not intended to be included in the definitions of "employee pension benefit plan" and "pension plan" set forth under Section 3(2) of ERISA. Rather, this Plan is intended to meet the descriptive requirements of a plan constituting a "severance pay plan" within the meaning of regulations published by the Secretary of Labor at Title 29, Code of Federal Regulations, Section 2510.3-2(b). Accordingly, the Benefits paid by the Plan are not deferred compensation.

2.2 Eligibility. Each Executive Employee shall become a Participant upon election by the Board of Directors or appointment by the Company. Except with respect to the reimbursement for legal expenses, described under Section 3.8, in order to receive a Benefit under this Plan, a Participant's employment must have been terminated as a result of a Qualifying Termination. The Committee shall determine whether any termination is a Qualifying Termination.

2.3 Term of the Plan. The Plan will continue until such time as the Compensation Committee, acting in its sole discretion, elects to modify, supersede or terminate it; provided, however, that no such action taken after a Change of Control, or before, but in connection with, a Change of Control, may terminate or reduce the Benefits or prospective Benefits of any individual who is a Participant on the date of the action without the express written consent of the Participant.

ARTICLE III
BENEFITS

3.1 Immediate Cash Benefit. In the event of a Qualifying Termination, the cash amount to be paid to an eligible Participant shall be paid in a lump sum by mailing to the last address provided by the Participant to the Company. In general, payment shall be made within fifteen (15) days after the Participant's Employment Termination Date but in no event later than thirty (30) days thereafter. In the event the Company should fail to pay the applicable amounts when due, the Participant also shall be entitled to receive from the Company an amount representing interest on any unpaid or untimely paid amounts from the due date to the date of payment at a rate equal to the prime rate of Citibank, N.A. as in effect from time to time after such due date.

The amount of this lump sum shall be equal to the sum of the following:

(a) An amount equal to the Participant's earned vacation (as determined under the Company's applicable vacation policy as in effect at the time of the Change of Control) through his or her Employment Termination Date;

(b) (1) for the Chief Executive Officer, Annual Compensation multiplied by three (3); (2) for each other Executive Employee, Annual Compensation multiplied by two (2);

(c) An amount equal to the excess of:

(i) the actuarial equivalent of the benefit under the Sunoco, Inc. Retirement Plan or any successor defined benefit pension plan (the "Retirement Plan") (utilizing actuarial assumptions no less favorable to the Participant than those in effect under the Retirement Plan immediately prior to the Change of Control) and any excess or supplemental retirement plan, including, without limitation, the Sunoco, Inc. Executive Retirement Plan and the Sunoco, Inc. Pension Restoration Plan, in which the Participant participates (collectively, the "SERP") that the Participant would receive if the Participant's employment continued throughout his/her Benefit Extension Period, assuming for this purpose that all accrued benefits are fully vested and assuming that the Participant's compensation in each year of his/her Benefit Extension Period is the Annual Compensation; over

(ii) the actuarial equivalent of the Participant's actual benefit (paid or payable), if any, under the Retirement Plan and the SERP as of the Employment Termination Date (including any additional benefit to which the Participant is entitled under the Retirement Plan or the SERP in connection with the Change of Control).

3.2 Payments to Beneficiary(ies). Each Executive Employee shall designate a beneficiary(ies) to receive any Benefits due hereunder in the event of the Participant's death prior to the receipt of all such Benefits. Such beneficiary designation shall be made in the manner, and at the time, prescribed by the Company in its sole discretion. In the absence of an effective beneficiary designation hereunder, the Participant's estate shall be deemed to be his or her designated beneficiary.

3.3 Executive Severance Benefits. In the event that Benefits are paid under Section 3.1, the Participant shall continue to be entitled, through the end of his/her Benefit Extension Period, to those employee benefits, based upon the amount of coverage or benefits provided at the Change of Control, listed below:

(a) Death benefits as follows:

(1) for Participants who became Executive Employees on or after January 1, 1985, an amount equal to one (1) times annual base salary at the Employment Termination Date; and

(2) for Participants who became Executive Employees before January 1, 1985, an amount equal to two (2) times the sum of annual base salary and guideline (target) bonus at the Employment Termination Date.

Any supplemental coverages elected under the Sunoco, Inc. Death Benefits Plan (or any similar plan of any of the following: a subsidiary or affiliate which has adopted this Plan; a corporation succeeding to the business of Sunoco, Inc.; and/or any subsidiary or affiliate, by merger, consolidation, liquidation, purchase of assets or stock, or similar transaction) will be discontinued under the terms of such plan or plans.

(b) Medical plan benefits (including dental coverage), with COBRA continuation eligibility beginning as of the end of the Benefit Extension Period, except as provided hereinbelow at Section 3.4.

(c) Life insurance coverage. In each case, when contributions are required of all Executive

Employees at the time of the Participant's Employment Termination Date, or thereafter, if required of all other active Executive Employees, the Participant shall continue to be responsible for making the required contributions during the Benefit Extension Period in order to be eligible for the coverage. Notwithstanding the foregoing sentence, in lieu of the coverages provided under this Section 3.3, the Company may pay the Participant, at the time cash Benefits otherwise are to be paid, an amount (adjusted for taxes) equal to the then-present value of the total cost of such coverages, or the Company may provide the Participant with comparable coverage under a policy or policies of insurance. The Participant also shall be entitled to outplacement services during the Benefit Extension Period, at no cost to the Participant, from an experienced third-party vendor selected by the Committee.

3.4 Special Medical Benefit. In the event Benefits are paid to the Participant under Section 3.1:

(a) a Participant who, as of his/her Employment Termination Date, is fifty (50) or more years of age and has ten (10) or more years of Company Service, shall have medical (but not dental) benefits available under the same terms and conditions as other employees not yet eligible for Medicare coverage who retire under the terms of a Company retirement plan.

(b) a Participant who, as of the Employment Termination Date, is fifty (50) or more years of age but has fewer than ten (10) years of Company Service, shall be eligible to receive Company medical plan benefits (excluding dental coverage) following the Benefit Extension Period, at a cost to any such Participant that is equal to the full premium cost of such coverage.

Subject to modification or termination of such medical benefits as generally provided to other employees not yet eligible for Medicare coverage who retire under the terms of the Company's retirement plan(s), such benefits shall continue until such time as the Participant becomes first eligible for Medicare, or the Participant voluntarily cancels coverage, whichever is earlier.

3.5 Retirement and Savings Plans. This Plan shall not govern and shall in no way affect the Participant's interest in, or entitlement to benefits under, any of the Company's "qualified" or supplemental retirement plans, and, except to the extent specifically provided in Section 3.1(c), payments received under any such plans shall not affect a Participant's right to any Benefit hereunder.

3.6 Minimum Benefit; Effect of Executive Involuntary Severance Plan.

(a) Notwithstanding the provisions of Sections 3.1, 3.3 and 3.4 hereof, the Benefits available under those Sections of this Plan shall not be less than those determined in accordance with the provisions of the Sunoco Partners LLC Special Employee Severance Plan. If the Participant determines that the benefits under the Sunoco Partners LLC Special Employee Severance Plan are more valuable to the Participant than the comparable Benefits set forth in Sections 3.1, 3.3 and 3.4 of this Plan, then the provisions used to calculate the Benefits available to the Participant under this Plan shall not apply, and the Benefits available to the Participant under Sections 3.1, 3.3 and 3.4 of this Plan shall be calculated using only Sections 3.3 and 3.4 of the Sunoco Partners LLC Special Employee Severance Plan, as if such provisions were a part of this Plan.

(b) If a Participant is or becomes entitled to receive severance benefits under both the Involuntary Plan and Sections 3.1, 3.3 and/or 3.4 of this Plan, then the following rules shall apply, notwithstanding any other provision of this Plan nor any provision of the Involuntary Plan. If and to the extent such benefits become payable under the Involuntary Plan before such benefits become payable under this Plan, the Participant shall receive benefits under the Involuntary Plan until the benefits under this Plan become payable, and the benefits under this Plan shall be offset by the comparable benefits previously paid under the Involuntary Plan. If such benefits under this Plan become payable simultaneously with or before such

benefits under the Involuntary Plan, the Participant shall not be entitled to any benefits under the Involuntary Plan.

3.7 Effect on Other Benefits. There shall not be drawn from the continued provision by the Company of any of the aforementioned Benefits any implication of continued employment or of continued right to accrual of retirement benefits under the Company's qualified or supplemental retirement plans, nor shall a terminated employee, except as otherwise provided under the terms of the Plan, accrue vacation days, paid holidays, paid sick days or other similar benefits normally associated with employment for any part of the Benefit Extension Period during which benefits are payable under this Plan. A Participant shall have no duty to mitigate with respect to Benefits under this Plan by seeking or accepting alternative employment. Further, the amount of any payment or benefit provided for in this Plan shall not be reduced by any compensation earned by the Participant as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Participant to the Company, or otherwise.

3.8 Legal Fees and Expenses. The Company also shall pay to the Participant all legal fees and expenses incurred by the Participant:

(a) in disputing in good faith any issue relating to the termination of the Participant's employment in connection with a Change of Control as a result of a Qualifying Termination entitling the Participant to Benefits under this Plan; or

(b) in seeking in good faith to obtain or enforce any Benefit or right provided by this Plan (or the payment of any Benefits through any trust established to fund Benefits under this Plan).

Such payments shall be made as such fees and expenses are incurred by the Participant, but in no event later than five (5) business days after delivery of the Participant's written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require. The Participant shall reimburse the Company for such fees and expenses at such time as a court of competent jurisdiction, or another independent third party having similar authority, determines that the Participant's claim was frivolously brought without reasonable expectation of success on the merits thereof.

ARTICLE IV
ADMINISTRATION

4.1 Appointment of the Committee. The Committee shall consist of three (3) or more persons appointed by the Compensation Committee. Committee members may be, but need not be, employees of Sunoco Partners LLC. Following a Change of Control, the individuals most recently so appointed to serve as members of the Committee before the Change of Control, or successors whom they approve, shall continue to serve as the Committee.

4.2 Tenure of the Committee. Before a Change of Control, Committee members shall serve at the pleasure of the Compensation Committee, and may be discharged, with or without cause, by the Compensation Committee. Committee members may resign at any time on ten (10) days' written notice.

4.3 Authority and Duties. It shall be the duty of the Committee, on the basis of information supplied to it by the Company, to determine the eligibility of each Participant for Benefits under the Plan, to determine the amount of Benefit to which each such Participant may be entitled, and to determine the manner and time of payment of the Benefit consistent with the provisions hereof. In addition, the exercise of discretion by the Committee need not be uniformly applied to similarly situated Participants. The Company shall make such payments as are certified to it by the Committee to be due to Participants. The

Committee shall have the full power and authority to construe, interpret and administer the Plan, to correct deficiencies therein, and to supply omissions. Except as provided in Section 5.8, all decisions, actions and interpretations of the Committee shall be final, binding and conclusive upon the parties.

4.4 Action by the Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business at a meeting of the Committee. Any action of the Committee may be taken upon the affirmative vote of a majority of the members of the Committee at a meeting, or at the direction of the chairperson, without a meeting by mail, telegraph, telephone or electronic communication device; provided, however, that all of the members of the Committee are informed of their right to vote on the matter before the Committee and of the outcome of the vote thereon.

4.5 Officers of the Committee. The Compensation Committee shall designate one of the members of the Committee to serve as chairperson thereof. The Compensation Committee shall also designate a person to serve as secretary of the Committee, which person may be, but need not be, a member of the Committee.

4.6 Compensation of the Committee. Members of the Committee shall receive no compensation for their services as such. However, all reasonable expenses of the Committee shall be paid or reimbursed by the Company upon proper documentation. The Company shall indemnify members of the Committee against personal liability for actions taken in good faith in the discharge of their respective duties as members of the Committee and shall provide coverage to them under the Company's liability insurance program(s).

4.7 Records, Reporting and Disclosure. The Company shall supply to the Committee all records and information necessary to the performance of the Committee's duties. The Committee shall keep all individual and group records relating to Participants and former Participants and all other records necessary for the proper operation of the Plan. Such records shall be made available to the Company and to each Participant for examination during business hours except that a Participant shall examine only such records as pertain exclusively to the examining Participant and to the Plan. The Committee shall prepare and shall file as required by law or regulation all reports, forms, documents and other items required by ERISA, the Internal Revenue Code, and every other relevant statute, each as amended, and all regulations thereunder (except that the Company, as payor of the Benefits, shall prepare and distribute to the proper recipients all forms relating to withholding of income or wage taxes, Social Security taxes, and other amounts which may be similarly reportable).

4.8 Payment. The Company shall make payments from its general assets to Participants and shall provide the Benefits described in Article III hereof in accordance with the terms of the Plan, as directed by the Committee.

4.9 Actions of the Chief Executive Officer. Whenever a determination is required of the Chief Executive Officer under the Plan, such determination shall be made solely at the discretion of the Chief Executive Officer. In addition, the exercise of discretion by the Chief Executive Officer need not be uniformly applied to similarly situated Participants and shall be final and binding on each Participant or beneficiary(ies) to whom the determination is directed.

4.10 Bonding. The Committee shall arrange any bonding that may be required by law, but no amount in excess of the amount required by law (if any) shall be required by the Plan.

ARTICLE V
CLAIMS PROCEDURES

5.1 Application for Benefits. Benefits shall be paid by the Company following an event that qualifies the Participant for Benefits. In the event a Participant believes himself/herself eligible for Benefits under this Plan and Benefit payments have not been initiated by the Company, the Participant may apply for such Benefits by requesting payment of Benefits in writing from the Committee.

5.2 Appeals of Denied Claims for Benefits. In the event that any claim for Benefits is denied in whole or in part, the Participant (or beneficiary, if applicable) whose claim has been so denied shall be notified of such denial in writing by the Committee, within thirty (30) days following submission by the Participant (or beneficiary, if applicable) of such claim to the Committee. The notice advising of the denial shall specify the reason or reasons for denial, make specific reference to pertinent Plan provisions, describe any additional material or information necessary for the claimant to perfect the claim (explaining why such material or information is needed), and shall advise the Participant of the procedure for the appeal of such denial. All appeals shall be made by the following procedure:

(a) The Participant whose claim has been denied shall file with the Committee a notice of desire to appeal the denial. Such notice shall be filed within sixty (60) days of notification by the Committee of the claim denial, shall be made in writing, and shall set forth all of the facts upon which the appeal is based. Appeals not timely filed shall be barred.

(b) The Committee shall, within thirty (30) days of receipt of the Participant's notice of appeal, establish a hearing date on which the Participant may make an oral presentation to the Committee in support of his/her appeal. The Participant shall be given not less than ten (10) days' notice of the date set for the hearing.

(c) The Committee shall consider the merits of the claimant's written and oral presentations, the merits of any facts or evidence in support of the denial of Benefits, and such other facts and circumstances as the Committee shall deem relevant. If the claimant elects not to make an oral presentation, such election shall not be deemed adverse to his/her interest, and the Committee shall proceed as set forth below as though an oral presentation of the contents of the claimant's written presentation has been made.

(d) The Committee shall render a determination upon the appealed claim, within sixty (60) days of the hearing date, which determination shall be accompanied by a written statement as to the reasons therefor.

ARTICLE VI
MISCELLANEOUS

6.1 Amendment, Suspension and Termination. The Company retains the right, at any time and from time to time, to amend, suspend or terminate the Plan in whole or in part, for any reason, and without either the consent of or the prior notification to any Participant. Notwithstanding the foregoing, no such action taken after a Change of Control, or before, but in connection with, a Change of Control, may terminate or reduce the Benefits or prospective Benefits of any Participant on the date of such action without the express written consent of the Participant. No amendment, suspension or termination shall give the Company the right to recover any amount paid to a Participant prior to the date of such action or to cause the cessation and discontinuance of payments of Benefits to any person or persons under the Plan already receiving Benefits.

6.2 Nonalienation of Benefits. None of the payments, Benefits or rights of any Participant shall be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, Benefits and rights shall be free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of such Participant. No Participant shall have the right

to alienate, anticipate, commute, pledge, encumber or assign any of the Benefits or payments which he/she may expect to receive, contingently or otherwise, under this Plan.

6.3 No Contract of Employment. Neither the establishment of the Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any Benefits shall be construed as giving any Participant, or any person whosoever, the right to be retained in the service of the Company, and all Participants shall remain subject to discharge to the same extent as if the Plan had never been adopted.

6.4 Severability of Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provisions had not been included.

6.5 Successors, Heirs, Assigns, and Personal Representatives. This Plan shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Participant.

6.6 Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

6.7 Gender and Number. Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

6.8 Unfunded Plan. The Plan shall not be funded. A Participant's right to receive Benefits hereunder shall be no greater than the right of any unsecured creditor of the Company. The Company may, but shall not be required to, set aside or earmark an amount necessary to provide the Benefits specified herein (including the establishment of trusts). In any event, no Participant shall have any right to, or interest in, any assets of the Company which may be applied by the Company to the payment of Benefits except as may be provided pursuant to the terms of any trust established by the Company to provide Benefits.

6.9 Payments to Incompetent Persons, Etc. Any Benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefor shall be deemed paid when paid to such person's guardian or to the party providing, or reasonably appearing to provide for, the care of such person, and such payment shall fully discharge the Company, the Committee and all other parties with respect thereto.

6.10 Lost Payees. A Benefit shall be deemed forfeited if the Committee is unable to locate a Participant to whom a Benefit is due. Such Benefit shall be reinstated if application is made by the Participant for the forfeited Benefit while this Plan is in operation.

6.11 Controlling Law. This Plan shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania to the extent not preempted by federal law.

6.12 Successor Employer. The Company shall require any successor or assignee, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all the business or assets of the Company, expressly and unconditionally to assume and agree to perform the Company's obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place. In such event, the term "Company," shall mean the Company and any successor or assignee to the business or assets which by reason hereof becomes bound by the terms and provisions of this Plan.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH "[*****]" AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION

THROUGHPUT AND DEFICIENCY AGREEMENT

This Throughput and Deficiency Agreement (the "AGREEMENT"), with an effective date of April 25, 2005 (the "EFFECTIVE DATE"), by and between [*****], a [*****] which is principally located at [*****] ("SHIPPER"), on the one hand, and Sunoco Pipeline L.P., a Texas limited partnership which is located at 1801 Market Street, Philadelphia, PA 19103 (referred to as either "SUNOCO" or "CARRIER"), is made with reference to the following facts and circumstances:

INTRODUCTION

A. SUNOCO's affiliate owns and operates a marine storage and terminaling facility which is located at or near Nederland, Texas (the "NEDERLAND TERMINAL") for the storage and throughput of crude oil and other refinery feedstocks (collectively, the "FEEDSTOCKS").

B. SUNOCO owns a 43.8% interest in and operates a twenty-six inch (26") nominal diameter pipeline designed principally for the transportation of Feedstocks that originates at a valve at the origin of West Texas Gulf Pipe Line Company's ("WTG") pipeline at Nederland, Texas, and runs, in part, to a valve which is situated within WTG's Wortham Station located at or near Wortham, Texas (said pipeline being referred to herein as the "WTG 26" PIPELINE").

C. Furthermore, SUNOCO intends to acquire a storage and terminaling facility that is situated at or near Corsicana, Texas for the storage and throughput of Feedstocks and which is located approximately 20 miles from a prospective pipeline connection/tie-in point on the WTG 26" Pipeline near Wortham, Texas (the "CORSICANA TERMINAL"), and the rights, duties and obligations of SUNOCO and Shipper hereunder are expressly conditioned upon SUNOCO's acquisition of the Corsicana Terminal as particularly set forth in paragraph 14 hereof.

D. SUNOCO also intends to acquire and operate a sixteen-inch (16") nominal diameter pipeline which is designed principally for the transportation of Feedstocks and that runs between (1) SUNOCO's valve which is situated within the Corsicana Terminal, and (2) the

separate valves in or near the [*****] Terminal and the [*****] Terminal (as both of those terms are defined in Recital E, below) (said pipeline system being collectively referred to herein as the "SUNOCO PIPELINE") and the rights, duties and obligations of SUNOCO and Shipper hereunder are expressly conditioned upon SUNOCO's acquisition of the SUNOCO Pipeline as more particularly set forth in paragraph 14 hereof.

E. [*****] ("[*****]") owns and operates breakout tanks in or near [*****] (the "[*****] Terminal") and a storage terminal in or near [*****](the "[*****]TERMINAL"). Both the [*****]Terminal and the [*****]Terminal are tied into the SUNOCO Pipeline and a [*****]pipeline system which is owned and operated by one or more third-party pipeline operators, including [*****].

F. [*****], [*****], owns and operates a [*****] in or near [*****] (the "[*****]"). The [*****]is tied into the [*****]Terminal via a pipeline system owned and operated by [*****].

G. [*****] owns and operates a [*****]in or near [*****], [*****] (the "[*****]"). The [*****] is tied into the [*****] Terminal via a pipeline system which is also owned and operated by [*****] (the "[*****] TO [*****] PIPELINE") that runs between the [*****] Terminal and the [*****] Pump Station which is located in [*****] County, [*****].

H. Shipper desires to transport Feedstocks to certain [*****] facilities that are owned and/or operated by [*****], which includes both the [*****] and the [*****], through the use of the Nederland Terminal, the WTG 26" Pipeline, the New Pipeline (as that term is defined in Recital I, below), the Corsicana Terminal, the SUNOCO Pipeline, the [*****] Terminal, and/or the [*****] Terminal, as the case may be, with all such origin, intermediary, and destination points and related facilities being generally depicted on Attachment A hereto.

I. In order to transport Feedstocks from the Nederland Terminal to [*****], SUNOCO will be required to make certain capital expenditures including, without limitation, those associated with designing, engineering, installing, testing, inspecting, protecting,

commissioning, operating, acquiring, and maintaining approximately 20 miles of pipeline and related equipment between the WTG 26" Pipeline (near Wortham, Texas) and the Corsicana Terminal (collectively, the "NEW PIPELINE"). For the purposes of this Agreement, (1) the WTG 26" Pipeline, the New Pipeline, the Corsicana Terminal, and the SUNOCO Pipeline up to the point where such pipeline physically ties into both the [*****] Terminal and the [*****] Terminal shall be hereinafter collectively referred to as the "N-[*****] PIPELINE ROUTE," and (2) each segment of the SUNOCO Pipeline located between the Corsicana Terminal and the [*****] Terminal, including the [*****] Terminal, which is tied into a Third-Party Pipeline System (as that term is defined in paragraph 3, below) pipeline connection shall hereinafter be collectively referred to as the "C-[*****] PIPELINE ROUTE."

J. SUNOCO is willing to make such expenditures provided that it has obtained a commitment from Shipper to ship a minimum throughput of Feedstocks along, on an aggregate basis, the N-[*****] Pipeline Route and the C-[*****] Pipeline Route.

K. Shipper is willing to make such a commitment to ship a minimum throughput of Feedstocks along, on an aggregate basis, the N-[*****] Pipeline Route and the C-[*****] Pipeline Route, in consideration of SUNOCO using commercially reasonable efforts and taking the necessary steps (including eminent domain/condemnation proceedings) to (1) design and install the New Pipeline, (2) connect the Nederland Terminal to the WTG 26" Pipeline, (3) connect the WTG 26" Pipeline to the New Pipeline, and (4) connect the Corsicana Terminal to both the New Pipeline and the SUNOCO Pipeline, provided that SUNOCO (or one of its affiliates) maintains in place and continuously operates (except for emergency shutdowns and routine, scheduled maintenance) throughout the term of this Agreement fully-operational pipeline connections between (i) the Nederland Terminal and the WTG 26" Pipeline, (ii) the WTG 26" Pipeline and the New Pipeline, (iii) the New Pipeline and the Corsicana Terminal, (iv) the Corsicana Terminal and the SUNOCO Pipeline, and (v) the SUNOCO Pipeline and both the [*****] Terminal and the [*****] Terminal. Notwithstanding the foregoing, while SUNOCO

will use commercially reasonable efforts to cause the WTG 26" Pipeline connections described herein to be maintained in place and continuously operated (except for emergency shutdowns and routine, scheduled maintenance) throughout the term of this Agreement, the parties hereto acknowledge that such operation and maintenance is not entirely within the control of SUNOCO and hereby agree that a failure to maintain and operate such connections would not constitute a breach of the Agreement by SUNOCO; provided, however, under such circumstances, Shipper may still pursue the rights and remedies that are set forth in subparagraph 6.G., below, to which it may be entitled.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, SUNOCO, on the one hand, and Shipper, on the other hand, agree as follows:

1. Commencement Date.

A. SUNOCO shall notify Shipper promptly upon SUNOCO's acquisition of the SUNOCO Pipeline, and such notice shall include the effective date of such acquisition. On or before October 1, 2005, SUNOCO will use commercially reasonable efforts to have the N-[*****] Pipeline Route ready to receive, transport and deliver Feedstocks as provided for under the terms of this Agreement. Shipments of Feedstock shall commence, and the first Contract Year shall begin, on the first day of the calendar month following Carrier's written notice to Shipper that the N-[*****] Pipeline Route is ready to receive and transport no less than [*****] barrels of Feedstocks per hour (the "COMMENCEMENT DATE"). In addition, on or before March 1, 2006, SUNOCO will use commercially reasonable efforts to have the C-[*****] Pipeline Route ready to receive, transport, and deliver Feedstocks as provided for under the terms of this Agreement.

B. If the N-[*****] Pipeline Route is not ready to receive and transport at least [*****] barrels of Feedstock per hour by October 1, 2005, then SUNOCO, at its

sole cost and expense, shall use commercially reasonable efforts to provide a temporary pipeline route in order to move Feedstocks between the Nederland Terminal and the [*****] Terminal or the [*****] Terminal, by utilizing an existing [*****] [*****]-inch nominal diameter pipeline (the "[*****] PIPELINE CONNECTION") which is currently connected to the WTG 26" Pipeline and the Corsicana Terminal, or by using an existing [*****][*****]-inch nominal diameter pipeline (the "[*****] PIPELINE CONNECTION") between Nederland, Texas and Corsicana, Texas, until such time as the N-[*****] Pipeline Route is ready to receive and transport at least [*****] barrels of Feedstock per hour. If, and for so long as, SUNOCO is required to use any portion of a temporary route that is owned and/operated by any unaffiliated entity, including the [*****] Pipeline Connection and the [*****] Pipeline Connection, as provided for under the preceding sentence, SUNOCO agrees to suspend Shipper's Minimum Monthly Throughput Obligation (as that term is defined in subparagraph 6.A, below).

C. Notwithstanding any of the other provisions set forth in this Agreement, if SUNOCO is unable or unwilling to receive and transport at least [*****] barrels of Feedstock per hour along the N-[*****] Pipeline Route within fifteen (15) months after SUNOCO (or one of its subsidiaries or affiliates) acquires the SUNOCO Pipeline, then Shipper has the option (within 30 days after the above referenced 15 month period), but not the obligation, to terminate this Agreement without penalty to either party or either party being in breach thereof, upon giving no less than ten (10) days written notice of termination.

2. Capacity of Pipeline System. The N-[*****] Pipeline Route will have a design capacity of no less than [*****] barrels per hour of Feedstocks (based on a viscosity of [*****] SUS @ 60(Degree)F and an API gravity of [*****].0) to the [*****] Terminal and the [*****]

Terminal. The C-[*****] Pipeline Route will also have a design capacity of no less than [*****] barrels per hour of Feedstocks (based on a viscosity of [*****] SUS @ 60(Degree)F and an API gravity of [*****].0) to the [*****] Terminal and the [*****] Terminal.

3. Common Carriage; Published Tariffs; Tariff Rates. SUNOCO is expected to be a common carrier for hire with respect to the operation of the New Pipeline and the SUNOCO Pipeline. With respect to the WTG 26" Pipeline, SUNOCO is a shareholder of WTG, which is also a common carrier. The transportation of any Feedstock which is performed by SUNOCO or WTG hereunder along either the N-[*****]Pipeline Route or the C-[*****] Pipeline Route, as the case may be, shall be subject to the rules and regulations, that are set forth in such carrier's oil tariff publication (each a "RULES TARIFF"). Based on the applicable rules and regulations set forth in each Rules Tariff, SUNOCO will, with WTG, file or cause to be filed a joint proportional incentive tariff (the "JOINT INCENTIVE TARIFF") with the Federal Energy Regulatory Commission ("FERC") in order to cover the movement of Feedstocks from the Nederland Terminal, the Corsicana Terminal, or a Third Party Pipeline System (as defined below) and on to either the [*****] Terminal or the [*****] Terminal.

The Joint Incentive Tariff shall apply only to those shippers which agree in writing to deliver the Aggregate Throughput Obligation (as that term is defined in subparagraph 6.A, below). The initial tariff rates under the Joint Incentive Tariff are set forth in Attachment B (entitled "Pipeline Rate Schedule"), a copy of which is attached to and made a part of this Agreement. The applicable rates, rules, and regulations set forth in both the Rules Tariff and the Joint Incentive Tariff may be adjusted by the Carrier to reflect the terms and conditions set forth in this Agreement in accordance with the applicable rules and regulations of the FERC.

Shipper reserves the right to separately nominate and deliver barrels of Feedstock along and as part of the C-[*****] Pipeline Route which are received from one or more third party-owned and/or -operated pipeline systems that are tied into either the Corsicana Terminal or the SUNOCO Pipeline at any location between the Corsicana Terminal and the [*****] Terminal (each hereinafter called a "THIRD-PARTY PIPELINE SYSTEM") and which are then to be transported by SUNOCO (or its designated pipeline operator) to either the [*****] Terminal or the [*****] Terminal. Each barrel of Feedstock shipped each month by or on behalf of Shipper along the C-[*****] Pipeline Route shall also be credited against the applicable Minimum Monthly Throughput Obligation for that particular month, but shall be measured and accounted for separately from any barrels of Feedstock moved along the N-[*****] Pipeline Route. However, regardless of when and whether Shipper has exceeded its Minimum Monthly Throughput Obligation for any given calendar month, all of the barrels of any Feedstocks that are received from any Third-Party Pipeline System and moved along the C-[*****] Pipeline Route shall be subject to the then-current Joint Incentive Tariff.

To the extent permitted by any applicable federal and state law, rule, and regulation, the tariff rates that are set forth in the Joint Incentive Tariff may only be adjusted in accordance with the annual index which is set forth in Title 18, Code of Federal Regulations, Section 342.3, as such regulation may be amended, supplemented, or otherwise modified from time to time. Shipper agrees not to challenge or protest any of the tariff rates set forth in the Joint Incentive Tariff, provided that such tariff rates are proposed to be adjusted only in accordance with the terms of this Agreement.

4. Service and Storage Agreements.

A. [*****] intends to enter into a separate, contractual arrangement with SUNOCO following the execution of this Agreement (the "SERVICES AGREEMENT"). Under

the terms of the Services Agreement, based on the separate consideration recited therein, SUNOCO will operate and supply (or arrange to operate and supply) electrical power to the pumps at the [*****] Terminal in order to facilitate the movement of Feedstocks coming off of the SUNOCO Pipeline into and along the [*****] to [*****] Pipeline.

B. In addition, Shipper intends to enter into a separate, contractual arrangement with SUNOCO following the execution of this Agreement with respect to leasing one or more storage tanks within the Corsicana Terminal (the "CORSICANA STORAGE AGREEMENT"). Under the terms of the Corsicana Storage Agreement, SUNOCO will lease to Shipper up to [*****] barrels of shell storage capacity ("LEASED STORAGE CAPACITY") at the Corsicana Terminal for the storage of Feedstocks based on the mutually agreeable terms and conditions set forth in such agreement; provided, however, there shall be no lease, storage, throughput or in-tank exchange fee or like charge associated with the Leased Storage Capacity under the Corsicana Storage Agreement, the compensation for such being already included in the Joint Incentive Tariff that is being assessed under paragraph 3, above.

C. Furthermore, Shipper intends to enter into another separate, contractual arrangement with SUNOCO's affiliate following the execution of this Agreement with respect to the receipt and delivery of Feedstocks through the Nederland Terminal (the "MARINE DOCK & TERMINALING Agreement"). Under the terms of the Marine Dock & Terminaling Agreement, Shipper will deliver Feedstocks to the Nederland Terminal for subsequent deliveries into the N-[*****] Pipeline Route at a rate (see Attachment C, entitled "Terminal Rate Schedule") based on mutually agreeable terms and conditions set forth in such agreement.

D. Furthermore, Shipper intends to enter into another separate, contractual arrangement with SUNOCO's affiliate following the execution of this Agreement

with respect to leasing one or more storage tanks within the Nederland Terminal (the "TANK NO. [*****] STORAGE AGREEMENT"). Under the terms of the Tank No. [*****] Storage Agreement, SUNOCO's affiliate will lease to Shipper up to [*****] barrels of maximum fill storage capacity at the Nederland Terminal for the storage of one or more Feedstocks starting at an initial lease rate of $[*****] per maximum fill barrel and for a period of five (5) years, based on mutually agreeable terms and conditions set forth in such agreement.

E. With respect to the Agreements described in subparagraphs 4.B, 4.C and 4.D, above, any additional services, such as receipts from other carriers, blending, or tank to tank transfers will be based on fees mutually agreed by both parties, all of which shall be set forth in such agreement, as may be amended from time to time.

5. Contract Period. In recognition of the cost and expense being incurred by SUNOCO to (a) design, engineer, install, test, inspect, protect, commission, operate, and maintain the New Pipeline, (b) connect the Nederland Terminal to the WTG 26" Pipeline, (c) connect the WTG 26" Pipeline to the New Pipeline, and (d) connect the Corsicana Terminal to both the New Pipeline and the SUNOCO Pipeline, Shipper agrees to ship the Minimum Annual Throughput Obligation of Feedstocks, on a collective basis, along the N-[*****] Pipeline Route and the C-[*****] Pipeline Route, to the [*****] Terminal or the [*****] Terminal, under the Joint Incentive Tariff, as provided in this paragraph 5 and in paragraph 6 below. Subject to the remaining subparagraphs of this paragraph 5, Shipper's obligation to ship any Feedstocks along any portion of the N-[*****] Pipeline Route or the C-[*****] Pipeline Route pursuant to this Agreement shall cover a period of ten (10) years (the "CONTRACT PERIOD") from the Commencement Date. A "CONTRACT YEAR" as used in this Agreement shall mean a period of twelve (12) full months commencing on the Commencement Date or any anniversary thereof. Notwithstanding anything else to

the contrary, this Agreement shall run simultaneously with the Corsicana Storage Agreement and the Marine Dock & Terminaling Agreement (collectively with this Agreement, the COTERMINOUS AGREEMENTS"), and should any of the Coterminous Agreements be terminated by either Shipper or SUNOCO in accordance with the provisions of such agreement, then all other Coterminous Agreements shall simultaneously terminate therewith, subject to any terminaling or transportation credits to be given and any payments to be made under each such agreement upon such early termination.

If this Agreement is terminated by Shipper for any reason other than discontinuation of service as set out in subparagraph 6.G, below, prior to the end of the Contract Period, Shipper agrees to pay SUNOCO a lump sum equal to (i) the [*****] tariff rate set forth in the then current Joint Incentive Tariff, multiplied by (ii) the difference between (A) the sum of (1) the quantity actually shipped by or on behalf of Shipper, and (2) any quantity credited for shipment for Shipper's account as a Prepaid Transportation Credit (as that term is defined in subparagraph 6.D), during the term of this Agreement, and (B) the Aggregate Throughput Obligation. Shipper will make any such undisputed lump sum payment within 15 days after receipt of an invoice for same from SUNOCO upon the early termination of this Agreement by Shipper and, after having been given credit for all available Prepaid Transportation Credits under the formula set forth in the preceding sentence, Shipper shall forfeit all unused Prepaid Transportation Credits.

Likewise, if this Agreement is terminated by SUNOCO for any reason other than (i) the failure of SUNOCO to acquire either the SUNOCO Pipeline or the Corsicana Terminal as more particularly set forth in paragraph 14 hereof; or (ii) discontinuation of service as set out in subparagraph 6.G, below, prior to the end of the Contract Period, SUNOCO agrees to pay Shipper a lump sum equal to (i) the difference between (A) the

[*****] tariff rate set forth in the then current Joint Incentive Tariff and (B) Shipper's [*****] aggregate transportation cost, as determined by Shipper, for substantially similar service to transport no less than [*****] barrels of Feedstocks per day to the [*****] Terminal or the [*****] Terminal (the "ALTERNATIVE PENALTY") multiplied by (ii) the quantity difference between (A) the quantity actually shipped (including any quantity credited for shipment to Shipper's account as a Prepaid Transportation Credit) during the term of this Agreement, and (B) the Aggregate Throughput Obligation (subject to reduction thereof pursuant to subparagraph 6.G). The Alternative Penalty shall not exceed $[*****] per barrel. SUNOCO will make any such undisputed lump sum payment within 15 days after receipt of an invoice for same from Shipper upon the early termination of this Agreement by SUNOCO.

In addition, within 60 days after Shipper's receipt of SUNOCO's early notice of termination under this paragraph 5, SUNOCO shall pay (or cause to be paid) to Shipper in immediately available funds to an account to be designated in writing by Shipper the entire amount of any outstanding (i.e., from the preceding [*****] Contract Years) Prepaid Transportation Credits that Shipper has accumulated with SUNOCO or any of SUNOCO's affiliates, under the terms of this Agreement.

6. Shipments by Shipper.

A. Throughput Obligation: Subject to the early termination provisions set forth in paragraph 5, above, and subparagraph 6.G, below, during each Contract Year, Shipper will ship, or cause to be shipped, in the aggregate, along (1) the N-[*****] Pipeline Route, from the Nederland Terminal to the [*****] Terminal or the [*****] Terminal, and (2) the C-[*****] Pipeline Route, through the Corsicana Terminal to the [*****] Terminal or the [*****] Terminal, each pursuant to the applicable tariff for such origin and destination points, at least

[*****] ([*****]) barrels of Feedstocks (the "MINIMUM ANNUAL THROUGHPUT OBLIGATION"), which equals a minimum throughput of [*****] ([*****]) barrels of Feedstock per calendar month (the "MINIMUM MONTHLY THROUGHPUT OBLIGATION"), and [*****] barrels of Feedstock of the entire term of this Agreement (the "AGGREGATE THROUGHPUT OBLIGATION").

In the event that Shipper's shipments are prorated for any reason whatsoever through the N-[*****] Pipeline Route or any portion thereof affecting such movements, during any calendar month and, as a result, is unable to transport any portion of the quantity of Feedstocks that was nominated by Shipper (in accordance with subparagraph 6.B, below) to be shipped under this Agreement during such month, then Shipper shall still be given credit by Carrier against Shipper's Minimum Monthly Throughput Obligation for that same calendar month, on a barrel-for barrel basis, for the greater of either (1) the actual quantity of Feedstocks that Shipper was able to transport along such route (or any portion thereof) during the applicable time period, or (2) the lesser of (i) Shipper's Minimum Monthly Throughput Obligation, and (ii) Shipper's nominated volume of Feedstocks for such calendar month.

B. Pipeline Nominations; Scheduling; Waterborne Deliveries. After the Commencement Date and continuing throughout the entire term of this Agreement, on or before the 25th day of each calendar month, Shipper agrees (1) to separately nominate the volume of Feedstocks that Shipper wants to ship and have delivered by Carrier along (i) the N-[*****] Pipeline Route, and (ii) the C-[*****] Pipeline Route, during the following calendar month, and (2) to make a good faith effort to tender, or arrange to tender, the nominated volumes to Carrier at Carrier's Nederland Receipt Point or Carrier's Corsicana Receipt Point (as both

terms are defined in paragraph 8, below), as the case may be. In turn, Carrier will use its commercially reasonable efforts (taking into account applicable law) to provide Shipper with the necessary line space or capacity to move all volumes tendered by or on behalf of Shipper to (x) Carrier's Nederland Receipt Point along the N-[*****] Pipeline Route to the [*****] Terminal or the [*****] Terminal, and (y) Carrier's Corsicana Receipt Point along the C-[*****] Pipeline Route to the [*****] Terminal or the [*****] Terminal during each calendar month and each Contract Year, as the case may be.

Any scheduling procedures for waterborne deliveries into the Nederland Terminal shall be set forth either in the Rules Tariff or in SUNOCO's affiliate's Nederland Terminal Port Manual.

C. Billing and Payment

Billing. Carrier shall invoice Shipper on or before the tenth (10th) day of each month for amounts owing for the preceding month under the terms of this Agreement. Subject to the subitem, below, of this subparagraph 6.C. entitled "Disputed Payment," Shipper shall pay Carrier within twenty (20) days from invoice date, regardless of whether billed before, on, or after the tenth (10th) day of the month, the amount specified on the invoice. Such payment shall be by electronic transfer of federal funds to the bank and bank account set forth on each invoice. For any invoice submitted hereunder, Carrier shall provide any supporting documentation reasonably requested by Shipper.

Monthly Payment. Beginning on the Commencement Date and continuing throughout the term hereof, Shipper shall pay Carrier each month the undisputed

sum of each of the following: (1) the product of (i) the applicable tariff rate in the then-current Joint Incentive Tariff (depending on the viscosity of the Feedstock(s) having been shipped) provided for under the terms of this Agreement, multiplied by (ii) the quantity of Feedstock (in barrels) measured at either the [*****] Meter or the [*****] Meter (as both such terms are defined in paragraph 9, below) for movements along the N-[*****] Pipeline Route during such month and allocated to Shipper from such quantity, and (2) the product of (i) the applicable tariff rate in the then-current Joint Incentive Tariff (depending on the viscosity of the Feedstock(s) having been shipped) provided for under the terms of this Agreement, multiplied by (ii) the quantity of Feedstock (in barrels) measured at either the [*****] Meter or the [*****] Meter for movements along the C-[*****] Pipeline Route during such month and allocated to Shipper.

Loss Allowance. For the purposes of this Agreement, the term "LOSS ALLOWANCE" means [*****] percent ([*****]%) of the volumes of Feedstocks received either (a) into Carrier's Nederland Receipt Point and which are then shipped along the N-[*****] Pipeline Route, through the Corsicana Terminal, and on to either the [*****] Terminal or the [*****] Terminal, or (b) into Carrier's Corsicana Receipt Point from a Third Party Pipeline System or via truck and which are then shipped through the Corsicana Terminal, along the C-[*****] Pipeline Route, and on to either the [*****] Terminal or the [*****] Terminal, as the case may be, which shall be deducted and retained by Carrier to cover any loss(es) due to shrinkage and evaporation incident to transportation on Carrier's facilities. All volumes

delivered to Shipper from Carrier's facilities under the terms of this Agreement shall be net of such deduction. No loss allowance will be assessed under the Corsicana Storage Agreement. However, Shipper and SUNOCO hereby agree that for all volumes of Feedstocks delivered from Tank No. [*****] at the Nederland Terminal into crude storage tankage at the Nederland Terminal for the purpose of blending, there shall be an additional loss allowance of [*****]percent ([*****]%), which shall be reflected in the Marine Dock & Terminaling Agreement.

Disputed Payment. Shipper may dispute, in good faith, the amount of any such invoice for a period of ninety (90) days after such invoice is received by Shipper. Shipper shall timely pay to Carrier all amounts which Shipper concedes are correct. Shipper and Carrier agree to begin discussions to settle any amount in dispute within thirty (30) days of notification by one party to the other of such dispute. If Shipper fails to pay any disputed amount within ten (10) days after the date on which the Parties have finally resolved or settled such amount or payment of such disputed amount has been finally adjudicated or otherwise resolved, whichever occurs first, Carrier, in addition to any other remedies it may have, may suspend service under this Agreement. No payment by Shipper of the amount of a disputed invoice shall prejudice the right of Shipper to claim an adjustment of the disputed invoice so long as such invoice is disputed in accordance with this paragraph.

Default. Should Shipper fail to pay part or all of the amount of any undisputed invoice or any disputed invoice which has been resolved, Carrier may charge interest at the rate equal to [*****]% of the prime rate of Citibank, N.A., New York, New York (or any successor thereof) on the unpaid portion of the bill computed from the date payment is due until the date payment is received. If such failure to pay continues for sixty (60) days after such payment is due, Carrier, in addition to any other remedy it may have hereunder or otherwise, may suspend further service for Shipper under this Agreement until such undisputed amount is paid.

D. Deficiency Volume/Payment. Within 60 days after the end of each Contract Year (including the last Contract Year of the Contract Period), Shipper and Carrier shall meet and make a good faith and diligent effort to separately reconcile and verify the aggregate volume of Feedstock that Shipper (i) nominated to be transported, and (ii) actually shipped, in either case, during the previous Contract Year under the terms of this Agreement. If, at the end of any such Contract Year (including the last Contract Year of the Contract Period), Shipper's shipments as provided in subparagraph 6.A hereof, since the start of such Contract Year, are insufficient due to any cause whatsoever other than that provided in the first subpart of subparagraph 6.G (i.e., cessation of operations), hereof, to meet the Minimum Annual Throughput Obligation (a "DEFICIENCY VOLUME"), then subject to the credits provided pursuant to the provisions of subparagraph 6.A, above, and also subject to subparagraph 6.E., below, Shipper shall be obligated within twenty (20) days after receipt of invoice from Carrier to promptly pay to the Carrier under the then-current Joint Incentive Tariff, the undisputed amount equal to the Deficiency Volume for the Contract Year in question, multiplied by the [*****]

tariff rate set forth in the then-current Joint Incentive Tariff provided for under the terms of this Agreement (the "DEFICIENCY PAYMENT"). Any such Deficiency Payment shall constitute prepayment for transportation (each a "PREPAID TRANSPORTATION CREDIT") by Shipper in the N-[*****] Pipeline Route or C-[*****] Pipeline Route applicable to the [*****] succeeding Contract Years.

E. Pre-Paid Transportation Credits. Shipper must first exceed the Minimum Annual Throughput Obligation for the applicable, succeeding Contract Year before any Prepaid Transportation Credits shall be applied against the transportation charges at the applicable tariff rate(s) set forth in the then-current Joint Incentive Tariff (depending on the viscosity of the Feedstock(s) having been shipped) for quantities in excess of the Minimum Annual Throughput Obligation.

For example, Prepaid Transportation Credits from Contract Year No. 1 can be used only during the [*****] subsequent Contract Years (i.e., Contract Year Nos. [*****]), but only to the extent that the deliveries of Feedstocks to Carrier for movement by or on behalf of Shipper along the N-[*****] Pipeline Route and/or the C-[*****] Pipeline Route, in the aggregate, exceed the Minimum Annual Throughput Obligation for the particular, subsequent Contract Year in question.

Upon expiration of this Agreement and subject to the force majeure provisions referred to in paragraph 10, below, Shipper shall have the [*****] full calendar months following expiration of this Agreement in which to use any Prepaid Transportation Credits that are available to Shipper from the [*****] preceding Contract Years, after which time any unused amount thereof shall be forfeited.

F. Early Compliance with the Aggregate Throughput Obligation. If, at any time prior to the expiration or early termination of this Agreement, Shipper has transported in excess of the Aggregate Throughput Obligation, then Shipper's obligations to Carrier under this Agreement shall immediately cease and be deemed satisfied; PROVIDED, HOWEVER, Shipper may continue to transport any Feedstock pursuant to this Agreement. If Shipper continues to transport Feedstocks along the N-[*****] Pipeline Route, then Carrier agrees to maintain (subject to permitted escalations in the applicable tariff rates pursuant to paragraph 3 hereof) each of the tariff rates set forth in the then current Joint Incentive Tariff as provided for under paragraph 3 and subparagraph 6.D, above, throughout the term of this Agreement for any additional barrels of Feedstocks delivered by Shipper from Carrier's Nederland Receipt Point. If Shipper continues to transport Feedstocks along the C-[*****]Pipeline Route, then Carrier agrees to maintain (subject to permitted escalations in the applicable tariff rates pursuant to paragraph 3 hereof) each of the tariff rates set forth in the then-current Joint Incentive Tariff as provided under paragraph 3 and subparagraph 6.D, above, throughout the term of this Agreement for any additional barrels of Feedstocks delivered by Shipper to Carrier's Corsicana Receipt Point.

G. Cessation of Operations.

If (1) SUNOCO (or any of its successors or assigns) either permanently (i) discontinues operation of the Nederland Terminal or ceases to provide transportation service along any portion of the N-[*****] Pipeline Route between the Nederland Terminal and the [*****] Terminal or the [*****] Terminal, or (ii) disconnects any portion of the N-[*****] Pipeline Route from the Nederland Terminal, the Corsicana Terminal, or the SUNOCO Pipeline but not at the request of Shipper, and not as a direct result of Shipper's own affirmative act or actions, or

(2) WTG either ceases operation of the WTG 26" Pipeline or disconnects any portion of the WTG 26" Pipeline from the N-[*****] Pipeline Route and, as a result of any one of the multiple situations set forth in subparts 6.G.(1) and (2), above, Carrier is no longer able, in the aggregate, to deliver either the Minimum Monthly Throughput Obligation or the Shipper's nominated volume of Feedstocks in or for a given month, whichever is less, for at least six (6) consecutive months to both the [*****] Terminal and the [*****] Terminal by means of either the N-[*****] Pipeline Route or the C-[*****] Pipeline Route, then (x) any obligations of Shipper pursuant to this Agreement which have not accrued prior to discontinuation of such applicable operation(s) shall be extinguished and Shipper shall be forever released by Carrier from shipping any additional volumes of any Feedstock or other substance through any portion of the Nederland Terminal, the N-[*****] Pipeline Route, or the C-[*****] Pipeline Route, or otherwise making any payments for any such associated, unaccrued monetary obligation(s) that may have been due and owing under this Agreement, and (y) Carrier shall be released from any obligation to ship any additional Feedstocks thereafter pursuant to this Agreement.

If, at any time after the completion of Contract Year No. 5 of this Agreement, either the [*****] or the [*****] closes or announces publicly its intent in writing to close for more than 180 consecutive days, then SUNOCO and Shipper shall promptly negotiate, in good faith, a reduction (including a total cessation) in the minimum quantities of Feedstocks to be delivered by Shipper pursuant to this Agreement, taking into account the quantities of Feedstocks delivered to either the [*****] (via the [*****] Terminal) or the [*****] (via the [*****] Terminal) over the twelve-month period immediately preceding the effective date of the closing of such [*****]; provided, however, that if such

closure does not take place, then the provisions of this particular subparagraph 6.G shall not apply.

H. New Law or Regulation:

In the event that during the term of this Agreement, any existing codes and applicable law, codes, or regulations are amended or new laws, codes and regulations are enacted or promulgated which, in either case, (1) generally apply to, affect, or impact all domestic, common carrier crude oil pipelines which are located [*****] and which are of comparable size, age, throughput capacity, and operational capability as those pipelines which are part of the N-[*****] Pipeline Route, and (2) will require SUNOCO and/or WTG (either individually or the aggregate) to incur (i) a capital expense improvement to the N-[*****] Pipeline Route in excess of $[*****] prior to the end of the Contract Period, or (ii) an increase in the cost of operating the N-[*****] Pipeline Route in excess of $[*****] per Contract Year, SUNOCO shall, upon written notice to Shipper, have the right to initiate negotiations for an adjustment in any of the applicable tariff rates which are set forth in the Joint Incentive Tariff in order to compensate Sunoco for the required improvements.

In connection with SUNOCO's request to initiate negotiations to adjust any of the tariff rates set forth in the Joint Incentive Tariff for the N-[*****] Pipeline Route, SUNOCO shall provide Shipper with a proper showing of the governmental requirement for such improvements and that such improvements are the most cost effective to conform to such governmental requirements.

If the Parties hereto are unable to mutually agree on an adjustment in the applicable tariff rates set forth in the Joint Incentive Tariff before it becomes necessary for SUNOCO to take such action so as to be in compliance with the

new or amended law, code or regulation, this Agreement shall terminate without further liability hereunder at the option of SUNOCO, except for payments due and owing as of the date of such early termination.

7. Sampling, Testing, and Metering. All rules, regulations, procedures, policies, guidelines, or recommendations which pertain to or govern the sampling, testing, measurement, or metering of any Feedstock to be received, transported, or delivered under the terms of this Agreement shall be set forth under the Rules Tariff or the Joint Incentive Tariff.

8. Carrier's Receipt Points; Point of Custody, Transfer, Title, and Risk of Loss; Use of [*****] Terminal. Except as specifically noted in the following paragraph, the discharge flange on the vessel designated by Shipper where Feedstock enters the hose or receiving arm that is currently owned and operated by SUNOCO (or any of its affiliates) and located at or in close proximity to Nederland Terminal shall be the point of custody transfer of all Feedstocks tendered by or on behalf of Shipper to SUNOCO at the Nederland Terminal for movement along the N-[*****] Pipeline Route (the "CARRIER'S NEDERLAND RECEIPT POINT") under the terms of this Agreement. The inlet side of the meter that is currently owned and operated by SUNOCO (or any of its affiliates) and located at or in close proximity to Corsicana Terminal shall be the point of custody transfer of all Feedstock tendered by or on behalf of Shipper to SUNOCO at the Corsicana Terminal for movement along the C-[*****] Pipeline Route (the "CARRIER'S CORSICANA RECEIPT POINT") under the terms of this Agreement. Subject to the provisions set forth in the last sentence of this paragraph 8, below, receipts of Feedstocks at the Corsicana Terminal from Third Party Pipeline Systems or via truck shall be separately metered at the Carrier's Corsicana Receipt Point from those volumes of Feedstocks being moved through the Corsicana Terminal (including the Carrier's Corsicana Receipt Point) off of either the WTG 26" Pipeline or the New Pipeline. Shipper shall retain title to and

risk of loss for all Feedstock transported under the terms of this Agreement, excluding volumes of Feedstocks retained by Carrier as per the Loss Allowance as defined in subparagraph 6.C.

From time to time, SUNOCO may be unable to offload and accept deliveries of one of more Feedstocks at the Nederland Terminal from vessels nominated by Shipper. Carrier acknowledges that Shipper has made arrangements to offload, deliver, and store one or more Feedstocks at [*****] Terminal (the "[*****] TERMINAL"). Carrier shall permit Shipper to deliver (or cause to be delivered) barrels of Feedstocks from the [*****]Terminal into the pipeline system which serves as the N-[*****] Pipeline Route, provided that Shipper (1) arranges (makes the necessary arrangement(s)) to move such Feedstock through and out of the [*****] Terminal to a mutually agreeable origin/connection point (the "[*****] TERMINAL CONNECTION") which is tied into such N-[*****] Pipeline Route, and (2) retains all liability for paying any and all transportation charges associated with transporting such Feedstocks through the [*****] Terminal to the [*****] Terminal Connection. Shipper shall retain title to and risk of loss of all Feedstocks shipped hereunder. Any batch or tender of Feedstock that is delivered into the [*****] Terminal and subsequently delivered by or on behalf of Shipper into the WTG 26" Pipeline at or near the Nederland Terminal for shipment under the terms of this Agreement shall be subject to the same Loss Allowance hereunder as though such batch or tender was originally delivered into Carrier's Nederland Receipt Point, regardless of any loss allowance that may be charged by Unocal.

9. INDEMNITY PROVISIONS. AS BETWEEN THE PARTIES, SHIPPER SHALL BE LIABLE FOR, AND RELEASE, INDEMNIFY, AND HOLD HARMLESS, SUNOCO, SUNOCO'S SUBSIDIARIES AND AFFILIATES, AS WELL AS THE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONTRACTORS,

SUBCONTRACTORS, AND OTHER REPRESENTATIVES OF EACH SUCH ENTITY (THE "SUNOCO GROUP"), FROM AND AGAINST ANY LOSS OR CONTAMINATION OF ANY FEEDSTOCK, AS WELL AS FOR THIRD PARTY DAMAGES, CAUSED BY THE RELEASE, LEAK, SPILL, OR DISCHARGE, AND RELATED OFF-SITE MIGRATION, OF ANY FEEDSTOCK AT ALL POINTS (A) PRIOR TO SUCH PRODUCT OR SUBSTANCE BEING TRANSPORTED AND DELIVERED TO THE CARRIER'S NEDERLAND RECEIPT POINT OR CARRIER'S CORSICANA RECEIPT POINT, AND (B) AFTER THE FEEDSTOCK IS RETURNED TO SHIPPER OR SHIPPER'S DESIGNEE AT EITHER THE METER OWNED/OPERATED BY OR ON BEHALF OF [*****]THAT IS LOCATED AT THE [*****]TERMINAL (THE "[*****]METER") OR THE METER OWNED/OPERATED BY OR ON BEHALF OF [*****]THAT IS LOCATED AT THE [*****] TERMINAL (THE "[*****] METER"), AS THE CASE MAY BE.

LIKEWISE, AS BETWEEN THE PARTIES, SUNOCO SHALL BE LIABLE FOR, AND RELEASE, INDEMNIFY, AND HOLD HARMLESS, SHIPPER, SHIPPER'S SUBSIDIARIES AND AFFILIATES, AS WELL AS THE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONTRACTORS, SUBCONTRACTORS, AND OTHER REPRESENTATIVES OF EACH SUCH ENTITY, FROM AND AGAINST ANY LOSS OR CONTAMINATION OF ANY RELEASE, LEAK, SPILL, OR DISCHARGE, AND RELATED OFF-SITE MIGRATION, OF ANY FEEDSTOCK, AS WELL AS FOR THIRD-PARTY DAMAGES, CAUSED BY ANY SUCH FEEDSTOCK AFTER SUCH PRODUCT OR SUBSTANCE IS TENDERED TO SUNOCO AT CARRIER'S NEDERLAND RECEIPT POINT OR CARRIER'S CORSICANA RECEIPT POINT UNTIL IT IS

DELIVERED TO SHIPPER OR SHIPPER'S DESIGNEE AT EITHER THE [*****]METER OR THE [*****]METER, AS THE CASE MAY BE.

10. Force Majeure. If Carrier is unable to accept bona fide tenders of any Feedstock by Shipper due to the inability of Carrier to receive or transport any such product or substance as a result of fire, explosion, storm, flood, power loss or shortage, extreme heat or cold, war, rebellion, acts of terrorism or sabotage, insurrection, riot, strike, acts of third persons or natural causes, breakage of or accident to equipment or facilities, governmental regulations, court judgments or other causes reasonably beyond the control of Carrier, but which under any such circumstances or conditions are not caused by or the result of any negligent act or omission or willful misconduct of Carrier, its subsidiaries or affiliates, or the employees, agents, contractors, or subcontractors of any such entity, then this Agreement shall be extended for a period of time co-extensive with the time during which Carrier is unable to accept such tenders of any Feedstock or otherwise perform its duties and obligations under the terms of this Agreement, plus an additional three (3) months, provided, however, that the addition of the three (3) months described herein shall occur only once during the term of this Agreement. If a force majeure event causes an interruption in the service provided by Carrier hereunder, Carrier shall use all commercially reasonable efforts to remedy the service interruption within a reasonable time after the cessation of the force majeure event.

If Shipper is unable to deliver bona fide tenders of any Feedstock to the Nederland Terminal or any portion of either the N-[*****] Pipeline Route or the C-[*****] Pipeline Route due to Shipper's inability to secure Feedstock supplies for tender into such facility or accept bona fide tenders of any Feedstock by Carrier into either the [*****] Terminal or the [*****] Terminal, or otherwise due to the shutdown of the marine dock/berth at Nederland, Texas which serves the Nederland Terminal, or the [*****] or the [*****], in

any such case, as a result of fire, explosion, storm, flood, power loss or shortage, extreme heat or cold, war, rebellion, acts of terrorism or sabotage, insurrection, riot, strike, acts of third persons or natural causes, breakage of or accident to equipment or facilities, governmental regulations, court judgments or other causes reasonably beyond the control of Shipper, but which are not caused by or the result of any negligent act or omission or willful misconduct of Shipper, its subsidiaries or affiliates, or the employees, agents, contractors, or subcontractors of any such entity, then this Agreement shall be extended for a period of time co-extensive with the time during which Shipper is unable to deliver such tenders of any Feedstock or otherwise perform under the terms of this Agreement. If a force majeure event causes an interruption in Shipper's deliveries provided to Carrier hereunder, Shipper shall use all commercially reasonable efforts to remedy the interruption of deliveries within a reasonable time after the cessation of the force majeure event.

Any party whose performance under this Agreement is suspended or restricted by any force majeure event shall notify the other party, first immediately by either telephone or facsimile, then promptly thereafter in writing, providing reasonable details as to the extent and/or cause of the force majeure event (to the extent known) and its known or estimated duration.

11. Commingling. Shipper understands that some of its Feedstocks may be commingled with products and commodities that are substantially similar to the Feedstocks and being shipped by other parties. SUNOCO shall exercise commercially reasonable efforts to minimize commingling of Feedstocks with other products and to minimize or eliminate contamination.

12. Inventory Requirements. Shipper shall provide its proportionate share of minimum inventory in the N-[*****] Pipeline Route (the "MINIMUM LINEFILL INVENTORY") for Feedstocks moving from the Nederland Terminal to the [*****] Terminal or the [*****] Terminal, based on the portion of the N-[*****] Pipeline Route that is used by Shipper in order to facilitate such movement. Shipper shall maintain a Minimum Linefill Inventory for each pipeline segment of the N-[*****] Pipeline Route that is equal to its percentage of total movements for each such pipeline segment, multiplied by the total pipeline fill required for each such pipeline segment of the N-[*****] Pipeline Route. Additionally, Shipper shall maintain a pro rata share of Feedstocks necessary for efficient operation including tank heels and minimum working tank stock. Upon termination of this Agreement, SUNOCO shall return to Shipper all of Shipper's proportionate share of pipeline fill inventory provided under the terms of this Agreement within 180 days after the effective date of such termination.

13. Regulatory Approval. This Agreement, and the parties respective rights, duties, and obligations set forth herein, are predicated upon acceptance of the Rules Tariff and the Joint Incentive Tariff by the FERC in substantially the same form as those which are set forth in Attachments D-1 and D-2 to this Agreement. Shipper will reasonably cooperate with Carrier and take such actions as may be deemed reasonably necessary in order to assist Carrier in obtaining such approval by FERC, including the agreement by Shipper to the tariffs referenced in this Agreement as required by 18 CFR Section 342.2 (b).

14. Conditions Precedent to Obligations. The rights, duties and obligations of Shipper and SUNOCO under the terms of this Agreement are expressly conditioned upon all of the following:

(a) SUNOCO's acquisition of the Corsicana Terminal on or before December 31, 2005;

(b) SUNOCO's acquisition of the SUNOCO Pipeline on or before December 31, 2005;

(c) the execution and delivery by each party of each of the Coterminous Agreements on or before June 15, 2005; provided, however, that both SUNOCO and Shipper shall make good faith efforts to fulfill the conditions precedent to their obligations as set forth above.

15. Guaranty. Shipper agrees to provide a guaranty executed by its ultimate parent company (the "[*****] GUARANTY"), in a form and content that is acceptable to SUNOCO, to be effective for the duration of this Agreement. The [*****] Guaranty will guarantee all of Shipper's obligations under this Agreement. Failure to provide the [*****] Guaranty prior to or simultaneous with the execution and delivery of the Coterminous Agreements (as provided for under paragraph 14, above) shall constitute a material breach of the Agreement, entitling SUNOCO to cancel or suspend its delivery obligation and to offset any payments or deliveries due to the other party under this Agreement. Similarly, if and when, SUNOCO is maintaining, holding, or otherwise retaining any Prepaid Transportation Credits for [*****] under the terms of the Agreement SUNOCO shall provide a guaranty executed by Sunoco Logistics Partners L.P. (the "SUNOCO GUARANTY"), in form and content that is acceptable to Shipper and in amount which is no less than the value of the Prepaid Transportation Credit being so maintained, held, or retained to be effective for as long as SUNOCO or any of its subsidiaries, partners (whether general or limited), or affiliates maintains, holds, or retains any Prepaid Transportation Credits for or on behalf of [*****] or any of its subsidiaries, partners (whether general or limited) or affiliates.

16. Volume Records. Carrier shall maintain, update, and promptly deliver to Shipper, and as soon as such information is final and available for distribution, as of the end of each calendar month during the term of this Agreement, records of current throughput activity by Shipper from the Nederland Terminal along any portion of the N-[*****] Pipeline Route or the C-[*****] Pipeline Route during the preceding calendar month. Carrier shall maintain all such records for a period of three (3) years after the expiration of each Contract Year under this Agreement.

17. Additional Terms and Conditions; No Third-Party Rights. Except as specifically noted in paragraph 1, in the event of any conflict between the terms and conditions set forth in this Agreement and those set forth in the Rules Tariff or the Joint Incentive Tariff, as the case may be, the terms and conditions of the applicable published tariff shall prevail. Any additional applicable rules or regulations which are set forth in the Rules Tariff or the Joint Incentive Tariff and not otherwise addressed or set forth in this Agreement including, without limitation, those involving pro-ration, shall also apply to the parties. Carrier shall promptly notify Shipper if Carrier is required to prorate any of the available line space or capacity through the Nederland Terminal or along any portion of the N-[*****] Pipeline Route or the C-[*****] Pipeline Route for any reason whatsoever. Nothing expressed or referred to in this Agreement will be construed to give any person or entity other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

18. Audit Rights. Shipper shall have the right during regular business hours and upon reasonable notice to review for compliance with this Agreement (a) Shipper's movement of its Feedstocks from the Nederland Terminal along any portion of the N-[*****] Pipeline Route or the C-[*****] Pipeline Route, (b) the relevant portions of all books,

records, and information kept by or on behalf of Carrier that reasonably relate to Shipper's rights and obligations under this Agreement (including, with respect to periods during which Shipper suffers or claims to have suffered from delays in the delivery of its Feedstocks as a result of the use by Carrier (or any of its affiliates) of any portion of either the N-[*****] Pipeline Route or the C-[*****] Pipeline Route in violation or alleged violation of this Agreement for the movement of any product or commodity for any shipper or customer other than Shipper, all such books, records, and information relating to (i) the total number of barrels moved through Nederland Terminal and along any portion of the N-[*****] Pipeline Route and the C-[*****] Pipeline Route on a monthly basis, (ii) the total number of barrels delivered to the [*****] Terminal along the N-[*****] Pipeline Route and the C-[*****] Pipeline Route on a monthly basis, (iii) the total number of barrels delivered to the [*****] Terminal along the N-[*****] Pipeline Route and the C-[*****] Pipeline Route, and (iv) each pipeline nomination requested by and granted to Shipper by SUNOCO along either the N-[*****] Pipeline Route and the C-[*****] Pipeline Route during the same monthly period), and (c) any other fees and/or costs charged by SUNOCO pursuant to this Agreement including, but not limited to, matters that require the direct reimbursement by Shipper, and to conduct audits relating thereto (each, an "AUDIT"), which Audits may be conducted by Shipper's own internal audit group; provided, however, that no more than one Audit may be performed in any six (6) month period, and the scope of any Audit must be limited to fees, costs, and charges invoiced by SUNOCO to Shipper (or its designee) within the three (3) year period prior to the notice by Shipper of its intent to conduct any Audit. The costs associated with any such Audit shall be borne by Shipper; provided, however, if any Audit reveals and verifies that Shipper has been overcharged by either (i) more than [*****] percent ([*****]%) of the total amount invoiced for the period in question, or (ii) [*****] Dollars ($[*****]), whichever is greater, then for any such excess charge, SUNOCO shall

promptly pay or reimburse Shipper for all such costs and expenses associated with conducting the Audit, in addition to promptly reimbursing or crediting Shipper the amount of such excess charges. In no event shall Shipper or its auditors have access to the name or identity of the other customers using the Nederland Terminal or any portion of either the N-[*****] Pipeline Route or the C-[*****] Pipeline Route, the volumes of any product or commodity being stored in, moved through, or otherwise handled at the Nederland Terminal or any portion of either the N-[*****] Pipeline Route and the C-[*****] Pipeline Route for any particular customer (other than Shipper), the ultimate destination for any product or commodity being transported by those other shippers or customers, or any other information concerning such other shippers and customers, the disclosure of which is restricted pursuant to any applicable law, rule, or regulation or any agreement entered into by SUNOCO.

19. Assignment and Succession; Binding Obligation. Neither this Agreement, nor any right, duty, obligation, or interest therein, shall be assigned by either party without the prior written consent of the other, which such consent will not be unreasonably withheld, delayed, or conditioned; provided, however, this Agreement may be freely assigned by either SUNOCO or Shipper to one of their respective affiliates or subsidiaries without the prior written consent of the other party so long as in the event of such assignment, the [*****] guaranty and the SUNOCO Guaranty (as applicable) are renewed in the name of the assignee. However, any such assignment shall not relieve either party of or from any of its obligations or liabilities that accrued or were otherwise incurred under this Agreement prior to the effective date of such assignment. The terms, conditions, and provisions set forth in this Agreement shall apply to, be binding upon in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH "[*****]" AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION

20. Notices. Any notice, demand, or other communication that is required or permitted to be given hereunder shall be made in writing and shall be properly given when (a) received by hand to the intended recipient, (b) sent by facsimile transmission, or (c) served by certified, registered or express mail or by reputable, overnight courier service upon the party for whom it is intended at the address set forth below or other such address as may be specified from time to time in writing by one party to the other:

CARRIER: Sunoco Pipeline L.P.
Attention: Vice-President Business Development
1801 Market Street
Philadelphia, PA 19103
Fax No.: 215-246-8287

SHIPPER: [*****]
[*****]
[*****]
[*****]
Attn: Vice President, [*****]
Fax No.: [*****]

21. Governing Law. This Agreement is subject to all applicable laws, rules, and regulations of any federal, state or local judicial, regulatory, administrative, or governmental body or agency having proper jurisdiction over the subject matter thereof. This Agreement shall be deemed to be made under, and shall be governed and construed in accordance with the laws of State of [*****], excluding any choice of law that may direct the application of the laws of another jurisdiction. Unless otherwise agreed by SUNOCO and Shipper, the

federal or state courts sitting in [*****] shall be the exclusive venue or situs for the resolution of any legal dispute arising under this Agreement which cannot first be resolved by mediation within 30 days after such matter is referred to mediation by either party.

22. Strict Performance; Waiver. The rights of either party to require strict performance by the other party of any and/or all obligations imposed on such party by this Agreement shall not in any way be affected by previous waiver, forbearance or course of dealing.

23. Entire Agreement. This Agreement (including all attachments thereto) contains the entire agreement between SUNOCO and Shipper concerning the subject matter hereof and supersedes any prior expression of interest or understanding, oral or written, with respect to the subject matter herein. This Agreement may not be amended except by written execution by duly authorized representatives of both parties hereto, which writing states specifically that it is an amendment to this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be fully effective as an original and which together shall constitute one agreement.

25. Arbitration. Any controversy or claim ("DISPUTE") arising out of or related to this Agreement shall be settled by consultation between the parties and initiated by written notice of a dispute by one party (the "CLAIMANT") to the other (the "RESPONDENT"). In the event that the Dispute is not settled within thirty (30) days following such written notice, the Dispute shall be resolved through the use of binding arbitration using three arbitrators, in accordance with the then current Commercial Arbitration Rules of the American

Arbitration Association, as supplemented to the extent necessary to determine any procedural appeal questions by the Federal Arbitration Act (Title 9 of the United States Code). If there is any inconsistency between this Section and the Commercial Arbitration Rules or the Federal Arbitration Act, the terms of this Section will control the rights and obligations of the parties. The Claimant shall serve written notice on the other party identifying the arbitrator Claimant has appointed. The Respondent shall respond to Claimant within 30 days after receipt of Claimant's notice, identifying the arbitrator Respondent has appointed. If the Respondent fails for any reason to name an arbitrator within the 30-day period, Claimant shall petition to the American Arbitration Association for appointment of an arbitrator for Respondent's account. The two arbitrators so chosen shall select a third arbitrator within 30 days after the second arbitrator has been appointed. The Claimant will pay the compensation and expenses of the arbitrator named by or for it, and the Respondent will pay the compensation and expenses of the arbitrator named by or for it. The costs of petitioning for the appointment of an arbitrator, if any, shall be paid by Respondent. The Claimant and Respondent will each pay one-half of the compensation and expenses of the third arbitrator. All arbitrators must (a) be neutral Parties who have never been officers, directors or employees of the parties or any of their affiliates and (b) have not less than seven years experience in the energy industry. The hearing will be conducted in [*****] and commence within 30 days after the selection of the third arbitrator. Within five days after the selection of the third arbitrator, the parties shall exchange in writing their respective determinations of the Dispute, which determinations either Party may amend no later than ten days after receipt of the other Party's determination by giving written notice the other Party specifying the revised determination. At the conclusion of the hearing, the arbitrators shall choose either the determination of Claimant or the determination of Respondent as to the Dispute and shall have no power or authority whatsoever to reach any other result. In making their choice,

the arbitrator shall choose the determination that in their judgment is the closest to being in conformity with the provisions of this Agreement. The parties and the arbitrators shall proceed diligently and in good faith in order that the decision may be implemented as promptly as possible. Except as provided in the Federal Arbitration Act, the decision of the arbitrators will be binding on and non-appealable by the Parties. The arbitrators shall have no right to grant or award indirect, consequential, punitive or exemplary damages of any kind.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH "[*****]" AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION

This Agreement has been executed by the parties as of the date and year first above written.

SUNOCO PIPELINE L.P.

By: Sunoco Logistics Partners Operations GP LLC,
its general partner

By: _____

Printed Name:_____

Title: _____

[*****]

By: _____
[*****],
[*****]

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH "[*****]" AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION

ATTACHMENT A

[*****]

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ATTACHMENT B

PIPELINE RATE SCHEDULE

FROM	TO
Nederland Terminal	[*****]
Corsicana Terminal	[*****]
Third Party Pipeline System	

Viscosity SUS @ 60 (Degree) F	Rate $/Barrel
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]

The above rates are Volume Incentive Rates which will apply to shipments of any shipper agreeing in writing to deliver a minimum of [*****] barrels in aggregate to [*****] from Nederland Terminal, Corsicana Terminal, or [*****] during the Contract Period. Contract Period is defined as ten (10) years beginning with the effective date specified in the written agreement and ending the last day of the ten (10) year period.

Crude Petroleum with viscosities above [*****] will be accepted for delivery only if there will not be unreasonable degradation of other crude types taking into account the operation of Carrier's pipeline system and if adequate capacity exist.

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ATTACHMENT C

TERMINAL RATE SCHEDULE

Viscosity SUS @ 60 (Degree) F	TERMINALING Nederland Terminal Rate $/Barrel
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]

ATTACHMENT D-1 F.E.R.C. NO. 3

CANCELS F.E.R.C. NO. 764*
(*SUN PIPE LINE COMPANY SERIES)

SUNOCO PIPELINE L.P.
In Connection With
Participating Carriers Shown Herein

Local & Joint Pipeline Tariff

CONTAINING

RULES AND REGULATIONS

GOVERNING THE TRANSPORTATION AND HANDLING

OF

CRUDE PETROLEUM

All charges, rules and regulations have been brought forward unchanged from Sun Pipe Line Company's F.E.R.C. No. 764 in accordance with Sunoco Pipeline L.P.'s Adoption Notice F.E.R.C. No. 1, effective February 8, 2002.

Filed in compliance with 18 CFR 341.6 (c).

Issued on 18 days' notice under authority of 18 CFR 341.14. This tariff publication is conditionally accepted subject to refund pending a 30 day review period.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

==========

ISSUED: APRIL 12, 2002 EFFECTIVE: MAY 1, 2002

==========

Issued by:
Deborah M. Fretz, President
Sunoco Logistics Partners
Operations GP LLC, the General Partner of
Sunoco Pipeline L.P.
Ten Penn Center
1801 Market Street
Philadelphia, PA 19103-1699

Compiled by:
Richard G. Taylor, Tariff Manager
Sunoco Logistics Partners
Operations GP LLC, the General Partner of
Sunoco Pipeline L.P.
Ten Penn Center
1801 Market Street
Philadelphia, PA 19103-1699
(215) 246-8393

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EXPLANATION OF REFERENCE MARK:
[U] UNCHANGED

PARTICIPATING CARRIER
Marathon Ashland Pipe Line, LLC

GENERAL APPLICATION

Carrier will receive, transport, and deliver Petroleum through its facilities only as provided in this rules and regulations tariff, except that specific rules and regulations published in individual tariffs will take precedence over rules and regulations published herein.

5. DEFINITIONS

"Barrel" as herein used will consist of forty-two (42) U.S. gallons at sixty degrees Fahrenheit (60F).

"Carrier" as herein used means and refers to Sunoco Pipeline L.P. and other common carrier pipelines participating herein.

"FERC" as used herein means the Federal Energy Regulatory Commission or its successor agencies.

"Indirect Products" as herein used means indirect liquid products of oil and gas wells, including gasoline and liquified petroleum.

"Nomination" as herein used means a written designation by a Shipper to Carrier of an approximate quantity of Petroleum for transportation from a specified origin point or points of Carrier to a specified destination point or points of Carrier over a period of one Operating Month in accordance with these Rules and Regulations.

"Operating Month" for Shipper or Transferor as herein used means any month in which Carrier either transports Petroleum or recognizes and records a change in the ownership of Petroleum for the account of such party. For purpose hereof, the month shall be deemed to begin on the first day of such month at 0700 hours until the first day of the succeeding month at 0659 hours [Central Standard or Central Daylight Savings Time, whichever is in effect on the date specified].

"Petroleum" as herein used refers to crude petroleum which means the grade or grades of the direct virgin liquid products of oil wells or a mixture of the direct virgin liquid products of oil wells with the Indirect Products, as provided in Item No. 20.

"Shipment Transfer" as herein used means the physical transfer of a stated quantity of Petroleum in custody of Carrier from a Shipper to another shipper.

"Shipper" as herein used means the consignor of a Tender.

"Tender" or "Tendering" as herein used means an offer of delivery by a Shipper to Carrier of a stated quantity of Petroleum for transportation from a specified origin point or points of Carrier to a specified destination point or points of Carrier in accordance with these Rules and Regulations.

"Title Transfer" as herein used means transfer of ownership reported in the records of Carrier of a stated quantity of Petroleum in the custody of Carrier from one entity to another.

10. ESTABLISHMENT OF GRADES

Carrier will from time to time give notice to Shippers specifying the grades of Petroleum which it will regularly be transporting by Petroleum grades between particular origin points and destination points of Carrier.

Carrier may from time to time, after giving reasonable notice to persons who may be affected, cease to transport particular grades of Petroleum.

15. TENDERS

All Shippers tendering Petroleum to Carrier will promptly provide Carrier with all Nomination information required by Carrier to schedule the shipment of Petroleum which Shipper desires to be made to satisfy Carrier that Tenders are in good faith and can be transported in conformance with Carrier's tariffs. Carrier may refuse to accept Petroleum for transportation until Shipper has provided Carrier with such information.

Carrier can require Tenders for the same kind and quality of Petroleum in minimum of ten thousand (10,000 bbl.) shipments consigned to the same destination point. Tenders shall become operative in the order in which they are received and accepted by Carrier. Carrier at its option and for its convenience may transport such Petroleum by intermittent pumpings.

Carrier will not be obligated to accept a Tender for any Operating Month unless the Shipper submits its Nomination, in writing, specifying the kind and quantity of Petroleum, to the Carrier on or before the fifteenth (15th) day of the preceding calendar month.

20. MIXTURES

The Indirect Products will be accepted and transported as a mixture with the direct virgin liquid products, providing the vapor pressure of the resulting mixture does not exceed that permitted in Item No. 25.

The Indirect Products portion of the mixture will be accepted for transportation at reception points other than the one at which the direct virgin liquid products portion of the same mixture is received, provided that the Shipper, consignee, and destination are the same, and that operating conditions and the Carrier's facilities permit the Indirect Products portion to be mixed with the direct virgin liquid products of the same Shipper or consignee. The rate to be assessed on each portion of the mixture shall be the rate applicable from the reception point at which each is received.

The direct virgin liquid products and Indirect Products will be measured and tested separately for determining volumes received. Each such measurement will be made in accordance with Item No. 40.

Mixtures will be transported and delivered as Petroleum only. Nothing in this rule is to be construed to waive provisions of Item No. 30 of this tariff or to require the Carrier to receive, transport, and deliver unmixed Indirect Products. However, unmixed Indirect Products may be transported for subsequent mixing with direct virgin liquid products in accordance with this rule where facilities exist and operations permit transporting such Indirect Products.

25. SPECIFICATION REQUIRED AS TO QUALITY

Carrier reserves the right to reject all Tenders when, in Carrier's sole determination:

(1) the vapor pressure of the Petroleum or any mixture thereof with Indirect Products exceeds twelve pounds (12) lbs.) absolute at one hundred degrees Fahrenheit (100(Degree)F);

(2) the true vapor pressure of the Petroleum or any mixture thereof with Indirect Products might result in Carrier's non-compliance with federal, state, or local requirements regarding hydrocarbon emissions;

(3) the gravity of the Petroleum or any mixture thereof with Indirect Products is less than twenty (20(Degree)) degrees API [American Petroleum Institute] or greater than one hundred twenty (120(Degree)) API;

(4) the Petroleum contains impurities exceeding one percent (1%) including not more than three-tenths percent (0.3% water;

(5) the settled sediment and water (S&W) bottoms in tanks where the surface of Petroleum accepted from the tank is no lower than four inches (4") below the bottom of the pipeline connection with tank from which it enters Carrier's facilities;

(6) the incrustation thickness of the internal surface of a tank where Petroleum accepted from a tank is above a maximum as determined by Carrier; or

(7) the Petroleum has been contaminated by the presence of any excessive metals or chemicals including but not limited to chlorinated and/or oxygenated hydrocarbon and salt as determined by Carrier. No Petroleum will be accepted unless its gravity, viscosity, and other characteristics are such that it will be readily susceptible to transportation through Carrier's existing facilities, and it will not materially and adversely affect the quality of Petroleum from other Shippers or cause disadvantage to other Shippers and/or Carrier.

30. MIXING OF PRODUCTS IN TRANSIT

Direct virgin liquid products and Indirect Products will be accepted for transportation only on the condition that the mixture shall be subject to such changes in gravity or quality while in transit as may result from the mixture of said direct virgin liquid products and Indirect Products with other direct virgin liquid products or Indirect Products and/or with other Petroleum in the pipelines or tanks of Carrier, or the connecting company or companies.

Carrier has no obligation to deliver the identical Petroleum received from Shipper but may make delivery from common stock or from Carrier's pipeline stream of substantially like Petroleum.

35. ACCEPTANCE FREE FROM LIENS AND CHARGES

Carrier may decline to accept for transportation Petroleum which is involved in litigation or which is not free from liens or charges.

40. MEASUREMENT, TESTING, VOLUME CORRECTIONS AND DEDUCTIONS

All Petroleum tendered to the Carrier for transportation will be measured and tested in tanks by a representative of Carrier or by automatic equipment approved by Carrier. All measurements will be made in Barrels. Carrier only routinely will test for gravity and sediment and water as described herein. When tanks are gauged, all Petroleum will be measured, sampled or tested prior to receipt or delivery. When automatic metering and sampling equipment is used, all Petroleum will be measured and sampled during receipt or delivery and the quantity determined and tested after such receipt or delivery. Shipper or its consignee may be present to witness any or all parts of the measuring and testing process.

Where measurement is made in tanks, quantities will be determined from correctly compiled tank tables where the tanks are strapped and tables computed in accordance with Chapter 2. Tank Calibration. American Petroleum Institute Manual of Petroleum Measurement Standards, latest edition, indicating one-hundred percent (100%) of the full capacity of the tanks. Where measurement is made by temperature compensated meters, quantities indicated will be

further corrected for meter factor and for pressure in accordance with the American Petroleum Institute Manual of Petroleum Liquid Hydrocarbons by Pipeline Displacement Meters. After meter factor is applied for non-temperature compensated meters, the correction for temperature will be made as described herein.

Where Carrier uses a tank or meter of the Shipper or its consignee, Carrier reserves the right to request restrapping or check-strapping of the tank and proving or check proving of the meter.

Except for arithmetic errors, all measurement and testing by a representative of Carrier will be conclusive evidence of the quantity as adjusted herewith if a representative of Shipper or its consignee was not present during such measuring and testing.

Adjustments from the observed gravity and volume will be made on Petroleum received or delivered for temperature on the basis of sixty degrees Fahrenheit (60(Degree)F) in accordance with Chapter 11.1, Volume I, 5a, Generalized Crude Oils, Correction of Observed Gravity to API Gravity at 60 degrees Fahrenheit, American Petroleum Institute Manual of Petroleum Measurement Standards, latest edition and Table 6a, Generalized Crude Oils, Correction of Volume to 60 degrees Fahrenheit against API Gravity at 60 degrees Fahrenheit, American Society of Testing Materials D1250. Observed gravity correction will be made to the nearest one-tenth degree (0.1(Degree)) API, and observed gravity temperature to be made to the nearest one degree Fahrenheit (1.0(Degree)F). Volume adjustments will be made for the observed volume temperature at least to the nearest one degree Fahrenheit (1.0(Degree)F), and corrected gravity will be made at least to the nearest five-tenths (0.5(Degree)) of one degree API, to the basis of sixty degrees Fahrenheit (60(Degree)F).

Deductions will be made for the actual amount of sediment and water (S&W) as determined by the Field Centrifuge Method "B" or "C" in accordance with Chapter 10.4, Standard Methods of Test for Water and Sediment in Crude Oils, American Petroleum Institute Manual of Petroleum Measurement Standards, latest edition. Observed API gravity and temperature will be determined by the Open Hydrometer Test Method in accordance with Chapter 9.1, Hydrometer Test Method for Density, Relative Density (Specific Gravity), American Petroleum Institute Manual of Petroleum Measurement Standards, latest edition or API Gravity of Crude Petroleum and Liquid Petroleum Products, American Society of Testing Materials D 1298-80. The sediment and water and gravity tests will be performed by the Carrier.

If two or more Carriers are involved with tendered volumes, tests are to be performed by the particular carrier as agreed between carriers.

The net balance at sixty degree Fahrenheit (60(Degree)F.) less the sediment and water (S&W) volume percentage will be the quantity received or delivered by Carrier.

An assessment of l/20 of 1%) one twentieth of one percent, on net quantities so determined for acceptance by Carrier, will be charged to cover transportation allowance.

45. FACILITIES REQUIRED AT ORIGIN AND DESTINATION

Petroleum will be received for transportation only when Shipper has provided facilities satisfactory to originating and delivering carriers for delivering Petroleum to the pipeline at terminal of receipt and for receiving said Petroleum as it arrives at destination.

In the event Shipper fails to provide adequate facilities for receipt at destination or has

not ascertained from Carrier that it has facilities available for receipt at destination, or in the event the Shipper or its consignee refuses to accept the Petroleum at the destination point, Carrier shall have the right to divert or reconsign, subject to the rates, rules and regulations applicable from point of origin to actual final destination, or make whatever arrangements for disposition as are deemed appropriate to deliver the Petroleum from Carrier's facilities, including the right of public or private sale in a commercially reasonable manner. The Carrier may be a purchaser at such sale. Out of the proceeds of said sale, the Carrier shall pay itself all transportation and all other applicable lawful charges and necessary expenses of the sale and the expense of caring for and maintaining the Petroleum until disposed of and the balance shall be held for whosoever may be lawfully entitled thereto.

50. ORIGIN FACILITIES REQUIRED FOR AUTOMATIC CUSTODY TRANSFER

When Shipper or its consignee elects to deliver Petroleum to Carrier at point of origin through automatic custody transfer facilities (in lieu of tankage), Shipper or its consignee will furnish the required automatic measuring and sampling facilities. The design, construction, and calibration of such facilities must be approved by Carrier and any appropriate regulatory body.

In the event automatic custody transfer is made by a metering facility, Shipper or its consignee will also furnish whatever pumping service is required to ensure that the Petroleum being delivered through the meter is at a pressure in excess of the true vapor pressure of the liquid.

55. APPLICATION OF RATES AND CHARGES

Petroleum accepted for transportation shall be subject to the rates and charges in effect on the date of receipt of such Petroleum by Carrier. Transportation and all other lawful charges will be collected on the basis of net quantities of Petroleum delivered. All net quantities will be determined in the manner provided in Item No. 40.

60. NOTICE OF ARRIVAL, DELIVERY AT DESTINATION

The obligation of Carrier is to deliver at the nominated destination the Tendered net quantity of Petroleum and such delivery may be made upon twenty-four (24) hours notice to the Shipper or consignee with all possible dispatch into the tanks or facilities to be provided by the Shipper or its consignee.

65. PRORATION OF PIPELINE CAPACITY

If, during any period, the total volume of Petroleum nominated over any segment of Carrier's pipelines is in excess of the normal operational capacity of said segment, such Petroleum will be apportioned for acceptance and transportation on an equitable

70. PAYMENT OF TRANSPORTATION AND OTHER CHARGES; FINANCE CHARGES; LIEN; SET-OFF

The transportation and all other charges accruing on all Petroleum accepted for shipment, based on the rate applicable to the destination at which delivery is made, shall be paid in accordance with invoice terms and these Rules and Regulations. Carrier, at its option, may require Shipper to pay all such charges and fees in advance or to provide an irrevocable letter of credit satisfactory to Carrier. For Petroleum not released due to failure to pay or left in Carrier's custody after the scheduled delivery has expired, Carrier may assess reasonable storage charges

and other reasonable charges (including reasonable attorney fees and court costs) incurred with the preservation or sale of the Petroleum.

If such charges are not paid by the due date stated on the invoice, Carrier shall have the right to assess finance charges on the entire past due balance (including principal and accumulated but unpaid finance charges) until paid in full at the rate equal to one-hundred twenty-five percent (125%) of the prime rate of interest charged by Citibank N.A., New York, New York as of the due date or the maximum finance charge rate allowed by law, whichever is less.

Petroleum accepted for such transportation shall be subject to a lien for all such charges or antecedent unpaid charges.

If the Petroleum remains in Carrier's custody more than thirty (30) days after the tender of delivery by Carrier, Carrier shall have the right to sell the Petroleum at a public or private sale in a commercially reasonable manner to collect such charges.

Carrier reserves the right to set-off any such charges against any monies owed to Shipper by Carrier or any Petroleum of Shipper in Carrier's custody.

75. WARRANTIES

Shipper warrants that the Petroleum tendered to Carrier will conform with the specifications stated in Item No. 25, will be merchantable, and will not be contaminated. Shipper will be liable to Carrier, other Shippers and/or consignees for any damage, including special, incidental, and consequential, arising from a breach of this warranty. The transportation of the Petroleum may be refused or canceled if Carrier determines or is advised that the Petroleum does not meet the requirements of these Rules and Regulations. In addition, if Carrier samples the Petroleum prior to or after tendered by Shipper and if contracted laboratory test results determine that the Petroleum is non-merchantable, Shipper will be liable to Carrier for the cost of such tests for non-merchantable or contaminated Petroleum.

CARRIER DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED INCLUDING, BUT NOT LIMITED TO, FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY, CONCERNING THE QUALITY OF THE PETROLEUM.

80. EXEMPTION OF LIABILITY

Carrier will not be liable for any loss of Petroleum or damage thereto or delay caused by an act of God, fire, explosion, storm, flood, electrical malfunction, war, rebellion, insurrection, strike, breakage or accident to machinery or equipment, difference with workman, the public enemy, quarantine, the authority of law, riots, the act of default of Shipper or owner, or any cause not due to the fault or negligence or any cause reasonably beyond the control of Carrier. In such cases, the loss allocated to Shipper shall be the quantity equal to the amount of its Tenders for the month in which such loss occurs bears to the whole amount of the line fill and tankage in the system of Carrier during the month of such loss, and Shipper shall be entitled to receive only such portion of its Tenders as remains after deducting its due proportion of the loss. Carrier's custody of the Tenders shall end when Petroleum has been delivered into Shipper's or its consignee's facilities.

Except in force majuere situations, correction of a nonconformity shall be the payment of the difference between the posted price for similar Petroleum in the area of origin and the value of the degraded Petroleum, or the replacement of the Petroleum, at Carrier's option, will constitute fulfillment of all liabilities of Carrier whether the liabilities are based on contract, negligence or otherwise. Carrier will not be liable for special, consequential or incidental damages.

85. PIPEAGE CONTRACTS REQUIRED

Separate pipeage contracts in accordance with this tariff and these Rules and Regulations covering further details may be required of a Shipper before any duty to transport will arise.

90. CLAIMS AND TIMES FOR FILING

As a condition precedent to recovery for loss, damage, or delay to shipments, claims must be filed in writing with Carrier within nine (9) months after delivery of the Petroleum or, in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Suits arising out of such claims must be instituted against Carrier only within two (2) years from the time when the Carrier delivers, or tenders delivery of the Petroleum or, in case of failure to make or tender delivery, then within two (2) years after a reasonable time for delivery has elapsed. Where claims are not filed or suits are not instituted thereon in accordance with the foregoing provisions, Carrier will not be liable and such claims will not be paid.

95. DUTY OF CARRIER

Carrier shall not be required to transport Petroleum except with reasonable diligence, considering the quantity of Petroleum, the distance of transportation, the safety of operation, and other material factors.

100. APPLICATION OF RATES FROM AND TO INTERMEDIATE POINTS

Carrier will receive Petroleum for pipeline transportation only from and to established origin and delivery stations or terminals.

Petroleum received at an established origin station, on Carrier's system, which is not named in tariffs making reference hereto, but which is intermediate to a point from which rates are published in said tariffs, through such unnamed point, will be assessed the rate in effect from the next more distant point published in the tariff.

Petroleum delivered to an established delivery station or terminal, on Carrier's system, which is not named in tariffs making reference hereto, but which is intermediate to a destination to which rates are published in said tariffs, through such unnamed point, will be assessed the rate in effect to the next more distant point published in the tariff.

105. INTRASYSTEM TRANSFERS

Carrier will allow a Shipper Transfer of one shipper to another, and Title Transfers from one ownership to another for Petroleum in custody of Carrier. A charge of one-half cent (0.5 cents) per barrel with a fifty dollars ($50.00) minimum will be made to each party directing such transfers, except for the first Title Transfer.

Only one Shippers Transfer will be allowed per movement and party accepting volumes on a Shipper Transfer shall become the shipper of record. Shipper Transfer must be made at point of origin.

Title Transfers may not be accepted after 25th day of the preceding calendar month.

A transfer request, if accepted, must be confirmed in writing or Telex by both the transferor and the transferee within forty-eight (48) hours after the transfer request. Such transfer request will indicate the party to which the transfer is to be made, the amount of Petroleum to be transferred and its location and grade.

Carrier will incur no liability for any losses or damage incurred by an Shipper or owner involved in any intra-system transfer.

110. CORROSION INHIBITORS

Carrier reserves the right to inject or approve the injection of corrosion inhibitors in the Petroleum to be transported.

115. CONNECTION REQUIREMENTS

All proposed receiving or delivery connections must meet tender, tankage, hourly flow rate conditions, and metering requirements as they exist at the time of requested connection and must also have provisions which will allow for increases to maximum line flow rate and pressure conditions. All proposed connection designs must be approved by Carrier, and all costs of connections shall be paid by the connecting party.

120. COMMODITY

Carrier is engaged exclusively in the transportation of Petroleum specified and described in Item No. 25 and, therefore, will not accept any other commodities for transportation. No Petroleum will be received for shipment except good merchantable Petroleum of substantially the same kind and quality as that being currently transported through the same facilities for other shippers. Petroleum of substantially different grade or quality will be received for transportation only in such quantities and upon such terms and conditions as Carrier and Shipper may agree.

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ATTACHMENT D-2

F.E.R.C. NO.

SUNOCO PIPELINE L.P.
JOINT PROPORTIONAL TARIFF

IN CONNECTION WITH
WEST TEXAS GULF PIPE LINE COMPANY

APPLYING ON
CRUDE PETROLEUM

FROM
NEDERLAND, TEXAS
TO
[*****]

Governed, except as otherwise provided herein, by the rules and regulations published in Sunoco Pipeline L.P.'s F.E.R.C. tariff No. 3, supplements thereto and successive issues thereof.

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

ISSUED:	EFFECTIVE:
ISSUED BY: Deborah M. Fretz, President Sunoco Logistics Partners Operations GP LLC, the General Partner of Sunoco Pipeline L.P. 1801 Market Street Philadelphia, PA 19103-1699	COMPILED BY: Yiping Ren Sunoco Logistics Partners Operations GP LLC, the General Partner of Sunoco Pipeline L.P. 1801 Market Street Philadelphia, PA 19103-1699 Telephone: (215) 977-6861

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TABLE OF VOLUME INCENTIVE RATES

RATES IN CENTS PER BARREL OF 42 U.S. GALLONS			
FROM	TO	VISCOSITY RANGE	
[*****]	[*****]	(SUS @ 60 (Degree) F)	[*****]
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]
NEDERLAND,			
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]
TEXAS			
(Jefferson			
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]
County)			
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CORSICANA,
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(Navarro
County)
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NOTES:

(a) Crude Petroleum with viscosities above [*****] will be accepted for delivery only if there will not be unreasonable degradation of other crude types taking into account the operation of Carrier's pipeline system and if adequate capacity exists.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH "[*****]" AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION

APPLICATION OF VOLUME INCENTIVE RATES

1. Volume Incentive Rates set forth in this tariff will apply to shipments of any shipper agreeing in writing to deliver a minimum of [*****] barrels in aggregate to [*****] from Nederland, Texas (the "Aggregate Throughput Obligation") during the Contract Period. "Contract Period" is defined as ten (10) years beginning with the effective date specified in the written agreement and ending the last day of the ten (10) year period. Carrier shall invoice shipper monthly at each of the applicable, then-current Volume Incentive Rate(s) reflected on this tariff, including any current supplements thereto and successive issues thereof.

2. The "Minimum Annual Throughput Obligation" shall be [*****] of the Aggregate Throughput Obligation. However, if shipper's shipments hereunder during any Contract Year (as that term is defined in Item No. 3 of this tariff) are greater than the Minimum Annual Throughput Obligation, then the volumes in excess will be credited to the succeeding Contract Years. If shipper's shipments hereunder in any Contract Year are less than the Minimum Annual Throughput Obligation, then shipper shall pay to Carrier the undisputed amount which is equal to the [*****], then-current volume incentive rate [*****] set forth in this tariff, multiplied by the number of barrels that shipper is deficient for such Contract Year, which payments shall be made within twenty (20) days after both (a) the completion of any Crude Petroleum throughput reconciliation process for such Contract Year that has been agreed upon in writing by and between Carrier and such shipper, and (b) the receipt of an invoice from Carrier for same. Such amount will be considered by Carrier as prepaid transportation at the current Volume Incentive Rate to be applied to volumes in excess of the Minimum Annual Throughput Obligation in succeeding Contract Years in which shipper's volumes exceed the Minimum Annual Throughput Obligation and for one year after the Contract Period ends; provided, however, that any such prepaid transportation credits shall expire if not used in the [*****] Contract Years subsequent to the Contract Year in which it is earned.

3. For purposes of this tariff, the term "Contract Year" is defined to mean the twelve-month period beginning on the effective date of the Contract Period and each successive twelve-month period thereafter as agreed upon in writing by Carrier and such affected shipper.

4. Carrier during the Contract Period may adjust the Volume Incentive Rates contained in this tariff, including any current supplements thereto and successive issues thereof, in accordance with the procedure for annual indexing of tariff rates which is set forth in Title 18, Code of Federal Regulations, Section 342.3, as such regulation may be amended, supplemented, or otherwise modified from time to time. Said adjustment will be effective each July 1 (or as otherwise provided by applicable law).

APPLICATION OF TARIFF

Rates set forth in this tariff are applicable only to Crude Petroleum delivered to Carrier by pipeline at point of origin and are for trunk line transportation only.

Shipments to [*****] shall include pump out from tankage located at [*****] and back to the Carrier for movement to [*****].

No gathering service or Nederland terminalling service will be performed under this tariff. Viscosities are determined by Carrier, absent fraud or manifest error.

ADDITION TO SUNOCO PIPELINE'S F.E.R.C. TARIFF NO. 3, ITEM NO. 40, ENTITLED MEASUREMENT, TESTING, VOLUME CORRECTIONS AND DEDUCTIONS: For purposes of this tariff, the last sentence of Sunoco Pipeline L.P.'s F.E.R.C. Tariff No. 3, Item No. 40, shall not apply. Instead, an assessment of [*****] [*****], on net quantities so determined for acceptance by Carrier, absent fraud or manifest error, will be charged to cover transportation allowance.

Exhibit 12.1

STATEMENT OF COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(UNAUDITED)

Sunoco Logistics Partners L.P.

	Three Months Ended March 31, 2005
Fixed Charges:	
Interest cost and debt expense	$ 5,346
Interest allocable to rental expense (a)	363
Total	$ 5,709
Earnings:	
Income before income tax expense	$ 15,298
Equity in income of less than 50 percent owner affiliated companies	(b) (3,041)
Dividends received from less than 50 percent owned affiliated companies	(b) 3,342
Fixed charges	5,709
Interest capitalized	--
Amortization of previously capitalized interest	36
Total	$ 21,344
Ratio of Earnings to Fixed Charges	3.74

(a) Represents one-third of the total operating lease rental expense which is that portion deemed to be interest.

(b) Reflects amounts attributable to interests in the following corporate joint ventures accounted for under the equity method: 9.4 percent in Explorer Pipeline Company, 31.5 percent in Wolverine Pipe Line Company, 12.3 percent in West Shore Pipe Line Company, 14.0 percent in Yellowstone Pipe Line Company, and 43.8 percent in West Texas Gulf Pipe Line Company.

Exhibit 31.1

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Deborah M. Fretz, President and Chief Executive Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (for the quarter ended March 31, 2005) of Sunoco Logistics Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated entities, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2005

/s/ DEBORAH M. FRETZ

Name: Deborah M. Fretz
Title: President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Colin A. Oerton, Vice President and Chief Financial Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (for the quarter ended March 31, 2005) of Sunoco Logistics Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the period presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated entities, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2005

/s/ COLIN A. OERTON

Name: Colin A. Oerton
Title: Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

We, the undersigned Deborah M. Fretz and Colin A. Oerton, being, respectively, the President and Chief Executive Officer and the Vice President and Chief Financial Officer, of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., do each hereby certify that the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the period report fairly presents, in all material respects, the financial condition and results of operations of Sunoco Logistics Partners L.P.

Date: May 9, 2005

/s/ DEBORAH M. FRETZ

Name: Deborah M. Fretz
Title: President and Chief Executive Officer

/s/ COLIN A. OERTON

Name: Colin A. Oerton
Title: Vice President and Chief Financial Officer