Delek US Holdings, Inc.
Form 10-K
March 03, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K
(Mark One)

þ ANNUAL REPORT PURSUANT TO SECTION 18 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2013

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 001-32868

DELEK US HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	52-2319066
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7102 Commerce Way Brentwood, Tennessee	37027
(Address of principal executive offices)	(Zip Code)

(615) 771-6701
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

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 þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section

232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (section 232.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments of this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ Accelerated filer o Non-accelerated filer o Smaller reporting company o
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ

The aggregate market value of the common stock held by non-affiliates as of June 28, 2013 was approximately $1,123,021,703, based upon the closing sale price of the registrant's common stock on the New York Stock Exchange on that date. For purposes of this calculation only, all directors, officers subject to Section 16(b) of the Securities Exchange Act of 1934, and 10% stockholders are deemed to be affiliates.

At February 21, 2014, there were 60,234,682 shares of the registrant's common stock, $.01 par value, outstanding.

Documents incorporated by reference
Portions of the registrant's definitive Proxy Statement to be delivered to stockholders in connection with the 2014 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2013, are incorporated by reference into Part III of this Form 10-K.

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Unless otherwise indicated or the context requires otherwise, the terms "Delek," "we," "our," "Company" and "us" are used in this report to refer to Delek US Holdings, Inc. and its consolidated subsidiaries. See also "Glossary of Terms" included in Item 1, Business, of this Annual Report on Form 10-K for definitions of certain business and industry terms used herein.

Statements in this Annual Report on Form 10-K, other than purely historical information, including statements regarding our plans, strategies, objectives, beliefs, expectations and intentions are forward-looking statements. These forward-looking statements generally are identified by the words "may," "will," "should," "could," "would," "predicts," "intends," "believes," "expects," "plans," "scheduled," "goal," "anticipates," "estimates" and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, including those discussed below and in Item 1A, Risk Factors, which may cause actual results to differ materially from the forward-looking statements. See also "Forward-Looking Statements" included in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of this Annual Report on Form 10-K.

PART I

ITEM 1. BUSINESS

Company Overview

We are an integrated energy business focused on petroleum refining, the transportation, storage and wholesale of crude oil and intermediate and refined products and convenience store retailing. Delek US Holdings, Inc. ("Holdings"), a Delaware corporation formed in 2001, is the sole shareholder or owner of membership interests of Delek Refining, Inc. ("Delek Refining"), Delek Finance, Inc., Delek Marketing & Supply, LLC, Lion Oil Company ("Lion Oil"), Delek Renewables, LLC, Delek Rail Logistics, LLC, Delek Logistics Services Company, MAPCO Express, Inc. ("MAPCO Express"), MAPCO Fleet, Inc., NTI Investments, LLC, GDK Bearpaw, LLC, Delek Land Holdings, LLC, and Delek Helena, LLC ("Helena"). In addition, as of December 31, 2013, we owned a 60.0% limited partner interest in Delek Logistics, and a 96.6% interest in Delek Logistics GP, LLC ("Logistics GP"), which owns a 2.0% general partner interest in Delek Logistics Partners, LP ("Delek Logistics"), a publicly traded master limited partnership that we formed in April 2012. Our business consists of three operating segments: refining, logistics and retail.

Our refining segment operates independent refineries in Tyler, Texas (the "Tyler refinery") and El Dorado, Arkansas (the "El Dorado refinery") with a combined design crude distillation capacity of 140,000 bpd. The Tyler refinery sells the majority of its production over a refinery truck rack owned and operated by our logistics segment to supply the local market in the east Texas area. The El Dorado refinery sells a portion of its production at the refinery truck rack, which is owned and operated by our logistics segment, but the majority of the refinery's production is shipped into the Enterprise Pipeline System and our logistics segment's El Dorado Pipeline system to supply a combination of pipeline bulk sales and wholesale rack sales at terminal locations along the pipeline, including Shreveport, Louisiana, North Little Rock, Arkansas, Memphis, Tennessee, and Cape Girardeau, Missouri. The majority of the crude oil we purchased in 2013 was sourced from inland domestic sources originating primarily from areas of Texas and Arkansas. We also receive crude oil delivered by rail car to the El Dorado refinery that originates primarily from other parts of the United States and Canada. In 2013, we increased amounts of Midland, Texas-sourced crude oil at both refineries. We believe our ability to access these cost-advantaged feedstocks provides a competitive advantage compared to refineries that purchase more expensive U.S. Gulf Coast and foreign crude oils. Our refining segment also owns and operates two biodiesel facilities involved in the production of biodiesel fuels and related activities, the second of which was purchased in January 2014, and a currently idle pipeline and terminal in Helena, Arkansas. The terminal is located on the Mississippi River in Helena, Arkansas, contains a dock, and could be used for crude oil or finished products. The Helena assets are currently out of service and will require capital investment to be restored to working order. However, these assets give us rights of way and an idled pipeline which terminates in El Dorado, Arkansas and offers flexibility to increase crude access and light product outlets for the El Dorado refinery.

Our logistics segment gathers, transports and stores crude oil and markets, distributes, transports and stores refined products in select regions of the southeastern United States and west Texas for both our refining segment and third parties. The logistics segment owns approximately 400 miles of crude oil transportation pipelines, approximately 190 miles of refined product pipelines, an approximately 600-mile crude oil gathering system and associated crude oil storage tanks with an aggregate of approximately 7.6 million barrels of active shell capacity. Our logistics segment owns and operates eight terminals and markets light products using third-party terminals.

Our retail segment markets gasoline, diesel, other refined petroleum products and convenience merchandise through a network of approximately 361 company-operated retail fuel and convenience stores located in Alabama, Arkansas, Georgia, Kentucky, Mississippi, Tennessee and Virginia.

At December 31, 2012, approximately 52.9% of the shares of our common stock were beneficially owned by Delek Group Ltd. ("Delek Group"), a conglomerate that is domiciled and publicly traded in Israel. Delek Group owns significant interests in energy related businesses and is controlled indirectly by Mr. Itshak Sharon (Tshuva). On March 20, 2013, Delek Group completed the sale of 9,000,000 shares of our outstanding common stock in a secondary offering and the sale of 1,000,000 shares to us. Further, Delek Group sold 2,000,000 and 1,500,000 shares of our common stock in June and August 2013, respectively. As of December 31, 2013, no representatives of Delek Group served on our Board of Directors but Delek Group continued to beneficially own approximately 30.5% of our outstanding shares. While Delek Group no longer controls more than 50% of our voting power and has no representation on our Board of Directors, Delek Group and its controlling stockholder, Mr. Itshak Sharon (Tshuva), may continue to influence the election of our directors, our corporate and management policies (including the declaration of dividends) and the outcome of any corporate transaction or other matter submitted to our stockholders for approval, including potential mergers or acquisitions, asset sales and other significant corporate transactions, for so long as they control a significant percentage of our voting power.

On January 31, 2012, we completed the acquisition of an approximately 36 miles long, 8 and 10 inch pipeline system (the "Nettleton Pipeline") from Plains Marketing, L.P. ("Plains") (the "Nettleton Acquisition"). The purchase price, including the reimbursement by Delek of certain costs incurred by Plains, was approximately $12.3 million. The Nettleton Pipeline is used exclusively to transport crude oil from our tank farms in and around Nettleton, Texas to our refinery in Tyler, Texas.

On February 7, 2012, we purchased (i) a light petroleum products terminal located in Big Sandy, Texas, the underlying real property, and other related assets from Sunoco Partners Marketing & Terminals L.P. (the "Big Sandy Terminal") and (ii) the 8-inch diameter pipeline originating at Hopewell Junction, Texas and terminating at the Big Sandy Station in Big Sandy, Texas from Sunoco Pipeline L.P (the "Big Sandy Pipeline") (collectively, the "Big Sandy Acquisition"). The purchase price was approximately $11.0 million. Our refining segment pays terminalling, storage and pipeline throughput fees to our logistics segment pursuant to a terminalling services agreement. This terminal, along with the Big Sandy Pipeline, was contributed to Delek Logistics as part of its initial public offering.

On January 10, 2013, we purchased a biodiesel facility, including the real property and other related assets involved in the production of biodiesel fuels and related activities from Beacon Energy (Texas) Corp (the "Beacon Facility"). The aggregate purchase price was approximately $5.3 million.

On December 31, 2013, we purchased a 149-mile pipeline and terminal from an affiliate of Enterprise Product Partners L.P. for $5.0 million (the "Helena Acquisition"). The pipeline is a 10-inch diameter line that runs from El Dorado, Arkansas to a terminal in Helena, Arkansas (the "Helena Pipeline"). The terminal is located on the Mississippi River in Helena, Arkansas, contains a dock, and could be used for crude oil or finished products (the "Helena Terminal") (collectively, the "Helena Assets"). The Helena Assets are currently out of service and will require capital investment to be restored to working order. This purchase gives us rights of way and an idled pipeline that terminates in El Dorado, Arkansas and offers flexibility to increase crude access and light product outlets for the El Dorado refinery.

Delek Logistics

On November 7, 2012, Delek Logistics closed its initial public offering (the "DKL Offering") of 9,200,000 common limited partner units at a price of $21.00 per unit. Headquartered in Brentwood, Tennessee, Delek Logistics was formed by Delek to own, operate, acquire and construct crude oil and refined products logistics and marketing assets.

Delek Logistics' initial assets were contributed by us in connection with the DKL Offering and included certain assets formerly owned, or used by, our subsidiaries, including Marketing and Lion Oil and our former subsidiary, Paline Pipeline Company, LLC ("Paline"). A substantial majority of Delek Logistics' assets are currently integral to Delek's refining and marketing operations. We received net proceeds of approximately $171.8 million from the DKL Offering, after deducting offering expenses and debt issuance costs.

On July 19, 2013, Delek Logistics purchased a 13.5-mile pipeline from Enterprise TE Products Pipeline Company LLC (the "Hopewell Pipeline"). The Hopewell Pipeline originates at the Tyler refinery and terminates at the Hopewell delivery yard, where it connects to our pipeline that terminates at the Big Sandy Terminal. The Hopewell Pipeline and the Big Sandy Pipeline form essentially one pipeline link between the Tyler refinery and the Big Sandy Terminal (collectively, the Hopewell Pipeline and the Big Sandy Pipeline are referred to as the "Tyler-Big Sandy Pipeline"). The aggregate purchase price was approximately $5.7 million.

On July 26, 2013, Delek Logistics completed the acquisition of a terminal, storage tanks and related assets adjacent to the Tyler refinery from one of our other subsidiaries (the "Tyler Acquisition"). The cash paid for the assets acquired was $94.8 million, financed with proceeds from Delek Logistics' revolving credit agreement and cash on hand.

On October 24, 2013, Delek Logistics purchased a refined product terminal in Little Rock, Arkansas from Enterprise Refined Products Pipeline Company LLC (the "North Little Rock Terminal"). The aggregate purchase price was approximately $7.2 million, including $2.2 million in refined product inventory.

On January 2, 2014, we purchased a biodiesel plant in Crossett, Arkansas (the "Crossett Facility") from Pinnacle Biofuels, Inc. for an aggregate purchase price of approximately $11.1 million. The Crossett Facility has a production capacity of approximately 10 million gallons per year. The Crossett Facility produced biodiesel exclusively for Delek under a tolling agreement prior to this acquisition.

On February 10, 2014, Delek Logistics completed the acquisition of certain storage tanks and the products terminal located at the El Dorado refinery from Lion Oil for $95.9 million in cash (the "El Dorado Acquisition").

We have agreements with Delek Logistics that establish fees for certain administrative and operational services provided by Delek and its subsidiaries to Delek Logistics, provide certain indemnification obligations and other matters and establish terms for fee-based commercial logistics and marketing services provided by Delek Logistics and its subsidiaries to us. Delek Logistics is a variable interest entity as defined under United States generally accepted accounting principles ("GAAP") and is consolidated into our consolidated financial statements. Intercompany transactions with Delek Logistics and its subsidiaries are eliminated in our consolidated financial statements.

Our Business Strategies

Historically, we have grown through acquisitions, as demonstrated by the acquisitions of the Tyler refinery and El Dorado refinery in 2005 and 2011, respectively. In 2006, we purchased finished product terminals in Abilene and San Angelo, Texas, with an interconnecting pipeline between the two terminals. Additionally, we purchased logistics assets with the acquisition of Paline in 2011, the Nettleton Acquisition and the Big Sandy Acquisition in 2012 and acquisitions of the Hopewell Pipeline and the North Little Rock Terminal in 2013. We also purchased the Beacon Facility and the Helena Assets in 2013. We expect to continue to acquire assets that complement our existing assets and/or broaden our geographic presence as a major element of our business strategy. In addition to acquisitions, we are also focused on improving our operations through internal projects to increase flexibility, enhance efficiencies and provide organic growth.

Improve Crude Slate Flexibility

We believe we have improved our crude source flexibility by increasing pipeline access to Midland-sourced crude supplies. Improved pipeline access began at the Tyler refinery in April 2013, allowing access to 52,000 bpd of Midland-sourced crude, an increase of 17,000 bpd. The El Dorado refinery began receiving 20,000 bpd of Midland-sourced crude through increased pipeline access in May 2013 and this amount increased to 35,000 bpd in June 2013. The total increase of approximately 52,000 bpd, to 87,000 bpd, of Midland-sourced crude improved our overall margins in 2013 by replacing crude sources that are currently more expensive.

In addition to improved pipeline access, the construction of a new rail facility with two off-loading racks at the El Dorado refinery was completed in 2013. The offloading capacity of these racks is approximately 12,000 bpd of heavy crude or up to 25,000 bpd of light crude. In addition, a third-party rail facility adjacent to the El Dorado refinery can offload up to 20,000 bpd of light crudes. These facilities give the El Dorado refinery the ability to receive increased volumes of Canadian, Bakken, Eagleford, Cushing and other cost-advantaged crude by rail. In addition, we've added cars to our rail fleet by purchasing 35 cars in 2013 and ordering an additional 100 to be delivered in each 2014 and 2015. The combination of improved pipeline access and increased rail-supplied crude is expected to allow the El Dorado refinery to operate at capacity without relying on Gulf Coast crude supplies.

Finally, to better explore and take advantage of opportunities created by continued growth in Canadian oil production, Delek formed DK Canada Energy, ULC ("Delek Canada") in the third quarter 2013. An office was opened in Calgary and is staffed with two professionals handling financial and operational responsibilities. Efforts continue to be focused on increasing the amounts of crude oil that can be purchased for El Dorado to be delivered by rail and supplying crude to third parties.

Information About Our Segments

We prepare segment information on the same basis on which we review financial information for operational decision making purposes. In conjunction with the DKL Offering, we reclassified certain operating segments. The majority of the assets previously reported as our marketing segment and certain assets previously operated by our refining segment were contributed to Delek Logistics. The results of the operation of these assets are now reported in our logistics segment. Further, certain operations previously included as part of our marketing segment were retained by Holdings and are now reported as part of our refining segment. The historical results of the operation of these assets have been reclassified to conform to the current presentation.

Additional segment and financial information is contained in our segment results included in Item 6, Selected Financial Data, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and in Note 12, Segment Data, of our consolidated financial statements included in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K.

Refining Segment

Overview

We own and operate two independent refineries located in Tyler, Texas and El Dorado, Arkansas, currently representing a combined 140,000 bpd of crude throughput capacity. Our refining system produces a variety of petroleum-based products used in transportation and industrial markets which are sold to a wide range of customers located principally in inland, domestic markets.

Both of our refineries are located in the U.S. Gulf Coast Region (PADD 3), which is one of the five PADD regional zones established by the U.S. Department of Energy where refined products are produced and sold. Refined product prices generally differ within each of the five PADDs.

Refining System Feedstock Purchases

Our refining system purchases crude oil and other feedstocks through term agreements, some of which may include renewal provisions, and through spot market transactions. The majority of the crude oil we purchase is sourced from inland domestic sources. The majority of our domestic inland crude purchases originate in areas of Texas and Arkansas. In 2012, we also began purchasing crude delivered by rail car that originates primarily in other parts of the United States and Canada. A large portion of the crude oil currently purchased at both the Tyler and El Dorado refineries is priced at a differential to the price per barrel of WTI. In most cases, this differential is established during the month prior to the month in which the crude oil is processed at our refineries.

Refining System Production Slate

Our refining system processes a combination of light sweet and medium sour crude oils which, when refined, results in a product mix consisting principally of higher-value transportation fuels such as gasoline, distillate and jet fuel. A lesser portion of our overall production consists of residual products, including paving asphalt, roofing flux and other products with industrial applications.

Refined Product Sales and Distribution

Our refining segment sells products on a wholesale basis to inter-company and third-party customers located around east Texas, Arkansas, Tennessee and the Ohio River Valley, including gulf coast markets and areas along the

Enterprise Pipeline System.

Refining Segment Seasonality

Demand for gasoline and asphalt products is generally higher during the summer months than during the winter months due to seasonal increases in motor vehicle traffic and road and home construction. Varying vapor pressure requirements between the summer and winter months also tighten summer gasoline supply. As a result, the operating results of our refining segment are generally lower for the first and fourth quarters of the calendar year.

Refining Segment Competition

The refining industry is highly competitive and includes fully integrated national and multinational oil companies engaged in many segments of the petroleum business, including exploration, production, transportation, refining, marketing and retail fuel and convenience stores. Our principal competitors are petroleum refiners in the Mid-Continent and Gulf Coast regions, in addition to wholesale distributors operating in these markets.

The principal competitive factors affecting our refinery operations are crude oil and other feedstock costs, the differential in price between various grades of crude oil, refinery product margins, refinery reliability and efficiency, refinery product mix, and distribution and transportation costs.

Refining Segment - Tyler Refinery

Our Tyler refinery has a nameplate crude throughput capacity of 60,000 bpd. The Tyler refinery is currently the only major distributor of a full range of refined petroleum products within a radius of approximately 100 miles of its location. The refinery is situated on approximately 100 out of a total of approximately 600 contiguous acres of land (excluding pipelines) that we own in Tyler, Texas and adjacent areas.

The Tyler refinery is designed to process mainly light, sweet crude oil, which is typically of a higher quality than heavier, sour crudes. The Tyler refinery has access to crude oil pipeline systems that allow us access to East Texas, West Texas, Gulf of Mexico and foreign crude oils. Most of the crude supplied to the Tyler refinery is delivered by third-party pipelines and through pipelines owned by our logistics segment.

The table below sets forth information concerning crude oil received at the Tyler refinery:

	Percentage of Crude Oil Received Year Ended December 31,	
Origin	2013	2012
East Texas crude oil	11.5 %	18.8 %
WTI crude oil	88.5 %	81.2 %

The Tyler refinery has a crude oil processing unit with a 60,000 bpd atmospheric column and a 21,000 bpd vacuum tower. The other major processing units at the Tyler refinery include a 20,200 bpd fluid catalytic cracking unit, a 6,500 bpd delayed coking unit, a 22,000 bpd naphtha hydrotreating unit, a 13,000 bpd gasoline hydrotreating unit, a 22,000 bpd distillate hydrotreating unit, a 17,500 bpd continuous regeneration reforming unit, a 5,000 bpd isomerization unit, and a sulfuric alkylation unit with a alkylate production capacity of 4,720 bpd. The Tyler refinery has a Nelson Complexity Factor of 9.5.

The fluid catalytic cracking unit and delayed coker enabled us to produce approximately 97.0% light products in 2013, including primarily a full range of gasoline, diesel, jet fuels, liquefied petroleum gas and natural gas liquids.

The table below sets forth information concerning the throughput at the Tyler refinery:

	Year Ended December 31, 2013			Year Ended December 31, 2012			Year Ended December 31, 2011		
	Bpd	%		Bpd	%		Bpd	%	
Refinery throughput (average barrels per day):									
Crude:									
Sweet	58,327	92.1	%	56,426	94.2	%	54,291	89.7	%
Sour	—	—	%	—	—	%	1,737	2.9	%
Total crude	58,327	92.1	%	56,426	94.2	%	56,028	92.6	%
Other blendstocks	4,970	7.9	%	3,450	5.8	%	4,492	7.4	%
Total refinery throughput	63,297	100.0	%	59,876	100.0	%	60,520	100.0	%

The Tyler refinery primarily produces two grades of gasoline (premium - 93 octane and regular - 87 octane), as well as jet fuels and aviation gasoline. Diesel and jet fuel products produced at the Tyler refinery include military specification jet fuel, commercial jet fuel, low sulfur diesel and ultra-low sulfur diesel. The Tyler refinery offers both E-10 and biodiesel blended products. In addition to higher-value gasoline and distillate fuels, the Tyler refinery produces small quantities of propane, refinery grade propylene and butanes, petroleum coke, slurry oil, sulfur and other blendstocks.

The table below sets forth information concerning the Tyler refinery's production slate:

	Year Ended December 31, 2013			Year Ended December 31, 2012			Year Ended December 31, 2011		
	Bpd	%		Bpd	%		Bpd	%	
Products produced (average barrels per day):									
Gasoline	33,791	54.2	%	33,045	55.8	%	32,407	54.3	%
Diesel/jet	24,374	39.1	%	21,883	37.0	%	22,521	37.7	%
Petrochemicals, LPG, NGLs	2,292	3.7	%	2,268	3.8	%	2,205	3.7	%
Other	1,847	3.0	%	1,989	3.4	%	2,564	4.3	%
Total production	62,304	100.0	%	59,185	100.0	%	59,697	100.0	%

The vast majority of our transportation fuels and other products are sold directly from a terminal located at the Tyler refinery. This refined products terminal, which consists of a truck loading rack with nine loading bays (the "Tyler Terminal") supplied by pipeline from storage tanks located at the refinery, as well as approximately 96 storage tanks and related assets (such as tank pumps and piping) located adjacent to the Tyler refinery (the "Tyler Tank Assets") were sold by Delek Refining, Ltd., a subsidiary within our refining segment, to Delek Logistics in July 2013 for $94.8 million.

As a result of our ability to deliver most of our gasoline and diesel fuel production directly into the local market through our terminal located at the Tyler refinery, we believe our customers benefit from lower transportation costs compared to alternative sources. Our customers include major oil companies, independent refiners and marketers, jobbers, distributors, utility and transportation companies, the U.S. government and independent retail fuel operators.

The Tyler refinery's ten largest customers accounted for $1,649.0 million, or 60.9%, of net sales for the Tyler refinery in 2013. One customer accounted for $287.1 million, or 10.6% of the Tyler refinery's net sales in 2013.

Taking into account the Tyler refinery's crude and product slate, as well as the refinery's location near the Gulf Coast region, we apply a Gulf Coast 5-3-2 crack spread to calculate the approximate gross margin resulting from processing one barrel of crude oil into three-fifths of a barrel of gasoline and two-fifths of a barrel of high sulfur diesel. We calculate the Gulf Coast crack spread using the market values of U.S. Gulf Coast Pipeline Conventional 87 CBOB and U.S. Gulf Coast Pipeline No. 2 Heating Oil (high-sulfur diesel) and the market value of WTI crude oil. U.S. Gulf Coast Pipeline Conventional 87 CBOB and U.S. Gulf Coast Pipeline No. 2 Heating Oil are prices for which the products trade in the Gulf Coast region.

Refining Segment - El Dorado Refinery

Our El Dorado refinery has a crude throughput capacity of 80,000 bpd. The El Dorado refinery is the largest refinery in Arkansas and represents more than 90% of state-wide refining capacity.

The El Dorado refinery is designed mainly to process a combination of sweet, medium-sour and heavy crude oils that blend into a medium gravity sour crude oil. The refinery receives crude by several delivery points, including local crude and other third party pipelines that connect directly into the El Dorado Pipeline System, which runs from Magnolia, Arkansas to the El Dorado refinery (the "El Dorado Pipeline System"), and rail at third party terminals.

In 2013, we purchased crude oil for the El Dorado refinery from inland-sourced crude from east and west Texas, local sources, including crude gathered through the SALA Gathering System, which is a local domestic crude oil gathering system in the adjacent Arkansas area production fields operated by the logistics segment (the "SALA Gathering System"), rail and reduced amounts of Gulf Coast crude. Logistical constraints limit local producers' ability to ship crude oil economically to regional refineries. Therefore, we are able to purchase local crude at a discount to other crudes, such as WTI or WTS. At present, J. Aron and Company ("J. Aron"), through arrangements with various oil companies, supplies a substantial portion of the El Dorado refinery's crude oil input requirements pursuant to an amended and restated Master Supply and Offtake Agreement (the "S&O Agreement").

The table below sets forth information concerning crude oil received at the El Dorado refinery:

	Percentage of Crude Oil Received Year Ended December 31,			
Origin	2013		2012	
Domestic inland/local crude oil	85.9	%	79.0	%
Canadian crude oil	10.2	%	1.0	%
US Gulf Coast crude oil	2.9	%	17.2	%
Other foreign crude oil	1.0	%	2.8	%

The El Dorado refinery is equipped with a crude oil processing unit with a 100,000 bpd capacity. The actual average annual crude unit throughput will vary based on economics and market requirements, as well as other physical limitations that affect the daily throughput or the utilization rate of the refinery. Because expansion projects for the downstream conversion of units have not been completed, the operable capacity of the El Dorado refinery is estimated at approximately 80,000 bpd. The El Dorado refinery is also equipped with a 55,000 bpd vacuum unit, a 20,000 bpd FCC unit, a 15,300 bpd continuous regenerative catalytic reforming unit, a 7,000 bpd isomerization unit and a 5,000 bpd alkylation unit. The El Dorado refinery has a Nelson Complexity Factor of 9.0.

The table below sets forth information concerning the throughput at the El Dorado refinery:

	Year Ended December 31, 2013		Year Ended December 31, 2012		Year Ended December 31, 2011	
	Bpd	%	Bpd	%	Bpd	%
Refinery throughput (average barrels per day):						
Crude:						
Sweet	36,324	49.8 %	29,982	41.0 %	11,063	13.8 %
Sour	29,563	40.6 %	35,393	48.3 %	62,733	78.4 %
Total crude	65,887	90.4 %	65,375	89.3 %	73,796	92.2 %
Other blendstocks[1]	6,872	9.6 %	7,797	10.7 %	6,258	7.8 %
Total refinery throughput	72,759	100.0 %	73,172	100.0 %	80,054	100.0 %

(1) Includes denatured ethanol and biodiesel.

The El Dorado refinery produces a wide range of refined products, from multiple grades of gasoline and ultra-low sulfur diesel fuels, LPGs, refinery grade propylene and a variety of asphalt products, including paving grade asphalt and roofing flux. The El Dorado refinery produces both low-sulfur gasoline and ultra-low sulfur diesel fuel, in compliance with current clean fuels standards. The El Dorado refinery offers both E-10 and biodiesel blended products.

In 2013, gasoline, diesel, liquefied petroleum gas and natural gas liquids accounted for approximately 87.9% of the El Dorado refinery's production, while 12.1% of the product slate included various grades of asphalt, black oils and other residual products.

The table below sets forth information concerning the El Dorado refinery's production slate:

	Year Ended December 31, 2013		Year Ended December 31, 2012		Year Ended December 31, 2011[1]	
	Bpd	%	Bpd	%	Bpd	%
Products produced (average barrels per day):						
Gasoline	34,908	48.7 %	33,411	46.8 %	33,231	41.8 %
Diesel	27,097	37.8 %	27,163	38.1 %	26,726	33.6 %
Petrochemicals, LPG, NGLs	997	1.4 %	1,318	1.8 %	1,399	1.8 %
Asphalt	7,691	10.8 %	6,897	9.7 %	14,820	18.7 %
Other	949	1.3 %	2,583	3.6 %	3,267	4.1 %
Total production	71,642	100.0 %	71,372	100.0 %	79,443	100.0 %

(1) This information has been calculated based on the 247 days we operated the El Dorado refinery following its acquisition in 2011.

Products manufactured at the El Dorado refinery are sold to retailers through spot sales, commercial contracts and through exchange agreements in markets in Arkansas, Memphis, Tennessee and north into the Ohio River Valley region. The refinery connection to the Enterprise Pipeline System is a key means of product distribution for the refinery because it provides access to third-party terminals in multiple Mid-Continent markets located adjacent to the system. The refinery also supplies products to exchange partners on the Colonial pipeline systems.

The El Dorado refinery's ten largest customers accounted for $1,645.5 million, or 40.9%, of the El Dorado refinery's net sales in 2013. No single customer accounted for more than 10% of the El Dorado refinery's net sales in 2013.

Logistics Segment

Overview

Our logistics segment consists of Delek Logistics, a publicly traded master limited partnership, and its subsidiaries. Our consolidated financial statements include its consolidated financial results. As of December 31, 2013, we owned a 60.0% limited partner interest in Delek Logistics, a 96.6% interest in Logistics GP, which owns a 2.0% general partner interest in Delek Logistics, and all of the incentive distribution rights.

Our logistics segment owns and operates crude oil and intermediate and refined products logistics and marketing assets. It generates revenue and contribution margin, which we define as net sales less cost of goods sold and operating expenses, by charging fees for gathering, transporting and storing crude oil and intermediate product and for marketing, distributing, transporting and storing refined products. A substantial majority of the logistics segment's existing assets are both integral to and dependent upon the successful operation of our refining segment's assets as the logistics segment gathers, transports and stores crude oil and markets, distributes, transports and stores refined products in select regions of the southeastern United States and east Texas in support of the Tyler and El Dorado refineries. In addition to intercompany services, the logistics segment also provides some crude oil transportation services for, and terminalling and wholesale marketing services to, third parties in Texas, Tennessee and Arkansas.

Logistics Segment - Wholesale Marketing and Terminalling

The logistics segment's wholesale marketing and terminalling business provides wholesale marketing and terminalling services to the refining segment and to independent third parties from whom it receives fees for marketing, transporting, storing and terminalling refined products. It generates revenue by (i) providing marketing services for the refined products output of the Tyler refinery, (ii) engaging in wholesale activity at owned terminals in Abilene and San Angelo, Texas, as well as at terminals owned by third parties in Texas, whereby it purchases light products for sale and exchange to third parties, and (iii) providing terminalling services to independent third parties and the refining segment. Three terminals, located in El Dorado, Arkansas, Memphis, Tennessee and North Little Rock, Arkansas, throughput refined product produced at the El Dorado refinery. The Tyler Terminal supports the Tyler refinery, and another terminal, located in Big Sandy, Texas, became capable of providing throughput for refined products produced at the Tyler refinery at the end of 2013.

Logistics Segment - Pipelines and Transportation

The logistics segment's pipelines and transportation business owns approximately 400 miles of crude oil transportation pipelines, approximately 48 miles of refined product pipelines, an approximately 600-mile crude oil gathering system and associated crude oil storage tanks with an aggregate of approximately 6.6 million barrels of active shell capacity. These assets are primarily divided into the following operating systems:

- the Lion Pipeline System, which transports crude oil to, and refined products from, the El Dorado refinery (the "Lion Pipeline System");
- the SALA Gathering System, which gathers and transports crude oil production in southern Arkansas and northern Louisiana, primarily for the El Dorado refinery;
- the Paline Pipeline System, which primarily transports crude oil from Longview, Texas to a third-party terminal in Nederland, Texas;
- the East Texas Crude Logistics System, which currently transports a small portion of the crude oil delivered to the Tyler refinery (the "East Texas Crude Logistics System");
- the Tyler-Big Sandy Pipeline, which is a pipeline link between the Tyler refinery and the Big Sandy Terminal;
- the Tyler Tank Assets; and
- the El Dorado Tank Assets.

Logistics Segment Supply Agreements

Under a contract with Noble Petro, Inc., we can purchase up to 20,350 bpd of petroleum products for the Abilene terminal for sales and exchange at Abilene and San Angelo. This agreement runs through December 2017. Purchases made under this supply agreement accounted for 61.7% of the total purchases made by the logistics segment during the year ended December 31, 2013.

Additionally, we had a contract to purchase up to an additional 7,000 bpd of refined products under the terms of a contract with Magellan Asset Services, L.P (the "East Houston Contract"). The East Houston Contract was terminated in January 2014. The primary purpose of this second contract was to supply products at third-party terminals in Aledo, Frost, Big Spring and

Odessa, Texas. Purchases made under this supply agreement accounted for 34.4% of the total purchases made by the logistics segment during the year ended December 31, 2013. The logistics segment is currently purchasing spot barrels from third parties for sale to wholesale customers on similar terms as it did under the East Houston Contract.

Logistics Segment Operating Agreements With Delek

Delek Logistics has various, long-term, fee-based commercial agreements with Delek and its subsidiaries which establish fees for certain pipeline transportation, terminal throughput, finished product marketing and storage services. These agreements have various initial terms which expire, depending on the specific contracts, at different times from in 2017 through 2022. Each of these agreements required Delek or its subsidiary to operate at minimum volume commitments or pay for certain minimum storage capacities. The revenues associated with these related party operating agreements are eliminated in consolidation.

Logistics Segment Customers

Our logistics segment has various types of customers, including major oil companies, independent refiners and marketers, jobbers, distributors, utility and transportation companies, and independent retail fuel operators. The largest customer accounted for 17.7% of our logistics segment net sales in 2013, and the top ten customers, including our refining segment, accounted for 60.8% of the logistics segment net sales in 2013.

Logistics Segment Seasonality

The volume and throughput of crude oil and refined products transported through our pipelines and sold through our terminals and to third parties is directly affected by the level of supply and demand for all of such products in the markets served directly or indirectly by our assets. Supply and demand for such products fluctuates during the calendar year. Demand for gasoline, for example, is generally higher during the summer months than during the winter months due to seasonal increases in motor vehicle traffic. Varying vapor pressure requirements between the summer and winter months also tighten summer gasoline supply. In addition, our refining segment often performs planned maintenance during the winter, when demand for their products is lower. Accordingly, these factors can affect the need for crude oil or finished products by our customers and therefore limit our volumes or throughput during these periods, and we expect that our operating results will generally be lower during the first and fourth quarters of the calendar year.

Logistics Segment Competition

Our logistics segment faces competition for the transportation of crude oil from other pipeline owners whose pipelines (i) may have a location advantage over our pipelines, (ii) may be able to transport more desirable crude oil to third parties, or (iii) may be able to transport crude oil or finished product at a lower tariff. In addition, the wholesale marketing and terminalling business in general is also very competitive. Our owned refined product terminals, as well as the other third party terminals we use to sell refined products, compete with other independent terminal operators as well as integrated oil companies on the basis of terminal location, price, versatility and services provided. The costs associated with transporting products from a loading terminal to end users limit the geographic size of the market that can be competitively served by any terminal. Two key markets in west Texas that we serve from our company-owned facilities are Abilene and San Angelo, Texas. We have direct competition from an independent refinery that markets through another terminal in the Abilene market. There are no competitive fuel loading terminals within approximately 90 miles of our San Angelo terminal.

Logistics Segment Activity

The following table summarizes our activity in the wholesale marketing and terminalling portion of our logistics segment:

	Year Ended December 31,		
	2013	2012	2011
Operating Information:			
West Texas marketing throughputs (average bpd) (1)	18,156	16,523	15,493
Terminalling throughputs (average bpd) (2)	75,438	15,420	17,907
East Texas marketing throughputs (average bpd)	58,773	57,574	57,047

(1) Excludes bulk ethanol and biodiesel

(2) Consists of terminalling throughputs at our Tyler and Big Sandy, Texas, North Little Rock, Arkansas and Memphis and Nashville, Tennessee terminals. Throughput volumes at the Tyler, Texas terminal are for the period from July 27, 2013 through December 31, 2013. Prior to July 27, 2013, the logistics segment did not record revenue for throughput at the Tyler, Texas terminal. Throughputs for the North Little Rock Terminal are for the 69 days Delek operated the terminal following its acquisition in October 2013. Throughputs for the Memphis and Nashville, Tennessee terminals for the year ended December 31, 2011 are for the 247 days Delek operated these terminals following their acquisition in April 2011. The Big Sandy Terminal had no throughputs for the year ended December 31, 2013, even though it became operational during the fourth quarter.

The following table summarizes our activity in the pipelines and transportation portion of our logistics segment:

	Year Ended December 31,		
	2013	2012	2011
Throughputs (average bpd)			
Lion Pipeline System [1]:			
Crude pipelines (non-gathered)	46,515	46,027	57,442
Refined products pipelines to Enterprise Systems	49,694	45,220	45,337
SALA Gathering System [1]	22,152	20,747	17,676
East Texas Crude Logistics System	19,896	55,068	55,341

(1) Throughputs for the year ended December 31, 2011 are for the 247 days Delek operated these pipeline systems following their acquisitions in April 2011.

Retail Segment

Overview

As of December 31, 2013, we operated 361 retail fuel and convenience stores located throughout the southeastern United States. More than 94% of our stores were located in Tennessee, Alabama and Georgia, with additional stores located in Arkansas, Virginia, Kentucky and Mississippi. Our retail locations operate primarily under the MAPCO Express®, MAPCO Mart®, Discount Food Mart™, Fast Food and Fuel™, East Coast®, Delta Express® and Favorite Markets® brands. During the past several years we have reimaged or newly constructed approximately 57.1% of our store network, in each instance adopting the MAPCO Mart® brand. A reimaged location will typically include the re-configuring of the interior of the store, including remodeling surfaces, as well as replacement of certain inside equipment, remodeling the exterior of the store, and new outdoor signage. During 2013, we spent $53.8 million on reimaging 17 stores and constructing 10 new stores. Of this amount, $27.3 million was spent at the holding company level.

We believe that we have established strong brand recognition and market presence in the major retail markets in which we operate. The local markets where we have strong presence include Nashville, Memphis and the Chattanooga/northern Georgia corridor, and our presence is growing in Alabama and Arkansas.

We seek to operate store locations in centralized, high-traffic urban and suburban markets. Our retail strategy employs localized marketing tactics that account for the unique demographic characteristics of each region that we serve. In recent years, we have introduced customized product offerings and promotional strategies to address the unique tastes and preferences of our customers on a market-by-market basis.

Retail Network

The majority of our stores are open 24 hours per day, while all sites are open at least 14 hours per day. Our average store size is approximately 2,700 square feet, with approximately 77.6% of our stores being 2,000 or more square feet. We are gravitating towards a large-format store, with our new stores constructed averaging 4,770 square feet.

Our retail fuel and convenience stores typically offer tobacco products and immediately consumable items such as non-alcoholic beverages, beer and a large variety of snacks and prepackaged items. A significant number of the sites also offer state sanctioned lottery games, ATM services and money orders. As of December 31, 2013, we operated 78 quick service restaurants in our store locations. In 50 of these locations, we offer national branded quick service food chains such as Quiznos®, Subway®, and Krispy Krunchy Chicken®. We also have a variety of proprietary in-house, quick service food offerings featuring fried chicken, breakfast biscuits, deli sandwiches and other freshly prepared foods.

Our convenience stores also offer unbranded, "private label" products in select categories. Since launching our first private label products in 2006, same-store private label sales as a percentage of total merchandise sales excluding cigarettes has grown to 6.7% in 2013. Our private label products are generally priced at a discount to their branded, nationally recognized counterparts, yet carry a higher gross profit margin for us, when compared to their counterparts. Our private label program provides quality offerings with price points previously unavailable to our customers in a number of categories. Some of the most recent launches include salty snacks, teas and juices, energy drinks and energy shots.

Fuel Operations

For 2013, 2012 and 2011, our fuel sales were 79.6%, 79.9%, and 79.9%, respectively, of total net sales for our retail segment.

The following table highlights certain information regarding our continuing fuel operations:

	Year Ended December 31,		
	2013	2012	2011
Number of stores (end of period)	361	373	377
Average number of stores (during period)	368	374	394
Retail fuel sales (thousands of gallons)	409,086	404,558	409,446
Average retail gallons per store (based on average number of stores) (thousands of gallons)	1,112	1,082	1,039
Retail fuel margin ($ per gallon)	$0.173	$0.146	$0.162

The retail segment currently operates a fleet of approximately 32 delivery trucks that deliver more than 79% of the fuel sold at our retail fuel and convenience stores. We believe that the operation of a proprietary truck fleet enables us to reduce fuel delivery expenses while enhancing service to our locations.

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We purchased approximately 70.9% of the fuel sold at our retail fuel and convenience stores in 2013 from four suppliers. The price of fuel purchased is generally based on contractual differentials to local and regional price benchmarks. The initial terms of our supply agreements range from one year to 15 years and generally contain minimum monthly or annual purchase requirements. As of December 31, 2013, we had met our purchase commitments under these contracts and did not carry a liability for the failure to purchase required minimums.

Merchandise Operations

For 2013, 2012 and 2011, our merchandise sales were 20.4%, 20.1%, and 20.1%, respectively, of total net sales for our retail segment.

The following table highlights certain information regarding our continuing merchandise operations:

	Year Ended December 31,		
	2013	2012	2011
Comparable store merchandise sales change (year over year)	0.6 %	3.4 %	2.3 %
Merchandise margin	28.3 %	29.3 %	29.8 %
Total merchandise sales (in thousands)	$381,665	$378,166	$374,580
Average number of stores (during period)	368	374	394
Average merchandise sales per store (in thousands)	$1,037	$1,011	$951

We purchased approximately 61.6% of our general merchandise, including most tobacco products and grocery items, for 2013 from a single wholesale grocer, Core-Mark International, Inc., pursuant to a contract that expired at the end of 2013. The extension of this contract is currently under negotiation. Our other major suppliers include Coca-Cola®, Pepsi-Cola® and Frito Lay®.

Dealer-Operated Stores

Our retail segment also includes a wholesale fuel distribution network that supplied 68 dealer-operated retail locations as of December 31, 2013. In 2013, our dealer net sales represented approximately 5.4% of net sales for our retail segment. Our business with dealers includes a variety of contractual arrangements in some of which we pay a commission to the dealer based on profits from the fuel sales and, in others we supply fuel and invoice the dealer for the cost of fuel plus an agreed upon margin. We also have non-contractual arrangements with dealers in which dealers order fuel from us at their discretion.

Retail Segment Seasonality

Demand for gasoline and convenience merchandise is generally higher during the summer months than during the winter months due to seasonal increases in motor vehicle traffic. As a result, the operating results of our retail segment are generally lower for the first quarter of the calendar year.

Weather conditions in our operating area also have a significant effect on our operating results. Customers are more likely to purchase higher profit margin items at our retail fuel and convenience stores, such as fast foods, fountain drinks and other beverages and more gasoline during the spring and summer months. Unfavorable weather conditions during these months and a resulting lack of the expected seasonal upswings in traffic and sales could have a negative impact on our results of operations.

Retail Segment Competition

The retail fuel and convenience store business is highly competitive. We compete on a store-by-store basis with other independent convenience store chains, independent owner-operators, major petroleum companies, supermarkets, drug stores, discount stores, club stores, mass merchants, fast food operations and other retail outlets. Major competitive factors affecting us include location, ease of access, pricing, timely deliveries, product and service selections, customer service, fuel brands, store appearance, cleanliness and safety. We believe we are able to compete effectively in the markets in which we operate because our market concentration in most of our markets allows us to improve buying power with our vendors. Our retail segment strategy continues to center on operating a high concentration of sites in a similar geographic region to promote operational efficiencies.

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Information Technology

We believe that significant investments in information technology ("IT") are important to support our various business units. In 2013, we focused on making improvements in several areas of IT including security, infrastructure, and enterprise software systems. Capital investments focused on implementation of key areas of information security infrastructure including hardware devices and related software. In addition, we continued implementation of our virtualization strategy which reduces the time to add new systems, improves our system recovery time, reduces our support cost, and improves the performance of our internal systems. We also implemented standardization of our financial and accounting processes by upgrading and expanding our Enterprise Resource Planning solution. We believe business process redesign resulted in a higher level of consistency in our operations by taking advantage of new system tools including the application of responsive analytics and reporting. We also believe these improvements have enhanced our ability to respond to customer and market requirements and set the foundation for future growth.

Most of the retail segment's stores are connected through a high-speed network that provides near real-time information in support of merchandise pricing management, store security, fraud prevention, in-store training, and customer point-of-sale processing. The architecture and design of the store systems provide the flexibility to continue the expansion to new services that require access through a secure Internet connection adhering to Payment Card Industry ("PCI") data security standards. We believe our use of custom and off-the-shelf applications and programs gives us the ability to take advantage of standardization, while offering the flexibility and responsiveness to change. For example, in 2013 we initiated a development project to upgrade our software and hardware design to take advantage of new tools and techniques available to business today. This is a two- to three-year project of modernization that we believe will allow us to continually improve the customer experience, enhance revenue generation, and differentiate us in the marketplace.

Governmental Regulation and Environmental Matters

Environmental Matters

We are subject to various federal, state and local environmental and safety laws enforced by agencies including the United States Environmental Protection Agency (the "EPA"), the U.S. Department of Transportation/ Pipeline and Hazardous Materials Safety Administration, the Occupational Safety and Health Administration, the Texas Commission on Environmental Quality, the Railroad Commission of Texas, the Arkansas Department of Environmental Quality (the "ADEQ") and the Tennessee Department of Environment and Conservation as well as other state and federal agencies. Numerous permits or other authorizations are required under these laws for the operation of our refineries, terminals, pipelines, underground storage tanks (“USTs”) and related operations, and may be subject to revocation, modification and renewal.

These laws and permits raise potential exposure to future claims and lawsuits involving environmental and safety matters which could include soil and water contamination, air pollution, personal injury and property damage allegedly caused by substances which we manufactured, handled, used, released or disposed, or that relate to pre-existing conditions for which we have assumed responsibility. We believe that our current operations are in substantial compliance with existing environmental and safety requirements. However, there have been and will continue to be ongoing discussions about environmental and safety matters between us and federal and state authorities, including notices of violations, citations and other enforcement actions, some of which have resulted or may result in changes to operating procedures and in capital expenditures. While it is often difficult to quantify future environmental or safety related expenditures, we anticipate that continuing capital investments and changes in operating procedures will be required for the foreseeable future to comply with existing and new requirements as well as evolving interpretations and more strict enforcement of existing laws and regulations.

The Comprehensive Environmental Response, Compensation and Liability Act, also known as Superfund, imposes liability, without regard to fault or the legality of the original conduct, on certain classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. Analogous state laws impose similar responsibilities and liabilities on responsible parties. In the course of our ordinary operations, our various businesses generate waste, some of which falls within the statutory definition of a hazardous substance and some of which may have been disposed of at sites that may require future cleanup under Superfund. At this time, our El Dorado refinery has been named as a minor potentially responsible party at one site for which we believe future costs will not be material.

We carried a liability of approximately $10.2 million, as of December 31, 2013, primarily related to the probable estimated costs of remediating or otherwise addressing certain environmental issues of a non-capital nature at the Tyler and El Dorado refineries. This liability includes estimated costs for ongoing remediation efforts, which were already being performed by the former operators of the Tyler and El Dorado refinerie