Marathon Petroleum Corp
Form 10-K
February 26, 2016
Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2015
Commission file number 001-35054
Marathon Petroleum Corporation
(Exact name of registrant as specified in its charter)

Delaware	27-1284632
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

539 South Main Street, Findlay, OH 45840-3229
(Address of principal executive offices)
(419) 422-2121
(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, par value $.01	New York Stock Exchange

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 ¨
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 ¨ 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 and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨
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 (§ 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 ¨
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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 amendment to this Form 10-K. þ
Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition 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 ¨ Non-accelerated filer ¨ Smaller reporting company ¨
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No þ
The aggregate market value of Common Stock held by non-affiliates as of June 30, 2015 was approximately $28.0 billion. This amount is based on the closing price of the registrant's Common Stock on the New York Stock Exchange on June 30, 2015. Shares of Common Stock held by executive officers and directors of the registrant are not included in the computation. The registrant, solely for the purpose of this required presentation, has deemed its directors and executive officers to be affiliates.

There were 529,227,453 shares of Marathon Petroleum Corporation Common Stock outstanding as of February 12, 2016.

Documents Incorporated By Reference

Portions of the registrant's proxy statement relating to its 2016 Annual Meeting of Shareholders, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934, are incorporated by reference to the extent set forth in Part III, Items 10-14 of this Report.

MARATHON PETROLEUM CORPORATION

Unless otherwise stated or the context otherwise indicates, all references in this Annual Report on Form 10-K to “MPC,” “us,” “our,” “we” or “the Company” mean Marathon Petroleum Corporation and its consolidated subsidiaries.

Table of Contents

Table of Contents

GLOSSARY OF TERMS

Throughout this report, the following company or industry specific terms and abbreviations are used:

ASR	Accelerated share repurchase
barrel	One stock tank barrel, or 42 United States gallons liquid volume, used in reference to crude oil or other liquid hydrocarbons.
DEI	Designated Environmental Incidents
EBITDA (a non-GAAP financial measure)	Earnings Before Interest, Tax, Depreciation and Amortization
EIA	United States Energy Information Administration
EPA	United States Environmental Protection Agency
FASB	Financial Accounting Standards Board
FCC	Fluid Catalytic Cracking
FERC	Federal Energy Regulatory Commission
IDR	Incentive Distribution Rights
IRS	Internal Revenue Service
LIBO Rate	London Interbank Offered Rate
LIFO	Last in, first out
LLS	Louisiana Light Sweet crude oil, an oil index benchmark price
mbpd	Thousand barrels per day
mbpcd	Thousand barrels per calender day
Mcf	One thousand cubic feet of natural gas
mmbpcd	Million barrels per calender day
MMcf/d	One million cubic feet of natural gas per day
MMBtu	One million British thermal units per day
NYMEX	New York Mercantile Exchange
NYSE	New York Stock Exchange
NGL	Natural gas liquids, such as ethane, propane, butanes and natural gasoline
PADD	Petroleum Administration for Defense District
OPEC	Organization of Petroleum Exporting Countries
OSHA	United States Occupational Safety and Health Administration
OTC	Over-the-Counter
ppb	Parts per billion
ppm	Parts per million
RFS2	Revised Renewable Fuel Standard program, as required by the Energy Independence and Security Act of 2007
RINs	Renewable Identification Numbers
ROUX	Residual Oil Upgrader Expansion
SEC	Securities and Exchange Commission
SMR	Steam methane reformer, operated by a third party and located at the Javelina gas processing and fractionation complex in Corpus Christi, Texas
STAR	South Texas Asset Repositioning
ULSD	Ultra-low sulfur diesel
ULSK	Ultra-low sulfur kerosene
US GAAP	Accounting principles generally accepted in the United States
USGC	U.S. Gulf Coast
USTs	Underground storage tanks
VIE	Variable interest entity
VPP	Voluntary Protection Program
WTI	West Texas Intermediate crude oil, an oil index benchmark price

1

Table of Contents

Disclosures Regarding Forward-Looking Statements

This Annual Report on Form 10-K, particularly Item 1. Business, Item 1A. Risk Factors, Item 3. Legal Proceedings, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 7A. Quantitative and Qualitative Disclosures about Market Risk, includes forward-looking statements. You can identify our forward-looking statements by words such as "anticipate," "believe," "potential," "estimate," "expect," "forecast," "goal," "plan," "predict," "project," "seek," "target," "could," "may," "should," "will," "would" or other similar expressions that conve uncertainty of future events or outcomes. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements.

Forward-looking statements include, but are not limited to, statements that relate to, or statements that are subject to risks, contingencies or uncertainties that relate to:

- future levels of revenues, refining and marketing gross margins, operating costs, retail gasoline and distillate gross margins, merchandise margins, income from operations, net income or earnings per share;
- anticipated volumes of feedstock, throughput, sales or shipments of refined products;
- anticipated levels of regional, national and worldwide prices of crude oil, natural gas, NGLs and refined products;
- anticipated levels of crude oil and refined product inventories;
- future levels of capital, environmental or maintenance expenditures, general and administrative and other expenses;
- the success or timing of completion of ongoing or anticipated capital or maintenance projects;
- business strategies, growth opportunities and expected investments, including planned equity investments in pipeline projects;
- expectations regarding the acquisition or divestiture of assets;
- our share repurchase authorizations, including the timing and amounts of any common stock repurchases;
- the adequacy of our capital resources and liquidity, including but not limited to, availability of sufficient cash flow to execute our business plan;
- the effect of restructuring or reorganization of business components;
- the potential effects of judicial or other proceedings on our business, financial condition, results of operations and cash flows; and
- the anticipated effects of actions of third parties such as competitors, or federal, foreign, state or local regulatory authorities or plaintiffs in litigation.

We have based our forward-looking statements on our current expectations, estimates and projections about our industry and our company. We caution that these statements are not guarantees of future performance, and you should not rely unduly on them, as they involve risks, uncertainties and assumptions that we cannot predict. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. While our management considers these assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Accordingly, our actual results may differ materially from the future performance that we have expressed or forecast in our forward-looking statements.

Differences between actual results and any future performance suggested in our forward-looking statements could result from a variety of factors, including the following:

- volatility or degradation in general economic, market, industry or business conditions;
- the effects of lifting the U.S. crude oil export ban;
- availability and pricing of domestic and foreign supplies of natural gas, NGLs and crude oil and other feedstocks;
- the ability of the members of the OPEC to agree on and to influence crude oil price and production controls;
- availability and pricing of domestic and foreign supplies of refined products such as gasoline, diesel fuel, jet fuel, home heating oil and petrochemicals;
- foreign imports and exports of crude oil, refined products, natural gas and NGLs;
- refining industry overcapacity or under capacity;

- changes in producer customers’ drilling plans or in volumes of throughput of crude oil, natural gas, NGLs, refined products or other hydrocarbon-based products;

2

Table of Contents

- changes in the cost or availability of third-party vessels, pipelines, railcars and other means of transportation for crude oil, natural gas, NGLs, feedstocks and refined products;
- changes to the expected construction costs and timing of pipeline projects;
- the price, availability and acceptance of alternative fuels and alternative-fuel vehicles and laws mandating such fuels or vehicles;
- fluctuations in consumer demand for refined products, natural gas and NGLs, including seasonal fluctuations;
- political and economic conditions in nations that consume refined products, natural gas and NGLs, including the United States, and in crude oil producing regions, including the Middle East, Africa, Canada and South America;
- actions taken by our competitors, including pricing adjustments, expansion of retail activities, the expansion and retirement of refining capacity and the expansion and retirement of pipeline capacity, processing, fractionation and treating facilities in response to market conditions;
- completion of pipeline projects within the U.S.;
- changes in fuel and utility costs for our facilities;
- failure to realize the benefits projected for capital projects, or cost overruns associated with such projects;
- modifications to MPLX LP earnings and distribution growth objectives;
- the ability to successfully implement growth opportunities;
- the risk that the synergies from the MarkWest Merger (defined below) may not be fully realized or may take longer to realize than expected;
- risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges;
- the ability to realize the strategic benefits of joint venture opportunities;
- accidents or other unscheduled shutdowns affecting our refineries, machinery, pipelines, processing, fractionation and treating facilities or equipment, or those of our suppliers or customers;
- unusual weather conditions and natural disasters, which can unforeseeably affect the price or availability of crude oil and other feedstocks and refined products;
- acts of war, terrorism or civil unrest that could impair our ability to produce refined products, receive feedstocks or to gather, process, fractionate or transport crude oil, natural gas, NGLs or refined products;
- state and federal environmental, economic, health and safety, energy and other policies and regulations, including the cost of compliance with the renewable fuel standard program;
- rulings, judgments or settlements and related expenses in litigation or other legal, tax or regulatory matters, including unexpected environmental remediation costs, in excess of any reserves or insurance coverage;
- political pressure and influence of environmental groups upon policies and decisions related to the production, gathering, refining, processing, fractionation, transportation and marketing of crude oil or other feedstocks, refined products, natural gas, NGLs or other hydrocarbon-based products;
- labor and material shortages;
- the maintenance of satisfactory relationships with labor unions and joint venture partners;
- the ability and willingness of parties with whom we have material relationships to perform their obligations to us;
- the market price of our common stock and its impact on our share repurchase authorizations;
- changes in the credit ratings assigned to our debt securities and trade credit, changes in the availability of unsecured credit and changes affecting the credit markets generally;
- capital market conditions and our ability to raise adequate capital to execute our business plan; and
- the other factors described in Item 1A. Risk Factors.

We undertake no obligation to update any forward-looking statements except to the extent required by applicable law.

Table of Contents

PART I

Item 1. Business

Overview

Marathon Petroleum Corporation ("MPC") has 128 years of experience in the energy business with roots tracing back to the formation of the Ohio Oil Company in 1887. We are one of the largest independent petroleum product refining, marketing, retail and transportation businesses in the United States and the largest east of the Mississippi. With the merger of MPLX LP ("MPLX"), the midstream master limited partnership sponsored by MPC, and MarkWest Energy Partners, L.P. ("MarkWest") effective December 4, 2015 (the "MarkWest Merger"), we believe we are one of the largest natural gas processors in the United States and the largest processor and fractionator in the Marcellus and Utica shale regions. Our operations consist of three reportable operating segments: Refining & Marketing; Speedway; and Midstream. Each of these segments is organized and managed based upon the nature of the products and services it offers.

- Refining & Marketing – refines crude oil and other feedstocks at our seven refineries in the Gulf Coast and Midwest regions of the United States, purchases refined products and ethanol for resale and distributes refined products through various means, including barges, terminals and trucks that we own or operate. We sell refined products to wholesale marketing customers domestically and internationally, buyers on the spot market, our Speedway® business segment and to independent entrepreneurs who operate Marathon® retail outlets.
- Speedway – sells transportation fuels and convenience products in the retail market in the Midwest, East Coast and Southeast.
- Midstream – includes the operations of MPLX and certain other related operations. Following the MarkWest Merger, we changed the name of this segment from Pipeline Transportation to Midstream to reflect its expanded business activities. There were no changes to the historical financial information reported for this segment. The Midstream segment gathers, processes and transports natural gas; gathers, transports, fractionates, stores and markets natural gas liquids and transports and stores crude oil and refined products.

See Item 8. Financial Statements and Supplementary Data – Note 10 for operating segment and geographic financial information, which is incorporated herein by reference.

Corporate History and Structure

MPC was incorporated in Delaware on November 9, 2009 in connection with an internal restructuring of Marathon Oil Corporation ("Marathon Oil"). On May 25, 2011, the Marathon Oil board of directors approved the spinoff of its Refining, Marketing & Transportation Business ("RM&T Business") into an independent, publicly traded company, MPC, through the distribution of MPC common stock to the stockholders of Marathon Oil common stock on June 30, 2011 (the "Spinoff"). Following the Spinoff, Marathon Oil retained no ownership interest in MPC, and each company has separate public ownership, boards of directors and management. All subsidiaries and equity method investments not contributed by Marathon Oil to MPC remained with Marathon Oil and, together with Marathon Oil, are referred to as the "Marathon Oil Companies." On July 1, 2011, our common stock began trading "regular-way" on the NYSE under the ticker symbol "MPC."

Recent Developments

On December 4, 2015, a wholly-owned subsidiary of MPLX, the midstream master limited partnership sponsored by MPC, merged with MarkWest, whereby MarkWest became a wholly-owned subsidiary of MPLX. Each common unit of MarkWest issued and outstanding immediately prior to the effective time of the MarkWest Merger was converted into a right to receive 1.09 common units of MPLX representing limited partner interests in MPLX, plus a one-time cash payment of $6.20 per unit. Each Class B unit of MarkWest outstanding immediately prior to the merger was converted into the right to receive one Class B unit of MPLX having substantially similar rights, including conversion and registration rights, and obligations that the Class B units of MarkWest had immediately prior to the merger. At closing, we contributed $1.23 billion in cash to MPLX to pay the cash consideration to MarkWest common unitholders. We will contribute an additional total of $50 million in cash to MPLX for the cash consideration to be paid upon the conversion of the MPLX Class B units to MPLX common units in equal installments in July 2016 and July 2017, respectively. These contributions are with respect to MPC's existing interests in MPLX (including IDRs) and not in consideration of new units or other equity interest in MPLX. Our financial results and operating statistics reflect the results of MarkWest from the date of the acquisition.

Table of Contents

Consistent with our strategy to grow our midstream business, the MarkWest Merger combines one of the nation's largest processors of natural gas and the largest processor and fractionator in the Marcellus and Utica shale regions with a rapidly growing crude oil and refined products logistics partnership sponsored by MPC. The complementary aspects of the highly diverse asset base of MarkWest, MPLX and MPC provide significant additional opportunities across multiple segments of the hydrocarbon value chain. The combined entity will further MarkWest's leading midstream presence in the Marcellus and Utica shales by allowing it to pursue additional midstream projects, which should allow producer customers to achieve superior value for their growing production in these important shale regions. In addition, the combination provides significant vertical integration opportunities, as MPC is a large consumer of NGLs.

In September 2015, we acquired a 50 percent ownership interest in a new joint venture with Crowley Maritime Corporation through our investment in Crowley Ocean Partners LLC ("Crowley Ocean Partners"), which is included in our Refining & Marketing segment. The joint venture will operate and charter four new Jones Act product tankers, most of which will be leased to MPC. Contributions to the joint venture with respect to each vessel will occur at the vessel's delivery. During 2015, we contributed $72 million in connection with delivery of the first two vessels. The remaining two vessels are expected to be delivered by the third quarter of 2016. We account for our ownership interest in Crowley Ocean Partners as an equity method investment. See Item 8. Financial Statements and Supplementary Data - Note 25 for information on our conditional guarantee of the indebtedness of the joint venture and future contributions to Crowley Ocean Partners.

On September 30, 2014, we acquired from Hess Corporation ("Hess") all of its retail locations, transport operations and shipper history on various pipelines, including approximately 40 mbpd on Colonial Pipeline, for $2.82 billion. We refer to these assets as "Hess' Retail Operations and Related Assets" and substantially all of these assets are part of our Speedway segment. This acquisition significantly expands our Speedway presence from nine to 22 states throughout the East Coast and Southeast and is aligned with our strategy to grow higher-valued, stable cash flow businesses. This acquisition also enables us to further leverage our integrated refining and transportation operations, providing an outlet for incremental assured sales from our refining system. The transaction was funded with a combination of debt and available cash. Our financial results and operating statistics reflect the results of Hess' Retail Operations and Related Assets from the date of the acquisition.

In July 2014, we exercised our option to acquire a 35 percent ownership interest in Enbridge Inc.'s Southern Access Extension ("SAX") pipeline which runs from Flanagan, Illinois to Patoka, Illinois. This option resulted from our agreement to be the anchor shipper on the SAX pipeline and our commitment to the Sandpiper pipeline project as discussed below. During 2015, we made contributions of $147 million to Illinois Extension Pipeline Company, LLC ("Illinois Extension Pipeline") to fund our portion of the construction costs for the SAX project. We have contributed $267 million since project inception. The pipeline became operational in December 2015. Our investment in the pipeline is included in our Midstream segment.

On April 1, 2014, we purchased a facility in Cincinnati, Ohio from Felda Iffco Sdn Bhd, Malaysia for $40 million. The plant currently produces biodiesel, glycerin and other by-products. The capacity of the plant is approximately 60 million gallons per year.

In March 2014, we acquired from Chevron Raven Ridge Pipe Line Company an additional seven percent interest in Explorer Pipeline Company ("Explorer") for $77 million, bringing our ownership interest to 25 percent. Explorer owns approximately 1,900 miles of refined products pipeline from Lake Charles, Louisiana to Hammond, Indiana.

In November 2013, we agreed with Enbridge Energy Partners L.P. ("Enbridge Energy Partners") to serve as an anchor shipper for the Sandpiper pipeline, which will run from Beaver Lodge, North Dakota to Superior, Wisconsin. We also agreed to fund 37.5 percent of the construction of the Sandpiper pipeline project, which is currently estimated to cost $2.6 billion, of which approximately $1.0 billion is our share. We made contributions of $71 million during 2015 and have contributed $287 million since project inception, which are included in our Midstream segment. In exchange for our commitment to be an anchor shipper and our investment in the project, we will earn an approximate 27 percent equity interest in Enbridge Energy Partners' North Dakota System when the Sandpiper pipeline is placed into service. The anticipated in-service date for the pipeline is likely to be delayed to early 2019. The project schedule and cost estimates remain under review. Enbridge Energy Partners' North Dakota System currently includes approximately 240 miles of crude oil gathering pipelines connected to a transportation pipeline that is approximately 730 miles long. We will also have the option to increase our ownership interest to approximately 30 percent through additional investments in future system improvements.

Table of Contents

On August 1, 2013, we acquired from Mitsui & Co. (U.S.A.), Inc. its interests in three ethanol companies for $75 million. Under the purchase agreement, we acquired an additional 24 percent interest in The Andersons Clymers Ethanol LLC (“TACE”), bringing our ownership interest to 60 percent; a 34 percent interest in The Andersons Ethanol Investment LLC (“TAEI”), which holds a 50 percent ownership in The Andersons Marathon Ethanol LLC (“TAME”), bringing our direct and indirect ownership interest in TAME to 67 percent; and a 40 percent interest in The Andersons Albion Ethanol LLC (“TAAE”), which owns an ethanol production facility in Albion, Michigan. On October 1, 2013, our ownership interest in TAAE increased to 43 percent as a result of TAAE acquiring one of the owner’s interest.

On February 1, 2013, we acquired from BP Products North America Inc. and BP Pipelines (North America) Inc. (collectively, “BP”) the 451,000 barrel per calendar day refinery in Texas City, Texas, three intrastate natural gas liquid pipelines originating at the refinery, four light product terminals, branded-jobber marketing contract assignments for the supply of approximately 1,200 branded sites, a 1,040 megawatt electric cogeneration facility and a 50 mbpd allocation of space on the Colonial Pipeline. We refer to these assets as the “Galveston Bay Refinery and Related Assets.” We paid $1.49 billion for these assets, which included $935 million for inventory. Pursuant to the purchase and sale agreement, we may also be required to pay BP a contingent earnout of up to an additional $700 million over six years, subject to certain conditions. Through the end of 2015, we have paid BP $369 million pursuant to the contingent earnout provisions of the agreement. The Galveston Bay Refinery and Related Assets are part of our Refining & Marketing and Midstream segments.

See Item 8. Financial Statements and Supplementary Data – Note 5 for additional information on these acquisitions and investments. See Item 8. Financial Statements and Supplementary Data – Note 25 for information regarding our future contributions to the Sandpiper pipeline project.

MPLX LP

MPLX is a publicly traded master limited partnership formed by us to own, operate, develop and acquire pipelines and other midstream assets related to the transportation and storage of crude oil, refined products and other hydrocarbon-based products. On December 4, 2015, MPLX merged with MarkWest, whereby MarkWest became a wholly-owned subsidiary of MPLX.

Prior to the MarkWest Merger, we owned a 71.5 percent interest in MPLX, which included our two percent general partner interest. Each common unit of MarkWest issued and outstanding at the time of the MarkWest Merger was converted into the right to receive 1.09 common units of MPLX and as of December 31, 2015, our ownership interest in MPLX was 20.4 percent, including our two percent general partner interest. Due to our general partner interest, we have determined that we control MPLX and therefore we consolidate MPLX and record a noncontrolling interest for the 79.6 percent interest owned by the public.

Upon completion of the MarkWest Merger, MPLX assumed an aggregate principal amount of $4.1 billion in senior notes issued by MarkWest and MarkWest Energy Finance Corporation (the “MarkWest Senior Notes”). On December 22, 2015, MPLX completed offers to exchange any and all outstanding MarkWest Senior Notes for (1) up to $4.1 billion aggregate principal amount of new notes issued by MPLX having the same maturity and interest rates as the MarkWest Senior Notes and (2) cash of $1 for each $1,000 of principal amount exchanged. As of December 31, 2015, the exchange was completed on all the MarkWest Senior Notes except for 1.6 percent, or $63 million.

MPLX’s initial assets consisted of a 51 percent general partner interest in MPLX Pipe Line Holdings LLC (“Pipe Line Holdings”), which owns a network of common carrier crude oil and product pipeline systems and associated storage assets in the Midwest and Gulf Coast regions of the United States, and a 100 percent interest in a butane storage cavern in West Virginia. We originally retained a 49 percent limited partner interest in Pipe Line Holdings.

On May 1, 2013, we sold a five percent interest in Pipe Line Holdings to MPLX for $100 million, which was financed by MPLX with cash on-hand.

On March 1, 2014, we sold a 13 percent interest in Pipe Line Holdings to MPLX for $310 million. MPLX financed this transaction with $40 million of cash on-hand and $270 million of borrowings on its bank revolving credit facility.

On December 1, 2014, we sold and contributed interests in Pipe Line Holdings totaling 30.5 percent to MPLX for $600 million in cash and 2.9 million MPLX common units valued at $200 million. MPLX financed the sales portion of this transaction with $600 million of borrowings on its bank revolving credit facility.

On December 8, 2014, MPLX completed a public offering of 3.5 million common units at a price to the public of $66.68 per MPLX common unit, with net proceeds of $221 million. MPLX used the net proceeds from this offering to repay borrowings under its bank revolving credit facility and for general partnership purposes. On December 10, 2014, we exercised our right to maintain our two percent general partner interest in MPLX by purchasing 130 thousand general partner units for $9 million.

Table of Contents

On February 12, 2015, MPLX completed an underwritten public offering of $500 million aggregate principal amount of four percent unsecured senior notes due February 15, 2025 (the "Senior Notes"). The Senior Notes were offered at a price to the public of 99.64 percent of par. The net proceeds of this offering were used to repay the amounts outstanding under its bank revolving credit facility, as well as for general partnership purposes.

On December 4, 2015, we sold our remaining 0.5 percent interest in Pipe Line Holdings to MPLX for $12 million. As a result, MPLX now owns 100 percent of Pipe Line Holdings.

See Item 8. Financial Statements and Supplementary Data – Note 4 for additional information on MPLX.

Our Competitive Strengths

High Quality Refining, Gathering and Processing Assets

We believe we are the largest crude oil refiner in the Midwest and the fourth largest in the United States based on crude oil refining capacity. We own a seven-plant refinery network, with approximately 1.8 mmbpcd of crude oil throughput capacity. Our refineries process a wide range of crude oils, feedstocks and condensate, including heavy and sour crude oils, which can generally be purchased at a discount to sweet crude oil, and produce transportation fuels such as gasoline and distillates, specialty chemicals and other refined products. While we have historically processed significant quantities of heavy and sour crude oils, our refineries have the ability to process approximately 65 percent to 70 percent light sweet crude oils.

Through our ownership interests in MPLX and its wholly-owned subsidiary, MarkWest, we believe we are one of the largest processors of natural gas in the United States and the largest processor and fractionator in the Marcellus and Utica shale regions. Our integrated midstream energy asset network links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the United States to domestic and international markets. Our midstream gathering and processing operations include: natural gas gathering, processing and transportation; and NGL gathering, transportation, fractionation, storage and marketing. Our assets include approximately 5,400 MMcf/d of gathering capacity, 7,100 MMcf/d of natural gas processing capacity and 500 mbpd of fractionation capacity as of December 31, 2015.

Strategic Locations

The geographic locations of our refineries provide us with strategic advantages. Located in PADD II and PADD III, which consist of states in the Midwest and the Gulf Coast regions of the United States, our refineries have the ability to procure crude oil from a variety of supply sources, including domestic, Canadian and other foreign sources, which provides us with flexibility to optimize crude supply costs. For example, geographic proximity to various United States shale oil regions and Canadian crude oil supply sources allows our refineries access to price-advantaged crude oils and lower transportation costs than certain of our competitors. Our refinery locations and midstream distribution system also allow us to access refined product export markets and to serve a broad range of key end-user markets across the United States quickly and cost-effectively.

Our Midstream segment assets are similarly located in the Midwest and Gulf Coast regions of the United States, which collectively comprised approximately 73 percent of total United States crude distillation capacity and approximately 53 percent of total United States finished products demand for the year ended December 31, 2015, according to the EIA. MPLX, through MarkWest, its wholly-owned subsidiary, is the largest processor and fractionator in the Marcellus and Utica shale regions. This significantly compliments and creates strategic opportunities for our Refining & Marketing segment and MPLX's logistic assets in the same geographic footprint.

Table of Contents

*As of December 31, 2015

Extensive Midstream Distribution Networks

Our assets give us extensive flexibility and optionality to respond promptly to dynamic market conditions, including weather-related and marketplace disruptions. We believe the relative scale of our transportation and distribution assets and operations distinguishes us from other refining and marketing companies. We currently own, lease or have ownership interests in approximately 8,400 miles of crude oil and products pipelines. Additionally, we have over 5,000 miles of natural gas and NGL pipelines. We also own one of the largest private domestic fleets of inland petroleum product barges and one of the largest terminal operations in the United States, as well as trucking and rail assets. We operate this system in coordination with our refining and marketing network, which enables us to optimize feedstock and other raw material supplies and refined product distribution, and further allows for important economies of scale across our system.

General Partner and Sponsor of MPLX

Our investment in MPLX should allow us to enhance our share price through our limited partner and general partner interests which tend to receive higher market multiples. MPLX also provides us an efficient vehicle to invest in organic projects and pursue acquisitions of midstream assets. MPLX's liquidity and access to the capital markets should provide us a strong foundation to execute our strategy for growing our midstream business. Our role as the general partner allows us to maintain strategic control of the assets so we can continue to optimize our refinery feedstock and distribution networks.

We have an extensive portfolio of midstream assets that can potentially be sold and/or contributed to MPLX at valuations that are supportive to the partnership's growth, providing MPLX with a competitive advantage. As of December 31, 2015, these assets included:

- approximately 5,400 miles of crude oil and products pipelines that MPC owns, leases or which it has an ownership interest;
- ownership interest in SAX pipeline;
- 19 owned or leased inland towboats and 219 owned or leased inland barges;
- ownership interest in a blue water joint venture with Crowley Maritime Corporation;

Table of Contents

- 61 owned and operated light product terminals with approximately 20 million barrels of storage capacity and 187 loading lanes;
- 18 owned and operated asphalt terminals with approximately 4 million barrels of storage capacity and 68 loading lanes;
- one leased and two non-operated, partially-owned light product terminals;
- 2,210 owned or leased railcars;
- 59 million barrels of tank and cavern storage capacity at our refineries;
- 25 rail and 26 truck loading racks at our refineries;
- seven owned and 11 non-owned docks at our refineries;
- condensate splitters at our Canton and Catlettsburg refineries; and
- approximately 20 billion gallons of fuels distribution.

We continue to focus resources on growing this portfolio of midstream assets, including investments in the Sandpiper pipeline project, the recently completed SAX pipeline and our new marine joint venture, Crowley Ocean Partners. We broadly estimate these assets and growth projects can generate annual EBITDA of $1.6 billion. In addition to this growing portfolio by which we can also incubate projects for MPLX, we also have the ability to provide additional financial flexibility to the partnership through intercompany debt and equity financing, commercial arrangements, IDR give-backs and other alternatives. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information on these midstream assets.

Competitively Positioned Marketing Operations

We are one of the largest wholesale suppliers of gasoline and distillates to resellers within our market area. We have two strong retail brands: Speedway® and Marathon®. We believe Speedway LLC, a wholly-owned subsidiary, operates the second largest chain of company-owned and operated retail gasoline and convenience stores in the United States, with approximately 2,770 convenience stores in 22 states throughout the Midwest, East Coast and Southeast. The Marathon brand is an established motor fuel brand primarily in the Midwest and Southeast regions of the United States, comprised of approximately 5,600 retail outlets operated by independent entrepreneurs in 19 states as of December 31, 2015. In addition, as part of the acquisition of the Galveston Bay Refinery and Related Assets in 2013 and Hess' Retail Operations and Related Assets in 2014, we obtained retail marketing contracts that provide us with the opportunity to convert the associated retail outlets to the Marathon brand. As of December 31, 2015, we had outstanding retail marketing contract assignments for approximately 300 retail outlets. We believe our distribution system allows us to maximize the sales value of our products and minimize cost.

Attractive Growth Opportunities

We believe we have attractive growth opportunities across all of our business segments.

We recently announced a $2 billion multi-year project we are undertaking in our Refining & Marketing segment which will fully integrate our Galveston Bay and Texas City refineries, increase residual oil processing, revamp a crude unit to increase our overall crude processing capacity, increase our distillate and gas oil recovery, improve the unit's reliability and install a new ULSD hydrotreater allowing the refinery to produce 100% ULSD and ULSK. We refer to this group of projects as the South Texas Asset Repositioning ("STAR") program. Our Refining & Marketing segment is also investing in the midstream through our ocean vessel equity affiliate, which is constructing additional Jones Act product tankers to move finished products from our refineries to the coastal market.

Our Speedway segment is focused on store remodels to enhance profitability, particularly for its acquired stores along the East Coast, building new locations in Speedway's core market and fully integrating Hess' Retail Operations and Related Assets.

MPLX, which is included in the Midstream segment, is focused on organic growth opportunities for natural gas gathering and processing and NGL gathering and fractionation in the Marcellus and Utica shale formations among other regions. MPLX also remains focused on the Cornerstone pipeline project and related Utica build out projects. The Cornerstone project is the building block for the other projects that will become a critical solution for the industry to move condensate and NGLs out of the Utica region into refining centers in northwest Ohio and into Canada. Our Midstream segment's investments also include an investment in an equity interest in the Sandpiper pipeline project that will transport crude oil from growing North American hydrocarbon production regions to our refineries.

In connection with the MarkWest Merger, we have also identified a portfolio of potential projects totaling $6 billion to $9 billion of incremental investment opportunities for our Midstream segment over the next several years. These investment opportunities are in the early stages of feasibility analysis and include projects in the Utica and Marcellus shale regions that could leverage our respective capabilities and pursue natural commercial synergies and transportation solutions to open new markets for producers’ products in these shale regions.

Established Track Record of Profitability and Diversified Income Stream

We have demonstrated an ability to achieve positive financial results throughout all stages of the refining cycle. We believe our business mix and strategies position us well to continue to achieve competitive financial results. Income generated by our Speedway segment, which was significantly expanded with the acquisition of Hess' Retail Operations and Related Assets, is less sensitive to business cycles and income from our Midstream segment, which was significantly expanded through the MarkWest Merger, is more stable due to its long-term fee based contracts, while our Refining & Marketing segment enables us to generate significant income and cash flow when market conditions are more favorable.

Strong Financial Position

As of December 31, 2015, we had $1.13 billion in cash and cash equivalents and $3.17 billion in unused committed borrowing facilities, excluding MPLX's credit facilities. We had $11.93 billion of debt at year-end, which represented 38 percent of our total capitalization. This combination of strong liquidity and manageable leverage provides financial flexibility to fund our growth projects and to pursue our business strategies.

Our Business Strategies

Maintain Top-Tier Safety and Environmental Performance

We remain committed to operating our assets in a safe and reliable manner and targeting continuous improvement in our safety record across all of our operations. We have a history of safe and reliable operations, which was demonstrated again in 2015 with a solid performance compared to the industry average. Four of our refineries and five additional facilities have earned designation as an OSHA VPP Star site. In addition, we remain committed to environmental stewardship by continuing to improve the efficiency and reliability of our operations. We proactively address our regulatory requirements and encourage our operations to improve their environmental performance through our DEI program. The results of the 2015 DEI program show a 16 percent reduction over 2014 in regards to significant environmental incidents across MPC, which includes our major operating components.

Grow Higher Valued, Stable Cash Flow Businesses

We intend to continue allocating significant capital to grow our midstream and retail businesses, exclusive of acquisitions. These businesses typically have more predictable and stable income and cash flows compared to our refining operations and we believe investors assign a higher value to businesses with stable cash flows.

MPLX is an important part of the MPC strategy to grow its higher valued, stable cash flow midstream businesses and the MarkWest Merger significantly expanded its midstream activities to include natural gas gathering, processing and transportation and NGL gathering, transportation, fractionation, storage and marketing. MPLX will evaluate organic growth projects within its geographic footprint, including the Marcellus and Utica shale regions, Oklahoma and Texas, as well as in new areas, that provide attractive returns and cash flows. MPLX may pursue these opportunities as standalone projects, with MPC or other parties.

We significantly expanded Speedway's presence along the East Coast and Southeast through our acquisition of Hess' Retail Operations and Related Assets towards the end of 2014. We intend to continue growing Speedway's sales and profitability by focusing on the conversion and integration of these acquired locations, from which we expect to realize increased merchandise sales and other synergies. We also remain focused on organic growth through remodeling stores, constructing new stores, rebuilding old stores, acquiring high quality stores through opportunistic acquisitions and improving margins at our existing operations. We have identified numerous opportunities for new convenience stores or store rebuilds in our existing market, Pennsylvania and Tennessee, as well as growth opportunities in Georgia, South Carolina and the Florida panhandle. We also plan to capitalize on diesel demand growth by building out our commercial fueling lane network. In addition, our highly successful Speedy Rewards® customer loyalty program, which averaged more than 4.7 million active members in 2015, provides us with a unique competitive advantage and opportunity to increase our Speedway customer base with existing and new Speedway locations, including the stores acquired from Hess.

Maintain Long-Term Integrated Relationships with Our Producer Customers

MPLX's MarkWest subsidiary has developed long-term integrated relationships with its producer customers. These relationships are characterized by an intense focus on customer service and a deep understanding of producer customers’ requirements coupled with the ability to increase the level of our midstream services in response to their midstream requirements. Through collaborative planning, MPLX continues to construct high-quality midstream infrastructure and provide unique solutions that are critical to the ongoing success of producer customers’ development plans. As a result of delivering high-quality midstream services, MarkWest has been the top-rated midstream service provider since 2006, as determined by an independent research provider.

Table of Contents

Deliver Top Quartile Refining Performance

Our refineries are well positioned to benefit from the growing crude oil and condensate production in North America, including the Bakken, Eagle Ford and Utica shale regions, along with the Canadian oil sands. We are also well positioned to export distillates, gasoline and other products.

We intend to enhance our margins in the Refining & Marketing segment by realizing benefits of continuous process improvements, investing in and optimizing operations at our Galveston Bay and Texas City refineries, increasing distillate yield and conversion capacity and growing refined product export capacity. For example, we completed condensate splitter projects at our Canton and Catlettsburg refineries to increase our condensate capacity, we increased distillate production at our Galveston Bay and Robinson refineries and expanded our export capacity at our Galveston Bay and Garyville refineries. We intend to create a world-class refining complex by investing $2 billion in our Galveston Bay refinery over the next five years. The group of projects included in this investment will enable us to produce 100 percent ULSD and ULSK, increase our overall crude processing capacity, increase our distillate and gas oil recovery and improve the refinery’s reliability. Furthermore, this investment program will fully integrate our Galveston Bay and Texas City refineries. In 2016, we intend to increase our capacity to produce high value products such as alkylate and light products by making investments in the FCC units at our Garyville and Detroit refineries. We also intend to further increase distillate production at our Garyville refinery and to further expand the export capacity at our Galveston Bay refinery.

Sustain Focus on Shareholder Returns

We intend to continue our focus on the return of capital to shareholders in the form of a strong and growing base dividend, supplemented by share repurchases. Since becoming a stand-alone company in June 2011, our dividend has increased by a 29.5 percent compound annual growth rate and our board of directors has authorized share repurchases totaling $10 billion. Through open market purchases and two ASR programs, we repurchased 198 million shares of our common stock for approximately $7.24 billion, representing approximately 28 percent of our outstanding common shares when we became a stand-alone company in June 2011. After the effects of these repurchases, $2.76 billion of the $10 billion total authorization was available for future repurchases as of December 31, 2015.

Increase Assured Sales Volumes at our Marathon Brand and Speedway Locations

We consider assured sales as those sales we make to Marathon brand customers, our Speedway operations and to our wholesale customers with whom we have required minimum volume sales contracts. We believe having assured sales brings ratability to our distribution systems, provides a solid base to enhance our overall supply reliability and allows us to efficiently and effectively optimize our operations between our refineries, pipelines and terminals. The Marathon brand has been a vehicle for sales volume growth in existing and contiguous markets. Our Speedway operations have also enabled us to further leverage our integrated refining and transportation operations with its expansion from nine to 22 states throughout the East Coast and Southeast in 2014.

Utilize and Enhance our High Quality Employee Workforce

We utilize our high quality employee workforce, which was augmented with the addition of MarkWest’s employees to MPC, by continuing to leverage our commercial skills. In addition, we continue to enhance our workforce through selective hiring practices and effective training programs on safety, environmental stewardship and other professional and technical skills.

Table of Contents

The above discussion contains forward-looking statements with respect to our competitive strengths and business strategies, including our expected investments, the adequacy of our capital resources and liquidity and MPLX's access to capital markets, share repurchase authorizations, growth opportunities as well as the earnings potential of our portfolio of midstream assets and growth projects that can potentially be sold and/or contributed to MPLX. There can be no assurance that we will be successful, in whole or in part, in carrying out our business strategies, including our expected investments, share repurchase authorizations and other growth opportunities, or that our portfolio of midstream assets and growth projects that can potentially be sold and/or contributed to MPLX will achieve expected earnings. Factors that could affect our expected investments include, but are not limited to, the actual amounts invested, which could differ materially from those estimated, and our success in making such investments. Factors that could affect the share repurchase authorizations and the timing of any repurchases include, but are not limited to, business conditions, availability of liquidity and the market price of our common stock. Factors that could affect the pursuit of growth opportunities include, but are not limited to, our ability to implement and realize the benefits and synergies of our strategic initiatives, availability of liquidity, actions taken by competitors, regulatory approvals and operating performance. Factors that could affect the earnings of our portfolio of midstream assets and growth projects that can potentially be sold and/or contributed to MPLX include, but are not limited to, the timing and extent of changes in commodity prices and demand for crude oil, refined products, feedstocks or other hydrocarbon-based products and volatility in and/or degradation of market and industry conditions. Factors that could affect the adequacy of our capital resources and liquidity and MPLX's access to capital markets include, but are not limited to, modifications to MPLX earnings and distribution growth objectives, the risk that synergies from the MarkWest Merger may not be fully realized or may take longer to realize than expected, failure to realize the benefits projected for capital projects and volatility or degradation in general economic, market, industry or business conditions. These factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements. For additional information on forward-looking statements and risks that can affect our business, see "Disclosures Regarding Forward-Looking Statements" and Item 1A. Risk Factors in this Annual Report on Form 10-K.

Refining & Marketing

Refineries

We currently own and operate seven refineries in the Gulf Coast and Midwest regions of the United States with an aggregate crude oil refining capacity of 1,794 mbpcd. During 2015, our refineries processed 1,711 mbpd of crude oil and 177 mbpd of other charge and blendstocks. During 2014, our refineries processed 1,622 mbpd of crude oil and 184 mbpd of other charge and blendstocks. The table below sets forth the location, crude oil refining capacity, tank storage capacity and number of tanks for each of our refineries as of December 31, 2015.

Refinery	Crude Oil Refining Capacity (mbpcd)[(a)]	Tank Storage Capacity (million barrels)	Number of Tanks
Garyville, Louisiana	539	16.8	78
Galveston Bay, Texas City, Texas	459	16.3	156
Catlettsburg, Kentucky	273	5.3	114
Robinson, Illinois	212	6.2	95
Detroit, Michigan	132	6.5	86
Canton, Ohio	93	3.1	76
Texas City, Texas	86	4.6	60
Total	1,794	58.8	665

(a) Refining throughput can exceed crude oil capacity due to the processing of other charge and blendstocks in addition to crude oil and the timing of planned turnaround and major maintenance activity.

Our refineries include crude oil atmospheric and vacuum distillation, fluid catalytic cracking, hydrocracking, catalytic reforming, coking, desulfurization and sulfur recovery units. The refineries process a wide variety of condensate, light and heavy crude oils purchased from various domestic and foreign suppliers. We produce numerous refined products, ranging from transportation fuels, such as reformulated gasolines, blend-grade gasolines intended for blending with ethanol and ULSD fuel, to heavy fuel oil and asphalt. Additionally, we manufacture aromatics, propane, propylene and sulfur. See the Refined Product Marketing section for further information about the products we produce.

Table of Contents

Our refineries are integrated with each other via pipelines, terminals and barges to maximize operating efficiency. The transportation links that connect our refineries allow the movement of intermediate products between refineries to optimize operations, produce higher margin products and efficiently utilize our processing capacity. For example, naphtha may be moved from Texas City to Robinson where excess reforming capacity is available. Also, shipping intermediate products between facilities during partial refinery shutdowns allows us to utilize processing capacity that is not directly affected by the shutdown work.

Garyville, Louisiana Refinery. Our Garyville, Louisiana refinery is located along the Mississippi River in southeastern Louisiana between New Orleans and Baton Rouge. The Garyville refinery is configured to process a wide variety of crude oils into gasoline, distillates, fuel-grade coke, asphalt, polymer-grade propylene, propane, slurry, sulfur and dry gas. The refinery has access to the export market and multiple options to sell refined products. A major expansion project was completed in 2009 that increased Garyville's crude oil refining capacity, making it one of the largest refineries in the U.S. Our Garyville refinery has earned designation as an OSHA VPP Star site.

Galveston Bay, Texas City, Texas Refinery. Our Galveston Bay refinery, which we acquired on February 1, 2013, is located on the Texas Gulf Coast approximately 30 miles southeast of Houston, Texas. The refinery can process a wide variety of crude oils into gasoline, distillates, aromatics, heavy fuel oil, fuel-grade coke, refinery-grade propylene, sulfur and dry gas. The refinery has access to the export market and multiple options to sell refined products. Our cogeneration facility, which supplies the Galveston Bay refinery, currently has 1,055 megawatts of electrical production capacity and can produce 4.3 million pounds of steam per hour. Approximately 46 percent of the power generated in 2015 was used at the refinery, with the remaining electricity being sold into the electricity grid.

Catlettsburg, Kentucky Refinery. Our Catlettsburg, Kentucky refinery is located in northeastern Kentucky on the western bank of the Big Sandy River, near the confluence with the Ohio River. The Catlettsburg refinery processes sweet and sour crude oils into gasoline, distillates, asphalt, aromatics, refinery-grade propylene and propane. In the second quarter of 2015, we completed construction of a condensate splitter at our Catlettsburg refinery, which increased our capacity to process condensate from the Utica shale region.

Robinson, Illinois Refinery. Our Robinson, Illinois refinery is located in southeastern Illinois. The Robinson refinery processes sweet and sour crude oils into gasoline, distillates, propane, anode-grade coke, aromatics and slurry. The Robinson refinery has earned designation as an OSHA VPP Star site.

Detroit, Michigan Refinery. Our Detroit, Michigan refinery is located in southwest Detroit. It is the only petroleum refinery currently operating in Michigan. The Detroit refinery processes sweet and heavy sour crude oils into gasoline, distillates, asphalt, fuel-grade coke, chemical-grade propylene, propane, slurry and sulfur. Our Detroit refinery earned designation as a OSHA VPP Star site in 2010. In the fourth quarter of 2012, we completed a heavy oil upgrading and expansion project that enabled the refinery to process up to an additional 80 mbpd of heavy sour crude oils, including Canadian crude oils.

Canton, Ohio Refinery. Our Canton, Ohio refinery is located approximately 60 miles south of Cleveland, Ohio. The Canton refinery processes sweet and sour crude oils, including production from the nearby Utica Shale, into gasoline, distillates, asphalt, roofing flux, refinery-grade propylene, propane and slurry. In December 2014, we completed construction of a condensate splitter at our Canton refinery, which increased our capacity to process condensate from the Utica shale region.

Texas City, Texas Refinery. Our Texas City, Texas refinery is located on the Texas Gulf Coast adjacent to our Galveston Bay refinery, approximately 30 miles southeast of Houston, Texas. The refinery processes light sweet crude oils into gasoline, chemical-grade propylene, propane, aromatics, slurry and dry gas. Our Texas City refinery earned designation as an OSHA VPP Star site in 2012.

As of December 31, 2015, our refineries had 25 rail loading racks and 26 truck loading racks and four of our refineries had a total of seven owned and 11 non-owned docks. Total throughput in 2015 was 88 mbpd for the refinery loading racks and 920 mbpd for the refinery docks.

Planned maintenance activities, or turnarounds, requiring temporary shutdown of certain refinery operating units, are periodically performed at each refinery. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for additional detail.

13

Table of Contents

Refined Product Yields

The following table sets forth our refinery production by product group for each of the last three years.

Refined Product Yields (mbpd)	2015	2014	2013
Gasoline	913	869	921
Distillates	603	580	572
Propane	36	35	37
Feedstocks and special products	281	276	221
Heavy fuel oil	31	25	31
Asphalt	55	54	54
Total	1,919	1,839	1,836

Crude Oil Supply

We obtain the crude oil we refine through negotiated term contracts and purchases or exchanges on the spot market. Our term contracts generally have market-related pricing provisions. The following table provides information on our sources of crude oil for each of the last three years. The crude oil sourced outside of North America was acquired from various foreign national oil companies, production companies and trading companies.

Sources of Crude Oil Refined (mbpd)	2015	2014	2013
United States	1,138	1,120	946
Canada	244	223	255
Middle East and other international	329	279	388
Total	1,711	1,622	1,589

Our refineries receive crude oil and other feedstocks and distribute our refined products through a variety of channels, including pipelines, trucks, railcars, ships and barges.

Renewable Fuels

We currently own a biofuel production facility in Cincinnati, Ohio that produces biodiesel, glycerin and other by-products. The capacity of the plant is approximately 60 million gallons per year.

We hold interests in ethanol production facilities in Albion, Michigan; Clymers, Indiana and Greenville, Ohio. These plants have a combined ethanol production capacity of 275 million gallons per year (18 mbpd) and are managed by a co-owner.

Refined Product Marketing

We believe we are one of the largest wholesale suppliers of gasoline and distillates to resellers and consumers within our 19-state market area. Independent retailers, wholesale customers, our Marathon brand jobbers and Speedway brand convenience stores, airlines, transportation companies and utilities comprise the core of our customer base. In addition, we sell gasoline, distillates and asphalt for export, primarily out of our Garyville and Galveston Bay refineries. The following table sets forth our refined product sales destined for export by product group for the past three years.

Refined Product Sales Destined for Export (mbpd)	2015	2014	2013
Gasoline	101	79	38
Distillates	214	191	173
Asphalt	4	5	6
Other	—	—	1
Total	319	275	218

Table of Contents

The following table sets forth, as a percentage of total refined product sales volume, the sales of refined products to our different customer types for the past three years.

Refined Product Sales by Customer Type	2015		2014		2013	
Private-brand marketers, commercial and industrial customers, including spot market	69	%	73	%	75	%
Marathon-branded independent entrepreneurs	14	%	15	%	16	%
Speedway® convenience stores	17	%	12	%	9	%

The following table sets forth the approximate number of retail outlets by state where independent entrepreneurs maintain Marathon-branded retail outlets, as of December 31, 2015.

State	Approximate Number of Marathon® Retail Outlets
Alabama	237
Florida	632
Georgia	311
Illinois	314
Indiana	646
Kentucky	578
Louisiana	2
Maryland	1
Michigan	753
Minnesota	63
Mississippi	70
North Carolina	292
Ohio	848
Pennsylvania	65
South Carolina	133
Tennessee	362
Virginia	130
West Virginia	119
Wisconsin	51
Total	5,607

As of December 31, 2015, we also had branded marketing contract assignments for retail outlets, primarily in Florida, Mississippi, Tennessee and Alabama and branded lessee dealer marketing contract assignments, primarily in Connecticut, Maryland and New York, which we acquired as either part of the Galveston Bay Refinery and Related Assets acquisition in 2013 or the acquisition of Hess' Retail Operations and Related Assets in 2014. As of December 31, 2015, we had outstanding retail marketing contract assignments for approximately 300 retail outlets.

The following table sets forth our refined product sales volumes by product group for each of the last three years.

Refined Product Sales by Product Group (mbpd)	2015	2014	2013
Gasoline	1,241	1,116	1,126
Distillates	667	623	615
Propane	36	34	37
Feedstocks and special products	258	268	214
Heavy fuel oil	30	28	29
Asphalt	57	56	54
Total	2,289	2,125	2,075

Table of Contents

Gasoline and Distillates. We sell gasoline, gasoline blendstocks and distillates (including No. 1 and No. 2 fuel oils, jet fuel, kerosene and diesel fuel) to wholesale customers, Marathon-branded independent entrepreneurs and our Speedway® convenience stores and on the spot market. In addition, we sell diesel fuel and gasoline for export to international customers. We sold 50 percent of our gasoline sales volumes and 87 percent of our distillates sales volumes on a wholesale or spot market basis in 2015. The demand for gasoline and distillates is seasonal in many of our markets, with demand typically at its highest levels during the summer months.

We have blended ethanol into gasoline for more than 20 years and began expanding our blending program in 2007, in part due to federal regulations that require us to use specified volumes of renewable fuels. Ethanol volumes sold in blended gasoline were 85 mbpd in 2015, 78 mbpd in 2014 and 74 mbpd in 2013. We sell reformulated gasoline, which is also blended with ethanol, in 12 states in our marketing area. We also sell biodiesel-blended diesel fuel in 16 states in our marketing area. The future expansion or contraction of our ethanol and biodiesel blending programs will be driven by market economics and government regulations.

Propane. We produce propane at most of our refineries. Propane is primarily used for home heating and cooking, as a feedstock within the petrochemical industry, for grain drying and as a fuel for trucks and other vehicles. Our propane sales are typically split evenly between the home heating market and industrial consumers.

Feedstocks and Special Products. We are a producer and marketer of feedstocks and specialty products. Product availability varies by refinery and includes platformate, alkylate, FCC unit gas, naptha, dry gas, propylene, raffinate, butane, benzene, xylene, molten sulfur, cumene and toluene. We market these products domestically to customers in the chemical, agricultural and fuel-blending industries. In addition, we produce fuel-grade coke at our Garyville, Detroit and Galveston Bay refineries, which is used for power generation and in miscellaneous industrial applications, and anode-grade coke at our Robinson refinery, which is used to make carbon anodes for the aluminum smelting industry. Our feedstocks and special products sales decreased to 258 mbpd in 2015 from 268 mbpd in 2014 and increased in 2014 from 214 mbpd in 2013. The decrease in 2015 was primarily due to higher turnaround activity in 2014 resulting in more available feedstocks, more feedstocks used in production versus selling them on the spot market and market conditions in 2015. The increase in 2014 was primarily due to our Galveston Bay refinery.

Heavy Fuel Oil. We produce and market heavy residual fuel oil or related components, including slurry, at all of our refineries. Heavy residual fuel oil is primarily used in the utility and ship bunkering (fuel) industries, though there are other more specialized uses of the product.

Asphalt. We have refinery-based asphalt production capacity of up to 101 mbpcd, which includes asphalt cements, polymer-modified asphalt, emulsified asphalt, industrial asphalts and roofing flux. We have a broad customer base, including asphalt-paving contractors, government entities (states, counties, cities and townships) and asphalt roofing shingle manufacturers. We sell asphalt in the domestic and export wholesale markets via rail, barge and vessel.

Table of Contents

Terminals

As of December 31, 2015, we owned and operated 61 light product and 18 asphalt terminals. Our light product and asphalt terminals averaged 1,410 mbpd and 32 mbpd of throughput in 2015, respectively. In addition, we distribute refined products through one leased light product terminal, two light product terminals in which we have partial ownership interests but do not operate and approximately 120 third-party light product and two third-party asphalt terminals in our market area. The following table sets forth additional details about our owned and operated terminals at December 31, 2015.

Owned and Operated Terminals	Number of Terminals	Tank Storage Capacity (million barrels)	Number of Tanks	Number of Loading Lanes
Light Product Terminals:				
Alabama	2	0.4	19	4
Florida	4	2.6	82	22
Georgia	4	0.9	38	9
Illinois	4	1.1	43	14
Indiana	6	2.9	76	17
Kentucky	6	2.3	69	24
Louisiana	1	0.1	9	2
Michigan	8	2.1	93	26
North Carolina	4	1.2	53	13
Ohio	13	3.8	150	33
Pennsylvania	1	0.3	10	2
South Carolina	1	0.3	9	3
Tennessee	4	1.0	43	12
West Virginia	2	0.3	10	2
Wisconsin	1	0.3	10	4
Subtotal light product terminals	61	19.6	714	187
Asphalt Terminals:				
Florida	1	0.2	4	3
Illinois	2	0.1	34	6
Indiana	2	0.5	24	6
Kentucky	4	0.5	58	14
Louisiana	1	0.1	11	2
Michigan	1	—	2	8
Ohio	4	2.0	72	13
Pennsylvania	1	0.5	21	8
Tennessee	2	0.5	44	8
Subtotal asphalt terminals	18	4.4	270	68
Total owned and operated terminals	79	24.0	984	255

Table of Contents

Transportation - Marine, Truck and Rail

As of December 31, 2015, our marine transportation operations included 18 owned and one leased towboat, as well as 205 owned and 14 leased barges that transport refined products and crude oil on the Ohio, Mississippi and Illinois rivers and their tributaries and inter-coastal waterways. We also have a 50 percent ownership interest in a joint venture with Crowley Maritime Corporation through our investment in Crowley Ocean Partners to operate and charter four new Jones Act product tankers, most of which will be leased to MPC. As of December 31, 2015, two of the four vessels were delivered with the remaining two vessels expected to be delivered by the third quarter of 2016. The following table sets forth additional details about our tankers, barges and towboats.

Class of Equipment	Number in Class	Capacity (thousand barrels)
Jones Act product tankers[(a)]	2	660
Inland tank barges:[(b)]		
Less than 25,000 barrels	67	995
25,000 barrels and over	152	4,453
Total	219	5,448
Inland towboats:		
Less than 2,000 horsepower	2	
2,000 horsepower and over	17	
Total	19	

(a) Represents ownership through our investment in Crowley Ocean Partners.

(b) All of our barges are double-hulled.

As of December 31, 2015, we owned 173 transport trucks and 174 trailers with an aggregate capacity of 1.6 million gallons for the movement of refined products and crude oil. In addition, we had 2,189 leased and 21 owned railcars of various sizes and capacities for movement and storage of refined products. The following table sets forth additional details about our railcars.

	Number of Railcars			
Class of Equipment	Owned	Leased	Total	Capacity per Railcar
General service tank cars	—	793	793	20,000-30,000 gallons
High pressure tank cars	—	1,102	1,102	33,500 gallons
Open-top hoppers	21	294	315	4,000 cubic feet
	21	2,189	2,210	

Speedway

Our Speedway segment sells gasoline, diesel and merchandise through convenience stores that it owns and operates under the Speedway brand. We are substantially complete with the conversion of the remaining convenience stores acquired from Hess to the Speedway brand and plan to complete this process by the end of the second quarter of 2016. Speedway convenience stores offer a wide variety of merchandise, including prepared foods, beverages and non-food items. Speedway's Speedy Rewards® loyalty program has been a highly successful loyalty program since its inception in 2004, with a consistently growing base which averaged more than 4.7 million active members in 2015. Due to Speedway's ability to capture and analyze member-specific transactional data, Speedway is able to offer the Speedy Rewards® members discounts and promotions specific to their buying behavior. We believe Speedy Rewards® is a key reason customers choose Speedway over competitors and it continues to drive significant value for both Speedway and our Speedy Rewards® members.

The demand for gasoline is seasonal, with the highest demand usually occurring during the summer driving season. Margins from the sale of merchandise tend to be less volatile than margins from the retail sale of gasoline and diesel fuel. Merchandise margin as a percent of total gross margin for Speedway decreased in 2015, primarily due to higher light product margins during the year and the effects of the convenience stores acquired from Hess. The following table sets forth Speedway merchandise statistics for the past three years.

Table of Contents

Speedway Merchandise Statistics	2015	2014	2013
Merchandise sales (in millions)	$4,879	$3,611	$3,135
Merchandise gross margin (in millions)	1,368	975	825
Merchandise as a percent of total gross margin	54 %	57 %	65 %

As of December 31, 2015, Speedway had 2,766 convenience stores in 22 states. The following table sets forth the number of convenience stores by state owned by our Speedway segment as of December 31, 2015.

State	Number of Convenience Stores[a]
Alabama	2
Connecticut	1
Delaware	4
Florida	247
Georgia	6
Illinois	110
Indiana	308
Kentucky	147
Massachusetts	114
Michigan	303
New Hampshire	12
New Jersey	72
New York	240
North Carolina	288
Ohio	489
Pennsylvania	111
Rhode Island	20
South Carolina	62
Tennessee	37
Virginia	68
West Virginia	61
Wisconsin	64
Total	2,766

[a] Includes travel centers and stores with commercial fueling lanes.

As of December 31, 2015, Speedway owned 105 transport trucks and 83 trailers for the movement of gasoline and distillate.

Midstream

Following the MarkWest Merger, we changed the name of our Pipeline Transportation segment to the Midstream segment to reflect its expanded business activities. The Midstream segment includes the operations of MPLX, which transports crude oil and other feedstocks to our refineries and other locations, delivers refined products to wholesale and retail market areas, gathers, processes and transports natural gas, and transports, fractionates, stores and markets NGLs. As of December 31, 2015, we owned, leased or had ownership interests in approximately 8,400 miles of crude oil and products pipelines, of which approximately 2,900 miles are owned through our investments in MPLX. Also through our investments in MPLX, we own 5,000 miles of gas gathering and NGL pipelines and have ownership interests in over 50 gas processing plants, over 10 NGL fractionation facilities and one condensate stabilization facility.

Table of Contents

MPLX

MPLX is a publicly traded master limited partnership formed by us to own, operate, develop and acquire pipelines and other midstream assets related to the transportation and storage of crude oil, refined products and other hydrocarbon-based products. On December 4, 2015, MPLX merged with MarkWest, whereby MarkWest became a wholly-owned subsidiary of MPLX. Prior to the MarkWest Merger, we owned a 71.5 percent interest in MPLX, which included our two percent general partner interest. As of December 31, 2015, our ownership interest in MPLX was 20.4 percent, including our two percent general partner interest.

As of December 31, 2015, MPLX assets, through its combination with MarkWest, included approximately 5,400 MMcf/d of gathering capacity, 7,100 MMcf/d of natural gas processing capacity and 500 mbpd of NGL fractionation capacity and more than 5,000 miles of gas gathering and NGL pipelines.

MPLX assets as of December 31, 2015 also included 100 percent ownership of common carrier pipeline systems through Marathon Pipe Line LLC (“MPL”) and Ohio River Pipe Line LLC (“ORPL”), and a one million barrel butane storage cavern in West Virginia. MPLX, through MPL and ORPL, owned or leased and operated 1,008 miles of common carrier crude oil lines and 1,900 miles of common carrier products lines located in nine states and four tank farms in Illinois and Indiana with available storage capacity of 4.53 million barrels that is committed to MPC. In 2015, third parties generated 17 percent of the crude oil and refined product shipments on MPLX’s common carrier pipelines, excluding volumes shipped by MPC under joint tariffs with third parties. These common carrier pipelines transported the volumes shown in the MPLX Pipeline Throughput information in the table below for each of the last three years.

MPC-Retained Assets and Investments

We retained ownership interests in several crude oil and products pipeline systems and pipeline companies. MPC consolidated volumes transported through our common carrier pipelines, which include MPLX and our undivided joint interests, are shown in the MPC Consolidated Pipeline Throughput information in the following table for each of the last three years.

The following table shows operating statistics for our Midstream segment.

Midstream Operating Statistics	2015	2014	2013
MPC Consolidated Pipeline Throughput (mbpd)			
Crude oil pipelines	1,277	1,241	1,293
Refined products pipelines	914	878	911
Total	2,191	2,119	2,204
MPLX Pipeline Throughput (mbpd)[(a)(b)]			
Crude oil pipelines	1,061	1,041	1,075
Refined products pipelines	914	878	911
Total	1,975	1,919	1,986
Gathering system throughput (MMcf/d)[(c)]	3,075		
Natural gas processed (MMcf/d)[(c)]	5,468		
C2 (ethane) + NGLs fractionated (mbpd)[(c)]	307		

(a) MPLX predecessor volumes reported in MPLX’s filings include our undivided joint interest crude oil pipeline systems for periods prior to MPLX’s initial public offering, which were not contributed to MPLX. The undivided joint interest volumes are not included above.

(b) Volumes represent 100 percent of the throughput through these pipelines.

(c) Beginning December 4, 2015, which was the effective date of the MarkWest Merger.

The locations and detailed information about our midstream assets are included under Item 2. Properties and are incorporated herein by reference.

Table of Contents

Competition, Market Conditions and Seasonality

The downstream petroleum business is highly competitive, particularly with regard to accessing crude oil and other feedstock supply and the marketing of refined products. We compete with a large number of other companies to acquire crude oil for refinery processing and in the distribution and marketing of a full array of petroleum products. Based upon the "The Oil & Gas Journal 2015 Worldwide Refinery Survey," we ranked fourth among U.S. petroleum companies on the basis of U.S. crude oil refining capacity as of December 31, 2015. We compete in four distinct markets for the sale of refined products—wholesale, spot, branded and retail distribution. We believe we compete with about 55 companies in the sale of refined products to wholesale marketing customers, including private-brand marketers and large commercial and industrial consumers; about 100 companies in the sale of refined products in the spot market; 12 refiners or marketers in the supply of refined products to refiner-branded independent entrepreneurs; and approximately 890 retailers in the retail sale of refined products. In addition, we compete with producers and marketers in other industries that supply alternative forms of energy and fuels to satisfy the requirements of our industrial, commercial and retail consumers. We do not produce any of the crude oil we refine.

We also face strong competition for sales of retail gasoline, diesel fuel and merchandise. Our competitors include service stations and convenience stores operated by fully integrated major oil companies and their independent entrepreneurs and other well-recognized national or regional convenience stores and travel centers, often selling gasoline, diesel fuel and merchandise at competitive prices. Non-traditional retailers, such as supermarkets, club stores and mass merchants, have affected the convenience store industry with their entrance into sales of retail gasoline and diesel fuel. Energy Analysts International, Inc. estimated such retailers had approximately 13 percent of the U.S. gasoline market in mid-2015.

Our Midstream operations face competition for natural gas gathering, crude oil transportation and in obtaining natural gas supplies for our processing and related services; in obtaining unprocessed NGLs for gathering and fractionation; and in marketing our products and services. Competition for natural gas supplies is based primarily on the location of gas gathering facilities and gas processing plants, operating efficiency and reliability and the ability to obtain a satisfactory price for products recovered. Competitive factors affecting our fractionation services include availability of capacity, proximity to supply and industry marketing centers and cost efficiency and reliability of service. Competition for customers to purchase our natural gas and NGLs is based primarily on price, delivery capabilities, flexibility and maintenance of high-quality customer relationships. In addition, certain of our Midstream operations are highly regulated, which affects the rates that our common carrier pipelines can charge for transportation services and the return we obtain from such pipelines.

Market conditions in the oil and gas industry are cyclical and subject to global economic and political events and new and changing governmental regulations. Our operating results are affected by price changes in crude oil, natural gas and refined products, as well as changes in competitive conditions in the markets we serve. Price differentials between sweet and sour crude oils, WTI and LLS crude oils and other market structure differentials also affect our operating results.

Demand for gasoline, diesel fuel and asphalt is higher during the spring and summer months than during the winter months in most of our markets, primarily due to seasonal increases in highway traffic and construction. As a result, the operating results for each of our segments for the first and fourth quarters may be lower than for those in the second and third quarters of each calendar year.

Our Midstream segment can be affected by seasonal fluctuations in the demand for natural gas and NGLs and the related fluctuations in commodity prices caused by various factors such as changes in transportation and travel patterns and variations in weather patterns from year to year. In the northeast region, we could be particularly impacted by seasonality as the majority of its revenues are generated by NGL sales. However, we manage the seasonality impact through the execution of our marketing strategy. We have access to up to 50 million gallons of propane storage capacity in the northeast region provided by an arrangement with a third-party which provides us with flexibility to manage the seasonality impact. Overall, our exposure to the seasonal fluctuations in the commodity markets is declining due to our growth in fee-based business.

Environmental Matters

Our management is responsible for ensuring that our operating organizations maintain environmental compliance systems that support and foster our compliance with applicable laws and regulations, and for reviewing our overall environmental performance. We also have a Corporate Emergency Response Team that oversees our response to any major environmental or other emergency incident involving us or any of our facilities.

We believe it is likely that the scientific and political attention to issues concerning the extent and causes of climate change will continue, with the potential for further regulations that could affect our operations. Currently, legislative and regulatory measures to address greenhouse gases are in various phases of review, discussion or implementation. The cost to comply with these laws and regulations cannot be estimated at this time, but could be significant. For additional information, see Item 1A. Risk Factors. We estimate and publicly report greenhouse gas emissions from our operations and products. Additionally, we continuously strive to improve operational and energy efficiencies through resource and energy conservation where practicable.

Table of Contents

Our operations are subject to numerous other laws and regulations relating to the protection of the environment. Such laws and regulations include, among others, the Clean Air Act ("CAA") with respect to air emissions, the Clean Water Act ("CWA") with respect to water discharges, the Resource Conservation and Recovery Act ("RCRA") with respect to solid and hazardous waste treatment, storage and disposal, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") with respect to releases and remediation of hazardous substances and the Oil Pollution Act of 1990 ("OPA-90") with respect to oil pollution and response. In addition, many states where we operate have similar laws. New laws are being enacted and regulations are being adopted on a continuing basis, and the costs of compliance with such new laws and regulations are very difficult to estimate until finalized.
For a discussion of environmental capital expenditures and costs of compliance for air, water, solid waste and remediation, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Environmental Matters and Compliance Costs.
Air
We are subject to many requirements in connection with air emissions from our operations. Internationally and domestically, emphasis has been placed on reducing greenhouse gas emissions. The U.S. pledge in 2009, as part of the Copenhagen Accord, to reduce greenhouse gas emissions 17 percent below 2005 levels by 2020 remains in effect and was reaffirmed in the President's 2013 Climate Action Plan. The 2015 Paris Agreement on Climate Change does not legally require parties to the Agreement to reduce greenhouse gas emissions, but the United States' future activities in response to the Paris Agreement are unknown. In 2009, the EPA issued an "endangerment finding" that greenhouse gas emissions contribute to air pollution that endangers public health and welfare. Related to the endangerment finding, in April 2010, the EPA finalized a greenhouse gas emission standard for mobile sources (cars and other light duty vehicles). The endangerment finding, the mobile source standard and the EPA's determination that greenhouse gases are subject to regulation under the Clean Air Act resulted in permitting of greenhouse gas emissions at stationary sources, but as a result of the EPA's "tailoring rule," permit applicability was limited to larger sources such as refineries. Legal challenges were filed against these EPA actions. In June 2014, the United States Supreme Court ruled that the Clean Air Act Prevention of Significant Deterioration program for new and modified stationary sources is not triggered by greenhouse gas emissions alone. The United States Supreme Court did, however, uphold the requirement for new or modified stationary sources that will also emit a criteria pollutant to control greenhouse gas emissions through Best Available Control Technology. Implementing Best Available Control Technology may result in increased costs to our operations. A few MPC projects triggered greenhouse gas permitting requirements but any additional capital spending will likely not be significant.

The EPA has finalized Source Performance Standards for greenhouse gas emissions for new and existing electric utility generating units. These standards could impact electric and natural gas rates for all our operations. Legal challenges have been filed by several states and by industry groups seeking to overturn the final rules. Congress may again also consider legislation on greenhouse gas emissions or a carbon tax. Private parties have sued utilities and other emitters of greenhouse gas emissions, but such suits have been largely unsuccessful. We have not been named in any of those lawsuits. Private parties have also sued federal and certain state governmental entities seeking additional greenhouse gas emission reductions beyond those currently being undertaken. In sum, requiring reductions in greenhouse gas emissions could result in increased costs to (i) operate and maintain our facilities, (ii) install new emission controls at our facilities and (iii) administer and manage any greenhouse gas emissions programs, including acquiring emission credits or allotments. These requirements may also significantly affect MPC's refinery operations and may have an indirect effect on our business, financial condition and results of operations. The extent and magnitude of the impact from greenhouse gas regulation or legislation cannot be reasonably estimated due to the uncertainty regarding the additional measures and how they will be implemented.

In 2013, the Obama administration made changes to the social cost of carbon ("SCC") estimate. The SCC was first issued in 2010. The SCC is to be used by the EPA and other federal agencies in regulatory cost-benefit analyses to take into account alleged broad economic consequences associated with changes to emissions of greenhouse gases. In 2013, the Obama administration significantly increased the estimate to $36 per ton. In response to the regulated community and Congress' critiques of how the SCC was developed, the Office of Management and Budget provided an opportunity to comment on the SCC, but ultimately did not make any significant revisions. In December 2014, the White House Council on Environmental Quality issued new draft guidance for assessing greenhouse gas emissions under the National Environmental Policy Act, adding for the first time language that requires the analyses to also include the impact of climate change on projects, including using the SCC when analyzing costs and benefits of a project. While the impact of a higher SCC in future regulations is not known at this time, it may result in increased costs to our operations.

In 2015, the EPA finalized a revision to the National Ambient Air Quality Standards ("NAAQS") for ozone. The EPA lowered the primary ozone NAAQS from 75 ppb to 70 ppb. This revision initiates a multi-year process in which nonattainment designations will be made based on more recent ozone measurements that includes data from 2016. States will then propose

Table of Contents

and adopt, as necessary, new rules reducing emissions to meet the new standard. Currently, the EPA is in the process of implementing the 75 ppb ozone standard that the EPA had promulgated in March 2008. The impact of a stricter standard cannot be accurately estimated due to the present uncertainty regarding area nonattainment designations and the additional requirements that states may impose. Additionally, legal petitions challenging the revised ozone standard have been filed with the court adding uncertainty to the revised standard.

On September 29, 2015, the EPA signed the final regulations revising existing refinery air emissions standards. The revised regulations were published in the Federal Register on December 1, 2015. The revised rule requires additional controls, lower emission standards and ambient air monitoring. We do not anticipate that MPC's costs to comply with the revised regulations will be material to our results of operations or cash flows.

Water

We maintain numerous discharge permits as required under the National Pollutant Discharge Elimination System program of the CWA and have implemented systems to oversee our compliance with these permits. In addition, we are regulated under OPA-90, which among other things, requires the owner or operator of a tank vessel or a facility to maintain an emergency plan to respond to releases of oil or hazardous substances. Also, in case of any such release, OPA-90 requires the responsible company to pay resulting removal costs and damages. OPA-90 also provides for civil penalties and imposes criminal sanctions for violations of its provisions. We have implemented emergency oil response plans for all of our components and facilities covered by OPA-90 and we have established Spill Prevention, Control and Countermeasures plans for all facilities subject to such requirements.

Additionally, OPA-90 requires that new tank vessels entering or operating in U.S. waters be double-hulled and that existing tank vessels that are not double-hulled be retrofitted or removed from U.S. service. All barges used for river transport of our raw materials and refined products meet the double-hulled requirements of OPA-90. We operate facilities at which spills of oil and hazardous substances could occur. Some coastal states in which we operate have passed state laws similar to OPA-90, but with expanded liability provisions, that include provisions for cargo owner responsibility as well as ship owner and operator responsibility.

In June 2015, the EPA and the United States Army Corps of Engineers finalized significant changes to the definition of the term "waters of the United States" ("WOTUS") used in numerous programs under the CWA. This final rulemaking is referred to as the Clean Water Rule. The Clean Water Rule has been challenged in multiple federal courts by many states, trade groups, and other interested parties, and in October 2015, a United States Court of Appeals issued a nationwide stay of the Clean Water Rule. The Clean Water Rule, as written, expands permitting, planning and reporting obligations and may extend the timing to secure permits for pipeline and fixed asset construction and maintenance activities. The Clean Water Rule does contain new language intended to address concerns that the proposed rule included storm water conveyances and storage structures as WOTUS, and we continue to review how that new language will apply under specific circumstances. Court challenges of the Clean Water Rule will continue through 2016.

In 2015, the EPA issued its intent to review the CWA categorical effluent limitation guidelines ("ELG") for the petroleum refining sector. During 2016, the EPA will prepare and request significant wastewater and treatment process details for our refining operations. The EPA has indicated they believe there have been significant changes in the characteristics of wastewaters generated within refining operations that warrant the review. Specific targets for the review are the impacts of processing heavier crude oils and the transfer of air pollutants to wastewater when air pollution abatement devices are in use. A similar project, initiated in 2007 for steam power generation with similar attributes, resulted in a significant change in the treatment requirements for coal fired power plants. The refining sector ELG review has the potential to result in a similar impact. We are actively engaged in the planning process for the 2016 information request and engaged with API and AFPM on this matter. The typical life-cycle for an ELG review from the intent to review to issuance of a final rule that would require upgrades is seven years.

Solid Waste

We continue to seek methods to minimize the generation of hazardous wastes in our operations. RCRA establishes standards for the management of solid and hazardous wastes. Besides affecting waste disposal practices, RCRA also addresses the environmental effects of certain past waste disposal operations, the recycling of wastes and the regulation of USTs containing regulated substances. We have ongoing RCRA treatment and disposal operations at two of our facilities and primarily utilize offsite third-party treatment and disposal facilities. Ongoing RCRA-related costs, however, are not expected to be material to our results of operations or cash flows.

Table of Contents

Remediation

We own or operate, or have owned or operated, certain convenience stores and other locations where, during the normal course of operations, releases of refined products from USTs have occurred. Federal and state laws require that contamination caused by such releases at these sites be assessed and remediated to meet applicable standards. The enforcement of the UST regulations under RCRA has been delegated to the states, which administer their own UST programs. Our obligation to remediate such contamination varies, depending on the extent of the releases and the stringency of the applicable state laws and regulations. A portion of these remediation costs may be recoverable from the appropriate state UST reimbursement funds once the applicable deductibles have been satisfied. We also have ongoing remediation projects at a number of our current and former refinery, terminal and pipeline locations. Penalties or other sanctions may be imposed for noncompliance.

Claims under CERCLA and similar state acts have been raised with respect to the clean-up of various waste disposal and other sites. CERCLA is intended to facilitate the clean-up of hazardous substances without regard to fault. Potentially responsible parties for each site include present and former owners and operators of, transporters to and generators of the hazardous substances at the site. Liability is strict and can be joint and several. Because of various factors including the difficulty of identifying the responsible parties for any particular site, the complexity of determining the relative liability among them, the uncertainty as to the most desirable remediation techniques and the amount of damages and clean-up costs and the time period during which such costs may be incurred, we are unable to reasonably estimate our ultimate cost of compliance with CERCLA; however, we do not believe such costs will be material to our business, financial condition, results of operations or cash flows.

Mileage Standards, Renewable Fuels and Other Fuels Requirements

In 2007, the U.S. Congress passed the Energy Independence and Security Act (“EISA”), which, among other things, set a target of 35 miles per gallon for the combined fleet of cars and light trucks in the United States by model year 2020, and contains the RFS2. In August 2012, the EPA and the National Highway Traffic Safety Administration jointly adopted regulations that establish average industry fleet fuel economy standards for passenger cars and light trucks of up to 41 miles per gallon by model year 2021 and average fleet fuel economy standards of up to 49.7 miles per gallon by model year 2025 (the standards from 2022 to 2025 are the government’s current estimate but will require further rulemaking). New or alternative transportation fuels such as compressed natural gas could also pose a competitive threat to our operations.

The RFS2 required the total volume of renewable transportation fuels sold or introduced annually in the U.S. to reach 18.15 billion gallons in 2014, 20.5 billion gallons in 2015, 22.25 billion gallons in 2016 and increase to 36.0 billion gallons by 2022. Within the total volume of renewable fuel, EISA established an advanced biofuel volume of 3.75 billion gallons in 2014, 5.5 billion gallons in 2015, 7.25 billion gallons in 2016, and increasing to 21.0 billion gallons in 2022. Subsets within the advanced biofuel volume include biomass-based diesel, which was set as at least 1.0 billion gallons in 2014 through 2022 (to be determined by the EPA through rulemaking), and cellulosic biofuel, which was set at 1.75 billion gallons in 2014, 3.0 billion gallons in 2015, 4.25 billion gallons in 2016, and increasing to 16.0 billion gallons in 2022.

On November 30, 2015, the EPA finalized the renewable fuel standards for the years of 2014, 2015 and 2016 as well as the biomass based diesel standard for 2017. Because the EPA missed the statutory deadlines for establishing the standards for 2014 and 2015, the EPA set the standards using actual consumption data obtained from EPA’s tracking system, EMTS. The volumes in billions of gallons that were finalized are as follows:

EPA Renewable Fuel Standards (billions of gallons)	2014	2015	2016
Cellulosic Ethanol	0.033	0.123	0.230
Biomass Based Diesel	1.630	1.730	1.900
Advanced Biofuel	2.670	2.880	3.610
Total Renewable	16.280	16.930	18.110

These volumes, with the exception of biomass based diesel, represent a reduction from the statutory volumes. In the near term, the RFS2 will be satisfied primarily with ethanol blended into gasoline. Vehicle, regulatory and infrastructure constraints limit the blending of significantly more than 10 percent ethanol into gasoline ("E10"). The volumes for 2016 result in the ethanol content of gasoline exceeding the E10 blendwall, which will require obligated parties to either sell E15 or FlexFuel at levels that exceed historical levels. Neither E15 nor FlexFuel has been readily accepted by the consumer. There are numerous issues, including state and federal regulatory issues, which need to be addressed before E15 can be marketed for use in traditional gasoline engines.

With potentially uncertain supplies, the advanced biofuels programs may present specific challenges in that we may have to enter into arrangements with other parties or purchase credits from the EPA to meet our obligations to use advanced biofuels, including biomass-based diesel and cellulosic biofuel.

Table of Contents

We made investments in infrastructure capable of expanding biodiesel blending capability to help comply with the biodiesel RFS2 requirement by buying and blending biodiesel into our refined diesel product, and by buying needed biodiesel RINs in the EPA-created biodiesel RINs market. On April 1, 2014, we purchased a facility in Cincinnati, Ohio, which currently produces biodiesel, glycerin and other by-products. The capacity of the plant is approximately 60 million gallons per year. As a producer of biodiesel, we now generate RINs, thereby reducing our reliance on the external RIN market.

On October 13, 2010, the EPA issued a partial waiver decision under the CAA to allow for an increase in the amount of ethanol permitted to be blended into gasoline from E10 to E15 for 2007 and newer light-duty motor vehicles. On January 21, 2011, the EPA issued a second waiver for the use of E15 in vehicles model year 2001-2006. There are numerous issues, including state and federal regulatory issues, which need to be addressed before E15 can be marketed for use in traditional gasoline engines.

There will be costs and uncertainties regarding how we will comply with the various requirements contained in EISA and related regulations. The RFS2 has required, and may in the future continue to require, additional capital expenditures or expenses by us to accommodate increased renewable fuels use. We may experience a decrease in demand for refined petroleum products due to an increase in combined fleet mileage or due to refined petroleum products being replaced by renewable fuels.

On March 3, 2014, the EPA signed the final Tier 3 fuel standards. The final Tier 3 fuel standards require, among other things, a lower annual average sulfur level in gasoline to no more than 10 ppm beginning in calendar year 2017. In addition, gasoline refiners and importers may not exceed a maximum per-gallon sulfur standard of 80 ppm while retailers may not exceed a maximum per-gallon sulfur standard of 95 ppm. We anticipate that we will spend an estimated $750 million to $1 billion between 2014 and 2019 for capital expenditures necessary to comply with these standards, a majority of which is expected to be spent in the years of 2017 through 2019.

Trademarks, Patents and Licenses

Our Marathon trademark is material to the conduct of our refining and marketing operations, and our Speedway trademark is material to the conduct of our retail marketing operations. We currently hold a number of U.S. and foreign patents and have various pending patent applications. Although in the aggregate our patents and licenses are important to us, we do not regard any single patent or license or group of related patents or licenses as critical or essential to our business as a whole. In general, we depend on our technological capabilities and the application of know-how rather than patents and licenses in the conduct of our operations.

Employees

We had approximately 45,440 regular employees as of December 31, 2015, which includes approximately 33,820 employees of Speedway.

Certain hourly employees at our Canton, Catlettsburg, Galveston Bay and Texas City refineries are represented by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union under labor agreements that are due to expire in 2019. The International Brotherhood of Teamsters represents certain hourly employees at our Detroit refinery under a labor agreement that is also scheduled to expire in 2019. In addition, they represent certain hourly employees at Speedway under agreements that cover certain outlets in New York and New Jersey that expire on March 14, 2016 and June 30, 2016.

Executive and Corporate Officers of the Registrant

The executive and corporate officers of MPC and their ages as of January 31, 2016, are as follows:

Name	Age	Position with MPC
Gary R. Heminger	62	President and Chief Executive Officer
Richard D. Bedell	61	Senior Vice President, Refining
Timothy T. Griffith	46	Senior Vice President and Chief Financial Officer
John R. Haley[(a)]	59	Vice President, Tax
James P. Heintschel[(a)]	59	Vice President, Business Development
Thomas Kaczynski	54	Vice President, Finance and Treasurer
Thomas M. Kelley	56	Senior Vice President, Marketing
Anthony R. Kenney	62	President, Speedway LLC
Rodney P. Nichols	63	Senior Vice President, Human Resources and Administrative Services
Randy S. Nickerson	54	Executive Vice President, Corporate Strategy
C. Michael Palmer	62	Senior Vice President, Supply, Distribution and Planning
John J. Quaid	44	Vice President and Controller
John S. Swearingen	56	Senior Vice President, Transportation and Logistics
Donald C. Templin	52	Executive Vice President
Donald W. Wehrly[(a)]	56	Vice President and Chief Information Officer
David L. Whikehart[(a)]	56	Vice President, Corporate Planning, Government and Public Affairs
J. Michael Wilder	63	Vice President, General Counsel and Secretary

(a) Corporate officer.

Mr. Heminger was appointed president and chief executive officer effective June 30, 2011. Prior to this appointment, Mr. Heminger was president of Marathon Petroleum Company LP (formerly known as Marathon Ashland Petroleum LLC and Marathon Petroleum Company LLC), currently a wholly-owned subsidiary of MPC and prior to the Spinoff, a wholly-owned subsidiary of Marathon Oil. He assumed responsibility as president of Marathon Petroleum Company LP in September 2001.

Mr. Bedell was appointed senior vice president, Refining effective June 30, 2011. Prior to this appointment, Mr. Bedell served in the same capacity for Marathon Petroleum Company LP beginning in June 2010 and as manager, Louisiana Refining Division beginning in 2001. Mr. Bedell has elected to retire effective March 1, 2016.

Mr. Griffith was appointed senior vice president and chief financial officer effective March 3, 2015. Prior to this appointment, Mr. Griffith served as vice president, Finance and Investor Relations, and treasurer beginning in January 2014. He was vice president of Finance and treasurer beginning in August 2011. Previously, Mr. Griffith was vice president Investor Relations and treasurer of Smurfit-Stone Container Corporation, a packaging manufacturer, in St. Louis, Missouri, from 2008 to 2011.

Mr. Haley was appointed vice president, Tax effective June 1, 2013. Prior to this appointment, Mr. Haley served as director of Tax beginning in July 2011 and as a tax manager for Marathon Oil Company beginning in 1996.

Mr. Heintschel was appointed vice president, Business Development effective March 3, 2015. Prior to this appointment, Mr. Heintschel served as director of Business Development beginning in December 2009. Previously, he served as Special Products Marketing manager beginning in 2002.

Mr. Kaczynski was appointed vice president, Finance and treasurer effective August 31, 2015. Prior to this appointment, Mr. Kaczynski was vice president and treasurer of Goodyear Tire and Rubber Company beginning in 2014. Previously, he served as vice president, Investor Relations, of Goodyear Tire and Rubber Company beginning in 2013, vice president and corporate treasurer of Affinia Group Inc. beginning in 2005, and director of affiliate finance and of capital markets and bank relations of Visteon Corporation beginning in 2000.

Mr. Kelley was appointed senior vice president, Marketing effective June 30, 2011. Prior to this appointment, Mr. Kelley served in the same capacity for Marathon Petroleum Company LP beginning in January 2010. Previously, he served as director of Crude Supply and Logistics for Marathon Petroleum Company LP beginning in January 2008, and as a Brand Marketing manager for eight years prior to that.

Mr. Kenney has served as president of Speedway LLC since August 2005.

26

Table of Contents

Mr. Nichols was appointed senior vice president, Human Resources and Administrative Services effective March 1, 2012. Prior to this appointment, Mr. Nichols served as vice president, Human Resources and Administrative Services beginning on June 30, 2011 and served in the same capacity for Marathon Petroleum Company LP beginning in April 1998.
Mr. Nickerson was appointed executive vice president, Corporate Strategy effective December 4, 2015 at the time of the MarkWest Merger. Prior to this appointment, Mr. Nickerson served as chief commercial officer of MarkWest beginning in 2006 and senior vice president, Corporate Development beginning in 2003.
Mr. Palmer was appointed senior vice president, Supply, Distribution and Planning effective June 30, 2011. Prior to this appointment, Mr. Palmer served as vice president, Supply, Distribution and Planning for Marathon Petroleum Company LP beginning in June 2010. He served as Crude Supply and Logistics director for Marathon Petroleum Company LP beginning in February 2010, and as senior vice president, Oil Sands Operations and Commercial Activities for Marathon Oil Canada Corporation beginning in 2007.
Mr. Quaid was appointed vice president and controller effective June 23, 2014. Prior to this appointment, Mr. Quaid was vice president of Iron Ore at United States Steel Corporation (“U. S. Steel”), an integrated steel producer, beginning in January 2014. Previously, Mr. Quaid served in various leadership positions at U. S. Steel since February 2002, including vice president and treasurer beginning in August 2011, controller, North American Flat-Rolled Operations beginning in July 2010 and assistant corporate controller beginning in 2008.
Mr. Swearingen was appointed senior vice president, Transportation and Logistics effective March 3, 2015. Prior to this appointment, Mr. Swearingen served as vice president of Health, Environmental, Safety & Security beginning June 30, 2011. Previously, he was president of Marathon Pipe Line LLC beginning in 2009 and the Illinois Refining Division manager beginning in November 2001.
Mr. Templin was appointed executive vice president effective January 1, 2016. Prior to this appointment, Mr. Templin served as executive vice president, Supply, Transportation and Marketing beginning March 3, 2015 and senior vice president and chief financial officer beginning on June 30, 2011. Previously, he was a partner at PricewaterhouseCoopers LLP, an audit, tax and advisory services provider, with various audit and management responsibilities beginning in 1996.
Mr. Wehrly was appointed vice president and chief information officer effective June 30, 2011. Prior to this appointment, Mr. Wehrly was the manager of Information Technology Services for Marathon Petroleum Company LP beginning in 2003.
Mr. Whikehart was appointed vice president, Corporate Planning, Government & Public Affairs effective January 1, 2016. Prior to this appointment, Mr. Whikehart was the director, Product Supply and Optimization beginning in March 2011. Previously, Mr. Whikehart served as director, Climate Change and Carbon Management beginning in 2010 and director, Business Development beginning in 2008. Effective February 29, 2016, Mr. Whikehart was appointed vice president, Environmental, Safety and Corporate Affairs.
Mr. Wilder was appointed vice president, general counsel and secretary effective June 30, 2011. Prior to this appointment, Mr. Wilder was associate general counsel of Marathon Oil Company beginning in 2010 and general counsel and secretary of Marathon Petroleum Company LP beginning in 1997. Mr. Wilder has elected to retire effective March 1, 2016.
Pamela K.M. Beall was appointed executive vice president, Corporate Planning and Strategy of MPLX effective January 1, 2016. Prior to this appointment, Ms. Beall was senior vice president, Corporate Planning, Government & Public Affairs beginning in January 2014, vice president, Investor Relations and Government & Public Affairs beginning in 2011, vice president, Products Supply and Optimization of Marathon Petroleum Company LP beginning in 2010 and vice president of Global Procurement for Marathon Oil Company beginning in 2007.
Raymond L. Brooks, general manager, Galveston Bay refinery, was appointed senior vice president, Refining effective March 1, 2016. Prior to this appointment, Mr. Brooks was general manager, Galveston Bay refinery beginning in February 2013, general manager, Robinson refinery beginning in 2010 and general manager, St. Paul Park, Minnesota refinery (no longer owned by MPC) beginning in 2006.
Suzanne Gagle, assistant general counsel, litigation and Human Resources, was appointed vice president and general counsel effective March 1, 2016. Prior to this appointment, Ms. Gagle was assistant general counsel, litigation and

Human Resources beginning in April 2011, senior group counsel, downstream operations beginning in 2010 and group counsel, litigation, beginning in 2003.

Table of Contents

Molly R. Benson, assistant general counsel, corporate and finance was appointed vice president, corporate secretary and chief compliance officer effective March 1, 2016. Prior to this appointment, Ms. Benson was assistant general counsel, corporate and finance beginning in April 2012, group counsel, corporate and finance beginning in 2011, group counsel, North American production for Marathon Oil Company beginning in 2010 and senior attorney, downstream business beginning in 2006.

Available Information

General information about MPC, including Corporate Governance Principles and Charters for the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, can be found at http://ir.marathonpetroleum.com. In addition, our Code of Business Conduct and Code of Ethics for Senior Financial Officers are also available in this same location.

MPC uses its website, www.marathonpetroleum.com, as a channel for routine distribution of important information, including news releases, analyst presentations, financial information and market data. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website as soon as reasonably practicable after the reports are filed or furnished with the SEC. These documents are also available in hard copy, free of charge, by contacting our Investor Relations office. In addition, our website allows investors and other interested persons to sign up to automatically receive email alerts when we post news releases and financial information on our website. Information contained on our website is not incorporated into this Annual Report on Form 10-K or other securities filings.

Table of Contents

Item 1A. Risk Factors

You should carefully consider each of the following risks and all of the other information contained in this Annual Report on Form 10-K in evaluating us and our common stock. Some of these risks relate principally to our business and the industry in which we operate, while others relate to the ownership of our common stock.

Our business, financial condition, results of operations or cash flows could be materially and adversely affected by any of these risks, and, as a result, the trading price of our common stock could decline.

Risks Relating to our Business

A substantial or extended decline in refining and marketing gross margins would reduce our operating results and cash flows and could materially and adversely impact our future rate of growth, the carrying value of our assets and our ability to execute share repurchases and continue the payment of our base dividend.

Our operating results, cash flows, future rate of growth, the carrying value of our assets and our ability to execute share repurchases and continue the payment of our base dividend are highly dependent on the margins we realize on our refined products. The measure of the difference between market prices for refined products and crude oil, or crack spread, is commonly used by the industry as a proxy for refining and marketing gross margins. Historically, refining and marketing gross margins have been volatile, and we believe they will continue to be volatile. Our margins from the sale of gasoline and other refined products are influenced by a number of conditions, including the price of crude oil. We do not produce crude oil and must purchase all of the crude oil we refine. The price of crude oil and the price at which we can sell our refined products may fluctuate independently due to a variety of regional and global market conditions. Any overall change in crack spreads will impact our refining and marketing gross margins. Many of the factors influencing a change in crack spreads and refining and marketing gross margins are beyond our control. These factors include:

- worldwide and domestic supplies of and demand for crude oil and refined products;
- the cost of crude oil and other feedstocks to be manufactured into refined products;
- the prices realized for refined products;
- utilization rates of refineries;
- natural gas and electricity supply costs incurred by refineries;
- the ability of the members of OPEC to agree to and maintain production controls;
- political instability or armed conflict in oil and natural gas producing regions;
- local weather conditions;
- seasonality of demand in our marketing area due to increased highway traffic in the spring and summer months;
- natural disasters such as hurricanes and tornadoes;
- the price and availability of alternative and competing forms of energy;
- domestic and foreign governmental regulations and taxes; and
- local, regional, national and worldwide economic conditions.

Some of these factors can vary by region and may change quickly, adding to market volatility, while others may have longer-term effects. The longer-term effects of these and other factors on refining and marketing gross margins are uncertain. We purchase our crude oil and other refinery feedstocks weeks before we refine them and sell the refined products. Price level changes during the period between purchasing feedstocks and selling the refined products from these feedstocks could have a significant effect on our financial results. We also purchase refined products manufactured by others for resale to our customers. Price changes during the periods between purchasing and reselling those refined products also could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Lower refining and marketing gross margins may reduce the amount of refined products we produce, which may reduce our revenues, income from operations and cash flows. Significant reductions in refining and marketing gross margins could require us to reduce our capital expenditures, impair the carrying value of our assets (such as property, plant and equipment, inventory or goodwill), decrease or eliminate our share repurchase activity and our base dividend.

29

Table of Contents

Our operations are subject to business interruptions and casualty losses. Failure to manage risks associated with business interruptions could adversely impact our operations, financial condition, results of operations and cash flows.
Our operations are subject to business interruptions due to scheduled refinery turnarounds, unplanned maintenance or unplanned events such as explosions, fires, refinery or pipeline releases or other incidents, power outages, severe weather, labor disputes, or other natural or man-made disasters, such as acts of terrorism. For example, pipelines provide a nearly-exclusive form of transportation of crude oil to, or refined products from, some of our refineries. In such instances, a prolonged interruption in service of such a pipeline could materially and adversely affect the operations, profitability and cash flows of the impacted refinery.
Explosions, fires, refinery or pipeline releases or other incidents involving our assets or operations could result in serious personal injury or loss of human life, significant damage to property and equipment, environmental pollution, impairment of operations and substantial losses to us. Damages resulting from an incident involving any of our assets or operations may result in our being named as a defendant in one or more lawsuits asserting potentially substantial claims or in our being assessed potentially substantial fines by governmental authorities.
We do not insure against all potential losses, and, therefore, our business, financial condition, results of operations and cash flows could be adversely affected by unexpected liabilities and increased costs.
We maintain insurance coverage in amounts we believe to be prudent against many, but not all, potential liabilities arising from operating hazards. Uninsured liabilities arising from operating hazards, including but not limited to, explosions, fires, refinery or pipeline releases or other incidents involving our assets or operations, could reduce the funds available to us for capital and investment spending and could have a material adverse effect on our business, financial condition, results of operations and cash flows. Historically, we also have maintained insurance coverage for physical damage and resulting business interruption to our major facilities, with significant self-insured retentions. In the future, we may not be able to maintain insurance of the types and amounts we desire at reasonable rates.
We rely on the performance of our information technology systems, the failure of which could have an adverse effect on our business, financial condition, results of operations and cash flows.
We are heavily dependent on our information technology systems and network infrastructure and maintain and rely upon certain critical information systems for the effective operation of our business. These information systems involve data network and telecommunications, Internet access and website functionality, and various computer hardware equipment and software applications, including those that are critical to the safe operation of our business. These systems and infrastructure are subject to damage or interruption from a number of potential sources including natural disasters, software viruses or other malware, power failures, cyber-attacks and other events. We also face various other cyber-security threats, including threats to gain unauthorized access to sensitive information or to render data or systems unusable. To protect against such attempts of unauthorized access or attack, we have implemented infrastructure protection technologies and disaster recovery plans. There can be no guarantee such plans, to the extent they are in place, will be effective.
The retail market is diverse and highly competitive, and very aggressive competition could adversely impact our business.
We face strong competition in the market for the sale of retail gasoline, diesel fuel and merchandise. Our competitors include outlets owned or operated by fully integrated major oil companies or their dealers or jobbers, and other well-recognized national or regional retail outlets, often selling gasoline or merchandise at very competitive prices. Several non-traditional retailers such as supermarkets, club stores and mass merchants are in the retail business. These non-traditional gasoline retailers have obtained a significant share of the transportation fuels market and we expect their market share to grow. Because of their diversity, integration of operations, experienced management and greater financial resources, these companies may be better able to withstand volatile market conditions or levels of low or no profitability in the retail segment of the market. In addition, these retailers may use promotional pricing or discounts, both at the pump and in the store, to encourage in-store merchandise sales. These activities by our competitors could pressure us to offer similar discounts, adversely affecting our profit margins. Additionally, the loss of market share by our convenience stores to these and other retailers relating to either gasoline or merchandise could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The development, availability and marketing of alternative and competing fuels in the retail market could adversely impact our business. We compete with other industries that provide alternative means to satisfy the energy and fuel needs of our consumers. Increased competition from these alternatives as a result of governmental regulations, technological advances and consumer demand could have an impact on pricing and demand for our products and our profitability.

Table of Contents

We are subject to interruptions of supply and increased costs as a result of our reliance on third-party transportation of crude oil and refined products.

We utilize the services of third parties to transport crude oil and refined products to and from our refineries. In addition to our own operational risks discussed above, we could experience interruptions of supply or increases in costs to deliver refined products to market if the ability of the pipelines, railways or vessels to transport crude oil or refined products is disrupted because of weather events, accidents, governmental regulations or third-party actions. A prolonged disruption of the ability of the pipelines, railways or vessels to transport crude oil or refined products to or from one or more of our refineries could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may incur losses to our business as a result of our forward-contract activities and derivative transactions.

We currently use commodity derivative instruments, and we expect to enter into these types of transactions in the future. A failure of a futures commission merchant or counterparty to perform would affect these transactions. To the extent the instruments we utilize to manage these exposures are not effective, we may incur losses related to the ineffective portion of the derivative transaction or costs related to moving the derivative positions to another futures commission merchant or counterparty once a failure has occurred.

We have significant debt obligations; therefore, our business, financial condition, results of operations and cash flows could be harmed by a deterioration of our credit profile, a decrease in debt capacity or unsecured commercial credit available to us, or by factors adversely affecting credit markets generally.

At December 31, 2015, our total debt obligations for borrowed money and capital lease obligations were $12.5 billion, including $5.7 billion of obligations of MPLX. We may incur substantial additional debt obligations in the future. Our indebtedness may impose various restrictions and covenants on us that could have material adverse consequences, including:

- increasing our vulnerability to changing economic, regulatory and industry conditions;
- limiting our ability to compete and our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to pay dividends to our stockholders;
- limiting our ability to borrow additional funds; and
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for working capital, capital expenditures, acquisitions, share repurchases, dividends and other purposes.

A decrease in our debt or commercial credit capacity, including unsecured credit extended by third-party suppliers, or a deterioration in our credit profile could increase our costs of borrowing money and/or limit our access to the capital markets and commercial credit, which could materially and adversely affect our business, financial condition, results of operations and cash flows.

We have a trade receivables securitization facility that provides liquidity of up to $1.0 billion depending on the amount of eligible domestic trade accounts receivables. In periods of lower prices, we may not have sufficient eligible accounts receivables to support full availability of this facility.

Historic or current operations could subject us to significant legal liability or restrict our ability to operate.

We currently are defending litigation and anticipate we will be required to defend new litigation in the future. Our operations, including liabilities assumed by MPLX in the MarkWest Merger, and those of our predecessors could expose us to litigation and civil claims by private plaintiffs for alleged damages related to contamination of the environment or personal injuries caused by releases of hazardous substances from our facilities, products liability, consumer credit or privacy laws, product pricing or antitrust laws or any other laws or regulations that apply to our operations. While an adverse outcome in most litigation matters would not be expected to be material to us, in class-action litigation, large classes of plaintiffs may allege damages relating to extended periods of time or other alleged facts and circumstances that could increase the amount of potential damages. Attorneys general and other government officials may pursue litigation in which they seek to recover civil damages from companies on behalf of a state or its citizens for a variety of claims, including violation of consumer protection and product pricing laws or natural resources damages. We are defending litigation of that type and anticipate that we will be required to defend new litigation of that type in the future. If we are not able to successfully defend such litigation, it may result in liability to our company that could materially and adversely affect our business, financial condition, results of operations and cash flows. We do not have insurance covering all of these potential liabilities. In addition to substantial liability, plaintiffs in

Table of Contents

litigation may also seek injunctive relief which, if imposed, could have a material adverse effect on our future business, financial condition, results of operations and cash flows.

A portion of our workforce is unionized, and we may face labor disruptions that could materially and adversely affect our business, financial condition, results of operations and cash flows.

Approximately 36 percent of our refining employees are covered by collective bargaining agreements. Certain hourly employees at our Canton, Catlettsburg, Galveston Bay and Texas City refineries are represented by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union under labor agreements that are due to expire in 2019. The International Brotherhood of Teamsters represents certain hourly employees at our Detroit refinery under a labor agreement that is also scheduled to expire in 2019. In addition, they represent certain hourly employees at Speedway under agreements that cover certain outlets in New York and New Jersey that expire between on March 14, 2016 and June 30, 2016. These contracts may be renewed at an increased cost to us. In addition, we have experienced, or may experience, work stoppages as a result of labor disagreements. Any prolonged work stoppages disrupting operations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

One of our subsidiaries acts as the general partner of a publicly traded master limited partnership, MPLX, which may involve a greater exposure to certain legal liabilities than existed under our historic business operations.

One of our subsidiaries acts as the general partner of MPLX, a publicly traded master limited partnership. Our control of the general partner of MPLX may increase the possibility of claims of breach of fiduciary duties including claims of conflicts of interest related to MPLX. Any liability resulting from such claims could have a material adverse effect on our future business, financial condition, results of operations and cash flows.

If foreign ownership of our stock exceeds certain levels, we could be prohibited from operating inland river vessels, which could materially and adversely affect our business, financial condition, results of operations and cash flows.

The Shipping Act of 1916 and Merchant Marine Act of 1920, which we refer to collectively as the Maritime Laws, generally require that vessels engaged in U.S. coastwise trade be owned by U.S. citizens. Among other requirements to establish citizenship, corporations that own such vessels must be owned at least 75 percent by U.S. citizens. If we fail to maintain compliance with the Maritime Laws, we would be prohibited from operating vessels in the U.S. inland waters. Such a prohibition could materially and adversely affect our business, financial condition, results of operations and cash flows.

We are subject to certain continuing contingent liabilities of Marathon Oil relating to taxes and other matters and to potential liabilities pursuant to the tax sharing agreement we entered into with Marathon Oil that could materially and adversely affect our business, financial condition, results of operations and cash flows.

Although the Spinoff occurred in mid-2011, certain liabilities of Marathon Oil could become our obligations. For example, under the Internal Revenue Code of 1986 (the “Code”) and related rules and regulations, each corporation that was a member of the Marathon Oil consolidated tax reporting group during any taxable period or portion of any taxable period ending on or before the effective time of the Spinoff is jointly and severally liable for the federal income tax liability of the entire Marathon Oil consolidated tax reporting group for that taxable period. In connection with the Spinoff, we entered into a tax sharing agreement with Marathon Oil that allocates the responsibility for prior period taxes of the Marathon Oil consolidated tax reporting group between us and Marathon Oil. However, if Marathon Oil is unable to pay any prior period taxes for which it is responsible, we could be required to pay the entire amount of such taxes. Other provisions of federal law establish similar liability for other matters, including laws governing tax-qualified pension plans as well as other contingent liabilities.

Also pursuant to the tax sharing agreement, following the Spinoff we are responsible generally for all taxes attributable to us or any of our subsidiaries, whether accruing before, on or after the Spinoff. We also agreed to be responsible for, and indemnify Marathon Oil with respect to, all taxes arising as a result of the Spinoff (or certain internal restructuring transactions) failing to qualify as transactions under Sections 368(a) and 355 of the Code for U.S. federal income tax purposes to the extent such tax liability arises as a result of any breach of any representation, warranty, covenant or other obligation by us or certain affiliates made in connection with the issuance of the private letter ruling relating to the Spinoff or in the tax sharing agreement. In addition, we agreed to indemnify Marathon Oil for specified tax-related liabilities associated with our 2005 acquisition of the minority interest in our refining joint venture from Ashland Inc. Our indemnification obligations to Marathon Oil and its subsidiaries, officers and directors are not limited or subject to any cap. If we are required to indemnify Marathon Oil and its subsidiaries and their respective officers and directors under the tax sharing agreement, we may be subject to substantial liabilities. At this time, we cannot precisely quantify the amount of these liabilities that have been assumed pursuant to the tax sharing agreement, and there can be no assurances as to their final amounts. The tax liabilities described in this paragraph could have a material adverse effect on our business, financial condition, results of operation and cash flows.

Table of Contents

The Spinoff could be determined not to qualify as a tax-free transaction, and Marathon Oil and its stockholders could be subject to material amounts of taxes and, in certain circumstances, we could be required to indemnify Marathon Oil for material taxes pursuant to indemnification obligations under the tax sharing agreement.

Marathon Oil received a private letter ruling from the IRS, to the effect that, among other things, the distribution of shares of MPC common stock in the Spinoff qualifies as tax-free to Marathon Oil, us and Marathon Oil stockholders for U.S. federal income tax purposes under Sections 355 and 368(a) and related provisions of the Code. If the factual assumptions or representations made in the private letter ruling request are inaccurate or incomplete in any material respect, then Marathon Oil would not be able to continue to rely on the ruling. We are not aware of any facts or circumstances that would cause the assumptions or representations that were relied on in the private letter ruling to be inaccurate or incomplete in any material respect. If, notwithstanding receipt of the private letter ruling, the Spinoff were determined not to qualify under Section 355 of the Code, Marathon Oil would be subject to tax as if it had sold its shares of common stock of our company in a taxable sale for their fair market value and would recognize a taxable gain in an amount equal to the excess of the fair market value of such shares over its tax basis in such shares.

With respect to taxes and other liabilities that could be imposed on Marathon Oil in connection with the Spinoff (and certain related transactions) as a result of a final determination that is inconsistent with the anticipated tax consequences as set forth in the private letter ruling, we would be liable to Marathon Oil under the tax sharing agreement for any such taxes or liabilities attributable to actions taken by or with respect to us, any of our affiliates, or any person that, after the Spinoff, is our affiliate. We may be similarly liable if we breach specified representations or covenants set forth in the tax sharing agreement. If we are required to indemnify Marathon Oil for taxes incurred as a result of the Spinoff (or certain related transactions) being taxable to Marathon Oil, it would have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have potential liabilities pursuant to the separation and distribution agreement we entered into with Marathon Oil in connection with the Spinoff that could materially and adversely affect our business, financial condition, results of operations and cash flows.

In connection with the Spinoff, we entered into a separation and distribution agreement with Marathon Oil that provides for, among other things, the principal corporate transactions that were required to affect the Spinoff, certain conditions to the Spinoff and provisions governing the relationship between our company and Marathon Oil with respect to and resulting from the Spinoff. Among other things, the separation and distribution agreement provides for indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist relating to our downstream business activities, whether incurred prior to or after the Spinoff, as well as certain obligations of Marathon Oil assumed by us. Our obligations to indemnify Marathon Oil under the circumstances set forth in the separation and distribution agreement could subject us to substantial liabilities. Marathon Oil also agreed to indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of the liabilities retained by Marathon Oil, and there can be no assurance that the indemnity from Marathon Oil will be sufficient to protect us against the full amount of such liabilities, that Marathon Oil will be able to fully satisfy its indemnification obligations or that Marathon Oil’s insurers will cover us for liabilities associated with occurrences prior to the Spinoff. Moreover, even if we ultimately succeed in recovering from Marathon Oil or its insurers any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. If Marathon Oil is unable to satisfy its indemnification obligations, the underlying liabilities could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may not realize the growth opportunities and commercial synergies that are anticipated from the MarkWest Merger.

The benefits that are expected to result from the MarkWest Merger will depend, in part, on MPLX’s ability to realize the anticipated growth opportunities and commercial synergies as a result of the MarkWest Merger. MPLX’s success in realizing these growth opportunities and commercial synergies, and the timing of this realization, depends on the successful integration of MPLX and MarkWest. There is a significant degree of difficulty and management distraction inherent in the process of integrating an acquisition as sizable as MarkWest. The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of MPLX and MarkWest. Members of our senior management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage our company, maintain relationships with employees, customers or suppliers, attract new customers and develop new strategies. If senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer. There can be no assurance that MPLX will successfully or cost-effectively integrate MarkWest. The failure to do so could have a material adverse effect on our business, financial condition, and results of operations.

Table of Contents

Even if MPLX is able to integrate MarkWest successfully, this integration may not result in the realization of the full benefits of the growth opportunities and commercial synergies that we currently expect from this integration, and we cannot guarantee that these benefits will be achieved within anticipated time frames or at all. For example, MPLX may not be able to eliminate duplicative costs. Moreover, MPLX may incur substantial expenses in connection with the integration of MarkWest. While it is anticipated that certain expenses will be incurred to achieve commercial synergies, such expenses are difficult to estimate accurately, and may exceed current estimates. Accordingly, the benefits from the MarkWest Merger may be offset by costs incurred to, or delays in, integrating the businesses.

Significant acquisitions in the future will involve the integration of new assets or businesses and present substantial risks that could adversely affect our business, financial conditions, results of operations and cash flows.

In addition to the MarkWest Merger, significant future transactions involving the addition of new assets or businesses will present potential risks, which may include, among others:

- Inaccurate assumptions about future synergies, revenues, capital expenditures and operating costs;
- An inability to successfully integrate assets or businesses we acquire;
- A decrease in our liquidity resulting from using a portion of our available cash or borrowing capacity under our revolving credit agreement to finance transactions;
- A significant increase in our interest expense or financial leverage if we incur additional debt to finance transactions;
- The assumption of unknown environmental and other liabilities, losses or costs for which we are not indemnified or for which our indemnity is inadequate;
- The diversion of management’s attention from other business concerns; and
- The incurrence of other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

A significant decrease or delay in oil and natural gas production in MPLX’s areas of operation, whether due to sustained declines in oil, natural gas and NGL prices, natural declines in well production, or otherwise, may adversely affect MPLX’s business, results of operations and financial condition, and could reduce MPLX’s ability to make distributions to us.

A significant portion of MPLX’s operations are dependent upon production from oil and natural gas reserves and wells, which will naturally decline over time, which means that MPLX’s cash flows associated with these wells will also decline over time. To maintain or increase throughput levels and the utilization rate of MPLX’s facilities, MPLX must continually obtain new oil, natural gas, NGL and refined product supplies, which depends in part on the level of successful drilling activity near its facilities.

We have no control over the level of drilling activity in the areas of MPLX’s operations, the amount of reserves associated with the wells or the rate at which production from a well will decline. In addition, we have no control over producers or their production decisions, which are affected by, among other things, prevailing and projected energy prices, drilling costs per Mcf or barrel, demand for hydrocarbons, operational challenges, access to downstream markets, the level of reserves, geological considerations, governmental regulations and the availability and cost of capital. Because of these factors, even if new oil or natural gas reserves are discovered in areas served by MPLX assets, producers may choose not to develop those reserves. If MPLX is not able to obtain new supplies of oil or natural gas to replace the natural decline in volumes from existing wells, throughput on MPLX pipelines and the utilization rates of MPLX facilities would decline, which could have a material adverse effect on MPLX’s business, results of operations and financial condition and could reduce MPLX’s ability to make distributions to us.

Decreases in energy prices can decrease drilling activity, production rates and investments by third parties in the development of new oil and natural gas reserves. The prices for oil, natural gas and NGLs depend upon factors beyond our control, including global and local demand, production levels, changes in interstate pipeline gas quality specifications, imports and exports, seasonality and weather conditions, economic and political conditions domestically and internationally and governmental regulations. Sustained periods of low prices could result in producers also significantly curtailing or limiting their oil and gas drilling operations which could substantially delay the production and delivery of volumes of oil, gas and NGLs to MPLX’s facilities and adversely affect MPLX’s revenues and cash available for distribution to us. This impact may also be exacerbated due to the extent of MPLX’s commodity-based contracts, which are more directly impacted by changes in gas and NGL prices than its fee-based contracts due to frac spread exposure and may result in operating losses when natural gas becomes more expensive on a Btu equivalent basis than NGL products. In addition, MPLX’s purchase and resale of gas and NGLs in the ordinary course exposes MPLX to significant risk of volatility in gas or NGL prices due to the potential difference in the time of the purchases and sales and the potential difference in the price associated with each transaction, and direct exposure may also occur naturally as a result of MPLX’s production processes. The significant fluctuation and decline in natural gas, NGL

Table of Contents

and oil prices currently occurring has adversely impacted MPLX's unit price, thereby increasing its distribution yield and cost of capital. Such impacts could adversely impact MPLX's ability to execute its long term organic growth projects, satisfy obligations to its customers and make distributions to unitholders at intended levels, and may also result in non-cash impairments of long-lived assets or goodwill or other-than-temporary non-cash impairments of our equity method investments.

Risks Relating to Our Industry

Changes in environmental or other laws or regulations may reduce our refining and marketing gross margin and may result in substantial capital expenditures and operating costs that could materially and adversely affect our business, financial condition, results of operations and cash flows.

Various laws and regulations are expected to impose increasingly stringent and costly requirements on our operations, which may reduce our refining and marketing gross margin. Laws and regulations expected to become more stringent relate to the following:

- the emission or discharge of materials into the environment,
- solid and hazardous waste management,
- pollution prevention,
- greenhouse gas emissions,
- characteristics and composition of gasoline and diesel fuels,
- public and employee safety and health, and
- facility security.

The specific impact of laws and regulations on us and our competitors may vary depending on a number of factors, including the age and location of operating facilities, marketing areas, crude oil and feedstock sources and production processes. We may be required to make expenditures to modify operations, install pollution control equipment, perform site cleanups or curtail operations that could materially and adversely affect our business, financial condition, results of operations and cash flows.

Because the issue of climate change continues to receive scientific and political attention, there is the potential for further laws and regulations that could affect our operations. The U.S. pledge in 2009, as part of the Copenhagen Accord, to reduce greenhouse gas emissions 17 percent below 2005 levels by 2020 remains in effect and was reaffirmed in the President's 2013 Climate Action Plan. The 2015 Paris UN Climate Change Conference Agreement aims to hold the increase in the global average temperature to well below two degrees Celsius above pre-industrial levels. The Paris Agreement does not legally require parties to the Agreement to reduce greenhouse gas emissions, but the U.S.'s future activities in response to the Paris Agreement may result in regulations to further reduce greenhouse gas emissions.

In October 2015, the EPA finalized regulations to reduce carbon emissions from new, modified, and reconstructed power plants (new source performance standards) and from existing power plants (existing source performance standards; also known as the Clean Power Plan). Through the regulations, the EPA is requiring a reduction in nationwide carbon emissions from the power generation sector by 32 percent below 2005 levels. These standards could increase our electricity costs and potentially reduce the reliability of our electricity supply. In February 2016, the U.S. Supreme Court stayed implementation of the Clean Power Plan until the legal challenge filed by several states and industry could be heard by the courts.

The Obama administration has also developed the social cost of carbon ("SCC"), which is to be used by the EPA and other federal agencies in regulatory cost-benefit analyses to take into account alleged broad economic consequences associated with changes to emissions of greenhouse gases. The SCC was first issued in 2010. In 2013, the Obama administration significantly increased the estimate to $36 per ton. In response to the regulated community and Congress' critiques of how the SCC was developed, the Office of Management and Budget ("OMB") provided an opportunity to comment on the SCC. In July 2015, the OMB issued a response to comments and a revised technical support document explaining adjustments to the SCC calculations. Additionally, in December 2014, the White House Council on Environmental Quality issued new draft guidance for assessing greenhouse gas emissions under the National Environmental Policy Act, adding for the first time language that requires that analyses also include the impact of climate change on projects, including using the SCC when analyzing costs and benefits of a project. While the impact of a higher SCC in future regulations is not known at this time, it may result in increased costs to our operations.

Table of Contents

An article on the social cost of methane has also been published and was used by the EPA in its regulatory impact analysis of the proposed emission standards for new and modified sources in the oil and natural gas sector. These regulations were proposed pursuant to President Obama's Strategy to Reduce Methane Emissions as part of the Administration's efforts to reduce methane emissions from the oil and gas sector by up to 45 percent from 2012 levels by 2025. The finalization of these regulations could directly impact MPLX by creating delays in the construction and installation of new facilities due to more stringent permitting requirements, increasing costs to reduce GHG emissions or requiring aggregation of emissions from separate facilities for permitting purposes. These regulations may also impact us by increasing the costs of domestic crude supplies.

In the future, Congress may again consider legislation on greenhouse gas emissions or a carbon tax. Other measures to address greenhouse gas emissions are in various phases of review or implementation in the U.S. These measures include state actions to develop statewide or regional programs to impose emission reductions. Private party litigation is pending against federal and certain state governmental entities seeking additional greenhouse gas emission reductions beyond those currently being undertaken. These actions could result in increased costs to operate and maintain our facilities, capital expenditures to install new emission controls and costs to administer any carbon trading or tax programs implemented. Although uncertain, these developments could increase our costs, reduce the demand for the products we sell and create delays in our obtaining air pollution permits for new or modified facilities.

In October 2015, the EPA reduced the primary (health) ozone National Ambient Air Quality Standards ("NAAQS") to 70 ppb from the prior ozone level of 75 ppb. The EPA is expected to finalize new ozone attainment and nonattainment designations by late 2017, using 2014-2016 air quality monitor data. The lower primary ozone standard may not by attainable in some areas and could result in the cancellation or delay of capital projects at our facilities or increased costs related to an increase in the production of low Reid vapor pressure (RVP) gasoline.

The EISA establishes increases in fuel mileage standards and contains a second Renewable Fuel Standard commonly referred to as RFS2. Increases in fuel mileage standards and the increased use of renewable fuels (including ethanol and advanced biofuels) may reduce demand for refined products. Governmental regulations encouraging the use of new or alternative fuels could also pose a competitive threat to our operations. Specifically, the RFS2 required the total volume of renewable transportation fuels sold or introduced annually in the U.S. to reach 36.0 billion gallons by 2022. The RFS2 presents production and logistics challenges for both the renewable fuels and petroleum refining industries, and may continue to require additional capital expenditures or expenses by us to accommodate increased renewable fuels use. Gasoline consumption has been lower than forecasted by the EPA, which has led to concerns that the renewable fuel volumes may not be met. The 2014, 2015, and 2016 renewable fuel standards were finalized and published on December 14, 2015. The final standards are lower than the statutory requirements but nevertheless result in volumes that breach the ethanol "blendwall." The advanced biofuels program, a subset of the RFS2 requirements, creates uncertainties and presents challenges of supply, and may require that we and other refiners and other obligated parties purchase credits from the EPA to meet our obligations.

Tax incentives and other subsidies have also made renewable fuels more competitive with refined products than they otherwise would have been, which may further reduce refined product margins.

On March 3, 2014, the EPA signed the final Tier 3 fuel standards. The final Tier 3 fuel standards require, among other things, a lower annual average sulfur level in gasoline to no more than 10 parts ppm beginning in calendar year 2017. In addition, gasoline refiners and importers may not exceed a maximum per-gallon sulfur standard of 80 ppm, while retailers may not exceed a maximum per-gallon sulfur standard of 95 ppm. We anticipate that we will spend an estimated $750 million to $1 billion between 2014 and 2019 for capital expenditures necessary to comply with these standards.

Federal, state and local legislation and regulatory initiatives relating to hydraulic fracturing could delay or impede producer's gas production or result in reduced volumes available for MPLX to gather, process and fractionate. MPLX does not conduct hydraulic fracturing operations, but it does provide gathering, processing and fractionation services with respect to natural gas and natural gas liquids produced by its customers as a result of such operations. If federal, state or local laws or regulations that significantly restrict hydraulic fracturing are adopted, such legal requirements could make it more difficult to complete natural gas wells in shale formations and increase producers' costs of compliance.

Severe weather events may adversely affect our facilities and ongoing operations.
For a variety of reasons, natural and/or anthropogenic, some members of the scientific community believe that climate changes could occur that could have significant physical effects, such as increased frequency and severity of storms, droughts and floods and other climatic events; if any such effects were to occur, they could have an adverse effect on our assets and operations.

Table of Contents

Plans we may have to expand existing assets or construct new assets are subject to risks associated with societal and political pressures and other forms of opposition to the future development, transportation and use of carbon-based fuels. Such risks could adversely impact our business and ability to realize certain growth strategies.

Our anticipated growth and planned expenditures are based upon the assumption that societal sentiment will continue to enable and existing regulations will remain intact to allow for the future development, transportation and use of carbon-based fuels. A portion of our growth strategy is dependent on our ability to expand existing assets and to construct additional assets. However, policy decisions relating to the production, refining, transportation and marketing of carbon-based fuels are subject to political pressures and the influence of environmental and other special interest groups. The construction of new refinery processing units or crude oil or refined products pipelines, or the extension or expansion of existing assets, involve numerous political and legal uncertainties, many of which may cause significant delays or cost increases and most of which are beyond our control. Delays or cost increases related to capital spending programs involving engineering, procurement and construction of facilities (including improvements and repairs to our existing facilities) could adversely affect our ability to achieve forecasted internal rates of return and operating results, thereby limiting our ability to grow and generate cash flows.

Large capital projects can take many years to complete, and market conditions could deteriorate significantly between the project approval date and the project startup date, negatively impacting project returns. If we are unable to complete capital projects at their expected costs and in a timely manner, or if the market conditions assumed in our project economics deteriorate, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

Delays or cost increases related to capital spending programs involving engineering, procurement and construction of facilities could materially adversely affect our ability to achieve forecasted internal rates of return and operating results. Delays in making required changes or upgrades to our facilities could subject us to fines or penalties as well as affect our ability to supply certain products we produce. Such delays or cost increases may arise as a result of unpredictable factors, many of which are beyond our control, including:

- denial of or delay in receiving requisite regulatory approvals and/or permits;
- unplanned increases in the cost of construction materials or labor;
- disruptions in transportation of components or construction materials;
- adverse weather conditions, natural disasters or other events (such as equipment malfunctions, explosions, fires or spills) affecting our facilities, or those of vendors or suppliers;
- shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages;
- market-related increases in a project’s debt or equity financing costs; and
- nonperformance by, or disputes with, vendors, suppliers, contractors or subcontractors.

Any one or more of these factors could have a significant impact on our ongoing capital projects. If we were unable to make up the delays associated with such factors or to recover the related costs, or if market conditions change, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

The availability of crude oil and increases in crude oil prices may reduce profitability and refining and marketing gross margins.

The profitability of our operations depends largely on the difference between the cost of crude oil and other feedstocks we refine and the selling prices we obtain for refined products. A portion of our crude oil is purchased from various foreign national oil companies, producing companies and trading companies, including suppliers from Canada, the Middle East and various other international locations. The market for crude oil and other feedstocks is largely a world market. We are, therefore, subject to the attendant political, geographic and economic risks of such a market. If one or more major supply sources were temporarily or permanently eliminated, we believe adequate alternative supplies of crude oil would be available, but it is possible we would be unable to find alternative sources of supply. If we are unable to obtain adequate crude oil volumes or are able to obtain such volumes only at unfavorable prices, our operations, sales of refined products and refining and marketing gross margins could be adversely affected, materially and adversely impacting our business, financial condition, results of operations and cash flows.

Table of Contents

Worldwide political and economic developments could materially and adversely impact our business, financial condition, results of operations and cash flows.

In addition to impacting crude oil and other feedstock supplies, political and economic factors in global markets could have a material adverse effect on us in other ways. Hostilities in the Middle East or the occurrence or threat of future terrorist attacks could adversely affect the economies of the U.S. and other developed countries. A lower level of economic activity could result in a decline in energy consumption, which could cause our revenues and margins to decline and limit our future growth prospects. These risks could lead to increased volatility in prices for refined products, NGLs and natural gas. Additionally, these risks could increase instability in the financial and insurance markets and make it more difficult and/or costly for us to access capital and to obtain the insurance coverage that we consider adequate. Additionally, tax policy, legislative or regulatory action and commercial restrictions could reduce our operating profitability. For example, the U.S. government could prevent or restrict exports of refined products, NGLs, natural gas or the conduct of business with certain foreign countries.

Compliance with and changes in tax laws could materially and adversely impact our financial condition, results of operations and cash flows.

We are subject to extensive tax liabilities, including federal and state income taxes and transactional taxes such as excise, sales and use, payroll, franchise, withholding and property taxes. New tax laws and regulations and changes in existing tax laws and regulations could result in increased expenditures by us for tax liabilities in the future and could materially and adversely impact our financial condition, results of operations and cash flows. Additionally, many tax liabilities are subject to periodic audits by taxing authorities, and such audits could subject us to interest and penalties.

Terrorist attacks aimed at our facilities or that impact our customers or the markets we serve could adversely affect our business.

The U.S. government has issued warnings that energy assets in general, including the nation’s refining, pipeline and terminal infrastructure, may be future targets of terrorist organizations. The threat of terrorist attacks has subjected our operations to increased risks. Any future terrorist attacks on our facilities, those of our customers and, in some cases, those of other pipelines, could have a material adverse effect on our business. Similarly, any future terrorist attacks that severely disrupt the markets we serve could materially and adversely affect our results of operations, financial position and cash flows.

The recent lifting of the U.S. crude oil export ban could adversely affect crack spreads or crude oil price differentials and have a material adverse effect on our business, financial condition, results of operations and cash flows.

Since the 1970s, the U.S. has restricted the ability of producers to export domestic crude oil. In December 2015, U.S. lawmakers passed legislation to lift the crude oil export ban. The lifting of the crude oil export ban may cause the price of domestic crude oil to rise, potentially impacting crack spreads and price differentials between domestic and foreign crude oils. A deterioration of crack spreads or price differentials between domestic and foreign crude oils could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Relating to Ownership of Our Common Stock

Provisions in our corporate governance documents could operate to delay or prevent a change in control of our company, dilute the voting power or reduce the value of our capital stock or affect its liquidity.

The existence of some provisions within our restated certificate of incorporation and amended and restated bylaws could discourage, delay or prevent a change in control of us that a stockholder may consider favorable. These include provisions:

- providing that our board of directors fixes the number of members of the board;
- providing for the division of our board of directors into three classes with staggered terms;
- providing that only our board of directors may fill board vacancies;
- limiting who may call special meetings of stockholders;
- prohibiting stockholder action by written consent, thereby requiring stockholder action to be taken at a meeting of the stockholders;
- establishing advance notice requirements for nominations of candidates for election to our board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings;
-

establishing supermajority vote requirements for certain amendments to our restated certificate of incorporation and stockholder proposals for amendments to our amended and restated bylaws;

- providing that our directors may only be removed for cause;

- authorizing a large number of shares of common stock that are not yet issued, which would allow our board of directors to issue shares to persons friendly to current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of us; and
- authorizing the issuance of "blank check" preferred stock, which could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt.

We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors time to assess any acquisition proposal, and are not intended to make us immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition.

Our restated certificate of incorporation also authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our common stock respecting dividends and distributions, as our board of directors generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, we could grant holders of preferred stock the right to elect some number of our board of directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of our common stock.

Finally, to facilitate compliance with the Maritime Laws, our restated certificate of incorporation limits the aggregate percentage ownership by non-U.S. citizens of our common stock or any other class of our capital stock to 23 percent of the outstanding shares. We may prohibit transfers that would cause ownership of our common stock or any other class of our capital stock by non-U.S. citizens to exceed 23 percent. Our restated certificate of incorporation also authorizes us to effect any and all measures necessary or desirable to monitor and limit foreign ownership of our common stock or any other class of our capital stock. These limitations could have an adverse impact on the liquidity of the market for our common stock if holders are unable to transfer shares to non-U.S. citizens due to the limitations on ownership by non-U.S. citizens. Any such limitation on the liquidity of the market for our common stock could adversely impact the market price of our common stock.

Table of Contents

Item 1B. Unresolved Staff Comments
None.

Item 2. Properties
The location and general character of our refineries, convenience stores and other important physical properties have been described by segment under Item 1. Business and are incorporated herein by reference. The plants and facilities have been constructed or acquired over a period of years and vary in age and operating efficiency. In addition, we believe that our properties and facilities are adequate for our operations and that our facilities are adequately maintained. As of December 31, 2015, we were the lessee under a number of cancellable and noncancellable leases for certain properties, including land and building space, office equipment, storage facilities and transportation equipment. See Item 8. Financial Statements and Supplementary Data – Note 24 for additional information regarding our leases.
The following tables set forth certain information relating to our crude and products pipeline systems, storage assets, gas processing facilities, fractionation facilities, natural gas gathering systems and NGL pipelines as of December 31, 2015.
MPLX

Pipeline System or Storage Asset	Origin	Destination	Diameter (inches)	Length (miles)	Capacity[a]	Associated MPC refinery
Crude oil pipeline systems (mbpd):						
Patoka, IL to Lima, OH crude system	Patoka, IL	Lima, OH	20”-22”	304	249	Detroit, Canton
Catlettsburg, KY and Robinson, IL crude system	Patoka, IL	Catlettsburg, KY & Robinson, IL	20”-24”	484	495	Catlettsburg, Robinson
Detroit, MI crude system[b]	Samaria & Romulus, MI	Detroit, MI	16”	61	197	Detroit
Wood River, IL to Patoka, IL crude system[b]	Wood River & Roxana, IL	Patoka, IL	12”-22”	115	314	All Midwest refineries
Inactive pipelines				44	N/A	
Total				1,008	1,255	
Products pipeline systems (mbpd):						
Garyville, LA products system	Garyville, LA	Zachary, LA	20”-36”	72	389	Garyville
Texas City, TX products system	Texas City, TX	Pasadena, TX	16”-36”	42	215	Texas City, Galveston Bay
ORPL products system	Various	Various	6”-14”	518	244	Catlettsburg, Canton
Robinson, IL products system[b]	Various	Various	10”-16”	1,171	582	Robinson
Louisville, KY Airport products system	Louisville, KY	Louisville, KY	6”-8”	14	29	Robinson
Inactive pipelines[b]				83	N/A	
Total				1,900	1,459	
Wood River, IL barge dock (mbpd)					78	Garyville
Storage assets (thousand barrels):						

Neal, WV butane cavern[c]	1,000	Catlettsburg
Patoka, IL tank farm	2,626	All Midwest refineries
Wood River, IL tank farm	419	All Midwest refineries
Martinsville, IL tank farm	738	Detroit, Canton
Lebanon, IN tank farm	750	Detroit, Canton
Total	5,533	

(a) All capacities reflect 100 percent of the pipeline systems' and barge dock's average capacity in thousands of barrels per day and 100 percent of the available storage capacity of our butane cavern and tank farms in thousands of barrels.

(b) Includes pipelines leased from third parties.

(c) The Neal, WV butane cavern is 100 percent owned by MPLX.

Table of Contents

The throughputs in the following tables are based on days in operation since the MarkWest Merger.

Gas Processing Complexes	Location	Design Throughput Capacity (MMcf/d)[a]	Natural Gas Throughput (MMcf/d)[b][c]	Utilization of Design Capacity[b]	
Keystone Complex	Butler County, PA	410	275	67	%
Houston Complex	Washington County, PA	555	320	58	%
Majorsville Complex	Marshall County, WV	1,070	938	88	%
Mobley Complex	Wetzel County, WV	720	616	86	%
Sherwood Complex	Doddridge County, WV	1,200	815	68	%
Cadiz Complex	Harrison County, OH	525	475	90	%
Seneca Complex	Noble County, OH	800	661	83	%
Kenova Complex[d]	Wayne County, WV	160	111	69	%
Boldman Complex[d]	Pike County, KY	70	40	57	%
Cobb Complex	Kanawha County, WV	65	26	40	%
Kermit Complex[d][e]	Mingo County, WV	32	N/A	N/A	
Langley Complex	Langley, KY	325	66	20	%
Carthage Complex	Panola County, TX	600	516	86	%
Western Oklahoma Complex	Custer and Beckham Counties, OK	425	300	71	%
Javelina Complex	Corpus Christi, TX	142	114	80	%
Total		7,067	5,273	75	%

(a) Centrahoma processing capacity of 300 MMcf/d is not included in this table as we own a non-operating interest.

(b) Natural gas throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.

(c) NGL throughput includes volumes from December 4, 2015 to December 31, 2015.

(d) A portion of the gas processed at the Boldman plant, and all of the gas processed at the Kermit plant, is further processed at the Kenova plant to recover additional NGLs.

(e) The Kermit processing plant is operated by a third party solely to prevent liquids from condensing in the gathering and transmission pipelines upstream of our Kenova plant. We do not receive Kermit gas volume information but do receive all of the liquids produced at the Kermit Complex. As such, the design capacity has been excluded from the subtotal.

Fractionation Complexes	Location	Design Throughput Capacity (mbpd)	NGL Throughput (mbpd)[a][b]	Utilization of Design Capacity[a]	
Keystone Complex[c][d]	Butler County, PA	47	10	21	%
Houston Complex[c]	Washington County, PA	60	62	103	%
Hopedale Complex[c][e]	Harrison County, OH	120	109	91	%
Ohio Condensate Complex[f]	Harrison County, OH	23	17	74	%
Siloam Complex[g]	South Shore, KY	24	12	50	%
Javelina Complex	Corpus Christi, TX	11	9	82	%
Total		285	219	77	%

(a) NGL throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.

(b) NGL throughput includes volumes from December 4, 2015 to December 31, 2015.

(c) The MPLX Houston, Hopedale and Keystone Complexes have above ground NGL storage with a usable capacity of 26 million gallons, large scale truck and rail loading. In addition, the Houston Complex has large scale truck unloading. MPLX also has access to up to an additional 50 million gallons of propane storage capacity that can be utilized in the Marcellus Shale, Utica Shale and Appalachia region under an agreement with a third party that expires in 2018. Lastly, MPLX has up to nine million gallons of butane storage and eleven million gallons of propane storage with third parties that can be utilized in the Marcellus Shale and Utica Shale.

(d) Includes 33 mpbd of de-propanization only capacity.

(e) Our Hopedale Complex is jointly owned by MarkWest Liberty Midstream and MarkWest Utica EMG, respectively. We account for MarkWest Utica EMG as an equity method investment.

(f) The Ohio Condensate Complex is owned by MarkWest Utica EMG Condensate. We account for Ohio Condensate as an equity method investment.

(g) Our Siloam Complex has both above ground, pressurized NGL storage facilities, with usable capacity of two million gallons, and underground storage facilities, with usable capacity of ten million gallons. Product can be received by truck, pipeline or rail and can be transported from the facility by truck, rail or barge. This facility has large scale truck and rail loading and unloading capabilities, and a river barge facility capable of loading barges up to 840,000 gallons.

Table of Contents

De-ethanization Complexes	Location	Design Throughput Capacity (mbpd)	Natural Gas Throughput (mbpd)[(a)(b)]	Utilization of Design Capacity[(a)]	
Keystone Complex	Butler County, PA	20	10	50	%
Houston Complex	Washington County, PA	40	21	53	%
Majorsville Complex	Marshall County, WV	40	42	105	%
Sherwood Complex	Doddridge County, WV	40	10	32	%
Cadiz Complex	Harrison County, OH	40	6	15	%
Javelina Complex	Corpus Christi, TX	18	15	83	%
Total		198	104	54	%

(a) NGL throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.

(b) NGL throughput includes volumes from December 4, 2015 to December 31, 2015.

Natural Gas Gathering Systems	Location	Design Throughput Capacity(MMcf/d)	Natural Gas Throughput(MMcf/d)[(a)(b)]	Utilization of Design Capacity[(a)]	
Keystone System	Butler County, PA	227	200	88	%
Houston System	Washington County, PA	917	689	75	%
Ohio Gathering System[(c)]	Harrison and Monroe Counties, OH	1,291	743	61	%
Jefferson Gas System[(d)]	Jefferson County, OH	250	2	2	%
East Texas System	Harrison and Panola Counties, TX	680	628	92	%
Western Oklahoma System	Wheeler County, TX and Roger Mills, Ellis, Custer, Beckham and Washita Counties, OK	585	333	57	%
Southeast Oklahoma System	Hughes, Pittsburg and Coal Counties, OK	1,265	432	34	%
Eagle Ford System	Dimmit County, TX	45	36	80	%
Other Systems[(e)]	Various	95	12	13	%
Total		5,355	3,075	60	%

(a) Natural gas throughput is a weighted average for days in operation. The utilization of design capacity has been calculated using the weighted average design throughput capacity.

(b) NGL throughput includes volumes from December 4, 2015 to December 31, 2015.

(c) The Ohio Gathering System is owned by Ohio Gathering, which we account for as an equity method investment.

(d) The Jefferson Gas System is owned by Jefferson Dry Gas, which is a joint venture between MarkWest Liberty Midstream and EMG MWE Dry Gas Holdings, LLC. We account for Jefferson Dry Gas as an equity method investment.

(e) Excludes lateral pipelines where revenue is not based on throughput.