

GENESIS ENERGY LP  
Form 424B3  
November 03, 2010  
Table of Contents

Filed Pursuant to Rule 424(b)3  
Registration No. 333-167189

**The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED NOVEMBER 3, 2010**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

(to Prospectus dated August 4, 2010)

**4,500,000 Common Units**

**Genesis Energy, L.P.**

**Common Units Representing Limited Partner Interests**

We are offering 4,500,000 common units representing limited partner interests of Genesis Energy, L.P. Our common units are traded on the New York Stock Exchange under the symbol GEL. The last reported sale price of our common units on the New York Stock Exchange on November 2, 2010 was \$25.03 per common unit.

**Investing in our common units involves risks. Read Risk Factors beginning on page S-10 of this prospectus supplement and beginning on page 2 of the accompanying prospectus.**

	Per Common Unit	Total
Initial Price to Public	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to Genesis Energy, L.P.	\$	\$

## Edgar Filing: GENESIS ENERGY LP - Form 424B3

The underwriters may also purchase up to an additional 675,000 common units from us at the public offering price, less underwriting discounts and commissions payable by us, to cover over-allotments, if any, within 30 days from the date of this prospectus supplement. If the underwriters exercise the option in full, the total underwriting discounts and commissions will be \$ , and the net proceeds, before expenses, to us will be \$ .

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters are offering the common units as set forth under Underwriting. Delivery of the common units will be made on or about November , 2010.

### *Joint Book-Running Managers*

**Wells Fargo Securities**

**BofA Merrill Lynch**

**RBC Capital Markets**

**UBS Investment Bank**

**Deutsche Bank Securities**

### *Co-Manager*

**Morgan Keegan & Company, Inc.**

**The date of this prospectus supplement is November , 2010**

**Table of Contents**

**TABLE OF CONTENTS**

**PROSPECTUS SUPPLEMENT**

	<b>Page</b>
<u>SUMMARY</u>	S-1
<u>RISK FACTORS</u>	S-10
<u>USE OF PROCEEDS</u>	S-11
<u>CAPITALIZATION</u>	S-12
<u>PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS</u>	S-13
<u>MATERIAL TAX CONSIDERATIONS</u>	S-14
<u>UNDERWRITING (Conflicts of Interest)</u>	S-16
<u>LEGAL MATTERS</u>	S-22
<u>EXPERTS</u>	S-22
<u>INFORMATION REGARDING FORWARD-LOOKING STATEMENTS</u>	S-22
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-23
<b>PROSPECTUS</b>	

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS</u>	1
<u>GENESIS ENERGY, L.P.</u>	1
<u>RISK FACTORS</u>	2
<u>USE OF PROCEEDS</u>	2
<u>DESCRIPTION OF OUR EQUITY SECURITIES</u>	3
<u>General</u>	3
<u>Our Common Units</u>	3
<u>Our Preferred Securities</u>	6
<u>Our Subordinated Securities</u>	6
<u>Our Options</u>	7
<u>Our Warrants</u>	9
<u>Our Rights</u>	10
<u>CASH DISTRIBUTION POLICY</u>	12
<u>Distributions of Available Cash</u>	12
<u>Operating Surplus and Capital Surplus</u>	12
<u>Distributions of Available Cash From Operating Surplus</u>	13
<u>Distributions from Capital Surplus</u>	14
<u>Adjustment of Minimum Quarterly Distribution and Target Distribution Levels</u>	15
<u>Distributions of Cash Upon Liquidation</u>	15
<u>DESCRIPTION OF OUR PARTNERSHIP AGREEMENT</u>	17
<u>Purpose</u>	17
<u>Power of Attorney</u>	17
<u>Reimbursements of Our General Partner</u>	17
<u>Issuance of Additional Securities</u>	17
<u>Amendments to Our Partnership Agreement</u>	18
<u>Withdrawal or Removal of Our General Partner</u>	18
<u>Liquidation and Distribution of Proceeds</u>	19
<u>Change of Management Provisions</u>	19
<u>Limited Call Right</u>	19
<u>Indemnification</u>	19
<u>Registration Rights</u>	19



**Table of Contents**

	<b>Page</b>
<u>MATERIAL INCOME TAX CONSEQUENCES</u>	21
<u>Partnership Status</u>	22
<u>Limited Partner Status</u>	23
<u>Tax Consequences of Unit Ownership</u>	23
<u>Tax Treatment of Operations</u>	29
<u>Disposition of Common Units</u>	30
<u>Uniformity of Units</u>	32
<u>Tax-Exempt Organizations and Other Investors</u>	33
<u>Administrative Matters</u>	34
<u>State, Local, Foreign and Other Tax Consequences</u>	36
<u>INVESTMENT IN GENESIS BY EMPLOYEE BENEFIT PLANS</u>	37
<u>PLAN OF DISTRIBUTION</u>	38
<u>INFORMATION REGARDING FORWARD-LOOKING STATEMENTS</u>	40
<u>LEGAL MATTERS</u>	42
<u>EXPERTS</u>	42
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	42

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or on behalf of us relating to this offering of common units. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are offering to sell the common units, and seeking offers to buy the common units, only in jurisdictions where offers and sales are permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus is accurate as of any date other than the dates shown in these documents or that any information we have incorporated by reference herein is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

None of Genesis Energy, L.P., the underwriters or any of their respective representatives is making any representation to you regarding the legality of an investment in our common units by you under applicable laws. You should consult your own legal, tax and business advisors regarding an investment in our common units. Information in this prospectus supplement and the accompanying prospectus is not legal, tax or business advice to any prospective investor.

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common units. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of common units. Generally, when we refer only to the prospectus, we are referring to both parts combined. If the information about the common unit offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. Please read **Where You Can Find More Information** on page S-23 of this prospectus supplement.

---

**Table of Contents**

**SUMMARY**

*This summary highlights some basic information from other sections of this prospectus supplement and the accompanying prospectus. It likely does not contain all the information that is important to you or that you may wish to consider before making an investment decision. You should read carefully the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of our business and the terms of this offering, as well as the tax and other considerations that are important to you in making your investment decision. Please read *Risk Factors* beginning on page S-10 of this prospectus supplement and beginning on page 2 of the accompanying prospectus for information regarding risks you should consider before investing in our common units. Unless the context otherwise indicates, the information included in this prospectus supplement assumes that the underwriters do not exercise their option to purchase additional common units.*

*Unless the context otherwise requires, references in this prospectus supplement to *Genesis Energy, L.P.*, *Genesis*, *we*, *our*, *us* or like terms refer to *Genesis Energy, L.P.* and its operating subsidiaries; *our general partner* refers to *Genesis Energy, LLC*, the general partner of *Genesis*; *Free State* refers to *Genesis Free State Pipeline, LLC*; *Quintana* refers to *Quintana Capital Group II, L.P.* and its affiliates; *Davison family* refers to, collectively, *James E. Davison, James E. Davison, Jr., Steven K. Davison and Todd A. Davison* and each of their respective families; *DG Marine* refers to *DG Marine Transportation, LLC* and its subsidiaries. *CO<sub>2</sub>* means carbon dioxide; and *NaHS*, which is commonly pronounced as *nash*, means sodium hydrosulfide.*

**Our Company**

We are a growth-oriented limited partnership focused on the midstream segment of the oil and gas industry in the Gulf Coast region of the United States, primarily Texas, Louisiana, Arkansas, Mississippi, Alabama and Florida. We were formed in 1996 as a master limited partnership, or MLP. We have a diverse portfolio of customers, operations and assets, including refinery-related plants, pipelines, storage tanks and terminals, barges, and trucks. We provide an integrated suite of services to refineries; oil, natural gas and CO<sub>2</sub> producers; industrial and commercial enterprises that use NaHS and caustic soda; and businesses that use CO<sub>2</sub> and other industrial gases. Substantially all of our revenues are derived from providing services to integrated oil companies, large independent oil and gas or refinery companies, and large industrial and commercial enterprises.

We conduct our operations through subsidiaries and joint ventures. As is common with MLPs, our general partner is responsible for operating our business, including providing all necessary personnel and other resources.

We manage our businesses through four divisions that constitute our reportable segments:

***Pipeline Transportation***

We transport crude oil and CO<sub>2</sub> for others for a fee in the Gulf Coast region of the U.S. through approximately 550 miles of pipeline. Our Pipeline Transportation segment owns and operates three crude oil common carrier pipelines and two CO<sub>2</sub> pipelines. Our 235-mile Mississippi System provides shippers of crude oil in Mississippi indirect access to refineries, pipelines, storage terminals and other crude oil infrastructure located in the Midwest. Our 100-mile Jay System originates in southern Alabama and the panhandle of Florida and provides crude oil shippers access to refineries, pipelines and storage near Mobile, Alabama. Our 90-mile Texas System transports crude oil from West Columbia to several delivery points near Houston. Our crude oil pipeline systems include access to a total of approximately 0.7 million barrels of crude oil storage.

---

## **Table of Contents**

Our Free State Pipeline is an 86-mile, 20" CO<sub>2</sub> pipeline that extends from CO<sub>2</sub> source fields near Jackson, Mississippi, to oil fields in eastern Mississippi. We have a twenty-year transportation services agreement (through 2028) related to the transportation of CO<sub>2</sub> on our Free State Pipeline.

In addition, Denbury Resources, Inc. and its subsidiaries, or Denbury, have leased from us (through 2028) the Northeast Jackson Dome Pipeline System, or the NEJD System, a 183-mile, 20" CO<sub>2</sub> pipeline extending from the Jackson Dome, near Jackson, Mississippi, to near Donaldsonville, Louisiana. The NEJD System transports CO<sub>2</sub> to tertiary oil recovery operations in southwest Mississippi.

### ***Refinery Services***

We primarily (i) provide services to eight refining operations located predominantly in Texas, Louisiana and Arkansas; (ii) operate significant storage and transportation assets in relation to our business and (iii) sell NaHS and caustic soda to large industrial and commercial companies. Our refinery services primarily involve processing refiners' high sulfur (or sour) gas streams to remove the sulfur. Our refinery services footprint also includes terminals, and we utilize railcars, ships, barges and trucks to transport product. Our refinery services contracts are typically long-term in nature and have an average remaining term of four years. NaHS is a by-product derived from our refinery services process, and it constitutes the sole consideration we receive for these services. A majority of the NaHS we receive is sourced from refineries owned and operated by large companies, including ConocoPhillips, CITGO, Holly Corp. and Ergon. We believe we are one of the largest marketers of NaHS in North and South America.

### ***Supply and Logistics***

We provide services primarily to Gulf Coast oil and gas producers and refineries through a combination of purchasing, transporting, storing, blending and marketing crude oil and refined products, primarily fuel oil. In connection with these services, we utilize our portfolio of logistical assets consisting of trucks, terminals, pipelines and barges. We have access to a suite of more than 270 trucks, 270 trailers, 20 barges (with an aggregate of approximately 660,000 barrels of refined product transportation capacity), 1.6 million barrels of terminal storage capacity in multiple locations along the Gulf Coast, and our three common carrier crude oil pipelines. Usually, our supply and logistics segment experiences limited commodity price risk because it involves back-to-back purchases and sales, matching our sale and purchase volumes on a monthly basis. Unsold volumes are hedged with NYMEX derivatives to offset the remaining price risk.

### ***Industrial Gases***

We provide CO<sub>2</sub> and certain other industrial gases and related services to industrial and commercial enterprises. We supply CO<sub>2</sub> to industrial customers under long-term contracts, with an average remaining contract life of seven years. We acquired those contracts, as well as the CO<sub>2</sub> necessary to satisfy substantially all of our expected obligations under those contracts, in three separate transactions. Our compensation for supplying CO<sub>2</sub> to our industrial customers is the effective difference between the price at which we sell our CO<sub>2</sub> under each contract and the price at which we acquired our CO<sub>2</sub> pursuant to our volumetric production payments (also known as VPPs), minus transportation costs. In addition to supplying CO<sub>2</sub>, we own a 50% joint venture interest in T&P Syngas, from which we receive distributions earned from fees for manufacturing syngas (a combination of carbon monoxide and hydrogen) by Praxair Hydrogen Supply Inc., our 50% joint venture partner. Our other joint venture is a 50% interest in Sandhill Group, LLC through which we process raw CO<sub>2</sub> for sale to other customers for uses ranging from completing oil and natural gas producing wells to food processing.

## **Table of Contents**

### **Our General Partner**

On February 5, 2010, affiliates and co-investors of Quintana along with members of the Davison family and members of our senior executive management team, acquired control of our general partner. Our general partner owns all of our general partner interest and all of our incentive distribution rights.

Quintana includes a number of energy and energy-related enterprises and investments managed and/or controlled in part by Corbin J. Robertson, Jr. and certain Robertson family trusts. Members of the Davison family have invested in us since 2007. In addition to their investment in our general partner, members of the Davison family own approximately 22% of our common units.

### **Our Objectives and Strategies**

Our primary business objectives are to generate stable cash flows that allow us to make quarterly cash distributions to our unitholders and to increase those distributions over time. We plan to achieve those objectives by executing the following business and financial strategies.

#### ***Business Strategy***

Our primary business strategy is to provide an integrated suite of transportation, storage and marketing services to oil and gas producers, refineries and other customers. Successfully executing this strategy should enable us to generate and grow sustainable cash flows. We intend to develop our business by:

Identifying and exploiting incremental profit opportunities, as well as cost synergies, across an increasingly integrated footprint;

Optimizing our existing assets and creating synergies through additional commercial and operating advancement;

Leveraging customer relationships across business segments;

Attracting new customers and expanding our scope of services offered to existing customers;

Expanding the geographic reach of our refinery services and supply and logistics segments;

Economically expanding pipeline and terminal operations; and

Evaluating internal and third party growth opportunities that leverage our core competencies and strengths and further integrate our businesses.

#### ***Financial Strategy***

We believe that preserving financial flexibility is an important factor in our overall strategy and success. Over the long-term, we intend to:

Increase the relative contribution of recurring and throughput-based revenues, emphasizing longer-term contractual arrangements;

Balance opportunistic transactions with long-term customer services;

Prudently manage our limited commodity price risks;

Maintain a sound, disciplined capital structure; and

Create strategic arrangements and share capital costs and risks through joint ventures and strategic alliances.

S-3

## Table of Contents

### **Our Competitive Strengths**

We believe we are well positioned to execute our strategies and ultimately achieve our objectives due primarily to the following competitive strengths:

*Our businesses encompass a balanced, diversified portfolio of customers, operations and assets.* We operate four business segments and own and operate assets that enable us to provide a number of services to refinery owners; oil, natural gas and CO<sub>2</sub> producers; industrial and commercial enterprises that use NaHS and caustic soda; and businesses that use CO<sub>2</sub> and other industrial gases. Our business lines complement each other as they allow us to offer an integrated suite of services to common customers across segments.

*We have indirect exposure to fast-growing, developing economies outside of the U.S.* The by-product NaHS derived from our refinery services process is sold to the mining and pulp and paper industries where it is utilized in the production of products that are sold into global markets.

*We have low commodity price risk exposure.* The volumes of crude oil, refined products or intermediate feedstocks that we purchase are either subject to back-to-back sales contracts or are hedged with NYMEX derivatives to limit our exposure to movements in the price of the commodity. We monitor the effectiveness of the hedges to require that our value at risk of such hedged inventory does not exceed \$2.5 million.

*Our businesses provide consistent consolidated financial performance.* During the adverse economic environment that began in the third quarter of 2008 and continued until earlier this year, our businesses provided consistent performance that, when combined with our conservative capital structure, has allowed us to increase our distribution for the twenty-first consecutive quarter as of our most recent distribution declaration.

*Our pipeline transportation and related assets are strategically located.* Our owned and operated crude oil pipelines are located in the Gulf Coast region and provide our customers access to multiple delivery points. In addition, a majority of our terminals are located in areas that can be accessed by either truck, rail or barge.

*The scale of our refinery services operations as well as our expertise and reputation for high performance standards and quality enable us to provide refiners with economic and proven services.* We believe we are one of the largest marketers of NaHS in North and South America and we have a suite of assets that enables us to facilitate growth in our business. In addition, our extensive understanding of the sulfur removal process and refinery services market provides us with an advantage when evaluating new opportunities and/or markets.

*Our supply and logistics business is operationally flexible.* Our portfolio of trucks, barges and terminals affords us flexibility within our existing regional footprint and the capability to enter new markets and expand our customer relationships.

*We are financially flexible and have significant liquidity.* As of September 30, 2010, we had \$426 million borrowed under our \$525 million credit agreement, with \$50.4 million of that amount designated as a loan under the \$75 million petroleum products inventory loan sublimit. We also had \$4.3 million in letters of credit outstanding. Our inventory borrowing base was \$50.4 million at September 30, 2010.

## Edgar Filing: GENESIS ENERGY LP - Form 424B3

*We have an experienced, knowledgeable and motivated senior executive management team with a proven track record.* Our senior executive management team has an average of more than 25 years of experience in the midstream sector. They have worked in leadership roles at a number

S-4

---

**Table of Contents**

of large, successful public companies, including other publicly-traded partnerships. Through their equity interest in us and our general partner, our senior executive management team is incentivized to create value by increasing cash flows.

**Recent Events**

***Twenty-One Consecutive Distribution Rate Increases***

We have increased our quarterly distribution rate for 21 consecutive quarters. On October 13, 2010, our board of directors declared a cash distribution of \$0.3875 per unit to unitholders of record as of November 2, 2010, an approximate 3.3% increase per unit from the distribution in the prior quarter, and an increase of approximately 9.9% from the distribution in November 2009. As in the past, future increases (if any) in our quarterly distribution rate will depend on our ability to execute critical components of our business strategy.

***CHOPS Acquisition***

On October 22, 2010, we entered into a purchase and sale agreement to acquire from Valero Energy Corporation a 50% equity interest in the Cameron Highway Oil Pipeline Company for approximately \$330 million. Cameron Highway, a joint venture with Enterprise Products Partners, L.P., owns and operates the Cameron Highway pipeline system, a crude oil pipeline in the Gulf of Mexico. Constructed in 2004, the Cameron Highway pipeline system is a 24- and 30- inch diameter pipeline with capacity to deliver up to 500,000 barrels per day of crude oil from developments in the Gulf of Mexico to refining markets along the Texas Gulf Coast located in Port Arthur and Texas City and includes approximately \$50 million of crude oil linefill and \$9 million in pumping equipment (in each case, net to Valero's interest). Valero's share of annualized distributions from the joint venture was approximately \$27 million and \$33 million at December 31, 2009 and June 30, 2010, respectively. There can be no assurance that future distributions from the joint venture will be consistent with historical distributions. Enterprise Products owns the remaining 50% interest in, and operates, the joint venture. The consummation of the acquisition is subject to the satisfaction or waiver of customary conditions, including receiving all applicable governmental approvals. The purchase price is subject to customary adjustments, including for the amount of working capital as of the closing date.

We intend to finance the approximate \$330 million purchase price for the acquisition of Cameron Highway Oil Pipeline Company with the net proceeds from this offering, including our general partner's proportionate capital contribution, and \$ of debt financing. However, to protect against the possibility of a rapid deterioration in the capital markets, we entered into an agreement with a group of banks to provide up to \$300 million of unsecured financing. This unsecured facility allows for borrowings through December 31, 2011.

The sale of our common units in this offering is not conditioned on the consummation of that acquisition. Purchasers of our common units should not assume that the acquisition will close in a timely manner, if at all.

***Acquisition of DG Marine***

Originally formed in 2008, DG Marine was a joint venture in which we owned a 49% economic interest and TD Marine, a related party, owned the remaining 51% economic interest. On July 28, 2010, we acquired the 51% economic interest in DG Marine held by TD Marine for \$25.5 million, resulting in DG Marine become our wholly-owned subsidiary. DG Marine provides transportation services of petroleum products by barge that complements our other supply and logistics operations.

## **Table of Contents**

### ***Restructured Credit Agreement***

On June 29, 2010, we restructured our credit agreement. Our credit agreement now provides for a \$525 million senior secured revolving credit facility, includes an accordion feature whereby the total credit available can be increased up to \$650 million under certain circumstances, and matures on June 30, 2015. Among other modifications, our credit agreement now includes a \$75 million sublimit tranche designed for more efficient financing of crude oil and petroleum products inventory.

### ***Change of Control of Our General Partner***

In February 2010, Quintana, along with members of the Davison family, our senior executive management team and certain other investors acquired control of our general partner. Our general partner owns all of our general partner interest and all of our incentive distribution rights.

### ***Possible Partnership Simplification or IDR Restructuring Transaction***

Our senior management has continuously evaluated strategic alternatives in an effort to enhance unitholder value. Among other things, senior management has focused on improving our competitive position and enhancing our long-term growth prospects by reducing our equity cost of capital, the impact of which it believes would benefit the holders of our common units. Senior management believes that our cost of capital potentially has (and will continue to) become high in comparison to a number of publicly traded limited partnerships in our peer group. Our cost of issuing new units to facilitate our continuing growth includes not only the distributions payable to such new unitholders, but also the percent of our aggregate quarterly distributions we pay to our general partner in respect of our general partner interest (2%) and incentive distribution rights (currently, approximately 49%), or IDRs.

Our general partner's Board of Directors has authorized us to analyze alternative restructuring transactions, and it granted our Conflicts Committee the authority to analyze, negotiate, and consider for Special Approval (as defined in our partnership agreement) and recommendation to the Board such a restructuring. In September 2010, we engaged a financial advisor to assist us, and in October 2010, our Conflicts Committee engaged legal and financial advisors to assist it in the Special Approval process.

Senior management believes that, under the right circumstances, the most desirable restructuring transaction would be to alleviate the burden to our equity cost of capital through the complete elimination (in one form or another) of our IDRs. It is impossible, at this time, to determine (i) whether or not we will consummate any form of a restructuring transaction, or (ii) if we were to consummate a restructuring transaction, when such transaction would be consummated and what terms such a transaction would include, such as (a) whether we would reset, cap, repurchase or eliminate our IDRs; (b) whether the consideration therefore would be in the form of common units, other equity, debt, cash, other consideration or any combination thereof; and (c) what other terms might be required.

### **Our Offices**

Our executive offices are located at 919 Milam, Suite 2100, Houston, Texas 77002, and the phone number at this address is (713) 860-2500.

**Table of Contents**

**Ownership Structure**

We conduct our operations through, and our operating assets are owned by, our subsidiaries and joint ventures. As is customary with publicly-traded limited partnerships, Genesis Energy, LLC, our general partner, is responsible for operating our business, including providing all necessary personnel and other resources.

Genesis Energy, LLC is a holding company with employees, but with no independent assets or operations other than its general partner interest in us and several of our subsidiaries. Our general partner is dependent upon the cash distributions it receives from us to service any obligations it may incur. Our general partner is controlled by Quintana, its co-investors, members of the Davison family and members of our senior executive management team.

Below is a chart depicting our ownership structure after giving effect to this offering.

S-7

**Table of Contents**

**The Offering**

Common Units Offered by Us	4,500,000 common units (5,175,000 common units if the underwriters exercise their over-allotment option in full).
Common Units Outstanding Before this Offering	39,585,692 common units.
Common Units Outstanding After this Offering	44,085,692 common units (44,760,692 common units if the underwriters exercise their over-allotment option in full).
Use of Proceeds	We intend to use the net proceeds from this offering of \$            million (before payment of offering expenses), including our general partner's proportionate capital contribution to maintain its 2% general partner interest and any net proceeds from the underwriters' exercise of their over-allotment option, for general partnership purposes, including funding a portion of the approximately \$330 million purchase price and related transaction costs for our pending acquisition of a 50% equity interest in the Cameron Highway Oil Pipeline Company. If that acquisition is not consummated, all of the net proceeds will be used for other general partnership purposes, including the repayment of borrowings outstanding under our credit agreement. Please read "Use of Proceeds" on page S-11 of this prospectus supplement.
Cash Distributions	<p>Within approximately 45 days after the end of each quarter, we will distribute all available cash to unitholders of record on the applicable record date. However, there is no guarantee that we will pay a distribution on the common units in any quarter, and we will be prohibited from making any distributions to unitholders if it would cause an event of default, or if an event of default then exists, under our credit agreement. Please read "Cash Distribution Policy" beginning on page 12 of the accompanying prospectus.</p> <p>On October 13, 2010, the board of directors of our general partner declared a cash distribution to our unitholders of \$0.3875 per common unit for the quarter ended September 30, 2010, which will be paid on November 12, 2010 to unitholders of record at the close of business on November 2, 2010. This distribution represents an increase of approximately 9.9% over the third quarter 2009 quarterly distribution of \$0.3525 per unit, and an approximately 3.3% increase over the distribution paid with respect to the second quarter of 2010. This is the twenty-first consecutive quarter in which we have increased our quarterly distribution. Purchasers in this offering will not receive the distribution payable on November 12, 2010.</p>
Incentive Distributions	Our general partner is entitled to receive incentive distributions if the amount we distribute with respect to any quarter exceeds levels specified in our partnership

**Table of Contents**

agreement. Under the quarterly incentive distribution provisions, our general partner is entitled to receive 13.3% of any distributions in excess of \$0.25 per unit, 23.5% of any distributions in excess of \$0.28 per unit, and 49% of any distributions in excess of \$0.33 per unit, without duplication. Please read **Cash Distribution Policy Distributions of Available Cash From Operating Surplus Incentive Distribution Rights** beginning on page 13 of the accompanying prospectus.

**Estimated Ratio of Taxable Income to Distributions** We estimate that if you own the common units you purchase in this offering through the record date for the distribution with respect to the final calendar quarter of 2012, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be 20% or less of the cash distributed to you with respect to that period. Please read **Material Tax Considerations** beginning on page S-14 of this prospectus supplement for the basis of this estimate.

**Conflicts of Interest** As described in **Use of Proceeds**, some of the net proceeds of this offering may be used to repay borrowings under our credit agreement. Because affiliates of Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC, UBS Securities LLC, Deutsche Bank Securities Inc. and Morgan Keegan & Company, Inc. are lenders under our credit agreement, certain of the underwriters or their affiliates may receive more than 5% of the proceeds of this offering (not including underwriting discounts and commissions). Nonetheless, in accordance with the Financial Industry Authority Rule 2720, the appointment of a qualified independent underwriter is not necessary in connection with this offering because the common units offered hereby are interests in a direct participation program. Investor suitability with respect to the common units will be judged similarly to the suitability with respect to other securities that are listed for trading on a national securities exchange.

**New York Stock Exchange Symbol** GEL

**Material Tax Consequences** For a discussion of material federal income tax consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States, please read **Material Income Tax Consequences** beginning on page 21 of the accompanying prospectus.

**Risk Factors** You should read **Risk Factors** beginning on page S-10 of this prospectus supplement and beginning on page 2 of the accompanying prospectus and found in the documents incorporated herein by reference, as well as the other cautionary statements throughout this prospectus supplement, to ensure you understand the risks associated with an investment in our common units.

**Table of Contents**

**RISK FACTORS**

An investment in our common units involves risk. We urge you to read and consider carefully the risk factors included under the caption "Risk Factors" beginning on page 2 of the accompanying prospectus and those risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2009, which are incorporated by reference in this prospectus supplement, together with all of the other information included or incorporated by reference in this prospectus supplement, before deciding whether this investment is suitable for you. If any of these risks were to occur, our business, financial condition or results of operations could be materially and adversely affected. In such case, the trading price of the common units could decline, and you could lose all or part of your investment.

S-10

**Table of Contents**

**USE OF PROCEEDS**

We will receive net cash proceeds from this offering of approximately \$            million, after payment of underwriting discounts and estimated offering expenses, and approximately \$            million from our general partner's proportionate capital contribution to maintain its 2% general partner interest. Should the underwriters exercise their over-allotment option in full, we will receive approximately \$            million from this offering and approximately \$            million from our general partner for a total of approximately \$            million.

We intend to use the net proceeds from this offering, including any net proceeds from the underwriters' exercise of their over-allotment option, for general partnership purposes, including funding a portion of the approximately \$330 million purchase price and related transaction costs for our pending acquisition of a 50% equity interest in the Cameron Highway Oil Pipeline Company. Please read "Summary Recent Events CHOPS Acquisition." If that acquisition is not consummated, all of the net proceeds will be used for other general partnership purposes, including the repayment of borrowings outstanding under our credit agreement.

At September 30, 2010, we had \$426 million borrowed under our credit agreement and \$4.3 million in letters of credit outstanding. Due to the revolving nature of loans under our credit agreement, additional borrowings and periodic repayments and re-borrowings may be made until the maturity date of June 30, 2015. At September 30, 2010, our borrowing rate margins were 2.75% and 1.75% for eurodollar rate and alternate base rate borrowings, respectively.

During the last 12 months, we have used proceeds from our credit agreement for general partnership purposes, primarily for:

    acquiring the 51% economic interest of DG Marine that we did not own (\$25.5 million) and paying off DG Marine's stand-alone credit facility (\$44.4 million); and

    infrastructure and improvements (\$10.5 million).

Affiliates of certain of the underwriters participating in this offering are lenders under our credit agreement and may receive a portion of the proceeds of this offering through the repayment by us of the indebtedness outstanding under our credit agreement with such proceeds. Please read "Underwriting" beginning on page S-16 of this prospectus supplement for further details.

**Table of Contents****CAPITALIZATION**

The following table sets forth our consolidated capitalization as of September 30, 2010:

(1) on a historical basis;

(2) on an adjusted basis to give effect to the sale of common units by us in this offering, the contribution by our general partner to maintain its 2% general partner interest and the application of the net proceeds for general partnership purposes, including the repayment of borrowings outstanding under our credit agreement as described under "Use of Proceeds" on page S-11 of this prospectus supplement; and

(3) on an adjusted pro forma basis to give effect to the sale of common units by us in this offering, the contribution by our general partner to maintain its 2% general partner interest and the application of the net proceeds for general partnership purposes, including funding a portion of the approximately \$330 million purchase price for our pending acquisition of a 50% equity interest in the Cameron Highway Oil Pipeline Company and related transaction costs.

The following table should be read together with our historical financial statements and the related notes thereto that are incorporated by reference into this prospectus supplement and the accompanying prospectus. Please read "Use of Proceeds" on page S-11 of this prospectus supplement.

	As of September 30, 2010		
	Historical	As adjusted for this offering (in thousands)	Pro forma adjusted for this offering and the acquisition
<b>Cash and cash equivalents</b>	\$ 3,058	\$ 3,058	\$ 3,058
<b>Long-term debt:</b>			
Genesis revolving credit facility due June 2015	\$ 426,000	\$	\$
Other long-term debt			
<b>Total long-term debt</b>	\$ 426,000	\$	\$
<b>Partners' capital:</b>			
Common unitholders	\$ 557,079	\$	\$
General partner interest	10,608		
Noncontrolling interests	560	560	560
<b>Total partners' capital</b>	\$ 568,247	\$	\$
<b>Total capitalization</b>	\$ 994,247	\$	\$

**Table of Contents****PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS**

Our common units trade on the New York Stock Exchange under the symbol GEL. As of November 2, 2010, there were 39,585,692 common units outstanding, held by approximately 20,100 record holders and beneficial owners (held in street name).

We are required by our partnership agreement to distribute 100% of our available cash within 45 days after the end of each quarter to our unitholders of record and to our general partner. Available cash consists generally of all of our cash receipts less cash disbursements adjusted for net changes to reserves. Cash reserves are the amounts deemed necessary or appropriate, in the reasonable discretion of our general partner, to provide for the proper conduct of our business or to comply with applicable law, any of our debt instruments or other agreements. The full definition of available cash is set forth in our partnership agreement and amendments thereto. Please read [Where You Can Find More Information](#).

Our general partner is entitled to receive incentive distributions if the amount we distribute with respect to any quarter exceeds levels specified in our partnership agreement. Under the quarterly incentive distribution provisions, the general partner is entitled to receive 13.3% of any distributions in excess of \$0.25 per unit, 23.5% of any distributions in excess of \$0.28 per unit, and 49% of any distributions in excess of \$0.33 per unit, without duplication. The likelihood and timing of the payment of any incentive distributions will depend on our ability to increase the cash flow from our existing operations and to make cash flow accretive acquisitions. In addition, our partnership agreement authorizes us to issue additional equity interests in our partnership with such rights, powers and preferences (which may be senior to our common units) as our general partner may determine in its sole discretion, including with respect to the right to share in distributions and profits and losses of the partnership.

The following table sets forth the high and low sales prices for our common units in each quarter, as reported by the NYSE (or, on or prior to September 14, 2010, the NYSE Amex LLC), and the declared cash distributions for our common units in each quarter.

	Price range per common unit		Cash distributions per common unit(1)(2)
	High	Low	
<b>Fiscal Year Ending December 31, 2010</b>			
Fourth Quarter (through November 2, 2010)	\$ 26.45	\$ 23.08	\$ 0.388
Third Quarter	23.52	18.43	0.375
Second Quarter	20.64	15.47	0.368
First Quarter	21.67	17.94	0.360
<b>Fiscal Year Ending December 31, 2009</b>			
Fourth Quarter	\$ 19.95	\$ 15.10	\$ 0.353
Third Quarter	16.89	12.01	0.345
Second Quarter	13.92	9.82	0.338
First Quarter	12.60	7.57	0.330
<b>Fiscal Year Ended December 31, 2008</b>			
Fourth Quarter	\$ 16.00	\$ 6.42	\$ 0.323
Third Quarter	19.85	11.75	0.315
Second Quarter	22.09	17.02	0.300
First Quarter	25.00	15.07	0.285

(1) Cash distributions are shown in the quarter paid.

(2) The distribution attributable to the quarter ended September 30, 2010 will be paid on November 12, 2010 to unitholders of record at the close of business on November 2, 2010. Purchasers in this offering will not receive the distribution payable on November 12, 2010. The last reported sales price of our common units on the NYSE on November 2, 2010 was \$25.03 per unit.



---

**Table of Contents**

**MATERIAL TAX CONSIDERATIONS**

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. For a discussion of the principal federal income tax considerations associated with our operations and the purchase, ownership and disposition of our common units, please read *Material Income Tax Consequences* beginning on page 21 of the accompanying prospectus. Please also read *Item 1A. Risk Factors Tax Risks to Common Unitholders* in our Annual Report on Form 10-K for the year ended December 31, 2009 for a discussion of the tax risks related to purchasing and owning our common units. You are urged to consult with your own tax advisor about the federal, state, local, and foreign tax consequences peculiar to your circumstances.

***Partnership Status***

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes. No ruling has been or will be sought from the Internal Revenue Service, or the IRS, and the IRS has made no determination as to our status as a partnership for federal income tax purposes or whether our operations generate *qualifying income* under Section 7704 of the Internal Revenue Code. Instead, we will rely on the opinion of Akin Gump Strauss Hauer & Feld LLP that, based upon the Internal Revenue Code, its regulations, published revenue rulings and court decisions and the representations described below, we will be classified as a partnership for federal income tax purposes.

In rendering its opinion, Akin Gump Strauss Hauer & Feld LLP has relied on factual representations made by us and our general partner, including the following:

Neither we nor the operating company has elected or will elect to be treated as a corporation; and

For each taxable year, more than 90% of our gross income has been and will be income from sources that Akin Gump Strauss Hauer & Feld LLP has opined or will opine is *qualifying income* within the meaning of Section 7704(d) of the Internal Revenue Code. In order to be treated as a partnership for federal income tax purposes, at least 90% of our gross income must be from specific qualifying sources, such as the transportation, processing or marketing of natural gas and natural gas products or other passive types of income such as dividends. For a more complete description of this qualifying income requirement, please read *Material Income Tax Consequences Partnership Status* beginning on page 22 of the accompanying prospectus.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35%, and would likely pay state income tax at varying rates. Distributions would generally be taxed again to unitholders as corporate distributions and no income, gains, losses, or deductions would flow through to unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution to unitholders would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to our unitholders likely causing a substantial reduction in the value of our common units.

Current law may change so as to cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to entity-level taxation. For example, in response to certain developments, members of Congress are considering substantive changes to the definition of *qualifying income*. It is possible that these efforts could result in changes to the existing U.S. tax laws that affect publicly traded partnerships including us. We are unable to predict whether any of these changes or other proposals will ultimately be enacted. Any such changes could negatively impact an investment in our common units. In addition, because of widespread state budget deficits and other

## **Table of Contents**

reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. For example, in 2008, we began paying Texas franchise tax at a maximum effective rate of 0.5% of our gross income apportioned to Texas in the prior year.

### ***Ratio of Taxable Income to Distributions***

We estimate that if you purchase a common unit in this offering and hold the unit through the record date for the distribution with respect to the final calendar quarter of 2012, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be 20% or less of the amount of cash distributed to you with respect to that period. This estimate is based upon many assumptions regarding our business and operations, including assumptions as to tariffs, capital expenditures, cash flows, net working capital, and anticipated cash distributions. This estimate and the underlying assumptions are subject to, among other things, numerous business, economic, regulatory, competitive and political uncertainties beyond our control. Further, this estimate is based on current tax law and tax reporting positions that we have adopted. The IRS could disagree with our tax reporting positions, including estimates of the relative fair market values of our assets and the validity of certain allocations. Accordingly, we cannot assure you that the estimate will prove to be correct. The actual percentage of distributions that will constitute taxable income could be higher or lower than our estimate, and any differences could be material and could materially affect the value of the common units. For example, the ratio of allocable taxable income to cash distributions to a purchaser of common units in this offering could be greater, and perhaps substantially greater, than our estimate with respect to the period described above if:

gross income from operations exceeds the amount required to make the minimum quarterly distribution on all units, yet we only distribute the minimum quarterly distribution on all units;

we make a future offering of common units and use the proceeds of the offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of this offering or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of this offering; or

we complete a partnership simplification or IDR restructuring transaction.

### ***Tax Exempt Organizations and Other Investors***

Ownership of common units by tax-exempt entities, regulated investment companies, and non-U.S. investors raises issues unique to such persons. Please read **Material Income Tax Consequences Tax-Exempt Organizations and Other Investors** beginning on page 33 of the accompanying prospectus.

**Table of Contents****UNDERWRITING**

We are offering the common units described in this prospectus supplement and the accompanying prospectus through the underwriters named below. Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC, UBS Securities LLC and Deutsche Bank Securities Inc. (collectively, the Representatives) are acting as joint book-running managers and representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the number of common units set forth opposite the underwriter's name.

<b>Underwriters</b>	<b>Number of Units</b>
Wells Fargo Securities, LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
RBC Capital Markets, LLC	
UBS Securities LLC	
Deutsche Bank Securities Inc.	
Morgan Keegan & Company, Inc.	
<b>Total</b>	<b>4,500,000</b>

The underwriting agreement provides that the obligations of the underwriters to purchase the units included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all of the units (other than those covered by the underwriters option to purchase additional units described below) if they purchase any of the units.

**Option to Purchase Additional Units**

We have granted to the underwriters an option, exercisable for up to 30 days from the date of this prospectus supplement, to purchase up to 675,000 additional units at the public offering price less the underwriting discount. To the extent the option is exercised, each underwriter must purchase the number of additional units approximately proportionate to that underwriter's initial purchase commitment.

**Underwriting Discount and Expenses**

The underwriters propose to offer some of the units directly to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the units to dealers at the public offering price less a concession not to exceed \$ per unit. After the offering, the underwriters may change the public offering price and the other selling terms. The offering of the common units by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The following table shows the underwriting discounts that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional units.

	<b>No Exercise</b>	<b>Full Exercise</b>
Per unit	\$	\$
Total	\$	\$

We estimate that our total expenses of this offering, other than underwriting discounts and commissions, will be approximately \$500,000.



---

## **Table of Contents**

### **Lock-Up Agreements**

We, our subsidiaries, our general partner, and certain of its affiliates, including certain executive officers and directors of our general partner, have agreed that during the 60 days after the date of this prospectus supplement and subject to certain exceptions, we and they will not, without the prior written consent of Wells Fargo Securities, LLC, (i) issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, with respect to any of our common units or securities convertible into or exchangeable or exercisable for our common units or warrants or other rights to purchase our common units or any other securities of ours that are substantially similar to our common units, (ii) file or cause to become effective a registration statement under the Securities Act of 1933, as amended, relating to the offer and sale of any of our common units or securities convertible into or exchangeable or exercisable for our common units or warrants or other rights to purchase our common units or any other of our securities that are substantially similar to common units, (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common units or any securities convertible into or exchangeable or exercisable for our common units or warrants or other rights to purchase our common units or any such securities, whether any such transaction is to be settled by delivery of our common units or such other securities, in cash or otherwise or (iv) publicly announce an intention to effect any transaction specified in clause (i), (ii) or (iii). These restrictions do not, among other things, apply to:

the sale of common units pursuant to the underwriting agreement;

issuances of common units by us upon the exercise of options or warrants disclosed as outstanding in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein;

the issuance of employee unit stock options, phantom units or dividend equivalent rights that are not exercisable or do not vest, as applicable, during the 60-day period pursuant to benefit plans described in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein;

the filing of a registration statement on Form S-8 to register common units under benefit plans disclosed in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein;

the filing of a universal shelf registration statement on Form S-3 to register common units or other partnership securities, provided that we shall not issue any common units thereunder until expiration of the 60-day period;

the issuance of common units in a private placement exempt from registration under the Act, provided that the purchaser of such common units enters into an agreement to be subject to the same restrictions for the remainder of the 60-day period; and

the pledge of common units or other partnership securities to secure loans to such persons or entities in connection with any financing transaction to which such persons or entities are parties, provided that such common units or other partnership securities may not be sold or disposed of in connection with the exercise by the lender of any remedies as a secured party until the expiration of the 60-day period.

### **NYSE Listing**

Our common units are listed on the New York Stock Exchange under the symbol GEL.



## **Table of Contents**

### **Price Stabilization, Short Positions and Penalty Bids**

In connection with the offering, the Representatives, on behalf of the underwriters, may purchase and sell common units in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. Short sales involve syndicate sales of common units in excess of the number of common units to be purchased by the underwriters in the offering, which creates a syndicate short position. Covered short sales are sales of common units made in an amount up to the number of common units represented by the underwriters over-allotment option. In determining the source of common units to close out the covered syndicate short position, the underwriters will consider, among other things, the price of common units available for purchase in the open market as compared to the price at which they may purchase units through the over-allotment option. Transactions to close out the covered syndicate short position involve either purchases of the common units in the open market after the distribution has been completed or the exercise of the over-allotment option. The underwriters may also make naked short sales of common units in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing common units in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common units in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of bids for or purchases of common units in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the Representatives repurchase common units originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the common units. They may also cause the price of the common units to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the NYSE or in the over-the-counter market, or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time. Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common units.

### **Conflicts of Interest**

As described in Use of Proceeds, some of the net proceeds of this offering may be used to repay borrowings under our credit agreement. Because affiliates of Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC, UBS Securities LLC, Deutsche Bank Securities Inc. and Morgan Keegan & Company, Inc. are lenders under our credit agreement, certain of the underwriters or their affiliates may receive more than 5% of the proceeds of this offering (not including underwriting discounts and commissions). Nonetheless, in accordance with the Financial Industry Authority Rule 2720, the appointment of a qualified independent underwriter is not necessary in connection with this offering because the common units offered hereby are interests in a direct participation program. Investor suitability with respect to the common units will be judged similarly to the suitability with respect to other securities that are listed for trading on a national securities exchange.

### **Other Relationships**

The underwriters and their affiliates have provided, or may in the future provide, various investment banking, commercial banking, financial advisory, brokerage and other services to us and our affiliates for which services they have received, and may in the future receive, customary fees and expense reimbursement. The underwriters and their affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses.

## **Table of Contents**

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and such investment and securities activities may involve securities and/or instruments of the Company. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Electronic Distribution**

This prospectus supplement and the accompanying prospectuses in electronic format may be made available on the websites maintained by one or more of the underwriters. The underwriters may agree to allocate a number of common units for sale to their online brokerage account holders. The common units will be allocated to underwriters that may make Internet distributions on the same basis as other allocations. In addition, common units may be sold by the underwriters to securities dealers who resell common units to online brokerage account holders.

Other than this prospectus supplement and the accompanying prospectuses in electronic format, information contained in any website maintained by an underwriter is not part of this prospectus supplement or the accompanying prospectuses or registration statement of which the accompanying prospectus forms a part, has not been endorsed by us and should not be relied on by investors in deciding whether to purchase common units. The underwriters are not responsible for information contained in websites that they do not maintain.

### **Indemnification**

We and our general partner have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

### **Selling Restrictions**

#### ***Sales Outside the United States***

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the common units, or the possession, circulation or distribution of this prospectus supplement, the accompanying prospectus or any other material relating to us or the common units in any jurisdiction where action for that purpose is required. Accordingly, the common units may not be offered or sold, directly or indirectly, and none of this prospectus supplement, the accompanying prospectus or any other offering material or advertisements in connection with the common units may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each of the underwriters may arrange to sell common units offered hereby in certain jurisdictions outside the United States, either directly or through affiliates, where they are permitted to do so. In that regard, Wells Fargo Securities, LLC may arrange to sell common units in certain jurisdictions through an affiliate, Wells Fargo Securities International Limited, or WFSIL. WFSIL is a wholly-owned indirect subsidiary of Wells Fargo & Company and an affiliate of Wells Fargo Securities, LLC. WFSIL is a U.K. incorporated investment firm regulated by the Financial Services Authority. Wells Fargo Securities is the trade name for certain corporate and investment banking services of Wells Fargo & Company and its affiliates, including Wells Fargo Securities, LLC and WFSIL.

## **Table of Contents**

### ***Public Offer Selling Restrictions Under the Prospectus Directive***

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of securities described in this prospectus may not be made to the public in that relevant member state other than:

to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives; or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, provided that no such offer of securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

We have not authorized and do not authorize the making of any offer of securities through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the securities as contemplated in this prospectus. Accordingly, no purchaser of the securities, other than the underwriters, is authorized to make any further offer of the securities on behalf of us or the underwriters.

### ***Notice to Prospective Investors in Germany***

This prospectus has not been prepared in accordance with the requirements for a securities or sales prospectus under the German Securities Prospectus Act (Wertpapierprospektgesetz), the German Sales Prospectus Act (Verkaufprospektgesetz), or the German Investment Act (Investmentgesetz). Neither the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht BaFin) nor any other German authority has been notified of the intention to distribute our common units in Germany. Consequently, our common units may not be distributed in Germany by way of public offering, public advertisement or in any similar manner and this prospectus and any other document relating to this offering, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the common units to the public in Germany or any other means of public marketing. Our common units are being offered and sold in Germany only to qualified investors which are referred to in Section 3, paragraph 2 no. 1, in connection with Section 2, no. 6, of the German Securities Prospectus Act, Section 8f paragraph 2 no. 4 of the German Sales Prospectus Act, and in Section 2 paragraph 11 sentence 2 no. 1 of the German Investment Act. This prospectus is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

This offering of our common units does not constitute an offer to buy or the solicitation of an offer to sell our common units in any circumstances in which such offer or solicitation is unlawful.



## **Table of Contents**

### ***Notice to Prospective Investors in Switzerland***

This prospectus is being communicated in Switzerland to a small number of selected investors only. Each copy of this prospectus is addressed to a specifically named recipient and may not be copied, reproduced, distributed or passed on to third parties. Our common units are not being offered to the public in Switzerland, and neither this prospectus, nor any other offering materials relating to our common units may be distributed in connection with any such public offering.

We have not been registered with the Swiss Financial Market Supervisory Authority FINMA as a foreign collective investment scheme pursuant to Article 120 of the Collective Investment Schemes Act of June 23, 2006 ( CISA ). Accordingly, our common units may not be offered to the public in or from Switzerland, and neither this prospectus, nor any other offering materials relating to our common units may be made available through a public offering in or from Switzerland. Our common units may only be offered and this prospectus may only be distributed in or from Switzerland by way of private placement exclusively to qualified investors (as this term is defined in the CISA and its implementing ordinance).

### ***Selling Restrictions Addressing Additional Security Laws in the United Kingdom***

We may constitute a collective investment scheme as defined by section 235 of the Financial Services and Markets Act 2000 ( FSMA ) that is not a recognized collective investment scheme for the purposes of FSMA ( CIS ) and that has not been authorised or otherwise approved. As an unregulated scheme, it cannot be marketed in the United Kingdom to the general public, except in accordance with FSMA. This prospectus is only being distributed in the United Kingdom to, and is only directed at:

- (i) if we are a CIS and are marketed by a person who is an authorised person under FSMA, (a) investment professionals falling within Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) Order 2001, as amended (the CIS Promotion Order ) or (b) high net worth companies and other persons falling within Article 22(2)(a) to (d) of the CIS Promotion Order; or
- (ii) otherwise, if marketed by a person who is not an authorised person under FSMA, (a) persons who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Financial Promotion Order ) or (b) Article 49(2)(a) to (d) of the Financial Promotion Order; and
- (iii) in both cases (i) and (ii) to any other person to whom it may otherwise lawfully be made (all such persons together being referred to as relevant persons ). The common units are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such common units will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with the issue or sale of common units which are the subject of the offering contemplated by this prospectus will only be communicated or caused to be communicated in circumstances in which Section 21(1) of FSMA does not apply to us.

### ***Notice to Prospective Investors in the Netherlands***

Our common units may not be offered or sold, directly or indirectly, in the Netherlands, other than to qualified investors (gekwalificeerde beleggers) within the meaning of Article 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

**Table of Contents**

**LEGAL MATTERS**

The validity of the common units offered hereby will be passed upon for us by Akin Gump Strauss Hauer & Feld, LLP. Certain legal matters with respect to the common units offered hereby will be passed upon for the underwriters by Andrews Kurth LLP.

**EXPERTS**

The consolidated financial statements and the related financial statement schedule, incorporated in this Prospectus Supplement by reference from Genesis Energy L.P.'s Annual Report on Form 10-K for the year ended December 31, 2009, and the effectiveness of Genesis Energy L.P.'s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

**INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

The statements in this prospectus supplement or incorporated by reference into this prospectus supplement that are not historical information may be forward-looking statements within the meaning of the various provisions of the Securities Act and the Securities Exchange Act of 1934, as amended, or the Exchange Act.

All statements, other than historical facts, included in this document that address activities, events or developments that we expect or anticipate will or may occur in the future, including things such as plans for growth of the business, future capital expenditures, competitive strengths, goals, references to future goals or intentions, and other such references are forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. They use words such as anticipate, believe, continue, estimate, expect, forecast, goal, intend, may, could, plan, position, projection, strategy, should or will, or the negative variations of them or by comparable terminology. In particular, statements, expressed or implied, concerning future actions, conditions or events or future operating results or the ability to generate sales, income or cash flow are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond our ability or the ability of our affiliates to control or predict.

You should not put undue reliance on any forward-looking statements. When considering forward-looking statements, please review the risk factors identified in this prospectus supplement and the accompanying prospectus under Risk Factors, as well as the section entitled Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2009 and the other documents incorporated by reference. These risks may also be specifically described in our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and 8-K/A and other documents we have filed with the SEC. Except as required by applicable securities laws, we do not intend to update these forward-looking statements and information.

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and other reports and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F. Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on their public reference room. Our SEC filings are also available at the SEC's website at <http://www.sec.gov>.

The SEC allows us to incorporate by reference information that we file with it. This procedure means that we can disclose important information to you by referring you to documents filed with the SEC. The information that we incorporate by reference is an integral part of this prospectus supplement, and references to this prospectus supplement include the documents (or portions of documents) incorporated by reference into this prospectus supplement. Any future filings we make with the SEC prior to the completion of this offering under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, and which are deemed to be filed, are also incorporated by reference in this prospectus supplement. Any statement contained in the filings (or portions of filings) incorporated by reference in this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any filing by us with the SEC prior to the completion of this offering modifies, conflicts with or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. We incorporate by reference the documents listed below:

Annual Report on Form 10-K for the year ended December 31, 2009;

Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010, June 30, 2010 and September 30, 2010; and

Current Reports on Form 8-K filed January 22, 2010, February 11, 2010, February 26, 2010, March 5, 2010, March 22, 2010, July 2, 2010, August 3, 2010 and October 28, 2010.

You may request a copy of these filings at no cost by making written or telephone requests for copies to:

Investor Relations

Genesis Energy, L.P.

919 Milam, Suite 2100

Houston, Texas 77002

(713) 860-2500

We also make available free of charge on our internet website at <http://www.genesisenergy.com> our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our website is not part of this prospectus supplement.

You should rely only on the information incorporated by reference or provided in this prospectus supplement. We have not authorized anyone else to provide you with any information. You should not assume that the information incorporated by reference or provided in this prospectus supplement is accurate as of any date other than the date on the front of each document.

**Table of Contents**

Prospectus

**\$750,000,000**

**Common Units**

**Preferred Securities**

**Subordinated Securities**

**Options**

**Warrants**

**Rights**

We may from time to time offer one or more classes or series of these equity securities as described in this prospectus, in one or more separate offerings under this prospectus. This prospectus provides you with the general terms of these equity securities and the general manner in which we will offer these equity securities. We may offer and sell securities using this prospectus only if it is accompanied by a prospectus supplement. We will include the specific terms of any securities we offer in a prospectus supplement. The prospectus supplement will also describe the specific manner in which we will offer these equity securities. You should read this prospectus and the prospectus supplement carefully.

We may sell these securities to underwriters or dealers, or we may sell them directly to other purchasers. See Plan of Distribution. The prospectus supplement will list any underwriters and the compensation they will receive. The prospectus supplement will also show you the total amount of money that we will receive from selling these securities, after we pay certain expenses of the offering.

Our common units are listed on NYSE Amex Equities under the symbol GEL.

**Investing in our securities involves risks. Limited partnerships are inherently different from corporations. You should carefully consider the Risk Factors beginning on page 2 of this prospectus and contained in any applicable prospectus supplement and in the documents incorporated by reference herein and therein before you make an investment in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is August 4, 2010.**

**Table of Contents**

**TABLE OF CONTENTS**

<u>ABOUT THIS PROSPECTUS</u>	1
<u>GENESIS ENERGY, L.P.</u>	1
<u>RISK FACTORS</u>	2
<u>USE OF PROCEEDS</u>	2
<u>DESCRIPTION OF OUR EQUITY SECURITIES</u>	3
<u>General</u>	3
<u>Our Common Units</u>	3
<u>Our Preferred Securities</u>	6
<u>Our Subordinated Securities</u>	6
<u>Our Options</u>	7
<u>Our Warrants</u>	9
<u>Our Rights</u>	10
<u>CASH DISTRIBUTION POLICY</u>	12
<u>Distributions of Available Cash</u>	12
<u>Operating Surplus and Capital Surplus</u>	12
<u>Distributions of Available Cash From Operating Surplus</u>	13
<u>Distributions from Capital Surplus</u>	14
<u>Adjustment of Minimum Quarterly Distribution and Target Distribution Levels</u>	15
<u>Distributions of Cash Upon Liquidation</u>	15
<u>DESCRIPTION OF OUR PARTNERSHIP AGREEMENT</u>	17
<u>Purpose</u>	17
<u>Power of Attorney</u>	17
<u>Reimbursements of Our General Partner</u>	17
<u>Issuance of Additional Securities</u>	17
<u>Amendments to Our Partnership Agreement</u>	18
<u>Withdrawal or Removal of Our General Partner</u>	18
<u>Liquidation and Distribution of Proceeds</u>	19
<u>Change of Management Provisions</u>	19
<u>Limited Call Right</u>	19
<u>Indemnification</u>	19
<u>Registration Rights</u>	19
<u>MATERIAL INCOME TAX CONSEQUENCES</u>	21
<u>Partnership Status</u>	22
<u>Limited Partner Status</u>	23
<u>Tax Consequences of Unit Ownership</u>	23
<u>Tax Treatment of Operations</u>	29
<u>Disposition of Common Units</u>	30
<u>Uniformity of Units</u>	32
<u>Tax-Exempt Organizations and Other Investors</u>	33
<u>Administrative Matters</u>	34
<u>State, Local, Foreign and Other Tax Consequences</u>	36
<u>INVESTMENT IN GENESIS BY EMPLOYEE BENEFIT PLANS</u>	37
<u>PLAN OF DISTRIBUTION</u>	38
<u>INFORMATION REGARDING FORWARD-LOOKING STATEMENTS</u>	40
<u>LEGAL MATTERS</u>	42
<u>EXPERTS</u>	42
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	42