

INDUSTRIAL COMMISSION OF NORTH DAKOTA

NORTH DAKOTA PIPELINE AUTHORITY

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The Pipeline Publication

Keeping North Dakota Connected

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A Detailed Look at Gas Flaring

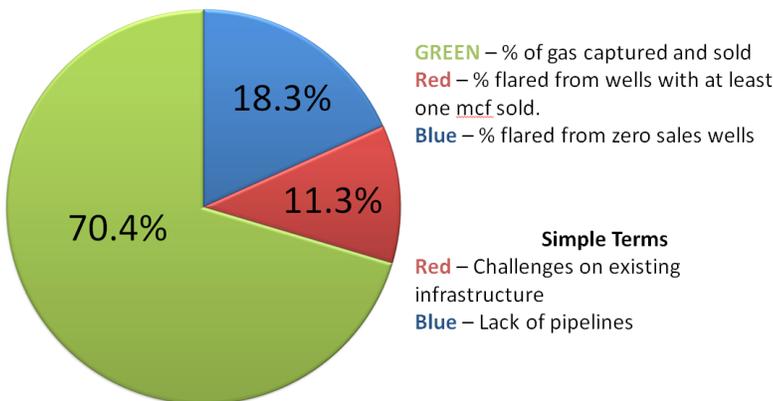
Many people are aware that North Dakota currently captures and sells roughly 70% of the natural gas it produces, while flaring the remaining 30%. However, many are not familiar with why flaring is necessary and what it is being done to address the challenge. The most daunting challenges include the sheer size, remoteness, and young age of the resource being developed. Comparing the Bakken to other mature producing regions of the US is difficult, since those regions have had decades to build the necessary infrastructure, while likely flaring much of their associated gas in their earlier life. With that said, North Dakota is seeing rapid investment of billions of dollars in new gas pipeline and processing infrastructure to capture this valuable resource. As the Bakken continues to mature, these midstream investments will ensure North Dakota is back in line with the other major producing regions of the US.

A Breakdown of North Dakota's Flaring

A detailed look at February's flaring reveals that only 18% of the gas is flared due to a lack of pipeline connections. The remaining 11% was flared from wells connected to gas gathering pipelines. While the 18% is being addressed with the build out of new pipeline systems, the 11% is being addressed by additional system compression, looping of existing pipelines, and frequent pigging operations to clear natural gas liquids that have accumulated at the bottom of the pipeline systems.

A new "Natural Gas Facts" webpage was recently created by the ND Oil & Gas Division and Pipeline Authority to explain in detail the current regulations and challenges associated with North Dakota natural gas production. The page can be found at: <http://northdakotapipelines.com/natgasfacts/>

Solving the Flaring Challenge



Statewide

Feb 2013 Data - Non-Confidential Wells

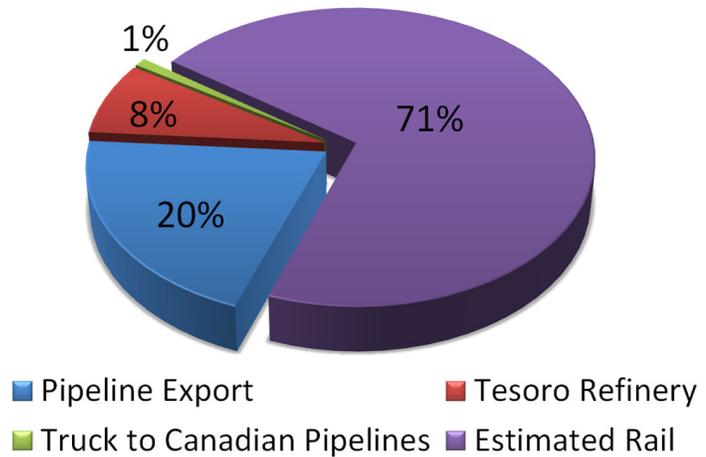
ONEOK Completes Two Major Projects

On April 9, 2013, ONEOK Partners announced the completion of two major natural gas projects in the Williston Basin. ONEOK's "Bakken NGL Pipeline" is North Dakota's first dedicated natural gas liquids (NGL) pipeline and moves up to 60,000 BPD of NGLs south to mid-continent and Gulf Coast markets. ONEOK also announced completion of the Stateline II natural gas processing plant. This plant is located in western Williams County and has the capacity to process 100 million cubic feet per day (MMCFD).

Transportation and Markets Webinar Replay Available

On March 8, 2013, Pipeline Authority Director Justin Kringstad and EPRINC analyst Trisha Curtis presented a comprehensive webinar event that focused on North Dakota oil and gas production trends and the current North American pricing and transportation dynamics. The video replay and slides are available at <http://northdakotapipelines.com/webinars/>

Estimated Williston Basin Oil Transportation



February 2013 Figures



North Dakota Pipeline Authority

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600 E. Boulevard Ave. Dept. 405
Bismarck, ND 58505-0840

North Dakota Production Numbers

	Dec-12	Jan-13	Feb-13
Average Daily Oil Production, BOPD	768,885	737,963	779,096
Average Daily Gas Production, MMCFD	817.9	792.1	850.3
Average Rig Count	183	185	183

As of April 26, 2013, there are 188 active rigs in North Dakota.



North Dakota Pipeline Authority

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