

INDUSTRIAL COMMISSION OF NORTH DAKOTA

NORTH DAKOTA PIPELINE AUTHORITY

Governor **Jack Dalrymple**

Attorney General **Wayne Stenejem**

Agriculture Commissioner **Doug Goehring**

Director **Justin J. Kringstad**

The Pipeline Publication

Keeping North Dakota Connected

Volume IV Issue II - June 2011

Flood Update

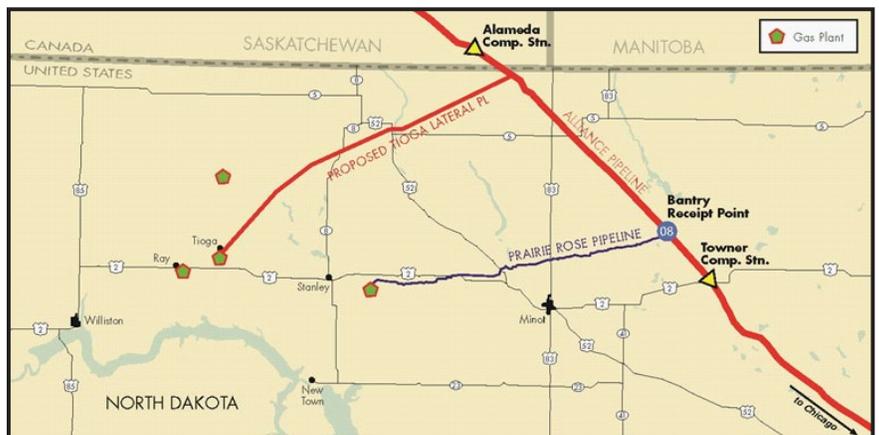
As Director of the Pipeline Authority, I would like to start by expressing my deepest sympathy and concern for all those in the region affected by this year's widespread flooding. It has been a difficult time for thousands of citizens, with much hard work ahead as flooding continues in some areas and cleanup begins in others.

I am pleased to say that the oil and natural gas transportation systems operating in the state have thus far experienced relatively little disruption due to rising flood waters. The most difficult challenges have been related to wet working conditions for new pipeline projects and the rerouting and delays of trains hauling oil to markets outside North Dakota. The duration and extent of delays experienced by rail movements has yet to be determined and will depend primarily on track conditions in the Minot area. Pipeline operators with lines under the Missouri River have been monitoring changing river conditions to ensure continued safe operation.

Alliance Announces Tioga Lateral

In response to growing natural gas production, Alliance Pipeline announced plans on June 22 to construct a new, 80 mile, natural gas pipeline from the Hess Gas Plant in Tioga, ND to an interconnection point near Sherwood, ND. Once operational, the new "Tioga Lateral Pipeline" will have the ability to deliver liquids rich, high BTU, natural gas to Chicago, IL for further processing and transportation. The pipeline is scheduled to be placed in service July 2013, with construction starting in the second half of 2012.

An open season will be held this summer to determine whether the initial 120 MMCFD, 12 inch, Tioga Lateral Pipeline could be expanded. Alliance intends to operate the new segment as a FERC regulated pipeline, as opposed to the gathering pipeline status granted to the Prairie Rose Pipeline in 2008.



North Dakota
Production Numbers

	Feb-11	Mar-11	Apr-11
Average Daily Oil Production, BOPD	349,063	360,279	351,183
Average Daily Gas Production, MMCFD	340,383	356,892	358,611
Average Rig Count	167	172	173

As of June 23, 2011, there are 172 active pipe rigs in North Dakota.

www.pipeline.nd.gov

Enbridge Activates Portal Pipeline

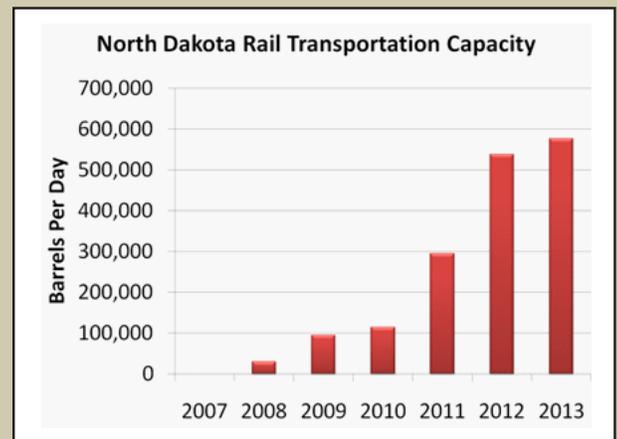
June marked the first month of service for the much anticipated Enbridge "Portal Link Project". Enbridge's 12 inch line segment from Berthold, ND to Steelman, SK was reactivated with an initial capacity of 18,000 BOPD, which is expected to increase to 25,000 BOPD in the coming months. Enbridge continues their work towards an expanded north bound capacity of 145,000 BOPD by early 2013 for the larger scale "Bakken Expansion Project". Oil using the Portal Pipeline navigates the Enbridge Saskatchewan system to an interconnect with the Enbridge Mainline at Cromer, MB. Once on the Mainline system, the oil quickly reenters the United States markets.

Butte Pipeline Expands Capacity for July

The Butte Pipeline, originating in Baker, MT, is planning to increase its July capacity to Guernsey, WY from the current 118,000 BOPD to 140,000 BOPD. This is the first phase of the "Baker 300" project, and will ultimately increase Butte's capacity to 150,000 BOPD in the coming months. In Guernsey, WY, the oil is transported to Wood River, IL on the Kinder Morgan Platte Pipeline. An additional 50,000 BOPD expansion on the Butte Pipeline is anticipated to be in service in early 2012.

Rail Transportation Update

As North Dakota oil production is expected to continue its upward growth trend in the coming years, rail transportation, as a percentage of overall takeaway capacity, continues to climb. The capacity on the graph includes eight existing rail facilities and five that will be placed in service in the coming years. Additional information can be found on the Pipeline Authority website, with several of the major projects being covered during the February 2011 webinar event.



North Dakota Pipeline Authority

State Capitol 14th Floor • 600 E. Boulevard Ave. Dept. 405
Bismarck, ND 58505-0840
Phone: (701) 220-6227 • Fax: (701) 328-2820
E-mail: jjkringstad@ndpipelines.com • www.pipeline.nd.gov



Know what's below.
Call before you dig.

