



the PIPELINE publication

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INDUSTRIAL COMMISSION OF NORTH DAKOTA PIPELINE AUTHORITY

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With 2014 almost behind us, the Pipeline Authority thought it was appropriate to review the activity that North Dakota has experienced during the previous twelve months.

Energy Transfer Partners: In June 2014, Energy Transfer Partners announced plans to proceed with construction of the “Dakota Access” pipeline, a 30” crude oil system from western North Dakota to Patoka, IL. The project is designed to have an initial capacity of 450,000 BOPD and is scheduled to be placed into service in late 2016.

Enterprise Products Partners: In June 2014, Enterprise proposed the “Bakken to Cushing” pipeline from western North Dakota to Cushing, OK. The project was designed to carry not only Williston Basin crude oil, but also crude oil from developing regions along the route. During the second half of 2014, Enterprise held an open season to secure the required shipper commitments to move forward. However, in December 2014, Enterprise announced that it was no longer proceeding forward with the project.

North Dakota Pipeline Company Sandpiper: During the fall of 2014, Enbridge announced the 225,000 BOPD Sandpiper project would be delayed one year due to longer than anticipated regulatory proceedings in the state of Minnesota. The project is now anticipated to be placed into service in early 2017, rather than early 2016 as noted in previous Pipeline Publications.

Guernsey, WY Hub: Several projects terminating or originating at the Guernesey, WY crude oil hub were constructed during 2014. The Butte Pipeline expansion, which carries Williston Basin crude oil to Guernsey, WY was placed into service during the fall of 2014. A second pipeline, Hiland’s “Double H” pipeline is scheduled to begin operation near the end of 2014, with full commercial service beginning in January 2015. Combined, the two Williston Basin pipelines can carry 150,000+ barrels each day to the recently converted Tallgrass “Pony Express” pipeline, which operates from Guernsey, WY to Cushing, OK.

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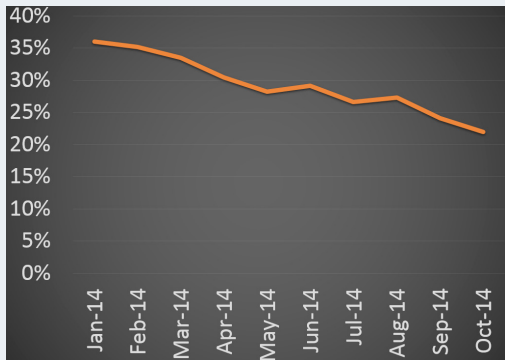
NORTH DAKOTA — Production Numbers

⌘ www.pipeline.nd.gov

Average Daily Oil Production, BOPD			Average Daily Gas Production, MMCFD			Average Rig Count		
Aug. 2014	Sep. 2014	Oct. 2014	Aug. 2014	Sep. 2014	Oct. 2014	Aug. 2014	Sep. 2014	Oct. 2014
1,132,297	1,186,228	1,182,174	1,343.5	1,413.4	1,429.6	193	195	191

As of Dec 23, 2014, there are 172 active rigs in North Dakota.

Continued
North Dakota Flaring Percent



Natural Gas Flaring Reduction Efforts: 2014 saw significant investments in reducing the amount of natural gas flared at well locations in western North Dakota. A handful of natural gas processing facilities were expanded or placed into service throughout the year. The three largest processing facilities are the 250 million cubic feet per day (MMCFD) Hess Tioga plant and the ONEOK Garden Creek II and III facilities which together added 240 MMCFD of processing to the region. With the addition of these processing facilities and associated gas gathering pipeline construction, North Dakota's overall gas capture percentage increased to 78% in October 2014.

Additional natural gas transmission pipeline infrastructure included the commissioning of the Alliance Tioga lateral and the Vantage ethane pipeline in 2014. The Tioga lateral was constructed to deliver natural gas from the Hess Tioga plant to an interconnect with Alliance Pipeline. The Vantage system is North Dakota's only dedicated ethane pipeline and runs from the Hess Tioga plant to Empress, Alberta.

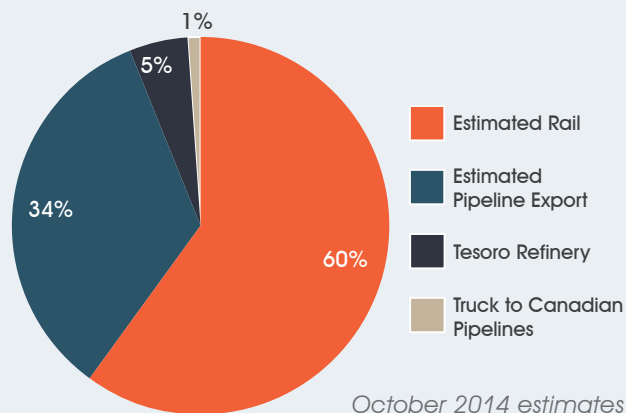
North Dakota Pipeline Authority

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PIPELINE FACTOID

In December 2014, the Dakota Prairie Refinery, located west of Dickinson, received its first delivery of crude oil for processing. The 20,000 BOPD "diesel topping" facility will separate the diesel component of the crude for sales into the regional market. The refinery is owned by MDU Resources and Calumet Specialty Products.

Estimated Williston Basin Oil Transportation



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