



INDUSTRIAL COMMISSION OF NORTH DAKOTA

NORTH DAKOTA PIPELINE AUTHORITY

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The Pipeline Publication

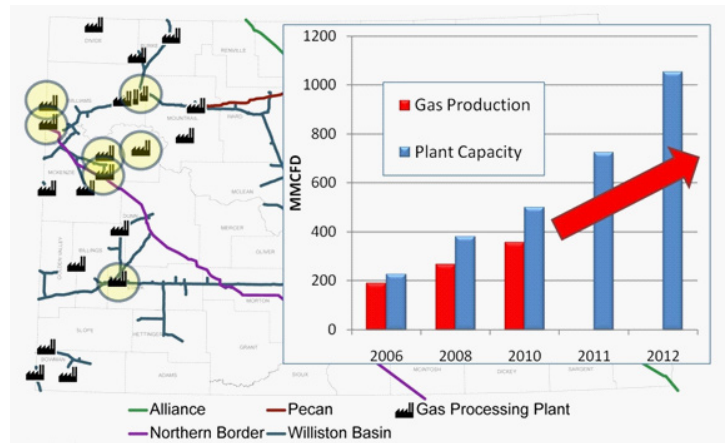
Keeping North Dakota Connected

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Natural Gas Investments Ramping Up

Due to the vast footprint of the Bakken resource, natural gas gathering and processing operators in North Dakota have faced difficult challenges in the past to keep pace with an ever growing fleet of drilling rigs. Despite the daunting task, industry is rising up to reap the great economic reward contained in the rich Bakken gas. 2011 will see four new natural gas processing plants with the capacity to process an additional 220 million cubic feet of natural gas per day (MMCFD). Investments in 2012 will be even greater with three new or expanded plants adding 330 MMCFD of processing capability to the state. North Dakota will also see the state's first two natural gas liquids export pipelines with the Vantage Ethane Pipeline and ONEOK's Bakken Pipeline in 2012 and 2013, respectively. Lastly, North Dakota will soon see natural gas moving by compressed gas trucks in Stark County, as the company Bakken Express looks to unconventional solutions to monetize the otherwise flared gas until a pipeline can be connected to the wells.

During the next three years, North Dakota's petroleum industry will see close to \$3 billion invested in capturing and processing its valuable natural gas resources.



New or expanding natural gas plants highlighted in yellow.

Tesoro Announces Plans to Expand Mandan Refinery

On March 21, Tesoro Corporation outlined plans to add an additional 10,000 barrels per day (BOPD) of refining capacity to its 58,000 BOPD Mandan refinery. The expansion is estimated to cost \$35 million and is anticipated to be complete by April 2012. The Mandan refinery, built in 1954 by Standard Oil, is North Dakota's only refinery. The refinery receives its light sweet feedstock through a network of pipelines in the Williston Basin. Products generated at the refinery are distributed directly from a truck rack at the facility or through the NuStar North Pipeline to Eastern North Dakota and Minnesota.

North Dakota
Production Numbers

| | Nov-10 | Dec-10 | Jan-11 |
|-------------------------------------|---------|---------|---------|
| Average Daily Oil Production, BOPD | 356,505 | 344,064 | 342,088 |
| Average Daily Gas Production, MMCFD | 356.446 | 340.782 | 339.023 |
| Average Rig Count | 158 | 163 | 163 |

As of March 23, 2011, there are 170 active rigs in North Dakota.

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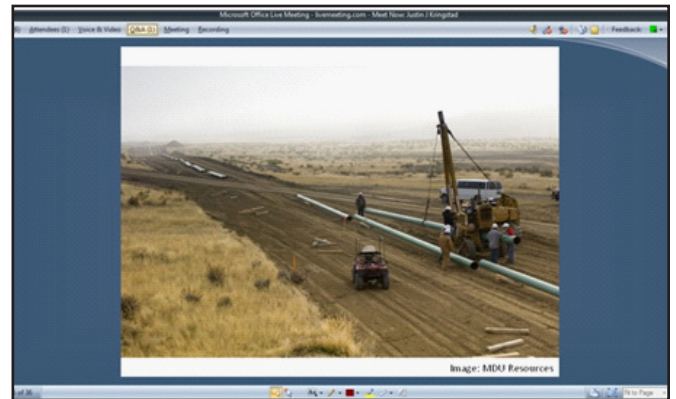
Enbridge North Dakota Discontinues Sour Service

In February, Enbridge North Dakota implemented a 23,500 BOPD expansion plan on its mainline system to Clearbrook, MN. This expansion now allows Enbridge to move an average of 185,000 BOPD on its mainline and was executed by discontinuing transportation service for crude oil with high sulfur content.

Webinar Video and Slides Available Online

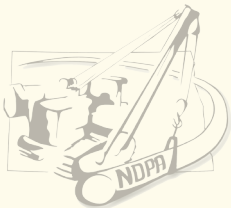
The Pipeline Authority is continuing its practice of hosting monthly webinars on various topics of interest to area pipeline operators, producers, and citizens. One valuable feature of the webinar format is the ability to record the event for future viewing. Below you will find a listing of past webinar events that are available for viewing on the Pipeline Authority website.

- **September 02, 2010:** Williston Basin NGL Production and Transportation
- **October 14, 2010:** Navigating North Dakota Regulatory Requirements
- **November 30, 2010:** Northern Rockies Oil and Gas Roundup
- **December 30, 2010:** The Basics of Williston Basin Oil and Natural Gas Transportation
- **February 28, 2011:** North Dakota's Crude Oil Rail Transportation Infrastructure
- **March 30, 2011:** Williston Basin Oil Pipeline Update



North Dakota Factoid

North Dakota set an all time record high of 174 drilling rigs on March 14, 2011. The record is not expected to last long as North Dakota is anticipating 200+ drilling rigs later this year.



North Dakota Pipeline Authority

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