



INDUSTRIAL COMMISSION OF NORTH DAKOTA

NORTH DAKOTA PIPELINE AUTHORITY

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# The Pipeline Publication

Keeping North Dakota Connected

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## Greetings

Greetings from the North Dakota Pipeline Authority! The Pipeline Authority is excited to be entering its second year of distributing *The Pipeline Publication*. In order to continue enhancing this publication, we welcome suggestions for improvement or new topics to be addressed. As always, regional project information, past newsletters, maps, reports, and more are available on the Pipeline Authority website, [www.pipeline.nd.gov](http://www.pipeline.nd.gov).

## New Oil Production Record

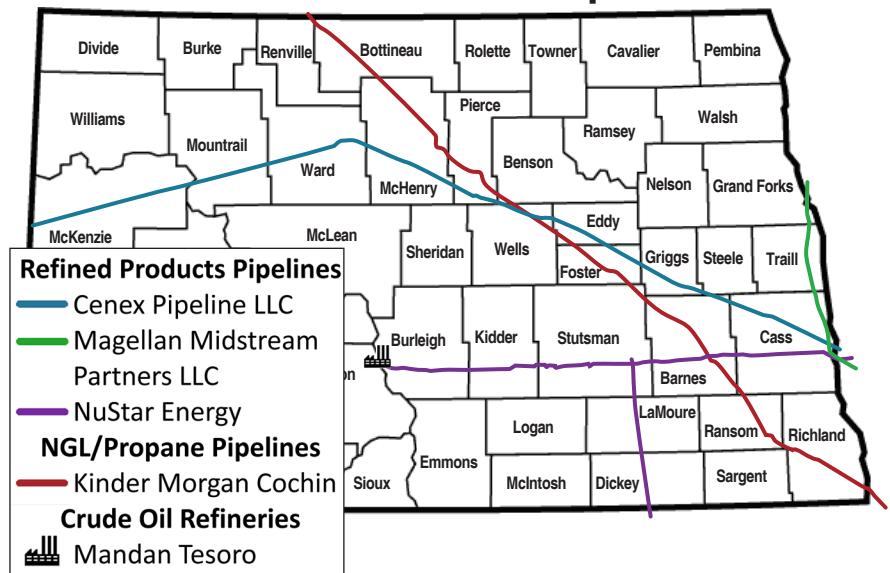
The most recent Oil & Gas Division production numbers report that North Dakota was producing over 226,000 barrels of oil per day (BOPD) during July 2009. This level surpasses the previous production record of 215,717 BOPD set in November 2008. In all likelihood, this record will not stand for long, as all indications and forecasts point to increasing oil production for many years to come. The Pipeline Authority continues to work closely with the Oil & Gas Division and regional pipeline operators to build a better understanding of where oil production levels will be in the future, and what transportation options must be in place to meet North Dakota's needs.

## NuStar Pipeline Completes Expansion

On September 9, 2009, NuStar Energy announced it had completed a system expansion that will increase the ability of refined products to be delivered to North Dakota and other northern states during periods of high demand. The expansion work took place in Kansas and involved the construction of a short, ten inch diameter pipeline to alleviate a constrained portion of the NuStar system. As a result of the expansion work, an estimated 3,500 barrels per day of additional refined products could be delivered into North and South Dakota. The availability of the 3,500 barrels per day is not guaranteed and is dependent on numerous variables throughout the midcontinent products pipeline network.

The NuStar Pipeline enters North Dakota in Dickey County and interconnects with NuStar's North Products Pipeline near Jamestown, ND. NuStar's North Products Pipeline operates between Mandan's Tesoro Refinery and Roseville, MN. NuStar's full press release is available in the news section of the Pipeline Authority website.

## North Dakota Products Pipelines



	May-09	June-09	July-09
<b>Average Daily Oil Production, BOPD</b>	206,075	215,097	226,980
<b>Average Daily Gas Production, MMCFD</b>	247.17	249.24	257.48
<b>Wells Producing</b>	4,291	4,409	4,460
<b>Average Rig Count</b>	34	39	40

*As of September 25, 2009, there are 53 active rigs in North Dakota.*

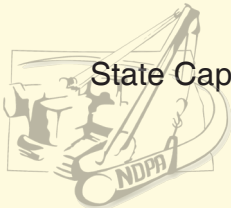
## Bear Paw Proposes New Gas Pipeline

North Dakota's natural gas gathering operators have been working hard to keep up with the tremendous production growth seen over the past several years. Another such project was recently announced by Bear Paw Energy, a subsidiary of ONEOK Partners. The proposal is for a new 12-inch pipeline to connect the Ft. Berthold Reservation to Bear Paw's Grasslands gathering and processing system. Bear Paw is currently applying for rights of way with the Three Affiliated Tribes and plans to have the pipeline operational by the fourth quarter 2010.

Bear Paw is not alone in their efforts to increase the amount of natural gas gathered and sold. In the past year, North Dakota has seen new and expanded natural gas facilities from Williston Basin Interstate Pipeline, Whiting, EOG Resources, Pecan Pipeline, Hess, Hiland Partners, and many others. For information on these and many other pipeline projects, please contact the Pipeline Authority or visit our website.

## Kinder Morgan Open Season Complete

Kinder Morgan's "Bakken Crude Project" open season officially ended July 17, 2009. At the time of publication, Kinder Morgan was still in communication with potential shippers and had not released any official results or future plans. The Pipeline Authority will continue to provide updates on this project as they become available.



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