Greetings

Season’s Greetings from the North Dakota Pipeline Authority! While the temperature in North Dakota is dropping fast, the activity in North Dakota’s oilfields is heating up. With more rigs moving into the basin, improved well completion techniques, and quicker spud to spud times, North Dakota petroleum production is expected to grow for many years to come. Along with the growing crude oil production, several exciting transportation expansion projects are very near completion, with many more in the works. For additional project information, past newsletters, maps, reports, and more please visit the Pipeline Authority website, www.pipeline.nd.gov.

Enbridge Phase VI Expansion Update

The much anticipated Enbridge Phase VI Expansion is nearly complete. Scheduled to be in service on January 1, 2010, the expansion will increase Enbridge’s mainline capacity to Clearbrook, MN from 110,000 barrels per day (BOPD) to 161,600 BOPD. Once complete, Enbridge North Dakota will have more than doubled its 2007 system capacity of 80,000 BOPD.

More good news is that Enbridge has no intentions of stopping at 161,600 BOPD and is actively working to gain support from interested shippers for the proposed Portal Reversal Expansion Project or PREP. As proposed, PREP would allow Enbridge to transport an additional 30,000 BOPD by 2011 and up to an additional 115,000 BOPD by 2013.

As of December 16, 2009, there are 77 active rigs in North Dakota.

www.pipeline.nd.gov
Prairie Rose Pipeline Nears Completion

An unexpected construction specification change has delayed the startup of the Pecan Prairie Rose Pipeline until Mid-January, 2010. The new 75 mile, 12 inch pipeline is designed to transport up to 80 million cubic feet of unprocessed natural gas per day from Mountrail County to an interconnect with the Alliance Pipeline near Towner, ND.

Proposed Baker Storage Enhancement

Williston Basin Interstate Pipeline Company is developing a project to increase firm deliverability from its Baker gas storage field in eastern Montana. With current firm storage withdrawal rates of 115 million cubic feet per day (MMCFD), Williston Basin sees an opportunity to add an additional 125 MMCFD of firm withdrawal capacity, which would more than double the firm withdrawal rate from Baker. Along with the gas storage field upgrades, Williston Basin is planning a pipeline expansion to transport the increased, firm storage volumes to an interconnect with the Northern Border Pipeline in North Dakota. The project has a proposed in-service date of 2012 and an open season is expected in January 2010.

Natural Gas Storage Explained

During the mid 1900’s, natural gas grew in popularity as a winter heating fuel. As a result, natural gas markets began experiencing seasonal demand swings that needed be managed using underground storage operations. Depleted natural gas fields are most often targeted for storage due to existing infrastructure and reservoir knowledge. During the summer months when demand is low, natural gas is injected into storage and when demand increases in the winter months, natural gas is withdrawn for consumer use.