

Energy and Telecommunications Interim Committee

Helena, MT | Sept. 16, 2011





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Government Relations

Bakken Pipeline

Agenda

- **Who is ONEOK Partners?**
- **The Bakken Pipeline**
- **Project Schedule and Status**
- **Questions**



Who is ONEOK Partners?

ONEOK Partners



Overview

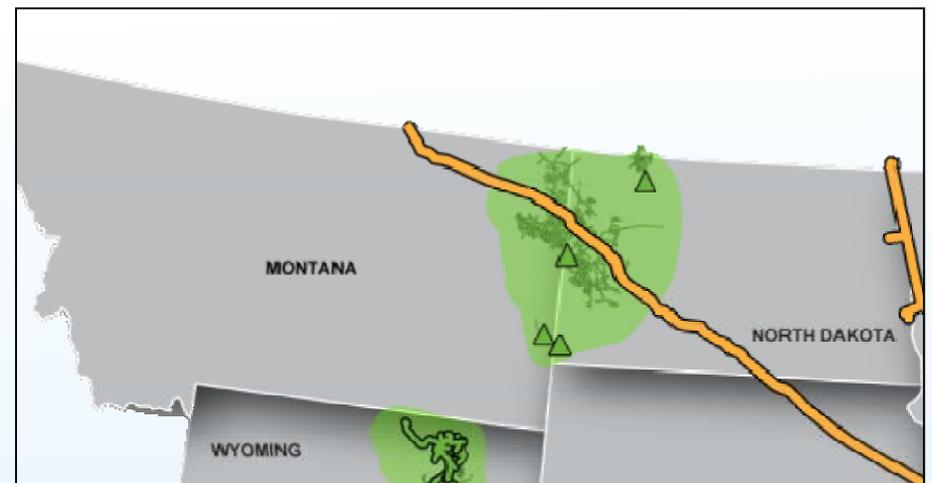
- Owns and operates assets in midstream natural gas and natural gas liquids business
- 1,200 employees
- \$7.9 billion in total assets
- ONEOK, Inc.
 - General Partner
 - 42.8 percent owner
- Publicly traded on NYSE



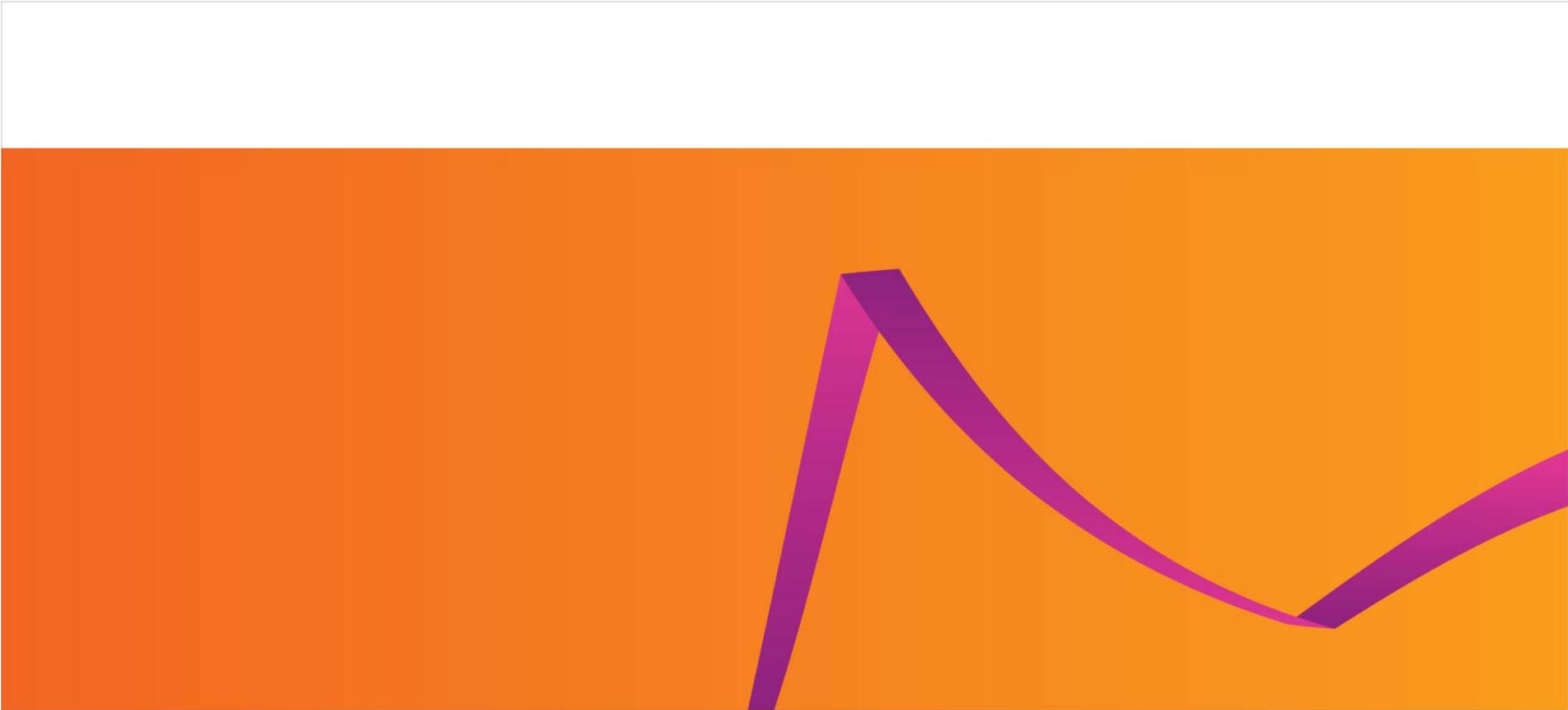
ONEOK Partners

Current Montana Economic Impact

- 46 Employees
- 2010 Payroll
 - Approximately \$3 million
- 2010 Property Taxes
 - More than \$400,000
- Montana Operations
 - Approximately 1,300 miles of natural gas gathering pipelines
 - 50-percent interest in 180 miles of interstate natural gas pipelines (Northern Border)
 - Rail facility at Sidney
 - Natural gas processing plant near Baker



- Natural Gas Gathering & Processing
- Natural Gas Pipelines
- Natural Gas Liquids Gathering Pipelines
- Natural Gas Liquids Distribution Pipelines



The Bakken Pipeline

Bakken Pipeline

Why the Pipeline is Needed

- Takeaway capacity required to transport associated natural gas liquids from natural gas processing plants
- 25-30% of total natural gas production in the Bakken is being flared
- Tremendous loss of value



ONEOK Partners Growth Projects

Need for Infrastructure

- **Gathering and Processing**
 - Approximately \$1.0 billion
 - Construct 3 processing plants
 - Garden Creek
 - Stateline I & II
 - Well-connects, upgrades and expansions to existing infrastructure
- **Natural Gas Liquids**
 - Approximately \$700 million
 - Construct Bakken Pipeline
 - Expand Overland Pass Pipeline
 - Expand Bushton fractionation capacity

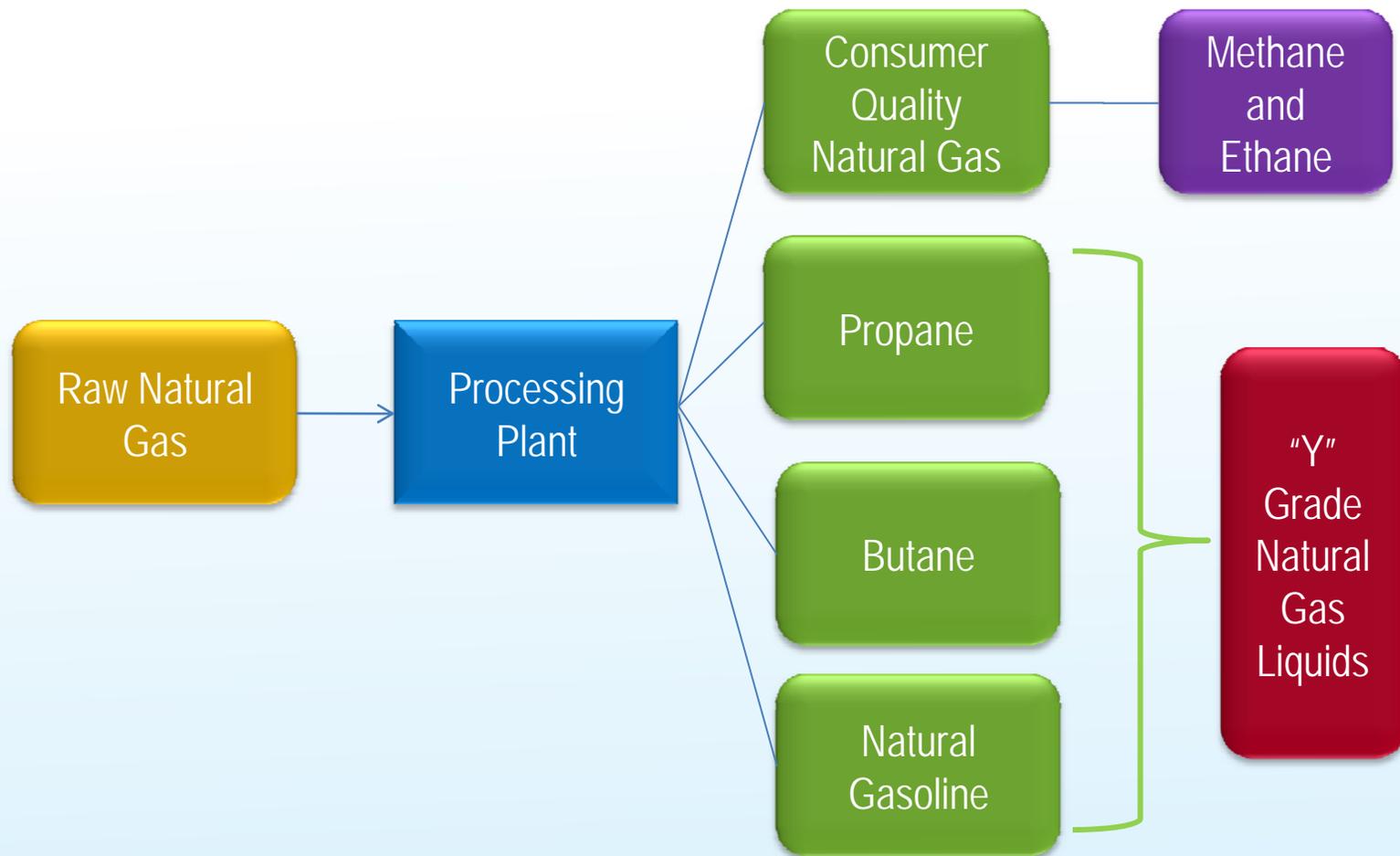


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|----------------------------------|-----------------------------------|
| ■ Overland Pass Pipeline | ▲ Garden Creek Plant |
| ■ Bakken Pipeline | ○ Project Areas |
| ■ Bushton Fractionator Expansion | ● Shale Plays |
| ▲ Stateline I and II Plants | — Natural Gas Gathering Pipelines |
| ▲ Grasslands Plant | |

Approximately \$1.5 – \$1.8 billion

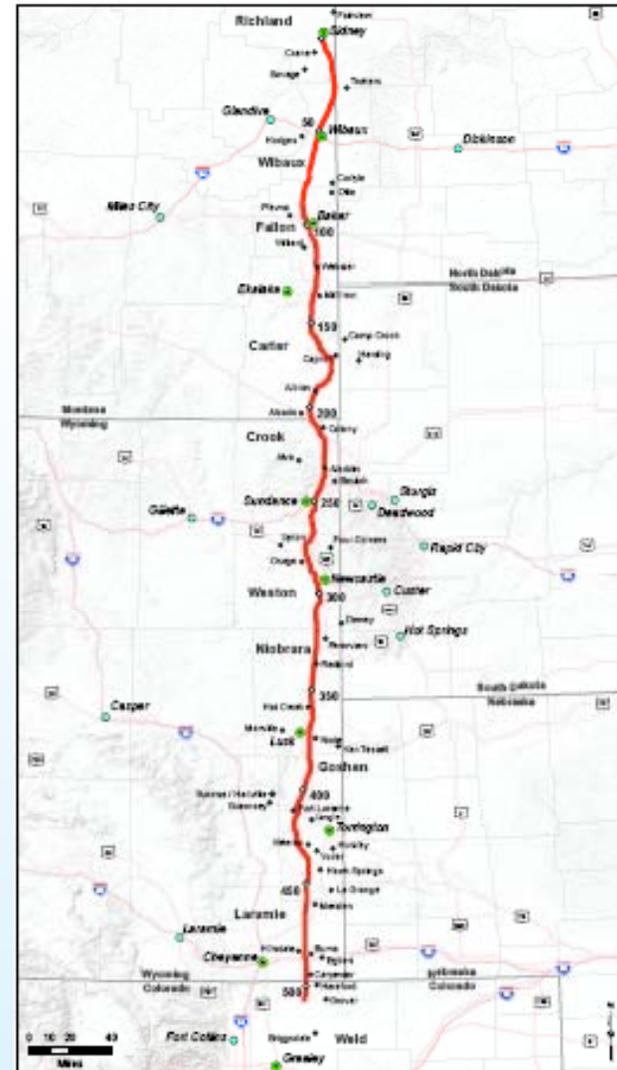
Natural Gas Processing

"Y" grade liquids go into the Bakken Pipeline



Bakken Pipeline – Project Description

- Approximately 525-mile, 12” diameter NGL pipeline
 - Capacity to transport 60,000 barrels per day of raw, unfractionated NGLs
 - Expandable to 110,000 barrels with additional pump stations
 - \$450 to \$550 million
- Expected to operate at 1440 psi
- Five to seven pumping stations
- Coated steel
- Generally buried a minimum of three feet
- Monitored 24/7



Bakken Pipeline – Montana segment

- Approximately 205 miles
- Approximately 150 landowners
- Property tax revenue
- Jobs and commerce during construction

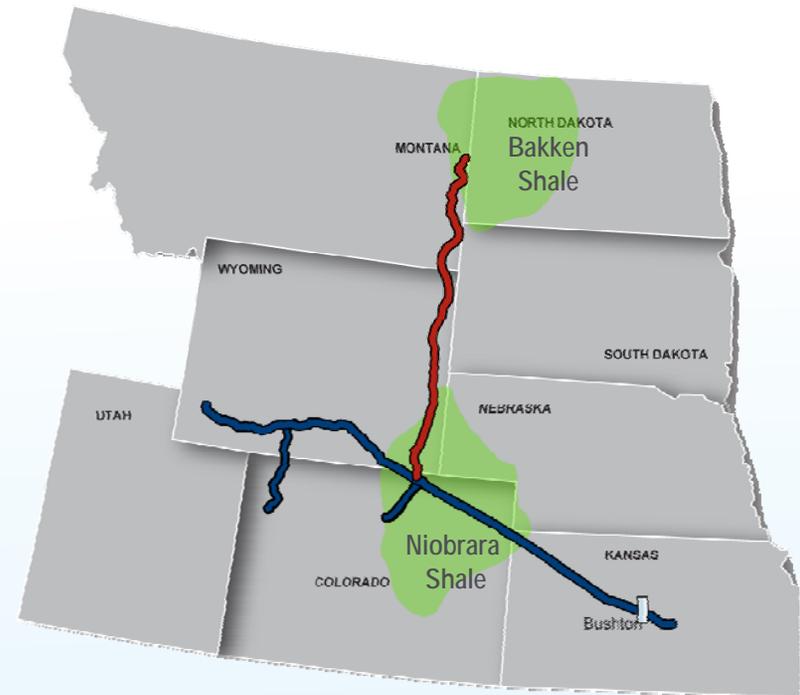




Project Schedule and Status

Project Schedule

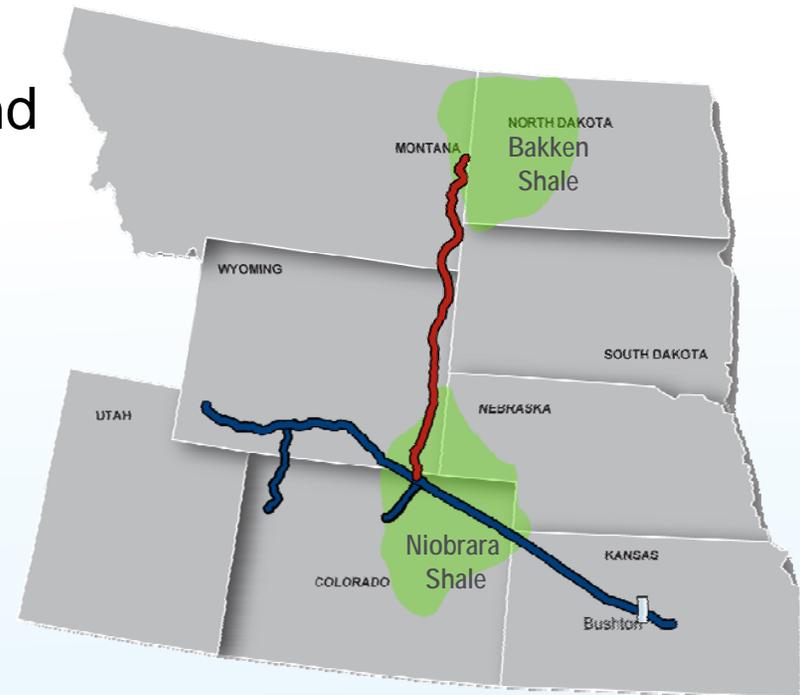
- July 2010
 - Announced project
- December 2010
 - Requested survey permission from landowners
- January – February 2011
 - Met with public officials and media along route
- Currently
 - Securing easement rights
- Spring 2012
 - Expect to start construction
- Spring 2013
 - Expected completion



- Overland Pass Pipeline Expansion (50% interest)
- Bakken Pipeline
- Bushton Fractionator Expansion

Current Activity

- Ongoing communication with public officials, landowners and stakeholders
- Environmental and cultural surveys
- Coordinating river and stream crossings with the U.S. Army Corps of Engineers
- Submitting major permit applications
- Following Department of Transportation regulations

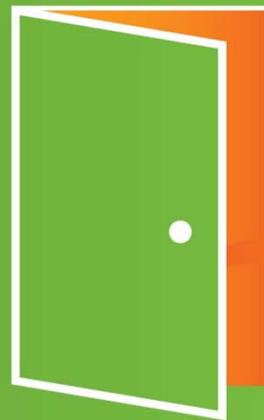


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- Bakken Pipeline
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Construction Process

1. Survey and stake the construction right of way
2. Clear and grade to create safe work area
3. Create the trench
4. String the pipe along the trench
5. Weld, then inspect pipe sections
6. Lower and backfill
7. Pressure test
8. Restore surface
9. Monitor





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