



WILLISTON BASIN
INTERSTATE PIPELINE COMPANY

Barry Haugen

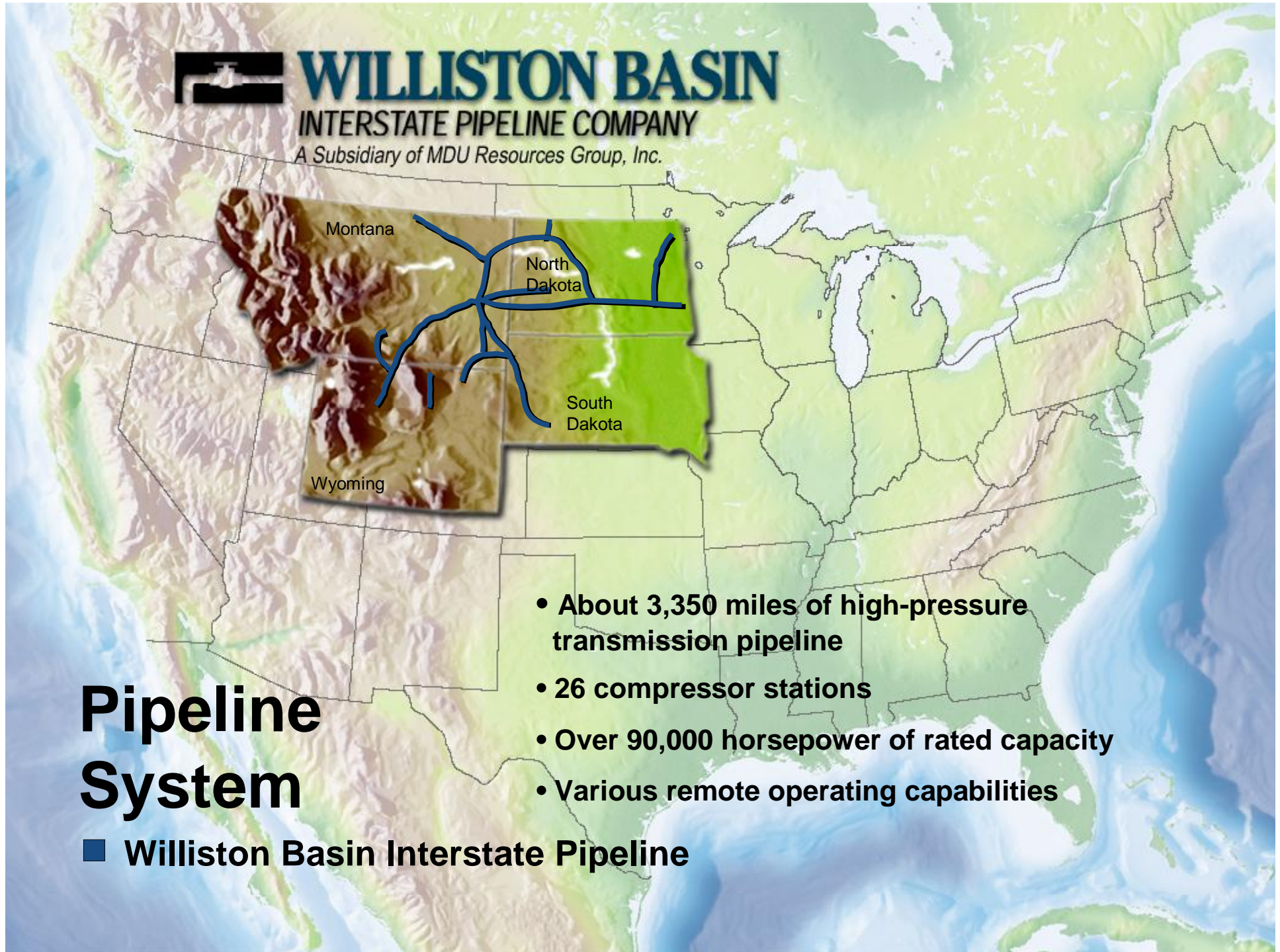
Vice President of Administration



WILLISTON BASIN

INTERSTATE PIPELINE COMPANY

A Subsidiary of MDU Resources Group, Inc.



Montana

North
Dakota

South
Dakota

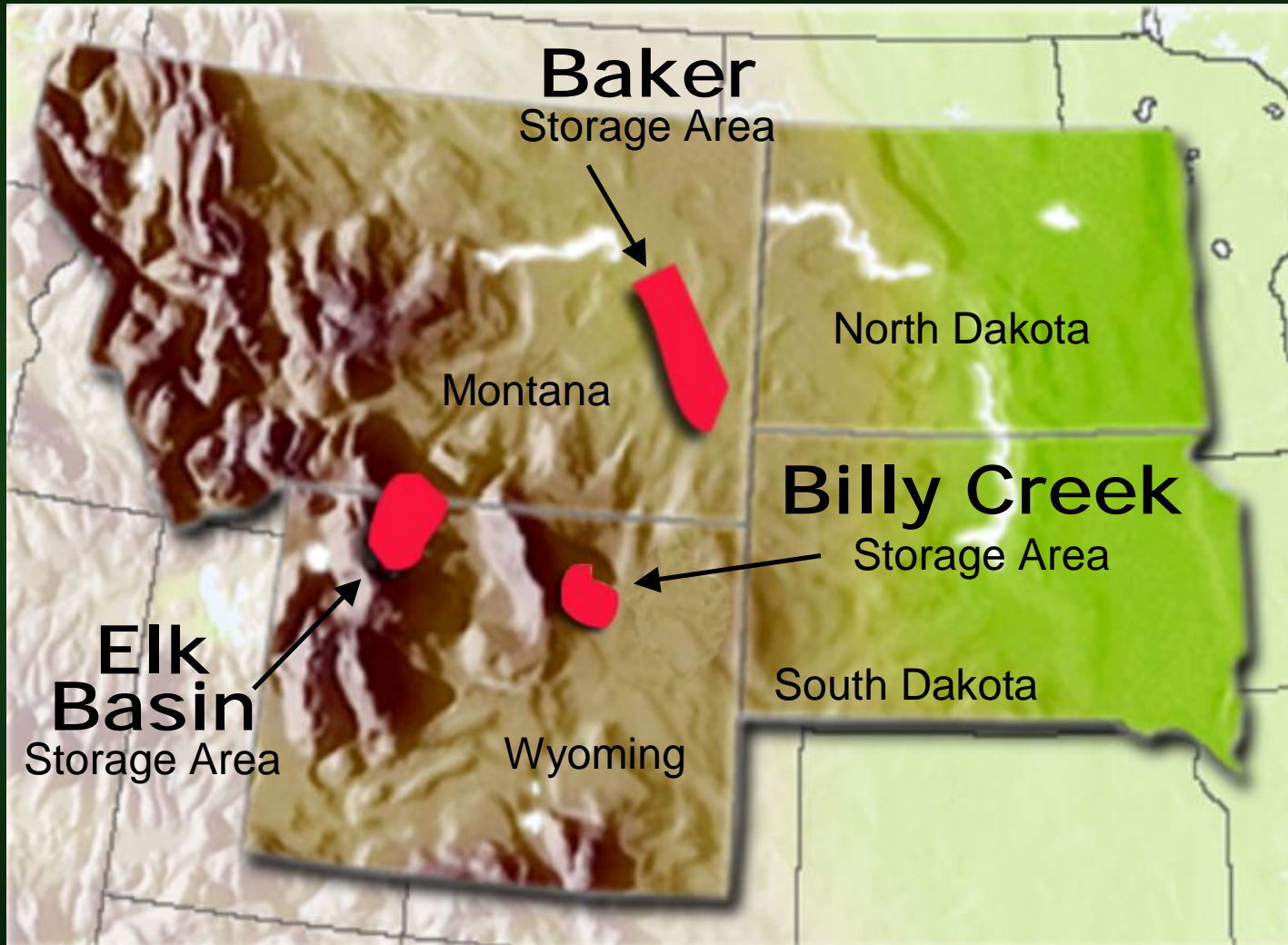
Wyoming

Pipeline System

■ Williston Basin Interstate Pipeline

- About 3,350 miles of high-pressure transmission pipeline
- 26 compressor stations
- Over 90,000 horsepower of rated capacity
- Various remote operating capabilities

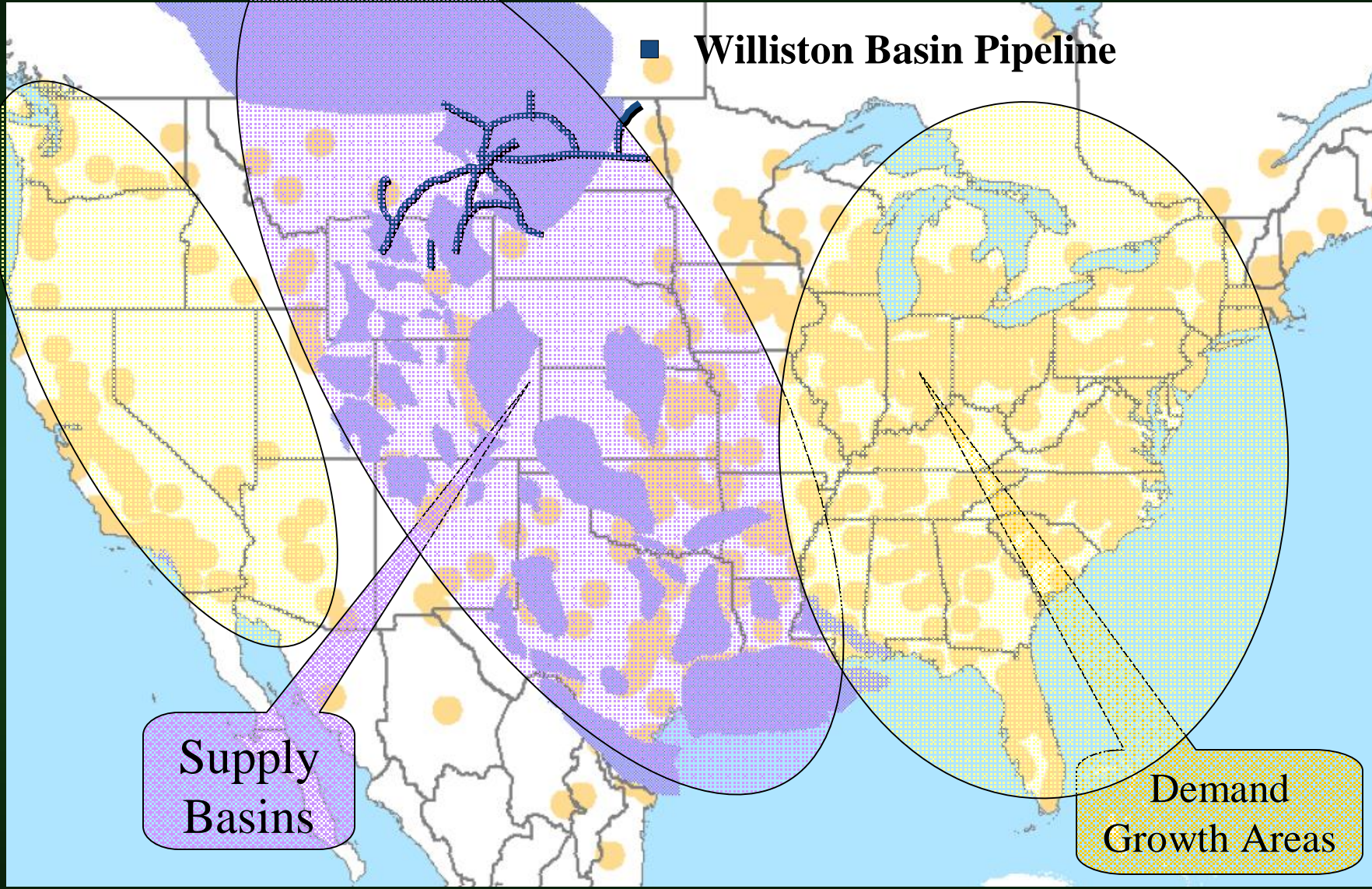
Williston Basin Natural Gas Storage Fields



■ Williston Basin Pipeline

Supply Basins

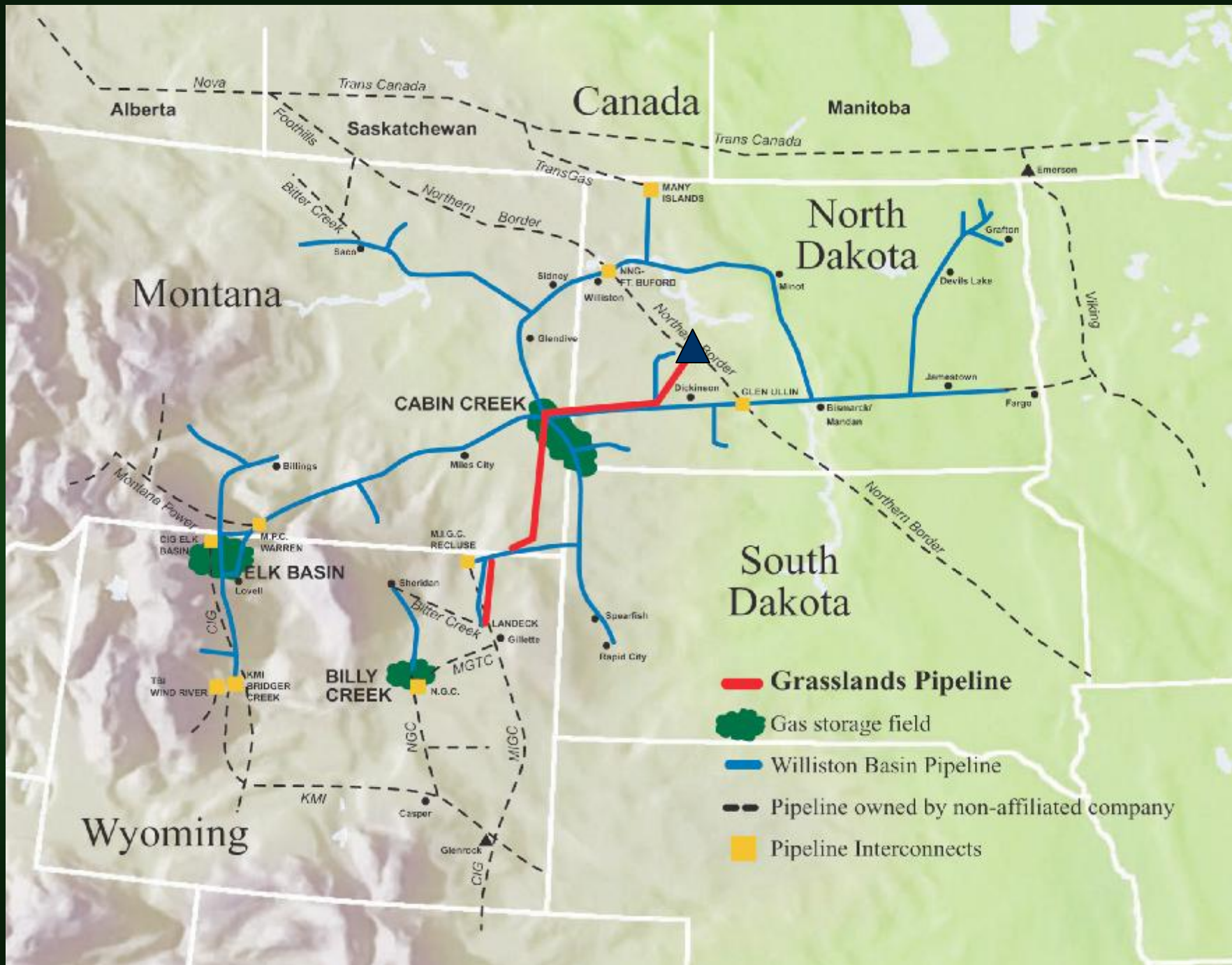
Demand Growth Areas



Williston Basin

228 Full-time employees

- *Distribution by state*
 - 135 – Montana*
 - 57 – North Dakota*
 - 4 – South Dakota*
 - 32 – Wyoming*



- █ **Grasslands Pipeline**
- █ **Gas storage field**
- █ **Williston Basin Pipeline**
- Pipeline owned by non-affiliated company**
- █ **Pipeline Interconnects**

Canada
 Alberta Saskatchewan Manitoba

North Dakota
 Williston Minot Devils Lake Grafton Emerson

South Dakota
 Dickinson Mandan Fargo Spearfish Rapid City

Montana
 Billings Miles City

Wyoming
 Elk Basin Lovell Sheridan Gillette Casper

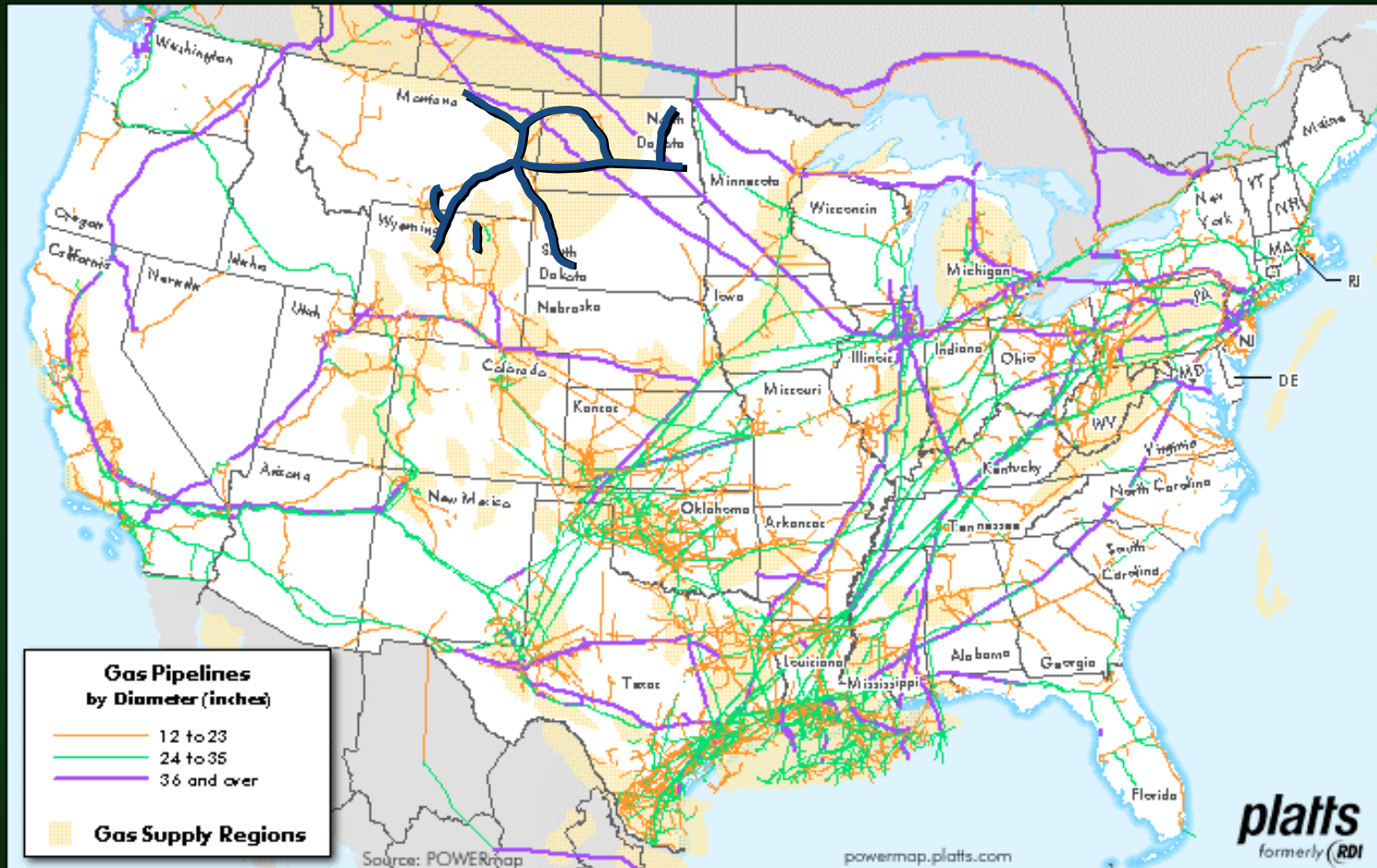
Key Pipelines: Nova, Trans Canada, FootHills, Bitter Creek, Northern Border, TransGas, Viking, Montana Power, CIG, M.P.C., M.J.G.C., T&I, KMI, BRIDGER CREEK, N.G.C., MGTC, MIGC, CIG

Key Locations: MANY ISLANDS, NG-Ft BUFORD, GLEN ULLIN, BILKENTON, Mandan, Bismarck, Devils Lake, Jamestown, Fargo, Spearfish, Rapid City, Sheridan, Gillette, Casper, Glenrock

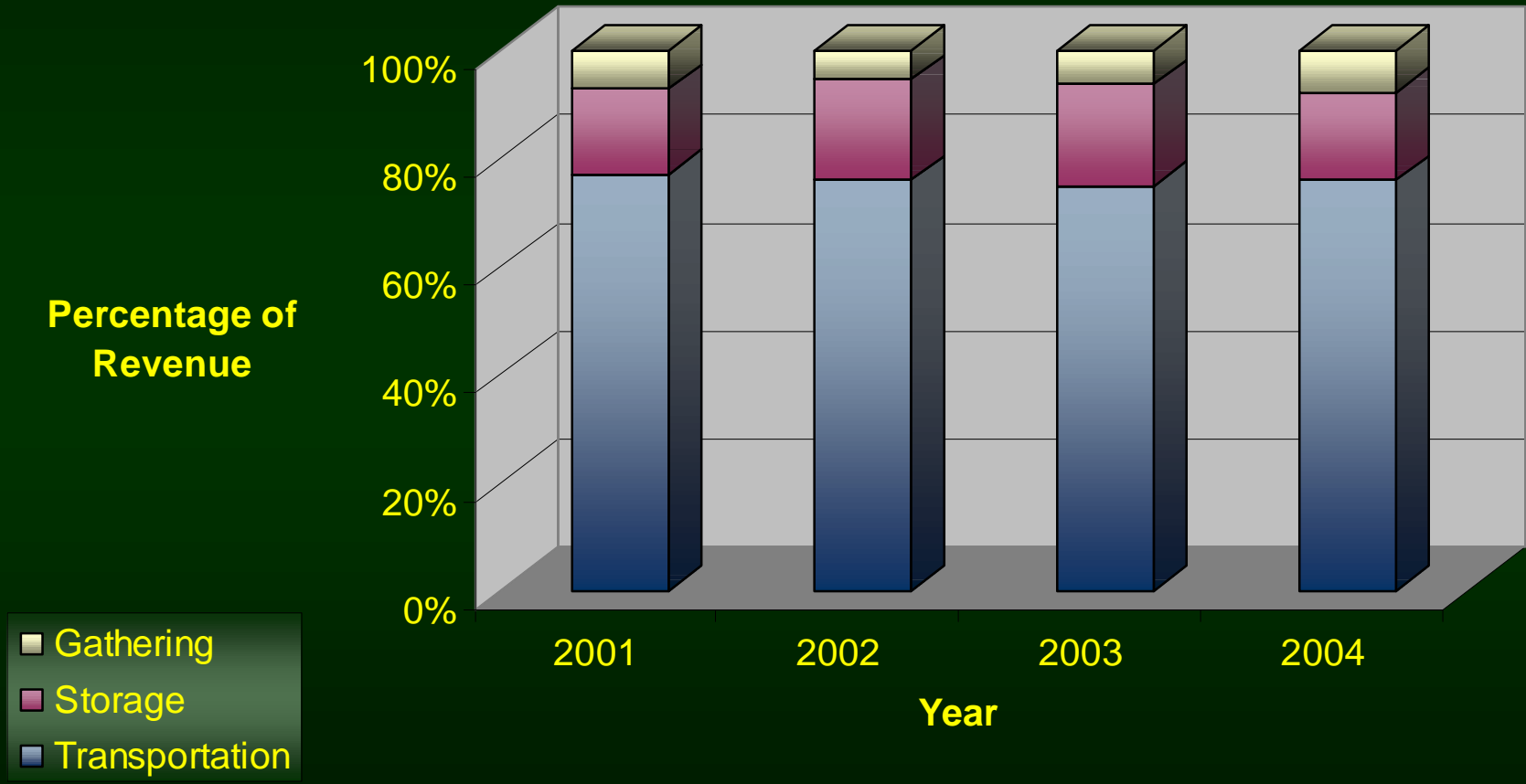
Storage Fields: CABIN CREEK, ELK BASIN, BILLY CREEK

Interconnects: MANY ISLANDS, NG-Ft BUFORD, GLEN ULLIN, ELK BASIN, BRIDGER CREEK, BILLY CREEK

Major U.S. Pipelines



Williston Basin Revenue by Service



Transportation Service

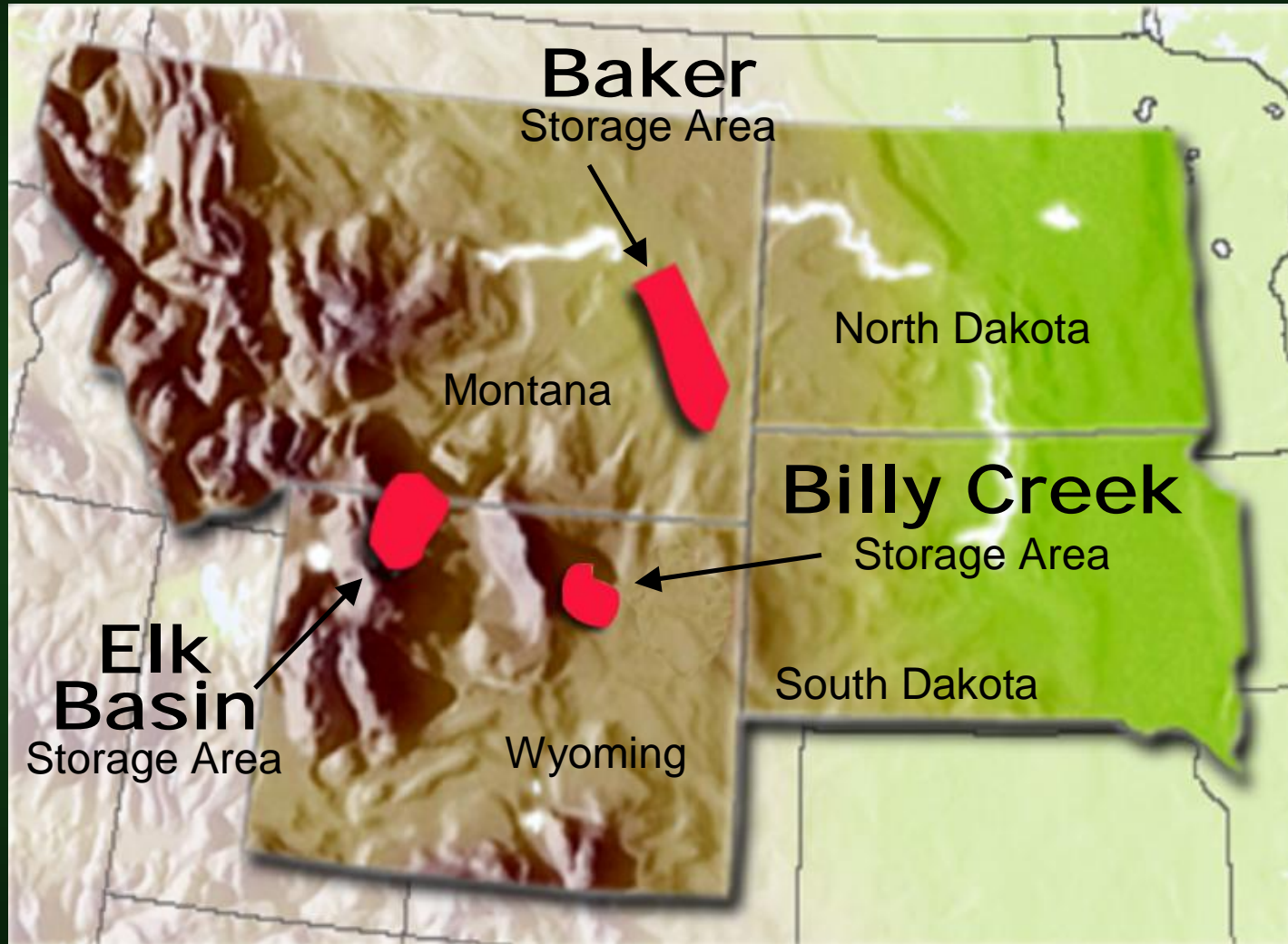
Firm Transportation – essentially own space on the pipe

- *Highest priority*
- *Within assigned path*
- *MDU holds majority of firm transportation*

Interruptible Transportation

- *Lower priority than firm*
- *Priority is determined by rate*
 - *Higher the rate, the higher the priority*
 - *The less firm transportation used the greater availability of IT transportation.*
- *Risk of curtailment increases*

Williston Basin Natural Gas Storage Fields



Reservoirs

- **Baker** in SE Montana
 - *Total 193 Wells*
 - *15 are observation wells*
 - *93 active producing wells in Units 2, 3, 4 & 5*
- **Elk Basin** in NW Wyoming
 - *Total 8 wells*
 - *1 observation well*
- **Billy Creek** in N Central Wyoming
 - *3 active producing wells*

Williston Basin Reservoir Capacity
All Fields
(MMCF)

Total Reservoir Capacity	353,349
<u>Total Cushion Gas</u>	<u>160,000</u>
Total Working Gas	193,349
<u>Less Line Pack/Balancing</u>	<u>3,096</u>
Total Marketable Working Gas	190,253

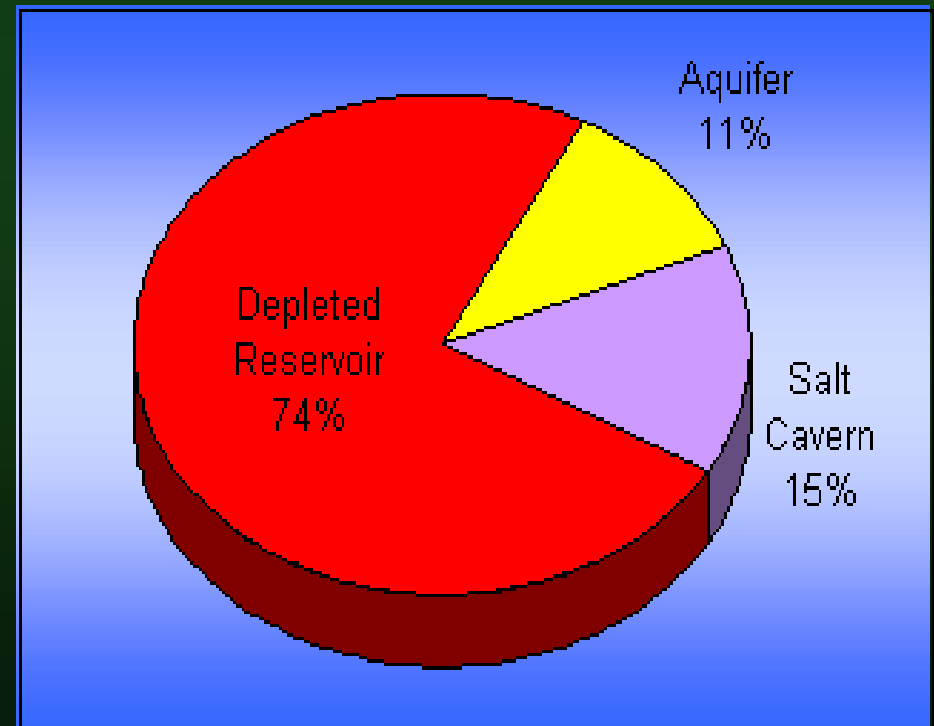
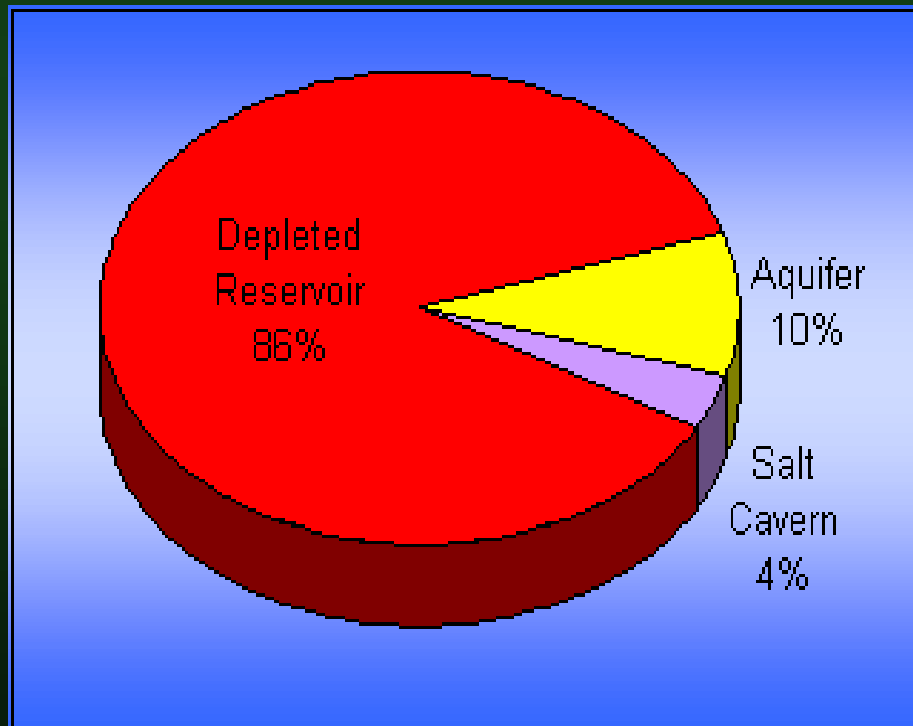
*Williston Basin Storage Withdrawal
All Fields
(MCF)*

Firm Deliverability	213,965
<u>Firm-WBI Line Pack/Balancing</u>	<u>40,835</u>
Total Firm Deliverability	254,800
<u>Additional Interruptible</u>	<u>60,200</u>
Total Withdrawal Capability	315,000

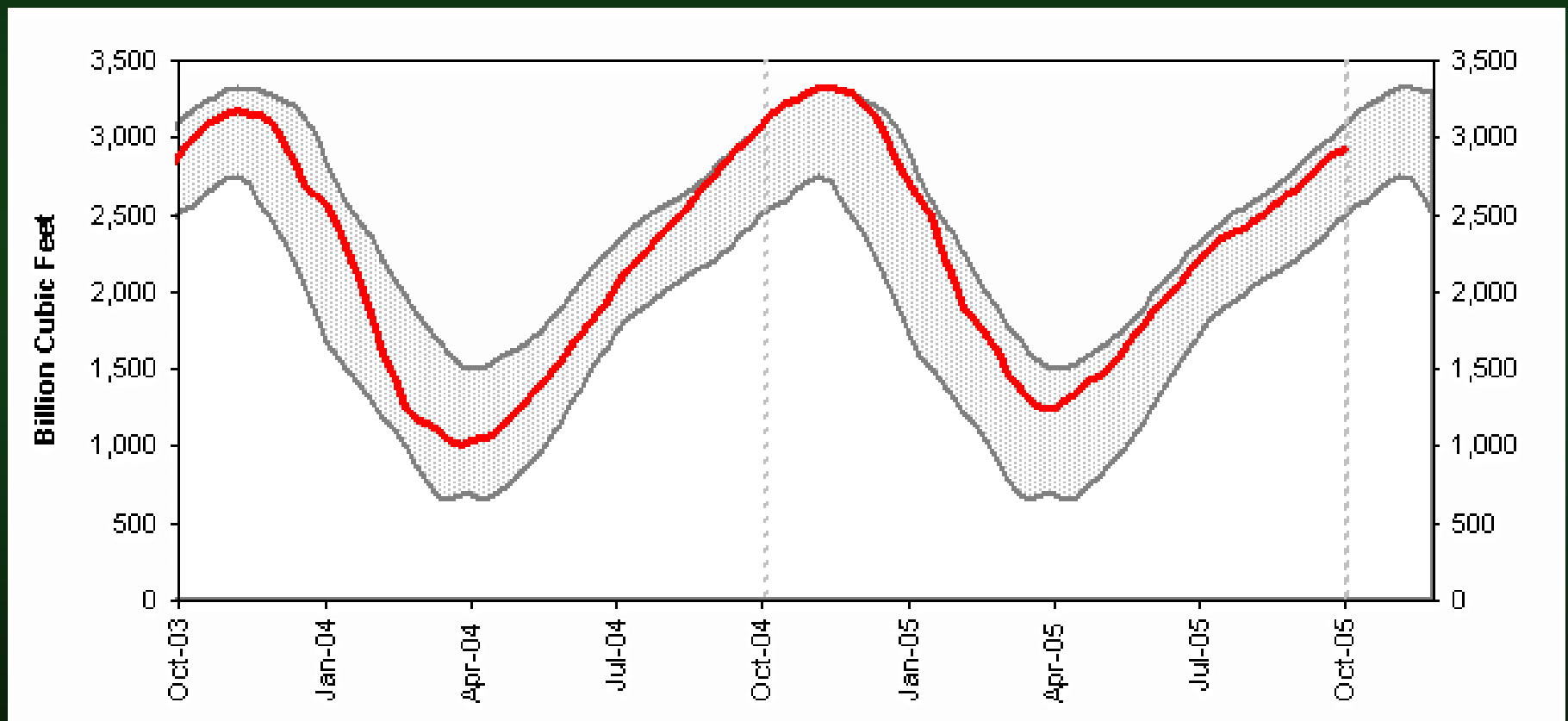
*Storage Working Gas
Capacity
by Reservoir Type –
North America*

*Storage Withdrawal
Capacity
by Reservoir Type –
North America*

Source: EIA



U.S. Storage Working Gas Balance *vs.* *Five Year Average*



Source: EIA

“The strategic market value of storage capacity increases as the availability of supply decreases at the same time market demand is increasing.”

--Kelly Consulting Services

Storage Markets

- **On System – Limited Growth Potential**
 - *Potential market demand*
 - *Industrial*
 - *Electric Generation*
 - *Firm LDC load*
- **Off System – Necessary for Growth**
 - *Mid-Continent via NBPL*
 - *Rockies via CIG and KMI*

Potential Firm Storage Markets

- Local Distribution Companies
- Electric Power Generation

47% of demand in the Rocky Mountain region is expected to come from electric generation over the next 10 years

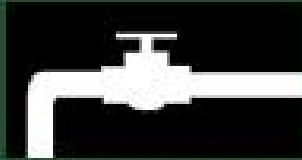
- Marketers / Industrial Loads

What drives Interruptible Storage?

- *Arbitrage opportunities (Primarily to Mid-continent)*
- *Seasonal basis differentials (Both Rockies and Mid-Continent)*
- *Primarily marketing firms and industrial customers*

Opportunities for Williston Basin in Montana and the northern Rockies Region

- **Expansion of Grasslands Pipeline**
 - *Dependent on further development of conventional and non-conventional natural gas reserves in southeastern Montana*
 - *Current capability is 90 mmcf/d expandable to 200 mmcf/d*
- **Storage expansions and enhancements**
 - *Driven by current supply/demand imbalance*
 - *More storage capability will be needed in North America*
 - *Tremendous opportunity to utilize depleted reservoir capacity in Montana*



WILLISTON BASIN

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THANK YOU !