Rangeland Energy, LLC

COLT Project Presentation

MONDAK ENERGY ALLIANCE

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Rangeland Energy, LLC

Purpose
■ Rangeland Energy, LLC is a midstream energy company focused on developing, acquiring, owning and operating midstream crude oil and natural gas assets.

  – Formed in November, 2009, Rangeland Energy is funded by the EnCap Energy Infrastructure Fund, L.P. (EEIF), a private equity fund managed by EnCap Flatrock Midstream.
  – Sr. Management team with over 100 years of midstream experience (crude oil, natural gas and refined products)

Strategic Focus
■ Initial focus is crude oil infrastructure in North Dakota’s Bakken shale

  – Williams & McKenzie Counties
  – Target market includes producers, marketers and refiners
    • Rangeland is not an acquirer or marketer of crude oil
  – Other areas of interest:
    • Niobrara Shale, Wyoming
    • Eagle Ford Shale, Texas
Crude Oil Production – 1.2 MMBpl/d in 2015?

Williston Production Growth

Source: Raymond James, NDPA
Production forecast is for visual demonstration purposes only and should not be considered accurate for any near or long term planning.

*Projects still in the proposed or internal review process
Bakken Crude Markets

• Where does the crude want to go?
  – Currently “supply push” vs. “market pull”
    • Average North Dakota wellhead price WTI minus $12.00
  – As infrastructure develops, crude will seek the highest value market
    • Gulf Coast – Houston, Beaumont/Port Arthur, Lake Charles, St. James
      – LLS market trades at a premium to WTI (usually between $2.00-$4.00/barrel)
    • Enhance crude value through blending

[Map showing trade locations such as Clearbrook, Guernsey, Cushing, St. James with their respective prices ($3.50, $9.00, $0.00, $3.00)]
• **Develop a crude oil “HUB” in Williams County, ND**
  – Merchant/3\(^{rd}\) party, fee-for-service facility
  – Truck gathering services with both unloading and loading facilities
  – Provide pipeline gathering services to the hub
  – Provide terminal services (storage, blending,...) at the hub
    • Dedicated tankage and fungible tankage options
  – Provide connectivity to multiple markets at the hub
    • Pipeline (bi-directional 8” to beaver lodge junction and other planned pipelines) & Railroad (unit train loading facilities)
    • Maximize value of produced crude oil
  – NGL storage and rail opportunities
COLT – Full Unit Train & Manifest
COLT Connector Pipeline Project

- COLT Connector Pipeline interconnect to transport between COLT Hub and Beaver Lodge junction
- Bi-directional line connecting to:
  - Enbridge
  - Tesoro
  - Other planned pipelines in the immediate area

- Proposed COLT Connector Pipeline
- Enbridge Pipeline
- Tesoro Pipeline
- BNSF Railway

Williston

North Dakota

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Current Status

• Regulatory/Permitting
  – Rezoning hearing – unanimously approved
  – NDPSC pipeline application filed

• Land Acquisition

• Engineering
  – Detailed engineering
  – Bid packages prepared
  – Purchasing long lead items

• On-Track for January 1, 2012 in-service date
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Questions?

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