

# Piceance Basin Lateral Extension

Project Overview  
May 2008

*The ONE in Energy.™*



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PARTNERS**

# Piceance Basin Lateral Extension

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## Overview

Overland Pass Pipeline Company, L.L.C. is a joint-venture company owned 99 percent by ONEOK Partners and 1 percent by Williams Field Services Company. Overland Pass Pipeline Company, L.L.C. is proposing to build the Piceance Basin Lateral Extension, a 150-mile pipeline that will transport natural gas liquids (NGL) from near Meeker, Colo., to the Overland Pass Pipeline near Wamsutter, Wyo.

## Why the Pipeline Is Needed

Due to increasing demand for NGLs, existing NGL pipeline capacity is reaching its limit as more volumes of NGLs are produced. Increasing NGL production in the Rocky Mountain region correlates with increasing natural gas development in the region.

## What Are Natural Gas Liquids?

Natural gas liquids are used to produce ethane, butane and propane for home heating, indoor and outdoor cooking, motor fuels and other industrial and residential uses.

## Protecting the Environment

Overland Pass Pipeline Company is committed to carefully selecting and surveying a route that protects and preserves environmental, archaeological and cultural resources. Our survey process involves consultations with state and federal agencies and the collection of data and studies of local wildlife, water and soil conditions.

## Regulatory Review and Public Comment

The Bureau of Land Management (BLM) is the lead agency overseeing the project. The BLM will issue a draft Environmental Assessment (EA) and hold a public comment period in June 2008. During the comment period, state and federal agencies, landowners and other interested parties have an opportunity to formally submit comments in response to the draft EA.

## Right of Way

Overland Pass works with landowners to negotiate easement agreements for the right of way where the pipeline will be built, operated and maintained. The typical easement is 50-feet wide, with some larger workspace easements needed during construction. Following construction, right of way will be fully restored to its previous condition.



## Looking Ahead

If approved, construction of the pipeline is tentatively scheduled to begin in September 2008. Following this schedule, the pipeline would enter service in summer 2009.

## Pipeline Specifications

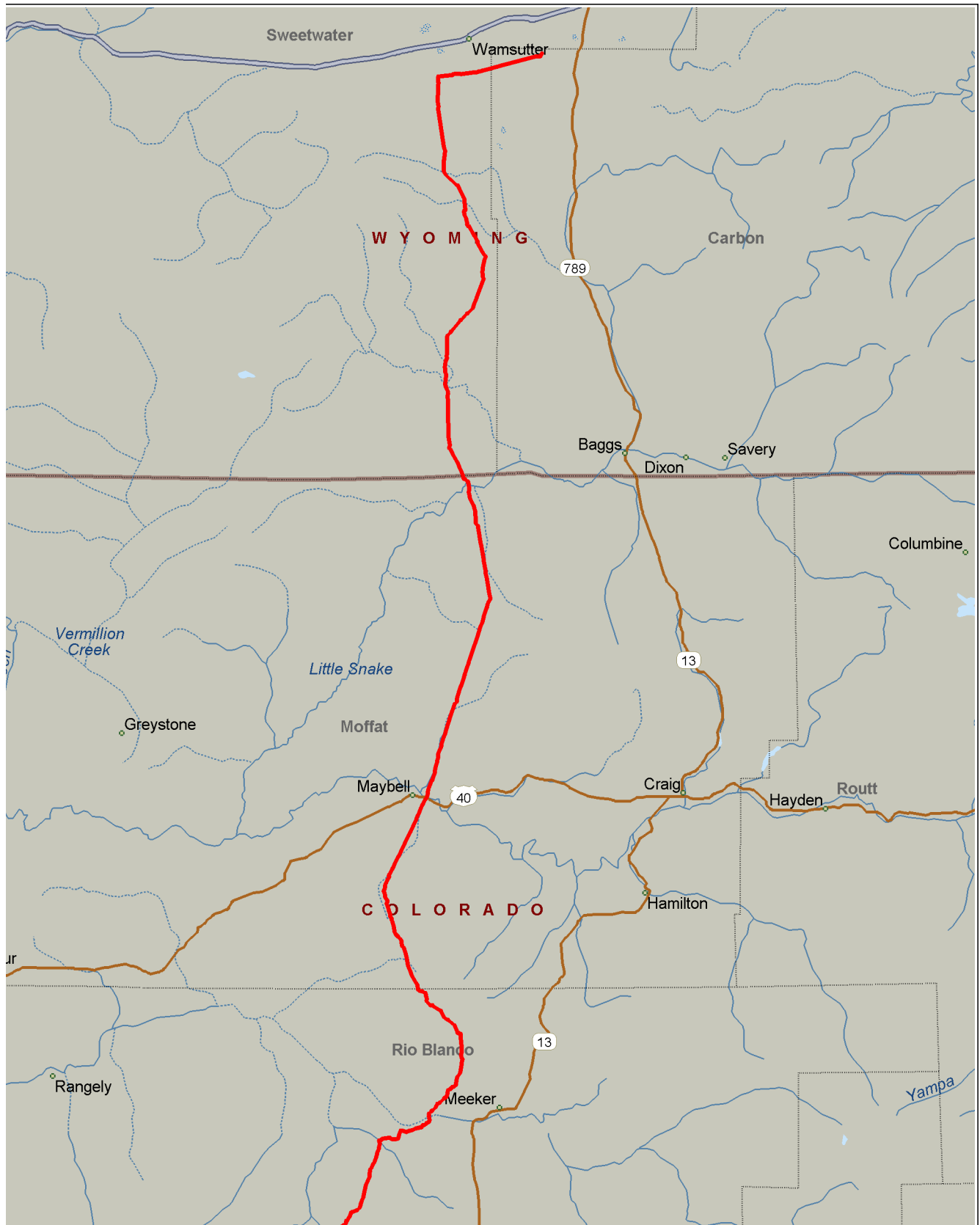
The pipeline will be 14 inches in diameter, made of high-strength steel, and coated with a protective layer to ensure pipeline integrity. The pipe will generally be buried at least three feet below the ground surface, as required by the U.S. liquids pipeline regulation Title 49 CFR Part 195.

## Commitment to Safety

Safety is Overland Pass' highest priority. The pipeline will be designed, built and operated to meet all federal and state safety standards. Safety measures include monitoring 24 hours a day, seven days a week; safety control valves to isolate segments of the pipe; and routine inspections using sophisticated technology.

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## Quick Facts

**Product Transported:**

Natural Gas Liquids

**Total Capacity:**

100,000 barrels per day

**Design Operating Pressure:**

1,440 psig

**Pipeline Size:**

14 inches in diameter

**Total Distance:** approximately 153 miles

Colorado: 94 miles

Wyoming: 59 miles

State/BLM managed land: 85 miles

Privately held land: 68 miles

**Total Pump Stations Required:** 1 (located south of Maybell, Colorado)

## Financial

**Estimated Capital Cost:** \$120 million

**Estimated Labor Cost in Colorado:** \$33 million

**Estimated Labor Cost in Wyoming:** \$20 million

**Estimated Annual Property Taxes in Colorado:**  
\$20 million

**Estimated Annual Property Taxes in Wyoming:**  
\$12.5 million

## Anticipated Project Schedule

**Fall/Winter 2007**

- Began meeting with permitting agencies, public officials, landowners and other stakeholders.

**Winter/Spring 2008**

- Begin environmental and cultural resource surveys
- Submit major permit applications
- Purchase easement

**Summer 2008**

- Target date to receive regulatory approval

**Fall 2008**

- Begin construction

**Summer 2009**

- Pipeline in service

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NGLs are used to make ethane, propane and butane, which are used for home heating, indoor and outdoor cooking, motor fuels and as industrial energy in the manufacture of plastics. In order to meet growing demand for NGLs, more pipeline capacity is needed to move this critical resource from production sites in the western United States to end users.

The Piceance Basin Lateral Extension originates 20 miles southwest of Meeker, Colo., and terminates near Wamsutter, Wyo., where it will connect with the Overland Pass Pipeline. The proposed route passes through two counties in Colorado and two counties in Wyoming. More than 90 percent of the proposed route follows existing pipeline right of way.

The pipeline will be designed, constructed and operated using proven knowledge and technology, advanced control systems and continuous safety monitoring.

Overland Pass is working closely with the Bureau of Land Management, other federal and state regulatory agencies and landowners.



## Land Use

- More than 90 percent of the route will be co-located with existing pipeline, utility or road rights of way.
- More than 50 percent of the route will be on public lands; remainder is on privately held property.
- 75-foot construction rights of way; 50-foot permanent easement.
- Construction starts with initial surveying and will be completed with finished grading.
- Construction will last six to 10 weeks at any one point.
- Environmental inspectors will be assigned to construction areas to monitor compliance with all local, state and federal rules and regulations.
- Lands, roads and other facilities will be restored to their previous condition.