



Kansas House Energy Committee

January 23, 2015



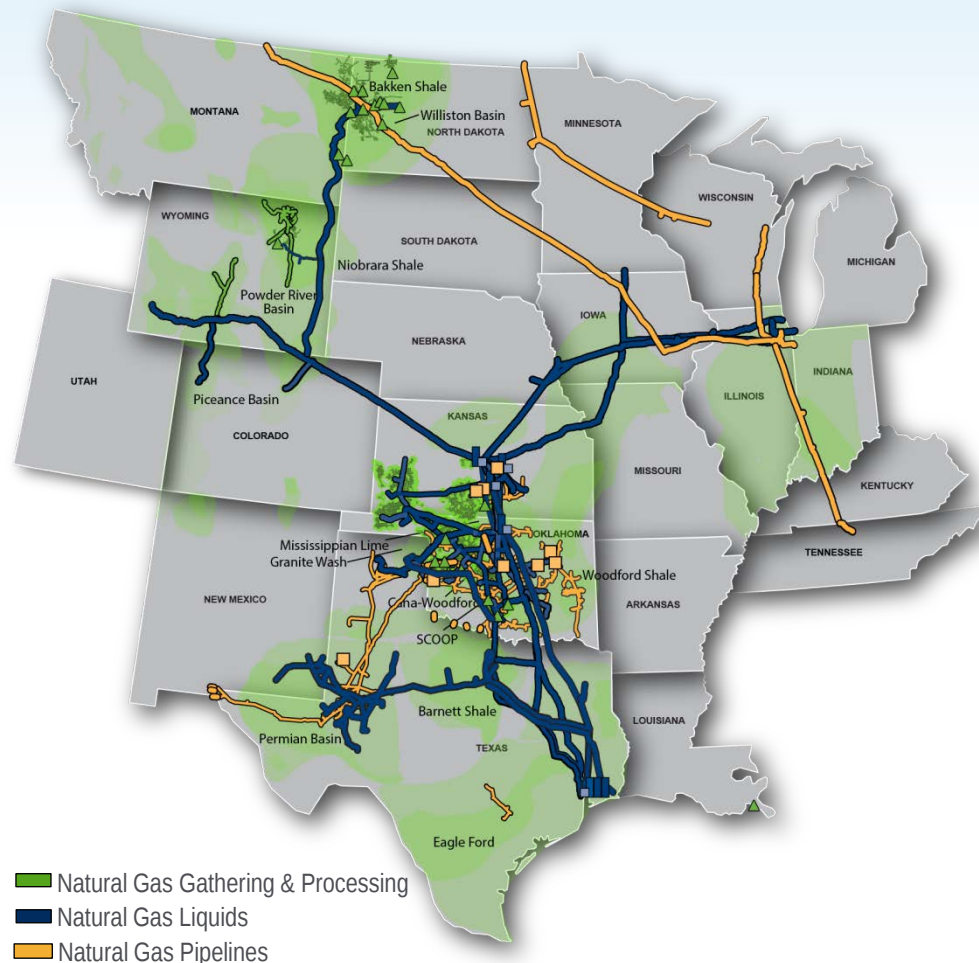
ONEOK Overview

Michael Gillaspie
Manager – Government Relations

ONEOK | ONEOK PARTNERS

ASSET OVERVIEW

- Owns and operates strategically located assets in midstream natural gas and natural gas liquids businesses
- Provides nondiscretionary services to producers, processors and customers



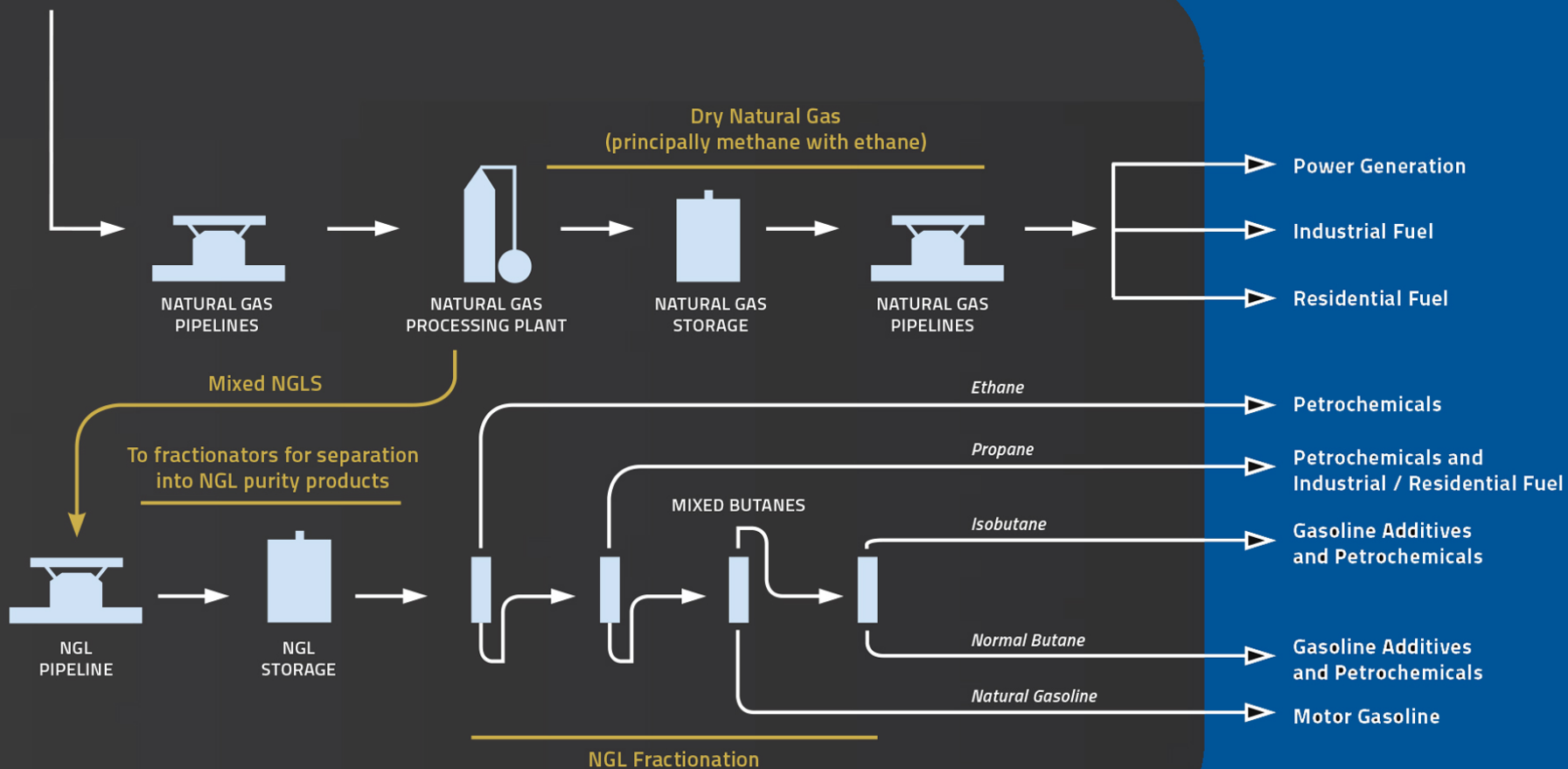


PRODUCTION
WELL



ONEOK

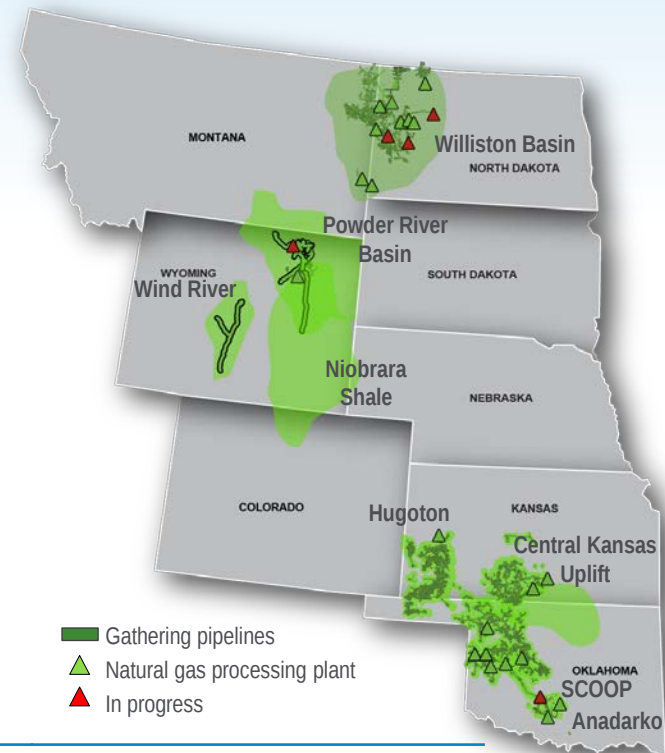
MIDSTREAM ENERGY SERVICES



ASSET OVERVIEW

NATURAL GAS GATHERING AND PROCESSING

- **Nondiscretionary** services to producers
 - Gathering, compression, treating and processing
- Diverse contract portfolio
 - More than 2,000 contracts
 - Primarily percent of proceeds (POP) and fee based
- Natural gas supplies from six basins
 - Williston Basin
 - Includes oil, natural gas and natural gas liquids in the Bakken and Three Forks formations
 - Powder River Basin
 - Emerging crude-oil and NGL-rich development in the Niobrara, Sussex and Turner formations
 - Coal-bed methane, or “dry,” natural gas does not require processing
 - Mid-Continent
 - South Central Oklahoma Oil Province (SCOOP)
 - Cana-Woodford Shale
 - Mississippian Lime
 - Granite Wash, Hugoton, Central Kansas Uplift
 - Wind River Basin
 - Conventional wells



Gathering	18,527 miles of pipe
Processing	19 active plants 1,450 MMcf/d capacity
Production	1,847 BBtu/d gathered 1,666 BBtu/d processed 792 BBtu/d residue gas sold 111 MBbl/d NGLs sold
As of Sept. 30, 2014 YTD	



ONEOK

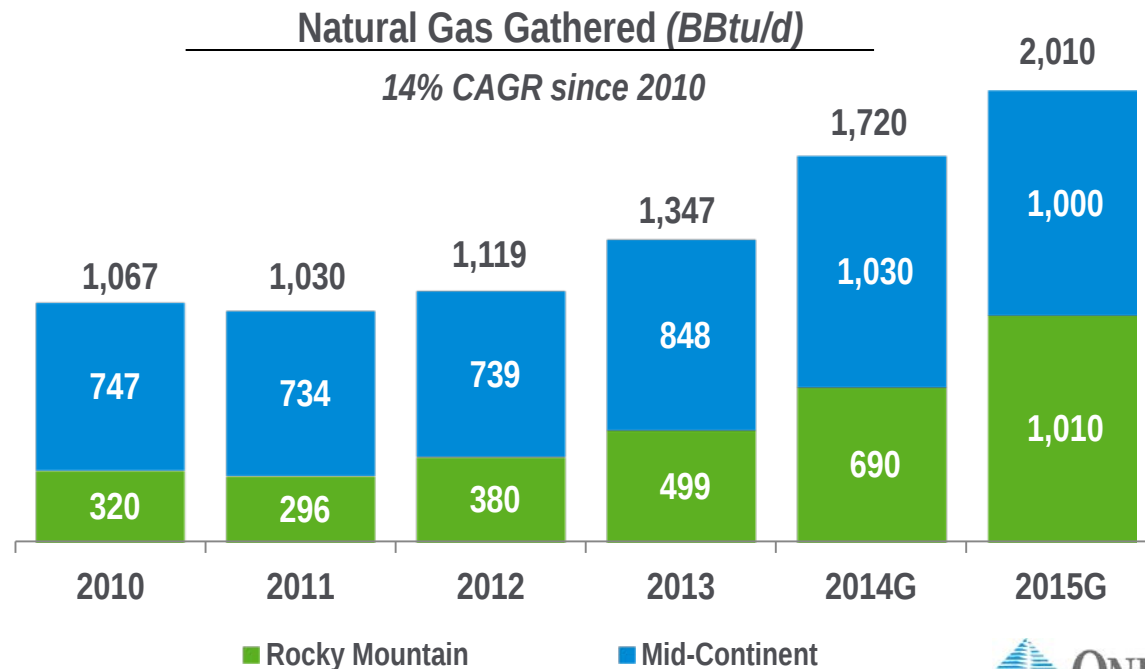


ONEOK
PARTNERS

NATURAL GAS GATHERING AND PROCESSING

GATHERED VOLUMES

- 2015 volumes gathered expected to increase 17% from 2014
 - Significant acreage dedications in core, higher return areas targeted by producers
 - Improved drilling efficiencies drive higher production per well
- Bakken flaring provides volume inventory to capture
- Mid-Continent volume decline due to Oklahoma well completions weighted heavily toward the second half of 2015, and natural production decline in Kansas



WILLISTON AND POWDER RIVER BASIN

NATURAL GAS LIQUIDS TAKEAWAY

- Bakken NGL Pipeline expansion
 - ✓ Expand capacity to 135,000 bpd from 60,000 bpd with additional pump stations; completed in September 2014
 - Expand capacity to 160,000 bpd; expected to be completed in second quarter 2016
- Niobrara NGL Lateral
 - ✓ Connects Sage Creek and third-party plants to the Bakken NGL Pipeline
- Fee-based contracts

Approximately \$1 billion



■ Overland Pass Pipeline Expansion (50% interest)

■ Bakken NGL Pipeline

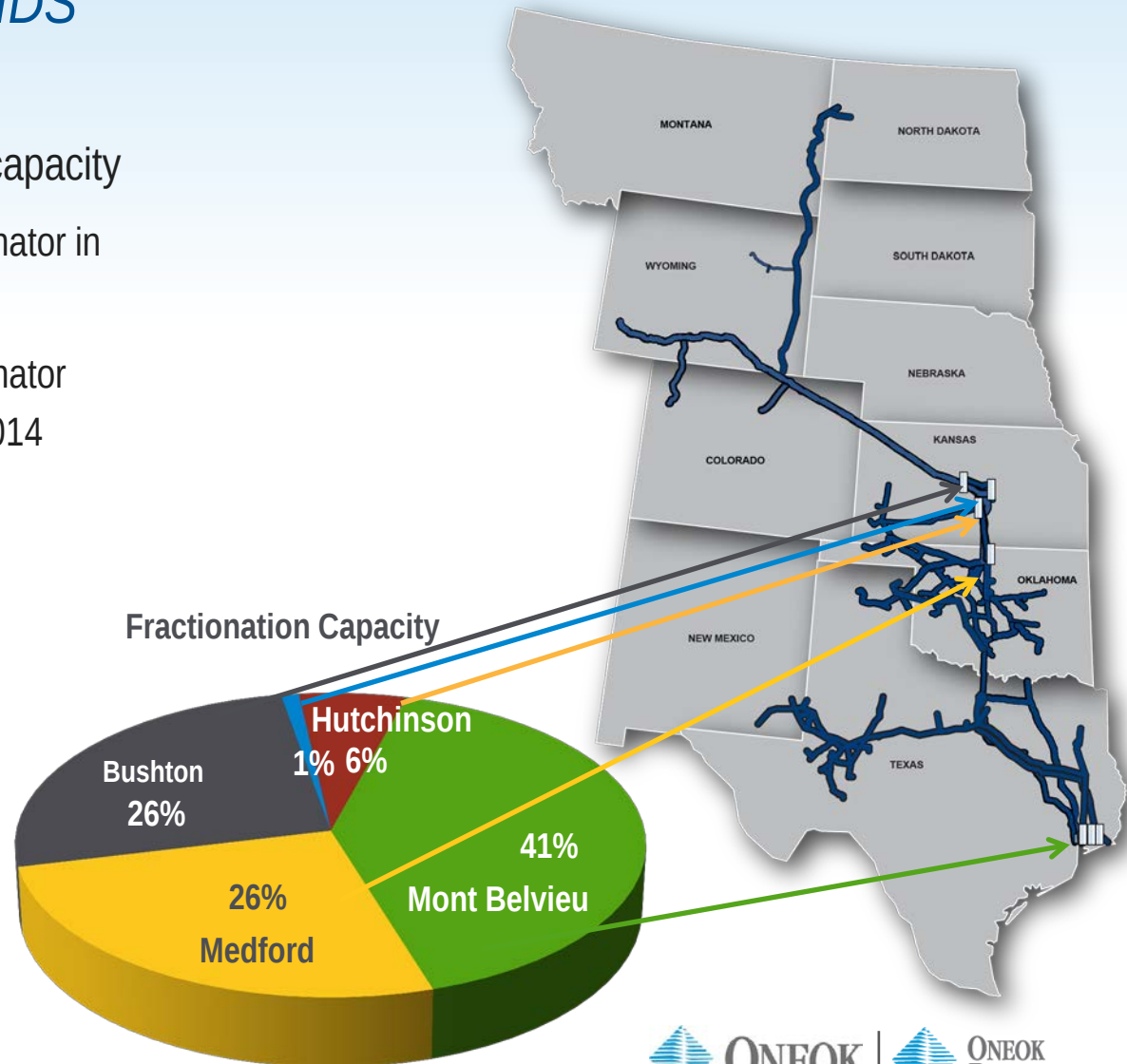
■ Bushton NGL Fractionator Expansion

■ Niobrara Lateral

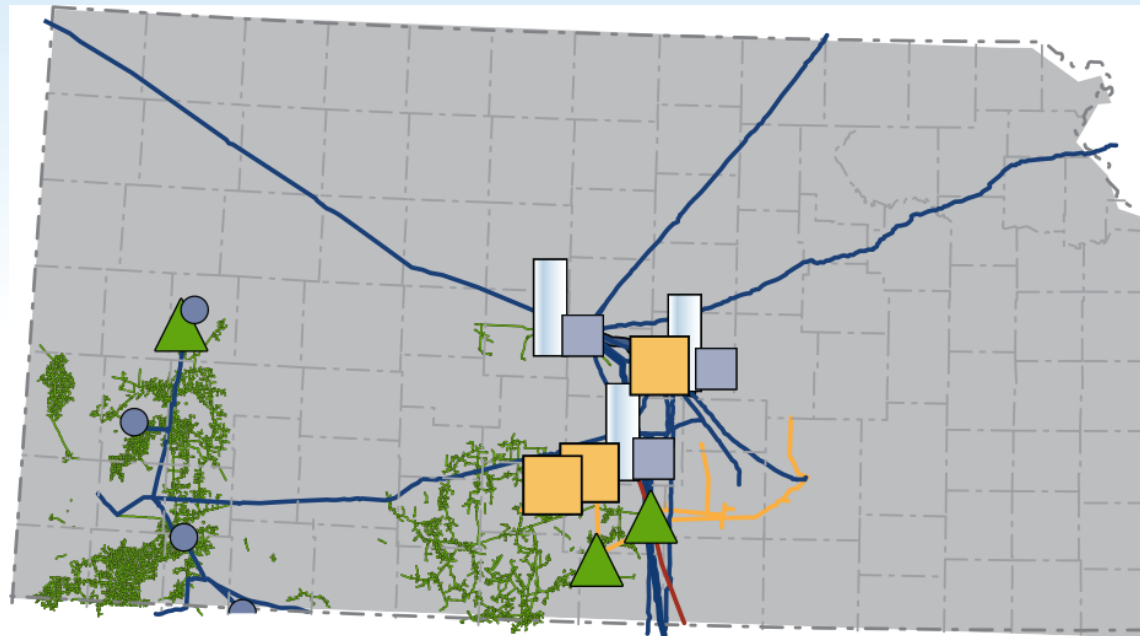
FRACTIONATION CAPACITY

NATURAL GAS LIQUIDS

- Increased our fractionation capacity
 - MB-2 – 75,000 bpd fractionator in service in December 2013
 - MB-3 – 75,000 bpd fractionator completed in December 2014
- 820,000 bpd of capacity



Kansas Assets



- Natural Gas Liquids Pipelines
- Natural Gas Pipelines
- Natural Gas Gathering & Processing
- Growth Projects
- ONEOK Partners Fractionation Facilities
- Natural Gas Storage Facilities

Natural Gas

Miles of natural gas pipelines	5,150
Natural gas processing facilities	2

Natural Gas Liquids (NGL)

Miles of NGL pipelines	1,818
NGL fractionation facilities	3
NGL storage facilities	3

Kansas growth projects

2015

Major Project	Scope	CapEx (\$ Millions)	Contract Type	Timing
Hutchinson to Medford NGL pipeline	95-mile NGL pipeline between existing NGL fractionation at Hutchinson, Kansas, and Medford, Oklahoma	\$140	Fee based	First quarter 2015

ASSET OVERVIEW

NATURAL GAS LIQUIDS

- Provides **nondiscretionary**, fee-based services to natural gas processors and customers
 - Gathering, fractionation, transportation, marketing and storage
- Extensive NGL gathering system
 - Connected to approximately 130 natural gas processing plants in the Mid-Continent, Barnett Shale, Rocky Mountain regions and Permian Basin
 - Expected to connect nine new natural gas processing plants by the end of 2015
 - Represents 90% of pipeline-connected natural gas processing plants located in Mid-Continent
- Links key NGL market centers at Conway, Kansas, and Mont Belvieu, Texas
- North System supplies Midwest refineries and propane markets



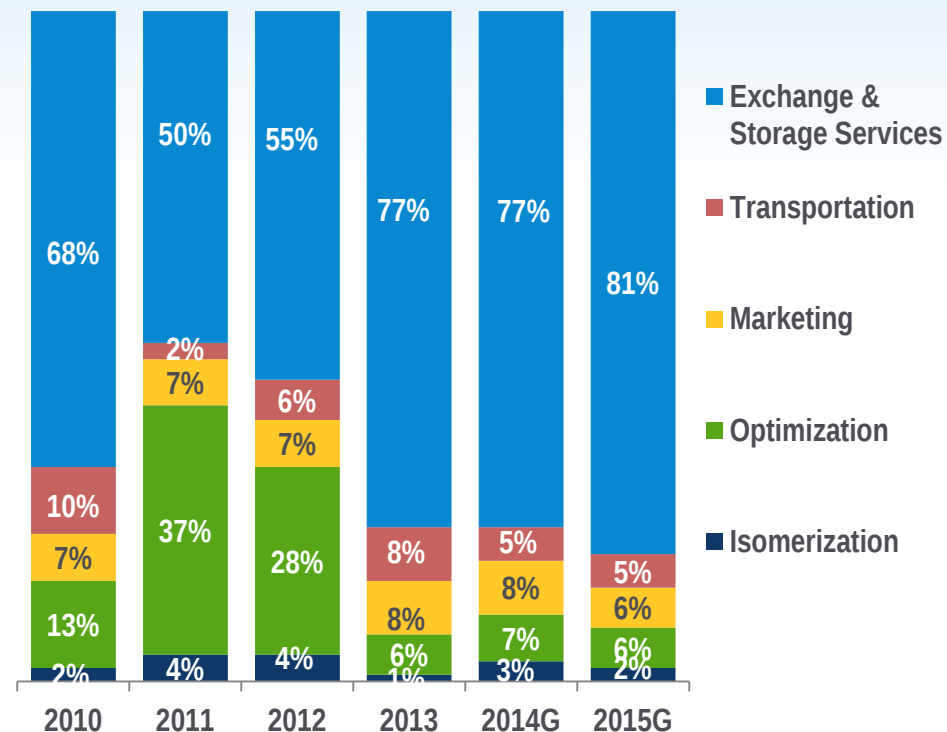
Fractionation	745,000 bpd net capacity
Isomerization	9,000 bpd capacity
E/P Splitter	40,000 bpd
Storage	26.7 MMBbl capacity
Distribution	4,236 miles of pipe with 967,000 bpd capacity
Gathering – Raw Feed	6,900 miles of pipe with 1,074 MBpd capacity
	As of Sept. 30, 2014

- NGL Gathering Pipelines
- NGL Distribution Pipelines
- ★ NGL Market Hub
- NGL Fractionator
- Overland Pass Pipeline (50% interest)
- NGL Storage

NATURAL GAS LIQUIDS

MARGIN PROFILE MIX

- Exchange & Storage Services
 - Gather, fractionate, transport and store NGLs and deliver to market hubs; **primarily fee based**
- Transportation
 - Transporting raw NGL feed from supply basins and NGL products to market centers; **fee based**
- Marketing
 - Purchase for resale approximately 60% of system supply in the Mid-Continent on an index-related basis; **differential based**
- Optimization
 - Obtain highest product price by directing product movement between market hubs; **differential based**
- Isomerization
 - Convert normal butane to iso-butane to be used in refining to increase octane in motor gasoline; **differential based**



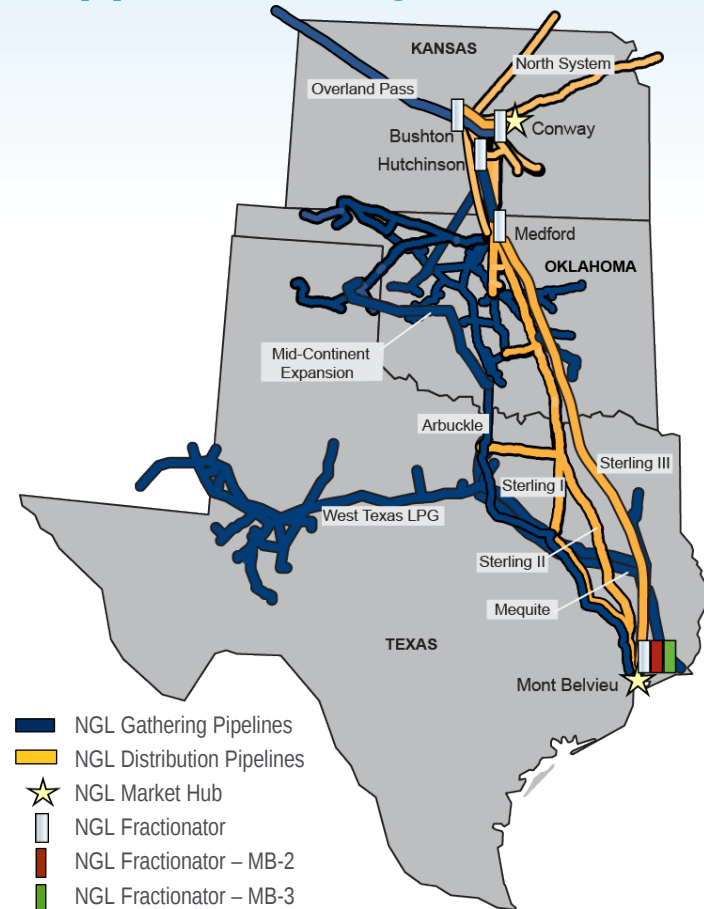
Continue to focus on converting optimization margins to exchange-services margins

STERLING NGL PIPELINES

EXPANDING ACCESS TO GULF COAST MARKETS

- Sterling III pipeline
 - Flexibility to transport NGL purity products and unfractionated NGLs
 - 550-plus miles, 16-inch diameter
 - 193,000 bpd, expandable to 260,000 bpd
 - **75% of available initial capacity committed**
 - ✓ Completed in March 2014
- Reconfigure Sterling I and II
 - Flexibility to transport NGL purity products and unfractionated NGLs
 - ✓ Completed in July 2014

Approximately \$800 million





Michael Gillaspie
Mgillaspie@oneok.com