

**Open Season
Bison Pipeline Project**

In response to expressions of interest, Bison Pipeline LLC (Bison) is conducting a binding open season (Bison Open Season), subject to the conditions set forth herein, for firm pipeline capacity on a proposed new pipeline system extending from gathering facilities located in the Powder River Basin supply area to a point of interconnection with the Northern Border Pipeline Company (Northern Border) pipeline system in Morton County, North Dakota. The proposed new pipeline system is referred to as the "Bison Pipeline Project" or "Project".

Open Season

The Bison Open Season will commence on April 3, 2008 at 1:00 PM Central Clock Time (CCT) and is scheduled to close on May 23, 2008 at 12:00 PM CCT (Bid Close). Completed and executed Offer Sheets and Precedent Agreements must be received by Bison prior to the close of the Bison Open Season.

Bidders shall submit bids or other documents relating to the Bison Open Season by regular mail or overnight courier to Bison Pipeline LLC, 13710 FNB Parkway, Omaha Nebraska 68154-5200, Attention: Bill Fonda or via fax at (402) 492-7488.

Questions concerning the Bison Open Season should be directed to:

Bill Fonda	(402) 492-7430
Dick Shepherd	(402) 492-7431
Rita Homan	(402) 492-7365 (Credit)

Description of the Bison Pipeline Project

It is anticipated that the Bison Pipeline Project will consist of compression and approximately 289 miles of 24-inch diameter pipeline and appurtenant facilities commencing near Dead Horse, Wyoming and the facilities of Ft. Union Gas Gathering, LLC and Bighorn Gas Gathering, LLC. The Bison Pipeline Project will extend in a northeasterly direction to its terminus in Morton County, North Dakota near Northern Border's Compressor Station No. 6. It is anticipated that the initial design capacity of the Bison Pipeline Project will be approximately 406,000 Mcf per day with a maximum design capacity of 660,000 Mcf per day. However, the ultimate capacity of the Bison Pipeline Project will be determined by the level of binding shipper commitments. The construction of receipt point interconnections with a design receipt pressure of 1,400 psig are also proposed as part of the Project.

The projected in-service date of the Bison Pipeline Project is November 15, 2010.

Description of Bison Pipeline Services

As part of its application with the Federal Energy Regulatory Commission (FERC) for certification, Bison will include a tariff indicating the transportation services it will offer. It is anticipated that, in addition to firm transportation service, Bison will offer interruptible transportation service, Park and Loan services, and a balancing service similar to the services contained in Northern Border's FERC Gas Tariff. Bison's transportation rate will be a postage stamp rate. Company Use Gas, similar to that defined in Northern Border's FERC Gas Tariff, will be required from the Shippers on an in-kind basis and will be subject to monthly adjustments. The Company Use Gas initially is projected to be .62% based on the design capacity of 406,000 Mcf per day. The gas quality specifications to be proposed in Bison's FERC Gas Tariff will be similar to the gas quality specifications contained in Northern Border's FERC Gas Tariff and will include the specification that the natural gas to be transported on the Bison Pipeline Project shall not contain more than two (2) percent by volume of carbon dioxide and shall have a gross heating value of not less than 967 Btu per cubic foot.

Description of Classification of Bison Pipeline Project Shippers

The Bison Pipeline Project proposes two classifications of Project shippers: Foundation Shippers and Anchor Shippers.

Foundation Shipper Rights

To facilitate the construction of the Bison Pipeline Project, parties submitting a bid for a minimum of a maximum delivery quantity (MDQ) of 250,000 Mcf per day for at least a ten (10) year term from the in-service date of the Bison Pipeline Project will be granted Foundation Shipper status. A summary of the terms proposed for Foundation Shippers that differ from those proposed for Anchor Shippers is posted with the Bison Open Season materials. For more information on Foundation Shipper rights please contact us.

Anchor Shipper Rights

Shippers submitting bids for transportation quantities of less than 250,000 Mcf per day for at least a ten (10) year term from the in-service date of the Bison Pipeline Project will be granted the following rights as an Anchor Shipper:

1. An estimated negotiated reservation rate of \$.55 per MMBtu subject to the adjustment and cost containment provisions described in the Anchor Shipper Offer Sheet.
2. A right of first refusal at the end of the initial contract term at the then effective maximum reservation rate.

Foundation and Anchor Shippers may bid at the recourse rate which is presently estimated to be \$.68 per MMBtu. The recourse rate is subject to adjustment depending on Project cost and FERC approval.

Creditworthiness Requirements

Bidders in the Bison Open Season must commit to comply with the terms of Section 2(b) of the Precedent Agreement, including the following creditworthiness provisions as further set forth in Exhibit C to the Precedent Agreement:

(a) Shipper will be deemed creditworthy if (i) its long-term unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") or at least Baa3 by Moody's Investor Service ("Moody's), in each case with stable outlook; and (ii) the contractual obligations derived from the sum of reservation fees, commodity fees and any other associated fees and charges for the contract term, on a net present value basis, is less than 10% of Shipper's tangible net worth. In the event Shipper is rated by both S&P and Moody's, the lower rating applies; or

(b) If Shipper is not rated by S&P or Moody's as described above, then Shipper may request that Bison evaluate its creditworthiness, as described in Exhibit C of the Precedent Agreement, based upon the level of service requested relative to the Shipper's current and future ability to meet its obligations.

As an alternative, Shipper may satisfy its creditworthiness obligation by providing and maintaining (i) a guarantee of the net present value of Shipper's obligations, in the form as required by Bison and from an entity that meets the credit standards set forth above; or (ii) collateral in the form of (A) an irrevocable standby letter of credit acceptable to Bison; or (B) cash deposit. Such letter of credit or cash deposit shall be equal to thirty-six (36) months of anticipated reservation charges.

Acceptable Bids

An acceptable bid shall consist of the following:

- a. An unmodified and executed Offer Sheet indicating the receipt and delivery points ("Transportation Path"), the MDQ, term of service (minimum term accepted is ten (10) years), bidders election to accept or reject a lesser MDQ if awarded pursuant to the bid allocation process and the selection of either the recourse rate or the negotiated rate; and
- b. An executed Precedent Agreement acceptable to Bison.

The Offer Sheet and Precedent Agreement are included in this Bison Open Season posting.

Additional Terms and Conditions

An executed Offer Sheet and executed Precedent Agreement must be submitted for each individual Bid.

Bid(s) must be submitted prior to Bid Close.

Within three (3) business days of Bid Close, Bison will post the Bid on its website keeping the identity of the Bidder confidential.

Bidders may submit only one (1) Bid for each Transportation Path. However, if a Bid is withdrawn as provided for below, Bidder may submit a Bid to replace a withdrawn Bid anytime prior to Bid Close.

Any Bid not complying with these terms and conditions will be rejected.

Withdrawal of Bids

Bid(s) received in response to the Bison Open Season may be withdrawn prior to Bid Close upon written notification to Bison.

Bid Contingencies

Unless an extension of time is granted by Bison, the deadline for the resolution of the following bid contingencies is 12:00 PM CCT, June 13, 2008:

- a. Bidder obtaining necessary capacity on downstream pipelines.

If Bidders in the Bison Open Season are also interested in downstream capacity, Northern Border will be conducting a bid period for its available pipeline capacity (Northern Border Bid Period). Bidders in the Bison Open Season desiring firm transportation on the Northern Border system should submit a bid to Northern Border during the Northern Border Bid Period. More information on the Northern Border Bid Period may be found at www.northernborder.com, Informational postings, Notices, Non-critical.

- b. Satisfaction by Bidder of its ability to meet Bison's carbon dioxide gas quality specification.

- c. Bidder obtaining requisite management or board approval.

The deadline for the resolution of all other Bid contingencies is Bid Close.

General Conditions

Following the evaluation of the Bison Open Season results, Bison will determine and announce the design of the Bison Pipeline Project. Any such decision/announcement will represent only an initial (and non-binding) determination by Bison that, in Bison's sole judgment, the proposal may be economically viable and capable of receiving acceptable regulatory approval, if required. By soliciting Bids via this Bison Open Season announcement, Bison commits only to pursue, in good faith, the development and

prosecution of an economically viable project and expressly reserve the right to determine, at any time prior to initial construction, that the project is not economically viable and or capable of receiving regulatory approvals.

Award and Allocation of Capacity

Bison anticipates that it will be able to accommodate all Bids that comply with the terms of the Bison Open Season. After the determination of the design parameters of an economically viable project and the award of capacity to Foundation Shippers with acceptable Bids, Bids from all other shippers (Anchor Shippers) complying with the terms of the Bison Open Season will be awarded capacity.

Capacity to be allocated among Anchor Shippers will be evaluated on a present value basis determined in the following manner:

Where:

$$\text{Present Value of Bid} = R[1-(1+I)^{-N}]/I$$

R = Reservation Rate

I = FERC's annual interest rate in effect for the second quarter of 2008 divided by 365

N = Bid Term (days)

The higher the present value the higher the ranking.

If there is a tie among Bids in the present value basis determination, capacity will be awarded in the order Bids are drawn. If sufficient capacity does not remain to satisfy the entire capacity bid, Bidders will be asked if they would accept a reduced quantity and will have one business day to respond.

Summary of Proposed Rates and Terms
Specific Only to Foundation Shippers

Rate Provisions

1. Estimated negotiated reservation rate from \$.50 per MMBtu to \$.55 per MMBtu depending upon the design capacity of the Project up to 406,000 Mcf per day.
2. The estimated negotiated reservation rate may be adjusted if the Bison Open Season results in revised project design. Unless further revised pursuant to No. 3 below, the recalculated estimated negotiated reservation rate would be in effect at the in-service date of the Project. If this rate is above \$.55 per MMBtu it would require the prior written approval of Foundation Shipper.
3. The estimated negotiated reservation rate may also be adjusted to reflect the updated cost estimate received prior to ordering materials for the Bison Pipeline Project. The recalculated estimated negotiated reservation rate, referred to as the in-service negotiated reservation rate, would be in effect at the in-service date of the Project. Such rate adjustment would be subject to the cost sharing provisions set forth below.
4. The in-service negotiated reservation rate may be adjusted to reflect the actual construction cost of the Bison Pipeline Project. The resulting rate, referred to as the actual negotiated reservation rate, shall not be in excess of the initial recourse rate for the Bison Pipeline Project or higher than twenty (20) percent of the estimated negotiated reservation rate in No. 1 above.
5. Foundation Shipper's actual negotiated reservation rate will not be greater than the lowest actual negotiated reservation rate of any other Shipper contracting on the initial Bison Pipeline Project.

Project Cost Sharing Provisions

1. Foundation Shipper is responsible for 100% of increase or decrease in certain Bison Pipeline Project costs (construction, construction management, materials, line pack, AFUDC, and escalation) which costs represent approximately 70% of the total estimated Project cost. Within ten (10) business days following receipt of an updated cost estimate, which cost estimate revises either the initial cost estimate or, the revised cost estimate where the project design of the Bison Pipeline Project is revised as a result of the Bison Open Season, and upon the reimbursement of fifty (50) percent of the Bison Pipeline Project's cost of development, not to exceed \$1.25 million, Foundation Shipper may terminate the Bison Precedent Agreement if any increase in such costs exceeds thirteen and three quarter (13.75) percent.

2. Foundation Shipper is responsible for 50% of increase or decrease in certain Bison Pipeline Project costs (land, project management, engineering/environmental, regulatory approval, AFUDC and escalation) which costs represent approximately 15% of total estimated Project cost. Bison's responsibility for the increase in these costs is limited to twenty (\$20) million dollars.

Other Provisions

1. For a term ending on the third anniversary date of the In-Service Date of the Bison Pipeline Project, a Foundation Shipper shall have a first right to contract for any planned expansion of the Bison system. If necessary, allocations will be made based upon Foundation Shipper's proportionate share of Foundation Shipper capacity.
2. After (i) the date upon which the cumulative IT revenues on the Bison Pipeline Project exceed the amount of the actual construction costs associated with the Bison Pipeline Project not included in the calculation of the actual negotiated reservation rate, and (ii) provided the certificated design capacity of the Bison Pipeline Project is fully subscribed for any day during a billing month, Bison will share for any such day during such billing month, ninety (90) percent of the net revenues from IT service on the Bison Pipeline Project with Foundation Shippers. The shared revenues will be provided to Foundation Shippers in the form of billing credits in the proportion of each such Shipper's Maximum Delivery Quantity to the Maximum Delivery Quantity of all Foundation Shippers. In the event that Bison is required to reflect interruptible revenues in the derivation of the recourse rate for the Bison Pipeline Project, the sharing of revenues as described herein shall cease.