



FERC Grants ECGS Authorization to Commence Service

ECGS Becomes FIRST Independent Commercially Operational Storage Facility in the Rocky Mountain Region

East Cheyenne Gas Storage (ECGS) received authorization from the Federal Energy Regulatory Commission (FERC) to commence service on



Engine/Compressor Assembly

December 1st, 2011. The authorization allows ECGS to begin offering storage services to its customers. The facility began pad gas injections in early November, and has completed those injections for the initial phase of the facility's development. ECGS is currently working on adding withdrawal facilities at the site in order to allow firm and interruptible withdrawal capability by the end of the 1st quarter of 2012.

Facility Update

ECGS has fully completed all of the construction activities associated with the initial Injection Facilities at the site and is currently focused on the completion of the Withdrawal Facilities:

- Commenced mobilization of the civil/mechanical contractor in charge of constructing the withdrawal facilities.
- Civil site work is over 90% complete and the majority of the concrete work has begun.
- Piping fabrication for the withdrawal facilities has begun.
- Most major equipment for the withdrawal facilities has either been received or is on order.

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Special points of interest:

- *No-Notice Service, does it fit with your gas storage needs? See info on the service inside—Page 2*
- *Withdrawal Capabilities—Both Firm and Interruptible services will be available in the 1st Qtr '12—find out how your company can utilize the services—Page 2*

No-Notice and Short Notice Service—The Possibilities

ECGS is authorized through its FERC-approved tariff to offer both No-Notice (NNS) and Short-Notice (SNS) service to customers of East Cheyenne. Both NNS and SNS would require changes to the nomination procedures at ECGS and with the interconnecting pipes to ECGS (currently Trailblazer Pipeline with a potential interconnect to Rockies Express Pipeline). NNS and SNS would allow customers of ECGS to either inject or withdraw gas from the facility outside of the normal four daily North American Energy Standard Board (NAESB) nominating cycles.

NNS enables customers to have instantaneous ability to either receive supply or deliver over-supply to designated points on the interconnecting pipeline; with ECGS providing the mechanism to either deliver or receive those supplies. NNS can provide assurance to a customer's flowing supply, whereby they could avoid penalties associated with balancing restrictions on interconnecting pipelines and with Front Range utilities during conditions of operational flow orders.

SNS is a similar type of service, but typically is associated with a minimum of one hour flow notification along with actual nominations on the interconnecting pipeline and storage facility. SNS is more commonly used as a means for suppliers or markets to supplement flowing supply with additional supply or market that would not be available during the normal nomination cycles.

Withdrawal Capability - End of the First Quarter 2012

ECGS will be capable of providing firm withdrawal from the facility by the end of March 2012. Construction work is currently underway at the site. As part of the withdrawal capability, ECGS will be able to provide loan service on either a daily, monthly, or long-term basis to its customers.

For updated information regarding the injection/withdrawal status of the project, please visit the Informational Posting section of the ECGS website (www.eastcheyenne.com).



Regenerator Skid - Part of the Equipment Required for Withdrawal Service



Contacter Tower Being Set



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Operations Profile -

Arlen Hershberger, Land Manager



Arlen with an ECGS Surface Owner

Arlen has been assisting ECGS with all land-related acquisitions and securement of title since the beginning days of the project in 2008. He has been in the Energy Industry for thirty seven years. As a field landman and, as part of negotiating staff of Husky Oil Company in the 80's, he worked primarily in the Rocky Mountains, but in the Mid-Continent and Pacific Coast, as well. Arlen has specialized in mineral title ownership, lease/easement acquisitions, team management, E&P contracts and Federal lands use.

Arlen handles all of ECGS's surface matters, including notification, rights of way, easements and leases as well as everything pertaining to the relationship between ECGS and the local community. Arlen has worked in the Logan County community for more than four years. He interacts frequently with the Logan County Economic Development Corporation, the County Commissioners and other industry leaders in Northeast Colorado, keeping ECGS in view as a major player in the area.

Arlen is well known in the office for his musical talents! His favorite German opera is Der Rosenkavalier, his favorite Verdi Opera, Don Carlo.

Operations Profile -

Melissa Bogue, Sr. Project Accountant



Melissa Bogue is currently serving as the Sr. Project Accountant for ECGS. Melissa has been with project since 2010, and is in charge of coordinating and managing all project accountant activities.

Melissa previously worked as an assistant controller for Trigon EPC, LLC, a Denver-based oil and gas pipeline engineering company, for 8 years. In 2007, CH2M HILL, Inc. purchased Trigon and Melissa continued working for CH2M HILL, playing a key role in the successful conversion of Trigon into CH2M HILL's accounting system, which was completed at the end of 2009. Melissa was then transferred into CH2M HILL's general ledger department and worked in the Energy Group reconciling general ledger accounts and researching variances for several legal entities.

Melissa just recently graduated Summa Cum Laude with a degree in Accounting from Metropolitan State College in Denver.