Rail’s Role in North American Energy Development

Patrick Moynihan
Director Marketing
Crude Oil & Refinery Products
BNSF Railway is a Leading U.S. Railroad

- A Berkshire Hathaway company with **32,500 route miles** in 28 states and two Canadian provinces
- Operates **1,500 freight trains** per day and serves more than **40 ports**
- Has more than **43,000 employees** and is an industry leader in **technological innovation**
BNSF Volume – 1st Quarter 2014

Total units and % change from Q1 2013

- Consumer Products: 1,194 (+0.5%)
- Industrial Products: 452 (+0.9%)
- Coal: 563 (+3.9%)
- Ag: 236 (-3.3%)

Q1 2014 Total BNSF Volume: 2,445 (+0.9%)
Growth in U.S. Unconventional Oil Production

Production has **increased more than 250%** over the last three years and is exceeding 1,000,000 barrels per day in the Williston Basin.

**U.S. Unconventional Crude Oil Production**

- **2010 Bakken** = 340k bpd
- **2013 Bakken** = +1,000k bpd

Source: Bentek Energy
Niobrara Crude-by-Rail Growth

2013
- Upton, WY: Tiger Transload 1Q
- Tampa, CO: Plains 3Q
- Fort Laramie, WY: 88 Oil 3Q
- Windsor, CO: Mustket 4Q

2014
- Bill, WY: Genesis 1Q OPEN
- Douglas, WY: Enserco 1Q OPEN
- Casper, WY: Cogent
- Wright, WY: Meritage

Unit Train Origin Facilities

Wyoming, Nebraska, Kansas, Colorado
Originating Crude-by-Rail Loading Facilities

BNSF Railway serves more than 30 crude-by-rail loading facilities across the U.S.
Our network plans to reach more than 50 destination facilities for unloading crude by the end of 2014.
Total Transportation Package for Energy

BNSF is helping to relieve the transportation bottlenecks throughout the drilling process for the oil and gas industry.

**Upstream:**
- Sand
- Pipe
- Aggregate

**Midstream:**
- Crude Oil
- NGL

**Downstream:**
- Fuels
- Asphalt
It takes up to 40 railcars of drilling materials per horizontal drilling well.

**Site Infrastructure**
- Aggregate
- Cement (roads)
- Drilling Pads

**Well Infrastructure**
- Pipe (OCTG casing)
- Cement

**Drilling Mud**
- Sand
- Clays-Bentonite
- Barite
2014 $5 Billion Record Capital Plan

Terminal & Line Capacity Expansion Projects
Major line and terminal projects by region, route and subdivision (sub)

North Region
1 Bellingham Sub: two staging tracks and one power switch project
2 Devils Lake Sub: three siding projects
3 Dickinson Sub: four siding tracks
4 Fallbridge Sub: two siding projects
5 Forsyth Sub: six siding projects
6 Glasgow Sub: six segments of double track
7 Hillsboro Sub: four siding projects
8 Jamestown Sub: one siding project plus CTC (centralized track control) across subdivision
9 Lakeside Sub: five double-track projects and one siding project
10 Zap Sub: one siding project
11 Noyes Sub: interchange tracks and siding project between Noyes and Noyes Junction

South Region
12 Fort Worth Sub: completion of the multi-year Tower 55 project

Central Region
13 Hannibal Sub: one siding project
14 River Sub: one double-track and one siding project
15 Sioux City Sub: one bypass track and one siding project
16 Barstow Sub: one siding project

Terminals
17 LaCrosse, Wis: continue double tracking and signaling improvements through terminal (project started 2013)
18 Argentine Yard at Kansas City, Kan: reconfigure portion of yard to accommodate more automotive car switching and increase overall terminal throughput
19 Forsyth, Mont: extend track lengths at terminal
20 Glendive, Mont: extend track lengths at terminal
21 Lafayette Sub: continue construction of new terminal to serve customers in the Lake Charles, La, area

Bridges
Construction work is underway on some of the largest bridges on BNSF, including:
22 Fallbridge Sub: Bridge 24.8 over Washougal River in Camas, Wash.; replacement of river bridge will take more than two years to complete due to the permitting and right-of-way constraints
23 Mendota Sub: Bridges 106.58 and 110.26 near Princeton, Ill.; replacement of both double-track bridges is being combined as one project
24 St. Joe Sub: Bridge 160.76 in Tecumseh, Neb.; replace bridge across North Fork of the Nemaha River
25 Lafayette Sub: Bridge 32.06 in Des Allemands, La.; major work to the movable bridge that crosses Bayou Des Allemands
26 New Westminster Sub: Bridge 129.3 near Colebrook, B.C.; continue work from 2013 on bridge over Serpentine River

These are the BNSF capital projects at press time; changes may be made to the projects throughout the year.
Record Capital Investment Ensures Capability and Reliability

BNSF’s 2014 Capital Commitment $5B

- **Core Network and Related Assets**: $2.3 billion
- **Loco, Freight Car, & Other Equip**: $1.6 billion
- **Expansion & Efficiency**: $900 million
- **PTC**: $200 million
Thank you.

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