

Proposed Rainbow Pipeline II Project

PUBLIC INFORMATION DOCUMENT



Our Commitment to You

Plains is committed to ensuring that the proposed pipeline is developed and executed with the highest regard for environmental, social, and economic considerations.

The proposed pipeline will be designed to meet or exceed all applicable engineering and regulatory codes and standards.

Plains appreciates and will carefully consider all stakeholder input in the development and operation of the proposed pipeline.

Plains Midstream Canada (Plains), a leader in the midstream oil and liquefied petroleum gas (LPG) industries, plans to build a new pipeline called the Rainbow Pipeline II. The proposed pipeline will be owned and operated by Plains and will supply condensate and butane to heavy oil production areas near Nipisi, Alberta. These products will be used to dilute heavy oil so it can be transported by pipeline from the Nipisi area to the refineries and distribution hubs near Edmonton, Alberta.

The proposed pipeline, which will be approximately 301 kilometres long, will connect the existing Enbridge Terminal, near Edmonton, to the existing Plains Nipisi Terminal in northwest Alberta. The new pipeline will parallel existing pipelines for approximately 91% of the route and will be located within Plains' existing Rainbow Pipeline right-of-way (ROW) for approximately 88% of the route. Please see the map inside for an overview of the proposed route of this project.

Plains has prepared this project information document to provide project stakeholders, government agencies, Aboriginal communities and other interested parties with details about the proposed Rainbow Pipeline II. To learn more about Plains and the proposed Rainbow Pipeline II please visit our website at www.plainsmidstream.com/RainbowPipelineII.

Plains has other crude oil assets in the key producing regions of Canada—in Alberta, Saskatchewan and Manitoba—including 4800 kilometres of gathering and mainline pipeline systems, 3.9 million barrels of total storage capacity and 17 crude oil truck and rail terminals. Plains attributes its success to its commitment to operate its businesses in an environmentally and socially responsible manner, and to provide excellent customer service.



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Project Description

The proposed pipeline will consist of the following:

- A 27 km long segment of 323.9 mm (12 inch) outside diameter (OD) steel pipeline extending from the Enbridge Terminal, within SE05-53-23 W4M near Edmonton, to a transition site located in the vicinity of Namao.
- A pump station and butane storage site located near the Edmonton Transportation and Utility Corridor (TUC).
- A transition site located in the vicinity of Namao. This site is required to accommodate the change in pipe diameter and will consist of a new above-ground site containing two pig traps and associated piping.
- A 274 km long segment of 273.1 mm (10 inch) OD steel pipeline from the transition site located near Namao to Plains' existing Nipisi Terminal, within NW02-80-08 W5M. This segment of the pipeline will parallel Plains' existing Rainbow Pipeline to the extent possible.
- A midpoint meter station that will be located on or adjacent to Plains' existing pump station near Flatbush, within NW21-66-01 W5M.
- Above-ground block valves installed at regular intervals along the pipeline.
- Additional metering and butane storage that will be installed at Plains' existing Nipisi Terminal.

The pipeline will be designed to allow for a butane supply tie-in.

Additional public information documents will be issued to provide supplemental details to affected stakeholders once detailed engineering is finalized.

Current Project Schedule

Project Planning: design, routing, environmental reviews, engineering	1st Quarter of 2010 to 1st Quarter of 2011
Regulatory Applications Submitted	3rd Quarter of 2010
Regulatory Decision Expected	2nd Quarter of 2011
Pipeline Construction Start	3rd Quarter of 2011
Pipeline Construction Completion and Commissioning	2nd Quarter of 2012
Public Consultation and Communication: ongoing through all phases	



Project Details

Products

The proposed pipeline will transport condensate and butane. Condensate and butane are liquid hydrocarbon products associated with natural gas production and are commonly combined with heavy oil as a diluent to facilitate its transportation by pipeline. All products that will be transported by the proposed pipeline are considered sweet in accordance with Alberta Energy and Resource Conservation Board (ERCB) regulations, but may contain trace amounts of hydrogen sulfide (H₂S).

Route

The proposed pipeline project will consist of a high vapour pressure (HVP) pipeline, approximately 301 km long. This pipeline will start at the existing Enbridge Terminal, located within SE05-53-23 W4M, and end at Plains' existing Nipisi Terminal, east of Utikuma Lake, within NW02-80-08 W5M.

Careful consideration was given in choosing the most appropriate route for the new pipeline to minimize impacts to the community and safeguard the environment. Accordingly, the pipeline will parallel existing pipelines for approximately 91% of the route length and will be located within Plains' existing Rainbow Pipeline ROW for approximately 88% of its length. Of the total length of the route, approximately 35 km of new ROW is required for the proposed pipeline. Approximately half of this new ROW is located within the industrial area around Edmonton, in an existing pipeline and utility corridor.

Setbacks

There are no ERCB setback requirements associated with the proposed pipeline. ERCB requirements for an HVP pipeline allow permanent

structures and public facilities to be built up to the edge but not over top of the pipeline ROW; however, any existing County and Municipal pipeline setback regulations will apply.

Flaring

There will be no flaring associated with the normal operation of the proposed pipeline.

Odours and Emissions

No off-site odours or emissions are expected during the normal operation of the proposed pipeline. Plains is committed to meeting or exceeding all applicable regulatory requirements relating to odours and emissions.

Noise

No significant noise is expected from the operation of the proposed pipeline. Plains is committed to meeting all applicable regulations related to noise. Appropriate studies will be conducted during the design phase of the project to assess any noise impacts and incorporate appropriate noise suppression into the project design as required.

Traffic

During construction, traffic may increase for a short period of time at the pipeline installation sites and along the pipeline route, as the construction equipment moves along the ROW. All necessary measures will be taken to minimize construction noise impacts. Plains will coordinate with local authorities and regional regulatory agencies throughout the construction and operation of the proposed pipeline to ensure effective equipment transportation control and pipeline safety. Once the proposed pipeline system enters the operational phase, the ROW will be routinely inspected by Plains' operations staff.

Regulatory Details

Health, Safety, and Environmental Protection

Plains is committed to ensuring that the proposed pipeline is developed and executed with high regard for environmental, social, and economic considerations. The proposed pipeline will comply with all applicable safety and environmental protection standards.

Plains appreciates and will carefully consider all stakeholder input in the development and operation of the proposed pipeline. We encourage open, two-way communication throughout the life of this project and we will work closely with all project stakeholders to identify, evaluate, and appropriately mitigate any potential effects the proposed pipeline may have on the land, wildlife, and freshwater environments.

Regulatory

The proposed pipeline will be designed, submitted for regulatory approval, constructed, and operated as an HVP pipeline. An Energy Development Application will be submitted to the ERCB in compliance with ERCB Directive 56. The project also requires Alberta Environment and Alberta Sustainable Resource Development approval regarding conservation and reclamation planning for the construction of the proposed pipeline.

Emergency Response Plan

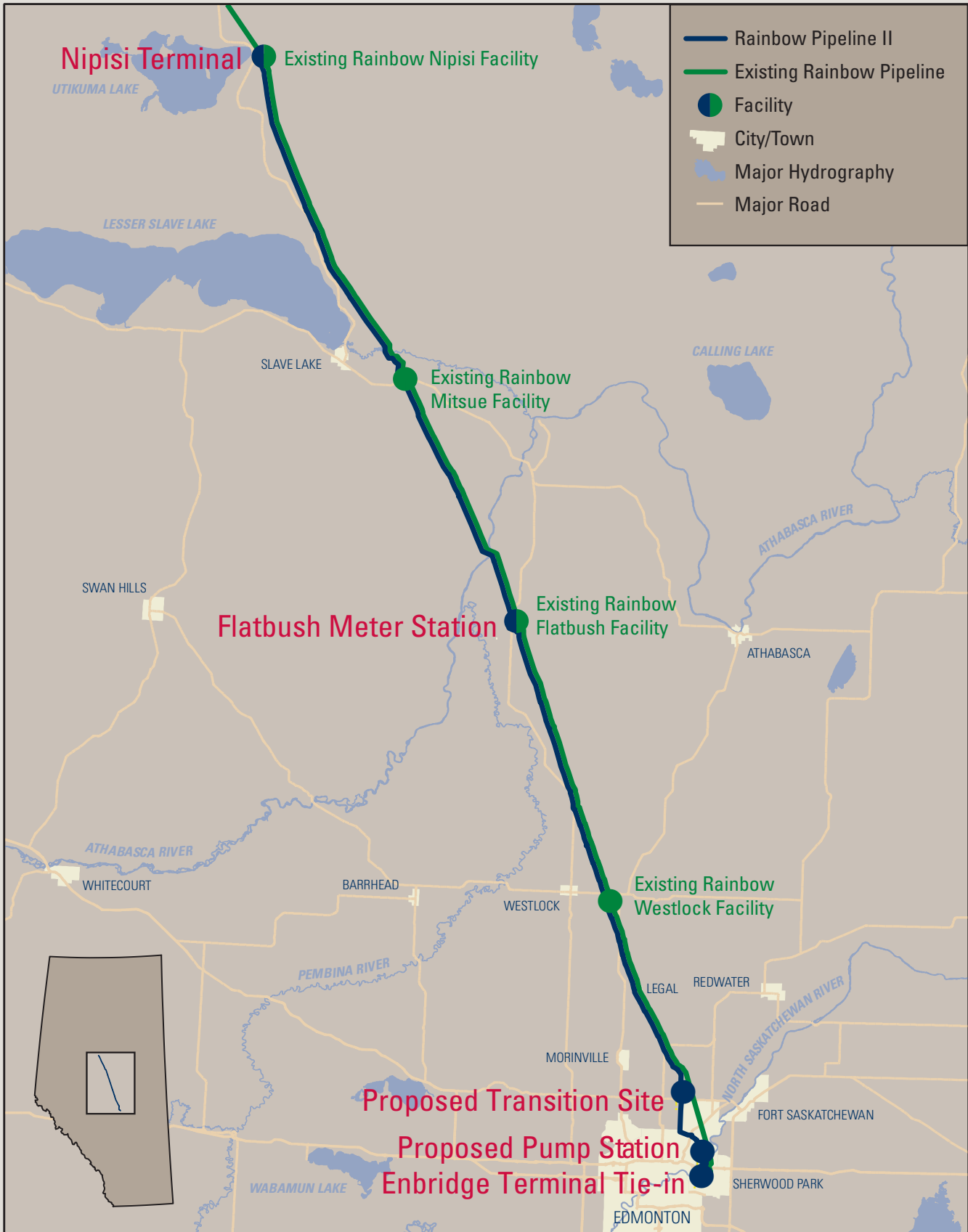
A project-specific Emergency Response Plan (ERP) will be developed for the proposed pipeline and incorporated into Plains' existing ERP for the Rainbow Pipeline. This ERP will detail the response and care measures Plains will take to protect public safety and minimize impacts to the environment should an emergency occur. The design of the ERP for the proposed pipeline will be based on the calculated Emergency Planning Zone (EPZ). The EPZ for the pipeline is estimated to be 900 metres for the 273.1 mm (10 inch) portion of the pipeline and 1100 metres for the 323.9 mm (12 inch) portion of the pipeline, on both sides of the ROW. Once finalized, details of the ERP will be reviewed and discussed with all affected stakeholders.

Public Consultation

Public consultation is intended to continue during each phase of the proposed pipeline. A series of public open houses are planned for this summer. Invitations to these open houses will be provided to all project stakeholders and will be published in local newspapers.



Project Route Map



Project Information Included

The following information is enclosed with this project description document:

- ERCB Directive 56 notification letter
- Letter from the Chairman of the ERCB
- ERCB Brochure: *Understanding Oil and Gas Development in Alberta*
- ERCB EnerFAQ No. 7: *Proposed Oil and Gas Development: A Landowner's Guide*

Some of the other publications from the ERCB that are available (upon request) include:

- EnerFAQ No. 4: *All About Critical Sour Wells*
- EnerFAQ No. 5: *Explaining ERCB Setbacks*
- EnerFAQ No. 6: *Flaring and Incineration*
- EnerFAQ No. 8: *Coalbed Methane*
- EnerFAQ No. 9: *The ERCB and You: Agreements, Commitments, and Conditions*
- EnerFAQ No. 10: *Public Health and Safety: Roles and Responsibilities of Agencies That Regulate Upstream Oil and Gas*
- EnerFAQ No. 11: *All About Appropriate Dispute Resolution (ADR)*

These publications may also be downloaded from the ERCB's website at www.ercb.ca.

Project Contact Information

Thank you for taking the time to read this brochure. We value your input and will make every effort to answer your questions or provide additional project information at:

Project toll-free telephone number: 1-877-420-6264

Project email: RainbowPipelineI@plainsmidstream.com

Project website: www.plainsmidstream.com/RainbowPipelineI

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or visit us at www.plainsmidstream.com

Plains Midstream Canada 24-Hour Emergency Control Centre:
1-866-875-2554

For regulatory information, please contact:

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