bp

Natural Gas Liquids Business Unit

Good Neighbour Guide



Inside...

Contents

Front cover photos (from l to r): *Fort Saskatchewan Operator Cory Benoit; Instrument Craftsman Dennis Hagel; Calgary's Lori Odegard.*

Letter from the Manager

Dear neighbour:

BP is a company that appreciates and understands the importance of being a Good Neighbour. Neighbours communicate, work together and ask permission before entering each other's backyard. We believe this involves a certain amount of trust, trust that BP has to earn. We will work hard to demonstrate our belief that Good Neighbours can work together for mutual success.

We know our operations affect you, your family and your neighbours. As such, it's our job to protect your safety and the environment. It is also our obligation to respect your privacy and demonstrate responsibility while working near you.

That means we must openly communicate and be flexible when planning our operations in your area. We must also do what we promise – always.

Please accept this brochure as part of our continued effort to develop an open relationship. If you have any suggestions on how we can improve this material, please contact us via the information at the back of this pamphlet.

Thanks for helping us be a Good Neighbour.

Best regards,

Rick Danilkewich
Facility Manager & Superintendent of Pipeline Operations

BP's Interaction With Our Neighbours

As part of our approach to being "A Good Neighbour," one of our key goals is to make relationships established through a belief in working with and listening to our neighbours.

We realize that our pipeline and facility operations affect you and your land operations. You have our commitment that we will work hard to:

- Earn your trust through safe operations.
- Do what we say we will do.
- Be as open when discussing our future plans.
- Understand your needs and future plans.
- Show respect and demonstrate responsibility while working on your property.
- Be flexible and open in our planning to accommodate your thoughts and wishes.
- Respect laws and regulations and co-operate with industry and regulators to increase public awareness.
- Raise industry standards for betterment of the environment and the community.
- Protect your confidential information.

Fundraising for the United Way, Lori Odegard is putting new totals to an employee donation effort.

Interacting With You

Protecting Your Privacy

As part of our interaction with you, BP occasionally requires personal information. In most cases, this will include your name, address, and phone number. If you live within the emergency planning zone of a pipeline or facility, we may ask for additional information.

We request the information for several reasons:

- Communication, correspondence and annual rental payments.
- Safety and emergency response purposes.

BP Canada Energy Company and our representatives are committed to controlling the collection, use and disclosure of personal information. If you have questions about our privacy policy, please contact the numbers listed at the back of this brochure.

The Pipeline Right-of-Way

One of our important business activities is installing pipelines. We install pipelines within a strip of land referred to as a right-of-way. Our hope is to acquire the rights to use this land for the construction, operation and maintenance of one or more pipelines. Of course, we may also need to discuss other things associated with the pipeline such as acquiring land rights for temporary workspace and surface leases for above-ground equipment.

We can use the right-of-way after negotiating for and signing an easement agreement with the landowner. The easement is a legal document that records our agreement, mutual rights, obligations and any special conditions you may have. The easement agreement continues with the sale of the land.

If you purchased the land after we installed the pipeline, you will see we have a registered encumbrance on the title that indicates we have one or more pipelines under your land. This ensures you and others are aware of pipelines located on your property.

We periodically visit our neighbours to ensure we have up-to-date information. If you are a new neighbour, we would appreciate a call. We would be glad to review our pipeline locations and update our database with your information. This helps us be a safe neighbour. Please phone the General Enquiries number listed at the back of the Guide.

If You Need More Information

We promise to give you all the information we can about activity on your land. Our obligation is to do everything we can to satisfy your needs as a landowner and as a neighbour. If we cannot do that, you have the right to obtain more information from the regulatory agencies that govern our activity. We will provide you with the information you need to contact those agencies.

When we meet with you to acquire the rights to the pipeline, we will discuss your land use (present and future), surface conditions and environmental sensitivities. We will do what we can to ensure our activities are environmentally responsible. At BP, our goal is "no accidents, no harm to people and no damage to the environment."

Surveying

One of the first steps in selecting a pipeline route or facility site is a survey. We do this to identify the exact location of the pipeline or facility.

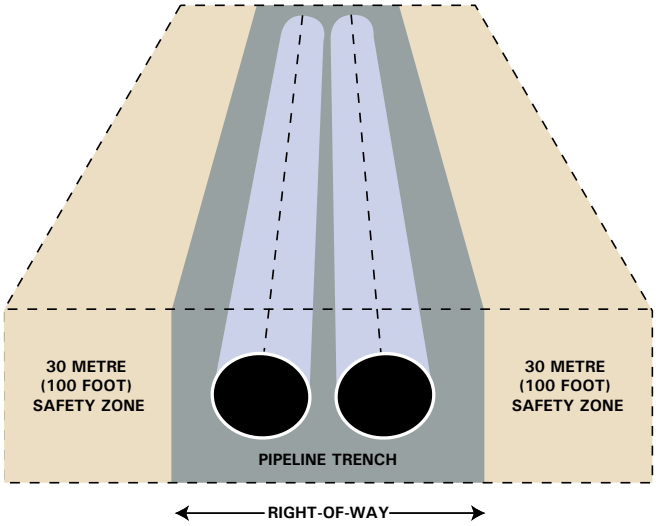
We will ask your permission before making the survey and hear your thoughts on where we could locate the pipeline or facility. This is important as we realize you are the expert on matters concerning your property.

If we do any damage to your crops or your land while surveying, we will pay you for those damages.

Pipeline Installation

Before we dig a trench to install a pipeline, we remove the topsoil and place it on one side of

Typical Pipeline Construction
The depth of cover over pipelines may vary.



the right-of-way. We then remove the subsoil and put that soil on a separate part of the right-of-way. Once this process is complete, we dig the trench for the pipeline and install the pipeline. We reverse the process by filling in the trench, replacing the subsoil and re-covering the right-of-way with the previously-removed topsoil.

While installing the pipeline, we will be sensitive to the impact we will have on your lifestyle and the operations on your land. This includes minimizing noise and dust and controlling weeds on the right-of-way.

Restoring the Land

Once we complete our construction operations, we promise to restore the pipeline right-of-way, as far as possible, to the condition it was in when we arrived. This includes tilling and re-seeding, if necessary, with an appropriate type of seed. We will also pay you for any crop loss, damage to the land and any inconveniences you experienced during the construction.

Repairing the Line

On occasion, we need to enter your property to repair our pipelines. Although this happens

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Interacting With You —*continued from page 3*

infrequently, we promise to minimize any impact to the land and your operations. If there is any impact, we will pay you for the inconvenience and any damages caused.

Abandonment

Industry practice is to leave most pipelines in the pipeline trench located in the right-of-way. This prevents the additional soil disturbance required to remove the pipe. BP retains the liability for the abandoned pipe as long as it remains in the ground.

On occasion, we may remove the line if it affects future land development or the condition of the land.

Typical abandonment processes include:

- Removing any cathodic protection from the pipeline (cathodic protection is a technique that uses weak electric current to prevent corrosion).
- Physically disconnecting the pipeline from any operating facilities.
- Removing the product from the line.
- Cleaning the line by flushing it with fresh water, air or inert gas.
- Capping the pipe at all open ends by welding on steel caps.

We also remove any surface facilities associated with the abandoned pipe. Although pipeline installation, repair and abandonment are routine practices in our business, it is important to note that government and our own expectations set the standards we follow. This is because we know our neighbours expect this of us—just as we expect it of ourselves.

BP's Pipeline Systems

A Safe, Efficient Energy Highway

Pipelines are the safest, most reliable and cost-effective way of transporting oil, natural gas and Natural Gas Liquids (NGLs) from the producing areas of western Canada to the markets in Canada and the United States. Canada's 700,000-kilometre pipeline network is a major energy highway that connects the petroleum industry to homes and businesses across North America.

BP operates a sizeable portion of this pipeline network. These pipelines primarily carry NGLs (butane, propane, and ethane) and other products that result from producing and processing natural gas. The pipelines run continually.

Our businesses include the extraction, gathering, processing, storage, distribution and wholesale marketing of NGLs. BP gets its NGL supply from its own production and from other companies.

We have a number of pipeline systems that make up our integrated NGL network. In Western Canada, these include the NGL System, the Cochin Pipeline, the Co-Ed System, the Kemp River Pipeline System, the Fort Saskatchewan Area Pipeline System, the Steelman Gathering System and the Empress-Kerrobert System.

The NGL System

The NGL System consists of facilities in Alberta, Saskatchewan, eastern Canada and the United States mid-west. Common carriers link these independent facilities and transport their products across the continent.

The Cochin Pipeline

The Cochin Pipeline is a 1938-mile (3118-km) 12-inch (30-cm) North American pipeline system. It carries a variety of products that include such NGLs as ethane, propane, butane and ethylene.

Under regular atmospheric conditions, NGLs exist in gas form. They are used as feedstock in the petrochemical industry and as an energy source. For example, propane is the fuel of choice for the everyday barbecue, while butane is the energy source for lighters.

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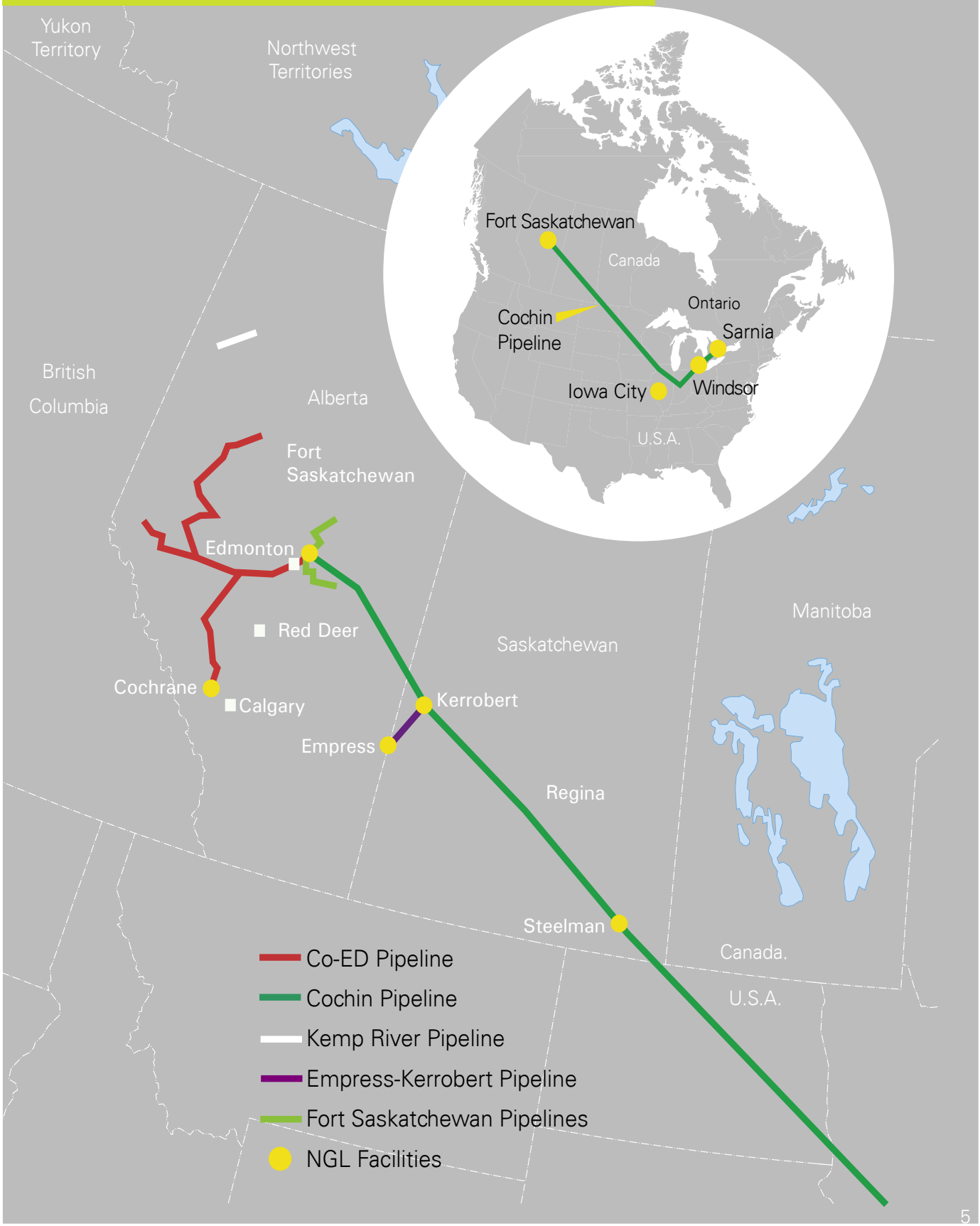
Natural Gas Liquids Operations



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The Cochin line stretches from Fort Saskatchewan, Alberta, through Saskatchewan, the US mid-west and back into Canada at Windsor and Sarnia, Ontario.

The Co-Ed Pipeline

The 455-mile (730-km) system contains two pipes – one carries the NGLs collected along various points from Cochrane to Edmonton. The other pipe transports condensate from the west-central Alberta area to Fort Saskatchewan.

BP also owns a 388-mile (624-km) pipeline system that connects the Drayton Valley, Mitsue, and Swan Hills areas of Alberta to the Co-Ed system. It is for this reason that many call the Co-Ed system the "heart" of the NGL system in Alberta.

Steelman Gathering System

The Steelman facility in southeast Saskatchewan facility collects solution gas from over 50 different upstream oil and gas companies – the raw gas coming into the facility amounts to approximately 20 million standard cubic feet/day. The gathering system that feeds the facility is intricate and wide-ranging. It includes 19 gas compressor stations with over 1000 km of pipelines that connect some 130 batteries.

Empress-Kerrobert Pipeline System

In Saskatchewan, BP owns and operates the Empress-Kerrobert Pipeline System, a 97-mile (156-km) two-pipeline system that transports NGL from Empress, Alberta to Kerrobert, Saskatchewan. Here, BP ships the NGLs to eastern Canada and the United States.

Fort Sask Area Pipeline System

The Facility is the centre of a diverse pipeline system that carry a variety of NGLs. The six-inch Procor Line transports butane and the six-inch Josephburg pipeline carries condensate. The system also consists of an three-inch abandoned line which used to carry ethane.

Kemp River Pipeline System

The 78.5 kilometre Kemp River System transports and acts as a batching system for Natural Gas Liquids (NGLs), condensate and condensate/oil from BP Canada's upstream Chinchaga facility to its BP Oil Americas operations at Kemp River. The six inch (15.2 centimetre) pipeline was installed in 1978.

Fort Saskatchewan: NGL Inlet Piping.

Pipeline Safety

BP's goal is "no accidents, no harm to people, and no damage to the environment." To help us achieve this goal, we use a system called Getting Health, Safety and Environment (HSE) Right to help guide our activities. This system ensures we consider the environment while doing our everyday work.

As your neighbour, we are committed to operating our pipeline systems in a manner that is safe and environmentally responsible.

Our safety effort starts with the selection of pipe—we select the best product. We rigorously test the pipe to ensure it meets our standards. Once we are ready to install the pipeline, we weld the pipe segments together and x-ray the welds to ensure they are complete. Before putting the pipeline into operation, we test it at a higher pressure than would normally exist in the line. This tells us if the pipeline is safe to operate.

After we bury the pipe, we install cathodic protection, a method that uses weak electric current to help prevent corrosion on the pipeline.

BP also has an annual inspection program that looks at the conditions inside our pipeline systems. Our program uses sophisticated electronic tools called "smart pigs" that travel inside the pipe. These tools detects dents and metal loss on the pipeline.

We use sophisticated leak-detection computer systems to monitor the flow of products in and out of our pipeline systems. Low-flying aircraft also regularly patrol the major pipelines. Experienced pilots look for signs of leaks or construction activity that may accidentally cause a leak. In addition, BP conducts ground surveys at regular intervals in key areas.

Check Before You Dig

If you plan to excavate on or near one of our pipelines please consider these points:

1. Identify the precise work location. Check records or look for evidence of a pipeline.
2. Visit the site and look for signs of a nearby pipeline or other buried utilities.
3. Call BP and discuss your plans.
4. Ask BP for our pipeline crossing guidelines.
5. Call the provincial One-Call System (see numbers at the back of this Guide).
6. Be on site with the BP representative when the pipeline is located and know the meaning of the pipeline markers.
7. Hand-expose the pipeline prior to excavation within three metres (10 feet) of the pipe.
8. Notify BP one working day before backfilling over the pipe.
9. Immediately notify BP if you contact the pipe or its coating.
10. Always follow the instructions of BP's representative.

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Empress Volunteer Firemen Delbert Kosolofski (l) and Don Widdis maintaining truck and equipment.

Pipeline Safety —*continued from page 7*

Emergency Response

All of our operations and pipeline systems have emergency response plans. We develop these with input from our neighbours, local communities, municipal governments, regulatory agencies, police, fire, ambulance and mutual aid groups. The plans are comprehensive, site-specific and carried out by trained people who care. The plans help protect the health and safety of our employees and our neighbours.

BP updates the plans on a regular basis to ensure we have up-to-date information. We depend on our neighbours to help us with this effort. So, if someone calls you for information, please help them ensure our information is up-to-date. We will respect and protect your privacy.

Working Safely Together

We work very hard to be a safe and environmentally responsible company. We understand, however, that we must work with communities around us to make our operations safe. That is why we regularly meet with local governments, community leaders, police and fire departments, other operators and neighbours.

Since many of our neighbours work around our pipelines, it is critical to understand the importance of pipeline safety. The next section describes the important points to consider when working around pipelines.

Restricted Activities on or Near the Right-of-Way

We realize that landowners work around our pipelines. There are, however, restricted activities on or near the right-of-way that are determined by government regulation and by the original easement agreement.

These restrictions help protect the safety of our neighbours and our employees.

The restrictions include but are not limited to:

- Deep tillage.
- Berming (or piling of soil).
- Digging postholes, excavating and using explosives.
- Building roads, grading soil and installing utilities.
- Driving non-agricultural heavy equipment.

It is also important to note that, for safety reasons, we cannot allow some activities on the right-of-way. These include but are not limited to constructing buildings, piling bales or other material.

It is not our intention to stop you from doing your regular work. Our intention is to ensure that all operations are safe for everyone involved.

We kindly request that you consult with us if you plan to change the use of the land within 200 metres from the centre of the pipe.

Safety check at the Steelman facility

Pipeline Markers

We place the markers at high traffic areas such as road and railway crossings. The markers are near but not necessarily on top of the pipeline or lines. It is important to remember that markers may not tell you the exact location, route, depth or number of pipelines.

Backhoes, bulldozers, hole augers or sharp tools are dangerous ways of finding pipelines. The proper way is to call before you dig two days (at minimum) before doing your work. The 24-hour, toll-free numbers are listed on page 12.

The numbers to "call before you dig" are listed on page 12 .

How BP Can Help Our Neighbours Be Safe

We have a team of specialists that will:

- Assist you to excavate or construct on or near the right-of-way.
- Be onsite to properly locate and mark the pipeline or pipelines.
- Guide you on how to work on or near the right-of-way.

We kindly ask that you give us a minimum of two full working days so we may properly respond to your request to work on or near the pipeline right-of-way. Since there may be situations where it takes us longer to respond to the request, please give us as much advance notice as possible. The numbers to "call before you dig" are listed on page 12.

Gas monitoring at the Empress facility.

If An Emergency Happens

Pipeline incidents rarely occur, but they do happen. Since pipelines carry a variety of materials that could be corrosive, inflammable, hazardous or toxic, it is important to know what to do if an incident does happen.

What to Look For

BP's pipeline systems primarily transport Natural Gas Liquids (NGLs), crude oil and condensate.

When NGLs escape from the pipeline system, they form a gas that looks like fog. A vapour cloud that hangs low to the ground may mean there is a leak in the line. The ground may be frosted and the surrounding vegetation may be wilted or dead. In the winter, escaping NGLs may discolour the snow.

If there is a leak in a pipeline that carries condensate, the product may accumulate in pools since it is heavier than air. Condensate may look like yellowish water or ginger ale.

1. IF YOU SMELL...

- An odour similar to gasoline (but stronger), it may be NGLs.

2. IF YOU SEE...

- A vapour cloud or frosted ground along a pipeline, it may be an NGL leak.
- A wet patch of yellowish liquid (like the colour of ginger ale), it may be condensate.
- Obvious fire, damage or an explosion, it may be a pipeline break.

3. IF YOU HEAR...

- A loud hissing or roaring noise, it may mean there is a break in the pipeline.

WHAT TO DO IF YOU ENCOUNTER A LEAK

Your first goal is to protect yourself and the safety of those around you.

- Shut off any equipment operating on or near the pipeline.
- Extinguish any tobacco products or any ignited material in the area.
- Shut off cell phones until out of the danger area.
- Walk out of the area immediately (uphill and upwind) and alert others in the immediate area.
- If possible, move to an area that is 800 metres (1/2 mile) upwind from the leak.
- As soon as you are safe, call the local police, fire department or emergency response agency.
- Call BP at the contact numbers listed on page 12.

WHAT **NOT TO DO** IF YOU ENCOUNTER A LEAK

- Do not make sparks or create heat sources that could possibly ignite the leaking products.
- Do not start motorized equipment.
- Do not drive a vehicle through the affected area.
- Do not touch or go near any product that may be leaking from the pipeline.
- Do not turn on or off any lights or appliances powered by electricity, batteries or natural gas.
- Do not use your cell phone in the affected area.

BP Neighbours in Your Area
Emergency Numbers

General Enquiries
(Right-of-way issues, compensation, restricted activities)

Don Grossberndt
1-403-233-1677 (call collect)
grossbdr@bp.com

Pipeline System Contacts

Cochin Pipeline West (includes Saskatchewan)
1-800-265-6000 (Fort Saskatchewan Control Centre)

Co-Ed Pipeline System (Alberta)
1-800-840-1221(Fort Saskatchewan Control Centre)

Empress-Kerrobert Pipeline (Alberta, Saskatchewan)
1-403-838-3783 (call collect)

Fort Saskatchewan Area Pipeline System
1-780-992-2700

Kemp River Pipeline System
1-780-836-3364 ext. 25

Steelman Facility and Gathering System
1-306-634-4111

Alberta One-Call: Call Before You Dig
1-800-242-3447

Sask 1st Call: Call Before You Dig
1-866-828-4888

Who We Are

BP Canada Energy Company is Canada's leading natural gas value chain company. We primarily explore for, develop, produce, process, market and trade natural gas and natural gas liquids. We are also leading oil and aviation product marketers, and are Canada's leading lubricants brand. Headquartered in Calgary, Alberta, our businesses employ over 1400 Canadians. We are active in six provinces and two territories, while our marketing and trading activities span the nation and expand to the U.S. market. BP Canada is part of the BP p.l.c. group of companies and trades under the symbol BP on the London and New York Stock Exchanges.

What We Do

Natural Gas Liquids
BP operates a sizeable portion of North America's pipeline network. We operate in Canada and the United States. Our primary products are Natural Gas Liquids (NGLs). These include such products as butane, propane and other products that result from producing and processing natural gas. Our businesses include the extraction, gathering, processing, storage, distribution and wholesale marketing of NGLs.

Under regular atmospheric conditions, NGLs exist in gas form. They are used as feedstock in the petrochemical industry and as an energy source.

Our integrated NGL networks include the Cochin Pipeline and the Co-Ed System.

Natural Gas
As a premier producer of natural gas, BP Canada produces about half a billion cubic feet a day through our Western Canadian facilities located mainly in Alberta and British Columbia. Though primarily a producer of conventional gas reserves, BP Canada is also pursuing unconventional gas production from tight gas formations. We also hold land on Canada's frontiers, including offshore assets on the East Coast and in the North, where we are the largest onshore exploration landholder in the Mackenzie Delta.

Gas and Power
BP ranks among the country's top marketers and traders of natural gas, marketing and trading over eight billion cubic feet per day. As a full participant in the integrated North American natural gas market, our Gas and Power business reaches across the continent. BP is also the largest non-utility electricity retailer in the province of Alberta.

Oil Americas
Despite no longer exploring for or producing crude oil in Canada, we are a major purchaser of the commodity for our refineries in the United States. Additionally, we are one of the top three oil marketers and traders in Canada.

For more information about BP's
Natural Gas Liquids Business Unit contact:

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Director, Stakeholder Relations

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Printed in Canada on recycled paper

C-7067 Jun.05