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PUBLIC SERVICE
COMMISSION

Common Carrier Pipeline

ANNUAL REPORT

For Year Ending December 31, 2008

OF

KWB Pipeline Corporation
Operated by: Westech Energy Corporation

to

THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MONTANA

Dept. Use Only

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INSTRUCTIONS

Section 69-13-301, MCA, Requirements in ARM 38.7.102, **Rule II: ANNUAL REPORTS (1)** Each Intrastate Common Carrier Pipeline Company shall file with the Commission, at its office in Helena, MT an annual report for each calendar year. This Report shall be filed not later than the 30th day of April next following the year for which the report is made. The report shall show the names of officers, directors and the residences of each; amount of capital stock and bonded indebtedness outstanding; capital investment with additional investments made during the year; assets and liabilities; revenues and expenditures; depreciation; statistical data as to petroleum delivered and lost during transportation (as it relates to Montana).

(2)... The above stated ARM 38.7.102 may be fulfilled by submission of Federal Energy Regulatory Commission (FERC) Form 6 Annual Report of oil pipeline companies, supplemented by such other forms as the Commission may prescribe. The supplemental forms shall be duly verified under oath by an officer of the company.

OPERATING PROPERTY

For Year Ended December 31, 2008

	System		Montana	
	Bal Begin Year	Bal End Year	Bal Beg Year	Bal End Year
GATHERING LINES				
Land				
Right of Way (Net)	590,322	225,695	590,322	225,695
Line Pipe (Net)	3,306,824	2,359,121	3,306,824	2,359,121
Line Pipe Fittings				
Pipeline Construction				
Buildings				
Boilers				
Pumping Equipment				
Machine Tools & Machinery				
Other Station Equipment				
Oil Tanks				
Delivery Facilities				
Communication Systems (Net)	1,235	1,013	1,235	1,013
Office Furniture and Equipment				
Vehicles & Other Work Equipment				
Other Property: Meters (Net)	43,498	31,967	43,498	31,967
TOTAL (Net)	3,941,879	2,617,796	3,941,879	2,617,796
TRUNK LINES				
Land				
Right of Way				
Line Pipe				
Line Pipe Fittings				
Pipeline Construction				
Buildings				
Boilers				
Pumping Equipment				
Machine Tools & Machinery				
Other Station Equipment				
Oil Tanks				
Delivery Facilities				
Communication Systems				
Office Furniture and Equipment				
Vehicles & Other Work Equipment				
Other Property				
TOTAL				
GENERAL				
Land				
Buildings				
Machine Tools & Machinery				
Communications Systems				
Office Furniture				
Vehicles & Other Work Equipment				
Other Properties				
Construction Work in Progress				
TOTAL				
GRAND TOTAL (Net)	3,941,879	2,617,796	3,941,879	2,617,796

INCOME ACCOUNT**MONTANA**

As of December 31, 2008

	This Year	Last Year
OPERATING REVENUES		
Pipeline Operating Revenues	1,092,323	1,795,902
Other Earnings from Operations		
Total Operating Revenues	1,092,323	1,795,902
OPERATING EXPENSES		
Pipeline Trans. & Other Oper. Expenses	100,768	14,570
Rental Expense	9,186	-
General Expense	126,302	-
Total	236,256	14,570
Depreciation	1,055,639	277,378
Taxes, Federal Excluded	56,822	16,721
Federal Taxes	(187,565)	582,844
Total Operating Expenses	1,161,152	891,513
Net Operating Expenses	1,161,152	891,513
Non-Operating Revenues (Net)	-	-
Gross Income	1,092,323	1,795,902
DEDUCTIONS FROM GROSS INCOME		
Interest on Funded Debt		
Interest on Other Debt	211,034	-
Other Deductions		
Total	211,034	-
Net Income	(279,863)	904,389
DISPOSTION OF NET INCOME		
Dividends		
Surplus or Deficit for Year	(279,863)	904,389
Surplus or Deficit Beginning of Year	1,293,471	389,082
Adjustments During Year		-
Surplus or Deficit at Close of Year	1,013,608	1,293,471

ALLOCATION INFORMATION

KWB PIPELINE

As of December 31, 2008

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
INVESTMENT			
Lines of Pipe	\$	\$	\$
Other (included CWIP, M & S)	\$	\$	\$
USE			
Barrel Miles			
TERMINAL			
Originating Barrels			
Terminating Barrels			
MILES			
Pipe			

NOTES:

**PROPERTIES IN MONTANA PURCHASED OR SOLD DURING
THE YEAR ENDED DECEMBER 31, 2008**

TYPE	LOCATION	PURCHASE OR SALES PRICE
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AFFIDAVIT

STATE OF Texas)
County of Fort Bend) ss.

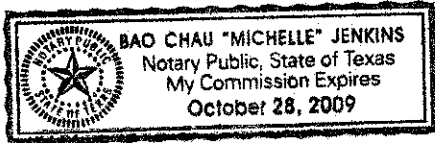
I, the undersigned, on oat do say that the foregoing return and any accompanying schedules have been prepared from the original books, papers and records of The Public Service Commission of the State of TX Company; that I have carefully examined the same; and declare the same to be a complete and correct statement of the business and affairs of the said company in respect to each and every matter ant thing set forth, to the best of my knowledge and belief; and I further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts.

Mally Whart
(Signature)

Petroleum Engineer
(Official Title)

SUBSCRIBED AND SWORN to before me at Energy Corporation of American
this 21st day of April, 2009

[Signature]
(Notary Public)



Bao Chau "Michelle" Jenkins
(Name printed or typed)

My Commission Expires: October 28, 2009