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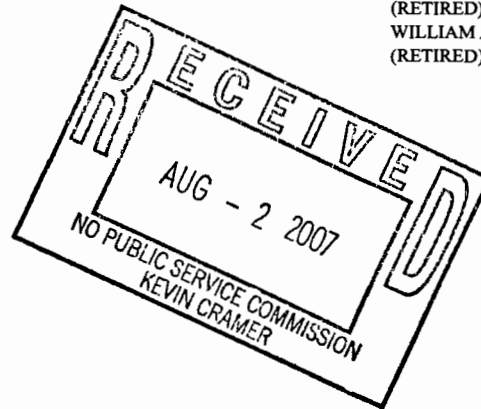
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August 2, 2007

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Hand Delivered

Ms. Ilona Jeffcoat-Sacco
Executive Secretary
North Dakota Public Service Commission
600 East Boulevard Avenue
Dept. 408
Bismarck, ND 58505-0480



In re: Belle Fourche Pipeline Company
Letter of Intent/Application for Waiver of Procedures and Time Frames

Dear Ms. Jeffcoat-Sacco:

Pursuant to Section 49-22-07.1 of the North Dakota Century Code and Section 69-06-03-01 of the North Dakota Administrative Code, Belle Fourche Pipeline Company ("Belle Fourche"), hereby files its letter of intent to construct an 8-inch crude oil pipeline paralleling an existing 6-inch crude oil pipeline from a location near the Bowline Field in southern McKenzie County to a connection point with the Enbridge North Dakota Pipeline ("Enbridge") system near Alexander, North Dakota. Belle Fourche is also requesting that the Commission waive certain of its procedures and time frames. As more specifically discussed herein, Belle Fourche requests at this time that the Commission waive or modify the requirement that a letter of intent be filed one year before filing an application and the requirement that a corridor be ten percent of the length of a transmission facility.

1. Description of size and type of facility and area to be served.

Belle Fourche currently operates a pipeline running from Baker, Montana to a connection point with Enbridge near Alexander. The pipeline was previously designed to transport crude oil from locations in western North Dakota to the Butte Pipeline at Baker, Montana for delivery to Guernsey, Wyoming. As a consequence, the northern portions of the pipeline are smaller diameter. Over the past several years, a substantial increase in production from oil fields in Bowman County, North Dakota and Fallon County, Montana, combined with increased volumes

of crude oil available from other sources, including Canada, has resulted in an oversupply of crude oil at Guernsey, which in turn has resulted in significant price discounts for crude oil delivered to Guernsey. As a result, producers in Bowman and Fallon Counties have been desirous of shipping as much oil as possible to Enbridge for delivery to Clearbrook, Minnesota.

To accommodate the producers, Belle Fourche has reversed the Baker to Alexander line to deliver crude oil to Enbridge at Baker. The existing 6-inch line from Bowline Field to Alexander has constrained the volumes deliverable into Alexander.

Belle Fourche intends to construct approximately 32 miles of 8-inch pipeline essentially paralleling the existing 6-inch line from Bowline Field to Alexander. This additional pipeline, when combined with anticipated upgrades to an existing booster station near the Bicentennial field, will increase the capacity of the system from 10,000 barrels per day to approximately 30,000 barrels per day on an annual average.

In order to minimize price discounts during the upcoming season, which benefits all owners of interests in the production and the State of North Dakota through production and extraction revenues, Belle Fourche has assured its customers that the upgraded system would be operational by late 2007 or early 2008. The proposed pipeline will also provide benefits to the public by reducing the truck traffic in the area, which will promote public safety and minimize wear and tear on highways. In order to accomplish this, Belle Fourche needs to begin construction at the earliest possible date. Belle Fourche intends to file an application for waiver of procedures and time schedule and a combined certificate of corridor compatibility and transmission route within 30 days of the filing of this letter of intent.

2. Request for waiver of procedures and time frames.

To minimize delay, Belle Fourche hereby requests that the Commission waive the requirement of filing a letter of intent at least one year prior to filing the application for a certificate, or alternatively reduce such period to one-day so as to allow this project to be timely constructed and placed in service.

Also, because the proposed pipeline will parallel an existing line, and thereby minimize additional disturbance of the surface while at the same time promote economies and efficiencies in operation of the line, the requirement that a corridor width equal to ten percent of the length of the pipeline will impose unnecessary time and expense on Belle Fourche and the Commission staff since, subject to deviations imposed by any exclusion or avoidance area or other selection criteria, the route will largely be dictated by the location of the existing line. Belle Fourche believes that under these circumstances, a corridor one-mile in width is sufficient.

3. Map of study area.

See maps enclosed herewith.

4. Anticipated construction and operation schedule.

Belle Fourche anticipates commencing construction in October, 2007 with completion of the pipeline no later than December, 2007.

5. Estimated cost of construction.

Belle Fourche anticipates that the total cost of constructing the transmission line will be \$10,200,000.

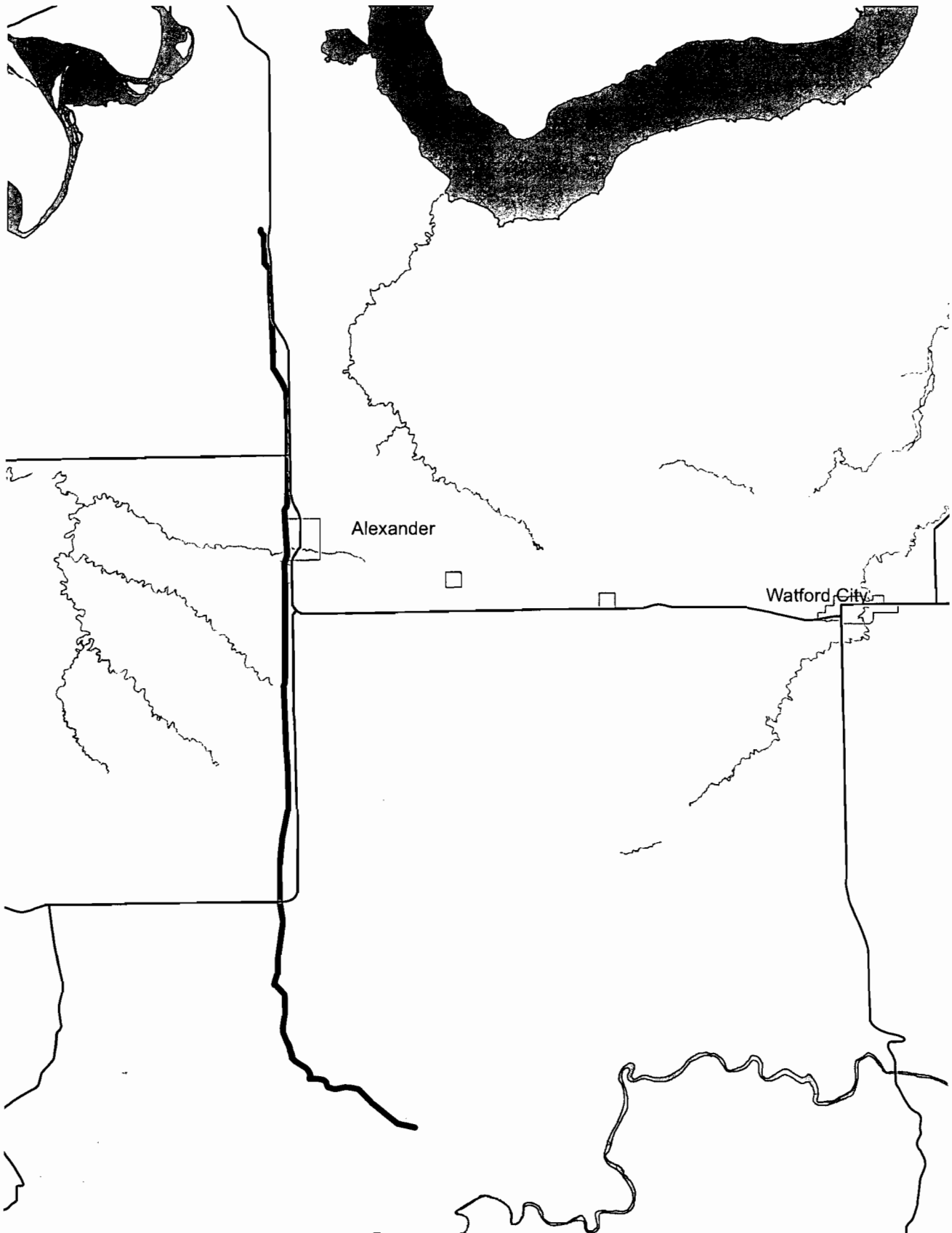
If you have any questions or need any additional information, please contact the undersigned at your earliest convenience.

Very truly yours,
Fleck, Mather & Strutz, Ltd.
Counsel for Belle Fourche Pipeline Company



By: John W. Morrison

cc: H.A. Tad True



*Belle Fourche Pipeline
Alexander 8" Loop Project
McKenzie Co, ND*

32 miles of 8" from Bowline Junction to Alexander Station