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September 15, 2010

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**PUBLIC SERVICE COMMISSION**

Mr. Darrell Nitschke  
Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard Ave.  
Dept. 408  
Bismarck, ND 58505-0480

**Re: PU-10-120- Hess Corporation - Tioga Gas Plant, Inc. gas plant expansion.**

Dear Mr. Nitschke:

Please find enclosed the eleven copies of an updated Permit Checklist Table, a letter from the North Dakota Department of Health regarding the Phase II Environmental Assessment Report for Hydrocarbon Contamination, and a ND PES Notice of Coverage for Phase II of the project. Although additional permits will be obtained as required during the construction process, these are the final permits required before the commencement of the project.

If you have any questions please do not hesitate to call my office at your earliest convenience.

Sincerely,



John W. Morrison

cc Pat Fahn (Email)  
Bill Regan (Email)  
Scott Wright (Email)

**40 PU-10-120** Filed: 9/15/2010 Pages: 4  
**Updated permit checklist table, letter from the ND  
Dept. of Health, and a ND PES Notice of Coverage for  
Phase II**

Hess Corporation

John Morrison, Crowley Fleck PLLP

HESS Corporation - Tioga Gas Plant Expansion Permit Checklist Table PU-10-120				
Agency	Permit	Application Date	Approval Date	Comments
<b>Federal Aviation Administration</b>				
FAA	Emergency Flare	6-3-10	7-21-10	Authorizes work on flare
	Emergency Flare Crane	6-25-10	7-22-10	Authorizes work on flare
	Request Date Extension	Est. Dec. 2010	Est. Dec. 2010	Extends authorization past 2010.
	Remaining Structures	Est. Dec 2010	Est. Feb 2011	Authorizes work on remaining emission sources.
	Construction Crane	Est. Dec. 2010	Est. Feb. 2011	Authorizes work on remaining emission sources.
<b>North Dakota Department of Health</b>				
Air Quality Division	Emergency Flares – Permit to Construct	7-1-10	8-5-10	No permit needed for flare construction.
	Remaining Sources – Permit to Construct	Est. Dec. 2010	Est. Feb. 2011	Permits not needed until construction on units begin.
	Title V Operating Permit Amendment	Est. 2013	Est. 2013	Permit needed within 12 months after Plant start-up.
Ground Water Protection Program	Environmental Assessment Report for Hydrocarbon Contamination	8-27-10	9-9-10	Approval to implement hydrocarbon monitoring plan, need before earth work.
Stormwater Program	Construction Stormwater Phase I	8-17-10	8-23-10	Approval for earth disturbance in flare prep work area, referred to as Phase I.
	Construction Stormwater Phase II	Est. 9-2-10	9-8-10	Approval for earth disturbance on remaining project area, referred to as Phase II.
	Industrial Stormwater	Est. 2011	Est. 2012	Needed prior to beginning Plant operation.
<b>Williams County</b>				
Planning and Zoning Department	Amend Zoning Classification	3-10-10	4-12-10	Changed land use from Agricultural to Industrial.
Building Department	Building Permit	N/A	--	No permits required by Williams County, no occupied structures.
Highway Department	Road Permit	Est. Oct. 2010	Est. Nov. 2010	Need prior to mobilizing heavy equipment.
<b>City of Tioga</b>				
City Auditor	Building Permit	N/A	--	Outside City Jurisdictional Boundary, no city permit needed.

Yellow highlighted text denotes change from previous version of the table.



September 9, 2010

Mr. Mike Melius  
Hess Corporation  
3520 North Broadway  
Minot, ND 58703

Re: Phase II Environmental Assessment Report, Tioga Gas Plant, Tioga, ND

Dear Mr. Melius:

I have reviewed the above report submitted by AECOM and received on August 30, 2010. The report documents the assessment of a subsurface plume of condensate material trending to the southeast from the current flare stack on the eastern edge of the gas plant.

Near the flare stack, the plume begins approximately 10 feet below surface and then trends deeper to the southeast. The topography of the property also dips to the southeast, so that in elevation the plume becomes even deeper. By both institutional knowledge and forensic chemical analysis the plume is on the order of 20 years old. By most measures, the plume should have largely, naturally attenuated by this time. The fact that it has not indicates that while natural attenuation may be active, it is much slower than expected. However, from the age, depth and extent of the contaminant plume, we do not believe there is significant risk to public health or the environment at this time. With the acquisition of the property to the east of the flare stack, the plume is wholly within Hess Corporation property, and so long as it is not allowed to migrate off the property, the department will require no further remedial activities so long as Hess actively operates the Tioga Gas Plant.

Due to the imminent construction activities in the plume area, monitoring wells currently in place will be properly abandoned in the near future. After construction is completed, we understand that Hess Corporation will install a new monitoring well network to keep track of the plume and make sure that it does not migrate off Hess property. This is acceptable to the North Dakota Department of Health, Division of Water Quality.

Please submit a work plan for approval as soon as construction activities allow, for the replacement of the groundwater monitoring network. If you have any questions, please contact me at 701.328.5236.

Sincerely,

Kris D. Roberts  
Environmental Geologist  
Division of Water Quality

xc: Daryl Beck, AECOM, St. Paul, MN



September 8, 2010

North Dakota Pollutant Discharge Elimination System (NDPDES)  
General Permit for Stormwater Discharges from Construction Activity  
NOTICE OF COVERAGE

Permittee(s)

Owner/Operator     Scott Wright  
Contact:             Hess Corporation  
                             500 Dallas St  
                             Houston, TX 77002

Coverage under the 2009 reissued construction general permit (NDR10-0000) is identified as follows:

Permit ID:             Site Name:  
**NDR103458**             **Tioga Gas Plant Expansion Project - Phase II**

Please remember to update the Stormwater Pollution Prevention (SWPP) plan as appropriate for site conditions. The best management practices (BMPs) and temporary structures must be inspected, maintained and adjusted until the site is stabilized following construction activities. Once the site is stabilized as outlined in the general permit, you may end permit coverage by filing a termination notice. Cities or counties may impose additional requirements and/or specific BMPs for construction affecting their storm drainage system. Please check with the local officials to be sure all local stormwater management considerations are addressed.

Additional Information

The permit conditions, forms and related information may be found on our web site at:

[www.ndhealth.gov/wq/Storm/Construction/ConstructionHome.htm](http://www.ndhealth.gov/wq/Storm/Construction/ConstructionHome.htm)

Should you have any questions on the permit, please contact a stormwater staff person listed below.

Dallas Grossman  
Division of Water Quality  
701.328.5242  
[dgrossma@nd.gov](mailto:dgrossma@nd.gov)