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June 9, 2010

PUBLIC SERVICE COMMISSION

VIA HAND DELIVERY

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

RE: Quintana Capital Group GP, LTD.

Dear Mr. Nitschke:

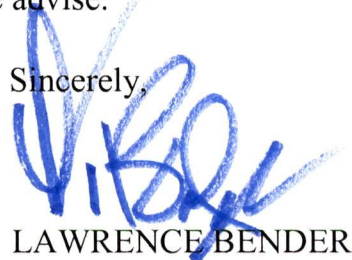
Please find enclosed herewith for filing an original and ten copies of the following:

1. Letter of Intent.

Also enclosed herewith is a disk containing the same in PDF format.

Should you have any questions, please advise.

Sincerely,



LAWRENCE BENDER

LB/kf
Enclosure

cc: Mr. Steve Griesser – (w/enc.) *Via Email*
Mr. William K. Robertson – (w/enc.)

Attorneys & Advisors
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PU-10-218
Letter of Intent

Filed: 6/10/2010

Pages: 5

Quintana Capital Group GP, LTD

Lawrence Bender, Fredrikson&Byron, P.A.

June 9, 2010

HAND DELIVERED

Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 East Boulevard Avenue
Dept. 408
Bismarck, ND 58505-4080

**RE: QUINTANA CAPITAL GROUP GP, LTD.'S
LETTER OF INTENT TO CONSTRUCT A
10-, 12- AND 16-INCH STEEL CRUDE OIL
PIPELINE SYSTEM TO BE LOCATED IN
MOUNTRAIL, MCKENZIE, WILLIAMS,
BILLINGS, STARK, AND GOLDEN
VALLEY COUNTIES, NORTH DAKOTA,
AND REQUEST FOR WAIVER OF ONE-
YEAR NOTICE PERIOD**

Dear Mr. Nitschke:

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, Quintana Capital Group GP, Ltd. ("Quintana"), hereby submits this letter of intent to construct a crude oil pipeline system consisting of approximately 165 miles of 10- and 12-inch steel crude oil pipeline extending from multiple receipt points in McKenzie, Mountrail, and Williams Counties, North Dakota, to Watford City, North Dakota, and approximately 139 miles of 16-inch steel crude oil pipeline extending from Watford City, North Dakota, to an interconnect with the Keystone XL Pipeline System in Fallon County, Montana.

Quintana requests at this time that the North Dakota Public Service Commission ("Commission") waive or modify the requirement that a Letter of Intent be filed one year before filing an application.

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1. Description of Pipeline and area to be served.

On March 3, 2010, Montana Governor Brian Schweitzer and North Dakota Governor John Hoeven, along with approximately fifty oil producers and related stakeholders, including Quintana, met with TransCanada Corporation (“TransCanada”) in Billings, Montana, to discuss the possibility of constructing an “on-ramp” for the Keystone XL Pipeline, a crude oil pipeline project currently under development by TransCanada. An “on-ramp” located in Montana would maintain and potentially accelerate the development of the Bakken/Three Forks play in Montana and North Dakota.

Quintana is proposing to construct such an “on-ramp” to the Keystone XL Pipeline. More specifically, Quintana is proposing to construct pipeline facilities consisting of a header system that collects crude oil from existing truck stations and gathering systems, as well as at least one proposed gathering system, located in Mountrail, McKenzie, and Williams Counties, and a trunkline to transport such collected crude oil to an interconnection with the Keystone XL Pipeline System in Fallon County, Montana. The header portion of the pipeline system will consist of approximately 110 miles of 10-inch and approximately 55 miles of 12-inch steel line for the transportation of crude oil originating from at least six receipt points, four points northeast of Watford City and two points northwest of Watford City. The header system will deliver crude oil to a main trunkline originating at Watford City. The trunkline will consist of approximately 145 miles of 16-inch steel line traversing McKenzie, Billings, Stark, and Golden Valley Counties, North Dakota, and will transport the crude oil collected from Watford City to an interconnect with the Keystone XL Pipeline System in Fallon County, Montana. The proposed trunkline is designed to initially carry up to 100,000 barrels of oil per day, with expansion capability of up to 120,000 barrels of oil per day. The system design contemplates significant storage at the connection to the Keystone Pipeline System to allow for batch deliveries. The crude oil will ultimately be delivered to major marketing and trading points in Cushing, Oklahoma or Nederland, Texas. The pipeline will allow for other possible interconnects with crude oil pipelines in the Baker, Montana, area and locations along the pipeline route in North Dakota.

In addition to addressing anticipated pipeline constraints, installation of these pipeline facilities will allow Quintana to provide a large number of producers in western North Dakota and eastern Montana with a needed alternative means of transporting crude oil.

2. Map of Pipeline Route.

A map of the study area for the proposed pipeline project is attached as Exhibit “A”.

Mr. Darrell Nitschke
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3. Estimated Cost of Construction and Schedule.

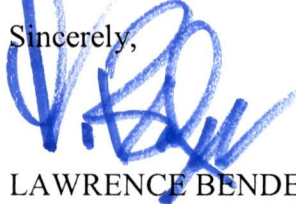
Quintana estimates that the total cost of constructing the pipeline will be approximately two hundred and fifty million dollars (\$250,000,000). Quintana anticipates that construction will commence on or before June 2011. Construction should last approximately twenty-two months and be completed on or before March 2013.

4. Request for Waiver of One-Year Notice Period.

To allow timely construction of this pipeline, Quintana hereby requests the Commission waive the requirement of filing a Letter of Intent at least one year prior to filing the application for a corridor certificate and route permit. It is requested that the Commission reduce this period so that an application can be filed in approximately four months.

If you have questions regarding this request or need additional information, please advise.

Sincerely,



LAWRENCE BENDER

LB/me
Enclosure

cc: Steven J. Griesser
William K. Robertson

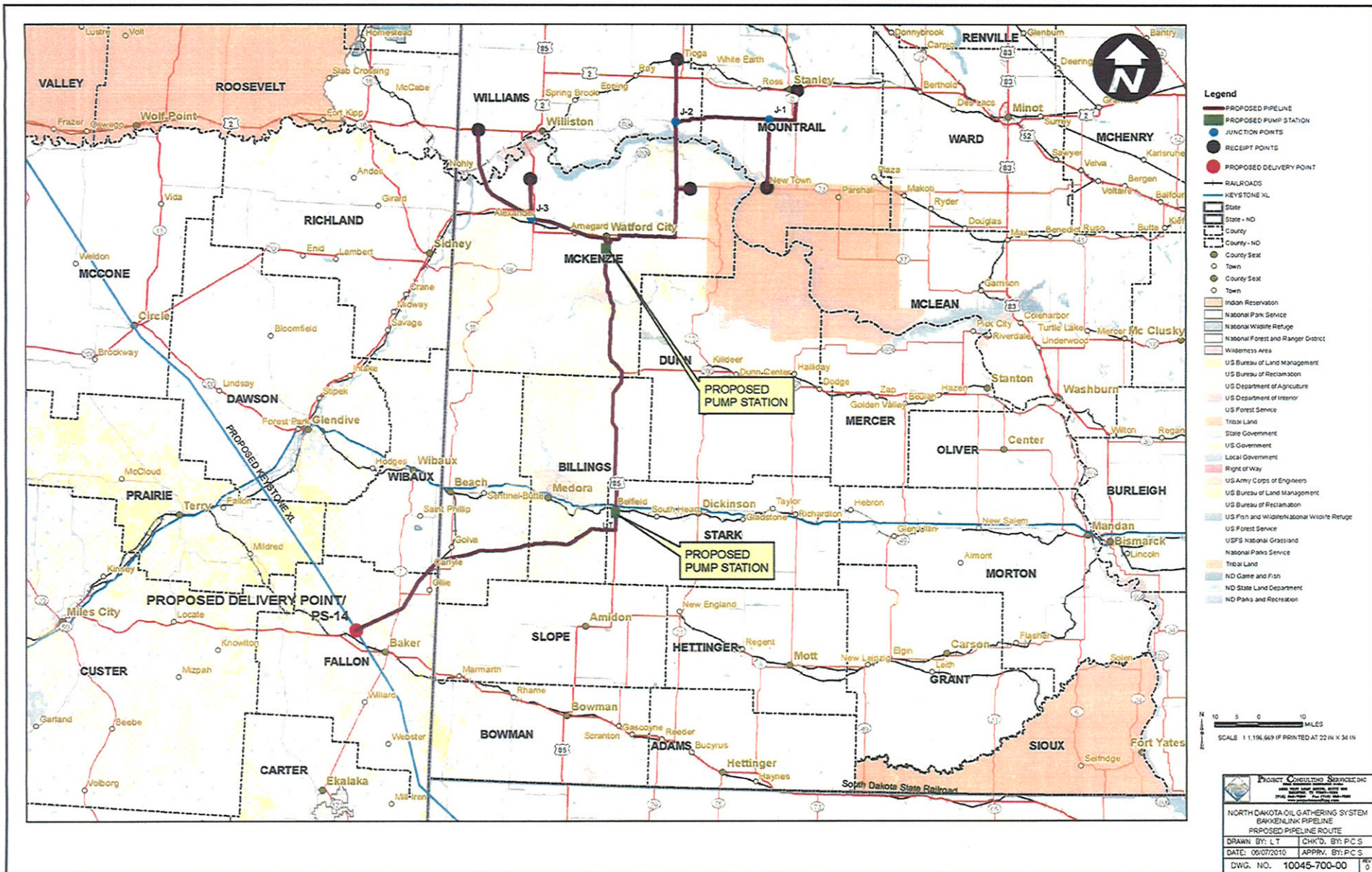


EXHIBIT A