

July 23, 2012

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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: BAKKENLINK PIPELINE, LLC
8- and 12-INCH CRUDE OIL PIPELINE
– CASE NUMBER PU-10-218**

Dear Mr. Nitschke:

On February 29, 2012, the North Dakota Public Service Commission (“Commission”) issued its Order granting BakkenLink Pipeline, LLC (“BakkenLink”) a Certificate of Corridor Compatibility and Route Permit for an 8-inch and 12-inch steel crude oil pipeline in Billings, Stark, McKenzie, and Williams Counties, North Dakota (“Project”). BakkenLink hereby requests that the Commission approve a modification to the route and corridor approved for the Project. Bakkenlink also requests the Commission modify its Order to allow BakkenLink to begin construction immediately on portions of the Project not requiring federal review or approval. In support of its request, BakkenLink submits herewith the Affidavit of Jame L. Todd and supporting exhibits, which provide detailed information regarding the proposed route and corridor modification. BakkenLink also submits herewith an Application for Waiver or Reduction of Procedures and Time Schedules. BakkenLink respectfully requests that the Commission make a determination regarding the requested modifications as soon as possible.

Enclosed are ten (10) copies of this letter and the above-noted Affidavit and Application, as well as a CD containing the enclosed documents in electronic format. If you have any questions or need any additional information, please let me know.

Sincerely,

LAWRENCE BENDER

LB/jrr
Enclosures

cc: Mr. Patrick Fahn (w/encel. via e-mail) Fredrikson & Byron, P.A.
main 701.221.4020 200 North T
fax 701.221.4040 Bismarck, N
www.fredlaw.com 58501-3879

78 **PU-10-218** Filed: 7/24/2012 Pages: 166

Application for waiver or reduction of procedures and time schedules with exhibits, Affidavit of Jame L. Todd, class II and III cultural BakkenLink Pipeline, LLC

Mr. Darren Snow (*w/ encl. - via e-mail*)
Mr. Rich Voss (*w/ encl. - via e-mail*)
Mr. Steve Griesser (*w/ encl. - via e-mail*)
Mr. Jame L. Todd (*w/ encl. - via e-mail*)

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

BakkenLink Pipeline LLC
Crude Oil Pipeline — Williams to Billings County
Siting Application

CASE NO. PU-10-218

Application of Bakkenlink Pipeline LLC, for Waiver or Reduction of
Procedures and Time Schedules

In connection with its request for an amended Certificate of Corridor Compatibility and amended Route Permit for approximately 132 miles of 8-inch and 12-inch steel crude oil pipeline extending from Beaver Lodge, North Dakota to a crude oil rail loading facility located near Fryburg, North Dakota (“Rail Facility”), being developed by another entity, BakkenLink Pipeline LLC (“BakkenLink”) submits to the North Dakota Public Service Commission (“Commission”) this application for a waiver or reduction of procedures and time schedules set forth in North Dakota Century Code Chapter 49-22 (“Siting Act”) and North Dakota Administrative Code Article 69-06 (“Siting Rules”). In accordance with Section 49-22-07.2 of the North Dakota Century Code and Chapter 69-06-06 of the North Dakota Administrative Code, BakkenLink requests that the Commission waive or reduce the following requirements:

1. The requirements of Sections 49-22-08 and 49-22-08.1 of the North Dakota Century Code insofar as these sections may require the separate filing of applications for an amended Certificate of Corridor Compatibility and an amended Route Permit, and insofar as they require separate publication of notices of filing said applications.
2. The requirements of Sections 49-22-07.2, 49-22-08, 49-22-08.1 and 49-22-13 of the North Dakota Century Code and Chapter 69-06-01-02 of the North Dakota

Administrative Code insofar as these sections may require that the Commission hold a public hearing on a waiver request, the application for an amended Certificate of Corridor Compatibility, and/or the application for an amended Route Permit. Instead, Bakkenlink requests that the Commission issue a notice of opportunity for hearing and publish it in the official newspapers of Billings, McKenzie, Stark, and Williams Counties, North Dakota. Furthermore, if either an informal or formal hearing is required, BakkenLink requests that the Commission hold a single consolidated hearing on its waiver requests and its consolidated application for an amended Certificate of Corridor Compatibility and amended Route Permit.

Consistent with the Commission’s Energy and Transmission Facility Siting Guidelines (“Guidelines”), Bakkenlink provides the following information in support of its requests for waiver and reduction of procedures and time schedule:

A. Description of Proposed Project.

1. Type: The Project is a crude oil pipeline system consisting of approximately 132 miles of 8-inch and 12-inch steel crude oil pipeline extending from multiple receipt points in Billings, McKenzie, Stark, and Williams Counties, North Dakota, to an interconnection with a crude oil Rail Facility at Fryburg, North Dakota. The trunk-line will have bi-directional capability, and will be able to transport crude oil to and from the Rail Facility and Beaver Lodge. BakkenLink is developing and intends to construct, own, and operate the Project.

2. Product: The Project, as modified, will still transport light, sweet crude oil produced in portions of Billings, McKenzie, Stark, and Williams Counties, North Dakota.

3. Size and Design: The size and design of the Project, as modified, will remain the

same as approved in the Commission's Order, excepting the following changes in length of pipeline:

- Approximately 127 miles of 12-inch steel pipeline.
- Approximately 1 miles of 12-inch steel lateral from the Arrow Midstream Receipt Point
- Approximately 0.1 miles of 12-inch steel lateral from the Dunn Receipt Point.
- Approximately 4 miles of 8-inch steel lateral from the Belfield Receipt Point.

4. **Location:** The Project, as modified, will be approximately 132 miles long and will still originate in Beaver Lodge, North Dakota and terminate at a crude oil rail loading facility located near Fryburg, North Dakota. Maps depicting the original and proposed modified Project corridor and route are attached to the Affidavit of Jame L. Todd, submitted herewith, as **Exhibit A.**

5. **Geographical Service Area:** As noted above, the Project will provide North Dakota Bakken oil producers in portions of Billings, McKenzie, Stark, and Williams Counties, North Dakota, with access to a number of potentially attractive markets across the United States.

6. **Time Schedule:** Bakkenlink anticipates receiving necessary pre-construction permits and approvals, acquiring the necessary right of way ("ROW"), and finalizing other agreements no later than August 15, 2012. The anticipated in-service date for the Arrow to Belfield portion of the Project is December 31, 2012. The anticipated in-service date for the Beaver Lodge to Arrow portion of the Project is December 31, 2013.

7. **Future Plans:** In the future, additional receipt points may be developed, as well as outlet connections with third party pipelines, including potentially the Enbridge North Dakota pipeline system, the Tesoro High Plains Pipeline system, the Bridger pipeline system, and if it is

approved and moves to construction, the Keystone XL Pipeline system.

B. Need for Facility.

The Project will address anticipated regional pipeline and outlet constraints as development of the Bakken continues. With the initial outlets via the Rail Facility and Beaver Lodge, BakkenLink will provide a number of producers in western North Dakota with a much needed alternative means of transporting their crude oil. Bakken producers will be able to access new markets via the Rail Facility. Additionally, the strategic position of the Project will encourage the development of pipeline gathering laterals and receipt points and outlet connections with third party pipelines.

C. Cost.

The corridor and route modifications will increase the total Project costs from approximately \$126,460,000 to approximately \$139,000,000.

D. Waiver Request.

Waivers of time schedules and procedures are needed to prevent potentially significant delays in implementing an additional means of transporting Bakken crude oil from the Williston Basin. Construction of this Project will benefit landowners, municipalities, and citizens of North Dakota by significantly reducing traffic congestion and impacts on road infrastructure caused by truck transportation. It will also benefit oil producers and mineral owners by alleviating dependence upon existing pipeline capacity, which is currently constrained, and by providing access to new markets for Bakken crude oil products. Without the waivers of time schedules and procedures requested, BakkenLink will be unable to provide a needed means of transporting crude oil to new markets in a timely manner, which will limit the ability of those producers to market their crude oil and will delay the reduction of truck traffic and its associated impacts.

Section 49-22-07.2 of the North Dakota Century Code provides that the Commission may waive procedures and time schedules upon a finding that “the proposed facility is of such length, design, location, or purpose that it will produce minimal adverse effects.” Granting the waivers requested is appropriate because the Commission has already issued a Certificate of Corridor Compatibility and Route Permit for the Project; thus, it has been determined that the Project will produce minimal adverse effects.

Further, the documentation of environmental and cultural resource studies and analyses conducted for the proposed corridor and route modifications—which was included in the application for Certificate of Corridor Compatibility and Route Permit and request for amended Certificate of Corridor Compatibility and amended Route Permit—demonstrates that there will be minimal adverse effects due to the modifications, and that the proposed modifications comply with the exclusion and avoidance area criteria set forth in Section 69-06-08-02 of the North Dakota Administrative Code. It is important to note that the overall miles of pipeline will not change with the approval of the proposed route and corridor modification. Although the main pipeline length is increased, the Dunn Lateral line has been eliminated in the proposed modified route and corridor. In fact, due to the elimination of the Dunn Lateral, any adverse effects are lessened. There were four cultural sites along the Dunn Lateral line that would have been impacted by Project construction. The modified route and corridor eliminate the earlier approved Dunn Lateral and therefore the potential impact on those four cultural resources is eliminated. As such, the requested modifications also comply with the requirements of Section 69-06-05-02(2) of the North Dakota Administrative Code.

For the reasons set forth above, BakkenLink respectfully requests that the Commission grant the requested waivers and render an expeditious decision.

hereto as **Exhibit A**.

5. That the Order states the Certificate of Corridor Compatibility and Route Permit are conditioned upon BakkenLink obtaining the North Dakota State Historical Preservation Society's final concurrence, which is contingent upon federal review.

6. That BakkenLink further requests the Commission amend the Order to allow BakkenLink to begin construction immediately on portions of the Project not requiring further federal review or approval.

7. That BakkenLink is requesting the proposed route and corridor modifications for two primary reasons. First, in finalizing easement negotiations with landowners, BakkenLink made several modifications to the proposed pipeline placement in order to accommodate landowner requests. Second, the original alignment near Watford City became impractical due to the large amount of rapid development that is taking place in the area. This required BakkenLink to identify an alternative route around Watford City to place the pipeline further from development activities.

8. That the owners of the property to be crossed by the modified route have approved the proposed modification and have executed easement agreements in favor of BakkenLink. At the time of filing, BakkenLink has secured all but 12 easements. All easements necessary for the Watford City re-route have been secured. The remaining easements are in various stages of negotiations with the expectation that all easements will be secured by August 15, 2012.

9. That a Class II and Class III cultural resources inventory has been completed for the proposed modified route and corridor. Copies of the Addendum to the cultural resources inventory report, which covers the proposed route and corridor modifications, and a letter from


the North Dakota State Historic Preservation Office, dated July 5, 2012, concurring with the report's findings, are attached hereto as **Exhibit B**.

10. That botany, wetland, and wildlife surveys have been completed for the proposed route and corridor modifications. A letter report prepared by Carlson McCain is attached hereto as **Exhibit C**.

11. That no avoidance or exclusion areas, as set forth in Sections 69-06-08-02(1) and (2) of the North Dakota Administrative Code, will be crossed by the proposed route modification. See **Exhibit C**.

12. That no selection criteria, as set forth in Section 69-06-08-02(3) of the North Dakota Administrative Code, will be negatively impacted by the proposed route modification. See **Exhibit C**.

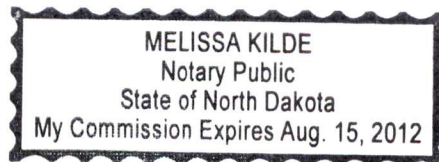
FURTHER AFFIANT SAYETH NOT.


James L. Todd

Subscribed and sworn to before me
this 23rd day of July, 2012.


Notary Public

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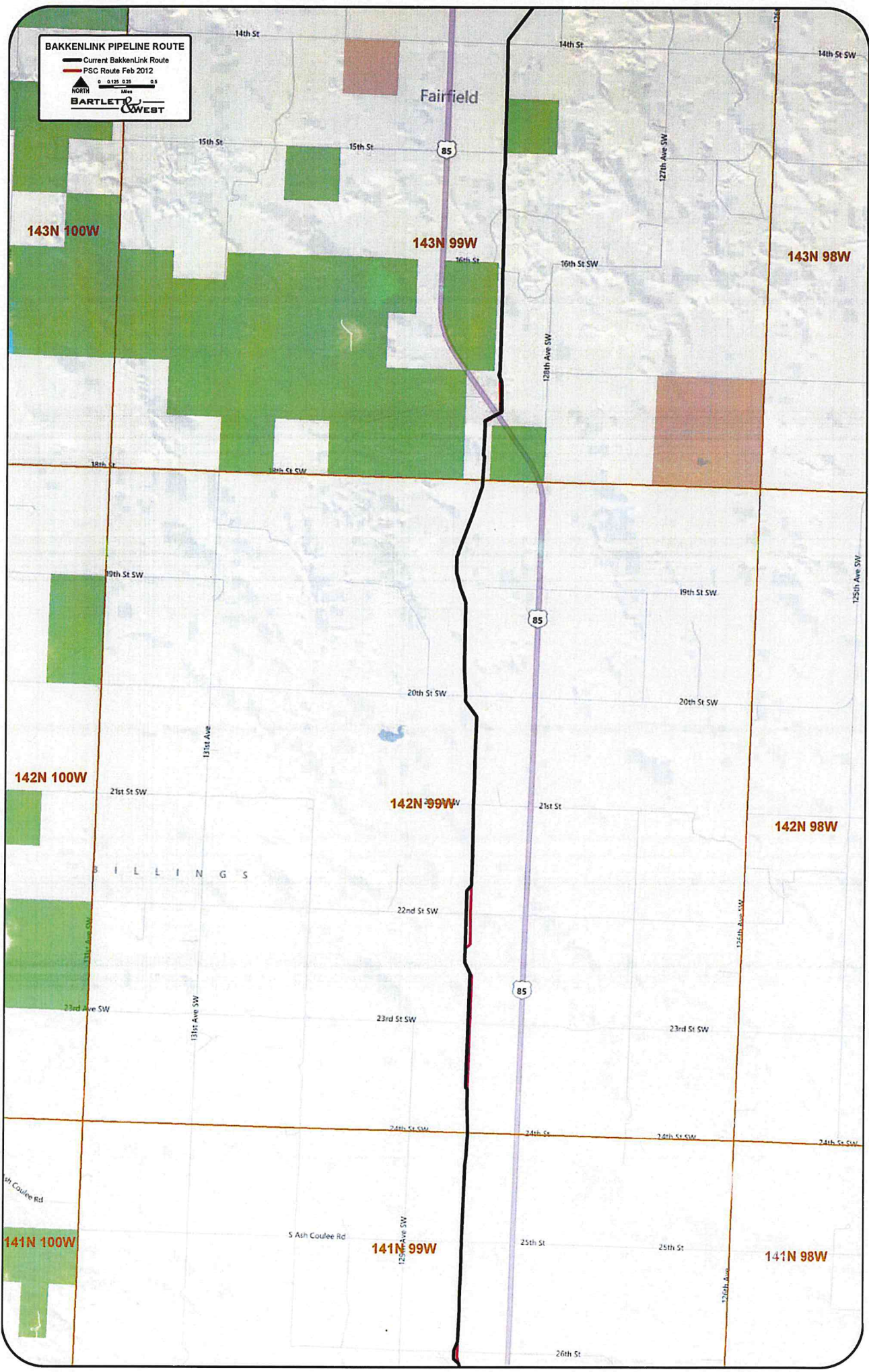


BAKKENLINK PIPELINE ROUTE

- Current BakkenLink Route
- PSC Route Feb 2012

0 0.125 0.25 0.5 Miles

BARTLET & WEST



143N 100W

143N 99W

143N 98W

142N 100W

142N 99W

142N 98W

141N 100W

141N 99W

141N 98W

BAKKENLINK PIPELINE ROUTE
 ● Current BakkenLink Route
 ● PSC Route Feb 2012

0 0.125 0.25 0.5
 Miles

NORTH
BARTLEY & WEST

145N 99W

145N 98W

145N 97W

Dunn

5th St SW

Highway 200

85

7th St NW

125th Ave

123rd Ave SW

144N 99W

144N 98W

Upper Maggie Rd

10th St

10th St

10th St

11th St

11th St

125th Ave SW

85

143N 99W

143N 98W

14th St

14th St SW

Fairfield

SW

126th Ave SW

124th Ave SW

S P E C I A L I N G S

BAKKENLINK PIPELINE ROUTE

— Current BakkenLink Route
 — PSC Route Feb 2012

0 0.125 0.25 0.5
 Miles

BARTLET & WEST

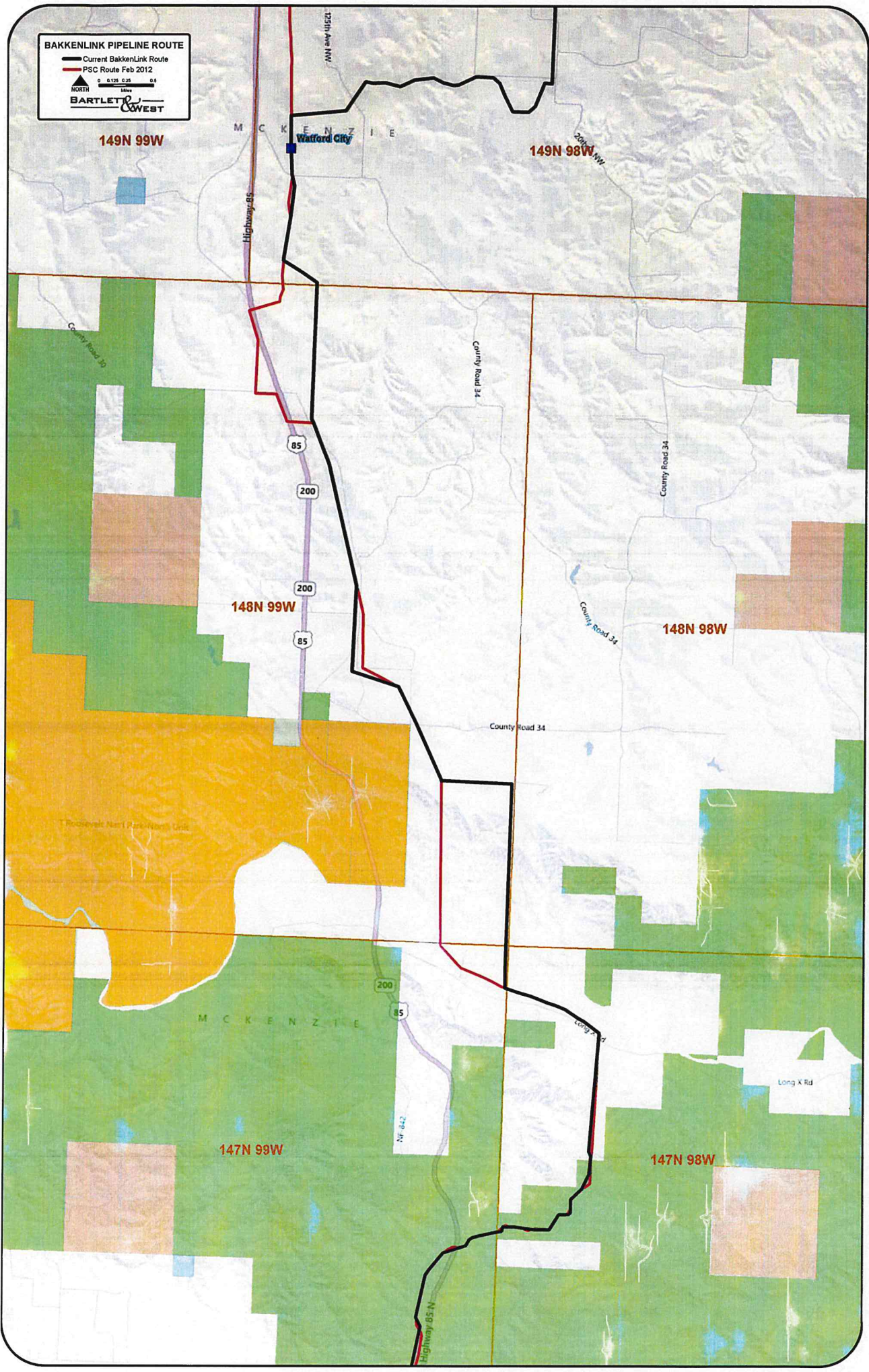


BAKKENLINK PIPELINE ROUTE

- Current BakkenLink Route
- PSC Route Feb 2012

0 0.125 0.25 0.5
Miles

BARTLET & WEST



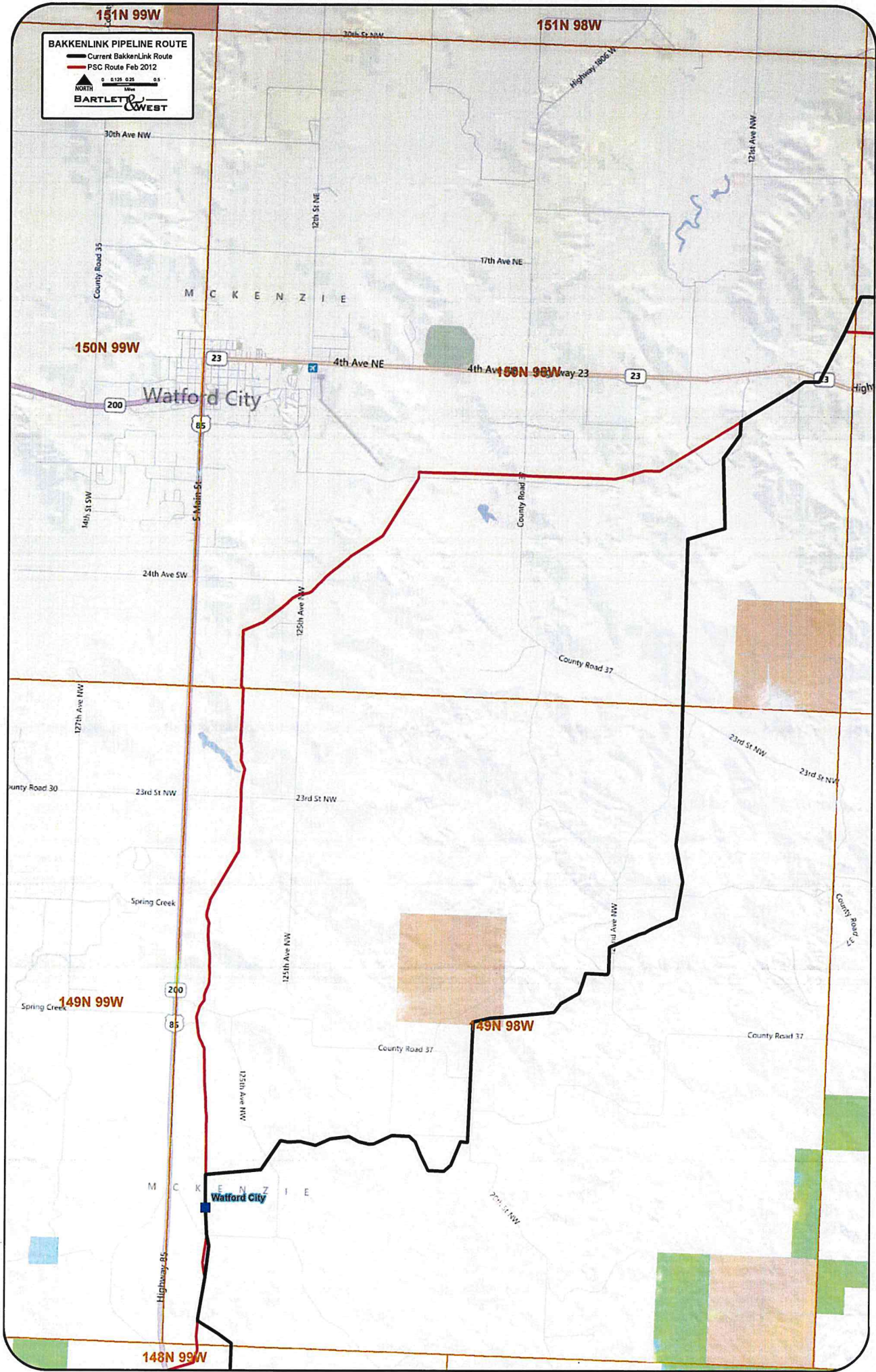
BAKKENLINK PIPELINE ROUTE

- Current BakkenLink Route
- PSC Route Feb 2012



0 0.125 0.25 0.5
1 Mile


NORTH

BARTLET & WEST

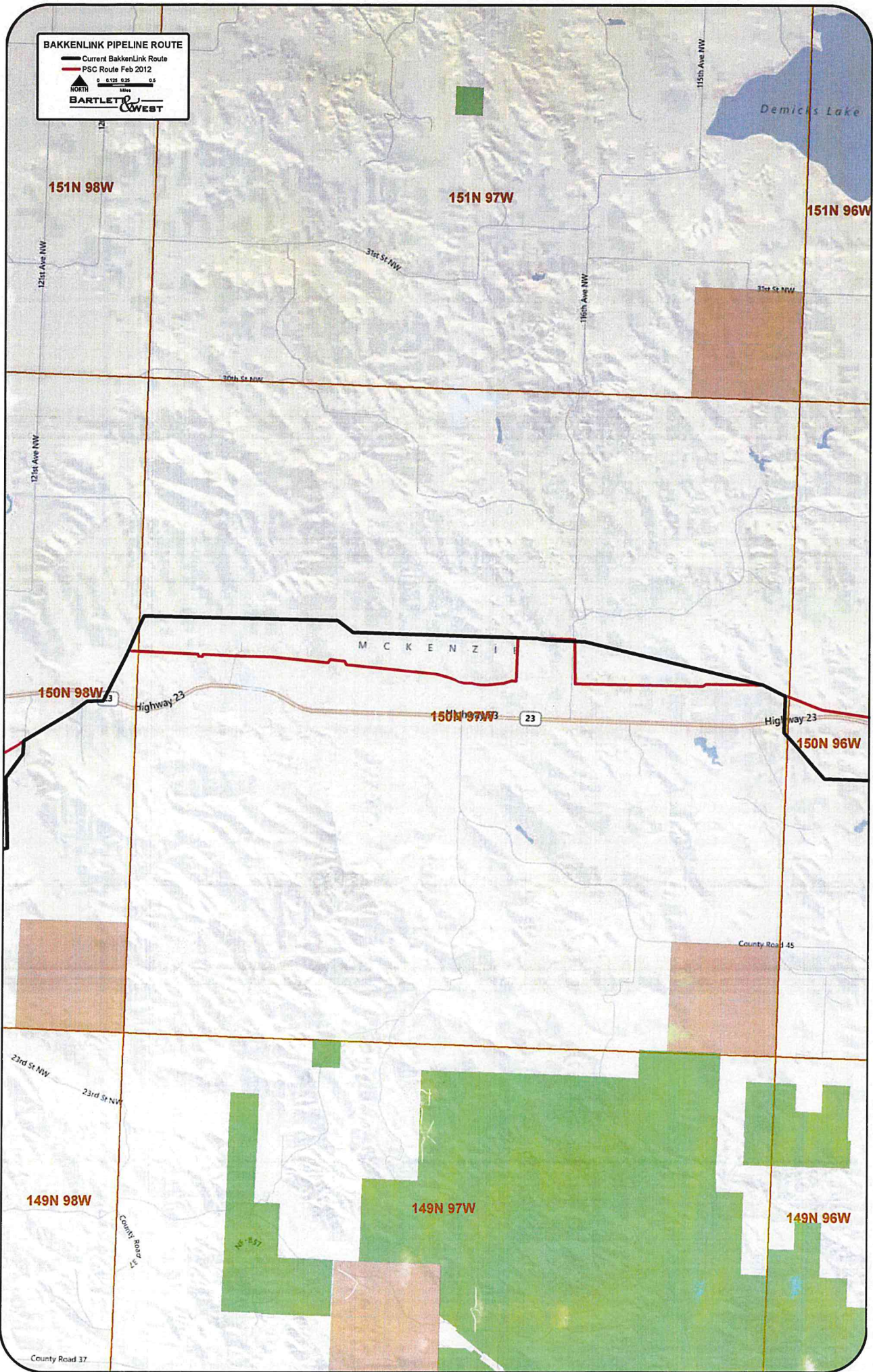


BAKKENLINK PIPELINE ROUTE

 Current BakkenLink Route
 PSC Route Feb 2012

 NORTH
 0 0.125 0.25 0.5 Miles

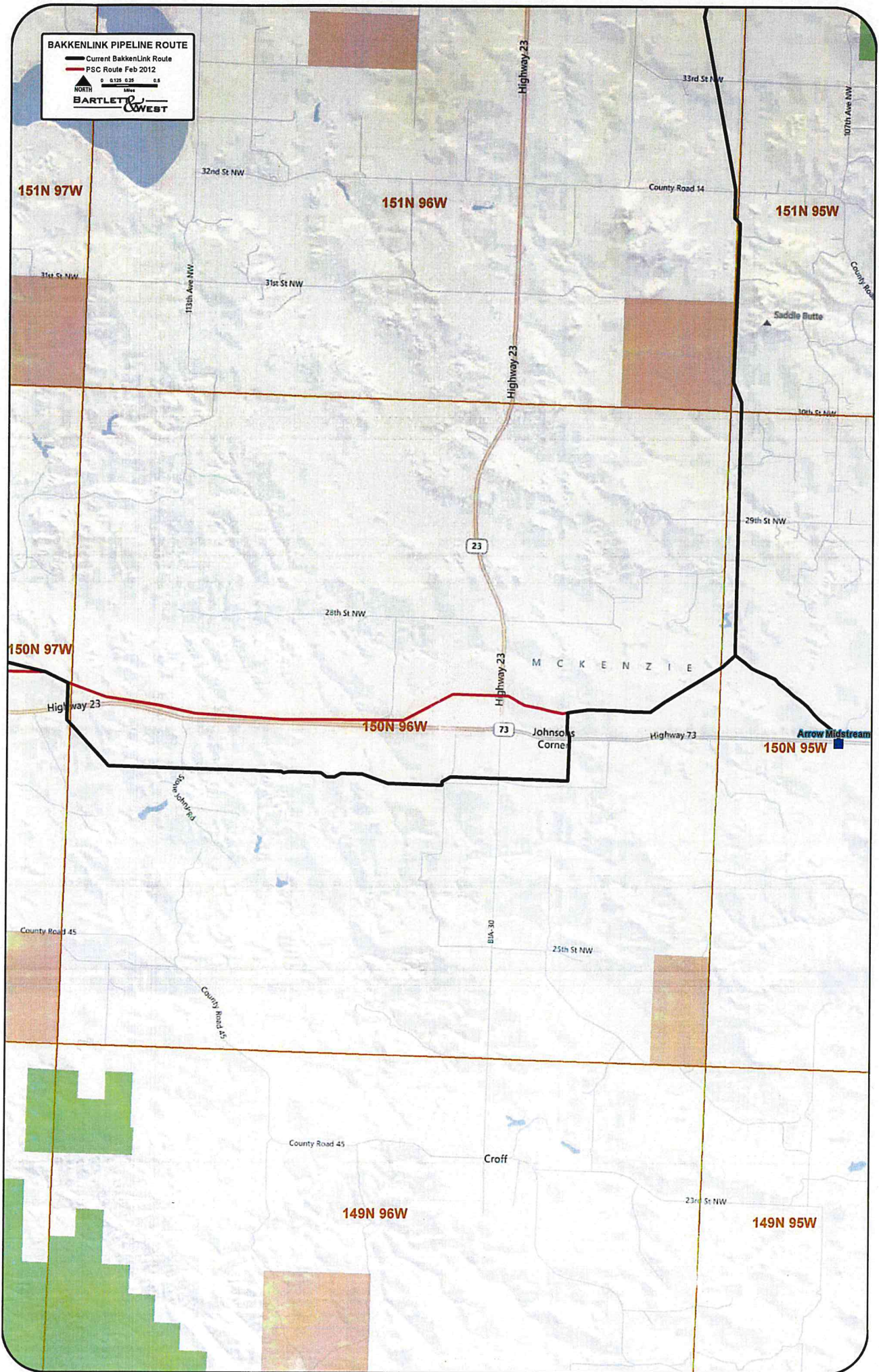
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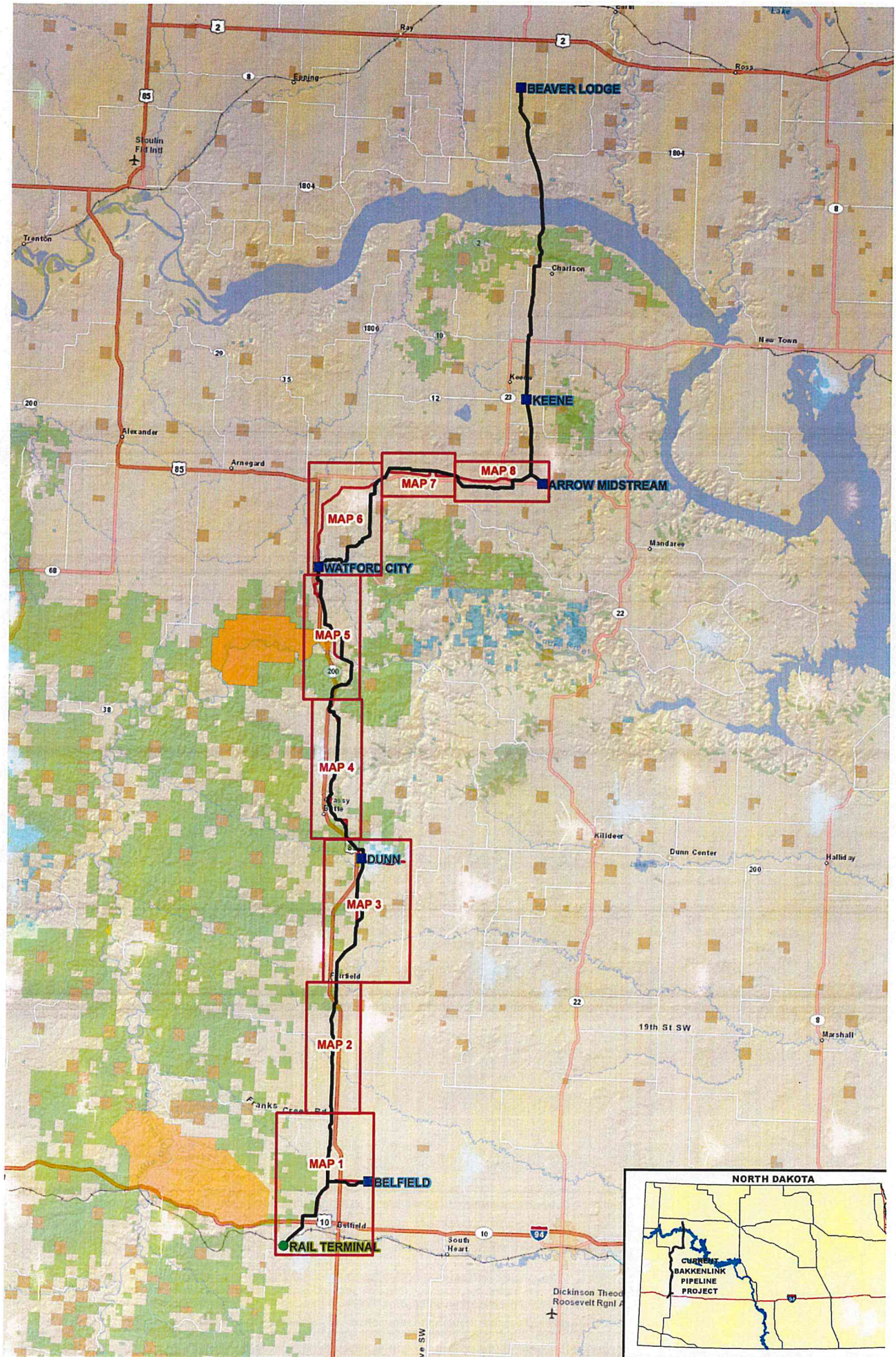


BAKKENLINK PIPELINE ROUTE

 Current BakkenLink Route
 PSC Route Feb 2012

 NORTH
 0 0.125 0.25 0.5 Miles
 BARTLETT & WEST





**BAKKENLINK PIPELINE PROJECT
WESTERN NORTH DAKOTA**

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Pipeline LI



**STATE
HISTORICAL
SOCIETY
OF NORTH DAKOTA**

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BISMARCK

Jack Dalrymple
Governor of North Dakota

July 5, 2012

**North Dakota
State Historical Board**

Gereld Gerntholz
Valley City - President

Calvin Grinnell
*New Town - Vice
President*

A. Ruric Todd III
Jamestown - Secretary

Albert I. Berger
Grand Forks

Diane K. Larson
Bismarck

Chester E. Nelson, Jr.
Bismarck

Margaret Puetz
Bismarck

Sara Otte Coleman
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Tourism Division*

Kelly Schmidt
State Treasurer

Alvin A. Jaeger
Secretary of State

Mark Zimmerman
*Director
Parks and Recreation
Department*

Francis Ziegler
*Director
Department of
Transportation*

Merlan E. Paaverud, Jr.
Director

*Accredited by the
American Association
of Museums since 1989*

Mr. Jame Todd, PE
Senior Project Manager
Bartlett & West Engineers, Inc.
Boyle Engineering Corporation
3456 East Century Avenue
PO Box 1077
Bismarck, North Dakota 58502-1077

**ND SHPO Ref: 11-0238c PSC/BLM BakkenLink Pipeline Reporting:
Class II/Class III CRI Addendum 1 Report**

Dear Jame:

We have received 11-0238c PSC/BLM Bakken Link Pipeline reporting documentation: "Addendum 1 To: BakkenLink Pipeline: A Class II and Class III Cultural Resources Inventory in Billings, Stark, Dunn, McKenzie and Williams County, North Dakota," by Andrea Kulevsky (MAC, June 2012) and find reporting acceptable with project review on-going. Compliance with lead federal agency (i.e., BLM) regulations and attendant federal agency review, comment, recommendations, and permitting also is a contingent condition that applies in this case, and that action awaits agency determination of project effect and SHPO concurrence on findings.

Thank you for the opportunity to review this project. Please include the ND SHPO reference number listed above in future correspondence for this specific project. If you have any questions, please contact either Paul Picha at (701) 328-3574 or ppicha@nd.gov or Susan Quinnell at (701) 328-3576 or squinnell@nd.gov

Sincerely,

Merlan E. Paaverud, Jr.
State Historic Preservation Officer (North Dakota)
and
Director, State Historical Society of North Dakota

c: Patrick Fahn, North Dakota Public Service Commission
c: Justin Peters, BLM-Dickinson
c: Kimball M. Banks, Metcalf Archaeological Consultants